

Licensing Work Group

Sept. 22, 2021

# INCREASING EQUITY IN CANNABIS AND THE COMMUNITY

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# POTENTIAL POLICIES FOR RESPONSIBLE SOCIAL USE OF CANNABIS

## BAILEY HIRSCHBURG (HE/HIM)

- ▶ South Sound volunteer organizer for Initiative 502 in 2012
- ▶ Board member of the Washington chapter of the National Organization for the Reform of Marijuana Laws (WA NORML):
  - ▶ Registered lobbyist for cannabis consumers in 2017 & '18 legislative sessions
  - ▶ Consumer representative on WSLCB's Cannabis Advisory Council since 2017
- ▶ Citizen Observer covering WA cannabis policy at [Cannabis.Observer](#) since 2018
- ▶ Author of social use legislation, House Bill 1945, "Concerning sales and sampling of marijuana," in 2019
- ▶ Long time cannabis tourist

## QUESTIONS I'LL COVER:

- ▶ What are cannabis lounges and how do they differ from cannabis events? What does “responsible use” of cannabis mean?
- ▶ What are other states with legal cannabis doing with regards to social use?
- ▶ What needs to change in state law to permit lounges/events?
- ▶ What are the benefits/challenges in advocating for legislative changes on this topic?
- ▶ How might this policy have a positive impact on social equity in the market and communities?

## TYPE OF SOCIAL USE POLICIES -

- ▶ Clubs/Lounges - Fixed locations for adults to consume cannabis and socialize, on-site sales or other activities optional.
- ▶ Producer Sampling - Like a winery/brewery, a producer is permitted an on-site consumer tasting or sampling area , typically for their own cannabis products.
- ▶ Temporary Event Permitting - A banquet, trade show, farmer's market, "cannabis cup," or other limited-duration event allowing social use at a venue not normally permitted.
- ▶ Special Licensing - Temporary/limited licensing involving cannabis.
  - ▶ Day spas/Bed & Breakfast packages with a single serving of a cannabis product.
  - ▶ Alcohol tasting classes for persons 18 and older in a community, technical college, regional or state university. Permits for alcohol service in the capitol.
- ▶ Public consumption - Allowing adults to consume cannabis in public areas, usually where smoking tobacco is already permissible.

## “Principles for responsible cannabis use” -

<https://norml.org/principles>

- ▶ Adults Only - Providing cannabis to healthy children is irresponsible.
- ▶ No Driving - Responsible consumers don't operate a motor vehicle or other dangerous machinery while impaired by cannabis or any other substance or condition.
- ▶ Set and Setting - Responsible consumers carefully consider set and setting. “Set” refers to their values, attitudes, experience and personality; “setting” means their physical and social circumstances.
- ▶ Resist Abuse - Use of cannabis that impairs health, personal development or achievement, is abuse, and should be resisted by responsible consumers.
- ▶ Respect Rights of Others - Responsible consumers do not violate the rights of others, they observe accepted standards of courtesy and public propriety, and respect preferences of those wishing to avoid cannabis entirely.

## SOCIAL USE AND EQUITY IN OTHER STATES -

- ▶ Colorado legalized “hospitality areas” and has permitted private clubs
  - ▶ Denver’s Social Equity program reserved hospitality licenses for equity applicants until 2027.
- ▶ New York legalized “consumption sites” and public use
  - ▶ Social equity applicants will get licensing priority once applications are available.
  - ▶ State Clean Indoor Air Act amended to allow cannabis smoking/vaping in areas tobacco use is permitted, consumption areas allowed at 2021 State Fair.
- ▶ Oregon allows promotional events, including “competition cups”
  - ▶ Social use events are permitted at some businesses “*subject to Oregon’s Clean Air Act and venue approval*”



## SOCIAL USE AND EQUITY IN OTHER STATES - CONT'D

- ▶ California has legalized lounges, event organizer licensing, and temporary events.
  - ▶ Several jurisdictions around the state have approved cannabis retail/non-retail consumption lounges.
- ▶ Michigan has licensed event organizers and temporary events, and is developing rules for “designated consumption area” licensing.
- ▶ Nevada legalized a process to create cannabis lounges in 2021.
  - ▶ Las Vegas offers the “world’s largest dispensary” and has opened retail stores in the tourist-heavy Fremont Street Experience. In 2019, the city passed an ordinance to allow social use venues once they became legal in the state.



## SOCIAL USE AND EQUITY IN OTHER COUNTRIES -

- ▶ The Netherlands (in)famous coffeeshops and tolerance policy
  - ▶ Coffee shops range from retail only, to restaurants or clubs, many on-site consumption areas closed due to COVID
  - ▶ Amsterdam began limiting cannabis retail to Dutch residents as part of a plan to address over-tourism in 2021
- ▶ British Columbia, Canada has local governments calling for consumption venues
  - ▶ The Bulldog Hotel in the Okanagan Valley is a ski resort with cabins catering to cannabis tourists, no retail sales offered
- ▶ Paiute Tribal Nation, Nevada's first cannabis lounge
  - ▶ Allowed under guidance from the U.S. Justice Dept
  - ▶ NuWu Cannabis Marketplace mixes cannabis with club VIP packages





## WHAT HAS TO CHANGE IN STATE LAW TO PERMIT ANY LOUNGES/EVENTS -

- ▶ Modify RCW 69.50.465 - *Penalties for maintaining a “marijuana club”* if recommending any social cannabis policies
  - ▶ Defined as *“a club, association, or other business, for profit or otherwise, that conducts or maintains a premises for the primary or incidental purpose of providing a location where members or other persons may keep or consume marijuana”*
  - ▶ ID’d by WSLCB staff as prohibiting any special licenses/permits
- ▶ Modify RCW 69.50.445 - *Opening/consuming cannabis product in public*

## WHAT COULD CHANGE FOR SPECIFIC ACTIVITIES

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- ▶ Modify relevant portions of RCW 69.50 for employees/licenseses to be permitted consumption/tasting areas.
- ▶ Modify RCW 70.160 & 70.345 - Smoking/Vaping in Public Places (WA Clean Indoor Air Act) if recommending combusted (smoked) cannabis or vapor products be permitted in a business or public spaces
  - ▶ Hookah/cigar lounges not exempt under current law
- ▶ Modify WSLCB Rules if recommending changes for special permits/licensing/other activities
- ▶ CANNOT MODIFY: Local bans, moratoriums, or zoning of county/city ordinances

## BENEFITS/CHALLENGES IN ADVOCATING FOR LEGISLATIVE CHANGES -

- ▶ HB 1945 (2019) would have established Retail Lounges, Producer/Processor Tasting and Direct Sales, and Special Permits/Licensing
  - ▶ Fees and compliance costs, limited sale amounts, required ventilation & signage
  - ▶ Responsible Use efforts - No alcohol/tobacco consumption on site, designated driver support, right to refuse service, and non-cannabis options on any menu
  - ▶ Fiscal note failed to estimate application/permit fees, but showed estimated state costs for implementation
- ▶ Stakeholders to engage early on social use: Existing licensees, local leaders, and cannabis prevention advocates. Not a choice of whether there are social use areas/events but choice of how safe they are.
  - ▶ Speaking to not-in-my-back-yard (NIMBY) and politically partisan concerns even if you don't change minds
- ▶ Social use is no guarantee of cannabis business success.

## IMPACT ON SOCIAL EQUITY IN THE CANNABIS MARKET AND COMMUNITIES

- ▶ Disproportionate application of public consumption citations and monetary sanctions; “Legal for rich people.”
- ▶ A privilege only afforded to equity licensees allows them a unique advantage upon entering an established market.
- ▶ Responsible social use increases safety and quality of life in communities.
  - ▶ Discourage poly-drug use and problematic consumption in vehicles or near children.
- ▶ Promotes a responsible civic culture around cannabis while creating direct consumer engagement opportunities for area businesses.



THANK YOU  
FOR YOUR  
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ON AND  
GOOD LUCK!  
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