



**COMMUNITY
SERVICES DEPARTMENT**

Cannabis Consumption Lounges – BCC Direction to Staff September 20, 2022

Chad Giesinger, Planning Manager Planning and Building Program

cgiesinger@washoecounty.gov

775-328-3626



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To provide direction to staff on initiation of regulations to allow for cannabis consumption lounges in unincorporated Washoe County as provided in AB 341 (2021) and NRS 678B.

Background



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- Consumption Lounges have been a topic of debate since State legalization of medical and recreational cannabis
- Consumption of cannabis has only been allowed in private homes or on private property
- Dilemma for out of state visitors or for members of the public who are prohibited from consuming cannabis in their private residence
- During the 2021 legislative session, Assembly Bill (AB) 341 was passed to address consumption issues

Background



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- AB 341 authorized the licensure and regulation of cannabis consumption lounges; and,
- Directed the Cannabis Compliance Board (“CCB”) to adopt implementing regulations
- The CCB approved Nevada Cannabis Compliance Regulation (“NCCR”) 15 on June 28, 2022
- Local governments are not required to allow consumption lounges – local regulations can be more restrictive than CCB but not less

Requested Direction



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- Does the Board want to allow Cannabis Consumption Lounges?
- Allow only retail lounges that are attached to, on the same parcel as, or on an abutting parcel to an existing retail dispensary; OR,
- Also allow independent, stand-alone consumption lounges?
- Allow outdoor lounges or only indoor?
- Limit the number and location of consumption lounges (i.e. be more restrictive than State regulations)?

- The final regulations include requirements for (among other items):
 - The location of retail lounges;
 - Product procurement and storage methods;
 - Employee training and consumer education;
 - Product types and serving sizes;
 - Indoor air quality, ventilation standards, and consumption visibility;
 - Health standards for food preparation and service;
 - Incident reporting, impaired driving mitigation (NCCR 15.080), and sanitation;
 - The criteria for issuing licenses for independent consumption lounges.

Retail Consumption Lounges



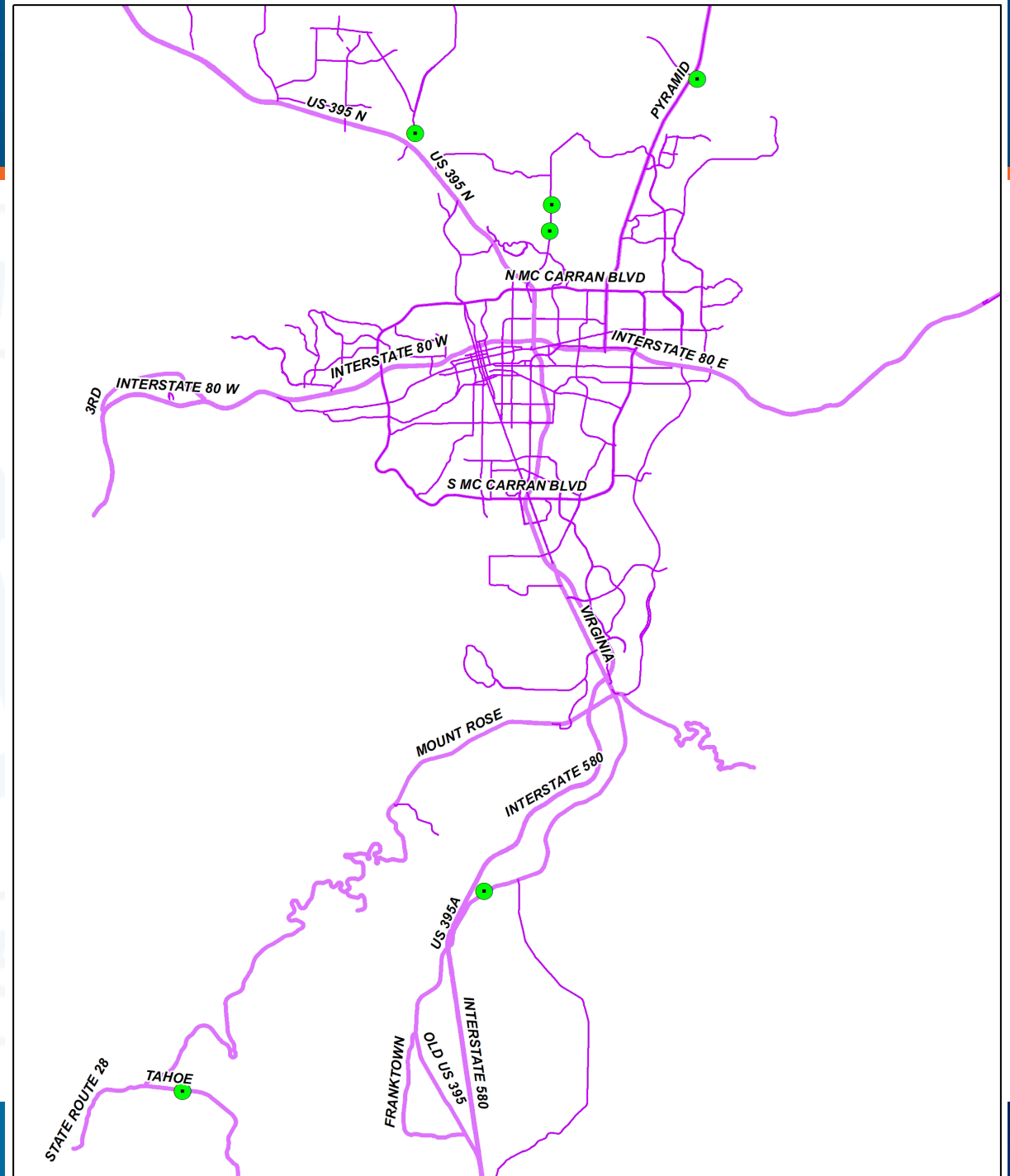
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- Must be affiliated with an existing licensed adult-use cannabis retail dispensary
- Existing license holder must therefore apply for and be the consumption lounge licensee.
- As a result, total # of lounges allowed is currently limited to # of existing retail dispensaries (6 currently exist)
- Must be materially attached to or immediately adjacent to the dispensary facility (adjacent meaning on the same parcel or on a property sharing a common property line)

Location of Existing Retail Dispensaries

6 Facilities Operating (max currently allowed by State in UIC)

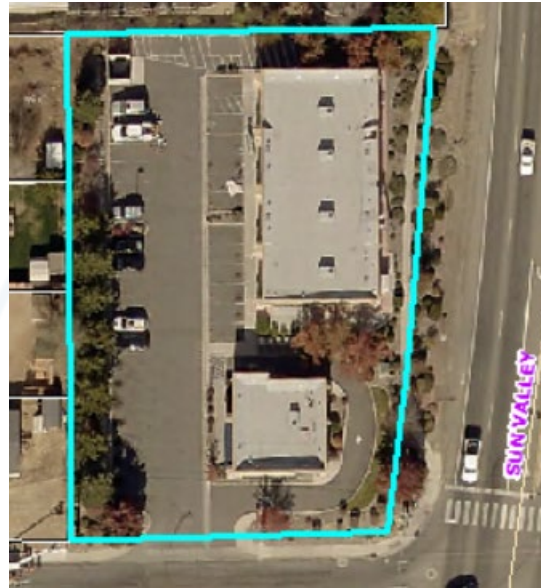
- 2 in Sun Valley
- 1 in Spanish Springs
- 1 in Lemmon Valley
- 1 in Washoe Valley
- 1 in Incline Village



Location of Existing Retail Dispensaries



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Independent Consumption Lounges



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- Are stand-alone facilities in a location not associated with an existing retail dispensary
- Limited to the number equal to the total number of retail lounges in the state; however,
- In the first application round the State will limit the # of independent lounge licenses issued to 20 total statewide
- The state will select qualified/vetted applicants via random number generator in this first application round
- 50% of the licenses must be awarded to “social equity” applicants

State / CCB Licensing Parameters



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- First round of licensing will open this fall (Oct. 14-27, 2022)
- 10-day application window – State will provide formal notice 30-days in advance
- The State will charge a one-time non-refundable application fee of \$100,000 for retail consumption lounges (independent is less)
- State license must be issued prior to local government issuing a license/approval

Existing Regulations



- WCC Chapters 25 (Business License) and 110 (Development Code)
- Chapter 25 is out of date in relation to recent legislative action – amendments will require a Business Impact Statement

Commercial Use Types (Section 110.304.25)	LDR	MDR	HDR	LDS/ LDS 2	MDS/ MDS 4	HDS	LDU	MDU	HDU	GC	NC	TC	I	PSP	PR	OS	GR	GRA
Marijuana Establishments																		
Marijuana Cultivation Facility	--	--	--	--	--	--	--	--	--	A	--	--	A	--	--	--	--	--
Marijuana Product Manufacturing Facility	--	--	--	--	--	--	--	--	--	A	--	--	A	--	--	--	--	--
Marijuana Testing Facility	--	--	--	--	--	--	--	--	--	A	--	--	A	--	--	--	--	--
Retail Marijuana Store/ Medical Dispensary	--	--	--	--	--	--	--	--	--	A	A	A	A	--	--	--	--	--
Marijuana Distributor	--	--	--	--	--	--	--	--	--	A	--	--	A	--	--	--	--	--

Thank you

QUESTIONS?



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