

# Regulation and Supply Chain Roundtable

## *Potential for Cannabis Cafes or Lounges*

### Overview

The flipside of considering distribution and retail for legalized cannabis is determining where adults can safely use. We're discussing this topic in depth with our Access and Public Health roundtable, but an important consideration for this roundtable is the possibility of cannabis cafes or lounges. These would be licensed venues that permit the usage of legal cannabis by adults on the premises. They may also sell legal cannabis products for use on-site.

We are still in the early stages of considering cannabis cafes or lounges, but the City of Edmonton has recently passed amendments to their land use bylaw that establish categories for cannabis-related businesses, including cafes or lounges. This is a proactive move by the City to prepare them for the possibility of venues that will allow open, legal use of cannabis. It does not necessarily signal a policy decision by the province to allow such businesses. However, we are aware this is an important topic that is receiving public attention, and would appreciate the perspective of the roundtable on this issue.

### Federal Framework

The decision to allow cannabis cafes or lounges is left up to the provinces and individual municipalities. While the federal Task Force report notes that 24 per cent of respondents to their online survey were in favour of sales being permitted through licensing for cafes and bars (with 56 per cent

favouring a mixed public/private system for sales with no cafes or lounges, and 19 per cent for tightly controlled public sales), they also make a brief mention on the potential need to create spaces for certain groups to legally use cannabis, such as tourists, renters and the homeless. Ultimately, the report takes no formal stance on cannabis cafes or lounges, but urges jurisdictions to prohibit co-consumption of alcohol if they choose to do so.

“...jurisdictions be able to permit dedicated places to consume cannabis such as cannabis lounges and tasting rooms if they wish to do so, with no federal prohibition. Safeguards to prevent the co-consumption with alcohol, prevent underage use, and protect health and safety should be implemented.”

*A Framework for the Legalization and Regulation of Cannabis in Canada, 41.*

### Provincial Role and Perspective

We do believe that consideration needs to be given to specific groups that may have limitations in where they can use cannabis. For example, those who do not have a private residence, renters who may be prohibited to use cannabis by landlord or management company, or tourists. We must also consider the experience of vulnerable populations, such as the homeless, who may be more likely to use openly in public. Tighter restrictions may

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pose challenges and contribute to broader social issues for these groups.

Formalized spaces such as cafes or lounges may be necessary to provide access to adults and to fully satisfy the intent of the federal legislation, but they could potentially provide other benefits. Cafes or lounges provide a frontline opportunity for educating consumers, as well as an opportunity to mitigate the risks of impairment and promotion of moderation through staff training. These spaces may also minimize the risk of co-consumption with alcohol and tobacco.

### Other Jurisdictions

Following Colorado's recreational legalization for adults in January 2014, the state approved an ordinance in November 2016 to allow cannabis cafes and lounges. The state is still working on the rules and regulations for these businesses, and expects to start accepting applications for them on August 31, 2017. However, the ordinance they passed noted that consumption will be barred in places that sell cannabis or alcohol.

Perhaps the most interesting case to examine is the Netherlands. The Netherlands have categorized cannabis as a "soft drug", and have developed a policy of tolerating drugs under this classification. While the sale of cannabis in such cafes remains a crime, local authorities do not prosecute this offense.

The sale of cannabis (hash and marijuana) in coffee shops is tolerated, provided that coffee shops keep to the prescribed rules or 'toleration criteria'.

Coffee shops:

- must not cause any nuisance;
- are not permitted to sell hard drugs;
- are not permitted to sell cannabis to minors;
- are not permitted to advertise drugs;
- are not permitted to sell large quantities (over 5 grams of cannabis) in a single transaction.

*Toleration policy regarding soft drugs and coffee shops, Government of the Netherlands*

Historically the smoking of cannabis has also been tolerated in these cafes, though the rules around this have been complicated by the introduction of a full public smoking ban for tobacco products in 2008. Still, consumption continues in these venues, though only for locals; tourists are not allowed to purchase or use cannabis in cafes.

### Potential Scenarios and Questions

Without posing specific scenarios for the creation of cannabis cafes or lounges, we're interested in understanding how Regulation and Supply Chain Roundtable members view the possibility of these types of businesses. Consider the potential lack of legal places to use for adults regarding public consumption options, as well as how cafes and lounges fit in with the broader scenarios presented in the Distribution and Retail Approaches backgrounder.

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## Additional Sources

[A Framework for the Legalization and Regulation of Cannabis in Canada](#), Government of Canada

[Toleration policy regarding soft drugs and coffee shops](#), Government of the Netherlands

[Amsterdam coffee shops – The smoking ban and other changes](#), Government of the Netherlands

[Private Marijuana Clubs Open And Public Use](#), Colorado State Legislature

## Closing

The Alberta Cannabis Secretariat would like to thank all participants of the Regulation and Supply Chain Roundtable for their thoughtful consideration of the complex issues around the legalization of marijuana in Alberta. The Secretariat will rely on the expertise and perspectives of the groups represented at the Roundtable to help make sound recommendations in the best interest of all Albertans. All discussion, questions and feedback on these topics is welcomed and encouraged. All organizations are encouraged to submit written responses, including supportive evidence of which your organization is aware.