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Board of County Commission meeting June 20, 2023

Seeking direction to staff on initiation of regulations to allow for cannabis consumption lounges in unincorporated Washoe County as provided in Assembly Bill 341 (2021). Discussion and possible direction may include but not be limited to whether the Board of County Commissioners (Board) wants to allow for cannabis consumption lounges, the process for applications for licensing or permitting, locations where lounges would be allowable, site requirements for lounges, and limitations on approval of lounges; and (2) If the Board wishes to allow cannabis consumption lounges in unincorporated Washoe County, initiate amendments to Washoe County Code (WCC) Chapter 25 (Business Licenses, Permits and Regulations) and Chapter 110 (Development Code) pursuant to WCC Sections 2.030 and 110.818.05 to create the necessary code language to facilitate the Board's policy direction regarding potential cannabis consumption lounges. The amendments may include, but are not limited to, the establishment of definitions, standards, location limitations, permitting requirements, and fees associated with cannabis consumption lounges, as well as the resolution of discrepancies that may arise within existing WCC chapters as a result of any new code language; and direct the County Clerk to submit the request to the District Attorney for preparation of the proposed ordinances in accordance with WCC 2.040

Dave Solaro, Assistant County Manager

dsolaro@washoecounty.gov



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Cannabis History in Washoe County



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- April 8, 2014 – Board adopted Ordinance 1527 authorizing land use authorization for medical marijuana establishments.
- July 25, 2017 – Board amended WCC Chapter 25 to include regulations on Temporary marijuana establishments.
- December 19, 2017 – Board initiated amendments to Washoe County Code for operation of marijuana establishments licensed by the state for medical and recreational use.
- April 20, 2018 – Ordinance 1616 became effective for operation of medical and recreational marijuana establishments licensed by the State of Nevada.

Cannabis History in Washoe County



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- October 11, 2022 – Board voted to initiate amendments to Washoe County Code to include Consumption Lounges as an approved use.
- December 6, 2022 – Washoe County Planning Commission heard the proposal for proposed amendments and ended with a tie vote which resulted in a technical denial of the amendments.
- January 17, 2023 – Board voted to uphold the Planning Commission’s technical denial of the proposed amendments on an appeal of the Planning Commission’s decision.

- Consumption Lounges have been a topic of debate since State legalization of medical and recreational cannabis
- Consumption of cannabis is only 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

Cannabis Consumption Lounge 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

AB 341 / CCB Regulations



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- The State 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



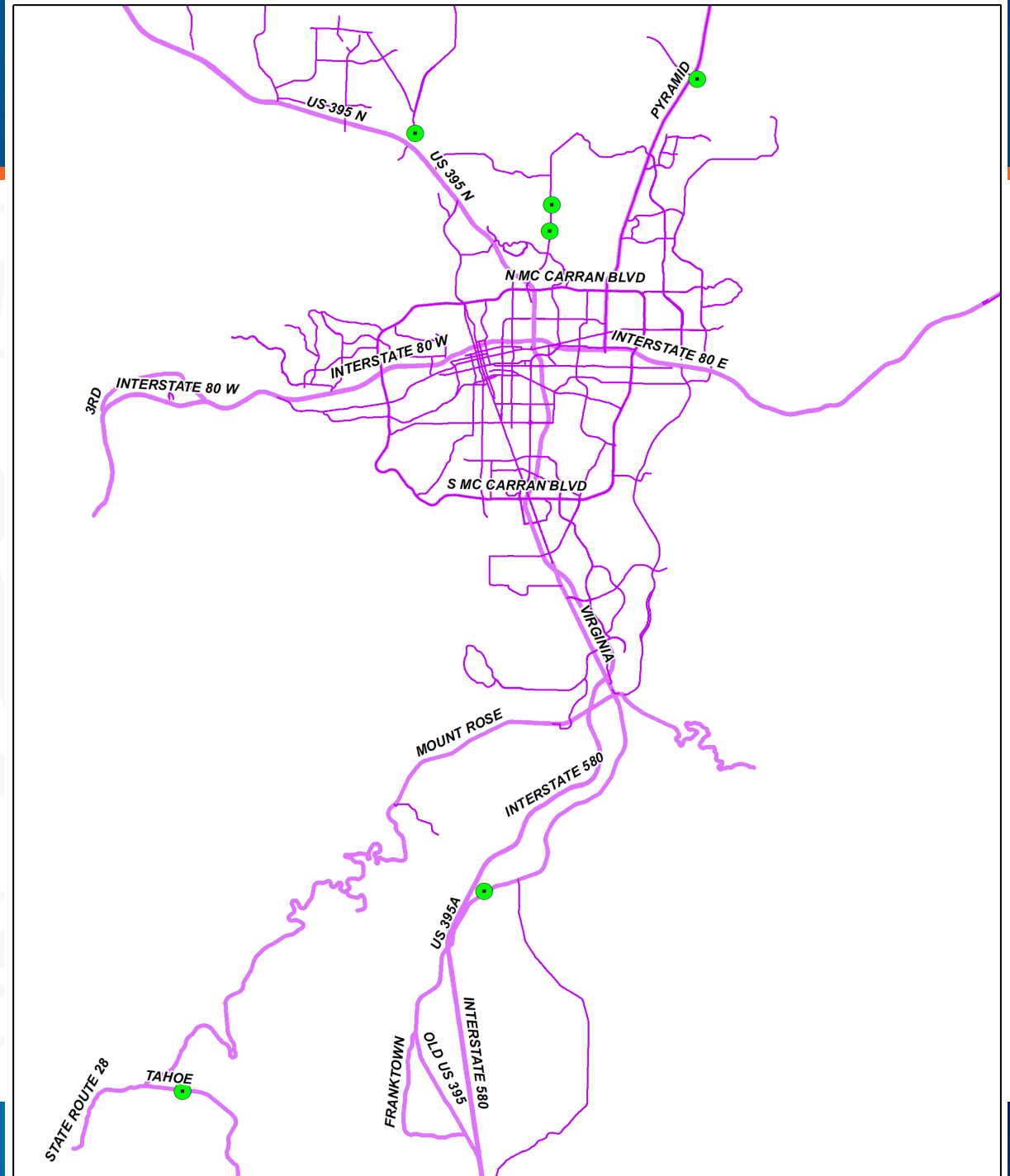
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- Must be affiliated with an existing licensed adult use cannabis retail/medical dispensary
- Existing license holder must therefore apply for and be the consumption lounge licensee
- Per NRS, total # of lounges allowed by jurisdiction is currently limited to # of existing retail dispensaries (6 currently exist in UIC) – also limited by # of applications received by CCB
- 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) – not across a street

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



Independent Consumption Lounges



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- 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 (and a given jurisdiction); however,
- In the first application round the State will limit the # of independent lounge licenses issued to 20 total statewide
- 50% of the licenses must be awarded to “social equity” applicants
- The state will select qualified/vetted applicants via random number generator and based on social equity score

State / CCB Licensing Parameters



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- First round of licensing opened October 14-27, 2022
- The CCB received a total of 99 applications statewide, most of which were for independent lounges
- On Nov. 30, 2022 the state selected applicants and awarded a total of 40 prospective licenses (20 independent and 20 retail)
- Only one retail lounge license was awarded in Washoe County
- All independent lounge licenses were awarded to southern NV

Question for Board



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- Does the Board of County Commissioners want to initiate amendments to Washoe County Code to allow Cannabis Consumption Lounges as an approved land use in Unincorporated Washoe County?

Question for Board



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- Does the Board of County Commissioners have any concerns with the proposed amendments as outlined?
- Does the Board of County Commissioners have any additional proposed direction for staff regarding regulations for Cannabis Consumption Lounges in Unincorporated Washoe County?

Existing Regulations



- WCC Chapters 25 (Business License) and 110 (Development Code)
- Chapter 25 contains existing operating and application regulations – will be updated to reflect recent legislative action

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	--	--	--	--	--

Proposed Amendments to Ch. 110



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- 110.302 (Allowed Uses): By adding new uses to Table 110.302.05.3 to allow retail and independent cannabis consumption lounges
- 110.304 (Use Classification System) by adding use definitions for retail and independent cannabis consumption lounges
- 110.410 (Parking and Loading) by adding parking standards to Table 110.410.10.3 for retail and independent cannabis consumption lounges; and,
- All matters necessarily connected therewith and pertaining thereto

Article 304.25 Commercial Use Type Definitions

- (6) Retail Cannabis Consumption Lounge. A retail cannabis consumption lounge, as defined by NRS 678A.237, means a business that:**
- (a) Is licensed by the Cannabis Compliance Board pursuant to [NRS 678B.250](#);**
 - (b) Is attached or immediately adjacent to an adult-use cannabis retail store; and**
 - (c) Allows single-use cannabis products or ready-to-consume cannabis products to be consumed on the premises of the business by persons 21 years of age or older.**
- (7) Retail Cannabis Consumption Lounge with Outdoor Area. A retail cannabis consumption lounge with outdoor area means a business that meets the same requirements of sub-section (6) above, but also has an approved outdoor consumption area meeting the requirements of the Washoe County Health District and WCC Chapter 25.**

Article 304.25 Commercial Use Type Definitions (Continued)

- (8) Independent Cannabis Consumption Lounge. An independent cannabis consumption lounge, as defined by NRS 678A.157, means a business that:**
- (a) Is licensed by the Cannabis Compliance Board pursuant to [NRS 678B.250](#);**
 - (b) Is not attached or immediately adjacent to an adult-use cannabis retail store; and**
 - (c) Allows single-use cannabis products or ready-to-consume cannabis products to be consumed on the premises of the business by persons 21 years of age or older.**
- (9) Independent Cannabis Consumption Lounge with Outdoor Area. An independent cannabis consumption lounge with outdoor area means a business that meets the same requirements of sub-section (8) above, but also has an approved outdoor consumption area meeting the requirements of the Washoe County Health District and WCC Chapter 25.**

Proposed Amendments to Ch. 110



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Article 410 (Parking and Loading) Commercial Uses Table 110.410.10.3

	Per 1,000 Square Feet Building Space	Per Employee During Peak Employment Shift	Other
Building Maintenance Services	2		
<u>Marijuana Cannabis</u> Establishments			
<u>Marijuana Cannabis</u> Cultivation Facility		1	
<u>Marijuana Cannabis</u> Production Manufacturing Facility		1	
<u>Marijuana Testing Facility</u> <u>Cannabis Independent Testing</u> <u>Laboratory</u>		1	
<u>Retail Marijuana Adult Use</u> <u>Cannabis Retail Store</u> /Medical Dispensary	5	1	
<u>Retail Cannabis Consumption</u> <u>Lounge</u>	5	1	<u>Conversion of existing square footage within the associated adult use cannabis retail store is exempt.</u>
<u>Retail Cannabis Consumption</u> <u>Lounge – with Outdoor Area</u>	5	1	<u>Conversion of existing square footage within the associated adult use cannabis retail store is exempt.</u>
<u>Independent Cannabis</u> <u>Consumption Lounge</u>	5	1	
<u>Independent Cannabis</u> <u>Consumption Lounge – with</u> <u>Outdoor Area</u>	5	1	

Proposed Amendments to Ch. 25



- Section 25.013 (Definitions): Adds a variety of new cannabis related definitions, to include defining retail and independent cannabis consumption lounges
- Incorporates changes in NRS regarding cannabis terminology and corrects NRS chapter references
- Section 25.700 through 25.792: Adds new or revised cannabis establishment use types, to include retail and independent cannabis consumption lounges (with or without option of outdoor lounge area)
- Any outdoor lounge area would be limited to cannabis products (ie. edible or infused), or vaping products – no smoking of flower
- Incorporates changes to NRS regarding licensing and regulation of cannabis establishments

Question for Board



- Does the Board of County Commissioners have any concerns with the proposed amendments as outlined?
- Does the Board of County Commissioners have any additional proposed direction for staff regarding regulations for Cannabis Consumption Lounges in Unincorporated Washoe County?



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Thank you.