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Cannabis Events & On-Site Consumption

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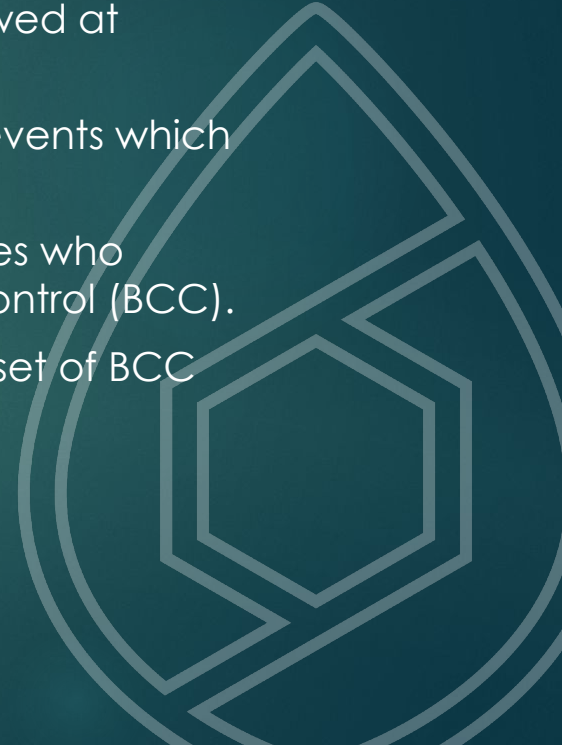
Today's Topics

- ▶ Overview of Cannabis Events
- ▶ Cannabis Events: Governing Law
- ▶ Event Organizers & Temporary Events
- ▶ Special Concerns for Cannabis Events
- ▶ Application Process
- ▶ Event Licensing Update
- ▶ On-Site Consumption: Governing Law
- ▶ Local Approaches to Consumption Areas
- ▶ Q & A



Overview: Cannabis Events

- ▶ Cannabis sales and consumption by adults (21+) are allowed at licensed cannabis events.
- ▶ California is the only state that currently allows cannabis events which include adults sales and consumption.
- ▶ In California, cannabis events and the people / companies who organize them are licensed by the Bureau of Cannabis Control (BCC).
- ▶ Cannabis event licensing is new as of 2018, when the first set of BCC Emergency Regulations went into effect.



Cannabis Events: Governing Laws & Regulations

- ▶ Not mentioned in MAUCRSA statutes.
- ▶ Licensed by the Bureau of Cannabis Control.
- ▶ Codified in the BCC's regulations at 16 C.C.R. §§ 5600 *et seq.*
 - ▶ Regulations address event sales, consumption, security, etc.
 - ▶ New for final regulations: Educational / Informational Cannabis Events



Cannabis Event Locations

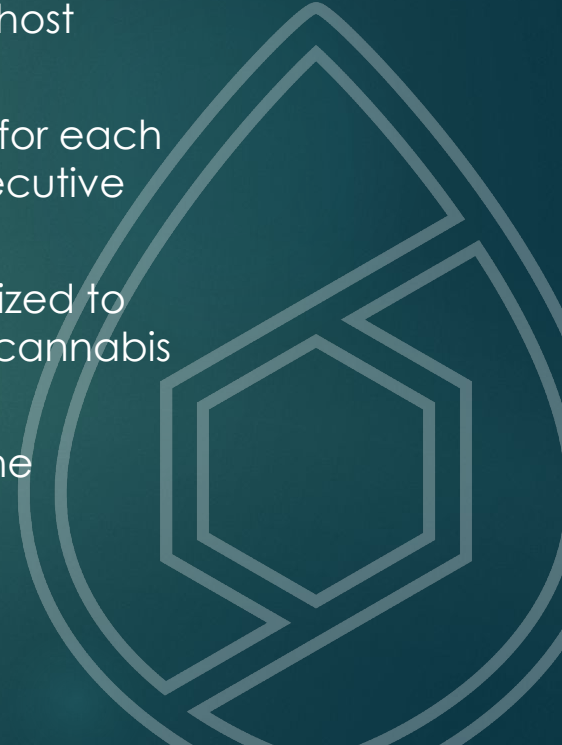
- ▶ Originally, cannabis events could only take place at a state fairground or a district agricultural association. However, in 2018, [Assembly Bill 2020](#) was passed, which resulted in licensed cannabis events being allowed at any venue that has been approved by a local jurisdiction. It became effective on January 1, 2019.
- ▶ Amended Section 26200 of the Business and Professions Code, which now reads in part:

“...This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair event, district agricultural association event, **or at another venue expressly approved by a local jurisdiction for the purpose of holding temporary events of this nature**, provided that the activities, at a minimum, comply with all the following...”

“...A state temporary event license **shall only be issued in local jurisdictions that authorize such events**...”

Cannabis Event Organizers v. Temporary Cannabis Events

- ▶ A cannabis Event Organizer license is required in order to host Temporary Cannabis Events.
- ▶ A separate Temporary Cannabis Event license is required for each event, and each event may last for no more than 4 consecutive days.
- ▶ Only licensed retailers (or licensed microbusinesses authorized to conduct retail sales) can sell cannabis goods at licensed cannabis events. Their BCC license must be prominently displayed.
- ▶ Alcohol and tobacco may not be sold or consumed on the premises of a temporary cannabis event.

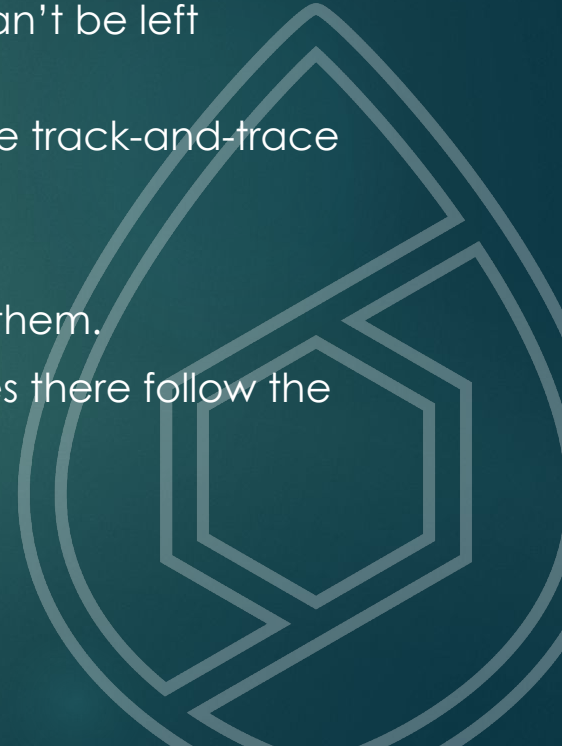


Cannabis Events Sales

- ▶ Only licensed retailers (or microbusinesses with a retail component) may sell cannabis goods at a licensed cannabis event. Delivery-only retailers may conduct sales at temporary cannabis events. Each retailer will be assigned a designated area to conduct their sales in.
- ▶ All cannabis goods must be transported to the event by one or more licensed distributors.
- ▶ The cannabis event organizer is responsible for checking all shipments brought in to the event to prevent prohibited items (such as alcohol, tobacco or weapons).
- ▶ Daily sales limits still apply.

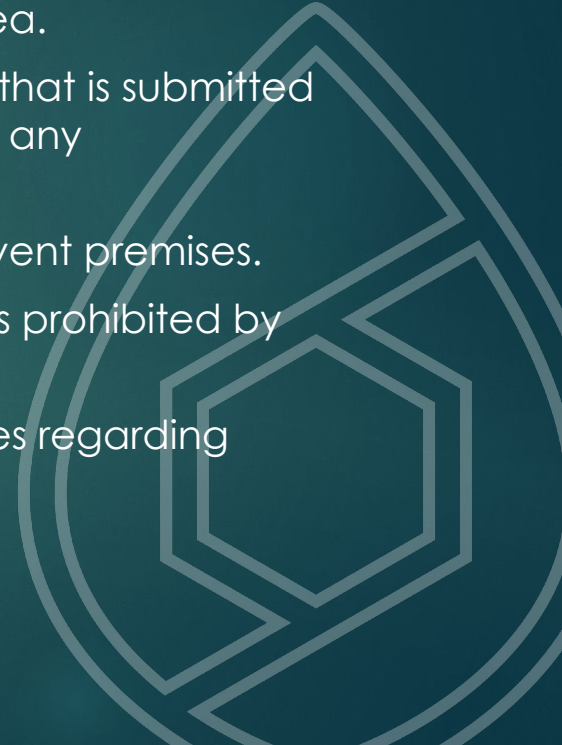
Cannabis Events Sales (continued)

- ▶ Cannabis goods must be stored in locked containers and can't be left unattended.
- ▶ Taxes still apply, and all transactions must be entered into the track-and-trace system.
- ▶ Packaging and labeling requirements still apply.
- ▶ Retailers must verify the age of a customer before selling to them.
- ▶ Event organizer is responsible for making sure all the licensees there follow the rules (big responsibility).



Consumption at Cannabis Events

- ▶ Nobody under the age of 21 can enter the consumption area.
- ▶ The consumption area must be designated on the diagram that is submitted to the BCC, and must be screened from the public's view or any non-age-restricted areas.
- ▶ Consumption of alcohol or tobacco is not allowed on the event premises.
- ▶ Smoking cannabis is not allowed anywhere where smoking is prohibited by law.
- ▶ The event organizer is responsible for making sure that all rules regarding onsite consumption of cannabis goods are followed.



Local Control over Cannabis Events

- ▶ As mentioned, cannabis events can only take place at locations where local approval has been granted.
- ▶ Currently, only a handful of jurisdictions across the state explicitly allow or prohibit cannabis events, while the vast majority have not yet addressed this emerging topic.
- ▶ Examples of jurisdictions allowing cannabis events:
 - ▶ City of Santa Rosa
 - ▶ City of Cloverdale
- ▶ Examples of jurisdictions prohibiting cannabis events:
 - ▶ Sonoma County



Special Concerns for Cannabis Events

- ▶ Proximity to schools and other sensitive uses
- ▶ Ensuring only adults 21+ enter gain access
- ▶ Blocking the public's view of the sales and consumption areas
- ▶ Tracking and tax collection
- ▶ Ensuring proper quality control
- ▶ Obeying smoking ordinances
- ▶ Prohibiting the sale and consumption of alcohol and tobacco on the premises
- ▶ Finding a local jurisdiction willing to allow cannabis events



Application Process: Cannabis Event Organizer

- ▶ Online or paper applications available from www.bcc.ca.gov
- ▶ Fees
 - ▶ Application Fees:
 - ▶ \$1,000
 - ▶ License Fees:
 - ▶ 0-5 events annually - \$3,000
 - ▶ 6-10 events annually - \$5,000
 - ▶ 11-20 events annually - \$9,000
 - ▶ 20+ events annually - \$20,000



Application Process: Temporary Cannabis Event

- ▶ Online or paper application available from www.bcc.ca.gov
- ▶ Fees
 - ▶ Application Fee:
 - ▶ \$1,000
 - ▶ License Fees:
 - ▶ N/A (only an application fee for the event itself)

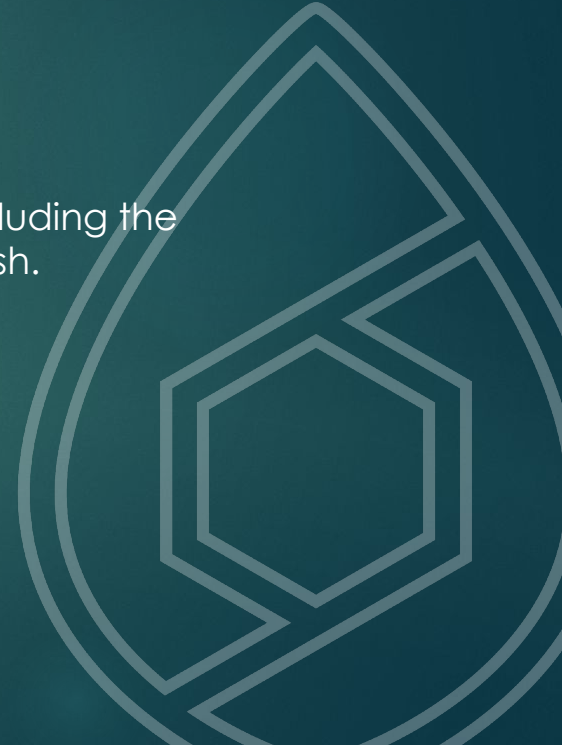


Cannabis Event Licenses by the Numbers*

* As of 1/7/19

- ▶ Event Organizers:
 - ▶ Approximately 100 licensed event organizers as of 1/7/19
- ▶ Temporary Cannabis Events:
 - ▶ Not listed online, but there have been a handful so far, including the Emerald Cup, the High Times Cannabis Cup, and Local Sesh.

https://bcc.ca.gov/clear/license_search.html



On-Site Consumption: Governing Laws

- ▶ Included in MAUCRSA at Business & Professions Code §26200(g):
 - ▶ “Notwithstanding paragraph (1) of subdivision (a) of Section 11362.3 of the Health and Safety Code, **a local jurisdiction may allow for the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness licensed under this division if all of the following are met:**
 - ▶ (1) Access to the area where cannabis consumption is allowed is restricted to persons 21 years of age or older.
 - ▶ (2) Cannabis consumption is not visible from any public place or nonage-restricted area.
 - ▶ (3) Sale or consumption of alcohol or tobacco is not allowed on the premises.”

On-Site Consumption: Governing Regulations

- ▶ Discussed in the BCC regulations at 16 C.C.R. §5025(f):
 - ▶ “Cannabis shall not be dispersed in the air throughout the premises or throughout a portion of the premises by an oil diffuser or any other vaporizing device that is intended to disperse the vapor throughout the premises or throughout a portion of the premises. ***This section shall not be interpreted to prohibit cannabis consumption on the premises of a licensed retailer or licensed microbusiness authorized to engage in retail sales that is conducted in accordance with Business and Professions Code section 26200(g).***”

Local Approaches to Consumption Areas

- ▶ San Francisco
- ▶ Oakland
- ▶ West Hollywood
- ▶ Santa Rosa
- ▶ Eureka
- ▶ Mendocino County



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Questions?

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