

MEMO

Determining the Risks of Adopting Cannabis Cafés Within Your Jurisdiction

To: Municipal Government Partners of LA County

From: LA County Substance Abuse Prevention and Control

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Proposition 64, the Adult Use of Marijuana Act (AUMA) legalized adult (21+) recreational cannabis and created a system for regulating recreational cannabis businesses, imposing taxes on recreational cannabis and changed the penalties associated with cannabis related crimes. Under Proposition 64, counties and municipalities could regulate recreational cannabis business, including requiring local licenses, restricting location, or banning businesses altogether.

On January 1, 2025, California Assembly Bill 1775 took effect. This bill allows cities and counties to permit licensed cannabis lounges to sell food and non-alcoholic drinks, and host live entertainment. It also removes the previous state-imposed restriction on preparing and selling any non-cannabis foods and drinks on-site in licensed cannabis dispensaries where cannabis consumption is allowed.

Public Health Risks

Consuming cannabis comes with many health risks, including impacts on mental health, cardiovascular health, respiratory health, brain development, memory, and cognitive function. Today's marijuana is stronger. Today's marijuana has more than 3 times the concentration of THC than marijuana from 25 years ago. More THC — the mind-altering chemical in marijuana — may lead to an increase in dependency and addiction.

- About 1 in 10 people who use cannabis may become addicted to it--developing Cannabis Use Disorder. This increases to 1 in 8 when use begins before the age of 18.

- Frequent cannabis use is linked to a higher risk of anxiety and depression and can worsen symptoms in those who already have these conditions.
- Cannabis use, especially in teenagers, can increase the risk of developing psychosis or schizophrenia, particularly in those with a genetic predisposition.
- Cannabis can increase heart rate and blood pressure, potentially increasing the risk of heart attack and stroke, especially with frequent use.
- Cannabis smoke hurts your lungs. When you smoke cannabis, you inhale toxins, irritants, and carcinogens like those found in tobacco smoke. Smoking cannabis can damage your lungs, increase your risk of bronchitis and scar small blood vessels. Vaping THC-containing products is linked to lung injury and even death.
- Cannabis use impairs brain function, including memory, thinking and problem solving; it can result in disorientation and confusion, poor coordination, slowed reaction time, altered sense of time and space, sedation, and with high doses-hallucination or delusions.
- For pregnant women using cannabis, THC crosses the placenta and can affect fetal brain development. Prenatal exposure has been linked to lower scores in attention, memory, and problem-solving in children; behavioral issues and increased risk of early cannabis use in adolescence; and changes in brain structure and function, especially in areas related to executive functioning.

Cannabis cafés, in particular, pose a health risk for both consumers and workers, creating challenges for regulators, business operators and public health. For example. secondhand smoke exposure is a risk to both consumer and workers in cannabis cafés. Cannabis smoke contains many of the same harmful chemicals and fine particles as tobacco smoke. Even with ventilation systems, there is no safe level of exposure to indoor secondhand smoke, which can lead to respiratory problems for both customers and staff. Additionally, thirdhand smoke—residue that lingers on surfaces—can also pose health risks. (THC), the psychoactive compound in cannabis, can be absorbed into the bloodstream of nonsmokers exposed to secondhand smoke. In poorly ventilated spaces, high-level exposure can lead to mild to moderate sedative effects and impaired motor skills, potentially showing up on a drug test.

Policy & Regulatory Levers

State and local policies and regulations on cannabis cafés can be used as important levers to mitigate public health and safety risks to consumers and workers, but enforcement is important. Outlined below is what exists at the state and county level in unincorporated LA County, with some examples of regulations at the municipal level to serve as examples for local policy makers. Strengthening policy at the local level is an essential part of balancing public health protections with public interest in cannabis businesses

Currently, per California Assembly Bill 1775, access to the area where cannabis consumption is allowed is restricted to 21 years old or older, even if the individual possesses a medical marijuana card. Businesses are also required to electronically verify the individual's age at entry, sale, and delivery. LA County decides which types of cannabis businesses to license or prohibit, but rules established by the County only apply to unincorporated LA County. They do not apply to incorporated cities that are within the County. Incorporated cities can decide types of businesses to license or prohibit and what rules apply to cannabis businesses. Currently, unincorporated LA County is considering adoption of a required 600-foot buffer between cannabis dispensaries and any building for youth-oriented use. Other jurisdictions in incorporated cities, by comparison, require 1000-foot buffers.

Unincorporated LA County is also considering adoption of a prohibition of cannabis dispensaries within 500 feet of another dispensary. An additional ordinance to be adopted is regarding the visibility of smoke and odors produced from consumption, which in unincorporated LA County must be restricted to the property line, but consumption may still be noticeable through noise or events hosted by the business.¹

State advertising regulations provided by the California Department of Cannabis Control (DCC) prohibits the use of any images or terms that may be attractive to adolescents, the advertisement of cannabis goods or accessories, and states that all outdoor advertising and marketing must be affixed to a building or permanent structure. Licensees must also obtain reliable up-to-date audience composition data that demonstrates that 71.6% of advertising or marketing viewers are 21+ years old. The Los Angeles Municipal Code (LAMC) outlines more restrictive on-site advertising and marketing restrictions for businesses engaged in cannabis activity. Cannabis businesses are prohibited from posting any publicly visible signage or advertisements within 700 ft of defined sensitive use areas. They are also restricted to one on-site sign per street frontage, and can only display the business' information, including: name of the business, logogram of business, address, hours of operation, and contact information. Cannabis businesses may not advertise cannabis or cannabis products displayed on any sign that is publicly visible.

Because state laws are less stringent, each local jurisdiction should ensure that its own policies provide stronger protections and standards to protect public health.

Considerations for Strengthening Existing Policies and Regulations

There are opportunities to strengthen existing policies and/or regulations at the municipal level to better protect the public's health if cannabis cafés are in your city or coming to your city. The policies approved by the State, the City of Los Angeles, and Los Angeles County give room for more restrictive provisions to be enacted by municipalities, based on community recommendations and needs.

CA Assembly Bill 1775 states, "Ventilation and filtration systems are considered adequate...if they prevent smoke and odors from migrating to any other part of the building hosting the consumption lounge or any neighboring building or grounds." Municipalities can implement more restrictive requirements for ventilation and filtration systems. This provides better workers and consumer health relative to secondhand smoke.

¹ Regulations regarding cannabis businesses in unincorporated LA County have not been fully adopted yet, but the process is in its final stages.

Cannabis retailers and microbusinesses that employ two or more staff members must have at least one supervisor and one employee complete a Division of Occupational Safety and Health 30-hour general industry outreach course, as outlined in California Business and Professions cost, Section 26051.5. Local officials could consider additional training or certification requirements for cannabis café employees. Additional trainings for employees help to ensure that cannabis sale tracking is adhered to, age verification and ID checks are enforced and utilized, and knowledge of safe usage and product use is effectively communicated to patrons.

There is currently variation among cannabis cafés regarding whether patrons can bring their own product to consume in the approved on-site consumption area. Some cafés have “corkage fees” for individuals who supply their own product. Others only allow cannabis products bought from associated retailers within a certain time frame to be consumed on-site. The lack of state or local regulations may lead to unintended consequences for patrons. Without clear regulations, it is uncertain where or how patrons’ cannabis product was obtained and may not adhere to state testing requirements.

To mitigate a potential decrease in negative perceptions of cannabis consumption by the public, specifically adolescents, an educational program should be considered to reinforce the consequences of underage consumption, risks to special populations, and the risks of secondhand smoke. Educational materials should include the personal and public health risks of cannabis consumption, the legal consequences of underage cannabis possession and use, and information on mental health centers and safety hotlines.

Lessons Learned from Other States

Cannabis cafés have become a reality in other states, including Alaska, Colorado, Michigan, Minnesota, Maryland. Regulations for this activity across these states are similar and aligned, with requirements for ventilation and restrictions on serving alcohol or allowing visibility to the consumption from public spaces. There are some key lessons that may be helpful to consider for your jurisdictions:

- Maryland does not allow indoor smoking and requires establishments to complete responsible vendor training. Only 50 establishments are allowed statewide. Similar restrictions could exist within a city’s geographic limits.
- Minnesota does not allow for smoking or vaping in on-site endorsed areas-only infused drinks and food products.
- Alaska and Michigan require that smoke-free areas be provided specifically for employees of the establishment.
- Colorado requires that establishments have all employees complete annual responsible vendor training as well as provide educational materials about safe consumption of cannabis.

Constituent Engagement

Stakeholder engagement is pivotal to creating informed and community supported policy and regulatory decision-making and implementation. Meeting with the community, neighborhood business owners, and current and potential cannabis retailers or microbusiness owners should be considered in whichever format is

most beneficial to create productive discussions. Engaging with each of the noted stakeholder groups gives municipal officials the necessary perspectives for making critical decisions that prioritize public health and safety while still supporting business and community interests. Each stakeholder has their own values and needs, which should be taken into consideration in this process. Collaboration between officials and varied stakeholders helps to mitigate unintended consequences and increases opportunities for bringing all voices to the table.

It is recommended that stakeholder engagements be held separately early on in this process. Focusing on direct feedback on this topic can avoid potentially rising tension between groups. This also provides an open space for stakeholders to openly share their thoughts and develop initial consensus on top priorities and concerns. Town hall sessions are the most utilized route of engagement, giving space to a broad range of voices in a shorter period of time compared to individual engagements.

Additionally, local officials should consider collaborating with neighboring municipalities. One of the difficulties found with each municipality implementing their own regulations is continuity. Varying regulations around zoning can be difficult for business owners when trying to determine a location for their business. It can also create confusion around licensing, reporting, and worker safety policies. While the regulations and processes around licensing should be strict, it is easier to enforce direct and common processes.

Local officials should consider the following organizations to ensure collaboration and alignment of state, county and local regulations and policies:

Los Angeles County Office of Cannabis Management (OCM)

- The Office of Cannabis Management (OCM) is tasked with leading the County of Los Angeles' transition of cannabis to a safer and more regulated environment through equitable policies and programs that seek to promote responsible practices and prioritize the well-being of our unincorporated communities.

California Department of Cannabis Control (DCC)

- The DCC ensures compliance with state laws through licensing, inspections, and enforcement, and works to eliminate the illegal cannabis market by promoting consumer protection and environmental stewardship.

Los Angeles County Department of Public Health, Environmental Health

- Environmental Health is a division within the Los Angeles County Department of Public Health. The Environmental Health Division is responsible for the enforcement and education of Federal, State, and local laws and regulations relating to environmental factors which affect public health and safety.

Policy Enforcement

Local officials should determine the most appropriate practices for enforcement of local policies. This includes consideration of inspection and audit frequency, systems for complaints to be received and addressed, and how enforcement will be funded. Ensuring compliance to state and local policies reinforces public safety efforts and helps decrease black market cannabis activities from occurring.

It is important to consider creating informational materials to educate the public, consumers, and employees of the available cannabis tip line through the DCC. The DCC takes tips for illegal cannabis activities at the state level. Utilization of this tip line allows the state and municipalities to get ahead of public and worker safety concerns. Officials should consult the DCC to collaborate enforcement efforts.

Resource

Los Angeles County Department of Public Health, Substance Abuse Prevention and Control (SAPC)

- SAPC leads and facilitates the delivery of a full spectrum of prevention, treatment, and recovery services proven to reduce the impact of substance use, abuse, and addiction in Los Angeles County. Services are provided through contracts with over 150 community-based organizations to County residents, particularly those who meet income and other criteria for Medi-Cal enrollment which may include the un-and/or underinsured. SAPC staff serve as technical experts and consultants to meet the needs of the public and contracted organizations in the field of alcohol and other drug (AOD) use and abuse.