

Legal Services Department review of LD 1365 (on regular agenda) with technical considerations

Hi Rebecca,

I just had a chance to review this briefly, and I have serious concerns about it from a municipal perspective. I'm happy to provide some more formal comments to the bill, but I felt compelled to let you know.

First and foremost, the bill specifically excludes a "cannabis hospitality lounge" from the definition of cannabis establishment, which has the effect of omitting hospitality lounges from all statutory references to establishments throughout Title 28-B, including the local authorization (local opt-in) section (§402). Second, although the bill expressly authorizes municipalities to establish local regulations and licensing requirements for hospitality lounges by amending § 401, notably the bill does not add any language to §402 that would allow municipalities to opt in to hospitality lounges. Neither is there any language elsewhere authorizing municipalities to prohibit (or opt out) of lounges, as there was in previous iterations of marijuana legalization law – without authority to enact a local prohibition ordinance, I'm not sure if a municipality would have local authority to prohibit the operation of a cannabis store (maybe they could by pointing to the fact that it is illegal federally, but still express authority in state law would be better). It seems to me that this bill would allow the possibility of a cannabis hospitality lounge to operate without any local or state regulation in place, and without and state or local mechanism to stop them from doing so. It seems a little crazy to allow a new type of establishment selling a highly regulated substance that has intoxicating effects to operate without any regulations.

I also think municipalities should be concerned about the lack of state authority over these establishments. Now, all adult use cannabis establishment licenses are conditioned on local approval. This means that in theory, both state and local regulations work in tandem to keep licensed establishments in line. I think such a process should be in place for hospitality lounges as well – conditioned state licensure is a very effective tool in preserving a municipality's right to prohibit the types of establishments they want to prohibit and strictly regulating the ones that they do.

Like I said, I'm happy to give you something more formal if you'd like, or suggestions for amendments, but in sum, I don't think MMA should support this bill. Just let me know what else you need from me on this.

Thanks!

**Rebecca McMahon, Director
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Maine Municipal Association**