



City Manager's Office

MEMORANDUM

DATE: 7/5/2022

TO: Mayor and City Council

THROUGH: Doug Thornley, City Manager Approved Electronically

FROM: Ashley D. Turney, Chief Innovation & Experience Officer
Lance Ferrato, Business License Manager

SUBJECT: Adoption of Regulations to Operate Cannabis Consumption Lounges

On June 28, 2022, the Cannabis Compliance Board (“CCB”) held its regularly scheduled meeting which ultimately resulted in the passage of Nevada Cannabis Compliance Regulation (“NCCR”) 15. The regulation will govern the licensure and operation of Cannabis Consumption Lounges (“Lounges”) in Nevada.

Regulation of Lounges will include requirements for: 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, and sanitation among other items.

Statute provides for two types of Lounges; retail and independent. Retail Lounges are to be affiliated with adult-use cannabis retail stores. The number of Retail Lounges allowed correlates to the number of adult-use cannabis retail stores. Independent Lounges, are standalone and are limited to the number equal to the number of retail Lounges in the state; that said, only 20 independent Lounge licenses will be issued (via random number generator) in the first round.

As mentioned, the location of retail Lounges is governed by NCCR 15. Of note, the regulation stipulates that these Lounges must be, “attached to or immediately adjacent to the cannabis sales facility,” meaning it must be physically attached to the retail facility or on property sharing a common border.

The adopted regulations must still be approved by the Legislative Commission (tentatively July 14, 2022) before the CCB can open up the application process; however, it is anticipated that applications may be available by mid-September with the possibility of Lounges opening mid-fall in certain jurisdictions.