

Cannabis Business Blog

Is Public Consumption of Marijuana on the Horizon?

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In two years, Oregon's legalized recreational marijuana industry has gone from non-existent to a thriving industry, with over [\\$60 million a year in total sales](#) and [over 400 licensed retailers](#). Despite the growing popularity of legalized recreational marijuana, no states have provided for the public consumption of marijuana. Oregon is considering changing that with [SB 307](#). This measure would permit the Oregon Liquor Control Commission, the state's regulatory body for cannabis sales, to issue permits for temporary events and for "cannabis lounges". These permits could be issued if a county or city agrees to allow such permits in their jurisdiction.

The measure faces opposition from the Oregon Nurses Association, the Coalition of Local Health Officials, the Multnomah County Health Department, the Clackamas County Board of Commissioners and the Oregon Health Authority. However, the measure also has some strong backers including the mayor of Portland, Ted Wheeler, and Portland City Commissioner Chloe Eudaly as well as a plethora of industry advocacy groups. The main arguments against the measure are that second hand smoke from marijuana consumption would be dangerous to workers at cannabis lounges and to the public. In 2015, Oregon's Indoor Clean Air Act was amended to include marijuana smoke, forcing several small clubs for the consumption of cannabis to [close](#).

On May 16, 2017, [an amendment](#) to SB 307 was introduced for the purpose of bringing the measure into compliance with Oregon's Indoor Clean Air Act. The Oregon legislature will weigh the potential benefits of becoming the first state to allow legal and regulated spaces open to the public for the consumption of cannabis against the public health risks associated with second hand smoke.

Warning Regarding Federal Law: The possession, distribution, and manufacturing of marijuana is illegal under federal law, regardless of state law which may, in some jurisdictions, decriminalize such activity under certain circumstances. Penalties for violating federal drug laws are very serious. For example, a conviction on a charge of conspiracy to sell drugs carries a mandatory minimum prison term of five years for a first offense and, depending on the quantity of marijuana involved, the fine for such a conviction could be as high as \$10 million. In addition, the federal government may seize, and seek the civil forfeiture of, the real or personal property used to facilitate the sale of marijuana as well as the money or other proceeds from the sale. Although the U.S. Department of Justice (DOJ) recently rescinded its guidance regarding prioritization of criminal prosecutions of individuals and entities operating in compliance with effective state regulatory systems, DOJ left in place long standing guidance to federal prosecutors regarding how to exercise this discretion. Individuals and companies are cautioned to consult with experienced attorneys regarding their exposure to potential criminal

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prosecution before establishing business operations in reliance upon the passage of state laws which may decriminalize such activity. Federal authority to prosecute violations of federal law as crimes or through seizures and forfeiture actions is not diminished by state law. Indeed, due to the federal government's jurisdiction over interstate commerce, when businesses provide services to marijuana producers, processors or distributors located in multiple states, they potentially face a higher level of scrutiny from federal authorities than do their customers with local operations.

Tags: cannabis lounges, Chloe Eudaly, Clackamas County Board of Commissioners, Coalition of Local Health Officials, legalized recreational marijuana, Multnomah County Health Department, Oregon Health Authority, Oregon Legislature, Oregon Liquor Control Commission, Oregon Nurses Association, Oregon's Indoor Clean Air Act, Portland City Commissioner, public consumption of cannabis, SB 307, Ted Wheeler