



Letter of Information
House Bill 132
Cannabis – On-Site Consumption Establishments and Events
Before the House Economic Matters Committee: February 18, 2025

The Legal Resource Center for Public Health Policy – Cannabis (“LRC-C”) is a public health organization housed at the University of Maryland Carey School of Law. Our mission is to help Maryland understand cannabis legalization policy. To advance our mission, we provide legal technical assistance, develop educational resources, and conduct trainings on cannabis policy at the state and national level. To this end, the LRC-C submits this letter of information for HB 132 to provide information regarding on-site consumption establishments and cannabis events in the few states that have authorized these types of businesses. On-site consumption establishments and cannabis events are newer cannabis business types, and there is not much data regarding their public health impacts due to their novelty.

On-Site Consumption Establishments

In 2023, the Cannabis Reform Act (“CRA”) authorized the Maryland Cannabis Administration (“MCA”) to license on-site consumption establishments to sell cannabis products to customers to consume on the business premises. Maryland’s current restrictions on cannabis consumption sites allow for the consumption of cannabis products in a variety of forms, such as smoked or vaped cannabis, edible cannabis products, and cannabis concentrates. Smoking or vaping is prohibited indoors but is permitted outdoors so long as it is out of sight of the public, such as in a walled-off courtyard or a fenced yard. HB 132 would change these options, limiting consumption sites to only single servings of edible cannabis products and eliminating the possibility of customers consuming smoked, vaped, or concentrated cannabis. It would allow consumption establishments to produce their own edible cannabis products and to function as food service facilities.

When cannabis is inhaled as smoke or vapor, the intoxicating effects are felt within minutes of consumption.¹ Inhaled cannabis effects tend to peak around thirty minutes after inhalation and then subside within 1 to 3.5 hours.² On the other hand, when cannabis products are consumed in edible form, because the THC travels through the stomach and is processed by the liver before

¹ Catherine J. Lucas et al., *The Pharmacokinetics and the Pharmacodynamics of Cannabinoids*, BRIT. J. CLINICAL PHARMACOLOGY 2477, 2478 (2018).

² National Academies of Sciences, Engineering, and Medicine, *THE HEALTH EFFECTS OF CANNABIS AND CANNABINOIDS* 51 (2017).

entering the bloodstream, it typically does not produce effects until thirty minutes to two hours after consumption, and the effects persist for five to eight hours after consumption.³

The differences in onset time and duration of cannabis effects have important traffic safety implications. Due to the dependence of many Maryland communities on automobile transportation,⁴ it is likely that a significant number of customers at consumption sites will drive to the establishment and then drive themselves home afterwards. If the cannabis is being consumed by smoking or vaping, the onset time for the effect will be similar to the experience of drinking alcohol, which is typically felt by the body within several minutes of consumption.⁵ Individuals inhaling cannabis at consumption sites, like those drinking alcohol at a bar, would feel the onset of effects as they consume, allowing them to cease consumption if they feel they are approaching their limit, or to realize quickly if they had consumed too much to drive. Individuals who consume edibles, on the other hand, may not realize they have overconsumed until an hour or two later, by which time they may have already left the consumption site. If the effects kick in while the individual is driving, the consequences could be disastrous.

Cannabis edibles can be formulated in different ways to produce different onset times. Some edibles are formulated with what is referred to as “water-soluble” THC, meaning the THC is designed to be able to dissolve in water (also referred to as hydrophilic THC).⁶ Because the mucus membranes of the mouth are able to diffuse hydrophilic substances, some amount of this “water-soluble” THC is absorbed into the bloodstream directly from the mouth, speeding up the initial experience of the drug effect, while the rest of the dosage is swallowed and metabolized by the liver like a typical edible.⁷ However, there is no robust body of evidence providing reliable data on the onset times and effect durations of these products.⁸ Without reliable, peer-reviewed studies, we cannot definitively state that such products would resolve the onset time issue. Moreover, no language within HB 132 limits consumption establishments to serving only quick-onset formulations.

Of the twelve states that have authorized cannabis consumption models, all but one authorize inhaled cannabis, subject to varying levels of restrictions by state. Only Minnesota currently utilizes an edibles-only consumption establishment model.⁹ Minnesota only authorized on-site

³ *Id.*

⁴ The United States Census Bureau’s American Community Survey 2023 5-Year Estimates Profile found that in Maryland, 74% of workers commute by automobile (66.3% alone, 7.7% carpooling). Of the remaining 26%, 17.2% work from home, leaving only 8.8% commuting by public transit, walking, or other means. Data available at <https://data.census.gov/table/ACSDP5Y2023.DP03?g=040XX00US24&tid=ACSDP5Y2023.DP03>.

⁵ *How Alcohol Affects Your Health*, HEALTH DIRECT (last accessed Jan. 24, 2025), <https://www.healthdirect.gov.au/how-alcohol-affects-your-health>.

⁶ *See, e.g.*, Kristen Nichols, *5 Strategies for Using Water Soluble Cannabinoids in Cannabis Drinks*, MJ BIZ DAILY (updated Apr. 14, 2022), <https://mjbizdaily.com/5-strategies-for-using-water-soluble-cannabinoids-in-cannabis-drinks/>.

⁷ *See, e.g.*, Lucas, *supra* note 1, at 2478 (describing oromucosal delivery of cannabis relative to inhaled and swallowed deliveries).

⁸ In researching this letter, the LRC-C identified studies regarding the absorption rates of oromucosal THC sprays and tinctures, but none involving hydrophilic preparations of THC intended to be swallowed by the consumer.

⁹ *State-by-State On-Site Consumption Laws*, MARIJUANA POLICY PROJECT (last accessed Jan. 24, 2025), <https://www.mpp.org/issues/legalization/state-by-state-on-site-consumption-laws/>.

consumption establishments in 2023. While there have been many studies examining the effect of cannabis legalization on traffic safety generally, there is no reliable evidence yet showing the effect of consumption sites specifically, nor of Minnesota's edibles-only consumption model.¹⁰

Another facet of cannabis consumption that is worth attention is the fact that, under Maryland law, cannabis consumption of any type is prohibited in public spaces.¹¹ Many Marylanders live in multifamily housing units, such as apartments and condominiums, where they either are expressly prohibited from smoking or risk exposing neighbors to unwanted secondhand smoke if they do. They are left, then, with no safe, legal space to smoke or vape cannabis. Some of these individuals are medical patients, whose medical needs may benefit from the quick onset achieved by inhaling cannabis. Consumption sites, as originally contemplated by the CRA, would provide a place for those individuals to smoke outdoors in a location that is out of public view and does not risk exposing their family and neighbors to secondhand smoke. Removing the outdoor smoking option removes that potential benefit from the consumption site model. Inversely, however, it removes the risk that consumption site employees will be exposed to secondhand cannabis smoke and vapor in outdoor consumption areas of their workplace.

Cannabis Events

HB 132 creates a new forum for cannabis sale and consumption, cannabis events. The bill defines a cannabis event as an event where the consumption of edible cannabis products is permitted. The event registration would be granted by the MCA to a person on a temporary basis. A cannabis event registration holder can host a cannabis event and can: (1) allow attendees to bring their own cannabis edible products and consume them on-site, (2) allow attendees to acquire or purchase a cannabinoid beverage, or (3) allow permitted cannabis vendors to sell cannabis products at the event. This would be a new registration type in Maryland and, unlike on-site consumption establishments, was not contemplated by the 2023 CRA. As cannabis events were not contemplated by the CRA, the MCA has not published a report to compare the different models of cannabis events in states that have authorized them, as it did in the context of consumption establishments.¹²

Twenty-four states and Washington D.C. have legalized adult-use cannabis consumption.¹³ Of these twenty-four states, only five (California, Maine, Michigan, Minnesota, and New York) have explicitly authorized cannabis events.¹⁴ Maryland would become the sixth state to explicitly authorize cannabis events. In all five states that allow cannabis events, a cannabis license holder (cannabis dispensary, processor, etc.) can obtain a cannabis event registration or license.¹⁵ HB

¹⁰ See generally Ernesto Londoño, *As Marijuana Use Grows, Effect on Road Safety Remains a Blind Spot*, N.Y. TIMES (Jan. 1, 2025), <https://www.nytimes.com/2025/01/01/us/marijuana-driving-impairment.html>.

¹¹ MD. CODE ANN. CRIM. LAW § 5-601(c)(4).

¹² Maryland Cannabis Administration, REPORT ON ON-SITE CONSUMPTION ESTABLISHMENTS (2024), [https://dlslibrary.state.md.us/publications/Exec/MCA/SB516Ch255HB556Ch254\(14\)\(2023\).pdf](https://dlslibrary.state.md.us/publications/Exec/MCA/SB516Ch255HB556Ch254(14)(2023).pdf).

¹³ Kate Bryan, *Cannabis Overview*, NATIONAL CONFERENCE OF STATE LEGISLATURES (updated Jun. 20, 2024), <https://www.ncsl.org/civil-and-criminal-justice/cannabis-overview>.

¹⁴ CAL. CODE REGS. tit. 4, § 15600; 28-B M.R.S.A. § 504-A; MICH. ADMIN. CODE R § 420.21; M.S.A. § 342.39; 9 NYCRR § 120.19.

¹⁵ CAL. CODE REGS. tit. 4, § 15600; 28-B M.R.S.A. § 504-A; MICH. ADMIN. CODE R § 420.24; M.S.A. § 342.39; 9 NYCRR § 120.19.

132 would not allow a cannabis licensee to hold the cannabis event registration, though cannabis licensees are allowed to be cannabis vendors at events.

In three of five states (CA, MI, and MN), on-site consumption of cannabis is allowed at all cannabis events.¹⁶ New York only allows on-site consumption of cannabis at events if the business hosting the event also has a cannabis on-site consumption endorsement or license.¹⁷ By contrast, Maine does not allow any on-site consumption of cannabis.¹⁸ In the four states that allow on-site consumption of cannabis at cannabis events, the use of cannabis must be done within a section of the event restricted to individuals twenty-one years of age and older.¹⁹

By contrast, HB 132 departs from this trend, and would allow on-site consumption of edible cannabis products at all cannabis events and in all spaces. At cannabis events that allow people to bring their own cannabis or that sell cannabinoid beverages, individuals under twenty-one would be allowed in areas where cannabis is being sold and consumed. Age restrictions only apply to events that host permitted cannabis vendors.

Furthermore, since cannabis events are a novel type of event, there is no data regarding the public health impacts of these events nor is there data regarding the success and viability of these events. Even if other states had collected data on the impact of cannabis events, no other state allows individuals under twenty-one in areas where cannabis consumption is allowed, and we do not have data on how that would affect youth perception of and access to cannabis.

Conclusion

On-site consumption establishments and cannabis events are comparatively new cannabis business types and, consequently, it is uncertain what impact these businesses will have on public health.

The Legal Resource Center appreciates the opportunity to provide this letter of information. Should you wish to discuss the information in this letter or require additional information, please contact us.

Sincerely,

Mathew Swinburne, J.D.

(he/him/his)

Director, Legal Resource Center for Public Health Policy-Cannabis

The University of Maryland Francis King Carey School of Law

500 West Baltimore St., Baltimore, MD 21201

410-706-4532

mswinburne@law.umaryland.edu

¹⁶ CAL. CODE REGS. tit. 4, § 15603; MICH. ADMIN. CODE R § 420.25; M.S.A. § 342.40.

¹⁷ 9 NYCRR § 120.19.

¹⁸ 28-B M.R.S.A. § 504-A.

¹⁹ CAL. CODE REGS. tit. 4, § 15603; MICH. ADMIN. CODE R § 420.25; M.S.A. § 342.40; 9 NYCRR § 120.19.

Annie Carver, J.D.

(she, her, hers)

Staff Attorney, Legal Resource Center for Public Health Policy-Cannabis

The University of Maryland Francis King Carey School of Law

500 West Baltimore St., Baltimore, MD 21201

410-706-4221

a.carver@law.umaryland.edu

George Townsend, J.D.

(he/him/his)

Staff Attorney, Legal Resource Center for Public Health Policy-Cannabis

The University of Maryland Francis King Carey School of Law

500 West Baltimore St., Baltimore, MD 21201

410-706-8189

gtownsend@law.umaryland.edu