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Testimony of the Maine Municipal Association In Opposition To

LD 1365 - An Act to Allow Consumption of Adult Use Cannabis in Locally Approved Hospitality Lounges May 8, 2025

Senator Hickman, Representative Supica and members of the Veterans and Legal Affairs Committee, my name is Rebecca Lambert, and I am providing testimony in opposition to LD 1365 on behalf of the Maine Municipal Association's (MMA) elected 70-member Legislative Policy Committee (LPC). For reference, MMA is a nonpartisan, nonprofit member service organization and aims to help provide policy solutions that work for all residents in Maine and the LPC guides MMA's advocacy efforts and establishes positions on bills of municipal interest.

While local leaders recognize the growing importance of a well-regulated and equitable cannabis industry, our members firmly oppose the authorization of hospitality lounges as proposed in LD 1365 due to significant concerns related to local control, regulatory clarity, and public safety.

One of our most pressing concerns is that the proposal does not include a clear municipal opt-in provision. This omission directly contradicts the existing framework of cannabis law, which wisely requires municipalities to actively opt in before allowing cannabis businesses to operate. Additionally, without an opt-in requirement, towns may be subjected to pressure or legal challenges from businesses seeking to open consumption lounges despite community opposition, leading to confusion, litigation, and a breakdown of trust between local governments and their constituents.

Cannabis consumption lounges introduce a new and distinct type of cannabis activity, public onsite consumption, which raises a different set of community impacts and risks when compared to retail, cultivation, or manufacturing cannabis businesses. Our residents deserve the right to weigh in before these businesses are allowed to operate within their borders.

Another concern is the proposal's reliance on municipal regulation alone, without detailed statewide standards, which places an unsustainable and unfair burden on local governments—who receive <u>no</u> benefit from the cannabis revenue gained from sales within their communities. With a state department already dedicated to cannabis regulation, it would seem irresponsible to shift the burden of oversight for a novel and complex business model entirely onto municipalities.

From a public health perspective, cannabis hospitality lounges blur the line between private consumption and public use and raise legitimate concerns about secondhand smoke, impaired driving, and underage exposure. Municipalities will bear the front-line consequences of these risks, through law enforcement, emergency services, and community complaints, with no meaningful support or guidance from the state.

Additionally, existing laws governing indoor smoking, fire safety, and zoning were not designed with cannabis lounges in mind. State-level rules must precede any rollout to ensure consistency and clarity





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across jurisdictions. Absent such protections, we risk creating public spaces with unclear boundaries and poorly enforced safety standards.

Maine residents ultimately are the ones who decide if cannabis businesses will operate in their communities and are a loud voice in shaping how cannabis is integrated into public life. While local leaders support thoughtful and deliberate cannabis policy, they also urge the committee to preserve the rights of municipalities to chart their own course—one that reflects their community values.

Thank you for your time and considering the municipal perspective.

