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POLITICS

You could sip a latte and smoke cannabis in the same cafe under proposed California law



Sophia Bollag

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Assembly Member Matt Haney introduced a new bill that aims to allow for the kind of cannabis cafes that have become popular in Amsterdam.

Lea Suzuki / The Chronicle

SACRAMENTO — Local California governments could allow cannabis businesses to serve food and nonalcoholic drinks and host live music performances under a bill introduced in the California Legislature.

The measure aims to allow for the kind of cannabis cafes that have become popular in Amsterdam. Assembly Member Matt Haney, D-San Francisco, who introduced the measure, said it could help pot shops struggling to compete with the illegal market attract new customers.

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“Many people want to consume cannabis socially while having a sandwich or listening to music,” Haney said. “We should allow that.”

Right now, cannabis lounges are restricted from selling regular food and drinks, which can be an inconvenience to customers, said Jessica McElfresh, a San Diego-based lawyer who represents cannabis businesses.

“It would be significant for cannabis lounges and the development of that business type because what’s tough right now is that they can’t sell just normal food out of the same register,” she said. “You end up with a lot of really complicated workarounds.”

The measure, [AB374](#), could allow those businesses to operate more like a wine bar or a brewpub, she said, where customers can also order food while they smoke or have a cannabis-infused drink.

Local governments would have to pass their own regulations to allow the cannabis cafes, Haney said.

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In San Francisco, Supervisor Rafael Mandelman said he plans to introduce legislation to allow cannabis lounges in the city to serve food and nonalcoholic drinks, as well as to host live events. The city already has about 13 cannabis lounges, where people can consume pot on site, but they are currently barred from serving any non-cannabis products, Mandelman said.

“I think there has long been a desire to see cannabis cafes in San Francisco,” Mandelman said.

Two previous attempts to legalize so-called cannabis cafes that can serve food have failed in the state Legislature. The most recent attempt, [AB1034](#) by Assembly member Richard Bloom, died in the state Senate in 2021. It faced opposition from groups including the American Lung Association and the American Heart Association, which argued that allowing smoking in a place where people are eating and preparing food would pose health risks from secondhand smoke exposure.

Haney said he believes his bill this year faces better odds, in part because local officials in some cities, including San Francisco, are supportive and want to allow cannabis cafes.

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AB374 has not yet been assigned to a committee. If passed and signed by Gov. Gavin Newsom, it would take effect next year.

Drakari Donaldson, who owns California Street Cannabis Company, said he wants to open a cannabis cafe next to his business' existing Nob Hill dispensary. Since Donaldson opened his first dispensary location in 2020, he said he's had trouble breaking even because of increasing competition from both legal and illegal pot businesses in the city. Legal cannabis shops face high taxes and can't deduct business expenses from their federal taxes like most companies can because the drug is still illegal at the federal level.

If California and San Francisco change their laws, Donaldson said he wants to transform his business into a community hub where people can smoke, kind of like a bar.

"I think really what it opens the doors for is being able to mix in actual cannabis culture and sell that as entertainment," he said. "We want to be able to provide people with a space that can serve more as a cultural hub and something for the community, versus just a convenience store."

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Sophia Bollag joined the San Francisco Chronicle as a politics reporter in 2022. She has covered state government from Sacramento since 2016 and has worked at The Sacramento Bee, The Associated Press and the Los Angeles Times. She grew up in the East Bay and graduated from Northwestern University, where she studied journalism and literature.

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