

How one Lexington cannabis bar owner is adapting to new industry rules

By Piper Hansen

June 26, 2025 10:36 AM  Gift Article



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Ready-to-drink THC-infused beverages are photographed at Cannabuzz, a cannabis cocktail lounge at 938 Manchester Street in Lexington, Ky., on Wednesday, June 18, 2025. Ryan C. Hermans rhermans@herald-leader.com



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Annie Rouse is no stranger to change.

Since founding the Lexington-based CannaBuzz Bar & Dispensary, Rouse and her business partners have had to adapt to a swath of shifting rules and misconceptions cast on the hemp and cannabis industries by local, state and federal governments.

In 2023, Rouse began putting plans in motion to open a cannabis cocktail lounge. Then, she hoped to bring “a whole new buzz” to the city’s Distillery District by selling a variety of cannabis-infused and hemp products.



Annie Rouse, left, and Declan Murphy are photographed at Cannabuzz, a cannabis cocktail lounge at 938 Manchester Street in Lexington, Ky., on Wednesday, June 18, 2025. Ryan C. Hermens rhermens@herald-leader.com

But when legislation got Gov. Andy Beshear’s stamp of approval earlier this year and put limitations on cannabis-infused beverages, Rouse had to resort to plan B.

“We’re up for the challenge,” she told the Herald-Leader June 18 at CannaBuzz’s soft opening. “It’s not the first time that regulations have changed on us overnight, and I’m sure it won’t be the last.”

CannaBuzz is still a cannabis cocktail lounge, but Rouse is having to find different and sometimes unexpected ways to meet her bottom line and satisfy consumers while new laws are implemented and enforced.

Earlier this year, when lawmakers were together in Frankfort, they passed legislation limiting how and where cannabis-infused beverages can be made and sold. Senate Bill 202 says:

- Cannabis-infused beverages cannot include more than 5 milligrams of cannabinoids per 12 ounce serving;
- No one under 21 can purchase or drink cannabis-infused beverages;
- Cannabis-infused beverages are meant to be consumed off the premises where they were purchased;
- Holders of distributor's licenses should not also have retail package licenses;
- Distribution and retail sale is meant to be regulated by the Department of Alcoholic Beverage Control; and the bill has other rules related to fines, license fees and taxes.

Instead of letting customers order and consume cannabis-infused beverages on site at 938 Manchester St., Rouse serves THC-infused cocktails that are still legal under federal law since they contain a low dosage of the cannabinoid. The bar acts like a dispensary, "serving" canned beverages that can be enjoyed at home.

Teaching people about cannabis

At the reopening June 21, CannaBuzz launched two Kentucky Proud products: a pineapple-flavored cannabis-infused beverage and another that mimics an Arnold Palmer.



Ready-to-drink THC-infused beverages are photographed at Cannabuzz, a cannabis cocktail lounge at 938 Manchester Street in Lexington, Ky., on Wednesday, June 18, 2025. Ryan C. Hermens rhermens@herald-leader.com

CannaBuzz also sells a variety of other hemp products and anticipates launching more throughout the summer, like ice cream and slushies, as it better understands the market.



Gummies are photographed at Cannabuzz, a cannabis cocktail lounge at 938 Manchester Street in Lexington, Ky., on Wednesday, June 18, 2025. Ryan C. Hermens rhermens@herald-leader.com

Instead of being a place meant for consumption like a traditional bar, Rouse said the new spot is geared toward the “canna-curious,” or people who want to learn about cannabis as an alternative to alcohol and its other uses.

“We’re really trying to normalize cannabis. We want to uplift and sophisticate, take away the stigma,” Rouse said. “So, I think with the beverages, it really creates that emergence into your everyday consumption, just like caffeine was in the 1920s.”



Cannabuzz, a cannabis cocktail lounge at 938 Manchester Street in Lexington, Ky., is photographed on Wednesday, June 18, 2025. Ryan C. Hermens rhermens@herald-leader.com

Making changes to the physical space, like redoing the floors, exposing the building's original ceiling and getting a storm water mitigation grant to add infrastructure and landscaping to the back patio has been a heavy lift, Rouse said. But shifting her business strategy to align with new regulations has been even heavier.

A power play by the alcohol industry?

As the bill was moving through the legislative process this spring, those in the hemp industry, especially small manufacturers and retailers running on startup dollars, criticized it for appearing to be a power play by the alcohol industry instead of a pitch for public safety. Rouse even [wrote a column for the Herald-Leader in early March](#) that said the policy “limits consumer choice, and threatens the livelihood of small business owners.”

“Cannabis has always had a hard time competing against industries that want to take it down: pharmaceuticals, oil and gas, paper, all of those industries have always been coming down on it,” Rouse said at the soft opening. “There’s not a lot of lobby power with the industry — in cannabis or in hemp. So, having somebody come in, like big alcohol and even big tobacco, I think it’s good in terms of bringing legitimacy.

“... The world’s changing and people are finding other alternatives and I think the liquor industry sees that,” she said. “Now, at what point do they jump in? Hopefully it’s through acquisition.”

Located in the Distillery District

CannaBuzz, Rouse said, is a first-of-its-kind model, and having property in the Distillery District, the redeveloped 25-acre property once home to the James E. Pepper Distillery, now home to even more attractions, presents a clear opportunity for growth.



“Lexington is known for five things and they’re all on this street,” Rouse said, listing live music, horse farms, bourbon, basketball and now, hemp.

“All the businesses on the street are starting to collaborate more and try to develop more of the area and I think it’ll continue to grow.”

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