

General Law Committee JOINT FAVORABLE REPORT

Bill No.: HB-7371

Title: AN ACT CONCERNING THE RETAIL SALE OF CANNABIS.

Vote Date: 3/25/2019

Vote Action: Joint Favorable Substitute

PH Date: 3/22/2019

File No.: 585

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SPONSORS OF BILL:

THE GENERAL LAW COMMITTEE

REASONS FOR BILL:

This bill establishes the regulatory structure to allow consumers over age 21 to purchase cannabis from a licensed retailer. The bill establishes a Cannabis Commission, within the Department of Consumer Protection (DCP), to among other things, license retailers, manufacturers, cultivators, and laboratories..

Under the bill, the commission must promote and encourage full participation in the cannabis industry by “equity” applicants, which are people from communities that have been disproportionately harmed by the cannabis prohibition and its enforcement. Among other things, equity applicants will generally be issued licenses three months before others and have lower fees.

The bill also requires the commission to study if consumers or medical marijuana qualifying patients who are age 21 and older should be permitted to cultivate cannabis for personal use in the form of home growing. The bill allows any town to prohibit the establishment of, or restrict the hours and signage of, a cannabis establishment within town limits. The bill prohibits a town from imposing an application fee or any other fees on any commission-approved equity applicant. It requires DCP to set certain standards and requirements on, among other things, transportation and storage, safeguards against theft, allowable advertisements, and health and safety.

Substitute Language:

The substitute language include several technical changes such as the definition of cannabis, changes to statute numbers, and definition of the chairperson of the Cannabis Commission. The substitute language also lists changes in date for the conclusion of the Cannabis Commission Study, the renewal

of cannabis retailer and manufacturing licenses from bi-annually to annually, and revisions to existing fees within the regulations.

RESPONSE FROM ADMINISTRATION/AGENCY:

Michelle Seagull, Commissioner, Department of Consumer Protection:

Commissioner Seagull testified in favor of HB 7371 and supports a Cannabis Control Commission that would operate within the Department of Consumer Protection (DCP) in order to regulate the industry. Commissioner Seagull and the Department are willing to work closely in coordination with the various stakeholders and regional states in order to ensure that public health and safety will be protected in regards to legalization. In addition legalization will reverse the negative impact that the current statutes have on the disadvantaged minority communities of Connecticut. The concept of equity within the cannabis industry is important as full participation from individuals that have been disproportionately harmed by the current prohibition will be the emphasis. The Department believes that this bill will avoid a rigid three-tier system that will affect caps on licenses in order to ensure an appropriate path for the emerging industry that will evolve naturally with local zoning restrictions in place. Commissioner Seagull also testified that protecting Connecticut's medical marijuana program (MMP) is imperative to the health of the 30,000 patients who require marijuana-based medication. In addition, this bill would provide DCP with the ability to inspect records as well requiring cannabis establishments to submit financial and operational reports to the DCP requests in a manner that will be established by the Department Commissioner. The Commissioner testified that this bill would appropriate the sufficient funds for the Commission and DCP to hire staff for the purposes of licensing, compliance, and enforcement as well as the appropriation of funds to hire entities with the necessary expertise to conduct research and write studies mandated in the bill.

NATURE AND SOURCES OF SUPPORT:

Kevin Hart, President Green Check Verified:

This testimony was submitted in favor of HB 7371 in order for adults to make their own informed decisions in regards to the purchase, processing, and use of cannabis for recreational purposes as well as allowing for strict regulatory processes for safe and lawful cannabis use. Additionally this testimony is in support of creating a well-conceived recreation program that also pays respect to and strengthens the integrity of the state's medical marijuana program.

Karen O'Keefe, Director of State Policies, The Marijuana Policy Project:

Director O'Keefe testified in support of HB 7371 as it is a much needed framework for the legal and regulated production and sale of cannabis for adults that are 21 and over. This legalization would be regulated by a panel appointed by the Governor on a Cannabis Control Commission within the Department of Consumer Protection. In addition to regulation this bill would allow equity for those disproportionately affected by prohibition laws including a three-month head start and lower fees. Director O'Keefe testified that medical cannabis should be lower than adult-use cannabis, and that prohibition has been a clear failure.

Senator Martin Looney, President Pro Tempore, Connecticut General Assembly:

Senator Looney testified in favor of HB 7371 by speaking on the prohibition of alcohol and how ending this prohibition was effective in ending black market sale of alcohol. The testimony then tied into how the prohibition of marijuana over the past 80 years has been racially discriminatory and has been disproportionately discriminatory towards African Americans in particular.

Bryan Hurlburt, Executive Director, Connecticut Farm Bureau Association:

Executive Director Hurlburt submitted testimony in favor of HB 7371 in order to encourage the legalization, lawful research, cultivation, and production of cannabis as an agricultural crop. The Bureau also supports a program that farmers in state of Connecticut can have affordable licensing and processing fees with a low barrier to entrance.

Linda Pagani:

This testimony was submitted in support of HB 7371 as the decades-long prohibition on a substance that that been scientifically proven to be less dangerous than alcohol or tobacco has not worked. Legalizing cannabis would put an end to the racially biased arrests that disproportionately incarcerate African Americans more likely than a white person. Although any mood-altering substance can be dangerous, casual cannabis use does not pose a health risk. Additionally, since the bill mandates that an individual be twenty-one years of age its use will be prohibited by teens or young adults. The major point of support comes from establishing an equity application for those that have been impacted by the war on drugs.

Brian Herrington, Director of Government Affairs, Hawthorne Gardening Company:

This testimony was submitted on behalf of Scotts Miracle-Gro and their subsidiary The Hawthorne Gardening Company. As a Connecticut company we support legislation that will responsibly regulate the availability of cannabis and eradicate the black market. This includes creating a market that has fair licensing systems in place that will not only create jobs but help small businesses. We support a bill that would create diversity in the market place by only licensing smaller operations for the first few years thus allowing more businesses to participate. From an economic standpoint legalized cannabis has been a revenue generator with \$745 million in revenue in 2017, and more than \$2.3 billion expected by 2020.

The Connecticut Conference of Municipalities:

The Connecticut Conference of Municipalities (CCM) expressed support for HB 7371 but only with scientific research conducted on the health effects and effects on public safety. In addition, towns should have total control over zoning and licenses should be refused in zones where it is prohibited. As a part of ensuring public safety, any proposal should employ effective safeguards to keep legal cannabis out of the hands of underage youth and away from school grounds.

Others in Support:

Academy of Medical Marijuana Dispensaries

Senator Eric Berthel-In support with changes

Denise Best

Lawrence Cafero- No position but will support if properly regulated

John Chunis

CEO/CWCS

Brian Essenter
Camille Giraldo Kritzman.
Marghie Giuliano, FFD Central LLC
Violette Haldane
Jay Hibbard, Distilled Spirits Council
Joseph Hudak- Support with revisions
Ron Kammerzell, Kammerzell Consulting Services LLC
Steve Kennedy, IAVA CT
Joseph LaChance
Luminary Organics
Karen O'Keefe, Director of State Policies Marijuana Policy Project
Jill Spinetti, President and CEO The Governor's Partnership to Protect Connecticut's Workforce
Quinnipiac University School of Law

NATURE AND SOURCES OF OPPOSITION:

Representative Holly Cheeseman, House of Representatives, Connecticut General Assembly:

Representative Cheeseman testified in opposition to HB 7371 and cites crime statistics from other states that have legalized cannabis. For example, it was cited that Colorado has experienced a 20 percent rise in violent crime since they legalized in 2012. Alaska has seen a 30 percent rise in violent crime, and Oregon 21 percent since legalization. In addition, research has shown that frequent and persistent marijuana use leads to long-term ill effects on its users, especially adolescents. In 2010, marijuana abuse disorders accounted for the third highest number of addiction treatment admissions. Cannabis has a negative effect on cognitive and physical health, school performance, and has been linked to schizophrenia and other mental health disorders.

Representative Mary Mushinsky, House of Representatives, Connecticut General Assembly:

Representative Mushinsky testified in opposition to HB 7371, citing the effects that cannabis has on the still-developing brain that is under 25 years of age. The effect that cannabis has on the receptors of the brain impairs memory, thinking, concentration, and cognitive functioning. This could affect driving, reaction time, and participating in physical activities; additionally, cannabis can contribute to acute psychosis, hallucinations, and delusions. Other impairments can include impaired judgment and attention, impaired coordination and balance, anxiety, paranoia, increased heart rate, and sleeping problems.

Charles K. Brown Jr. MPH, Board Secretary/Treasurer and District Director of Health, Central Connecticut Health District:

This testimony was submitted in opposition to HB 7371 as an organization that serves to promote health and health programs and prevent conditions that contribute to poor health. The risk to public health has not been adequately studied, and to move forward with legalization would be putting the residents of the state at risk from short and long-term usage. The potential tax revenue that may be generated has been discussed, but what hasn't been discussed are the repercussions to public health. According to the Centers for Disease Control, inhaling marijuana smoke contains many of the same toxins as tobacco smoke.

Scott Cochran, Director, Madison Youth and Family Services:

This testimony is submitted on behalf of Connecticut Youth Services Association (CYSA) in opposition to HB 7371 because of the negative impact that it poses to youth and families. Regardless of the intent of legalization it comes at the detriment of youth, families, and their public health and safety.

Connecticut Association of Prevention Professionals:

This testimony was submitted by The Connecticut Association of Prevention Professionals (CAPP) submitted testimony that states that cannabis is extremely addictive and has destructive effects on the adolescent and young adult brain, including permanent brain damage for regular users. The cannabis industry is modeling their marketing after Big Tobacco which is extremely dangerous. Like the tobacco industry the marijuana industry is marketing to youth even marketing in edible form in states where legalization is allowed. Also it is within these states it has been discovered that products containing THC have been providing inaccurate concentration levels and other ingredients. The idea that legalization will decrease the black market is not true as the correlation between states that are legal and increased crime rates. This includes organized crime and cartel syndicates who have increased their illegal activities substantially since legalization.

The Connecticut State Medical Society:

The Connecticut State Medical Society (CSMS) submitted testimony expressing that other states have introduced legalization and there has been no evidence that the legislation change has positively influenced the lives or public health of the citizens of those respective states. However there is evidence to support the belief that marijuana legalization carries a much more negative effect on public health and an increase in crime. Although the HB 7371 hold the intentions of controlling diversion, we have seen as with alcohol and tobacco products that no amount of control can prevent this from happening. Connecticut has taken positive steps in decriminalizing possession of small amounts of cannabis, the state must take a slower approach and allow us to learn from the mistakes of other states before taking on the challenging task of legalization.

Others in Opposition:

Elizabeth Abernathy

Deborah Barbi

Ken Bastian

Connecticut Association of Board of Education

Connecticut Association of Directors of Health

Priscilla Colwell

Connecticut Pharmacists Association

Marc Cournoyer

The Connecticut Chapter of the Society of Addiction Medicine and The Connecticut

Psychiatric Society

Deepak Cyril D'Souza, MD

Andrew Davidson

Tiffany Davidson

Carolyn Dennis

Sarah Dennis-Would be in support with changes

William Dickinson Jr. Mayor of Wallingford

Health Assistance Intervention Education Network

Karen Fischer
Colleen Fogg
Reverend Todd Foster
Catherine Hazlett, MPH
Marion Simone-Heiss
Aliyah Henry
William Huhn
Reverend Abraham Henry
Yifrah Kaminer, MD., MBA
Joseph Raymond, New England Craft Cannabis Alliance

Reported by: Jeff Lucas, Committee Clerk

Date: 4/5/2019