



# House of Representatives

General Assembly

**File No. 102**

January Session, 2021

Substitute House Bill No. 6099

*House of Representatives, March 23, 2021*

The Committee on General Law reported through REP. D'AGOSTINO of the 91st Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING ANTITRUST ISSUES AND THE PALLIATIVE USE OF MARIJUANA AND THE SALE OF HEMP AND HEMP PRODUCTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2021*) (a) For purposes of this  
2 section:

3 (1) "Material change" means: (A) The addition of a dispensary facility  
4 backer or producer backer, (B) a change in the ownership interest of an  
5 existing dispensary facility backer or producer backer, (C) the merger,  
6 consolidation or other affiliation of a medical marijuana business with  
7 another person, (D) the acquisition of all or part of a medical marijuana  
8 business by another person, and (E) the transfer of assets or security  
9 interests from a medical marijuana business to another person;

10 (2) "Medical marijuana business" means a medical marijuana  
11 dispensary facility or production facility, licensed pursuant to chapter  
12 420f of the general statutes and the regulations adopted under said

13 chapter;

14 (3) "Person" means an individual, firm, partnership, corporation,  
15 company, association, trust or other business or tribal entity; and

16 (4) "Transfer" means to sell, transfer, lease, exchange, option, convey,  
17 give or otherwise dispose of or transfer control over, including, but not  
18 limited to, transfer by way of merger or joint venture not in the ordinary  
19 course of business.

20 (b) No person shall, directly or indirectly, enter into a transaction that  
21 results in a material change to a medical marijuana business, unless all  
22 persons involved in the transaction file a written notification with the  
23 Attorney General pursuant to subsection (c) of this section and the  
24 waiting period described in subsection (d) of this section has expired.

25 (c) The written notice required under subsection (b) of this section  
26 shall be in such form and contain such documentary material and  
27 information relevant to the proposed transaction as the Attorney  
28 General deems necessary and appropriate to enable the Attorney  
29 General to determine whether such transaction, if consummated, would  
30 violate antitrust laws.

31 (d) The waiting period required under subsection (b) of this section  
32 shall begin on the date of the receipt by the office of the Attorney  
33 General of the completed notification required under subsection (c) of  
34 this section from all parties to the transaction and shall end on the  
35 thirtieth day after the date of such receipt, unless such time is extended  
36 pursuant to subsection (f) of this section.

37 (e) The Attorney General may, in individual cases, terminate the  
38 waiting period specified in subsection (d) of this section and allow any  
39 person to proceed with a transaction.

40 (f) The Attorney General may, prior to the expiration of the thirty-day  
41 waiting period, require, pursuant to a subpoena or voluntarily, the  
42 submission of additional information or documentary material relevant  
43 to the proposed transaction from a person required to file notification

44 with respect to such transaction under subsection (b) of this section.  
45 Upon request for additional information under this subsection, the  
46 waiting period shall be extended until thirty days after the parties have  
47 substantially complied, as determined solely by the Attorney General,  
48 with such request for additional information.

49 (g) Any information or documentary material filed with the Attorney  
50 General pursuant to this section shall not be disclosed pursuant to  
51 subsection (c) of section 35-42 of the general statutes and, shall be  
52 exempt from disclosure under the Freedom of Information Act, as  
53 defined in section 1-200 of the general statutes, and no such information  
54 or documentary material may be made public, except as may be relevant  
55 to any administrative or judicial action or proceeding. Such information  
56 or documentary material shall be returned to the person furnishing such  
57 information or documentary material upon the termination of the  
58 Attorney General's review or final determination of any action or  
59 proceeding commenced thereunder.

60 Sec. 2. Section 22-61l of the general statutes is repealed and the  
61 following is substituted in lieu thereof (*Effective July 1, 2021*):

62 (a) For the purpose of this section and section 22-61m, as amended by  
63 this act, the following terms have the same meaning as provided in 7  
64 CFR 990.1, as amended from time to time: "Acceptable hemp THC level",  
65 "Agricultural marketing service", "Cannabis", "Conviction", "Corrective  
66 action plan", "Culpable mental state greater than negligence",  
67 "Decarboxylated", "Decarboxylation", "Dry weight basis", "Gas  
68 chromatography", "Geospatial location", "Handle", "High-performance  
69 liquid chromatography", "Information sharing system", "Measurement  
70 of uncertainty", "Negligence", "Phytocannabinoid",  
71 "Postdecarboxylation" and "Reverse distributor". In addition, for the  
72 purpose of this section and section 22-61m, as amended by this act:

73 (1) "Cannabidiol" or "CBD" means the nonpsychotropic compound by  
74 the same name;

75 (2) "Certificate of analysis" means a certificate from a laboratory

76 describing the results of the laboratory's testing of a sample;

77 (3) "Commissioner" means the Commissioner of Agriculture, or the  
78 commissioner's designated agent;

79 (4) "Cultivate" means to plant, grow, harvest, handle and store a plant  
80 or crop;

81 (5) "Federal act" means the United States Agricultural Marketing Act  
82 of 1946, 7 USC 1639o et seq., as amended from time to time;

83 (6) "Department" means the Department of Agriculture;

84 (7) "Hemp" has the same meaning as provided in the federal act;

85 (8) "Hemp products" means all manufacturer hemp products and  
86 producer hemp products;

87 (9) "Independent testing laboratory" means a facility:

88 (A) For which no person who has any direct or indirect financial or  
89 managerial interest in the laboratory and also has any direct or indirect  
90 interest in a facility that:

91 (i) Produces, distributes, manufactures or sells hemp or hemp  
92 products, or marijuana in any state or territory of the United States; or

93 (ii) Cultivates, processes, distributes, dispenses or sells marijuana;  
94 and

95 (B) That is accredited as a laboratory in compliance with section 21a-  
96 408-59 of the regulations of Connecticut state agencies;

97 (10) "Laboratory" means a laboratory that meets the requirements of  
98 7 CFR 990.3 and that is accredited as a testing laboratory to International  
99 Organization for Standardization (ISO) 17025 by a third-party  
100 accrediting body such as the American Association for Laboratory  
101 Accreditation or the Assured Calibration and Laboratory Accreditation  
102 Select Services;

103 (11) "Law enforcement agency" means the Connecticut State Police,  
104 the United States Drug Enforcement Administration, the Department of  
105 Agriculture, the Department of Consumer Protection Drug Control  
106 Division or any other federal, state or local law enforcement agency or  
107 drug suppression unit;

108 (12) "Licensee" means an individual or entity that possesses a license  
109 to produce or manufacture hemp or hemp products in this state;

110 (13) "Manufacture" means the conversion of the hemp plant into a by-  
111 product by means of adding heat, solvents or any method of extraction  
112 that modifies the original composition of the plant for the purpose of  
113 creating a manufacturer hemp product for commercial or research  
114 purposes;

115 (14) "Manufacturer" means a person in the state licensed by the  
116 Commissioner of Consumer Protection to manufacture, handle, store  
117 and market manufacturer hemp products pursuant to the provisions of  
118 section 22-61m, as amended by this act, and any regulation adopted  
119 pursuant to section 22-61m, as amended by this act;

120 (15) "Marijuana" has the same meaning as provided in section 21a-  
121 240;

122 (16) "Market" or "marketing" means promoting, distributing or  
123 selling a hemp product within the state, in another state or outside of  
124 the United States and includes efforts to advertise and gather  
125 information about the needs or preferences of potential consumers or  
126 suppliers;

127 (17) "On-site manager" means the individual designated by the  
128 producer license applicant or producer responsible for on-site  
129 management and operations of a licensed producer;

130 (18) "Pesticide" has the same meaning as "pesticide chemical" as  
131 provided in section 21a-92;

132 (19) "Lot" means a contiguous area in a field, greenhouse or indoor

133 growing structure containing the same variety or strain of hemp  
134 throughout the area;

135 (20) "Post-harvest sample" means a representative sample of the form  
136 of hemp taken from the harvested hemp from a particular lot's harvest  
137 that is collected in accordance with the procedures established by the  
138 commissioner;

139 (21) "Pre-harvest sample" means a composite, representative portion  
140 from plants in a hemp lot, that is collected in accordance with the  
141 procedures established by the commissioner;

142 (22) "Produce" means to cultivate hemp or create any producer hemp  
143 product;

144 (23) "State plan" means a state plan, as described in the federal act and  
145 as authorized pursuant to this section;

146 (24) "THC" means delta-9-tetrahydrocannabinol;

147 (25) "Controlled Substances Act" or "CSA" means the Controlled  
148 Substances Act as codified in 21 USC 801 et seq.;

149 (26) "Criminal history report" means the Federal Bureau of  
150 Investigation's Identity History Summary;

151 (27) "Drug Enforcement Administration" or "DEA" means the United  
152 States Drug Enforcement Administration;

153 (28) "Farm service agency" or "FSA" means an agency of the United  
154 States Department of Agriculture;

155 (29) "Key participant" means a sole proprietor, a partner in  
156 partnership or a person with executive managerial control in an entity,  
157 including persons such as a chief executive officer, chief operating  
158 officer and chief financial officer;

159 (30) "Manufacturer hemp product" means a commodity  
160 manufactured from the hemp plant, for commercial or research

161 purposes, that is intended for human ingestion, inhalation, absorption  
162 or other internal consumption, that contains a THC concentration of not  
163 more than 0.3 per cent on a dry weight basis or per volume or weight of  
164 such manufacturer hemp product;

165 (31) "Producer" means an individual or entity licensed by the  
166 commissioner to produce and market producer hemp products  
167 pursuant to the federal act, the state plan, the provisions of this section  
168 and the regulations adopted pursuant to this section;

169 (32) "Producer hemp product" means any of the following produced  
170 in this state: Raw hemp product, fiber-based hemp product or animal  
171 hemp food product, and each of which contains a THC concentration of  
172 not more than 0.3 per cent on a dry weight basis or per volume or weight  
173 of such producer hemp product;

174 (33) "USDA" means the United States Department of Agriculture;

175 (34) "Entity" means a corporation, joint stock company, association,  
176 limited partnership, limited liability partnership, limited liability  
177 company, irrevocable trust, estate, charitable organization or other  
178 similar organization, including any such organization participating in  
179 the hemp production as a partner in a general partnership, a participant  
180 in a joint venture or a participant in a similar organization; and

181 (35) "Homogenize" means to blend hemp into a mixture that has a  
182 uniform quality and content throughout such mixture.

183 (b) The Commissioner of Agriculture shall establish and operate an  
184 agricultural pilot program, as defined in 7 USC 5940, as amended from  
185 time to time, for hemp research to enable the department, and its  
186 licensees, to study methods of producing and marketing hemp. All  
187 producer licensees licensed pursuant to this section shall be participants  
188 in the state agricultural pilot program for hemp research. Until such  
189 time as said commissioner adopts regulations, in accordance with the  
190 provisions of chapter 54, the Department of Agriculture shall utilize  
191 procedures and guidance policies that the commissioner deems to be

192 consistent with the provisions of 7 USC 5940, as amended from time to  
193 time, provided such procedures and guidance policies shall, at a  
194 minimum, require: (1) The commissioner to certify and register any site  
195 used to grow hemp, (2) any person who produces hemp to produce  
196 plants that meet the definition of hemp and verify such, (3) the  
197 maintenance of records by any person who grows hemp and the  
198 availability of inspection of such records by the commissioner, and (4)  
199 verification of compliance with the definition of hemp by a laboratory,  
200 at the expense of any licensee. The provisions of this section shall take  
201 precedence over any such procedure or guidance policy. Participants in  
202 the state agricultural pilot program for hemp research shall be licensed  
203 in accordance with the provisions of this section. Such pilot program  
204 shall operate until the earlier of the date of a fully approved state plan  
205 under the federal act, as described in this section, or the date of repeal  
206 of the federal law permitting the state's agricultural pilot program for  
207 hemp research.

208 (c) (1) The commissioner shall prepare a state plan in accordance with  
209 the federal act and 7 CFR 990.3, for approval by the Governor, in  
210 consultation with the office of the Chief State's Attorney and the  
211 Attorney General. The state plan, once approved by the Governor and  
212 the Attorney General, shall be submitted by the commissioner to the  
213 United States Secretary of Agriculture for his or her approval. The  
214 commissioner shall have the authority to amend the state plan, in  
215 consultation with the Governor, the Attorney General and the office of  
216 the Chief State's Attorney, as necessary to comply with the federal act.

217 (2) The commissioner shall operate the state plan, which shall  
218 include, at a minimum, the following requirements:

219 (A) The sampling of hemp shall comply, at a minimum, with 7 CFR  
220 990.3(a)(2) and be performed by the commissioner, the commissioner's  
221 designated agents, or an authorized sampling agent;

222 (B) The testing of hemp shall comply, at a minimum, with 7 CFR  
223 990.3(a)(3);



224 (C) The control and disposal of noncompliant cannabis plants shall  
225 comply with 7 CFR 990.27;

226 (D) The department shall comply with all recordkeeping and  
227 reporting requirements in the federal act, and 7 CFR 990.1 to 7 CFR  
228 990.71, inclusive;

229 (E) The department shall comply with enforcement procedures in 7  
230 CFR 990.6;

231 (F) The department shall conduct annual inspections of, at a  
232 minimum, a random sample of producers to verify that hemp is not  
233 produced in violation of the federal act, the state plan and the provisions  
234 of this section, and shall enforce any violation as provided for in the  
235 federal act and as defined in 7 CFR 990.6;

236 (G) Producers shall report their required license, lot and hemp crop  
237 acreage information to FSA, in accordance with the requirements in 7  
238 CFR 990.7; and

239 (H) Producers shall report to the commissioner the total acreage of  
240 hemp planted, harvested and, if applicable, disposed of, and such other  
241 information as the commissioner may require.

242 (3) All sampling and testing of hemp shall be done using protocols  
243 that are at least as statistically valid as the USDA's published protocols  
244 for sampling and testing of hemp, which protocols shall be posted on  
245 the department's Internet web site. During a scheduled sample  
246 collection, the producer, or an authorized representative of the  
247 producer, shall be present at the lot. A producer shall not harvest the  
248 cannabis crop prior to the taking of samples. Samples of hemp plant  
249 material from one lot shall not be commingled with hemp plant material  
250 from other lots. Lots tested and not certified by a laboratory at or below  
251 the acceptable hemp THC level shall be handled and disposed of in  
252 accordance with the federal act, the provisions of this section and the  
253 state plan, as applicable.

254 (4) The commissioner shall collect, maintain and provide to the

255 USDA, on a timely basis, and not less than once per month, license status  
256 of each hemp producer, contact information for each hemp producer  
257 licensed in the state, including lot legal descriptions and locations, and  
258 any changes to such information. The commissioner shall also report to  
259 the USDA, on a timely basis, and not less than once per month, all  
260 required hemp test results and disposal information for all  
261 nonconforming hemp plants and plant material. Such information shall  
262 not include state and federal fingerprint-based records pursuant to  
263 section 29-17a.

264 (d) The commissioner shall have the authority to enforce the federal  
265 act, as amended from time to time, the state plan, this section and any  
266 regulations adopted in accordance with the federal act and chapter 54  
267 for hemp production in the state. The commissioner shall have the  
268 authority to enforce the applicable standards for producer hemp  
269 products. The commissioner may consult, collaborate and enter into  
270 cooperative agreements with any federal or state agency, municipality  
271 or political subdivision of the state concerning application of the  
272 provisions of the federal act and the regulations adopted pursuant to the  
273 federal act, as may be necessary to carry out the provisions of this  
274 section.

275 (e) Any person who produces hemp shall: (1) Be licensed by the  
276 commissioner; (2) comply with the federal act, the state plan, the  
277 provisions of this section and any regulation adopted pursuant to this  
278 section; and (3) transport hemp and hemp samples in a manner and with  
279 such documentation as required by the commissioner.

280 (f) Any person who sells hemp products shall not be required to be  
281 licensed provided such person only engages in: (1) The retail or  
282 wholesale sale of hemp or hemp products in which no further  
283 producing or manufacturing of the hemp products occurs and the hemp  
284 products are acquired from a person authorized under the laws of this  
285 state or another state, territory or possession of the United States or  
286 another sovereign entity to possess and sell such hemp products; (2) the  
287 acquisition of hemp or hemp products for the sole purpose of product

288 distribution for resale; or (3) the retail sale of hemp products that are  
289 otherwise authorized under federal or state law.

290 (g) Any applicant for a license pursuant to this section shall meet each  
291 of the following requirements, as applicable:

292 (1) Each applicant, whether an individual or an entity, shall submit  
293 an application for a license that consists, at a minimum, of the following:  
294 (A) The name, telephone number, electronic mail address, business  
295 address and address of any individual who is the applicant, the full  
296 name of any entity that is the applicant, including any applicable  
297 principal business location and the full name, title and electronic mail  
298 address of each key participant; (B) the name and address of each lot for  
299 the hemp cultivation or producing location; (C) the geospatial location  
300 of each lot by means of global positioning system coordinates and legal  
301 description of each lot used for the hemp cultivation; (D) the acreage  
302 size of each lot where the hemp will be cultivated; (E) written consent  
303 allowing the commissioner to conduct both scheduled and random  
304 inspections of and around the premises on which the hemp is to be  
305 cultivated, harvested, stored and produced; and (F) any other  
306 information as may be required by the commissioner;

307 (2) Each individual who is an applicant and each key participant of  
308 any entity applying for a producer license, or renewal thereof, shall  
309 submit to state and national fingerprint-based criminal history records  
310 checks conducted in accordance with section 29-17a, at his or her own  
311 expense. For the period commencing on the effective date of this section  
312 and ending on December 31, 2021, the results of any such criminal  
313 history records checks shall be provided by such applicants and key  
314 participants to the commissioner for review;

315 (3) No individual, including any key participant of any entity, who  
316 has been convicted of any felony, as prescribed in the federal act, shall  
317 be eligible to obtain or hold a producer license, provided such restriction  
318 shall not apply to any individual who lawfully grew hemp with a  
319 license, registration or authorization under any state pilot program  
320 authorized by section 7606 of the Agricultural Act of 2014 before

321 December 20, 2018. Any individual or entity that materially falsifies any  
322 information in an application pursuant to this section shall be ineligible  
323 to obtain a producer license; and

324 (4) Each individual or entity who is required by this section to obtain  
325 a producer license shall pay for all costs of sampling, testing, retesting  
326 and resampling any samples at a laboratory for the purpose of  
327 determining the THC concentration level of any cannabis under their  
328 control, or in their possession. Each individual or entity who is required  
329 by this section to obtain a producer license shall pay for all costs of  
330 disposal of all noncompliant cannabis plants under their control, or in  
331 their possession.

332 (h) Any producer license issued by the commissioner shall expire on  
333 the third following December thirty-first and may be renewed during  
334 the preceding month of October. Such licenses shall not be transferable.

335 (i) The following fees shall apply for each producer license and  
336 inspection:

337 (1) A nonrefundable license application fee of fifty dollars, provided  
338 any constituent unit of higher education, state agency or department  
339 shall be exempt from such application fee if such production is for  
340 research purposes;

341 (2) A nonrefundable triennial producer license fee of four hundred  
342 fifty dollars for up to one acre of planned hemp plantings and thirty  
343 dollars per each additional acre of planned hemp plantings rounded to  
344 the nearest acre, except no license fee charged shall exceed three  
345 thousand dollars, provided any constituent unit of higher education,  
346 state agency or department shall be exempt from such license fee if such  
347 production is for research purposes; and

348 (3) In the event that resampling by the commissioner is required due  
349 to a test result that shows a violation of any provision of this section or  
350 any regulation adopted pursuant to this section, the licensee shall pay  
351 an inspection fee of fifty dollars. Such fee shall be paid prior to the

352 inspection and collection of the sample to be used for resampling.

353 (j) After receipt and review of an application for producer licensure,  
354 the commissioner may grant a triennial license upon a finding that the  
355 applicant meets the applicable requirements. Each producer licensee  
356 shall notify the commissioner of any changes to their application  
357 information, not later than fifteen days after such change. While the  
358 pilot program is in effect, the commissioner may grant a conditional  
359 approval of a producer license, pending receipt of the criminal history  
360 records check required by this section. The commissioner shall assign  
361 each producer with a license or authorization identifier in a format  
362 consistent with 7 CFR 990.3(a)(9).

363 (k) Whenever an inspection or investigation conducted by the  
364 commissioner pursuant to this title reveals any violation of the state  
365 plan, this section or any regulation adopted thereunder, the producer  
366 license applicant or respondent, as applicable, shall be notified, in  
367 writing, of such violation and any corrective action to be taken and the  
368 time period within which such corrective action shall be taken. Any such  
369 producer license applicant or respondent may request a hearing,  
370 conducted in accordance with chapter 54, on any such notification. Any  
371 notification issued pursuant to this section shall be made by certified  
372 mail, return receipt requested to the producer license applicant or  
373 respondent's last known address, by in-hand service by the  
374 commissioner or designated agent of the commissioner, electronic mail  
375 service with the consent of the recipient, or by service in accordance  
376 with chapter 896. The commissioner shall report all producer violations  
377 made with a culpable mental state greater than negligence to the United  
378 States Attorney General and the State's Attorney for the judicial district  
379 in which the producer violation occurred.

380 (l) Nothing in this section shall be construed to limit the  
381 commissioner's authority to issue a cease and desist order pursuant to  
382 section 22-4d, or an emergency order, in order to respond to a condition  
383 that may present a public health hazard, or issue orders necessary to  
384 effectuate the purposes of this section, including, but not limited to,

385 orders for the embargo, partial destruction, destruction and release of  
386 hemp or hemp products. Any cease and desist order or an emergency  
387 order shall become effective upon service of such order by the  
388 commissioner. Following service of any such order, subsequent  
389 proceedings shall proceed in accordance with the provisions of section  
390 22-4d and the rules of practice for such agency. Any embargo, partial  
391 destruction, destruction or release order issued pursuant to this section  
392 shall be served by certified mail, return receipt requested to the  
393 respondent's last known address, by in-hand service by the  
394 commissioner or designated agent of the commissioner, or by service in  
395 accordance with chapter 896.

396 (m) Following a hearing conducted in accordance with chapter 54,  
397 the commissioner may impose an administrative civil penalty, not to  
398 exceed two thousand five hundred dollars per violation, and suspend,  
399 revoke or place conditions upon any producer licensee who violates the  
400 provisions of this section or any regulation adopted pursuant to this  
401 section.

402 (n) (1) Any individual who produces hemp in this state without  
403 obtaining a license pursuant to this section, or who produces hemp in  
404 this state after having a license suspended or revoked shall have  
405 committed an infraction.

406 (2) Any entity that produces hemp in this state without obtaining a  
407 license pursuant to this section, produces hemp in violation of this  
408 section or produces hemp in this state after having a license suspended  
409 or revoked may be fined not more than two thousand five hundred  
410 dollars per violation, after a hearing conducted in accordance with  
411 chapter 54.

412 (o) (1) Any negligent violation, as described in the federal act, of this  
413 section or the state plan shall be subject to enforcement in accordance  
414 with the federal act, and the state plan for negligent violations.

415 (2) For any negligent violation, a producer shall be required to correct  
416 such negligent violation, by means of a corrective action plan approved

417 by the commissioner. Each corrective action plan shall include, at a  
418 minimum, a reasonable completion deadline for correction of the  
419 negligent violation, periodic reporting to the commissioner for at least  
420 two years and compliance with the state plan.

421 (3) Any producer that negligently violates the state plan shall not, as  
422 a result of such negligent violation, be referred by the commissioner for  
423 any criminal enforcement action by the federal, state or local  
424 government.

425 (4) Any producer that negligently violates the state plan three times  
426 during any five-year period shall be ineligible to produce hemp for a  
427 period of five years beginning on the date of the third violation.

428 (5) The commissioner shall conduct an inspection to determine if the  
429 corrective action plan for a producer who commits any such negligent  
430 violation was properly implemented.

431 (p) Any person aggrieved by an order issued pursuant to this section  
432 may appeal to the commissioner in accordance with the provisions of  
433 chapter 54. Such appeal shall be made in writing to the commissioner  
434 and received not later than fifteen days after the date of the order. If no  
435 appeal is made pursuant to this subsection the order shall be final.

436 (q) (1) All documents submitted under this section shall be subject to  
437 disclosure in accordance with chapter 14, except: (A) Information  
438 depicting or describing (i) the test results of any producer, (ii) the  
439 location of any hemp growing, harvesting, processing or storage  
440 location, or (iii) hemp producer location security schematics; and (B) the  
441 results of any criminal history records check.

442 (2) Notwithstanding the provisions of subdivision (1) of this  
443 subsection, all documents and records submitted or maintained  
444 pursuant to this section shall be disclosed to any law enforcement  
445 agency upon request of such law enforcement agency.

446 (r) The commissioner may inspect and shall have access to the  
447 buildings, equipment, supplies, vehicles, records, real property and

448 other information that the commissioner deems necessary to carry out  
449 the commissioner's duties pursuant to this section from any person  
450 participating in producing, handling, storing marketing or researching  
451 hemp.

452 [(s) Nothing in this section shall be construed to apply to any licensee  
453 of palliative marijuana authorized pursuant to chapter 420f.]

454 [(t)] (s) All licensees pursuant to this section shall maintain records  
455 required by the federal act, the state plan, this section and any regulation  
456 adopted pursuant to this section. Each licensee shall make such records  
457 available to the department immediately upon request of the  
458 commissioner and in electronic format, if available.

459 [(u)] (t) The commissioner may adopt regulations, in accordance with  
460 the provisions of chapter 54, to implement the provisions of this section  
461 including, but not limited to, the labeling of producer hemp products.

462 [(v)] (u) Notwithstanding any provision of the general statutes: (1)  
463 Marijuana does not include hemp or hemp products; (2) THC that does  
464 not exceed 0.3 per cent by dry weight and that is found in hemp shall  
465 not be considered to be THC that constitutes a controlled substance; (3)  
466 hemp-derived cannabidiols, including CBD, shall not constitute  
467 controlled substances or adulterants solely on the basis of containing  
468 CBD; and (4) hemp products that contain one or more hemp-derived  
469 cannabidiols, such as CBD, intended for ingestion shall be considered  
470 foods, not controlled substances or adulterated products solely on the  
471 basis of the containing hemp-derived cannabidiols.

472 [(w)] (v) Whenever the commissioner believes or has reasonable  
473 cause to believe that the actions of a licensee or any employee of a  
474 producer licensee are in violation of the federal act, the state plan, or any  
475 state law concerning the growing, cultivation, handling, transporting or  
476 possession of marijuana, the commissioner shall notify the Department  
477 of Emergency Services and Public Protection and the State Police.

478 Sec. 3. Subsection (g) of section 22-61m of the general statutes is



479 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
480 *2021*):

481 (g) Nothing in this [section shall be construed to apply to any licensee  
482 of palliative marijuana authorized pursuant to chapter 420f] chapter or  
483 any regulations adopted pursuant to this chapter shall be construed to  
484 apply to persons licensed pursuant to section 21a-408i nor to require  
485 persons licensed pursuant to said section to obtain a license pursuant to  
486 this chapter.

487 Sec. 4. Subsection (k) of section 22-61m of the general statutes is  
488 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
489 *2021*):

490 (k) Any hemp intended to be manufactured into a manufacturer  
491 hemp product shall be tested by an independent testing laboratory  
492 located in this state. A manufacturer licensee shall make available  
493 samples, in an amount and type determined by the Commissioner of  
494 Consumer Protection, of hemp for an independent testing laboratory  
495 employee to select random samples. The independent testing laboratory  
496 shall test each sample for microbiological contaminants, mycotoxins,  
497 heavy metals and pesticide chemical residue, and for purposes of  
498 conducting an active ingredient analysis, if applicable, as determined by  
499 the Commissioner of Consumer Protection.

500 Sec. 5. (NEW) (*Effective July 1, 2021*) (a) Marijuana producers, licensed  
501 under any provision of the general statutes, shall manufacture, market,  
502 produce or store hemp and hemp products, as such terms are defined in  
503 section 22-61l of the general statutes, as amended by this act, in  
504 accordance with the provisions of chapter 424 of the general statutes and  
505 any regulations adopted under said chapter, except that marijuana  
506 producers may obtain hemp and hemp products from a person  
507 authorized under the laws of this state or another state, territory or  
508 possession of the United States or another sovereign entity to possess  
509 and sell such hemp and hemp products.

510 (b) Hemp or hemp products purchased by marijuana producers from

511 third parties shall be tracked as a separate batch throughout the  
 512 manufacturing process in order to document the disposition of such  
 513 hemp or hemp products. Once hemp or hemp products are received by  
 514 a marijuana producer, such hemp or hemp products shall be deemed  
 515 marijuana and shall comply with the requirements for marijuana  
 516 contained in the applicable provisions of the general statutes and any  
 517 regulations adopted under such provisions. Marijuana producers shall  
 518 retain a copy of the certificate of analysis for hemp or hemp products  
 519 purchased and invoice and transport documents that evidence the  
 520 quantity purchased and date received.

521 (c) No hemp or hemp products shall be sold or distributed within a  
 522 dispensary facility, as defined in section 21a-408-1 of the regulations of  
 523 Connecticut state agencies.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2021	New section
Sec. 2	July 1, 2021	22-61l
Sec. 3	July 1, 2021	22-61m(g)
Sec. 4	July 1, 2021	22-61m(k)
Sec. 5	July 1, 2021	New section

**GL**            *Joint Favorable Subst.*

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*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

### **Explanation**

The bill requires any proposed changes in ownership of medical marijuana businesses licensed by the Department of Consumer Protection to be reviewed by the Office of the Attorney General (OAG) to determine whether such changes would violate antitrust laws. This has no fiscal impact since OAG currently has staff with expertise for this purpose.

Additionally, the bill allows third-party medical marijuana producers to purchase hemp and hemp products from entities that are not part of the medical marijuana program. This has no fiscal impact to the state or municipalities.

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****sHB 6099*****AN ACT CONCERNING ANTITRUST ISSUES AND THE PALLIATIVE USE OF MARIJUANA AND THE SALE OF HEMP AND HEMP PRODUCTS.*****SUMMARY**

This bill requires anyone involved in a transaction that results in a material change to a medical marijuana business to file written notice with the attorney general. It also establishes a waiting period for these transactions.

Under the bill, the written notice must contain information relevant to the proposed transaction as the attorney general deems necessary to enable him to determine whether the transaction would violate antitrust laws. The attorney general may ask for supplemental information and extend the waiting period. The bill prohibits disclosing this information under the state's antitrust law and exempts it from disclosure under the Freedom of Information Act (FOIA).

Additionally, the bill allows licensed marijuana producers to manufacture, market, produce, or store hemp and hemp products and obtain these products from other legal sources. It also requires these products the producer purchases to be tracked throughout the manufacturing process.

Finally, the bill (1) prohibits hemp or hemp products from being sold or distributed within a medical marijuana dispensary and (2) requires the independent testing laboratory that tests hemp to be located in Connecticut. By law, hemp that is intended to be manufactured into a manufacturer hemp product must be tested by an independent testing laboratory. "Manufacturer hemp products" include products intended for human consumption, including by ingestion, inhalation, or

absorption, that contain a THC concentration of no more than 0.3% on a dry weight basis or per volume or weight.

EFFECTIVE DATE: July 1, 2021

**MEDICAL MARIJUANA BUSINESS TRANSACTION NOTICE AND WAITING PERIOD**

The bill requires any person who enters into a transaction, either directly or indirectly, that results in a material change to a medical marijuana business to file a written notice with the attorney general and serve a waiting period. A “person” means an individual, firm, partnership, corporation, company, association, trust, other business, or tribal entity and a “medical marijuana business” means a licensed medical marijuana dispensary or production facility.

Under the bill, “material change” means:

1. the addition of a dispensary facility backer or producer backer (i.e., an owner of a greater than 5% stake);
2. a change in the ownership interest of an existing dispensary facility backer or producer backer;
3. the merger, consolidation, or other affiliation of a medical marijuana business with another person;
4. the acquisition of all or part of a medical marijuana business by another person; and
5. the transfer of assets or security interests from a medical marijuana business to another person.

“Transfer” means to sell, transfer, lease, exchange, option, convey, give, otherwise dispose of, or transfer control over, including by way of merger or joint venture not in the ordinary course of business.

**Written Notice**

The bill requires the written notice to be in a form and contain the documentary material and information relevant to the proposed

transaction as the attorney general deems necessary and appropriate to enable him to determine whether the transaction, if consummated, violates antitrust laws.

By law, the attorney general has the authority to, among other things, investigate proposed transactions and require parties to provide relevant information through subpoenas and written interrogatories (CGS § 35-42).

### ***Waiting Period***

The bill requires a waiting period before the transaction is complete, which begins on the day the attorney general receives the completed notice from all parties to the transaction (see above). The waiting period generally ends on the 30<sup>th</sup> day after the receipt, unless the attorney general extends the time or, in individual cases, terminates the waiting period and allows the transaction to proceed.

Under the bill, the attorney general may, before the 30-day waiting period expires, extend the waiting period by requesting additional material. He may require parties to submit, pursuant to a subpoena or voluntarily, additional information or documentary material relevant to the proposed transaction. Upon this request, the waiting period is extended until 30 days after the parties have substantially complied with the request, as determined by the attorney general.

### ***Disclosure Prohibited***

Under the bill, any information or documentary material filed with the attorney general is not disclosable under the Connecticut antitrust investigation law or FOIA. This information or material must not be made public, except as may be relevant to an administrative or judicial action or proceeding.

The bill requires the information or documentary material to be returned to the person who provided it when the attorney general's review is terminated or the final determination of any action or proceeding commenced as a result.

**HEMP**

The bill requires any licensed marijuana producer that manufactures, markets, produces, or stores hemp and hemp products to do so in accordance with existing hemp laws and regulations. The bill also allows producers to obtain hemp and hemp products from a person authorized under Connecticut law or the law of another U.S. state, territory, or possession or other sovereign entity to possess and sell these products.

Under the bill, the Seed Law Chapter and its regulations do not apply to medical marijuana producers, broadening an existing provision generally exempting producers from laws on hemp licensure and programs. The Seed Law Chapter generally establishes requirements for seed labeling, sale, inspection, and restrictions, among other things (CGS § 22-55 et seq.).

The bill requires the hemp or hemp products a marijuana producer purchases from a third parties to be tracked as a separate batch throughout the manufacturing process to document their disposition. Once the producer receives these products, they are deemed marijuana and the producer must comply with the applicable marijuana laws and statutes. Producers must retain a copy of the certificate of analysis for hemp or hemp products purchased and the invoice and transport documents that show the quantity purchased and date received.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea 19    Nay 0    (03/09/2021)