

# OFFICE OF FISCAL ANALYSIS

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SB-1201

AN ACT CONCERNING RESPONSIBLE AND EQUITABLE  
REGULATION OF ADULT-USE CANNABIS.

AMENDMENT

LCO No.: 10981

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## ***OFA Fiscal Note***

### ***See Fiscal Note Details***

The amendment makes various modifications to the regulation of adult-use cannabis which result in the fiscal impacts below.

**Legal Age.** The amendment raises the legal age of possession of cannabis from 21 to 25. This may preclude a revenue gain to the state and certain municipalities in FY 22-24, to the extent that the amendment prevents taxable sales of cannabis products to individuals aged 21 to 24 that would have otherwise occurred under the bill.

The amendment also results in a potential cost for incarceration or probation and a potential revenue gain from fines by raising the legal age of cannabis from 21 to 25.

**Taxes and New Funds.** The amendment redirects revenues generated from the state cannabis tax to other various funds which result in the impacts to individual funds and accounts listed in the table below. The amendment does not alter the state cannabis tax rate and therefore does not change the total net revenue impact to the state.

### **Fiscal Impact of Modifications to State Cannabis Tax Distribution**

(in millions)

<b>Fund/Account</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>
Cannabis Regulatory and Investment Account	(1.0)	-	-	-	-

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(FN)

Fund/Account	FY 22	FY 23	FY 24	FY 25	FY 26
Victim Restoration Fund	0.3	2.0	2.4	4.2	4.4
General Fund	-	(7.9)	(1.4)	(2.5)	(1.8)
Social Equity and Innovation Fund	0.3	2.0	(3.4)	(5.9)	(7.0)
Prevention and Recovery Services Fund	0.5	4.0	2.4	4.2	4.4
<b>Total State Impact (net)</b>	-	-	-	-	-

The amendment creates the new Victim Restoration Fund as a separate, non-lapsing fund and deposits into that fund 25% of the state cannabis tax revenue. The revenue impact to that fund is listed in the table above. The funds are provided to the Judicial Department for the purposes of supplementing the victim compensation program administered by the Office of Victim Services.

**Attorney General Fines.** The amendment, which lowers the amount of the fine imposed by the Office of the Attorney General for certain violations, from \$25,000 to \$500, may result in a revenue loss to the resources of the General Fund, to the extent violations occur. Any revenue loss from this altered fine is anticipated to be minimal.

**Other Modifications.** The amendment also removes various labor agreement sections, changes requirements for certain social equity council appointments, and makes various technical and conforming changes which result in no fiscal impact to the state.

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.*