



General Assembly

Amendment

June Special Session, 2021

LCO No. 10986



Offered by:

REP. CANDELORA, 86th Dist.
REP. DEVLIN, 134th Dist.
REP. O'DEA, 125th Dist.
REP. PERILLO, 113th Dist.
REP. REBIMBAS, 70th Dist.

REP. ZUPKUS, 89th Dist.
REP. FISHBEIN, 90th Dist.
REP. RUTIGLIANO, 123rd Dist.
REP. CHEESEMAN, 37th Dist.
REP. CARNEY, 23rd Dist.

To: Senate Bill No. **1201**

File No.

Cal. No.

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

1 Strike subdivision (33) of section 1 in its entirety, and renumber the
2 remaining subdivisions accordingly

3 Strike subdivisions (5) and (6) of subsection (b) of section 22 in their
4 entirety and substitute the following in lieu thereof:

5 "(5) One appointed by the minority leader of the House of
6 Representatives, who has not less than ten years of professional
7 experience as a physician or researcher in the field of public health;

8 (6) One appointed by the minority leader of the Senate, who has not
9 less than five years of professional experience in providing treatment or
10 care to patients with substance abuse conditions;"

11 Strike subdivision (14) of section 32 in its entirety and insert the
12 following in lieu thereof:

13 "(14) Prohibiting a cannabis establishment from selling, other than the
14 sale of medical marijuana products between cannabis establishments
15 and the sale of cannabis to qualified patients and caregivers, (A)
16 cannabis flower or other cannabis plant material with a total THC
17 concentration greater than thirty per cent on a dry-weight basis, and (B)
18 any cannabis product other than cannabis flower and cannabis plant
19 material with a total THC concentration greater than thirty per cent on
20 a dry-weight basis, except that the provisions of subparagraph (B) of this
21 subdivision shall not apply to the sale of prefilled cartridges for use in
22 an electronic cannabis delivery system, as defined in section 19a-342a of
23 the general statutes and the department may adjust the percentages set
24 forth in subparagraph (A) or (B) of this subdivision in regulations
25 adopted pursuant to this section for purposes of public health or to
26 address market access or shortage. As used in this subdivision, "total
27 THC" has the same meaning as provided in section 21a-240 of the
28 general statutes and "cannabis plant material" means material from the
29 cannabis plant, as defined in section 21a-279a of the general statutes;
30 and"

31 Strike subsection (i) of section 35 in its entirety and substitute the
32 following in lieu thereof:

33 "(i) All applicants selected in the lottery and not denied shall be
34 provided a provisional license application, which shall be submitted in
35 a form and manner prescribed by the commissioner. Applicants shall
36 have sixty days from the date they receive their provisional application
37 to complete the application. The right to apply for a provisional license
38 is nontransferable. Upon receiving a provisional application from an
39 applicant, the department shall review the application for completeness
40 and to confirm that all information provided is acceptable and in
41 compliance with this section and any regulations adopted under this
42 section. If a provisional application does not meet the standards set forth
43 in this section, the applicant shall not be provided a provisional license.

44 A provisional license shall expire after fourteen months and shall not be
45 renewed. A provisional licensee may apply for a final license of the
46 license type for which the licensee applied during the initial application
47 period. A provisional license shall be nontransferable. If the provisional
48 application does not meet the standards set forth in this section or is not
49 completed within sixty days, the applicant shall not receive a
50 provisional license. The decision of the department not to award a
51 provisional license shall be final and may be appealed in accordance
52 with section 4-183 of the general statutes. Nothing in this section shall
53 prevent a provisional applicant from submitting an application for a
54 future lottery."

55 Strike subdivisions (4) and (5) of subsection (j) of section 35 in their
56 entirety and renumber the remaining subdivisions in their entirety

57 Strike section 51 in its entirety and substitute the following in lieu
58 thereof:

59 "Sec. 51. (NEW) (*Effective from passage*) (a) As used in this section,
60 "state employee" has the same meaning as provided in section 1-79 of
61 the general statutes, "communicator lobbyist" has the same meaning as
62 provided in section 1-91 of the general statutes and "state contractor"
63 and "principal state contractor" have the same meanings as provided in
64 section 9-612 of the general statutes.

65 (b) No member of the Social Equity Council and no employee of the
66 Social Equity Council or department who carries out the licensing,
67 inspection, investigation, enforcement or policy decisions authorized by
68 RERACA, and any regulations enacted pursuant thereto, may, directly
69 or indirectly, have any management or financial interest in the
70 cultivation, manufacture, sale, transportation, delivery or testing of
71 cannabis in this state, nor receive any commission or profit from nor
72 have any interest in purchases or sales made by persons authorized to
73 make such purchases or sales pursuant to RERACA. No provision of
74 this section shall prevent any such member or employee from
75 purchasing and keeping in his or her possession, for his or her personal

76 use or the use of such member's or employee's family or guests, any
77 cannabis which may be purchased or kept by any person by virtue of
78 RERACA.

79 (c) No former member of the Social Equity Council or such member's
80 spouse and former state employee or such employee's spouse shall,
81 within two years of leaving state service, be eligible to apply either
82 individually or with a group of individuals for a cannabis establishment
83 license.

84 (d) No former member of the General Assembly or state-wide elected
85 public official or such member's or official's spouse shall, within two
86 years of such member or official leaving state service, be eligible to
87 apply either individually or with a group of individuals for a cannabis
88 establishment license.

89 (e) No former communicator lobbyist who was registered under
90 chapter 10 of the general statutes or such lobbyist's spouse shall, within
91 two years of the termination of such lobbyist's registration under said
92 chapter, be eligible to apply either individually or with a group of
93 individuals for a cannabis establishment license.

94 (f) No principal of a state contractor or such principal's spouse shall,
95 within two years of the completion of the principal's last state contract,
96 be eligible to apply either individually or with a group of individuals
97 for a cannabis establishment license."

98 Strike subdivision (1) of subsection (h) of section 61 in its entirety and
99 substitute the following in lieu thereof:

100 "(1) Any person, or any officer, director or partner thereof, who fails
101 to comply with any provision of this section shall be liable to the state
102 for a civil penalty of not more than five hundred dollars for each day
103 during which such person is in violation of this section. Such penalty
104 may be recovered in a civil action brought by the Attorney General."

105 Strike subsection (a) of section 100 in its entirety and substitute the

106 following in lieu thereof:

107 "(a) Except as provided in subsection (b) of this section, if an
108 employer has violated any provision of section 98 or 99 of this act, an
109 individual aggrieved by such violation may bring a civil action for
110 judicial enforcement of such provision in the superior court for the
111 judicial district where the violation is alleged to have occurred, or where
112 the employer has its principal office, within ninety days of such alleged
113 violation. Any individual who prevails in such civil action may be
114 awarded reinstatement of the individual's previous employment or job
115 offer, back wages and reasonable attorney's fees and costs, to be taxed
116 by the court."

117 Strike sections 102 and 103 in their entirety, and renumber the
118 remaining sections and internal references accordingly

119 Strike subsection (d) of section 106 in its entirety and insert the
120 following in lieu thereof:

121 "(d) In any prosecution of a licensee or an agent or employee of a
122 licensee for selling or delivering cannabis to a person under twenty-five
123 years of age in violation of section 105 of this act, or for providing
124 cannabis to a person under twenty-five years of age in violation of
125 section 163 of this act, it shall be an affirmative defense that such
126 licensee, agent or employee sold or delivered cannabis to such person in
127 good faith and in reasonable reliance upon the identification presented
128 by such person and, pursuant to subsection (a) of this section,
129 photographed the person and made a photocopy of such identification.
130 In support of such defense, such licensee, agent or employee may
131 introduce evidence of such photograph and photocopy."

132 Strike subsection (i) of section 125 in its entirety and insert the
133 following in lieu thereof:

134 "(i) The tax received by the state under this section shall be deposited
135 as follows: Fifty per cent of such tax received in the Prevention and
136 Recovery Services Fund established under section 128 of this act,

137 twenty-five per cent of such tax received in the Social Equity and
138 Innovation Fund established under section 128 of this act and twenty-
139 five per cent of such tax received in the Victim Restoration Fund
140 established under section 128 of this act."

141 Strike section 128 in its entirety and insert the following in lieu
142 thereof:

143 "Sec. 128. (NEW) (*Effective July 1, 2021*) (a) (1) There is established an
144 account to be known as the "cannabis regulatory and investment
145 account" which shall be a separate, nonlapsing account within the
146 General Fund. The account shall contain any moneys required by law to
147 be deposited in the account. Moneys in the account shall be allocated by
148 the Secretary of the Office of Policy and Management to state agencies
149 for the purpose of paying costs incurred to implement the activities
150 authorized under RERACA, as defined in section 1 of this act.

151 (2) Notwithstanding the provisions of section 34 of this act, for the
152 fiscal year ending June 30, 2022, the following shall be deposited in the
153 cannabis regulatory and investment account: (A) All fees received by
154 the state pursuant to section 30 of this act and subdivisions (1) to (11),
155 inclusive, of subsection (c) of section 34 of this act; and (B) the tax
156 received by the state under chapter 219 of the general statutes from a
157 cannabis retailer, hybrid retailer or micro-cultivator, as those terms are
158 defined in section 125 of this act.

159 (b) (1) There is established an account to be known as the "social
160 equity and innovation account" which shall be a separate, nonlapsing
161 account within the General Fund. The account shall contain any moneys
162 required by law to be deposited in the account. Moneys in the account
163 shall be allocated by the Secretary of the Office of Policy and
164 Management to state agencies for the purpose of (A) paying costs
165 incurred by the Social Equity Council, as defined in section 1 of this act,
166 and (B) administering programs under RERACA to provide (i) access to
167 capital for businesses, (ii) technical assistance for the start-up and
168 operation of a business, (iii) funding for workforce education, and (iv)

169 funding for community investments.

170 (2) Notwithstanding the provisions of sections 34 and 149 of this act,
171 for the fiscal year ending June 30, 2022, the following shall be deposited
172 in the social equity and innovation account: All fees received by the state
173 pursuant to sections 26, 145 and 149 of this act and subdivisions (12) and
174 (13) of subsection (c) of section 34 of this act.

175 (c) (1) There is established a fund to be known as the "Social Equity
176 and Innovation Fund" which shall be a separate, nonlapsing fund. The
177 fund shall contain any moneys required by law to be deposited in the
178 fund and shall be held by the Treasurer separate and apart from all other
179 moneys, funds and accounts. Moneys in the fund shall be appropriated
180 for the purposes of providing the following: Access to capital for
181 businesses; technical assistance for the start-up and operation of a
182 business; funding for workforce education; and funding for community
183 investments. All such appropriations shall be dedicated to expenditures
184 that further the principles of equity, as defined in section 1 of this act.

185 (2) (A) For the purposes of subdivision (1) of this subsection, for the
186 fiscal year ending June 30, 2023, and for each fiscal year thereafter, the
187 Social Equity Council shall transmit, for even-numbered years,
188 estimates of expenditure requirements and for odd-numbered years,
189 recommended adjustments and revisions, if any, of such estimates, to
190 the Secretary of the Office of Policy and Management, in the manner
191 prescribed for a budgeted agency under subsection (a) of section 4-77 of
192 the general statutes. The council shall recommend for each fiscal year
193 commencing with the fiscal year ending June 30, 2023, appropriate
194 funding for all credits payable to angel investors that invest in cannabis
195 businesses pursuant to section 12-704d of the general statutes.

196 (B) The Office of Policy and Management may not make adjustments
197 to any such estimates or adjustments and revisions of such estimates
198 transmitted by the council. Notwithstanding any provision of the
199 general statutes or any special act, the Governor shall not reduce the
200 allotment requisitions or allotments in force pursuant to section 4-85 of

201 the general statutes or make reductions in allotments in order to achieve
202 budget savings in the General Fund, concerning any appropriations
203 made by the General Assembly for the purposes of subdivision (1) of
204 this subsection.

205 (d) There is established a fund to be known as the "Prevention and
206 Recovery Services Fund" which shall be a separate, nonlapsing fund.
207 The fund shall contain any moneys required by law to be deposited in
208 the fund and shall be held by the Treasurer separate and apart from all
209 other moneys, funds and accounts. Moneys in the fund shall be
210 appropriated for the purposes of (1) substance abuse prevention,
211 treatment and recovery services, and (2) collection and analysis of data
212 regarding substance use.

213 (e) There is established a fund to be known as the "Victim Restoration
214 Fund" which shall be a separate, nonlapsing fund. The fund shall
215 contain any moneys required by law to be deposited in the fund and
216 shall be held by the Treasurer separate and apart from all other moneys,
217 funds and accounts. Moneys in the fund shall be appropriated to the
218 Judicial Department for the purposes of supplementing the victim
219 compensation program administered by the Office of Victim Services
220 established under section 54-203 of the general statutes and for the
221 payment of compensation to victims of offenses involving controlled
222 substances, as deemed appropriate by a majority of the victim
223 compensation commissioners."

224 Strike subsection (a) of section 149 in its entirety and substitute the
225 following in lieu thereof:

226 "(a) Thirty days after the Social Equity Council posts the criteria for
227 social equity applicants on its Internet web site, the department shall
228 open up a three-month application period for cultivators during which
229 a social equity applicant may apply to the department for a provisional
230 cultivator license and final license for a cultivation facility located in a
231 disproportionately impacted area without participating in a lottery or
232 request for proposals. Such application for a provisional license shall be

233 granted upon (1) verification by the Social Equity Council that the
234 applicant meets the criteria for a social equity applicant; (2) the applicant
235 submitting to and passing a criminal background check; and (3)
236 payment of a three-million-dollar fee to be deposited in the Social Equity
237 and Innovation Fund established in section 128 of this act."