

General Law Committee JOINT FAVORABLE REPORT

Bill No.: HB-6697

AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S

Title: RECOMMENDATIONS REGARDING CANNABIS REGULATION.

Vote Date: 3/7/2023

Vote Action: Joint Favorable Substitute

PH Date: 2/23/2023

File No.: 226

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SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

This legislation classifies "high THC hemp product" as marijuana/cannabis with the ensuing DCP requirements. It also clarifies the language that "cannabis type substance" is marijuana/cannabis and requires the Dept. of Emergency Services and Public Protection to train local police departments on the enforcement and investigation of the product. It requires DCP to adopt regulations covering the testing of marijuana from certain specified individuals as well as defining the difference between laboratories for controlled substances and hemp from cannabis, while setting a fee structure for these laboratories. This bill also now allows those who have certain types of controlled substance convictions to be caregivers for medical marijuana patients while expanding the role of a caregiver to care for more than one qualifying patient, should they be giving care to a spouse or grandparent. There are technical revisions to sections regarding the cannabis lottery, social equity venture language and application disclosures as well as requirements that hemp manufacturers add warnings and disclosures on packaging, as well as allowing retesting by the manufacturer before disposal of the product. There is a section in this legislation that refers to the advertising of adult-use cannabis products and billboard hours for such promotions, while allowing some professional services to advertise cannabis\cannabis related services.

RESPONSE FROM ADMINISTRATION/AGENCY:

Michelle H. Seagull, Commissioner - Department of Consumer Protection

This legislation defines and clarifies many aspects of the Equitable Regulation of Adult-Use Cannabis Act (RERACA). It delineates the lottery licensing process for medical dispensaries and producer licenses, including the exemption of such for equity joint ventures (EJV). This includes changes to the social equity and general lottery system, allowing the applicant to

remove a backer that would prevent them from licensure, as well as defining an applicant's recourse in the judicial system. This bill creates a laboratory specifically for cannabis testing, sets a licensing fee and adds conforming language for such laboratories. It clarifies sections involving EJVs that share a common cultivator, producer, or dispensary facility backer, as well as the setting of restrictions of cannabis advertising hours on billboards, while allowing cannabis related services to be advertised. This law also expands the role of caregiver by excluding language disallowing them because of certain criminal convictions, while allowing them to serve more than one qualifying patient. A high-THC hemp product cannot be sold in a non-licensed establishment.

NATURE AND SOURCES OF SUPPORT:

Benjamin Zachs – Fine Fettle

Supports. This testimony supports the legislation in general with some proposed changes. Restricting the billboard advertisement of marijuana is making it impossible to compete in the market. While the twenty-mile buffer zone is a necessary law to protect EJV's, disproportionately impacted area (DIA) cultivators and dispensary backers have an impact on the industry. This hurts social equity partners and they should be viewed differently than either dispensary backers or DIA cultivator backers. The testimony supports the belief that Section 149 cultivators should not be able to open a dispensary until they have their final license. These are not dispensary licenses but cultivator licenses and should be treated as such. In addition, the Section 149 applicants should be held to the letter of the law and complete their obligations. This applies to medical dispensaries, as well.

Eileen Kopec

Supports. The easing of restrictions regarding caregivers is very helpful by allowing those who have certain drug-related convictions to provide such care. In relation to caregivers, the language allows grandparents and spouses, increasing the number for caregivers to more than one qualifying patient.

Ann Marie Luisi-Rosado – Owner – Higher Health

Supports. There is a great need for caregivers and their ability to provide for more than one qualifying patient. This legislation endorses that. The testimony also supports the language regarding child awareness packaging of cannabis products.

Andrew Simonow

Supports. This bill covers the need to restrict EJV and DIA Cultivators/license holders to a 20-mile distance between adult-use medical and hybrid retail locations. The remaining testimony asks for several changes, including; wording be added regarding that the "disproportionately impacted areas" cultivators license holders receive a final license for an EJV adult-use or hybrid facility with requirements for responsible, good faith operators who can assure their facility will be operational, through; a bond, lien or securing mechanism or hard time line for full operational status; product packaging license is designed as a third party function, not as one that can buy, test, transport and brand their own product. This testimony strongly suggests that remain. They also suggest Section 149 licenses be held to their arrangement to pay the three-million-dollar fee within a hard timeline. Also suggested is should medical dispensaries not convert to hybrid as well as pay the \$500,000 conversion fee, they should not be allowed to obtain an EJV license. The fourteen-month timeline is not equitable, with DIA Cultivators/section 149 license holders told they would need to meet a

short deadline, some did while others did not due to the DCP removing the timeline requirement. The testimony also asks that there be a six-month extension for licensees forced to pay the three million dollar fee and have an impossible timeline to begin their business.

NATURE AND SOURCES OF OPPOSITION:

Nicole Eaton

Opposes. This testimony states that the state of Connecticut is not doing enough for the medical marijuana community, at large, and more education is needed to better serve the public. The suggestion is that Connecticut find an existing workable cannabis program in another state and replicate that to be a successful venture for those who use and need medical marijuana.

Joshua Frazer – Main Quality Roots

Opposes. In this legislation, there is no provision made for the average, small grower/manufacturer/distributor to succeed. The state of Connecticut must revisit this population to help them become part of the market and have access to more opportunities.

Andrew Hurczyn – Addison Farm

Opposes. The new definition of "high THC hemp product" changes and limits an already tight market for growing and selling this in Connecticut. It will make most hemp products illegal and severely limits the sale of this within our state. It is requested that the new definition be stricken from the bill. The restrictions on packaging and advertising of hemp products seems overly restrictive and should this portion of the bill remain, many hemp products would no longer be available. Also, there should be two separate regulatory processes for the hemp and marijuana/cannabis industries.

Jeff Wentzel – Hemp Farmer – CHIA

Opposes. Testimony states that restricting "high-THC hemp product" content is unconstitutional and a discriminatory act by the state of Connecticut. This is a regulation restricting the amount of THC allowed in Connecticut grown cannabis which discriminates against Connecticut growers and the allowable THC product in relation to other states and their allowable THC content. It creates unconstitutional regulation against us with out-of-state product strength, activity, and sales. The state also needs strong standards on cannabis products while implementing enforcement against those selling unsafe, untested product. In fact, there are new cannabinoids from out-of-state that do not follow any of Connecticut's regulations and restrictions, nor child-proof packaging but are purchased because of their higher THC content, leaving our state with comprehensive regulation but a product that is not as desirable as those of the unregulated or out-of-state products.

Reported by: Kathleen Zabel

Date: March 28, 2023