

General Law Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6699

Title: AN ACT CONCERNING CANNABIS REGULATION.

Vote Date: 3/7/2023

Vote Action: Joint Favorable Substitute

PH Date: 2/23/2023

File No.: 201

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SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

This legislation defines "edible cannabis product". It also defines the structure of an "off-site event" involving the sale of cannabis, other than medical products to consumers, the permitting of said event by the Department of Consumer Protection, the conduct of retailers and hybrid retailers, rules regarding notification to municipal officials, and building officials as well as adoption of local ordinances regarding such events. This bill describes the role of law enforcement at these events. It also defines licensure of retailers and hybrid retailers regarding their permitting at off-site events. HB6699 also defines employees, explaining rules about distribution. It specifies that the Labor Department must identify a list of labor unions that are seeking to represent cannabis workers in the state and the structure of what this would entail. This bill specifies packaging requirements deemed for adults, labeling levels of THC in said packages with appropriate warnings as well adhering to the child resistant packaging laws of Connecticut. The bill establishes an Office of the Cannabis Ombudsman under the Dept of Consumer Protection, whose position would be oversight of medical cannabis only and will not deal with the adult-use cannabis market. It also establishes a task force to study various aspects of the off-site event sales of cannabis.

RESPONSE FROM ADMINISTRATION/AGENCY:

Dante Bartolomeo, Commissioner, Department of Labor.

Opposes. The Commissioner of Labor cites Federal law regarding HB6699. Whereas this legislation puts the Connecticut Dept. of Labor in charge of putting together a list of appropriate labor unions to support cannabis workers in the state, at present there is no federal law allowing the sale and consumption of cannabis in any state. This federal ban affects the Dept. of Labor as it is 80% federally funded and would lose federal funding and any federal grant monies should they be tasked with this duty. As far as the Federal

government is concerned, all activities involving cannabis are illegal under the "Controlled Substances Act", which prevents the CT Department of Labor from complying with this legislation.

NATURE AND SOURCES OF SUPPORT:

AJ Clayborne, State Legislative Analyst United Food and Commercial Workers International Union

Supports. Establishing a labor peace agreement between cannabis workers and bona fide labor unions to receive a license has the support of UFCW as it reinforces negotiated peace agreements and creates a process allowing workers to decide whether or not they want union representation. The term "bona fide labor organization" is important to the success of the combination of workers and legal, binding representation. There is a concern from the Department that they cannot enforce this legislation, even though statutorily they have that ability.

Zachary McKeown, Senior Legislative Associate for the Connecticut Conference of Municipalities

Supports. This legislation allows municipalities to prohibit or control the permitting or of off-site events selling cannabis. This is an important part of the bill and CCM supports it. CCM also supports the establishment of the Office of Ombudsman and the office of Chief Policy Officer with regard to regulation and sale of cannabis.

Lisa Capitani, MBA, BSN, RN, CGR

Supports. Works for and testifying with information gleaned from Doctors for Cannabis Regulation. This organization has designed the International Intoxicating Cannabis Product symbol. This has been adopted by several states and is recognized as an international product symbol for cannabis product packaging. Ms. Capitani offers to facilitate the adding of this to our labeling of cannabis products. There is support for an ombudsman as the Department of Consumer Protection will need assistance in communicating within the cannabis growers, providers, and distributors as well as future patient's needs. There is also support for establishing a task force to look at and assist those who sell and consume cannabis products, including the patient population.

Kathryn Dube, Executive Director Connecticut Youth Services Association

Supports. This legislation creates regulations regarding packaging and labeling of cannabis products, which we support. This regulatory language creates guidelines for the industry and a system of packaging that protects the cannabis products from children. They request that the legislation use a regulatory system like liquor control and assure that there are laws regarding safe disposal and storage of cannabis products and packaging, and that such packaging is not attractive to minors. They suggest that there be a partnership between the cannabis industry and the Department of Consumer Protection to oversee and work toward monitoring both youth substance abuse and municipal prevention efforts. Also, they request that there be creation of an educational campaign of education for adults and school children as well as enforcement of underage cannabis possession and sales. In conclusion, they ask that the term "recreational marijuana" be replaced with "adult-use cannabis."

Stella Johnson Compliance Manager Bud's Goods & Provisions

Supports. In favor of deleting language that specifies that only products that have been packaged may be transported to retailers. To allow diversity of product, cannabis product packagers should have the ability to transport all package sizes to retailers. This allows fewer deliveries to retailers, providing greater safety in transit. Also, there is a request to allow product packagers to register brands, creating competition among packagers, thus creating a better product for the market. On that subject, there is a suggestion that there be product testing, In Massachusetts, tested cannabis products can, after the testing, contain a mix of cannabis from vendors, sources and methods, after which, they are re-tested when packaged.

Angerlyk Frytz, White Oak Apothecary, LLC

Supports. The suggestions to improve this bill, which is supported, would include what they feel was intended, by make a product package licensee also a wholesaler. The feeling is that such licensure is unnecessary, with the product packager's non-social equity license fee being \$25,000, which it's need appears unnecessary. The suggested language: ensure that projected revenue of cannabis sales meet or exceed their numbers at year 5; both manufacturers and producers have an infrastructure that can start and grow their business in an environment of capital scarcity; allow small businesses to be competitive without required to receive large minimum orders as well as the necessity of purchasing from multiple vendors; being able to access physical consolidation measures would make everything more efficient and cost effective; the consolidation of deliveries as well amending the statute giving the product packager the ability to use their own employees as transporters to and from any cannabis establishment for testing.

Andrew Czczot

Supports. Connecticut needs cannabis.

Carolyn Dennis

Supports. These are reasonable guidelines regarding cannabis regulation.

Ray Pantalena, Affinity Health & Wellness

Supports. Affinity Health & Wellness is a licensed hybrid dispensary and under The Responsible and Equitable Regulation of Adult-Use Cannabis, received six EJV (equity joint venture) licenses, as there was no limit to the number that a hybrid dispensary could create. Consequently, state statute rewrote that section of the legislation, capping the number of EJV's at two. Affinity Health and Wellness requests that this bill support the premise that any hybrid dispensary who has paid the conversion fee prior to the passage of HB5329 (capping the number of EJV's at two) be allowed to continue forward with the six equity joint ventures as stated in the first version of the legislation, effective July 1, 2021.

Emily Sabo, UFCW Local 919

Supports. The United Food and Commercial Workers Union, Local 919 supports this legislation. There are some concerns regarding the cannabis industry, labor unions and the Department of Consumer Protection. There have been a handful of cases where cannabis workers have signed up with "bad actor" labor unions rather than the required "bona fide labor unions. Concerned, the UFCW attempted to meet with the DCP to discuss potential problems. DCP was unavailable for discussion. This was concerning as the operators had signed and begun working for these entities. Language in HB6699 addresses this issue,

outlining guidance to regulators, moving enforcement from DCP to the Department of Labor. DOL has the responsibility of determining the validity of these labor unions. They are also tasked with providing a list of bona fide labor unions wanting to represent cannabis workers in Ct under specific criteria. While this may appear to be a remedy, the DOL, because of a Federal ban on recreational marijuana, could lose up to 80% of it's federal funding, should they be in charge of cannabis workers and the list of possible bona fide peace labor unions. We ask that DCP be directed to keep this under it's purview and create a method specifically to deal with this issue.

Matt Sipala

Supports. This testimony supports allowing licensed hemp farms to add recreational cannabis to their license so they may participate in the sale at off-site events.

Andrew Simonow

Supports. Believes that while forcing companies to use a specific labor union is again the spirit of open choice thus there should be special care given when discussing the relationship between cannabis workers and bona fide peace labor unions of their choice.

NATURE AND SOURCES OF OPPOSITION:

Joseph Accettullo, CT Cannawarriors, NECCA

Opposes. This testimony discusses the role of law enforcement and their treatment of persons stopped due to their having odor of cannabis about them. Any stops or investigations should be based on solid evidence and justification.

Erin Doolittle

Opposes. This testimony states that The Social Equity Council creates an obstacle for many who apply for cannabis licenses. Also, that it is not educated regarding the cannabis culture.

Nicole Eaton

Opposes. The need for more education about cannabis must be addressed. This includes the State of Connecticut whose responsibility is to provide this education.

Joshua Frazer, Main Quality Roots

Opposes. Believes the average person does not have an equal chance in the Cannabis market and Connecticut is mainly interested in the revenue side of this market. The regulations should be more representative of what the people want in this regard.

Kiersten Naumann

Opposes. Cannabis cultivators, who will be selling cannabis products at off-site events, have products that are not regulated or licensed. Their cannabis, thus, may contain contaminants and possibly grown in an unsafe environment. Off-site events do not ensure that consumers are 21 years of age or older, potentially creating a situation where underage purchases are possible, with special concern regarding edibles. There is a concern with the effects of second-hand cannabis smoke, as well. At off-site events, despite an increased law enforcement, there is a potential for illegal sales of cannabis. The only positive aspect of this legislation is the regulations on packaging of cannabis products.

Louis J. Rinaldi

Opposes. This legislation does not provide any remedies to cannabis issues or the cannabis program. The Ombudsman should not be appointed by the governor, and it is outside the legislatures' purview to choose an agency to oversee this position. The position should be widely advertised, include a screening process and well as a background check. The process should be transparent and based on the finding the best candidate.

Audrey Rotunda, CT Cannawarriors-NECCA

Opposes. This legislation works against the providing of quality cannabis to dispensaries. The State of Connecticut has monopolized the recreational and medical cannabis market.

Ben Zachs, Fine Fettle Dispensary

Opposes. There should not be language forcing cannabis workers to use any particular labor union when cannabis businesses have a good relationship with their workers, labor unions could trigger important changes between owner and worker.

Eileen Kopec

Opposes. There are concerns about product safety. Also, the packaging of cannabis is wasteful. Cannabis producers have been, in general, unresponsive to the testifier in her position as a CT MMP. Thus, CT MMP's should have representation when an Ombudsman is chosen. Commercial cannabis production is not helpful to the environment, and as adult use cannabis increases, the harm with increase. There should be an environmental impact study done on this industry

Reported by: Kathleen Zabel

Date: March 17, 2023