

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

---

HB-6699

## AN ACT CONCERNING CANNABIS REGULATION. AMENDMENT

LCO No.: 7505

File Copy No.: 201

House Calendar No.: 150

---

### ***OFA Fiscal Note***

#### ***State Impact:***

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Resources of the Insurance Fund <sup>1</sup>	IF - Cost	At least 238,751	At least 244,345
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: IF=Insurance Fund; GF=General Fund

***Municipal Impact:*** None

#### ***Explanation***

The amendment strikes the underlying bill and its associated fiscal impact resulting in the following impact.

The amendment makes various cannabis related changes resulting in the impact described below.

**Section 16** establishes a cannabis testing laboratory provisional license for \$500 and a cannabis testing laboratory license for \$1,000 resulting in a potential revenue gain to the state to the extent licenses are applied for.

---

<sup>1</sup> The amendment does not specify which fund would support the Office of the Cannabis Ombudsman. The Office of the Healthcare Advocate is supported by the Insurance Fund.

Primary Analyst: ME  
Contributing Analyst(s):

5/9/23  
(NF)

**Section 22** creates a dispensary facility and producer license<sup>2</sup> resulting in a potential revenue gain to the extent these licenses are applied for.

**Section 23, 34-35** requires product manufacturers seeking to expand authorized activities to include the activities of a food and beverage manufacturer to pay a \$5,000 application and renewal fee resulting in a potential revenue gain to the state to the extent such applications and renewals occur.

These sections also require food and beverage manufacturers seeking to expand authorized activities to include the activities of a product manufacturer to pay a \$25,000 application and renewal fee resulting in a potential revenue gain to the state to the extent such applications and renewals occur.

**Section 49** establishes an Office of the Cannabis Ombudsman (OCO) that is led and staffed by a new Cannabis Ombudsman, resulting in costs of at least \$238,751 in FY 24 and at least \$244,345 in FY 25, and annually thereafter, presumably to the Insurance Fund.

The Cannabis Ombudsman is to be appointed by the Healthcare Advocate, and OCO is to be within the Office of the Healthcare Advocate (OHA) for administrative purposes only (APO). As OHA is APO to the Insurance Department (DOI), in practice the new office is anticipated to be functionally APO to DOI as well.

The estimate reflects the cost of an Ombudsman with a starting annual salary of \$110,000, with corresponding fringe benefits of \$113,751, as well as other expenses and indirect overhead costs totaling \$15,000 annually.<sup>3</sup> To the extent additional staff are necessary to carry

---

<sup>2</sup> A dispensary facility license has a \$500 fee to enter the lottery, a \$5,000 provisional license fee, and a \$5,000 final license and renewal fee. A producer license has a \$1,000 fee to enter the lottery, \$25,000 provisional license fee, and \$75,000 final license and renewal fee.

<sup>3</sup>The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, as opposed to the fringe benefit accounts within the Office of the State Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes for other appropriated fund employees is 103.41% of payroll in FY

out the duties of the new office, costs would be higher.

**Section 54** establishes a task force to study the impact of letting residentially grown cannabis be sold at certain events resulting in no fiscal impact because the task force has the expertise to meet the requirements of the amendment.

The amendment also makes various clarifying, technical, and minor changes to cannabis statutes which are not anticipated to result in a fiscal impact to the state or municipalities.

*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.*

---

24. If the new agency is supported by the General Fund, fringe benefit costs would be budgeted within the Office of the State Comptroller.