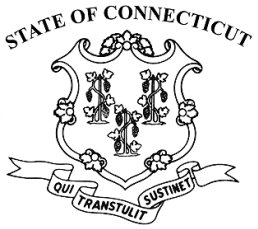

Senate Bill No. 200

Public Act No. 24-95

AN ACT CONCERNING SOCIAL EQUITY APPLICANTS, INFUSED BEVERAGES AND MODERATE-THC HEMP PRODUCTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (*Effective from passage*) (a) There is established a task force to study the effect of allowing social equity applicants described in section 21a-420o of the general statutes and eligible for cannabis cultivation licenses to (1) enter into business agreements to cultivate cannabis on the lots, and in the facilities, of hemp cultivators, which lots and facilities may be located outside of disproportionately impacted areas, as defined in section 21a-420 of the general statutes, and (2) form other business arrangements to facilitate market entry for, and the commercial viability of, their prospective businesses. Such study may include, but need not be limited to, an examination of (A) land and facility use agreements, and (B) forms of partnerships or other forms of joint business participation.

(b) The task force shall consist of the following members:

(1) One appointed by the speaker of the House of Representatives, who shall be a member of the House of Representatives and the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection, and whose district shall

include a disproportionately impacted area, as defined in section 21a-420 of the general statutes;

(2) One appointed by the president pro tempore of the Senate, who shall be a member of the Senate and the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection, and whose district shall include a disproportionately impacted area, as defined in section 21a-420 of the general statutes;

(3) One appointed by the majority leader of the House of Representatives, who shall be a social equity applicant described in section 21a-420o of the general statutes seeking a license to cultivate cannabis outdoors;

(4) One appointed by the majority leader of the Senate, who shall be a member of the Social Equity Council who has been appointed to said council (A) pursuant to subdivision (4) of subsection (b) of section 21a-420d of the general statutes, or (B) by any other member of the General Assembly;

(5) One appointed by the minority leader of the House of Representatives, who shall be a producer, as defined in section 22-61*l* of the general statutes, who (A) has been continually licensed under section 22-61*l* of the general statutes since January 1, 2023, and (B) is located outside of a disproportionately impacted area, as defined in section 21a-420 of the general statutes;

(6) One appointed by the minority leader of the Senate, who shall be a member of the Social Equity Council who has been appointed to said council (A) pursuant to subdivision (6) of subsection (b) of section 21a-420d of the general statutes, or (B) by any other member of the General Assembly;

(7) One appointed by the chairperson of the Black and Puerto Rican Caucus of the General Assembly, who shall be a member of the House

of Representatives;

(8) One appointed by the chairperson of the Black and Puerto Rican Caucus of the General Assembly, who shall be a member of the Senate; and

(9) The Commissioner of Consumer Protection or said commissioner's designee, provided such designee shall (A) be employed by the Department of Consumer Protection, and (B) have been a resident of a disproportionately impacted area, as defined in section 21a-420 of the general statutes.

(c) All initial appointments to the task force shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(d) The speaker of the House of Representatives and the president pro tempore of the Senate shall select the chairpersons of the task force from among the members of the task force. Such chairpersons shall schedule the first meeting of the task force, which shall be held not later than sixty days after the effective date of this section.

(e) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection shall serve as administrative staff of the task force.

(f) Not later than January 1, 2025, the task force shall submit a report on its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection, in accordance with the provisions of section 11-4a of the general statutes. The task force shall terminate on the date that it submits such report or January 1, 2025, whichever is later.

Sec. 2. Section 29 of public act 24-76 is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For the purposes of this section:

(1) "Business" means any individual or sole proprietorship, partnership, firm, corporation, trust, limited liability company, limited liability partnership, joint stock company, joint venture, association or other legal entity through which business for profit or not-for-profit is conducted;

(2) "Commissioner" means the Commissioner of Consumer Protection;

(3) "Container" (A) means an object that is intended for sale to a consumer, as defined in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76, and directly contains an infused beverage or legacy infused beverage, and (B) does not include an object or packaging that indirectly contains, or contains in bulk for transportation purposes, an infused beverage or legacy infused beverage;

(4) "Dispensary facility" has the same meaning as provided in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76;

(5) "Hybrid retailer" has the same meaning as provided in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76;

(6) "Infused beverage" means a beverage that (A) is not an alcoholic beverage, as defined in section 30-1 of the general statutes, (B) is intended for human consumption, and (C) contains, or is advertised, labeled or offered for sale as containing, total THC, as defined in section 21a-240 of the general statutes, as amended by **[**this act**]** section 1 of public act 24-76, that is not greater than three milligrams per container;

(7) "Legacy infused beverage" means a beverage that (A) is not an

alcoholic beverage, as defined in section 30-1 of the general statutes, (B) is intended for human consumption, (C) contains, or is advertised, labeled or offered for sale as containing, THC, as defined in section 21a-240 of the general statutes, as amended by **[**this act**]** section 1 of public act 24-76, and (D) as of the effective date of this section, is in compliance with (i) the provisions of RERACA, as defined in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76, and (ii) the policies and procedures issued by the Commissioner of Consumer Protection to implement, and any regulations adopted pursuant to, RERACA, as defined in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76;

(8) "Package store" means premises operating under a permit issued under subsection (b) of section 30-20 of the general statutes, as amended by **[**this act**]** section 33 of public act 24-76; and

(9) "Retailer" has the same meaning as provided in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76.

(b) **[**(1)**]** Beginning on May 15, 2024, no business **[**, other than a dispensary facility, hybrid retailer, retailer or package store,**]** shall sell, at retail, any infused beverage or legacy infused beverage in this state unless such business has satisfied the requirements established in **[**subdivision (1) of**]** subsection (c) of this section. No business, other than a dispensary facility, hybrid retailer, retailer or package store authorized pursuant to section 30 of public act 24-76, as amended by this act, shall sell, at retail, any infused beverage or legacy infused beverage in this state on or after July 1, 2024.

[(2) Beginning on October 1, 2024, no business, other than a dispensary facility, hybrid retailer, retailer or package store, shall sell, or possess with intent to sell, any infused beverage or legacy infused beverage in this state unless such business has satisfied the

requirements established in subsection (c) of this section.**]**

(c) (1) Not later than May 14, 2024, each business **[**, other than a dispensary facility, hybrid retailer, retailer or package store,**]** that owns and possesses any infused beverage or legacy infused beverage in this state on said date shall take an inventory of all containers such business owns and possesses in this state on said date.

(2) Not later than June 15, 2024, each business **[**, other than a dispensary facility, hybrid retailer, retailer or package store,**]** that is in possession of infused beverages or legacy infused beverages for sale, at retail, shall submit to the Department of Consumer Protection, in a form and manner prescribed by the Commissioner of Consumer Protection:

(A) A report disclosing the results of the inventory conducted pursuant to subdivision (1) of this **[**section**]** subsection; and

(B) A fee in the amount of one dollar per container included in such inventory.

(3) If any business **[**, other than a dispensary facility, hybrid retailer, retailer or package store,**]** fails to submit the report and pay the fee required under subdivision (2) of this subsection on or before June 15, 2024, the Commissioner of Consumer Protection shall:

(A) Make a good faith estimate, based on the information available to the commissioner, of the number of containers that such business owned, and were in such business's possession, in this state on May 14, 2024; and

(B) Invoice such business for a fee in the amount of one dollar per container described in subparagraph (A) of this subdivision.

(d) All fees received by the Department of Consumer Protection under this section shall be deposited in the consumer protection

enforcement account established in section 21a-8a of the general statutes.

(e) If any business **[**, other than a dispensary facility, hybrid retailer, retailer or package store,**]** fails to submit the report and pay the fee required under subdivision (2) of subsection (c) of this section on or before June 15, 2024, the Commissioner of Consumer Protection may, subject to the provisions of chapter 54 of the general statutes, revoke, place conditions upon or suspend any certificate, license, permit, registration or other credential the Department of Consumer Protection has issued to or for such business.

Sec. 3. Section 30 of public act 24-76 is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For the purposes of this section:

(1) "Dispensary facility" has the same meaning as provided in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76;

(2) "Hybrid retailer" has the same meaning as provided in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76;

(3) "Legacy infused beverage" means a beverage that (A) is not an alcoholic beverage, as defined in section 30-1 of the general statutes, (B) is intended for human consumption, (C) contains, or is advertised, labeled or offered for sale as containing, THC, as defined in section 21a-240 of the general statutes, as amended by **[**this act**]** section 1 of public act 24-76, and (D) as of June 30, 2024, is in compliance with (i) the provisions of RERACA, and (ii) the policies and procedures issued by the Commissioner of Consumer Protection to implement, and any regulations adopted pursuant to, RERACA;

(4) "RERACA" has the same meaning as provided in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76; and

(5) "Retailer" has the same meaning as provided in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76.

(b) During the period beginning on the effective date of this section and ending on June 30, 2024, a dispensary facility, hybrid retailer or retailer, or the holder of a package store permit issued under subsection (b) of section 30-20 of the general statutes, as amended by **[**this act**]** section 33 of public act 24-76, may submit to the Department of Consumer Protection, in a form and manner prescribed by the Commissioner of Consumer Protection, an application for a waiver to, during the period beginning on July 1, 2024, and ending on September 30, 2024, sell the legacy infused beverages that, on **[**the effective date of this section**]** May 14, 2024, are in the possession, and included in the inventory, of such dispensary facility, hybrid retailer, retailer or package store.

(c) A waiver issued by the Commissioner of Consumer Protection pursuant to subsection (b) of this section shall allow the dispensary facility, hybrid retailer, retailer or package store to, during the period beginning on July 1, 2024, and ending on September 30, 2024, sell the legacy infused beverages that, on **[**the effective date of this section**]** May 14, 2024, are in the possession, and included in the inventory, of such dispensary facility, hybrid retailer, retailer or package store, provided all such sales are made (1) to individuals twenty-one years of age or older, and (2) in compliance with all applicable provisions of RERACA and the policies and procedures issued by the Commissioner of Consumer Protection to implement, and any regulations adopted pursuant to, RERACA.

(d) No dispensary facility, hybrid retailer, retailer or package store shall sell any legacy infused beverage during the period beginning on July 1, 2024, and ending on September 30, 2024, unless the Commissioner of Consumer Protection has issued a waiver, pursuant to subsection (b) of this section, to the dispensary facility, hybrid retailer or retailer or the holder of the package store permit issued under subsection (b) of section 30-20 of the general statutes, as amended by **[**this act**]** section 33 of public act 24-76.

Sec. 4. Section 31 of public act 24-76 is repealed and the following is substituted in lieu thereof (*Effective January 1, 2025*):

(a) As used in this section:

(1) "Cannabis establishment" has the same meaning as provided in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76;

(2) "Consumer" has the same meaning as provided in section 21a-420 of the general statutes, as amended by **[**this act**]** section 4 of public act 24-76;

(3) "Container" (A) means an object that is offered, intended for sale or sold to a consumer and directly contains (i) a manufacturer hemp product, or (ii) a moderate-THC hemp product, and (B) does not include an object or packaging that indirectly contains, or contains in bulk for transportation purposes, (i) a manufacturer hemp product, or (ii) a moderate-THC hemp product;

(4) "Manufacturer" has the same meaning as provided in section 22-61*l* of the general statutes, as amended by section 23 of public act 24-76;

[(4)**]** (5) "Manufacturer hemp product" has the same meaning as provided in section 22-61*l* of the general statutes, as amended by **[**this act**]** section 23 of public act 24-76;

[(5)**]** (6) "Moderate-THC hemp product" (A) means a manufacturer hemp product that has total THC, as defined in section 21a-240 of the general statutes, as amended by **[**this act**]** section 1 of public act 24-76, of not less than one-half of one milligram, and not more than five milligrams, on a per-container basis, and (B) does not include (i) an infused beverage, as defined in section 26 of **[**this act**]** public act 24-76, or (ii) a legacy infused beverage, as defined in section 26 of **[**this act**]** public act 24-76; and

[(6)**]** (7) "Moderate-THC hemp product vendor" means a person that (A) holds a certificate of registration issued by the Commissioner of Consumer Protection pursuant to this section, and (B) is not a cannabis establishment.

(b) Beginning on January 1, 2025, no person shall sell or offer to sell, at retail, any moderate-THC hemp product in the state to consumers unless such person is a cannabis establishment or holds a certificate of registration issued by the Commissioner of Consumer Protection pursuant to this section. The provisions of this section shall not apply to the wholesale or commercial distribution of moderate-THC hemp products for resale.

(c) (1) (A) Beginning on January 1, 2025, a person seeking a certificate of registration as a moderate-THC hemp product vendor shall submit to the Commissioner of Consumer Protection, in a form and manner prescribed by the commissioner, an application accompanied by a nonrefundable application fee in the amount of two thousand dollars or, if the applicant actively holds a manufacturer license, in the amount of one thousand dollars. Such application shall, at a minimum, disclose:

(i) The location in the state where such person currently sells or offers to sell, or proposes to sell or offer to sell, at retail, moderate-THC hemp products to consumers; and

(ii) Except as provided in subparagraph (C) of this subdivision, information sufficient for the commissioner to determine that:

(I) During the preceding year, at least eighty-five per cent of the average monthly gross revenue generated at such existing retail location was derived from sales, at retail, of moderate-THC hemp products to consumers; or

(II) It is reasonably likely that at least eighty-five per cent of the average monthly gross revenue to be generated at such proposed retail location will be derived from sales, at retail, of moderate-THC hemp products to consumers.

(B) Except as provided in subparagraph (C) of this subdivision, the commissioner shall not issue a certificate of registration as a moderate-THC hemp product vendor unless the commissioner has determined that the applicant satisfies, or is reasonably likely to satisfy, the minimum sales threshold established in subparagraph (A) of this subdivision. Each such certificate shall expire annually, and shall allow the moderate-THC hemp product vendor to sell and offer to sell, at retail, moderate-THC hemp products to consumers at such location.

(C) (i) No person seeking a certificate of registration as a moderate-THC hemp product vendor shall be required to disclose information sufficient for the Commissioner of Consumer Protection to determine that such person satisfies, or is reasonably likely to satisfy, the minimum sales threshold established in subparagraph (A) of this subdivision if such person (I) manufactures moderate-THC hemp products at the location in the state where such person sells or offers to sell, or proposes to sell or offer to sell, at retail, moderate-THC hemp products to consumers, or (II) is actively licensed as a manufacturer and sells or offers to sell, or proposes to sell or offer to sell, at retail, to consumers moderate-THC hemp products manufactured by such manufacturer.

(ii) The commissioner may issue a certificate of registration as a moderate-THC hemp product vendor to a person that satisfies the criteria set forth in **[**this**]** subparagraph (C)(i) of this subdivision even if such person does not satisfy the minimum sales threshold established in subparagraph (A) of this subdivision.

(2) (A) Each certificate issued pursuant to this section shall be renewable for additional one-year periods. Each moderate-THC hemp product vendor seeking renewal shall submit to the Commissioner of Consumer Protection, in a form and manner prescribed by the commissioner, a renewal application accompanied by a nonrefundable renewal application fee in the amount of two thousand dollars or, if the moderate-THC hemp product vendor actively holds a manufacturer license, in the amount of one thousand dollars. Such application shall, at a minimum and except as provided in subparagraph (B) of this subdivision, disclose information sufficient for the commissioner to determine that, during the preceding registration year, at least eighty-five per cent of the average monthly gross revenue generated at the moderate-THC hemp product vendor's registered retail location was derived from sales, at retail, of moderate-THC hemp products to consumers. Except as provided in subparagraph (B) of this subdivision, the commissioner shall not issue a renewal to a moderate-THC hemp product vendor unless the commissioner has determined that the moderate-THC hemp product vendor satisfied such minimum sales threshold.

(B) (i) No moderate-THC hemp product vendor seeking renewal of a certificate issued pursuant to this section shall be required to disclose information sufficient for the Commissioner of Consumer Protection to determine that such moderate-THC hemp product vendor satisfied the minimum sales threshold established in subparagraph (A) of this subdivision if (I) such moderate-THC hemp product vendor manufactures moderate-THC hemp products at such moderate-THC

hemp product vendor's registered retail location, or (II) is actively licensed as a manufacturer and sells or offers to sell, at retail, to consumers moderate-THC hemp products manufactured by such manufacturer.

(ii) The commissioner may issue a renewal to a moderate-THC hemp product vendor that satisfies the criteria set forth in **[**this**]** subparagraph (B)(i) of this subdivision even if the moderate-THC hemp product vendor did not satisfy the minimum sales threshold established in subparagraph (A) of this subdivision.

(3) All fees collected by the department under this section shall be deposited in the consumer protection enforcement account established in section 21a-8a of the general statutes.

(d) No person may act as a moderate-THC hemp product vendor, or represent that such person is a moderate-THC hemp product vendor, unless such person has obtained and actively holds a certificate of registration as a moderate-THC hemp product vendor issued by the Commissioner of Consumer Protection pursuant to this section.

(e) No cannabis establishment or moderate-THC hemp product vendor, or agent or employee of a cannabis establishment or moderate-THC hemp product vendor, shall sell a moderate-THC hemp product to any individual who is younger than twenty-one years of age. Prior to selling any moderate-THC hemp product to an individual, the cannabis establishment, moderate-THC hemp product vendor, agent or employee shall first verify the individual's age with a valid government-issued driver's license or identity card to establish that such individual is twenty-one years of age or older.

(f) No person shall sell any moderate-THC hemp product intended for human ingestion in packaging that includes more than two containers.

(g) All moderate-THC hemp products shall meet the standards set forth for manufacturer hemp products in subsections (v), (w) and (x) of section 22-61m of the general statutes, as amended by **[**this act**]** section 24 of public act 24-76.

(h) All moderate-THC hemp products shall meet (1) the testing standards for manufacturer hemp products established in, and any regulations adopted pursuant to, section 22-61m of the general statutes, as amended by **[**this act**]** section 24 of public act 24-76, or (2) such other testing standards for manufacturer hemp products as the Commissioner of Consumer Protection, in the commissioner's discretion, may designate.

(i) Each moderate-THC hemp product container shall prominently display a symbol, in a size of not less than one-half inch by one-half inch and in a format approved by the Commissioner of Consumer Protection, that indicates that such moderate-THC hemp product is not legal or safe for individuals younger than twenty-one years of age.

(j) No cannabis establishment or moderate-THC hemp product vendor, or agent or employee of a cannabis establishment or moderate-THC hemp product vendor, shall gift or transfer any moderate-THC hemp product at no cost to a consumer as part of a commercial transaction.

(k) Each moderate-THC hemp product vendor shall be subject to the investigation and enforcement provisions set forth in section 21a-421p of the general statutes.

(l) The Commissioner of Consumer Protection shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the provisions of this section. Notwithstanding the requirements of sections 4-168 to 4-172, inclusive, of the general statutes, the commissioner shall, prior to adopting such

regulations and in order to effectuate the provisions of this section, issue policies and procedures to implement the provisions of this section that shall have the force and effect of law. The commissioner shall post all policies and procedures on the Department of Consumer Protection's Internet web site, and submit such policies and procedures to the Secretary of the State for posting on the eRegulations System, at least fifteen days prior to the effective date of any policy or procedure. Any such policy or procedure shall no longer be effective upon the earlier of either the adoption of the policy or procedure as a final regulation under section 4-172 of the general statutes or forty-eight months from July 1, 2024, if such regulations have not been submitted to the legislative regulation review committee for consideration under section 4-170 of the general statutes.

(m) Following a hearing conducted in accordance with chapter 54 of the general statutes, the Commissioner of Consumer Protection may impose an administrative civil penalty, not to exceed five thousand dollars per violation, and suspend, revoke or place conditions upon any moderate-THC hemp product vendor that violates any provision of this section or any regulation adopted pursuant to subsection (l) of this section. Any administrative civil penalty collected under this subsection shall be deposited in the consumer protection enforcement account established in section 21a-8a of the general statutes.

Approved May 11, 2024