



House of Representatives

General Assembly

File No. 199

February Session, 2024

Substitute House Bill No. 5150

House of Representatives, April 2, 2024

The Committee on General Law reported through REP. D'AGOSTINO of the 91st Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CANNABIS AND HEMP REGULATION.

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

1 Section 1. Subsection (a) of section 21a-8a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2024*):

4 (a) There is established an account to be known as the "consumer
5 protection enforcement account". The account may contain any moneys
6 required by law to be deposited in the account. Any balance remaining
7 in the account at the end of any fiscal year shall be carried forward in
8 the account for the fiscal year next succeeding. The account shall be used
9 by the Department of Consumer Protection to (1) fund positions and
10 other related expenses for the enforcement of Department of Consumer
11 Protection licensing and registration laws, and (2) protect public health
12 and safety, educate consumers and licensees and ensure compliance
13 with cannabis and liquor control laws, as set forth in sections 10 and 31
14 of this act.

15 Sec. 2. Section 21a-240 of the 2024 supplement to the general statutes
16 is repealed and the following is substituted in lieu thereof (*Effective July*
17 *1, 2024*):

18 The following words and phrases, as used in this chapter, shall have
19 the following meanings, unless the context otherwise requires:

20 (1) "Abuse of drugs" means the use of controlled substances solely for
21 their stimulant, depressant or hallucinogenic effect upon the higher
22 functions of the central nervous system and not as a therapeutic agent
23 prescribed in the course of medical treatment or in a program of
24 research operated under the direction of a physician or pharmacologist.

25 (2) "Administer" means the direct application of a controlled
26 substance, whether by injection, inhalation, ingestion or any other
27 means, to the body of a patient or research subject by: (A) A practitioner,
28 or, in the practitioner's presence, by the practitioner's authorized agent;
29 [, or] (B) the patient or research subject at the direction and in the
30 presence of the practitioner; [,] or (C) a nurse or intern under the
31 direction and supervision of a practitioner.

32 (3) "Agent" means an authorized person who acts on behalf of or at
33 the direction of a manufacturer, distributor, dispenser or prescribing
34 practitioner, but does not include a common or contract carrier, public
35 warehouseman [,] or employee of the carrier or warehouseman.

36 (4) "Amphetamine-type substances" include amphetamine, optical
37 isomers thereof, salts of amphetamine and its isomers, and chemical
38 compounds which are similar thereto in chemical structure or which are
39 similar thereto in physiological effect, and which show a like potential
40 for abuse, which are controlled substances under this chapter unless
41 modified.

42 (5) "Barbiturate-type drugs" include barbituric acid and its salts,
43 derivatives thereof and chemical compounds which are similar thereto
44 in chemical structure or which are similar thereto in physiological effect,
45 and which show a like potential for abuse, which are controlled

46 substances under this chapter unless modified.

47 (6) "Bureau" means the Bureau of Narcotics and Dangerous Drugs,
48 United States Department of Justice, or its successor agency.

49 (7) "Cannabis-type substances" include all parts of any plant, or
50 species of the genus cannabis or any infra specific taxon thereof whether
51 growing or not; the seeds thereof; the resin extracted from any part of
52 such a plant; and every compound, manufacture, salt, derivative,
53 mixture or preparation of such plant, its seeds or resin; but shall not
54 include the mature stalks of such plant, fiber produced from such stalks,
55 oil or cake made from the seeds of such plant, any other compound,
56 manufacture, salt, derivative, mixture or preparation of such mature
57 stalks, except the resin extracted therefrom, fiber, oil or cake, the
58 sterilized seed of such plant which is incapable of germination, or hemp,
59 as defined in 7 USC 1639o, as amended from time to time. Included are
60 cannabion, cannabiol, cannabidiol and chemical compounds which
61 are similar to cannabion, cannabiol or cannabidiol in chemical
62 structure or which are similar thereto in physiological effect, and which
63 show a like potential for abuse, which are controlled substances under
64 this chapter unless derived from hemp, as defined in section 22-61l.

65 (8) "Controlled drugs" are those drugs which contain any quantity of
66 a substance which has been designated as subject to the federal
67 Controlled Substances Act, or which has been designated as a
68 depressant or stimulant drug pursuant to federal food and drug laws,
69 or which has been designated by the Commissioner of Consumer
70 Protection pursuant to section 21a-243, as having a stimulant,
71 depressant or hallucinogenic effect upon the higher functions of the
72 central nervous system and as having a tendency to promote abuse or
73 psychological or physiological dependence, or both. Such controlled
74 drugs are classifiable as amphetamine-type, barbiturate-type, cannabis-
75 type, cocaine-type, hallucinogenic, morphine-type and other stimulant
76 and depressant drugs. Specifically excluded from controlled drugs and
77 controlled substances are alcohol, nicotine and caffeine.

78 (9) "Controlled substance" means a drug, substance [,] or immediate

79 precursor in schedules I to V, inclusive, of the Connecticut controlled
80 substance scheduling regulations adopted pursuant to section 21a-243.

81 (10) "Counterfeit substance" means a controlled substance which, or
82 the container or labeling of which, without authorization, bears the
83 trademark, trade name or other identifying mark, imprint, number or
84 device, or any likeness thereof, of a manufacturer, distributor or
85 dispenser other than the person who in fact manufactured, distributed
86 or dispensed the substance.

87 (11) "Deliver or delivery" means the actual, constructive or attempted
88 transfer from one person to another of a controlled substance, whether
89 or not there is an agency relationship.

90 (12) "Dentist" means a person authorized by law to practice dentistry
91 in this state.

92 (13) "Dispense" means to deliver a controlled substance to an ultimate
93 user or research subject by or pursuant to the lawful order of a
94 practitioner, including the prescribing, administering, packaging,
95 labeling or compounding necessary to prepare the substance for the
96 delivery.

97 (14) "Dispenser" means a practitioner who dispenses.

98 (15) "Distribute" means to deliver other than by administering or
99 dispensing a controlled substance.

100 (16) "Distributor" means a person who distributes and includes a
101 wholesaler who is a person supplying or distributing controlled drugs
102 which the person personally has not produced or prepared to hospitals,
103 clinics, practitioners, pharmacies, other wholesalers, manufacturers and
104 federal, state and municipal agencies.

105 (17) "Drug" means: (A) [substances] Substances recognized as drugs
106 in the official United States Pharmacopoeia, official Homeopathic
107 Pharmacopoeia of the United States, or official National Formulary, or
108 any supplement to any of them; (B) substances intended for use in the

109 diagnosis, cure, mitigation, treatment or prevention of disease in man
110 or animals; (C) substances, other than food, intended to affect the
111 structure or any function of the body of man or animals; and (D)
112 substances intended for use as a component of any article specified in
113 subparagraph (A), (B) or (C) of this subdivision. [It] "Drug" does not
114 include devices or their components, parts or accessories.

115 (18) "Drug dependence" means a psychoactive substance dependence
116 on drugs as that condition is defined in the most recent edition of the
117 "Diagnostic and Statistical Manual of Mental Disorders" of the American
118 Psychiatric Association.

119 (19) "Drug-dependent person" means a person who has a
120 psychoactive substance dependence on drugs as that condition is
121 defined in the most recent edition of the "Diagnostic and Statistical
122 Manual of Mental Disorders" of the American Psychiatric Association.

123 (20) (A) "Drug paraphernalia" means equipment, products and
124 materials of any kind that are used, intended for use or designed for use
125 in planting, propagating, cultivating, growing, harvesting,
126 manufacturing, compounding, converting, producing, processing,
127 preparing, testing, analyzing, packaging, repackaging, storing,
128 containing or concealing, or ingesting, inhaling or otherwise
129 introducing into the human body, any controlled substance contrary to
130 the provisions of this chapter, including, but not limited to: (i) Kits
131 intended for use or designed for use in planting, propagating,
132 cultivating, growing or harvesting of any species of plant that is a
133 controlled substance or from which a controlled substance can be
134 derived; (ii) kits used, intended for use or designed for use in
135 manufacturing, compounding, converting, producing, processing or
136 preparing controlled substances; (iii) isomerization devices used or
137 intended for use in increasing the potency of any species of plant that is
138 a controlled substance; (iv) testing equipment used, intended for use or
139 designed for use in identifying or analyzing the strength, effectiveness
140 or purity of controlled substances; (v) dilutents and adulterants,
141 including, but not limited to, quinine hydrochloride, mannitol, mannite,

142 dextrose and lactose used, intended for use or designed for use in
143 cutting controlled substances; (vi) separation gins and sifters used,
144 intended for use or designed for use in removing twigs and seeds from,
145 or in otherwise cleaning or refining, marijuana; (vii) capsules and other
146 containers used, intended for use or designed for use in packaging small
147 quantities of controlled substances; (viii) containers and other objects
148 used, intended for use or designed for use in storing or concealing
149 controlled substances; and (ix) objects used, intended for use or
150 designed for use in ingesting, inhaling, or otherwise introducing
151 marijuana, cocaine, hashish [L] or hashish oil into the human body,
152 including, but not limited to, wooden, acrylic, glass, stone, plastic or
153 ceramic pipes with screens, permanent screens, hashish heads or
154 punctured metal bowls; water pipes; carburetion tubes and devices;
155 smoking and carburetion masks; roach clips; miniature cocaine spoons
156 and cocaine vials; chamber pipes; carburetor pipes; electric pipes; air-
157 driven pipes; chillums; bongs; ice pipes and chillers. "Drug
158 paraphernalia" does not include a product used by a manufacturer
159 licensed pursuant to this chapter for the activities permitted under the
160 license or by an individual to test any substance prior to injection,
161 inhalation or ingestion of the substance to prevent accidental overdose
162 by injection, inhalation or ingestion of the substance, provided the
163 licensed manufacturer or individual is not using the product to engage
164 in the unlicensed manufacturing or distribution of controlled
165 substances. As used in this subdivision, "roach clip" means an object
166 used to hold burning material, including, but not limited to, a marijuana
167 cigarette, that has become too small or too short to be held between the
168 fingers.

169 (B) "Factory" means any place used for the manufacturing, mixing,
170 compounding, refining, processing, packaging, distributing, storing,
171 keeping, holding, administering or assembling illegal substances
172 contrary to the provisions of this chapter, or any building, rooms or
173 location which contains equipment or paraphernalia used for this
174 purpose.

175 (21) "Federal Controlled Substances Act, 21 USC 801 et seq." means

176 Public Law 91-513, the Comprehensive Drug Abuse Prevention and
177 Control Act of 1970.

178 (22) "Federal food and drug laws" means the federal Food, Drug and
179 Cosmetic Act, as amended, Title 21 USC 301 et seq.

180 (23) "Hallucinogenic substances" are psychodysleptic substances,
181 other than cannabis-type substances, which assert a confusional or
182 disorganizing effect upon mental processes or behavior and mimic
183 acute psychotic disturbances. Exemplary of such drugs are mescaline,
184 peyote, psilocyn and d-lysergic acid diethylamide, which are controlled
185 substances under this chapter unless modified.

186 (24) "Hospital", as used in sections 21a-243 to 21a-283, inclusive,
187 means an institution for the care and treatment of the sick and injured,
188 approved by the Department of Public Health or the Department of
189 Mental Health and Addiction Services as proper to be entrusted with
190 the custody of controlled drugs and substances and professional use of
191 controlled drugs and substances under the direction of a licensed
192 practitioner.

193 (25) "Intern" means a person who holds a degree of doctor of
194 medicine or doctor of dental surgery or medicine and whose period of
195 service has been recorded with the Department of Public Health and
196 who has been accepted and is participating in training by a hospital or
197 institution in this state. Doctors meeting the foregoing requirements and
198 commonly designated as "residents" and "fellows" shall be regarded as
199 interns for purposes of this chapter.

200 (26) "Immediate precursor" means a substance which the
201 Commissioner of Consumer Protection has found to be, and by
202 regulation designates as being, the principal compound commonly used
203 or produced primarily for use, and which is an immediate chemical
204 intermediary used or likely to be used, in the manufacture of a
205 controlled substance, the control of which is necessary to prevent, curtail
206 or limit manufacture.

207 (27) "Laboratory" means a laboratory approved by the Department of
208 Consumer Protection as proper to be entrusted with the custody of
209 controlled substances and the use of controlled substances for scientific
210 and medical purposes and for purposes of instruction, research or
211 analysis.

212 (28) "Manufacture" means the production, preparation, cultivation,
213 growing, propagation, compounding, conversion or processing of a
214 controlled substance, either directly or indirectly by extraction from
215 substances of natural origin, or independently by means of chemical
216 synthesis, or by a combination of extraction and chemical synthesis, and
217 includes any packaging or repackaging of the substance or labeling or
218 relabeling of its container, except that this term does not include the
219 preparation or compounding of a controlled substance by an individual
220 for the individual's own use or the preparation, compounding,
221 packaging or labeling of a controlled substance: (A) By a practitioner as
222 an incident to the practitioner administering or dispensing of a
223 controlled substance in the course of such practitioner's professional
224 practice; [] or (B) by a practitioner, or by the practitioner's authorized
225 agent under such practitioner's supervision, for the purpose of, or as an
226 incident to, research, teaching or chemical analysis and not for sale.

227 (29) "Marijuana" means all parts of any plant, or species of the genus
228 cannabis or any infra specific taxon thereof, whether growing or not; the
229 seeds thereof; the resin extracted from any part of the plant; every
230 compound, manufacture, salt, derivative, mixture [] or preparation of
231 such plant, or its [seeds or] resin; [] any high-THC hemp product;
232 manufactured cannabinoids, synthetic cannabinoids, except as
233 provided in subparagraph (E) of this subdivision; or cannabimon,
234 cannabimol or cannabidiol and chemical compounds which are similar
235 to cannabimol, cannabimol or cannabidiol in chemical structure or which
236 are similar thereto in physiological effect, which are controlled
237 substances under this chapter, except cannabidiol derived from hemp,
238 as defined in section 22-61l, that is not a high-THC hemp product.
239 "Marijuana" does not include: (A) The mature stalks of such plant, fiber
240 produced from such stalks, oil or cake made from the seeds of such

241 plant, any other compound, manufacture, salt, derivative, mixture or
242 preparation of such mature stalks, except the resin extracted from such
243 mature stalks or fiber, oil or cake; (B) the sterilized seed of such plant
244 which is incapable of germination; (C) hemp, as defined in section 22-
245 61l, (i) with a total THC concentration of not more than three-tenths per
246 cent on a dry-weight basis, and (ii) that is not a high-THC hemp product;
247 (D) any substance approved by the federal Food and Drug
248 Administration or successor agency as a drug and reclassified in any
249 schedule of controlled substances or unscheduled by the federal Drug
250 Enforcement Administration or successor agency which is included in
251 the same schedule designated by the federal Drug Enforcement
252 Administration or successor agency; [or] (E) synthetic cannabinoids
253 which are controlled substances that are designated by the
254 Commissioner of Consumer Protection, by whatever official, common,
255 usual, chemical or trade name designation, as controlled substances and
256 are classified in the appropriate schedule in accordance with
257 subsections (i) and (j) of section 21a-243; (F) infused beverages, as
258 defined in section 21a-420, as amended by this act.

259 (30) "Narcotic substance" means any of the following, whether
260 produced directly or indirectly by extraction from a substance of
261 vegetable origin, or independently by means of chemical synthesis, or
262 by a combination of extraction and chemical synthesis: (A) Morphine-
263 type: (i) Opium or opiate, or any salt, compound, derivative, or
264 preparation of opium or opiate which is similar to any such substance
265 in chemical structure or which is similar to any such substance in
266 physiological effect and which shows a like potential for abuse, which
267 is a controlled substance under this chapter unless modified; (ii) any
268 salt, compound, isomer, derivative, or preparation of any such
269 substance which is chemically equivalent or identical to any substance
270 referred to in clause (i) of this [subdivision] subparagraph, but not
271 including the isoquinoline alkaloids of opium; (iii) opium poppy or
272 poppy straw; or (iv) (I) fentanyl or any salt, compound, derivative or
273 preparation of fentanyl which is similar to any such substance in
274 chemical structure or which is similar to any such substance in
275 physiological effect and which shows a like potential for abuse, which

276 is a controlled substance under this chapter unless modified, or (II) any
277 salt, compound, isomer, derivative or preparation of any such substance
278 which is chemically equivalent or identical to any substance referred to
279 in subclause (I) of this clause; or (B) cocaine-type; coca leaves or any salt,
280 compound, derivative or preparation of coca leaves, or any salt,
281 compound, isomer, derivatives or preparation of any such substance
282 which is chemically equivalent or identical to any such substance or
283 which is similar to any such substance in physiological effect and which
284 shows a like potential for abuse, but not including decocainized coca
285 leaves or extractions of coca leaves which do not contain cocaine or
286 ecgonine.

287 (31) "Nurse" means a person performing nursing as defined in section
288 20-87a.

289 (32) "Official written order" means an order for controlled substances
290 written on a form provided by the bureau for that purpose under the
291 federal Controlled Substances Act.

292 (33) "Opiate" means any substance having an addiction-forming or
293 addiction-sustaining liability similar to morphine or being capable of
294 conversion into a drug having addiction-forming or addiction-
295 sustaining liability; it does not include, unless specifically designated as
296 controlled under this chapter, the dextrorotatory isomer of 3-methoxy-
297 n-methylmorphinan and its salts (dextro-methorphan) but shall include
298 its racemic and levorotatory forms.

299 (34) "Opium poppy" means the plant of the species *papaver*
300 *somniferum* L., except its seed.

301 (35) Repealed by P.A. 99-102, S. 51.

302 (36) "Other stimulant and depressant drugs" means controlled
303 substances other than amphetamine-type, barbiturate-type, cannabis-
304 type, cocaine-type, hallucinogenics and morphine-type which are found
305 to exert a stimulant and depressant effect upon the higher functions of
306 the central nervous system and which are found to have a potential for

307 abuse and are controlled substances under this chapter.

308 (37) "Person" includes any corporation, limited liability company,
309 association or partnership, or one or more individuals, government or
310 governmental subdivisions or agency, business trust, estate, trust, or
311 any other legal entity. Words importing the plural number may include
312 the singular; words importing the masculine gender may be applied to
313 females.

314 (38) "Pharmacist" means a person authorized by law to practice
315 pharmacy pursuant to section 20-590, 20-591, 20-592 or 20-593.

316 (39) "Pharmacy" means an establishment licensed pursuant to section
317 20-594.

318 (40) "Physician" means a person authorized by law to practice
319 medicine in this state pursuant to section 20-9.

320 (41) "Podiatrist" means a person authorized by law to practice
321 podiatry in this state.

322 (42) "Poppy straw" means all parts, except the seeds, of the opium
323 poppy, after mowing.

324 (43) "Practitioner" means: (A) A physician, dentist, veterinarian,
325 podiatrist, scientific investigator or other person licensed, registered or
326 otherwise permitted to distribute, dispense, conduct research with
327 respect to or to administer a controlled substance in the course of
328 professional practice or research in this state; and (B) a pharmacy,
329 hospital or other institution licensed, registered or otherwise permitted
330 to distribute, dispense, conduct research with respect to or to administer
331 a controlled substance in the course of professional practice or research
332 in this state.

333 (44) "Prescribe" means order or designate a remedy or any
334 preparation containing controlled substances.

335 (45) "Prescription" means a written, oral or electronic order for any

336 controlled substance or preparation from a licensed practitioner to a
337 pharmacist for a patient.

338 (46) "Production" includes the manufacture, planting, cultivation,
339 growing or harvesting of a controlled substance.

340 (47) "Registrant" means any person licensed by this state and
341 assigned a current federal Bureau of Narcotics and Dangerous Drug
342 Registry Number as provided under the federal Controlled Substances
343 Act.

344 (48) "Registry number" means the alphabetical or numerical
345 designation of identification assigned to a person by the federal Drug
346 Enforcement Administration, or other federal agency, which is
347 commonly known as the federal registry number.

348 (49) "Restricted drugs or substances" are the following substances
349 without limitation and for all purposes: *Datura stramonium*;
350 *hyoscyamus niger*; *atropa belladonna*, or the alkaloids atropine;
351 hyoscyamine; belladonnine; atropine; or any mixture of these
352 alkaloids such as daturine, or the synthetic homatropine or any salts of
353 these alkaloids, except that any drug or preparation containing any of
354 the above-mentioned substances which is permitted by federal food and
355 drug laws to be sold or dispensed without a prescription or written
356 order shall not be a controlled substance; amyl nitrite; the following
357 volatile substances to the extent that said chemical substances or
358 compounds containing said chemical substances are sold, prescribed,
359 dispensed, compounded, possessed or controlled or delivered or
360 administered to another person with the purpose that said chemical
361 substances shall be breathed, inhaled, sniffed or drunk to induce a
362 stimulant, depressant or hallucinogenic effect upon the higher functions
363 of the central nervous system: Acetone; benzene; butyl alcohol; butyl
364 nitrate and its salts, isomers, esters, ethers or their salts; cyclohexanone;
365 dichlorodifluoromethane; ether; ethyl acetate; formaldehyde; hexane;
366 isopropanol; methanol; methyl cellosolve acetate; methyl ethyl ketone;
367 methyl isobutyl ketone; nitrous oxide; pentochlorophenol; toluene;
368 toluol; trichloroethane; trichloroethylene; 1,4 butanediol.

369 (50) "Sale" is any form of delivery which includes barter, exchange or
370 gift, or offer therefor, and each such transaction made by any person
371 whether as principal, proprietor, agent, servant or employee.

372 (51) "State", when applied to a part of the United States, includes any
373 state, district, commonwealth, territory or insular possession thereof,
374 and any area subject to the legal authority of the United States of
375 America.

376 (52) "State food, drug and cosmetic laws" means the Uniform Food,
377 Drug and Cosmetic Act, section 21a-91 et seq.

378 (53) "Ultimate user" means a person who lawfully possesses a
379 controlled substance for the person's own use or for the use of a member
380 of such person's household or for administering to an animal owned by
381 such person or by a member of such person's household.

382 (54) "Veterinarian" means a person authorized by law to practice
383 veterinary medicine in this state.

384 (55) "Wholesaler" means a distributor or a person who supplies
385 controlled substances that the person personally has not produced or
386 prepared to registrants.

387 (56) "Reasonable times" means the time or times any office, care-
388 giving institution, pharmacy, clinic, wholesaler, manufacturer,
389 laboratory, warehouse, establishment, store or place of business, vehicle
390 or other place is open for the normal affairs or business or the practice
391 activities usually conducted by the registrant.

392 (57) "Unit dose drug distribution system" means a drug distribution
393 system used in a hospital or chronic and convalescent nursing home in
394 which drugs are supplied in individually labeled unit of use packages,
395 each patient's supply of drugs is exchanged between the hospital
396 pharmacy and the drug administration area or, in the case of a chronic
397 and convalescent nursing home between a pharmacy and the drug
398 administration area, at least once each twenty-four hours and each
399 patient's medication supply for this period is stored within a patient-

400 specific container, all of which is conducted under the direction of a
401 pharmacist licensed in Connecticut and, in the case of a hospital, directly
402 involved in the provision and supervision of pharmaceutical services at
403 such hospital at least thirty-five hours each week.

404 (58) "Cocaine in a free-base form" means any substance which
405 contains cocaine, or any compound, isomer, derivative or preparation
406 thereof, in a nonsalt form.

407 (59) "THC" means tetrahydrocannabinol, including, but not limited
408 to, delta-7, delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol
409 and delta-10-tetrahydrocannabinol, and any material, compound,
410 mixture or preparation which contain their salts, isomers and salts of
411 isomers, whenever the existence of such salts, isomers and salts of
412 isomers is possible within the specific chemical designation, regardless
413 of the source, except: (A) Dronabinol substituted in sesame oil and
414 encapsulated in a soft gelatin capsule in a federal Food and Drug
415 Administration or successor agency approved product; [] or (B) any
416 tetrahydrocannabinol product that has been approved by the federal
417 Food and Drug Administration or successor agency to have a medical
418 use and reclassified in any schedule of controlled substances or
419 unscheduled by the federal Drug Enforcement Administration or
420 successor agency.

421 (60) "Total THC" means the sum of the percentage by weight of
422 tetrahydrocannabinolic acid, multiplied by eight hundred seventy-
423 seven-thousandths, plus the percentage of weight of THC.

424 (61) "Manufactured cannabinoid" means cannabinoids naturally
425 occurring from a source other than marijuana that are similar in
426 chemical structure or physiological effect to cannabinoids derived from
427 marijuana, as defined in section 21a-243, but are derived by a chemical
428 or biological process.

429 (62) "Synthetic cannabinoid" means any material, compound, mixture
430 or preparation which contains any quantity of a substance having a
431 psychotropic response primarily by agonist activity at cannabinoid-

432 specific receptors affecting the central nervous system that is produced
433 artificially and not derived from an organic source naturally containing
434 cannabinoids, unless listed in another schedule pursuant to section 21a-
435 243.

436 (63) "High-THC hemp product" (A) means a manufacturer hemp
437 product, as defined in section 22-61l, that has, or is advertised, labeled
438 or offered for sale as having, total THC that exceeds [(A) for a hemp
439 edible, hemp topical or hemp transdermal patch (i) one milligram on a
440 per-serving basis, or (ii) five milligrams on a per-container basis, (B) for
441 a hemp tincture, including, but not limited to, oil intended for ingestion
442 by swallowing, buccal administration or sublingual absorption (i) one
443 milligram on a per-serving basis, or (ii) twenty-five milligrams on a per-
444 container basis, (C) for a hemp concentrate or extract, including, but not
445 limited to, a vape oil, wax or shatter, twenty-five milligrams on a per-
446 container basis, or (D) for a manufacturer hemp product not described
447 in subparagraph (A), (B) or (C) of this subdivision, (i) one milligram on
448 a per-serving basis, (ii) five milligrams on a per-container basis, or (iii)]
449 (i) two and one-half milligrams on a per-container basis for any
450 manufacturer hemp product, or (ii) three-tenths per cent on a dry-
451 weight basis for cannabis flower or cannabis trim, and (B) does not
452 include an infused beverage, as defined in section 21a-420, as amended
453 by this act.

454 Sec. 3. Section 21a-408 of the 2024 supplement to the general statutes
455 is repealed and the following is substituted in lieu thereof (*Effective July*
456 *1, 2024*):

457 As used in this section, sections 21a-408a to 21a-408o, inclusive, [and]
458 sections 21a-408r to 21a-408v, inclusive, and section 4 of this act, unless
459 the context otherwise requires:

460 (1) "Advanced practice registered nurse" means an advanced practice
461 registered nurse licensed pursuant to chapter 378;

462 (2) "Cannabis establishment" has the same meaning as provided in
463 section 21a-420, as amended by this act;

464 (3) "Cannabis testing laboratory" means a person who (A) is located
465 in this state, (B) is licensed by the department to analyze marijuana, and
466 (C) meets the licensure requirements established in section 21a-408r and
467 the regulations adopted pursuant to subsection (d) of section 21a-408r;

468 (4) "Cannabis testing laboratory employee" means a person who is
469 (A) employed at a cannabis testing laboratory, and (B) registered
470 pursuant to section 21a-408r and the regulations adopted pursuant to
471 subsection (d) of section 21a-408r;

472 (5) "Caregiver" means a person, other than the qualifying patient and
473 the qualifying patient's physician, physician assistant or advanced
474 practice registered nurse, who is eighteen years of age or older and has
475 agreed to undertake responsibility for managing the well-being of the
476 qualifying patient with respect to the palliative use of marijuana,
477 provided (A) in the case of a qualifying patient (i) under eighteen years
478 of age and not an emancipated minor, or (ii) otherwise lacking legal
479 capacity, such person shall be a parent, guardian or person having legal
480 custody of such qualifying patient, and (B) in the case of a qualifying
481 patient eighteen years of age or older or an emancipated minor, the need
482 for such person shall be evaluated by the qualifying patient's physician,
483 physician assistant or advanced practice registered nurse and such need
484 shall be documented in the written certification;

485 (6) "Cultivation" includes planting, propagating, cultivating, growing
486 and harvesting;

487 (7) "Debilitating medical condition" means (A) cancer, glaucoma,
488 positive status for human immunodeficiency virus or acquired immune
489 deficiency syndrome, Parkinson's disease, multiple sclerosis, damage to
490 the nervous tissue of the spinal cord with objective neurological
491 indication of intractable spasticity, epilepsy or uncontrolled intractable
492 seizure disorder, cachexia, wasting syndrome, Crohn's disease,
493 posttraumatic stress disorder, irreversible spinal cord injury with
494 objective neurological indication of intractable spasticity, cerebral palsy,
495 cystic fibrosis or terminal illness requiring end-of-life care, except, if the
496 qualifying patient is under eighteen years of age, "debilitating medical

497 condition" means terminal illness requiring end-of-life care, irreversible
498 spinal cord injury with objective neurological indication of intractable
499 spasticity, cerebral palsy, cystic fibrosis, severe epilepsy or uncontrolled
500 intractable seizure disorder, or (B) any medical condition, medical
501 treatment or disease approved for qualifying patients by the
502 Department of Consumer Protection and posted online pursuant to
503 section 21a-408l;

504 (8) "Dispensary facility" means a place of business where marijuana
505 may be dispensed, sold or distributed in accordance with this chapter
506 and any regulations adopted thereunder to qualifying patients and
507 caregivers and for which the department has issued a dispensary facility
508 license pursuant to this chapter;

509 (9) "Employee" has the same meaning as provided in section 21a-420,
510 as amended by this act;

511 (10) "Institutional animal care and use committee" means a committee
512 that oversees an organization's animal program, facilities and
513 procedures to ensure compliance with federal policies, guidelines and
514 principles related to the care and use of animals in research;

515 (11) "Institutional review board" means a specifically constituted
516 review body established or designated by an organization to protect the
517 rights and welfare of persons recruited to participate in biomedical,
518 behavioral or social science research;

519 (12) "Licensed dispensary" or "dispensary" means an individual who
520 is a licensed pharmacist employed by a dispensary facility or hybrid
521 retailer;

522 (13) "Marijuana" [means marijuana, as defined] has the same meaning
523 as provided in section 21a-240, as amended by this act;

524 (14) "Nurse" means a person who is licensed as a nurse under chapter
525 378;

526 (15) "Palliative use" means the acquisition, distribution, transfer,

527 possession, use or transportation of marijuana or paraphernalia relating
528 to marijuana, including the transfer of marijuana and paraphernalia
529 relating to marijuana from the patient's caregiver to the qualifying
530 patient, to alleviate a qualifying patient's symptoms of a debilitating
531 medical condition or the effects of such symptoms, but does not include
532 any such use of marijuana by any person other than the qualifying
533 patient;

534 (16) "Paraphernalia" means drug paraphernalia, as defined in section
535 21a-240, as amended by this act;

536 (17) "Physician" means a person who is licensed as a physician under
537 chapter 370;

538 (18) "Physician assistant" means a person who is licensed as a
539 physician assistant under chapter 370;

540 (19) "Producer" means a person who is licensed as a producer
541 pursuant to section 21a-408i;

542 (20) "Qualifying patient" means a person who [:] (A) [Is] is a resident
543 of Connecticut, (B) has been diagnosed by a physician, physician
544 assistant or advanced practice registered nurse as having a debilitating
545 medical condition, and (C) (i) is eighteen years of age or older, (ii) is an
546 emancipated minor, or (iii) has written consent from a custodial parent,
547 guardian or other person having legal custody of such person that
548 indicates that such person has permission from such parent, guardian
549 or other person for the palliative use of marijuana for a debilitating
550 medical condition and that such parent, guardian or other person will
551 (I) serve as a caregiver for the qualifying patient, and (II) control the
552 acquisition and possession of marijuana and any related paraphernalia
553 for palliative use on behalf of such person. "Qualifying patient" does not
554 include an inmate confined in a correctional institution or facility under
555 the supervision of the Department of Correction;

556 (21) "Research program" means a study approved by the Department
557 of Consumer Protection in accordance with this chapter and undertaken

558 to increase information or knowledge regarding the growth or
559 processing of marijuana, or the medical attributes, dosage forms,
560 administration or use of marijuana to treat or alleviate symptoms of any
561 medical conditions or the effects of such symptoms;

562 (22) "Research program employee" means a person who (A) is
563 registered as a research program employee under section 21a-408t, or
564 (B) holds a temporary certificate of registration issued pursuant to
565 section 21a-408t;

566 (23) "Research program subject" means a person registered as a
567 research program subject pursuant to section 21a-408v;

568 (24) "Usable marijuana" means the dried leaves and flowers of the
569 marijuana plant, and any mixtures or preparations of such leaves and
570 flowers, that are appropriate for the palliative use of marijuana, but does
571 not include the seeds, stalks and roots of the marijuana plant; and

572 (25) "Written certification" means a written certification issued by a
573 physician, physician assistant or advanced practice registered nurse
574 pursuant to section 21a-408c.

575 Sec. 4. (NEW) (*Effective July 1, 2024*) (a) Each cannabis establishment
576 shall submit marijuana samples to a cannabis testing laboratory for
577 testing as set forth in subsection (b) of this section.

578 (b) (1) A cannabis testing laboratory shall test each marijuana sample
579 submitted pursuant to subsection (a) of this section (A) for
580 microbiological contaminants, mycotoxins, heavy metals and pesticide
581 chemical residue, and (B) for purposes of conducting an active
582 ingredient analysis, if applicable.

583 (2) Microbiological contaminant testing conducted pursuant to
584 subparagraph (A) of subdivision (1) of this subsection shall include, but
585 not be limited to, microbiological contaminant testing for *Aspergillus*
586 species as set forth by the Department of Consumer Protection and
587 posted on the department's Internet web site.

588 (c) When conducting microbiological testing as set forth in subsection
589 (b) of this section, the marijuana sample shall be tested by using (1) a
590 molecular method which (A) includes quantitative polymerase chain
591 reaction, (B) is certified for identifying microbiological DNA, and (C) is
592 approved by (i) the Association of Official Analytical Collaboration
593 International, or (ii) a comparable national research and standard
594 making agency designated by the Commissioner of Consumer
595 Protection, or (2) an alternative testing method approved by the
596 Department of Consumer Protection and posted on the department's
597 Internet web site.

598 (d) If a marijuana sample does not pass the testing set forth in
599 subsection (b) of this section, the cannabis establishment that submitted
600 such failing marijuana sample to the cannabis testing laboratory shall:

601 (1) Repeat testing as set forth in subsections (a) and (b) of this section
602 on the marijuana batch from which such marijuana sample was taken,
603 in a form and manner approved by the Department of Consumer
604 Protection. If all repeated testing yields satisfactory results, the
605 marijuana batch from which the marijuana samples were taken shall be
606 released for sale;

607 (2) If such cannabis establishment submits to the Commissioner of
608 Consumer Protection a remediation plan that is sufficient to ensure
609 public health and safety, and the commissioner approves such
610 remediation plan, remediate the marijuana batch from which such
611 marijuana sample was taken and repeat all testing as set forth in
612 subsections (a) and (b) of this section on such remediated marijuana
613 batch, in a form and manner approved by the Department of Consumer
614 Protection. If all repeated testing yields satisfactory results, the
615 marijuana batch from which the marijuana samples were taken shall be
616 released for sale; or

617 (3) If such cannabis establishment does not comply with subdivision
618 (1) or (2) of this subsection, or if any subsequent laboratory testing does
619 not yield satisfactory results for the testing set forth in subsections (a)
620 and (b) of this section, dispose of the entire marijuana batch from which

621 the marijuana sample was taken in accordance with procedures
622 established by the Commissioner of Consumer Protection, as published
623 on the Department of Consumer Protection's Internet web site.

624 (e) For purposes of the testing set forth in subsections (a) and (b) of
625 this section, the quantity and number of marijuana samples taken shall
626 be sufficient to ensure representative sampling of the corresponding
627 marijuana batch size. The size of such corresponding marijuana batch
628 size shall not exceed the lesser of:

629 (1) Twenty-five pounds; or

630 (2) A smaller marijuana batch size, provided the Commissioner of
631 Consumer Protection (A) has determined that such smaller marijuana
632 batch size is necessary to protect public health and safety, and (B) posts
633 such smaller marijuana batch size on the Department of Consumer
634 Protection's Internet web site at least thirty days prior to the first date
635 on which the commissioner requires such smaller marijuana batch size.

636 Sec. 5. Section 21a-420 of the 2024 supplement to the general statutes
637 is repealed and the following is substituted in lieu thereof (*Effective July*
638 *1, 2024*):

639 As used in RERACA, unless the context otherwise requires:

640 (1) "Responsible and Equitable Regulation of Adult-Use Cannabis
641 Act" or "RERACA" means this section, sections 2-56j, 7-294kk, 7-294ll,
642 12-330ll to 12-330nn, inclusive, 14-227p, 21a-278b, 21a-278c, 21a-279c,
643 21a-279d, 21a-420a to 21a-420j, inclusive, 21a-420l to 21a-421r, inclusive,
644 21a-421aa to 21a-421ff, inclusive, 21a-421aaa to 21a-421hhh, inclusive,
645 21a-422 to 21a-422c, inclusive, 21a-422e to 21a-422g, inclusive, 21a-422j
646 to 21a-422s, inclusive, 22-61n, as amended by this act, 23-4b, 47a-9a, 53-
647 247a, 53a-213a, 53a-213b, 54-33p, 54-56q, 54-56r, 54-125k and 54-142u,
648 sections 23, 60, 63 to 65, inclusive, 124, 144 and 165 of public act 21-1 of
649 the June special session, and the amendments in public act 21-1 of the
650 June special session to sections 7-148, 10-221, 12-30a, 12-35b, 12-412, 12-
651 650, 12-704d, 14-44k, 14-111e, 14-227a to 14-227c, inclusive, 14-227j, 15-

652 140q, 15-140r, 18-100h, 19a-342, 19a-342a, 21a-267, 21a-277, 21a-279, 21a-
653 279a, 21a-408 to 21a-408f, inclusive, as amended by this act, 21a-408h to
654 21a-408p, inclusive, 21a-408r to 21a-408v, inclusive, 30-89a, 31-40q, 32-
655 39, 46b-120, 51-164n, 53-394, 53a-39c, 54-1m, 54-33g, 54-41b, 54-56e, 54-
656 56g, 54-56i, 54-56k, 54-56n, 54-63d, 54-66a and 54-142e, [and] section 20
657 of public act 23-79, section 4 of this act and sections 6 to 10, inclusive, of
658 this act;

659 (2) "Backer" means any individual with a direct or indirect financial
660 interest in a cannabis establishment. "Backer" does not include an
661 individual with an investment interest in a cannabis establishment if (A)
662 the interest held by such individual and such individual's spouse,
663 parent or child, in the aggregate, does not exceed five per cent of the
664 total ownership or interest rights in such cannabis establishment, and
665 (B) such individual does not participate directly or indirectly in the
666 control, management or operation of the cannabis establishment;

667 (3) "Cannabis" means marijuana, as defined in section 21a-240, as
668 amended by this act;

669 (4) "Cannabis establishment" means a producer, dispensary facility,
670 cultivator, micro-cultivator, retailer, hybrid retailer, food and beverage
671 manufacturer, product manufacturer, product packager, delivery
672 service or transporter;

673 (5) "Cannabis flower" means the flower, including abnormal and
674 immature flowers, of a plant of the genus cannabis that has been
675 harvested, dried, cured, chopped or ground, and prior to any processing
676 whereby the flower material is transformed into a cannabis product.
677 "Cannabis flower" does not include (A) the leaves or stem of such plant,
678 or (B) hemp, as defined in section 22-61/;

679 (6) "Cannabis testing laboratory" means a laboratory that (A) is
680 located in this state, (B) is licensed by the department to analyze
681 cannabis, and (C) meets the licensure requirements established in
682 section 21a-408r and the regulations adopted pursuant to subsection (d)
683 of section 21a-408r;

684 (7) "Cannabis testing laboratory employee" means an individual who
685 is (A) employed at a cannabis testing laboratory, and (B) registered
686 pursuant to section 21a-408r and the regulations adopted pursuant to
687 subsection (d) of section 21a-408r;

688 (8) "Cannabis trim" means all parts, including abnormal or immature
689 parts, of a plant of the genus cannabis, other than cannabis flower, that
690 have been harvested, dried and cured, and prior to any processing,
691 excluding chopping or grinding, whereby the plant material is
692 transformed into a cannabis product. "Cannabis trim" does not include
693 hemp, as defined in section 22-61l;

694 (9) "Cannabis product" means cannabis, intended for use or
695 consumption, that is in the form of (A) a cannabis concentrate, or (B) a
696 product that contains cannabis and at least one other cannabis or
697 noncannabis ingredient or component, excluding cannabis flower;

698 (10) "Cannabis concentrate" means any form of concentration,
699 including, but not limited to, extracts, oils, tinctures, shatter and waxes,
700 that is extracted from cannabis;

701 (11) "Cannabis-type substances" have the same meaning as
702 "marijuana", as defined in section 21a-240, as amended by this act;

703 (12) "Commissioner" means the Commissioner of Consumer
704 Protection and includes any designee of the commissioner;

705 (13) "Consumer" means an individual who is twenty-one years of age
706 or older;

707 (14) "Control" means the power to direct, or cause the direction of, the
708 management and policies of a cannabis establishment, regardless of
709 whether such power is possessed directly or indirectly;

710 (15) "Cultivation" has the same meaning as provided in section 21a-
711 408, as amended by this act;

712 (16) "Cultivation lot" means one or more lots, as defined in section 22-

713 61l, associated with a hemp producer's license issued pursuant to
714 section 22-61l;

715 [(16)] (17) "Cultivator" means a person that is licensed to engage in
716 the cultivation, growing and propagation of the cannabis plant at an
717 establishment with not less than fifteen thousand square feet of grow
718 space;

719 [(17)] (18) "Delivery service" means a person that is licensed to deliver
720 cannabis from (A) micro-cultivators, retailers and hybrid retailers to
721 consumers and research program subjects, and (B) hybrid retailers and
722 dispensary facilities to qualifying patients, caregivers and research
723 program subjects, as defined in section 21a-408, as amended by this act,
724 or to hospices or other inpatient care facilities licensed by the
725 Department of Public Health pursuant to chapter 368v that have a
726 protocol for the handling and distribution of cannabis that has been
727 approved by the department, or a combination thereof;

728 [(18)] (19) "Department" means the Department of Consumer
729 Protection;

730 [(19)] (20) "Dispensary facility" means a place of business where
731 cannabis may be dispensed, sold or distributed in accordance with
732 chapter 420f and any regulations adopted pursuant to said chapter, to
733 qualifying patients and caregivers, and to which the department has
734 issued a dispensary facility license pursuant to chapter 420f and any
735 regulations adopted pursuant to said chapter;

736 [(20)] (21) "Disproportionately impacted area" means (A) for the
737 period beginning July 1, 2021, and ending July 31, 2023, a United States
738 census tract in the state that has, as determined by the Social Equity
739 Council under subdivision (1) of subsection (i) of section 21a-420d, as
740 amended by this act, (i) a historical conviction rate for drug-related
741 offenses greater than one-tenth, or (ii) an unemployment rate greater
742 than ten per cent, [and] (B) [on and after] for the period beginning
743 August 1, 2023, and ending June 30, 2024, a United States census tract in
744 this state that has been identified by the Social Equity Council pursuant

745 to subdivision (2) of subsection (i) of section 21a-420d, as amended by
 746 this act, (C) for the period beginning July 1, 2024, and ending December
 747 31, 2024, (i) a United States census tract in this state that has been
 748 identified by the Social Equity Council pursuant to subdivision (2) of
 749 subsection (i) of section 21a-420d, as amended by this act, and (ii) a
 750 reservation, as defined in section 47-63, as set forth in subdivision (3) of
 751 subsection (i) of section 21a-420d, as amended by this act, and (D) on
 752 and after January 1, 2025, (i) a United States census tract in this state that
 753 has been identified by the Social Equity Council pursuant to subdivision
 754 (2) of subsection (i) of section 21a-420d, as amended by this act, (ii) a
 755 reservation, as defined in section 47-63, as set forth in subdivision (3) of
 756 subsection (i) of section 21a-420d, as amended by this act, and (iii) a
 757 parcel of land described in subdivision (4) of subsection (i) of section
 758 21a-420d, as amended by this act;

759 [(21)] (22) "Disqualifying conviction" means a conviction within the
 760 last ten years which has not been the subject of an absolute pardon
 761 under the provisions of section 54-130a, or an equivalent pardon process
 762 under the laws of another state or the federal government, for an offense
 763 under (A) section 53a-276, 53a-277 or 53a-278, [;] (B) section 53a-291, 53a-
 764 292 or 53a-293, [;] (C) section 53a-215, [;] (D) section 53a-138 or 53a-139,
 765 [;] (E) section 53a-142a, [;] (F) sections 53a-147 to 53a-162, inclusive, [;]
 766 (G) sections 53a-125c to 53a-125f, inclusive, [;] (H) section 53a-129b, 53a-
 767 129c or 53a-129d, [;] (I) subsection (b) of section 12-737, [;] (J) section 53a-
 768 48 or 53a-49, if the offense which is attempted or is an object of the
 769 conspiracy is an offense under the statutes listed in subparagraphs (A)
 770 to (I), inclusive, of this subdivision, [;] or (K) the law of any other state
 771 or of the federal government, if the offense on which such conviction is
 772 based is defined by elements that substantially include the elements of
 773 an offense under the statutes listed in subparagraphs (A) to (J), inclusive,
 774 of this subdivision;

775 [(22)] (23) "Dispensary technician" means an individual who has had
 776 an active pharmacy technician or dispensary technician registration in
 777 this state within the past five years, is affiliated with a dispensary facility
 778 or hybrid retailer and is registered with the department in accordance

779 with chapter 420f and any regulations adopted pursuant to said chapter;

780 [(23)] (24) "Edible cannabis product" means a cannabis product
781 intended for humans to eat or drink;

782 [(24)] (25) "Employee" means any person who is not a backer, but is a
783 member of the board of a company with an ownership interest in a
784 cannabis establishment, and any person employed by a cannabis
785 establishment or who otherwise has access to such establishment or the
786 vehicles used to transport cannabis, including, but not limited to, an
787 independent contractor who has routine access to the premises of such
788 establishment or to the cannabis handled by such establishment;

789 [(25)] (26) "Equity" and "equitable" means efforts, regulations,
790 policies, programs, standards, processes and any other functions of
791 government or principles of law and governance intended to [:] (A)
792 [Identify] identify and remedy past and present patterns of
793 discrimination and disparities of race, ethnicity, gender and sexual
794 orientation, [:] (B) ensure that such patterns of discrimination and
795 disparities, whether intentional or unintentional, are neither reinforced
796 nor perpetuated, [:] and (C) prevent the emergence and persistence of
797 foreseeable future patterns of discrimination or disparities of race,
798 ethnicity, gender and sexual orientation;

799 [(26)] (27) "Equity joint venture" means a business entity that is
800 controlled, and at least fifty per cent owned, by an individual or
801 individuals, or such applicant is an individual, who meets the criteria of
802 subparagraphs (A) and (B) of subdivision [(50)] (54) of this section;

803 [(27)] (28) "Extract" means the preparation, compounding, conversion
804 or processing of cannabis, either directly or indirectly by extraction or
805 independently by means of chemical synthesis, or by a combination of
806 extraction and chemical synthesis to produce a cannabis concentrate;

807 [(28)] (29) "Financial interest" means any right to, ownership, an
808 investment or a compensation arrangement with another person,
809 directly, through business, investment or family. "Financial interest"

810 does not include ownership of investment securities in a publicly-held
811 corporation that is traded on a national exchange or over-the-counter
812 market, provided the investment securities held by such person and
813 such person's spouse, parent or child, in the aggregate, do not exceed
814 one-half of one per cent of the total number of shares issued by the
815 corporation;

816 [(29)] (30) "Food and beverage manufacturer" means a person that is
817 licensed to own and operate a place of business that acquires cannabis
818 and creates food and beverages;

819 [(30)] (31) "Grow space" means the portion of a premises owned and
820 controlled by a producer, cultivator or micro-cultivator that is utilized
821 for the cultivation, growing or propagation of the cannabis plant, and
822 contains cannabis plants in an active stage of growth, measured starting
823 from the outermost wall of the room containing cannabis plants and
824 continuing around the outside of the room. "Grow space" does not
825 include space used to cure, process, store harvested cannabis or
826 manufacture cannabis once the cannabis has been harvested;

827 (32) "Hemp manufacturer" means manufacturer, as defined in section
828 22-61l;

829 (33) "Hemp producer" means producer, as defined in section 22-61l;

830 [(31)] (34) "Historical conviction count for drug-related offenses"
831 means, for a given area, the number of convictions of residents of such
832 area (A) for violations of sections 21a-267, 21a-277, 21a-278, 21a-279 and
833 21a-279a, and (B) who were arrested for such violations between
834 January 1, 1982, and December 31, 2020, inclusive, where such arrest
835 was recorded in databases maintained by the Department of Emergency
836 Services and Public Protection;

837 [(32)] (35) "Historical conviction rate for drug-related offenses"
838 means, for a given area, the historical conviction count for drug-related
839 offenses divided by the population of such area, as determined by the
840 five-year estimates of the most recent American Community Survey

841 conducted by the United States Census Bureau;

842 ~~[(33)]~~ (36) "Hybrid retailer" means a person that is licensed to
843 purchase cannabis and sell cannabis and medical marijuana products;

844 (37) "Infused beverage" means a beverage that (A) is not an alcoholic
845 beverage, as defined in section 30-1, (B) is intended for human
846 consumption, and (C) is advertised, labeled or offered for sale as having
847 total THC, as defined in section 21a-240, as amended by this act, that is
848 not greater than two and one-half milligrams on a per-container basis,
849 which container shall contain at least twelve fluid ounces;

850 ~~[(34)]~~ (38) "Key employee" means an employee with the following
851 management position or an equivalent title within a cannabis
852 establishment: (A) President or chief officer, who is the top ranking
853 individual at the cannabis establishment and is responsible for all staff
854 and overall direction of business operations; (B) financial manager, who
855 is the individual who reports to the president or chief officer and who is
856 responsible for oversight of the financial operations of the cannabis
857 establishment, which financial operations include one or more of the
858 following: (i) Revenue and expense management; (ii) distributions; (iii)
859 tax compliance; (iv) budget development; and (v) budget management
860 and implementation; or (C) compliance manager, who is the individual
861 who reports to the president or chief officer and who is generally
862 responsible for ensuring the cannabis establishment complies with all
863 laws, regulations and requirements related to the operation of the
864 cannabis establishment;

865 ~~[(35)]~~ (39) "Labor peace agreement" means an agreement between a
866 cannabis establishment and a bona fide labor organization under section
867 21a-421d pursuant to which the owners and management of the
868 cannabis establishment agree not to lock out employees and that
869 prohibits the bona fide labor organization from engaging in picketing,
870 work stoppages or boycotts against the cannabis establishment;

871 ~~[(36)]~~ (40) "Manufacture" means to add or incorporate cannabis into
872 other products or ingredients or create a cannabis product;

873 [(37)] (41) "Medical marijuana product" means cannabis that may be
874 exclusively sold to qualifying patients and caregivers by dispensary
875 facilities and hybrid retailers and which are designated by the
876 commissioner as reserved for sale to qualifying patients and caregivers
877 and published on the department's Internet web site;

878 [(38)] (42) "Micro-cultivator" means a person licensed to engage in the
879 cultivation, growing and propagation of the cannabis plant at an
880 establishment containing not less than two thousand square feet and not
881 more than ten thousand square feet of grow space, prior to any
882 expansion authorized by the commissioner;

883 [(39)] (43) "Municipality" means any town, city or borough,
884 consolidated town and city or consolidated town and borough;

885 [(40)] (44) "Paraphernalia" means drug paraphernalia, as defined in
886 section 21a-240, as amended by this act;

887 [(41)] (45) "Person" means an individual, partnership, limited liability
888 company, society, association, joint stock company, corporation, estate,
889 receiver, trustee, assignee, referee or any other legal entity and any other
890 person acting in a fiduciary or representative capacity, whether
891 appointed by a court or otherwise, and any combination thereof;

892 [(42)] (46) "Producer" means a person that is licensed as a producer
893 pursuant to section 21a-408i and any regulations adopted pursuant to
894 said section;

895 [(43)] (47) "Product manufacturer" means a person that is licensed to
896 obtain cannabis, extract and manufacture products;

897 [(44)] (48) "Product packager" means a person that is licensed to
898 package and label cannabis;

899 [(45)] (49) "Qualifying patient" has the same meaning as provided in
900 section 21a-408, as amended by this act;

901 [(46)] (50) "Research program" has the same meaning as provided in

902 section 21a-408, as amended by this act;

903 [(47)] (51) "Retailer" means a person, excluding a dispensary facility
904 and hybrid retailer, that is licensed to purchase cannabis from
905 producers, cultivators, micro-cultivators, product manufacturers and
906 food and beverage manufacturers and to sell cannabis to consumers and
907 research programs;

908 [(48)] (52) "Sale" or "sell" has the same meaning as provided in section
909 21a-240, as amended by this act;

910 [(49)] (53) "Social Equity Council" or "council" means the council
911 established under section 21a-420d, as amended by this act;

912 [(50)] (54) "Social equity applicant" means a person that has applied
913 for a license for a cannabis establishment, where such applicant is
914 controlled, and at least sixty-five per cent owned, by an individual or
915 individuals, or such applicant is an individual, who:

916 (A) Had an average household income of less than three hundred per
917 cent of the state median household income over the three tax years
918 immediately preceding such individual's application; and

919 (B) (i) Was a resident of a disproportionately impacted area for not
920 less than five of the ten years immediately preceding the date of such
921 application; or

922 (ii) Was a resident of a disproportionately impacted area for not less
923 than nine years prior to attaining the age of eighteen;

924 [(51)] (55) "THC" has the same meaning as provided in section 21a-
925 240, as amended by this act;

926 [(52)] (56) "Third-party lottery operator" means a person, or a
927 constituent unit of the state system of higher education, that conducts
928 lotteries pursuant to section 21a-420g, as amended by this act, identifies
929 the cannabis establishment license applications for consideration
930 without performing any review of the applications that are identified

931 for consideration, and that has no direct or indirect oversight of or
932 investment in a cannabis establishment or a cannabis establishment
933 applicant;

934 [(53)] (57) "Transfer" means to transfer, change, give or otherwise
935 dispose of control over or interest in;

936 [(54)] (58) "Transport" means to physically move from one place to
937 another;

938 [(55)] (59) "Transporter" means a person licensed to transport
939 cannabis and manufacturer hemp products, as defined in section 22-61l,
940 between cannabis establishments, cannabis testing laboratories and
941 research programs; and

942 [(56)] (60) "Unemployment rate" means, in a given area, the number
943 of people sixteen years of age or older who are in the civilian labor force
944 and unemployed divided by the number of people sixteen years of age
945 or older who are in the civilian labor force.

946 Sec. 6. (NEW) (*Effective July 1, 2024*) (a) During the period beginning
947 July 1, 2024, and ending December 31, 2025, the department shall issue
948 a cultivator license or micro-cultivator license to a social equity
949 applicant:

950 (1) If prior to July 1, 2024, the social equity applicant submitted to the
951 department a completed cultivator license application pursuant to
952 subsection (a) of section 21a-420o of the general statutes, as amended by
953 this act, and:

954 (A) The Social Equity Council verified, pursuant to subdivision (1) of
955 subsection (a) of section 21a-420o of the general statutes, as amended by
956 this act, that the applicant met the criteria established for a social equity
957 applicant; or

958 (B) The department issued a provisional cultivator license, but not a
959 final cultivator license, to the social equity applicant pursuant to section
960 21a-420o of the general statutes, as amended by this act;

961 (2) If during the period beginning July 1, 2024, and ending March 31,
962 2025, the social equity applicant submits to the department, in a form
963 and manner prescribed by the commissioner:

964 (A) A completed application for a cultivator license or micro-
965 cultivator license;

966 (B) A copy of an agreement, between the social equity applicant and
967 a hemp producer that has been continually licensed under section 22-
968 61l of the general statutes since January 1, 2023, which provides:

969 (i) For the use of the hemp producer's cultivation lot, which may be
970 located outside of a disproportionately impacted area; and

971 (ii) That if the department issues a provisional cultivator license or a
972 provisional micro-cultivator license to the social equity applicant
973 pursuant to this section:

974 (I) Such provisional cultivator license or provisional micro-cultivator
975 license shall immediately be deemed to have automatically replaced
976 both the provisional cultivator license application the social equity
977 applicant submitted and any provisional cultivator license the
978 department issued to the social equity applicant pursuant to subsection
979 (a) of section 21a-420o of the general statutes, as amended by this act,
980 and such previously submitted provisional cultivator license
981 application and previously issued provisional cultivator license shall
982 immediately be deemed to have been automatically withdrawn or
983 surrendered, as applicable, as set forth in subparagraph (C)(i) of this
984 subdivision; and

985 (II) The hemp producer shall immediately be deemed to have
986 automatically surrendered such hemp producer's license under section
987 22-61l of the general statutes, as set forth in subparagraph (D) of this
988 subdivision;

989 (C) An acknowledgment by the social equity applicant that, if the
990 department issues a provisional cultivator license or provisional micro-
991 cultivator license to the social equity applicant pursuant to this section:

992 (i) Such provisional cultivator license or provisional micro-cultivator
993 license shall immediately be deemed to have automatically replaced
994 both the provisional cultivator license application the social equity
995 applicant submitted and any provisional cultivator license the
996 department issued to the social equity applicant pursuant to subsection
997 (a) of section 21a-420o of the general statutes, as amended by this act,
998 and such previously submitted provisional cultivator license
999 application and previously issued cultivator license shall immediately
1000 be deemed to have been automatically withdrawn or surrendered, as
1001 applicable; and

1002 (ii) The social equity applicant shall be (I) eligible to create not more
1003 than one equity joint venture after such social equity applicant receives
1004 a cultivator license under this section and commences cultivation
1005 activities under such cultivator license, as provided in subsection (e) of
1006 this section, or (II) ineligible to create an equity joint venture after such
1007 social equity applicant receives a micro-cultivator license under this
1008 section, as provided in subsection (e) of this section;

1009 (D) An acknowledgment by the hemp producer which is a party to
1010 the agreement described in subparagraph (B) of this subdivision that, if
1011 the department issues a provisional cultivator license or provisional
1012 micro-cultivator license to the social equity applicant pursuant to this
1013 section, the hemp producer shall immediately be deemed to have
1014 automatically surrendered such hemp producer's license under section
1015 22-61l of the general statutes;

1016 (E) Evidence that is sufficient for the department to verify that the
1017 hemp producer which is a party to the agreement described in
1018 subparagraph (B) of this subdivision has been continually licensed
1019 under section 22-61l of the general statutes since January 1, 2023;

1020 (F) A written statement by the social equity applicant disclosing
1021 whether any change occurred in the ownership or control of the social
1022 equity applicant after the Social Equity Council verified that the social
1023 equity applicant met the criteria for a social equity applicant pursuant
1024 to subdivision (1) of subsection (a) of section 21a-420o of the general

1025 statutes, as amended by this act; and

1026 (G) The application fee required under subsection (b) of this section;

1027 (3) Provided any change described in subparagraph (F) of
1028 subdivision (2) of this subsection that has occurred is:

1029 (A) Allowed under (i) section 21a-420g of the general statutes, as
1030 amended by this act, and (ii) any regulation adopted, or policy or
1031 procedure issued, pursuant to section 21a-420g of the general statutes,
1032 as amended by this act, or 21a-420h of the general statutes; and

1033 (B) Allowed under subdivision (1) of subsection (c) of this section,
1034 whereby (i) the Social Equity Council has determined that the social
1035 equity applicant continues to meet the criteria for a social equity
1036 applicant, and (ii) the department has received a written notice from the
1037 Social Equity Council affirming that the Social Equity Council has
1038 determined that the social equity applicant continues to meet the criteria
1039 for a social equity applicant;

1040 (4) If pursuant to subdivision (2) of subsection (c) of this section, (A)
1041 the Social Equity Council has reviewed the agreement described in
1042 subparagraph (B) of subdivision (2) of this subsection, and (B) the
1043 department has received a written notice from the Social Equity Council
1044 affirming that the Social Equity Council has determined that the social
1045 equity applicant continues to meet the criteria for a social equity
1046 applicant; and

1047 (5) If all hemp, as defined in section 22-611 of the general statutes, has
1048 been harvested from the cultivation lot described in subparagraph (B)(i)
1049 of subdivision (2) of this subsection.

1050 (b) (1) A social equity applicant seeking a cultivator license under this
1051 section shall submit to the department a three-million-dollar application
1052 fee unless the social equity applicant has (A) received a provisional
1053 cultivator license under subsection (a) of section 21a-420o of the general
1054 statutes, as amended by this act, and (B) paid the fee required under
1055 subdivision (3) of subsection (a) of section 21a-420o of the general

1056 statutes, as amended by this act.

1057 (2) A social equity applicant seeking a micro-cultivator license under
1058 this section shall submit to the department a five-hundred-thousand-
1059 dollar application fee unless the social equity applicant has (A) received
1060 a provisional cultivator license under subsection (a) of section 21a-420o
1061 of the general statutes, as amended by this act, and (B) paid the fee
1062 required under subdivision (3) of subsection (a) of section 21a-420o of
1063 the general statutes, as amended by this act.

1064 (3) The fee to renew a final cultivator license or final micro-cultivator
1065 license issued pursuant to this section shall be the same as the fee to
1066 renew a final cultivator license or final micro-cultivator license as set
1067 forth in section 21a-420e of the general statutes, as amended by this act.

1068 (4) All fees collected by the department under this section shall be
1069 deposited in the Cannabis Social Equity and Innovation Fund
1070 established in subsection (c) of section 21a-420f of the general statutes.

1071 (c) (1) If any change described in subparagraph (F) of subdivision (2)
1072 of subsection (a) of this section has occurred, the Social Equity Council
1073 shall (A) determine whether the social equity applicant continues to
1074 meet the criteria for a social equity applicant, and (B) submit to the
1075 department, in a form and manner prescribed by the commissioner, a
1076 written notice disclosing such determination.

1077 (2) The Social Equity Council shall (A) review the agreement
1078 described in subparagraph (B) of subdivision (2) of subsection (a) of this
1079 section, and (B) submit to the department, in a form and manner
1080 prescribed by the commissioner, a written notice disclosing whether the
1081 social equity applicant continues to meet the criteria for a social equity
1082 applicant.

1083 (d) All harvested hemp described in subdivision (5) of subsection (a)
1084 of this section shall continue to be deemed hemp until the department
1085 issues a final cultivator license or final micro-cultivator license to the
1086 social equity applicant pursuant to this section. After the department

1087 issues a final cultivator license or final micro-cultivator license to the
1088 social equity applicant pursuant to this section, such harvested hemp
1089 shall be deemed to be cannabis and shall be subject to all cannabis
1090 cultivation, testing, labeling, tracking, reporting and manufacturing
1091 provisions of RERACA as such provisions apply to cultivators and
1092 micro-cultivators. For the purposes of this subsection, "hemp" has the
1093 same meaning as provided in section 22-611 of the general statutes.

1094 (e) No social equity applicant that receives a cultivator license under
1095 this section shall be eligible to create more than one equity joint venture,
1096 and no such social equity applicant shall create any equity joint venture
1097 unless such social equity applicant has received a cultivator license
1098 under this section and commenced cultivation activities under such
1099 cultivator license. No social equity applicant that receives a micro-
1100 cultivator license under this section shall be eligible to create an equity
1101 joint venture.

1102 (f) Each application submitted to the department pursuant to
1103 subsection (a) of this section, and all information included in, or
1104 submitted with, any application submitted pursuant to said subsection,
1105 shall be subject to the provisions of subsection (g) of section 21a-420e of
1106 the general statutes.

1107 (g) Notwithstanding any other provision of RERACA, and except as
1108 otherwise provided in subsections (a) to (f), inclusive, of this section:

1109 (1) Each application submitted pursuant to subsection (a) of this
1110 section shall be processed as any other cultivator application or micro-
1111 cultivator application that has been selected through the lottery; and

1112 (2) Each social equity applicant, application submitted pursuant to
1113 subsection (a) of this section, cultivator license issued pursuant to this
1114 section and micro-cultivator license issued pursuant to this section shall
1115 be subject to subsections (e) to (l), inclusive, of section 21a-420g of the
1116 general statutes, as amended by this act.

1117 Sec. 7. (NEW) (*Effective July 1, 2024*) (a) (1) During the period

1118 beginning July 1, 2024, and ending December 31, 2024, a social equity
1119 applicant that has submitted an application to the department for a
1120 cultivator license pursuant to subsection (a) of section 21a-420o of the
1121 general statutes, as amended by this act, may withdraw such application
1122 and apply for a micro-cultivator license pursuant to this section if:

1123 (A) The Social Equity Council has verified that the applicant meets
1124 the criteria for a social equity applicant pursuant to subdivision (1) of
1125 subsection (a) of section 21a-420o of the general statutes, as amended by
1126 this act;

1127 (B) The social equity applicant is eligible to receive a provisional
1128 cultivator license pursuant to subsection (a) of section 21a-420o of the
1129 general statutes, as amended by this act;

1130 (C) The department has not already issued a provisional cultivator
1131 license to the social equity applicant pursuant to subsection (a) of section
1132 21a-420o of the general statutes, as amended by this act; and

1133 (D) The social equity applicant submits to the department, in a form
1134 and manner prescribed by the commissioner, a written statement by the
1135 social equity applicant:

1136 (i) Withdrawing the social equity applicant's application under
1137 subsection (a) of section 21a-420o of the general statutes, as amended by
1138 this act; and

1139 (ii) Acknowledging that if the social equity applicant withdraws the
1140 application submitted under subsection (a) of section 21a-420o of the
1141 general statutes, as amended by this act, the social equity applicant shall
1142 be ineligible to create an equity joint venture, as provided in subsection
1143 (e) of this section.

1144 (2) No social equity applicant that withdraws an application in the
1145 manner set forth in subdivision (1) of this subsection shall be eligible to
1146 receive a refund for any fee paid in connection with such withdrawn
1147 application.

1148 (b) During the period beginning July 1, 2024, and ending December
1149 31, 2025, the department shall issue a micro-cultivator license to a social
1150 equity applicant pursuant to this section:

1151 (1) If the social equity applicant meets the eligibility criteria
1152 established in subdivision (1) of subsection (a) of this section;

1153 (2) If during the period beginning July 1, 2024, and ending December
1154 31, 2024, the social equity applicant submits to the department, in a form
1155 and manner prescribed by the commissioner:

1156 (A) A completed micro-cultivator license application;

1157 (B) A written statement by the social equity applicant disclosing
1158 whether any change occurred in the ownership or control of the social
1159 equity applicant after the Social Equity Council verified that the
1160 applicant met the criteria for a social equity applicant pursuant to
1161 subdivision (1) of subsection (a) of section 21a-420o of the general
1162 statutes, as amended by this act; and

1163 (C) The application and conversion fees required under subdivision
1164 (1) of subsection (c) of this section; and

1165 (3) If any change described in subparagraph (B) of subdivision (2) of
1166 this subsection has occurred:

1167 (A) Such change in ownership or control is allowed under (i) section
1168 21a-420g of the general statutes, as amended by this act, and (ii) any
1169 regulation adopted, or policy or procedure issued, pursuant to section
1170 21a-420g of the general statutes, as amended by this act, or 21a-420h of
1171 the general statutes; and

1172 (B) Pursuant to subsection (d) of this section, (i) the Social Equity
1173 Council has determined that the social equity applicant continues to
1174 meet the criteria for a social equity applicant, and (ii) the department
1175 has received a written notice from the Social Equity Council affirming
1176 that the Social Equity Council has determined that the social equity
1177 applicant continues to meet the criteria for a social equity applicant.

1178 (c) (1) A social equity applicant that submits a micro-cultivator license
1179 application pursuant to subsection (b) of this section shall submit to the
1180 department (A) an application fee in the amount of five hundred
1181 thousand dollars, and (B) a conversion fee in the amount of five hundred
1182 thousand dollars.

1183 (2) The fee to renew a final micro-cultivator license issued pursuant
1184 to this section shall be the same as the fee to renew a final micro-
1185 cultivator license as set forth in section 21a-420e of the general statutes,
1186 as amended by this act.

1187 (3) All fees collected by the department under this section shall be
1188 deposited in the Cannabis Social Equity and Innovation Fund
1189 established in subsection (c) of section 21a-420f of the general statutes.

1190 (d) If any change described in subparagraph (B) of subdivision (2) of
1191 subsection (b) of this section has occurred, the Social Equity Council
1192 shall (1) determine whether the social equity applicant continues to meet
1193 the criteria for a social equity applicant, and (2) submit to the
1194 department, in a form and manner prescribed by the commissioner, a
1195 written notice disclosing such determination.

1196 (e) A social equity applicant that withdraws an application in the
1197 manner set forth in subdivision (1) of subsection (a) of this section shall
1198 be ineligible to create an equity joint venture.

1199 (f) Each application submitted to the department pursuant to
1200 subsection (b) of this section, and all information included in, or
1201 submitted with, any application submitted pursuant to said subsection,
1202 shall be subject to the provisions of subsection (g) of section 21a-420e of
1203 the general statutes.

1204 (g) Notwithstanding any other provision of RERACA, and except as
1205 otherwise provided in subsections (a) to (f), inclusive, of this section:

1206 (1) Each application submitted pursuant to subsection (b) of this
1207 section shall be processed as any other micro-cultivator application that
1208 has been selected through the lottery; and

1209 (2) Each social equity applicant, application submitted pursuant to
1210 subsection (b) of this section and micro-cultivator license issued
1211 pursuant to this section shall be subject to subsections (e) to (l), inclusive,
1212 of section 21a-420g of the general statutes, as amended by this act.

1213 Sec. 8. (NEW) (*Effective July 1, 2024*) (a) For the purposes of this
1214 section, "hemp" and "hemp products" have the same meanings as
1215 provided in section 22-61l of the general statutes.

1216 (b) The department shall issue a product manufacturer license to a
1217 hemp manufacturer if:

1218 (1) The hemp manufacturer (A) is licensed under section 22-61m of
1219 the general statutes, as amended by this act, (B) has continuously held a
1220 hemp manufacturer license issued under section 22-61m of the general
1221 statutes, as amended by this act, since January 1, 2022, and (C) is not
1222 licensed as a hemp producer under section 22-61l of the general statutes;
1223 and

1224 (2) During the period beginning July 1, 2024, and ending December
1225 31, 2024, the hemp manufacturer submits to the department, in a form
1226 and manner prescribed by the Commissioner of Consumer Protection:

1227 (A) A completed product manufacturer license application;

1228 (B) A social equity plan and a workforce development plan that are
1229 approved by the Social Equity Council before the department issues a
1230 product manufacturer license to the hemp manufacturer pursuant to
1231 this section;

1232 (C) An acknowledgment that if the department issues a final product
1233 manufacturer license to the hemp manufacturer pursuant to this section,
1234 the hemp manufacturer shall immediately be deemed to have
1235 automatically surrendered such hemp manufacturer's license under
1236 section 22-61m of the general statutes, as amended by this act; and

1237 (D) An application fee in the amount of twenty-five thousand dollars.

1238 (c) A holder of a provisional product manufacturer license issued
1239 pursuant to this section may maintain an active hemp manufacturer
1240 license issued pursuant to section 22-61m of the general statutes, as
1241 amended by this act, provided the hemp manufacturer shall
1242 immediately be deemed to have automatically surrendered such hemp
1243 manufacturer's license under 22-61m of the general statutes, as
1244 amended by this act, if the department issues a final product
1245 manufacturer license pursuant to this section.

1246 (d) The fee to receive or renew a final product manufacturer license
1247 pursuant to this section shall be the same as the fee to receive or renew
1248 a final product manufacturer license as set forth in section 21a-420e of
1249 the general statutes, as amended by this act.

1250 (e) All fees collected by the department under this section shall be
1251 nonrefundable and deposited in the Cannabis Social Equity and
1252 Innovation Fund established in subsection (c) of section 21a-420f of the
1253 general statutes.

1254 (f) (1) Except as provided in subdivision (2) of this subsection, all
1255 hemp and hemp products in the possession of a hemp manufacturer
1256 shall continue to be deemed hemp while such hemp manufacturer
1257 maintains an active hemp manufacturer license under section 22-61m of
1258 the general statutes, as amended by this act.

1259 (2) Immediately upon the department issuing a final product
1260 manufacturer license to a hemp manufacturer pursuant to this section,
1261 and the automatic surrender of the hemp manufacturer's license under
1262 section 22-61m of the general statutes, as amended by this act, all hemp
1263 and hemp products in the possession of such hemp manufacturer shall
1264 (A) be deemed cannabis in accordance with section 22-61n of the general
1265 statutes, as amended by this act, and (B) comply with the requirements
1266 for cannabis contained in all applicable provisions of the general
1267 statutes and the regulations of Connecticut state agencies.

1268 (g) Each application submitted to the department pursuant to
1269 subsection (b) of this section, and all information included in, or

1270 submitted with, any application submitted pursuant to said subsection,
1271 shall be subject to the provisions of subsection (g) of section 21a-420e of
1272 the general statutes.

1273 (h) Each complete application submitted pursuant to subsection (b)
1274 of this section shall be (1) processed as any product manufacturer
1275 application selected through the lottery, and (2) subject to subsections
1276 (e) to (l), inclusive, of section 21a-420g of the general statutes, as
1277 amended by this act.

1278 (i) The Commissioner of Consumer Protection may, pursuant to
1279 section 4-182 of the general statutes, summarily suspend any credential
1280 issued by the department to any person who violates any provision of
1281 this section or chapter 420f or 420h of the general statutes.

1282 (j) Any person licensed pursuant to this section shall be subject to the
1283 provisions of section 21a-421p of the general statutes, and any violation
1284 of this section shall constitute sufficient cause for purposes of subsection
1285 (b) of section 21a-421p of the general statutes.

1286 Sec. 9. (NEW) (*Effective July 1, 2024*) (a) For the purposes of this
1287 section, "manufacturer hemp product" has the same meaning as
1288 provided in section 22-61l of the general statutes.

1289 (b) No infused beverage shall be sold or distributed in this state
1290 unless:

1291 (1) The infused beverage is sold (A) on premises operating under a
1292 package store permit issued pursuant to subsection (b) of section 30-20
1293 of the general statutes, as amended by this act, or (B) at a dispensary
1294 facility, hybrid retailer or retailer;

1295 (2) If the infused beverage is sold at a dispensary facility, hybrid
1296 retailer or retailer, the infused beverage is stored and displayed
1297 separately from any cannabis, in the same manner provided for
1298 manufacturer hemp products, in accordance with section 21a-409, 21a-
1299 420s or 21a-420r of the general statutes, respectively;

1300 (3) The infused beverage meets the standards set forth for
1301 manufacturer hemp products in subsections (v), (w) and (x) of section
1302 22-61m of the general statutes, as amended by this act; and

1303 (4) The infused beverage meets (A) the testing standards for
1304 manufacturer hemp products established in, and any regulations
1305 adopted pursuant to, section 22-61m of the general statutes, as amended
1306 by this act, or (B) such other testing standards for manufacturer hemp
1307 products as the Commissioner of Consumer Protection, in the
1308 commissioner's discretion, may designate.

1309 (c) No infused beverage shall be sold to any consumer who is
1310 younger than twenty-one years of age. No owner, agent or employee of
1311 a package store permitted under subsection (b) of section 30-20 of the
1312 general statutes, as amended by this act, or of a dispensary facility,
1313 hybrid retailer or retailer, shall sell any infused beverage to a consumer
1314 without first verifying the consumer's age with a valid government
1315 issued driver's license or identity card to establish that such person is
1316 twenty-one years of age or older.

1317 (d) No infused beverage shall be sold in packaging that comprises
1318 more than two containers.

1319 (e) Each infused beverage container shall prominently display a
1320 symbol, in a size of not less than one-half inch by one-half inch and in a
1321 format approved by the Commissioner of Consumer Protection, which
1322 indicates that such infused beverage is not legal or safe for individuals
1323 younger than twenty-one years of age.

1324 (f) (1) Any violation of the provisions of subdivisions (2) to (4),
1325 inclusive, of subsection (b) of this section and subsections (c) to (e),
1326 inclusive, of this section shall be deemed an unfair or deceptive trade
1327 practice under subsection (a) of section 42-110b of the general statutes.

1328 (2) Any violation of the provisions of subdivision (1) of subsection (b)
1329 of this section shall be deemed an unfair or deceptive trade practice
1330 under subsection (a) of section 42-110b of the general statutes and shall

1331 be enforced by the Attorney General.

1332 (3) The provisions of section 42-110g of the general statutes shall
1333 apply to any violation of the provisions of subsections (b) to (e),
1334 inclusive, of this section.

1335 Sec. 10. (NEW) (*Effective July 1, 2024*) (a) A fee of fifty cents shall be
1336 assessed by a dispensary facility, hybrid retailer or retailer on each
1337 infused beverage container sold by such cannabis establishment. Such
1338 fee shall not be subject to any sales tax or treated as income pursuant to
1339 any provision of the general statutes.

1340 (b) On October 1, 2024, and every six months thereafter, each
1341 dispensary facility, hybrid retailer or retailer shall remit payment to the
1342 department for each infused beverage container sold during the
1343 preceding six-month period. The funds received by the department
1344 from infused beverage sales shall be deposited in the consumer
1345 protection enforcement account established in section 21a-8a of the
1346 general statutes, as amended by this act, for the purposes of (1)
1347 protecting public health and safety, (2) educating consumers and
1348 licensees, and (3) ensuring compliance with cannabis and liquor control
1349 laws.

1350 Sec. 11. Section 21a-420c of the general statutes is repealed and the
1351 following is substituted in lieu thereof (*Effective July 1, 2024*):

1352 (a) Except as provided in RERACA and chapter 420b or 420f, (1) no
1353 person, other than a retailer, hybrid retailer, micro-cultivator or delivery
1354 service, or an employee thereof in the course of [his or her] such
1355 employee's employment, may sell or offer cannabis to a consumer, and
1356 (2) no person, other than a hybrid retailer, dispensary facility or a
1357 delivery service, or an employee thereof in the course of [his or her] such
1358 employee's employment, may sell or offer cannabis to qualifying
1359 patients and caregivers.

1360 (b) No person except a delivery service, or an employee [thereof] of a
1361 delivery service, subject to the restrictions set forth in section 21a-420z,

1362 as amended by this act, acting in the course of [his or her] such
1363 employee's employment may deliver cannabis to consumers. [, patients
1364 or caregivers except that retailers, hybrid retailers, micro-cultivators and
1365 dispensary facilities may utilize their own employees to deliver
1366 cannabis to the same individuals they may sell to pursuant to subsection
1367 (a) of this section until thirty days after the date the first five delivery
1368 service licensees have commenced public operation, which date shall be
1369 published by the commissioner on the department's Internet web site,
1370 and thereafter all delivery to consumers, patients or caregivers shall be
1371 done through a delivery service licensee.] No person except a delivery
1372 service, hybrid retailer or dispensary facility, or an employee of a
1373 delivery service, hybrid retailer or dispensary facility acting in the
1374 course of such employee's employment, may deliver cannabis to
1375 patients or caregivers.

1376 (c) Any violation of the provisions of this section shall be deemed an
1377 unfair or deceptive trade practice under subsection (a) of section 42-110b
1378 and shall be enforced by the Attorney General, except the provisions of
1379 section 42-110g shall apply to any violation of the provisions of this
1380 section.

1381 (d) (1) Any municipality may, by vote of its legislative body, prohibit
1382 the operation of any business within such municipality that is found to
1383 be in violation of the provisions of this section or if such operation poses
1384 an immediate threat to public health and safety.

1385 (2) If the chief executive officer of a municipality determines that a
1386 business within the municipality is operating in violation of the
1387 provisions of this section or poses an immediate threat to public health
1388 and safety, the chief executive officer may apply to the Superior Court
1389 for an order under subdivision (3) of this subsection.

1390 (3) Upon an application under subdivision (2) of this subsection, the
1391 Superior Court, upon a finding that a business within the municipality
1392 is operating in violation of the provisions of this section or poses an
1393 immediate threat to public health and safety, may issue forthwith, ex
1394 parte and without a hearing, an order which shall direct the chief law

1395 enforcement officer of the municipality to take from such business
1396 possession and control of any merchandise related to such violation or
1397 immediate threat to public health and safety, which merchandise shall
1398 include, but need not be limited to, (A) any cannabis or cannabis
1399 product, (B) any cigarette, tobacco or tobacco product, (C) any
1400 merchandise related to the merchandise described in subparagraphs (A)
1401 and (B) of this subdivision, and (D) any proceeds related to the
1402 merchandise described in subparagraphs (A) to (C), inclusive, of this
1403 subdivision.

1404 (4) As used in this subsection, (A) "cigarette" has the same meaning
1405 as provided in section 4-28h, (B) "immediate threat to public health and
1406 safety" includes, but is not limited to, the presence of (i) any cannabis or
1407 cannabis product in connection with a violation of this section, or (ii)
1408 any cigarette or tobacco product alongside any cannabis or cannabis
1409 product, and (C) "operation" and "operating" mean engaging in the sale
1410 of, or otherwise offering for sale, goods and services to the general
1411 public, including, but not limited to, through indirect retail sales.

1412 (e) (1) Any person who violates any provision of this section shall be
1413 assessed a civil penalty of thirty thousand dollars for each violation.
1414 Each day that such violation continues shall constitute a separate
1415 offense.

1416 (2) Any person who aids or abets any violation of the provisions of
1417 this section shall be assessed a civil penalty of thirty thousand dollars
1418 for each violation. Each day that such person aids or abets such violation
1419 shall constitute a separate offense. For the purposes of this subdivision,
1420 no person shall be deemed to have aided or abetted a violation of the
1421 provisions of this section unless (A) such person was the owner, officer,
1422 controlling shareholder or in a similar position of authority which
1423 allowed such person to make command or control decisions regarding
1424 the operations and management of another person who (i) is prohibited
1425 from selling or offering any cannabis or cannabis product under this
1426 section, and (ii) sold or offered any cannabis or cannabis product in
1427 violation of this section, (B) such person knew that such other person (i)

1428 is prohibited from selling or offering any cannabis or cannabis product
1429 under this section, and (ii) sold or offered any cannabis or cannabis
1430 product in violation of this section, (C) such person provided substantial
1431 assistance or encouragement in connection with the sale or offer of such
1432 cannabis or cannabis product in violation of this section, and (D) such
1433 person's conduct was a substantial factor in furthering the sale or offer
1434 of such cannabis or cannabis product in violation of this section.

1435 (3) Any person who manages or controls a commercial property, or
1436 who manages or controls a commercial building, room, space or
1437 enclosure, in such person's capacity as an owner, lessee, agent,
1438 employee or mortgagor, who knowingly leases, rents or makes such
1439 property, building, room space or enclosure available for use, with or
1440 without compensation, for the purpose of any sale or offer of any
1441 cannabis or cannabis product in violation of this section shall be
1442 assessed a civil penalty of ten thousand dollars for each violation. Each
1443 day that such violation continues shall constitute a separate offense.

1444 (4) No person other than the Attorney General, upon complaint of the
1445 Commissioner of Consumer Protection, or a municipality in which the
1446 violation of this section occurred shall investigate any violation of this
1447 subsection, assess any civil penalty under this subsection or institute a
1448 civil action to recover any civil penalty imposed under this subsection.
1449 If a municipality institutes a civil action to recover any civil penalty
1450 imposed under this subsection, such penalty shall be paid first to the
1451 municipality to reimburse such municipality for the costs incurred in
1452 instituting such action. One-half of the remainder, if any, shall be
1453 payable to the treasurer of such municipality and one-half of such
1454 remainder shall be payable to the Treasurer and deposited in the
1455 General Fund.

1456 (f) Nothing in this section shall be construed to prohibit the
1457 imposition of any criminal penalty on any person who (1) is prohibited
1458 from selling or offering any cannabis or cannabis product under this
1459 section, and (2) sells or offers any cannabis or cannabis product in
1460 violation of this section.

1461 Sec. 12. Subsections (i) to (k), inclusive, of section 21a-420d of the 2024
1462 supplement to the general statutes are repealed and the following is
1463 substituted in lieu thereof (*Effective July 1, 2024*):

1464 (i) (1) Not later than August 1, 2021, and annually thereafter until July
1465 31, 2023, the council shall use the most recent five-year United States
1466 Census Bureau American Community Survey estimates or any
1467 successor data to determine one or more United States census tracts in
1468 the state that are a disproportionately impacted area and shall publish a
1469 list of such tracts on the council's Internet web site.

1470 (2) Not later than August 1, 2023, the council shall use poverty rate
1471 data from the most recent five-year United States Census Bureau
1472 American Community Survey estimates, population data from the most
1473 recent decennial census and conviction information from databases
1474 managed by the Department of Emergency Services and Public
1475 Protection to identify all United States census tracts in the state that are
1476 disproportionately impacted areas and shall publish a list of such tracts
1477 on the council's Internet web site. In identifying which census tracts in
1478 this state are disproportionately impacted areas and preparing such list,
1479 the council shall:

1480 (A) Not deem any census tract with a poverty rate that is less than the
1481 state-wide poverty rate to be a disproportionately impacted area;

1482 (B) After eliminating the census tracts described in subparagraph (A)
1483 of this subdivision, rank the remaining census tracts in order from the
1484 census tract with the greatest historical conviction rate for drug-related
1485 offenses to the census tract with the lowest historical conviction rate for
1486 drug-related offenses; and

1487 (C) Include census tracts in the order of rank described in
1488 subparagraph (B) of this subdivision until including the next census
1489 tract would cause the total population of all included census tracts to
1490 exceed twenty-five per cent of the state's population.

1491 (3) On and after July 1, 2024, any reservation, as defined in section 47-

1492 63, of the Schaghticoke, Paucatuck Eastern Pequot or Golden Hill
1493 Paugussett indigenous tribe recognized by this state under subsection
1494 (b) of section 47-59a shall be deemed to be a disproportionately
1495 impacted area, provided such reservation includes at least ten acres of
1496 contiguous land and such land comprised part of such reservation on
1497 July 1, 2024.

1498 (4) On and after January 1, 2025, any parcel of land owned in fee
1499 simple by any indigenous tribe recognized by this state under
1500 subsection (b) of section 47-59a shall be deemed to be a
1501 disproportionately impacted area, provided such parcel includes at least
1502 ten acres of contiguous land and is located in a municipality that, prior
1503 to July 1, 2024, contained any portion of a disproportionately impacted
1504 area.

1505 (j) After developing criteria for workforce development plans as
1506 described in subdivision (4) of subsection (h) of this section, the council
1507 shall review and approve or deny in writing any such plan submitted
1508 by a producer under section 21a-420l or a hybrid-retailer under section
1509 21a-420u, as amended by this act.

1510 (k) The council shall develop criteria for evaluating the ownership
1511 and control of any equity joint venture created under section 21a-420m,
1512 as amended by this act, 21a-420u, as amended by this act, or 21a-420j
1513 and shall review and approve or deny in writing such equity joint
1514 venture prior to such equity joint venture being licensed under section
1515 21a-420m, as amended by this act, 21a-420u, as amended by this act, or
1516 21a-420j. After developing criteria for social equity plans as described in
1517 subdivision (5) of subsection (h) of this section, the council shall review
1518 and approve or deny in writing any such plan submitted by a cannabis
1519 establishment as part of its final license application. The council shall
1520 not approve any equity joint venture applicant which shares with an
1521 equity joint venture any individual owner who meets the criteria
1522 established in subparagraphs (A) and (B) of subdivision [(50)] (54) of
1523 section 21a-420, as amended by this act, other than an individual owner
1524 in their capacity as a backer licensed under section 21a-420o, as

1525 amended by this act.

1526 Sec. 13. Subsection (c) of section 21a-420e of the 2024 supplement to
1527 the general statutes is repealed and the following is substituted in lieu
1528 thereof (*Effective July 1, 2024*):

1529 (c) Except as provided in subsection (d) of this section, the following
1530 fees shall be paid by each applicant:

1531 (1) For a retailer license, the fee to enter the lottery shall be five
1532 hundred dollars, the fee to receive a provisional license shall be five
1533 thousand dollars and the fee to receive a final license or a renewal of a
1534 final license shall be twenty-five thousand dollars.

1535 (2) For a hybrid retailer license, the fee to enter the lottery shall be five
1536 hundred dollars, the fee to receive a provisional license shall be five
1537 thousand dollars and the fee to receive a final license or a renewal of a
1538 final license shall be twenty-five thousand dollars.

1539 (3) For a cultivator license, the fee to enter the lottery shall be one
1540 thousand dollars, the fee to receive a provisional license shall be twenty-
1541 five thousand dollars and the fee to receive a final license or a renewal
1542 of a final license shall be seventy-five thousand dollars.

1543 (4) For a micro-cultivator license, the fee to enter the lottery shall be
1544 two hundred fifty dollars, the fee to receive a provisional license shall
1545 be five hundred dollars and the fee to receive a final license or a renewal
1546 of a final license shall be one thousand dollars.

1547 (5) (A) For a product manufacturer license, the fee to enter the lottery
1548 shall be seven hundred fifty dollars, the fee to receive a provisional
1549 license shall be five thousand dollars and the fee to receive a final license
1550 or a renewal of a final license shall be twenty-five thousand dollars.

1551 (B) For a product manufacturer seeking authorization to expand the
1552 product manufacturer's authorized activities to include the authorized
1553 activities of a food and beverage manufacturer, the application fee for
1554 such expanded authorization shall be five thousand dollars and the fee

1555 to renew such expanded authorization shall be five thousand dollars.
1556 The fees due under this subparagraph shall be in addition to the fees
1557 due under subparagraph (A) of this subdivision.

1558 (6) (A) For a food and beverage manufacturer license, the fee to enter
1559 the lottery shall be two hundred fifty dollars, the fee to receive a
1560 provisional license shall be one thousand dollars and the fee to receive
1561 a final license or a renewal of a final license shall be five thousand
1562 dollars.

1563 (B) For a food and beverage manufacturer seeking authorization to
1564 expand the food and beverage manufacturer's authorized activities to
1565 include the authorized activities of a product manufacturer, the
1566 application fee for such expanded authorization shall be twenty-five
1567 thousand dollars and the fee to renew such expanded authorization
1568 shall be twenty-five thousand dollars. The fees due under this
1569 subparagraph shall be in addition to the fees due under subparagraph
1570 (A) of this subdivision.

1571 (7) (A) For a product packager license, the fee to enter the lottery shall
1572 be five hundred dollars, the fee to receive a provisional license shall be
1573 five thousand dollars and the fee to receive a final license or a renewal
1574 of a final license shall be twenty-five thousand dollars.

1575 (B) For a product packager seeking authorization to expand the
1576 product packager's authorized activities to include the authorized
1577 activities of a product manufacturer, the application fee for such
1578 expanded authorization shall be thirty thousand dollars and the fee to
1579 renew such expanded authorization shall be thirty thousand dollars.
1580 The fees due under this subparagraph shall be in lieu of the fees due
1581 under subparagraph (A) of this subdivision.

1582 (8) For a delivery service or transporter license, the fee to enter the
1583 lottery shall be two hundred fifty dollars, the fee to receive a provisional
1584 license shall be one thousand dollars and the fee to receive a final license
1585 or a renewal of a final license shall be five thousand dollars.

1586 (9) For an initial or renewal of a backer license, the fee shall be one
1587 hundred dollars.

1588 (10) For an initial or renewal of a key employee license, the fee shall
1589 be one hundred dollars.

1590 (11) For an initial or renewal of a registration of an employee who is
1591 not a key employee, the fee shall be fifty dollars.

1592 (12) The license conversion fee for a dispensary facility to become a
1593 hybrid retailer shall be one million dollars, except as provided in section
1594 21a-420u, as amended by this act.

1595 (13) The license conversion fee for a producer to engage in the adult
1596 use cannabis market shall be three million dollars, except as provided in
1597 section 21a-420l.

1598 (14) For a dispensary facility license, the fee to enter the lottery shall
1599 be five hundred dollars, the fee to receive a provisional license shall be
1600 five thousand dollars and the fee to receive a final license or a renewal
1601 of a final license shall be five thousand dollars.

1602 (15) For a producer license, the fee to enter the lottery shall be one
1603 thousand dollars, the fee to receive a provisional license shall be twenty-
1604 five thousand dollars and the fee to receive a final license or a renewal
1605 of a final license shall be seventy-five thousand dollars.

1606 Sec. 14. Subsection (b) of section 21a-420g of the 2024 supplement to
1607 the general statutes is repealed and the following is substituted in lieu
1608 thereof (*Effective July 1, 2024*):

1609 (b) Except as provided in section 21a-420o, as amended by this act,
1610 and sections 6 to 8, inclusive, of this act, prior to the first date that the
1611 department begins accepting applications for a license type, the
1612 department shall determine the maximum number of applications that
1613 shall be considered for such license type and post such information on
1614 its Internet web site. Fifty per cent of the maximum number of
1615 applications that shall be considered for each license type (1) shall be

1616 selected through a social equity lottery for such license type, and (2)
1617 shall be reserved by the department for social equity applicants. If, upon
1618 the close of the application period for a license type, the department
1619 receives more applications than the maximum number to be considered
1620 in total or to be reserved for social equity applicants as set forth in this
1621 subsection, a third-party lottery operator shall conduct a lottery to
1622 identify applications for review by the department and the Social Equity
1623 Council.

1624 Sec. 15. Subsection (b) of section 21a-420m of the 2024 supplement to
1625 the general statutes is repealed and the following is substituted in lieu
1626 thereof (*Effective July 1, 2024*):

1627 (b) The equity joint venture shall be in any cannabis establishment
1628 licensed business, other than a cultivator license, provided such equity
1629 joint venture is at least fifty per cent owned and controlled by an
1630 individual or individuals who meet, or the equity joint venture
1631 applicant is an individual who meets, the criteria established in
1632 subparagraphs (A) and (B) of subdivision [(50)] (54) of section 21a-420,
1633 as amended by this act.

1634 Sec. 16. Section 21a-420o of the 2024 supplement to the general
1635 statutes is repealed and the following is substituted in lieu thereof
1636 (*Effective July 1, 2024*):

1637 (a) Thirty days after the Social Equity Council posts the criteria for
1638 social equity applicants on its Internet web site, the department shall
1639 open up a three-month application period for cultivators during which
1640 a social equity applicant may apply to the department for a provisional
1641 cultivator license and final license for a cultivation facility located in a
1642 disproportionately impacted area without participating in a lottery or
1643 request for proposals. Such application for a provisional license shall be
1644 granted upon: (1) [verification] Verification by the Social Equity Council
1645 that the applicant meets the criteria for a social equity applicant; (2) the
1646 applicant submitting to and passing a criminal background check; and
1647 (3) payment of a three-million-dollar fee to be deposited in the Cannabis
1648 Social Equity and Innovation Fund established in section 21a-420f. Upon

1649 granting such provisional license, the department shall notify the
1650 applicant of the project labor agreement requirements of section 21a-
1651 421e. The department shall not grant an application for a provisional
1652 cultivator license under this subsection after December 31, 2025.

1653 (b) To obtain a final cultivator license under this section, the social
1654 equity applicant shall provide evidence of: (1) [a] A contract with an
1655 entity providing an approved electronic tracking system as described in
1656 section 21a-421n; (2) a right to exclusively occupy [a] the location [in a
1657 disproportionately impacted area] at which the cultivation facility will
1658 be located, which location shall be situated (A) in a disproportionately
1659 impacted area, or (B) in the case of an exclusively outdoor grow, in a
1660 municipality containing any portion of a disproportionately impacted
1661 area, provided (i) such outdoor grow is conducted on land that such
1662 municipality has approved for agricultural or farming uses, and (ii) all
1663 cultivation complies with the provisions of the regulations adopted, and
1664 policies and procedures issued, pursuant to section 21a-421j, as
1665 amended by this act, permitting the outdoor cultivation of cannabis; (3)
1666 any necessary local zoning approval and permits for the cultivation
1667 facility; (4) a business plan; (5) a social equity plan approved by the
1668 Social Equity Council; (6) written policies for preventing diversion and
1669 misuse of cannabis and sales of cannabis to underage persons; and (7)
1670 blueprints of the facility and all other security requirements of the
1671 department.

1672 Sec. 17. Section 21a-420p of the 2024 supplement to the general
1673 statutes is repealed and the following is substituted in lieu thereof
1674 (*Effective July 1, 2024*):

1675 (a) On and after July 1, 2021, the department may issue or renew a
1676 license for a person to be a micro-cultivator. No person may act as a
1677 micro-cultivator or represent that such person is a licensed micro-
1678 cultivator unless such person has obtained a license from the
1679 department pursuant to this section.

1680 (b) A micro-cultivator is authorized to cultivate, grow, propagate,
1681 manufacture and package the cannabis plant at an establishment

1682 containing not less than two thousand square feet and not more than ten
1683 thousand square feet of grow space, prior to any expansion authorized
1684 by the commissioner, provided such micro-cultivator complies with the
1685 provisions of any regulations adopted under section 21a-420q
1686 concerning grow space. A micro-cultivator business shall meet physical
1687 security controls set forth and required by the commissioner.

1688 (c) A micro-cultivator may apply for expansion of its grow space, in
1689 increments of five thousand square feet, on an annual basis, from the
1690 date of initial licensure, if such licensee is not subject to any pending or
1691 final administrative actions or judicial findings. If there are any pending
1692 or final administrative actions or judicial findings against the licensee,
1693 the department shall conduct a suitability review to determine whether
1694 such expansion shall be granted, which determination shall be final and
1695 appealable only to the Superior Court. The micro-cultivator may apply
1696 for an expansion of its business annually upon renewal of its credential
1697 until such licensee reaches a maximum of twenty-five thousand square
1698 feet of grow space. If a micro-cultivator desires to expand beyond
1699 twenty-five thousand square feet of grow space, the micro-cultivator
1700 licensee may apply for a cultivator license one year after its last
1701 expansion request. The micro-cultivator licensee shall not be required to
1702 apply through the lottery application process to convert its license to a
1703 cultivator license. If a micro-cultivator maintains its license and meets
1704 all of the application and licensure requirements for a cultivator license,
1705 including payment of the cultivator license fee established under section
1706 21a-420e, as amended by this act, the micro-cultivator licensee shall be
1707 granted a cultivator license.

1708 (d) A micro-cultivator may label, manufacture, package and perform
1709 extractions on any cannabis cultivated, grown and propagated at its
1710 licensed establishment provided it meets all licensure and application
1711 requirements for a food and beverage manufacturer, product
1712 manufacturer or product packager, as applicable.

1713 (e) A micro-cultivator may sell, transfer or transport its cannabis to a
1714 dispensary facility, hybrid retailer, retailer, delivery service, food and

1715 beverage manufacturer, product manufacturer, research program,
1716 cannabis testing laboratory or product packager, provided the cannabis
1717 is cultivated, grown and propagated at the micro-cultivator's licensed
1718 establishment and transported utilizing the micro-cultivator's own
1719 employees or a transporter. A micro-cultivator shall not gift or transfer
1720 cannabis or cannabis products at no cost to a consumer as part of a
1721 commercial transaction.

1722 (f) [A] (1) Subject to the requirements of this subsection and
1723 subsection (b) of section 21a-420c, as amended by this act, a micro-
1724 cultivator may sell its own cannabis, including, but not limited to, its
1725 own cannabis seedlings, to consumers, excluding qualifying patients
1726 and caregivers, either through a delivery service or utilizing its own
1727 employees. [, subject to the requirements of subsection (b) of section 21a-
1728 420c.] No cannabis establishment other than a micro-cultivator shall sell
1729 cannabis seedlings to consumers.

1730 (2) No micro-cultivator shall sell a cannabis seedling to a consumer
1731 unless:

1732 (A) The micro-cultivator cultivated the cannabis seedling in this state
1733 from seed or clone;

1734 (B) The cannabis seedling (i) has a standing height of not more than
1735 six inches measured from the base of the stem to the tallest point of the
1736 plant, (ii) does not contain any bud or flower, and (iii) has been tested
1737 for pesticides and heavy metals in accordance with the laboratory
1738 testing standards established in the policies and procedures issued, and
1739 final regulations adopted, by the commissioner pursuant to section 21a-
1740 421j, as amended by this act; and

1741 (C) A label or informational tag is affixed to the cannabis seedling
1742 disclosing the following in legible English, black lettering, Times New
1743 Roman font, flat regular typeface, on a contrasting background and in
1744 uniform size of not less than one-tenth of one inch, based on a capital
1745 letter "K":

- 1746 (i) The name of the micro-cultivator;
- 1747 (ii) A product description for the cannabis seedling;
- 1748 (iii) One of the following chemotypes anticipated after flowering: (I)
1749 "High THC, Low CBD"; (II) "Low THC, High CBD"; or (III) "50/50 THC
1750 and CBD";
- 1751 (iv) The results of the testing required under subparagraph (B)(iii) of
1752 this subdivision;
- 1753 (v) Directions for optimal care of the cannabis seedling;
- 1754 (vi) Unobscured symbols, in a size of not less than one-half inch by
1755 one-half inch and in a format approved by the commissioner, which
1756 symbols shall indicate that the cannabis seedling contains THC and is
1757 not legal or safe for individuals younger than twenty-one years of age;
1758 and
- 1759 (vii) A unique identifier generated by a cannabis analytic tracking
1760 system maintained by the department and used to track cannabis under
1761 the policies and procedures issued, and final regulations adopted, by
1762 the commissioner pursuant to section 21a-421j, as amended by this act.
- 1763 (3) Notwithstanding section 21a-421j, as amended by this act, no
1764 cannabis seedling shall be required to be sold in child-resistant
1765 packaging.
- 1766 (4) No micro-cultivator shall knowingly sell more than three cannabis
1767 seedlings to a consumer in any six-month period.
- 1768 (5) No micro-cultivator shall accept any returned cannabis seedling.
- 1769 (6) Any micro-cultivator that engages in the delivery of cannabis as
1770 set forth in subdivision (1) of this subsection shall maintain a secure
1771 location, in a manner approved by the commissioner, at the micro-
1772 cultivator's premises where cannabis that is unable to be delivered may
1773 be returned to the micro-cultivator. Such secure cannabis return location
1774 shall meet specifications set forth by the commissioner and published

1775 on the department's Internet web site or included in regulations adopted
1776 by the department. A micro-cultivator shall cease delivery of cannabis
1777 to consumers if [it] the micro-cultivator converts to being a cultivator.

1778 Sec. 18. Subsection (b) of section 21a-420u of the 2024 supplement to
1779 the general statutes is repealed and the following is substituted in lieu
1780 thereof (*Effective July 1, 2024*):

1781 (b) Any equity joint venture created under this section shall be
1782 created for the development of a cannabis establishment, other than a
1783 cultivator, provided such equity joint venture is at least fifty per cent
1784 owned and controlled by an individual or individuals who meet, or the
1785 equity joint venture applicant is an individual who meets, the criteria
1786 established in subparagraphs (A) and (B) of subdivision [(50)] (54) of
1787 section 21a-420, as amended by this act.

1788 Sec. 19. Section 21a-420v of the general statutes is repealed and the
1789 following is substituted in lieu thereof (*Effective July 1, 2024*):

1790 (a) A dispensary facility or hybrid retailer may submit an application
1791 to the department, in a form and manner prescribed by the
1792 commissioner, to relocate its current dispensary facility or hybrid
1793 retailer location. Such relocation application shall include:

1794 (1) The number of qualifying patients the applicant served during the
1795 six-month period preceding the date of such relocation application,
1796 broken down by month, and indicating whether such number increased
1797 or decreased over such six-month period;

1798 (2) Evidence of (A) alternative dispensary facilities and hybrid
1799 retailers located within a ten-mile radius of the applicant, prior to the
1800 proposed relocation, where qualifying patients may obtain medical
1801 marijuana products, and (B) available public transportation to the
1802 alternative dispensary facilities and hybrid retailers described in
1803 subparagraph (A) of this subdivision;

1804 (3) A statement disclosing whether the applicant will continue to
1805 provide delivery services to the qualifying patients the applicant serves

1806 prior to the proposed relocation and, if so, the duration and geographic
1807 scope of such delivery services;

1808 (4) A plan to communicate the proposed relocation to qualifying
1809 patients, including, but not limited to, the content and methods of, and
1810 timeframes and target audiences for, such communications; and

1811 (5) A plan to communicate with nearby dispensary facilities and
1812 hybrid retailers concerning the proposed relocation and the needs of the
1813 qualifying patients served by the applicant.

1814 [(a) Until June 30, 2023, the] (b) The commissioner may deny a
1815 [change of location] relocation application from a dispensary facility or
1816 hybrid retailer based on the needs of qualifying patients.

1817 [(b)] (c) Prior to June 30, 2022, the commissioner shall not approve the
1818 relocation of a dispensary facility or hybrid retailer to a location that is
1819 further than ten miles from its current dispensary facility or hybrid
1820 retailer location.

1821 Sec. 20. Subsection (d) of section 21a-420w of the 2024 supplement to
1822 the general statutes is repealed and the following is substituted in lieu
1823 thereof (*Effective July 1, 2024*):

1824 (d) A food and beverage manufacturer may sell, transfer or transport
1825 its own products to, or obtain cannabis from, a cannabis establishment,
1826 cannabis testing laboratory or research program, utilizing its employees
1827 or a transporter. A food and beverage manufacturer may not deliver any
1828 cannabis, cannabis products or food or beverage incorporating cannabis
1829 to a consumer, directly or through a delivery service.

1830 Sec. 21. Subsection (d) of section 21a-420x of the 2024 supplement to
1831 the general statutes is repealed and the following is substituted in lieu
1832 thereof (*Effective July 1, 2024*):

1833 (d) A product manufacturer may sell, transfer or transport its own
1834 products to, or obtain cannabis from, a cannabis establishment, cannabis
1835 testing laboratory or research program, provided such transportation is

1836 performed by utilizing its own employees or a transporter. A product
1837 manufacturer may not deliver any cannabis to a consumer directly or
1838 through a delivery service.

1839 Sec. 22. Section 21a-420y of the 2024 supplement to the general
1840 statutes is repealed and the following is substituted in lieu thereof
1841 (*Effective July 1, 2024*):

1842 (a) On and after July 1, 2021, the department may issue or renew a
1843 license for a person to be a product packager. No person may act as a
1844 product packager or represent that such person is a product packager
1845 unless such person has obtained a license from the department pursuant
1846 to this section.

1847 (b) A product packager may obtain cannabis from a producer,
1848 cultivator, micro-cultivator, food and beverage manufacturer or a
1849 product manufacturer, provided the product packager utilizes its own
1850 employees or a transporter. The product packager may sell, transfer or
1851 transport cannabis to and from any cannabis establishment, cannabis
1852 testing laboratory or research program, provided the product packager
1853 only transports cannabis packaged at its licensed establishment and
1854 utilizing its own employees or a transporter.

1855 (c) A product packager shall be responsible for ensuring that
1856 cannabis products are labeled and packaged in compliance with the
1857 provisions of RERACA and the policies and procedures issued by the
1858 commissioner to implement, and any regulations adopted pursuant to,
1859 RERACA.

1860 (d) A product packager shall ensure all equipment utilized for
1861 processing and packaging cannabis is sanitary and inspected regularly
1862 to deter the adulteration of cannabis.

1863 (e) (1) A product packager may expand the product packager's
1864 authorized activities to include the authorized activities of a product
1865 manufacturer if: (A) The product packager submits to the department
1866 (i) a completed license expansion application on a form and in a manner

1867 prescribed by the commissioner, and (ii) the fee prescribed in
1868 subparagraph (B) of subdivision (7) of subsection (c) of section 21a-420e,
1869 as amended by this act; and (B) the commissioner authorizes the product
1870 packager, in writing, to expand such product packager's authorized
1871 activities to include the authorized activities of a product manufacturer.

1872 (2) A product packager that expands the product packager's
1873 authorized activities to include the authorized activities of a product
1874 manufacturer under this subsection shall comply with all provisions of
1875 this chapter, and all regulations, policies and procedures prescribed
1876 pursuant to this chapter, concerning product manufacturers. In the
1877 event of a conflict between any provision of this chapter, or any
1878 regulation, policy or procedure prescribed pursuant to this chapter,
1879 concerning product packagers and any such provision, regulation,
1880 policy or procedure concerning product manufacturers, the provision,
1881 regulation, policy or procedure imposing the more stringent public
1882 health and safety standard shall prevail.

1883 Sec. 23. Subsections (b) to (d), inclusive, of section 21a-420z of the
1884 2024 supplement to the general statutes are repealed and the following
1885 is substituted in lieu thereof (*Effective July 1, 2024*):

1886 (b) Upon application for a delivery service or transporter license, the
1887 applicant shall indicate whether the applicant is applying to (1)
1888 transport cannabis [(1)] and manufacturer hemp products, as defined in
1889 section 22-61l, between cannabis establishments, in which case the
1890 applicant shall apply for a transporter license, or (2) transport cannabis
1891 from certain cannabis establishments to consumers or qualifying
1892 patients and caregivers, or a combination thereof, in which case the
1893 applicant shall apply for a delivery service license.

1894 (c) A delivery service may (1) deliver cannabis from a micro-
1895 cultivator, retailer, or hybrid retailer directly to a consumer, and (2)
1896 deliver cannabis and medical marijuana products from a hybrid retailer
1897 or dispensary facility directly to a qualifying patient, caregiver, or
1898 hospice or other inpatient care facility licensed by the Department of
1899 Public Health pursuant to chapter 368v that has protocols for the

1900 handling and distribution of cannabis that have been approved by the
1901 Department of Consumer Protection. A delivery service may not store
1902 or maintain control of cannabis or medical marijuana products for more
1903 than twenty-four hours between the point when a consumer, qualifying
1904 patient, caregiver or facility places an order, until the time that the
1905 cannabis or medical marijuana product is delivered to such consumer,
1906 qualifying patient, caregiver or facility.

1907 (d) A transporter may deliver cannabis and manufacturer hemp
1908 products, as defined in section 22-61L, between cannabis establishments,
1909 research programs and cannabis testing laboratories and shall not store
1910 or maintain control of cannabis for more than twenty-four hours from
1911 the time the transporter obtains the cannabis from a cannabis
1912 establishment, research program or cannabis testing laboratory until the
1913 time such cannabis is delivered to the destination.

1914 Sec. 24. Subsection (b) of section 21a-421j of the 2024 supplement to
1915 the general statutes is repealed and the following is substituted in lieu
1916 thereof (*Effective July 1, 2024*):

1917 (b) The commissioner shall adopt regulations in accordance with
1918 chapter 54 to implement the provisions of RERACA. Notwithstanding
1919 the requirements of sections 4-168 to 4-172, inclusive, in order to
1920 effectuate the purposes of RERACA and protect public health and
1921 safety, prior to adopting such regulations the commissioner shall issue
1922 policies and procedures to implement the provisions of RERACA that
1923 shall have the force and effect of law. The commissioner shall post all
1924 policies and procedures on the department's Internet web site and
1925 submit such policies and procedures to the Secretary of the State for
1926 posting on the eRegulations System, at least fifteen days prior to the
1927 effective date of any policy or procedure. The commissioner shall also
1928 provide such policies and procedures, in a manner prescribed by the
1929 commissioner, to each licensee. Any such policy or procedure shall no
1930 longer be effective upon the earlier of either the adoption of the policy
1931 or procedure as a final regulation under section 4-172 or forty-eight
1932 months from June 22, 2021, if such regulations have not been submitted

1933 to the legislative regulation review committee for consideration under
1934 section 4-170. The commissioner shall issue policies and procedures and
1935 thereafter final regulations that include, but are not limited to, the
1936 following:

1937 (1) Setting appropriate dosage, potency, concentration and serving
1938 size limits and delineation requirements for cannabis, provided a
1939 standardized serving of edible cannabis product or beverage, other than
1940 a medical marijuana product, shall contain not more than five
1941 milligrams of THC.

1942 (2) Requiring that each single standardized serving of cannabis
1943 product in a multiple-serving edible product or beverage is physically
1944 demarked in a way that enables a reasonable person to determine how
1945 much of the product constitutes a single serving and a maximum
1946 amount of THC per multiple-serving edible cannabis product or
1947 beverage.

1948 (3) Requiring that, if it is impracticable to clearly demark every
1949 standardized serving of cannabis product or to make each standardized
1950 serving easily separable in an edible cannabis product or beverage, the
1951 product, other than cannabis concentrate or medical marijuana product,
1952 shall contain not more than five milligrams of THC per unit of sale.

1953 (4) Establishing, in consultation with the Department of Mental
1954 Health and Addiction Services, consumer health materials that shall be
1955 posted or distributed, as specified by the commissioner, by cannabis
1956 establishments to maximize dissemination to cannabis consumers.
1957 Consumer health materials may include pamphlets, packaging inserts,
1958 signage, online and printed advertisements and advisories and printed
1959 health materials.

1960 (5) Imposing labeling and packaging requirements for cannabis sold
1961 by a cannabis establishment that include, but are not limited to, the
1962 following:

1963 (A) Inclusion of universal symbols to indicate that cannabis, or a

1964 cannabis product, contains THC and is not legal or safe for individuals
1965 younger than twenty-one years of age, and prescribe how such product
1966 and product packaging shall utilize and exhibit such symbols.

1967 (B) A disclosure concerning the length of time it typically takes for
1968 the cannabis to affect an individual, including that certain forms of
1969 cannabis take longer to have an effect.

1970 (C) A notation of the amount of cannabis the cannabis product is
1971 considered the equivalent to.

1972 (D) A list of ingredients and all additives for cannabis.

1973 (E) [Child-resistant] Except as provided in subdivision (3) of
1974 subsection (f) of section 21a-420p, as amended by this act, child-
1975 resistant, tamper-resistant and light-resistant packaging, [, including
1976 requiring that an edible product be individually wrapped.] For the
1977 purposes of this subparagraph, packaging shall be deemed to be (i)
1978 child-resistant if the packaging satisfies the standard for special
1979 packaging established in 16 CFR 1700.1(b)(4), as amended from time to
1980 time, (ii) tamper-resistant if the packaging has at least one barrier to, or
1981 indicator of, entry that would preclude the contents of such packaging
1982 from being accessed or adulterated without indicating to a reasonable
1983 person that such packaging has been breached, and (iii) light-resistant if
1984 the packaging is entirely and uniformly opaque and protects the entirety
1985 of the contents of such packaging from the effects of light.

1986 (F) [Packaging for] Except as provided in subdivision (3) of
1987 subsection (f) of section 21a-420p, as amended by this act, (i) packaging
1988 for cannabis intended for multiple servings to be resealable in such a
1989 manner so as to render such packaging continuously child-resistant, as
1990 described in subparagraph (E)(i) of this subdivision, and preserve the
1991 integrity of the contents of such packaging, and (ii) if packaging for
1992 cannabis intended for multiple servings contains any edible cannabis
1993 product, for each single standardized serving to be easily discernible
1994 and (I) individually wrapped, or (II) physically demarked and
1995 delineated as required under this subsection.

1996 (G) Impervious packaging that protects the contents of such
1997 packaging from contamination and exposure to any toxic or harmful
1998 substance, including, but not limited to, any glue or other adhesive or
1999 substance that is incorporated in such packaging.

2000 (H) Product tracking information sufficient to determine where and
2001 when the cannabis was grown and manufactured such that a product
2002 recall could be effectuated.

2003 (I) A net weight statement.

2004 (J) A recommended use by or expiration date.

2005 (K) Standard and uniform packaging and labeling, including, but not
2006 limited to, requirements (i) regarding branding or logos, (ii) that all
2007 packaging be opaque, and (iii) that amounts and concentrations of THC
2008 and cannabidiol, per serving and per package, be clearly marked on the
2009 packaging or label of any cannabis product sold.

2010 (L) For any cannabis concentrate cannabis product that contains a
2011 total THC percentage greater than thirty per cent, a warning that such
2012 cannabis product is a high-potency product and may increase the risk
2013 of psychosis.

2014 (M) Chemotypes, which shall be displayed as (i) "High THC, Low
2015 CBD" where the ratio of THC to CBD is greater than five to one and the
2016 total THC percentage is at least fifteen per cent, (ii) "Moderate THC,
2017 Moderate CBD" where the ratio of THC to CBD is at least one to five but
2018 not greater than five to one and the total THC percentage is greater than
2019 five per cent but less than fifteen per cent, (iii) "Low THC, High CBD"
2020 where the ratio of THC to CBD is less than one to five and the total THC
2021 percentage is not greater than five per cent, or (iv) the chemotype
2022 described in clause (i), (ii) or (iii) of this subparagraph that most closely
2023 fits the cannabis or cannabis product, as determined by mathematical
2024 analysis of the ratio of THC to CBD, where such cannabis or cannabis
2025 product does not fit a chemotype described in clause (i), (ii) or (iii) of
2026 this subparagraph.

2027 (N) A requirement that, prior to being sold and transferred to a
2028 consumer, qualifying patient or caregiver, cannabis packaging be
2029 clearly labeled, whether printed directly on such packaging or affixed
2030 by way of a separate label, other than an extended content label, with:

2031 (i) A unique identifier generated by a cannabis analytic tracking
2032 system maintained by the department and used to track cannabis under
2033 the policies and procedures issued, and final regulations adopted, by
2034 the commissioner pursuant to this section; and

2035 (ii) The following information concerning the cannabis contained in
2036 such packaging, which shall be in legible English, black lettering, Times
2037 New Roman font, flat regular typeface, on a contrasting background
2038 and in uniform size of not less than one-tenth of one inch, based on a
2039 capital letter "K", which information shall also be available on the
2040 Internet web site of the cannabis establishment that sells and transfers
2041 such cannabis:

2042 (I) The name of such cannabis, as registered with the department
2043 under the policies and procedures issued, and final regulations adopted,
2044 by the commissioner pursuant to this section.

2045 (II) The expiration date, which shall not account for any refrigeration
2046 after such cannabis is sold and transferred to the consumer, qualifying
2047 patient or caregiver.

2048 (III) The net weight or volume, expressed in metric and imperial
2049 units.

2050 (IV) The standardized serving size, expressed in customary units, and
2051 the number of servings included in such packaging, if applicable.

2052 (V) Directions for use and storage.

2053 (VI) Each active ingredient comprising at least one per cent of such
2054 cannabis, including cannabinoids, isomers, esters, ethers and salts and
2055 salts of isomers, esters and ethers, and all quantities thereof expressed
2056 in metric units and as a percentage of volume.

2057 (VII) A list of all known allergens, as identified by the federal Food
2058 and Drug Administration, contained in such cannabis, or the denotation
2059 "no known FDA identified allergens" if such cannabis does not contain
2060 any allergen identified by the federal Food and Drug Administration.

2061 (VIII) The following warning statement within, and outlined by, a red
2062 box:

2063 "This product is not FDA-approved, may be intoxicating, cause long-
2064 term physical and mental health problems, and have delayed side
2065 effects. It is illegal to operate a vehicle or machinery under the influence
2066 of cannabis. Keep away from children."

2067 (IX) At least one of the following warning statements, rotated
2068 quarterly on an alternating basis:

2069 "Warning: Frequent and prolonged use of cannabis can contribute to
2070 mental health problems over time, including anxiety, depression,
2071 stunted brain development and impaired memory."

2072 "Warning: Consumption while pregnant or breastfeeding may be
2073 harmful."

2074 "Warning: Cannabis has intoxicating effects and may be habit-
2075 forming and addictive."

2076 "Warning: Consuming more than the recommended amount may
2077 result in adverse effects requiring medical attention."

2078 (X) All information necessary to comply with labeling requirements
2079 imposed under the laws of this state [or] and federal law, including, but
2080 not limited to, sections 21a-91 to 21a-120, inclusive, and 21a-151 to 21a-
2081 159, inclusive, the Federal Food, Drug and Cosmetic Act, 21 USC 301 et
2082 seq., as amended from time to time, and the federal Fair Packaging and
2083 Labeling Act, 15 USC 1451 et seq., as amended from time to time, for
2084 similar products that do not contain cannabis.

2085 (XI) Such additional warning labels for certain cannabis products as

2086 the commissioner may require and post on the department's Internet
2087 web site.

2088 (6) Establishing laboratory testing standards, consumer disclosures
2089 concerning mold and yeast in cannabis and permitted remediation
2090 practices.

2091 (7) Restricting forms of cannabis products and cannabis product
2092 delivery systems to ensure consumer safety and deter public health
2093 concerns.

2094 (8) Prohibiting certain manufacturing methods, or inclusion of
2095 additives to cannabis products, including, but not limited to, (A) added
2096 flavoring, terpenes or other additives unless approved by the
2097 department, or (B) any form of nicotine or other additive containing
2098 nicotine.

2099 (9) Prohibiting cannabis product types that appeal to children.

2100 (10) Establishing physical and cyber security requirements related to
2101 build out, monitoring and protocols for cannabis establishments as a
2102 requirement for licensure.

2103 (11) Placing temporary limits on the sale of cannabis in the adult-use
2104 market, if deemed appropriate and necessary by the commissioner, in
2105 response to a shortage of cannabis for qualifying patients.

2106 (12) Requiring retailers and hybrid retailers to make best efforts to
2107 provide access to (A) low-dose THC products, including products that
2108 have one milligram and two and a half milligrams of THC per dose, and
2109 (B) high-dose CBD products.

2110 (13) Requiring producers, cultivators, micro-cultivators, product
2111 manufacturers and food and beverage manufacturers to register brand
2112 names for cannabis, in accordance with the policies and procedures and
2113 subject to the fee set forth in, regulations adopted under chapter 420f.

2114 (14) Prohibiting a cannabis establishment from selling, other than the

2115 sale of medical marijuana products between cannabis establishments
2116 and the sale of cannabis to qualified patients and caregivers, (A)
2117 cannabis flower or other cannabis plant material with a total THC
2118 concentration greater than thirty per cent on a dry-weight basis, and (B)
2119 any cannabis product other than cannabis flower and cannabis plant
2120 material with a total THC concentration greater than sixty per cent on a
2121 dry-weight basis, except that the provisions of subparagraph (B) of this
2122 subdivision shall not apply to the sale of prefilled cartridges for use in
2123 an electronic cannabis delivery system, as defined in section 19a-342a
2124 and the department may adjust the percentages set forth in
2125 subparagraph (A) or (B) of this subdivision in regulations adopted
2126 pursuant to this section for purposes of public health or to address
2127 market access or shortage. As used in this subdivision, "cannabis plant
2128 material" means material from the cannabis plant, as defined in section
2129 21a-279a.

2130 (15) Permitting the outdoor cultivation of cannabis.

2131 (16) Prohibiting packaging that is (A) visually similar to any
2132 commercially similar product that does not contain cannabis, or (B) used
2133 for any good that is marketed to individuals reasonably expected to be
2134 younger than twenty-one years of age.

2135 (17) Allowing packaging to include a picture of the cannabis product
2136 and contain a logo of one cannabis establishment, which logo may be
2137 comprised of not more than three colors and provided neither black nor
2138 white shall be considered one of such three colors.

2139 (18) Requiring packaging to (A) be entirely and uniformly one color,
2140 and (B) not incorporate any information, print, embossing, debossing,
2141 graphic or hidden feature, other than any permitted or required label.

2142 (19) Requiring that packaging and labeling for an edible cannabis
2143 product, excluding the warning labels required under this subsection
2144 and a picture of the cannabis product described in subdivision (17) of
2145 this subsection but including, but not limited to, the logo of the cannabis
2146 establishment, shall only be comprised of black and white or a

2147 combination thereof.

2148 (20) (A) Except as provided in subparagraph (B) of this subdivision,
2149 requiring that delivery device cartridges be labeled, in a clearly legible
2150 manner and in as large a font as the size of the device reasonably allows,
2151 with only the following information (i) the name of the cannabis
2152 establishment where the cannabis is grown or manufactured, (ii) the
2153 cannabis brand, (iii) the total THC and total CBD content contained
2154 within the delivery device cartridge, (iv) the expiration date, and (v) the
2155 unique identifier generated by a cannabis analytic tracking system
2156 maintained by the department and used to track cannabis under the
2157 policies and procedures issued, and final regulations adopted, by the
2158 commissioner pursuant to this section.

2159 (B) A cannabis establishment may emboss, deboss or similarly print
2160 the name of the cannabis establishment's business entity, and one logo
2161 with not more than three colors, on a delivery device cartridge.

2162 (21) Prescribing signage to be prominently displayed at dispensary
2163 facilities, retailers and hybrid retailers disclosing (A) possible health
2164 risks related to mold, and (B) the use and possible health risks related to
2165 the use of mold remediation techniques.

2166 Sec. 25. Subsection (b) of section 21a-421l of the general statutes is
2167 repealed and the following is substituted in lieu thereof (*Effective July 1,*
2168 *2024*):

2169 (b) A cannabis establishment shall (1) store all cannabis in such a
2170 manner as to prevent diversion, theft or loss, (2) make cannabis
2171 accessible only to the minimum number of specifically authorized
2172 employees essential for efficient operation, and (3) return any cannabis
2173 to a secure location at the end of the scheduled business day. For the
2174 purposes of this subsection, a location shall be deemed to be secure if
2175 the location satisfies the requirements imposed in subsection (b) of
2176 section 21a-262-4 of the regulations of Connecticut state agencies for
2177 controlled substances listed in schedules III, IV and V of the Connecticut
2178 controlled substance scheduling regulations adopted pursuant to

2179 section 21a-243.

2180 Sec. 26. Subsection (b) of section 21a-421bb of the 2024 supplement to
2181 the general statutes is repealed and the following is substituted in lieu
2182 thereof (*Effective July 1, 2024*):

2183 (b) Except as provided in subsection (d) of this section, cannabis
2184 establishments shall not:

2185 (1) Advertise, including, but not limited to, through a business name
2186 or logo, cannabis, cannabis paraphernalia or goods or services related to
2187 cannabis:

2188 (A) In ways that target or are designed to appeal to individuals under
2189 twenty-one years of age, including, but not limited to, spokespersons or
2190 celebrities who appeal to individuals under the legal age to purchase
2191 cannabis or cannabis products, depictions of a person under twenty-five
2192 years of age consuming cannabis, or, the inclusion of objects, such as
2193 toys, characters or cartoon characters, suggesting the presence of a
2194 person under twenty-one years of age, or any other depiction designed
2195 in any manner to be appealing to a person under twenty-one years of
2196 age; or

2197 (B) By using any image, or any other visual representation, of the
2198 cannabis plant or any part of the cannabis plant, including, but not
2199 limited to, the leaf of the cannabis plant;

2200 (2) Engage in any advertising by means of any form of billboard
2201 within one thousand five hundred feet of an elementary or secondary
2202 school ground or a house of worship, recreation center or facility, child
2203 care center, playground, public park or library, or engage in any
2204 advertising by means of a billboard between the hours of six o'clock a.m.
2205 and eleven o'clock p.m.;

2206 (3) Engage in advertising by means of any television, radio, Internet,
2207 mobile application, social media or other electronic communication,
2208 billboard or other outdoor signage, or print publication unless the
2209 cannabis establishment has reliable evidence that at least ninety per cent

2210 of the audience for the advertisement is reasonably expected to be
2211 twenty-one years of age or older;

2212 (4) Engage in advertising or marketing directed toward location-
2213 based devices, including, but not limited to, cellular phones, unless the
2214 marketing is a mobile device application installed on the device by the
2215 owner of the device who is twenty-one years of age or older and
2216 includes a permanent and easy opt-out feature and warnings that the
2217 use of cannabis is restricted to persons twenty-one years of age or older;

2218 (5) Advertise cannabis or cannabis products in a manner claiming or
2219 implying, or permit any employee of the cannabis establishment to
2220 claim or imply, that such products have curative or therapeutic effects,
2221 or that any other medical claim is true, or allow any employee to
2222 promote cannabis for a wellness purpose unless such claims are
2223 substantiated as set forth in regulations adopted under chapter 420f or
2224 verbally conveyed by a licensed pharmacist or other licensed medical
2225 practitioner in the course of business in, or while representing, a hybrid
2226 retail or dispensary facility;

2227 (6) Sponsor charitable, sports, musical, artistic, cultural, social or
2228 other similar events or advertising at, or in connection with, such an
2229 event unless the cannabis establishment has reliable evidence that (A)
2230 not more than ten per cent of the in-person audience at the event is
2231 reasonably expected to be under the legal age to purchase cannabis or
2232 cannabis products, and (B) not more than ten per cent of the audience
2233 that will watch, listen or participate in the event is expected to be under
2234 the legal age to purchase cannabis products;

2235 (7) Advertise cannabis, cannabis products or cannabis paraphernalia
2236 in any physical form visible to the public within five hundred feet of an
2237 elementary or secondary school ground or a recreation center or facility,
2238 child care center, playground, public park or library;

2239 (8) Cultivate cannabis or manufacture cannabis products for
2240 distribution outside of this state in violation of federal law, advertise in
2241 any way that encourages the transportation of cannabis across state lines

2242 or otherwise encourages illegal activity;

2243 (9) Except for dispensary facilities and hybrid retailers, exhibit within
2244 or upon the outside of the facility used in the operation of a cannabis
2245 establishment, or include in any advertisement, the word "dispensary"
2246 or any variation of such term or any other words, displays or symbols
2247 indicating that such store, shop or place of business is a dispensary;

2248 (10) Exhibit within or upon the outside of the premises subject to the
2249 cannabis establishment license, or include in any advertisement the
2250 words "drug store", "pharmacy", "apothecary", "drug", "drugs" or
2251 "medicine shop" or any combination of such terms or any other words,
2252 displays or symbols indicating that such store, shop or place of business
2253 is a pharmacy;

2254 (11) Advertise on or in public or private vehicles or at bus stops, taxi
2255 stands, transportation waiting areas, train stations, airports or other
2256 similar transportation venues including, but not limited to, vinyl-
2257 wrapped vehicles or signs or logos on transportation vehicles not
2258 owned by a cannabis establishment;

2259 (12) Display cannabis, cannabis products or any image, or any other
2260 visual representation, of the cannabis plant or any part of the cannabis
2261 plant, including, but not limited to, the leaf of the cannabis plant, so as
2262 to be clearly visible to a person from the exterior of the facility used in
2263 the operation of a cannabis establishment, or display signs or other
2264 printed material advertising any brand or any kind of cannabis or
2265 cannabis product, or including any image, or any other visual
2266 representation, of the cannabis plant or any part of the cannabis plant,
2267 including, but not limited to, the leaf of the cannabis plant, on the
2268 exterior of any facility used in the operation of a cannabis establishment;

2269 (13) Utilize radio or loudspeaker, in a vehicle or in or outside of a
2270 facility used in the operation of a cannabis establishment, for the
2271 purposes of advertising the sale of cannabis or cannabis products; [or]

2272 (14) Operate any web site advertising or depicting cannabis, cannabis

2273 products or cannabis paraphernalia unless such web site verifies that
2274 the entrants or users are twenty-one years of age or older; or

2275 (15) Engage in advertising or marketing that includes a discounted
2276 price or other promotional offering as an inducement to purchase any
2277 cannabis or cannabis product that is not a medical marijuana product.

2278 Sec. 27. Section 22-61m of the 2024 supplement to the general statutes
2279 is repealed and the following is substituted in lieu thereof (*Effective July*
2280 *1, 2024*):

2281 (a) No person shall manufacture in the state without a license to
2282 manufacture issued by the Commissioner of Consumer Protection.
2283 Nothing in this section shall be construed to prohibit a person who is
2284 licensed in another state to manufacture, handle, store and market
2285 manufacturer hemp products from applying for and obtaining a license
2286 in accordance with the provisions of this section.

2287 (b) Each applicant for a manufacturer license shall submit an
2288 application on a form and in a manner prescribed by the Commissioner
2289 of Consumer Protection.

2290 (c) The following fees shall apply for a license to manufacture:

2291 (1) A nonrefundable license application fee of seventy-five dollars;
2292 and

2293 (2) A nonrefundable licensing fee of three hundred seventy-five
2294 dollars for a license to manufacture hemp.

2295 (d) A license to manufacture issued by the Commissioner of
2296 Consumer Protection pursuant to this section shall expire triennially on
2297 June thirtieth. Such licenses shall not be transferable.

2298 (e) In accordance with a hearing held pursuant to chapter 54, the
2299 Commissioner of Consumer Protection may deny, suspend or revoke a
2300 manufacturer license, issue fines of not more than [two thousand five
2301 hundred] five thousand dollars per violation and place conditions upon

2302 a manufacturer licensee who violates the provisions of this section and
2303 any regulation adopted pursuant to this section.

2304 (f) (1) Any individual who manufactures in this state without
2305 obtaining a license pursuant to this section or who manufactures in this
2306 state after such entity's license is suspended or revoked shall be fined
2307 [two hundred fifty] ten thousand dollars in accordance with the
2308 provisions of section 51-164n.

2309 (2) Any entity who manufactures in this state without obtaining a
2310 license pursuant to this section, or who manufactures in this state after
2311 having a license suspended, shall be fined not more than [two thousand
2312 five hundred] five thousand dollars per violation after a hearing
2313 conducted in accordance with the provisions of chapter 54.

2314 (g) Nothing in this chapter or any regulations adopted pursuant to
2315 this chapter shall be construed to apply to persons licensed pursuant to
2316 section 21a-408i nor to require persons licensed pursuant to said section
2317 to obtain a license pursuant to this chapter.

2318 (h) The Commissioner of Consumer Protection may inspect and shall
2319 have access to the buildings, equipment, supplies, vehicles, records, real
2320 property and other information of any manufacturer applicant or
2321 licensee that the commissioner deems necessary to carry out the
2322 commissioner's duties pursuant to this section.

2323 (i) (1) Each manufacturer shall follow the protocol in this subsection
2324 for disposing of cannabis in the event that any hemp or hemp product
2325 is deemed to exceed the prescribed THC concentration, as determined
2326 by the Commissioner of Consumer Protection, or a manufacturer
2327 licensee in possession of hemp or hemp products who desires to dispose
2328 of obsolete, misbranded, excess or otherwise undesired product. Each
2329 manufacturer licensee shall be responsible for all costs of disposal of
2330 hemp samples and any hemp produced by such licensee that violates
2331 the provisions of this section or any regulation adopted pursuant to this
2332 section. Any cannabis that exceeds the prescribed THC concentration
2333 allowable in hemp or hemp products shall be immediately embargoed

2334 by such manufacturer and clearly labeled as adulterated by such
2335 licensee and such licensee shall immediately notify both the Department
2336 of Consumer Protection and the Department of Agriculture, in writing,
2337 of such adulterated product. Such adulterated product shall be
2338 destroyed and disposed of by the following method, as determined by
2339 the Commissioner of Consumer Protection:

2340 (A) Surrender, without compensation, of such hemp or hemp product
2341 to the Commissioner of Consumer Protection who shall be responsible
2342 for the destruction and disposal of such adulterated product; or

2343 (B) By disposal in a manner prescribed by the Commissioner of
2344 Consumer Protection.

2345 (2) Notwithstanding the provisions of subdivision (1) of this
2346 subsection, upon written request of a manufacturer, the Commissioner
2347 of Consumer Protection may permit such manufacturer to combine
2348 different batches of raw hemp plant material to achieve a THC
2349 concentration of 0.3 per cent on a dry weight basis, in lieu of embargo
2350 or destruction.

2351 (j) The manufacturer or manufacturer's authorized designee
2352 disposing of the hemp or hemp products shall maintain and make
2353 available to the Commissioner of Consumer Protection a record of each
2354 such disposal or destruction of product indicating:

2355 (1) The date, time and location of disposal or destruction;

2356 (2) The manner of disposal or destruction;

2357 (3) The batch or lot information and quantity of hemp or hemp
2358 product disposed of or destroyed; and

2359 (4) The signatures of the persons disposing of the hemp or hemp
2360 products, the authorized representative of the Commissioner of
2361 Consumer Protection and any other persons present during the
2362 disposal.

2363 (k) Any hemp intended to be manufactured by a manufacturer into a
2364 manufacturer hemp product shall be tested by an independent testing
2365 laboratory located in this state. A manufacturer licensee shall make
2366 available samples, in an amount and type determined by the
2367 Commissioner of Consumer Protection, of hemp for an independent
2368 testing laboratory employee to select random samples. The independent
2369 testing laboratory shall test each sample in accordance with the
2370 laboratory testing standards established in policies, procedures and
2371 regulations adopted by the commissioner pursuant to section 21a-421j,
2372 as amended by this act.

2373 (l) Once a batch of hemp, intended to be sold as a manufacturer hemp
2374 product, has been homogenized for sample testing and eventual
2375 packaging and sale, until the independent testing laboratory provides
2376 the results from its tests and analysis, the manufacturer shall segregate
2377 and withhold from use the entire batch of hemp that is intended for use
2378 as a manufacturer hemp product, except the samples that have been
2379 removed by the independent testing laboratory for testing. During this
2380 period of segregation, the manufacturer licensee shall maintain the
2381 hemp batch in a secure, cool and dry location, as prescribed by the
2382 Commissioner of Consumer Protection, so as to prevent the hemp from
2383 becoming adulterated. Such manufacturer shall not manufacture or sell
2384 a manufacturer hemp product prior to the time that the independent
2385 testing laboratory completes testing and analysis and provides such
2386 results, in writing, to the manufacturer licensee who initiated such
2387 testing.

2388 (m) An independent testing laboratory shall immediately return or
2389 dispose of any hemp or manufacturer hemp product upon the
2390 completion of any testing, use or research. If an independent testing
2391 laboratory disposes of hemp or manufacturer hemp products, the
2392 laboratory shall dispose of such hemp in the following manner, as
2393 determined by the Commissioner of Consumer Protection:

2394 (1) By surrender, without compensation, of such hemp or
2395 manufacturer hemp product to the Commissioner of Consumer

2396 Protection who shall be responsible for the destruction and disposal of
2397 such hemp or hemp product; or

2398 (2) By disposal in a manner prescribed by the Commissioner of
2399 Consumer Protection.

2400 (n) If a sample does not pass the microbiological, mycotoxin, heavy
2401 metal or pesticide chemical residue test, based on the laboratory testing
2402 standards established in policies, procedures and regulations adopted
2403 by the Commissioner of Consumer Protection pursuant to section 21a-
2404 421j, as amended by this act, the manufacturer licensee who sent such
2405 batch for testing shall:

2406 (1) Retest and reanalyze the hemp from which the sample was taken
2407 by having an employee from the same laboratory randomly select
2408 another sample from the same hemp batch. If the sample used to retest
2409 or reanalyze such hemp yields satisfactory results for all testing
2410 required under this section, an employee from a different laboratory
2411 shall randomly select a different sample from the same hemp batch for
2412 testing. If both samples yield satisfactory results for all testing required
2413 under this section, the hemp batch from which the samples were taken
2414 shall be released for manufacturing, processing and sale;

2415 (2) If a remediation plan sufficient to ensure public health and safety
2416 is submitted to and approved by the commissioner, remediate the hemp
2417 batch from which the sample was taken and have a laboratory employee
2418 randomly select a sample from such remediated hemp batch for testing.
2419 If such randomly selected sample yields satisfactory results for any
2420 testing required under this section, an employee from a different
2421 laboratory shall randomly select a different sample from the same hemp
2422 batch for testing. If both samples yield satisfactory results for all testing
2423 required under this section, the hemp batch from which the samples
2424 were taken may be released for manufacturing, processing or sale; or

2425 (3) If the manufacturer does not retest or remediate, or if any
2426 subsequent laboratory testing does not yield satisfactory results for any
2427 testing required under this section, dispose of the entire batch from

2428 which the sample was taken in accordance with procedures established
2429 by the Commissioner of Consumer Protection pursuant to subdivision
2430 (1) of subsection (i) of this section.

2431 (o) If a sample passes the microbiological, mycotoxin, heavy metal
2432 and pesticide chemical residue test, the independent testing laboratory
2433 shall release the entire batch for manufacturing, processing or sale.

2434 (p) The independent testing laboratory shall file with the Department
2435 of Consumer Protection an electronic copy of each laboratory test result
2436 for any batch that does not pass the microbiological, mycotoxin, heavy
2437 metal or pesticide chemical residue test, at the same time that it
2438 transmits such results to the manufacturer licensee who requested such
2439 testing. Each independent testing laboratory shall maintain the test
2440 results of each tested batch for a period of three years and shall make
2441 such results available to the Department of Consumer Protection upon
2442 request.

2443 (q) Manufacturers shall maintain records required by the federal act,
2444 this section, any regulation adopted pursuant to this section and the
2445 policies, procedures and regulations adopted by the Commissioner of
2446 Consumer Protection pursuant to section 21a-421j, as amended by this
2447 act. Each manufacturer shall make such records available to the
2448 Department of Consumer Protection immediately upon request and in
2449 electronic format, if available.

2450 (r) The Commissioner of Consumer Protection may adopt
2451 regulations, in accordance with the provisions of chapter 54, to
2452 implement the provisions of this section including, but not limited to,
2453 establishing sampling and testing procedures to ensure compliance
2454 with this section, prescribing storage and disposal procedures for hemp,
2455 marijuana and manufacturer hemp products that fail to pass
2456 Department of Consumer Protection prescribed independent testing
2457 laboratory testing standards and establishing advertising and labeling
2458 requirements for manufacturer hemp products.

2459 (s) Any claim of health impacts, medical effects or physical or mental

2460 benefits shall be prohibited on any advertising for, labeling of or
2461 marketing of manufacturer hemp products regardless of whether such
2462 manufacturer hemp products were manufactured in this state or
2463 another jurisdiction. Any violation of this subsection shall be deemed an
2464 unfair or deceptive trade practice under subsection (a) of section 42-
2465 110b.

2466 (t) Not later than February 1, 2020, the Commissioners of Agriculture
2467 and Consumer Protection shall submit a report, in accordance with
2468 section 11-4a, to the joint standing committee of the general assembly
2469 having cognizance of matters relating to the environment on the status
2470 of the pilot program, the development of the state plan and any
2471 regulations for such pilot program or state plan. Such report shall also
2472 include any legislative recommendations, including, but not limited to,
2473 any recommendations for requiring the registration of any
2474 manufacturer hemp product offered for sale in this state.

2475 (u) (1) Any person who sells manufacturer hemp products shall not
2476 be required to be licensed, provided such person only engages in: (A)
2477 The retail or wholesale sale of manufacturer hemp products in which no
2478 further manufacturing of hemp occurs, provided such manufacturer
2479 hemp products are acquired from a person authorized to manufacture
2480 the manufacturer hemp products under the laws of this state or another
2481 state, territory or possession of the United States or another sovereign
2482 entity; (B) the acquisition of manufacturer hemp products for the sole
2483 purpose of product distribution for resale; and (C) the retail sale of
2484 manufacturer hemp products that is authorized under federal or state
2485 law.

2486 (2) The Commissioner of Consumer Protection or Commissioner of
2487 Revenue Services may, pursuant to section 4-182, summarily suspend
2488 any credential the Department of Consumer Protection or Department
2489 of Revenue Services, respectively, issued to any person who [sells
2490 manufacturer hemp products in violation of subdivision (1) of this
2491 subsection or subsections (v) to (y), inclusive, of this section] violates
2492 any provision of this section or chapter 214c, 228d, 420f or 420h.

2493 (v) No manufacturer hemp product offered for sale in this state, or to
2494 a consumer in this state, shall contain any synthetic cannabinoid, as
2495 defined in section 21a-240, as amended by this act.

2496 (w) No manufacturer hemp product offered for sale in this state, or
2497 to a consumer in this state, shall be packaged, presented or advertised
2498 in a manner that is likely to mislead a consumer by incorporating any
2499 statement, brand, design, representation, picture, illustration or other
2500 depiction that: (1) Bears a reasonable resemblance to trademarked or
2501 characteristic packaging of (A) cannabis offered for sale (i) in this state
2502 by a cannabis establishment licensed in this state, or (ii) on tribal land
2503 by a tribal-credentialed cannabis entity, or (B) a commercially available
2504 product other than a cannabis product, as defined in section 21a-420, as
2505 amended by this act; or (2) implies that the manufacturer hemp product
2506 (A) is a cannabis product, as defined in section 21a-420, as amended by
2507 this act, (B) contains a total THC concentration greater than three-tenths
2508 per cent on a dry-weight basis, or (C) is a high-THC hemp product, as
2509 defined in section 21a-240, as amended by this act.

2510 (x) No manufacturer hemp product that is a food, beverage, oil or
2511 other product intended for human ingestion shall be distributed or sold
2512 in this state unless such product is contained within a package, or a label
2513 is affixed to such package, that includes:

2514 (1) A scannable barcode, Internet web site address or quick response
2515 code that is linked to the certificate of analysis of the final form product
2516 batch by an independent testing laboratory and discloses:

2517 (A) The name of such product;

2518 (B) The name, address and telephone number of such product's
2519 manufacturer, packer and distributor, as applicable;

2520 (C) The batch number, which shall match the batch number on such
2521 package or label; and

2522 (D) The concentration of cannabinoids present in such product,
2523 including, but not limited to, total THC and any cannabinoids or active

- 2524 ingredients comprising at least one per cent of such product;
- 2525 (2) The expiration or best by date for such product, if applicable;
- 2526 (3) A clear and conspicuous statement disclosing that:
- 2527 (A) Children, or those who are pregnant or breastfeeding, should
2528 avoid using such product prior to consulting with a health care
2529 professional concerning such product's safety;
- 2530 (B) Products containing cannabinoids should be kept out of reach of
2531 children; and
- 2532 (C) The federal Food and Drug Administration has not evaluated
2533 such product for safety or efficacy; and
- 2534 (4) If such product is intended to be inhaled, a clear and conspicuous
2535 warning statement disclosing that smoking or vaporizing is hazardous
2536 to human health.
- 2537 (y) No manufacturer hemp product that is a topical, soap or cosmetic,
2538 as defined in section 21a-92, shall be distributed or sold in this state
2539 unless such product is contained within a package, or a label is affixed
2540 to such package, that includes:
- 2541 (1) A scannable barcode, Internet web site address or quick response
2542 code that is linked to the certificate of analysis of the final form extract
2543 or final form product batch by an independent testing laboratory and
2544 discloses:
- 2545 (A) The name of such product;
- 2546 (B) The name, address and telephone number of such product's
2547 manufacturer, packer and distributor, as applicable;
- 2548 (C) The batch number, which shall match the batch number on such
2549 package or label; and
- 2550 (D) The concentration of cannabinoids present in such batch,

2551 including, but not limited to, total THC and any marketed cannabinoids;

2552 (2) The expiration or best by date for such product, if applicable; and

2553 (3) A clear and conspicuous statement disclosing the following:

2554 "THE FDA HAS NOT EVALUATED THIS PRODUCT FOR SAFETY
2555 OR EFFICACY."

2556 [(z) Any violation of subsections (u) to (y), inclusive, of this section
2557 shall be deemed an unfair or deceptive trade practice under subsection
2558 (a) of section 42-110b.]

2559 [(aa) (z) Not later than October 31, 2023, and annually thereafter, the
2560 Department of Emergency Services and Public Protection shall, in
2561 consultation with the Department of Consumer Protection, publish a
2562 training bulletin to inform local law enforcement agencies and officers
2563 regarding the investigation and enforcement standards concerning
2564 cannabis and high-THC hemp products.

2565 [(bb) (aa) Notwithstanding any provision of the general statutes: (1)
2566 CBD that is found in manufacturer hemp products shall not be
2567 considered a controlled substance, as defined in section 21a-240, as
2568 amended by this act, or legend drug, as defined in section 20-571; and
2569 (2) CBD derived from hemp and contained in manufacturer hemp
2570 products shall not be considered a controlled substance or adulterant.

2571 (bb) No manufacturer hemp product shall: (1) Contain a total THC
2572 concentration of (A) greater than three-tenths per cent on a dry-weight
2573 basis, or (B) two and one-half milligrams of total THC on a per-container
2574 basis; or (2) be sold in packaging that contains more than two containers
2575 per package.

2576 (cc) No manufacturer hemp product containing more than one-half
2577 of one milligram of total THC shall be sold to any consumer who is
2578 younger than twenty-one years of age. No individual or entity shall sell
2579 to a consumer any manufacturer hemp product containing more than
2580 one-half of one milligram of total THC without first verifying the

2581 consumer's age by examining a current, valid and government-issued
2582 driver's license or identity card to establish that such consumer is
2583 twenty-one years of age or older.

2584 (dd) No manufacturer hemp product shall be offered for sale in this
2585 state in the same establishment that offers for sale any products that are
2586 not hemp products.

2587 (ee) (1) Any violation of subsections (u) to (y), inclusive, of this section
2588 shall be deemed an unfair or deceptive trade practice under subsection
2589 (a) of section 42-110b.

2590 (2) Any violation of subsections (bb) to (dd), inclusive, of this section
2591 shall be deemed an unfair or deceptive trade practice under subsection
2592 (a) of section 42-110b and shall be enforced by the Attorney General. The
2593 provisions of section 42-110g shall apply to any violation of subsections
2594 (u) to (dd), inclusive, of this section.

2595 (ff) (1) Any municipality may, by vote of its legislative body, prohibit
2596 the operation of any business within such municipality that is found to
2597 be in violation of the provisions of this section or if such operation poses
2598 an immediate threat to public health and safety.

2599 (2) If the chief executive officer of a municipality determines that a
2600 business within the municipality is operating in violation of the
2601 provisions of this section or poses an immediate threat to public health
2602 and safety, the chief executive officer may apply to the Superior Court
2603 for an order under subdivision (3) of this subsection.

2604 (3) Upon an application under subdivision (2) of this subsection, the
2605 Superior Court, upon a finding that a business within the municipality
2606 is operating in violation of the provisions of this section or poses an
2607 immediate threat to public health and safety, may issue forthwith, ex
2608 parte and without a hearing, an order which shall direct the chief law
2609 enforcement officer of the municipality to take from such business
2610 possession and control of any merchandise related to such violation or
2611 immediate threat to public health and safety, which merchandise shall

2612 include, but need not be limited to, (A) any cannabis, cannabis product
2613 or manufacturer hemp product, (B) any cigarette, tobacco or tobacco
2614 product, (C) any merchandise related to the merchandise described in
2615 subparagraphs (A) and (B) of this subdivision, and (D) any proceeds
2616 related to the merchandise described in subparagraphs (A) to (C),
2617 inclusive, of this subdivision.

2618 (4) As used in this subsection, (A) "cigarette" has the same meaning
2619 as provided in section 4-28h, (B) "immediate threat to public health and
2620 safety" includes, but is not limited to, the presence of (i) any cannabis,
2621 cannabis product or manufacturer hemp product in connection with a
2622 violation of this section, or (ii) any cigarette or tobacco product
2623 alongside any cannabis, cannabis product or manufacturer hemp
2624 product, and (C) "operation" and "operating" mean engaging in the sale
2625 of, or otherwise offering for sale, goods and services to the general
2626 public, including, but not limited to, through indirect retail sales.

2627 (gg) (1) Any person who violates any provision of subsections (bb) to
2628 (dd), inclusive, of this section shall be assessed a civil penalty of thirty
2629 thousand dollars for each violation. Each day that such violation
2630 continues shall constitute a separate offense.

2631 (2) Any person who aids or abets any violation of the provisions of
2632 subsections (bb) to (dd), inclusive, of this section shall be assessed a civil
2633 penalty of thirty thousand dollars for each violation. Each day that such
2634 person aids or abets such violation shall constitute a separate offense.
2635 For the purposes of this subdivision, no person shall be deemed to have
2636 aided or abetted a violation of the provisions of subsections (bb) to (dd),
2637 inclusive, of this section unless (A) such person was the owner, officer,
2638 controlling shareholder or in a similar position of authority which
2639 allowed such person to make command or control decisions regarding
2640 the operations and management of another person who (i) is prohibited
2641 from selling or offering any manufacturer hemp product under
2642 subsections (bb) to (dd), inclusive, of this section, and (ii) sold or offered
2643 any manufacturer hemp product in violation of subsections (bb) to (dd),
2644 inclusive, of this section, (B) such person knew that such other person

2645 (i) is prohibited from selling or offering any manufacturer hemp
2646 product under subsections (bb) to (dd), inclusive, of this section, and (ii)
2647 sold or offered any manufacturer hemp product in violation of
2648 subsections (bb) to (dd), inclusive, of this section, (C) such person
2649 provided substantial assistance or encouragement in connection with
2650 the sale or offer of such manufacturer hemp product in violation of
2651 subsections (bb) to (dd), inclusive, of this section, and (D) such person's
2652 conduct was a substantial factor in furthering the sale or offer of such
2653 manufacturer hemp product in violation of subsections (bb) to (dd),
2654 inclusive, of this section.

2655 (3) Any person who manages or controls a commercial property, or
2656 who manages or controls a commercial building, room, space or
2657 enclosure, in such person's capacity as an owner, lessee, agent,
2658 employee or mortgagor, who knowingly leases, rents or makes such
2659 property, building, room, space or enclosure available for use, with or
2660 without compensation, for the purpose of any sale or offer of any
2661 manufacturer hemp product in violation of subsections (bb) to (dd),
2662 inclusive, of this section shall be assessed a civil penalty of ten thousand
2663 dollars for each violation. Each day that such violation continues shall
2664 constitute a separate offense.

2665 (4) No person other than the Attorney General, upon complaint of the
2666 Commissioner of Consumer Protection, or a municipality in which the
2667 violation of this section occurred shall investigate any violation of
2668 subsections (bb) to (dd), inclusive, of this section, assess any civil
2669 penalty under this subsection or institute a civil action to recover any
2670 civil penalty imposed under this subsection. If a municipality institutes
2671 a civil action to recover any civil penalty imposed under this subsection,
2672 such penalty shall be paid first to the municipality to reimburse such
2673 municipality for the costs incurred in instituting such action. One-half
2674 of the remainder, if any, shall be payable to the treasurer of such
2675 municipality and one-half of such remainder shall be payable to the
2676 Treasurer and deposited in the General Fund.

2677 (hh) Nothing in this section shall be construed to prohibit the

2678 shipment or transportation through this state of any hemp that is
2679 lawfully produced under federal law.

2680 Sec. 28. Subsection (c) of section 22-61n of the 2024 supplement to the
2681 general statutes is repealed and the following is substituted in lieu
2682 thereof (*Effective July 1, 2024*):

2683 (c) Hemp or hemp products purchased by a producer, cultivator,
2684 micro-cultivator, [or] product manufacturer or food and beverage
2685 manufacturer from a third party shall be tracked as a separate batch
2686 throughout the manufacturing process in order to document the
2687 disposition of such hemp or hemp products. Once hemp or hemp
2688 products are received by a producer, cultivator, micro-cultivator, [or]
2689 product manufacturer or food and beverage manufacturer, such hemp
2690 or hemp products shall be deemed cannabis and shall comply with the
2691 requirements for cannabis contained in the applicable provisions of the
2692 general statutes and any regulations adopted pursuant to such
2693 provisions. A producer, cultivator, micro-cultivator, [and] product
2694 manufacturer and food and beverage manufacturer shall retain a copy
2695 of the certificate of analysis for purchased hemp or hemp products and
2696 invoice and transport documents that evidence the quantity purchased
2697 and date received.

2698 Sec. 29. Subsection (b) of section 30-20 of the general statutes is
2699 repealed and the following is substituted in lieu thereof (*Effective July 1,*
2700 *2024*):

2701 (b) (1) A package store permit shall allow the retail sale of alcoholic
2702 liquor in sealed bottles or containers not to be consumed on the permit
2703 premises. The holder of a package store permit may, in accordance with
2704 regulations adopted by the Department of Consumer Protection
2705 pursuant to the provisions of chapter 54, (A) offer free samples of
2706 alcoholic liquor for tasting on the permit premises, (B) conduct fee-
2707 based wine education and tasting classes and demonstrations, and (C)
2708 conduct tastings or demonstrations provided by a permittee or backer
2709 of the package store for a nominal charge to charitable nonprofit
2710 organizations. Any offering, tasting, wine education and tasting class or

2711 demonstration held on permit premises shall be conducted only during
2712 the hours the package store may sell alcoholic liquor under section 30-
2713 91. No tasting of wine on the permit premises shall be offered from more
2714 than ten uncorked bottles at any one time.

2715 (2) No store operating under a package store permit shall sell any
2716 commodity other than alcoholic liquor except, notwithstanding any
2717 other provision of law, such store may sell (A) cigarettes and cigars, (B)
2718 publications, (C) bar utensils, including, but not limited to, corkscrews,
2719 beverage strainers, stirrers or other similar items used to consume, or
2720 related to the consumption of, alcoholic liquor, (D) gift packages of
2721 alcoholic liquor shipped into the state by a manufacturer or out-of-state
2722 shipper, which gift packages may include nonalcoholic items, other than
2723 food or tobacco products, if the dollar value of the nonalcoholic items in
2724 such gift package does not exceed the dollar value of the alcoholic items
2725 in such gift package, (E) complementary fresh fruits used in the
2726 preparation of mixed alcoholic beverages, (F) cheese, crackers or both,
2727 (G) olives, (H) nonalcoholic beverages, (I) concentrates used in the
2728 preparation of mixed alcoholic beverages, (J) beer and wine-making kits
2729 and products related to such kits, (K) ice in any form, (L) articles of
2730 clothing imprinted with advertising related to the alcoholic liquor
2731 industry, (M) gift baskets or other containers of alcoholic liquor, (N)
2732 multiple packages of alcoholic liquors, provided in all such cases the
2733 minimum retail selling price for such alcoholic liquor shall apply, (O)
2734 lottery tickets authorized by the Department of Consumer Protection, if
2735 licensed as an agent to sell such tickets by the department, (P) devices
2736 and related accessories designed primarily for accessing and extracting
2737 a beverage containing alcohol from prepackaged containers, including,
2738 but not limited to, pods, pouches or similar containers, but excluding
2739 devices, including, but not limited to, household blenders, that are not
2740 designed primarily for such purposes, (Q) alcohol-infused confections
2741 containing not more than one-half of one per cent of alcohol by weight
2742 and which the commissioner has approved for sale under section 21a-
2743 101, [and] (R) gift baskets containing only containers of alcoholic liquor
2744 and commodities authorized for sale under subparagraphs (A) to (Q),
2745 inclusive, of this subdivision, and (S) infused beverages, as defined in

2746 section 21a-420, as amended by this act, provided the package store
2747 permittee purchased such infused beverages from the holder of a
2748 wholesaler permit or a wholesaler permit for beer issued under section
2749 30-17. A package store permit shall also allow the taking and
2750 transmitting of orders for delivery of such merchandise in other states.
2751 Notwithstanding any other provision of law, a package store permit
2752 shall allow the participation in any lottery ticket promotion or giveaway
2753 sponsored by the department. The annual fee for a package store permit
2754 shall be five hundred thirty-five dollars.

2755 Sec. 30. Section 30-63 of the general statutes is repealed and the
2756 following is substituted in lieu thereof (*Effective July 1, 2024*):

2757 (a) No holder of any manufacturer, wholesaler or out-of-state
2758 shipper's permit shall ship, transport or deliver within this state, or sell
2759 or offer for sale, any alcoholic liquors, except for beer manufactured by
2760 a permittee in this state and sold for consumption only on the
2761 permittee's premises, unless the name of the brand, trade name or other
2762 distinctive characteristic by which such alcoholic liquors are bought and
2763 sold, the name and address of the manufacturer thereof and the name
2764 and address of each wholesaler permittee who is authorized by the
2765 manufacturer or his authorized representative to sell such alcoholic
2766 liquors are registered with the Department of Consumer Protection and
2767 until such brand, trade name or other distinctive characteristic has been
2768 approved by the department. Such registration shall be valid for a
2769 period of three years. The fee for such registration, or renewal thereof,
2770 shall be two hundred dollars for out-of-state shippers and fifteen dollars
2771 for Connecticut manufacturers for each brand so registered, payable by
2772 the manufacturer or such manufacturer's authorized representative
2773 when such liquors are manufactured in the United States and by the
2774 importer or such importer's authorized representative when such
2775 liquors are imported into the United States. The department shall not
2776 approve the brand registration of any fortified wine, as defined in
2777 section 12-433, which is labeled, packaged or canned so as to appear to
2778 be a wine or liquor cooler, as defined in section 12-433.

2779 (b) No manufacturer, wholesaler or out-of-state shipper permittee
2780 shall discriminate in any manner in price discounts between one
2781 permittee and another on sales or purchases of alcoholic liquors bearing
2782 the same brand or trade name and of like age, size and quality, nor shall
2783 such manufacturer, wholesaler or out-of-state shipper permittee allow
2784 in any form any discount, rebate, free goods, allowance or other
2785 inducement for the purpose of making sales or purchases. Nothing in
2786 this subsection shall be construed to prohibit beer manufacturers, beer
2787 wholesalers or beer out-of-state shipper permittees from differentiating
2788 in the manner in which their products are packaged on the basis of on-
2789 site or off-site consumption.

2790 (c) For alcoholic liquor other than beer, each manufacturer,
2791 wholesaler and out-of-state shipper permittee shall post with the
2792 department, on a monthly basis, the bottle, can and case price of any
2793 brand of goods offered for sale in Connecticut, which price when so
2794 posted shall be the controlling price for such manufacturer, wholesaler
2795 or out-of-state permittee for the month following such posting. On and
2796 after July 1, 2005, for beer, each manufacturer, wholesaler and out-of-
2797 state shipper permittee shall post with the department, on a monthly
2798 basis, the bottle, can and case price, and the price per keg or barrel or
2799 fractional unit thereof for any brand of goods offered for sale in
2800 Connecticut which price when so posted shall be the controlling price
2801 for such brand of goods offered for sale in this state for the month
2802 following such posting. Such manufacturer, wholesaler and out-of-state
2803 shipper permittee may also post additional prices for such bottle, can,
2804 case, keg or barrel or fractional unit thereof for a specified portion of the
2805 following month which prices when so posted shall be the controlling
2806 prices for such bottle, can, case, keg or barrel or fractional unit thereof
2807 for such specified portion of the following month. Notice of all
2808 manufacturer, wholesaler and out-of-state shipper permittee prices
2809 shall be given to permittee purchasers by direct mail, Internet web site
2810 or advertising in a trade publication having circulation among the retail
2811 permittees except a wholesaler permittee may give such notice by hand
2812 delivery. Price postings with the department setting forth wholesale
2813 prices to retailers shall be available for inspection during regular

2814 business hours at the offices of the department by manufacturers and
2815 wholesalers until three o'clock p.m. of the first business day after the last
2816 day for posting prices. A manufacturer or wholesaler may amend such
2817 manufacturer's or wholesaler's posted price for any month to meet a
2818 lower price posted by another manufacturer or wholesaler with respect
2819 to alcoholic liquor bearing the same brand or trade name and of like age,
2820 vintage, quality and unit container size; provided that any such
2821 amended price posting shall be filed before three o'clock p.m. of the
2822 fourth business day after the last day for posting prices; and provided
2823 further such amended posting shall not set forth prices lower than those
2824 being met. Any manufacturer or wholesaler posting an amended price
2825 shall, at the time of posting, identify in writing the specific posting being
2826 met. On and after July 1, 2005, all wholesaler postings, other than for
2827 beer, for the following month shall be provided to retail permittees not
2828 later than the twenty-seventh day of the month prior to such posting.
2829 All wholesaler postings for beer shall be provided to retail permittees
2830 not later than the twentieth day of the month prior to such posting.

2831 (d) Monthly price schedules on a family brand case shall contain the
2832 bottle price for each item contained in the family brand case, the unit
2833 price and the case price. The bottle price posted for a family brand case
2834 shall be equal to the bottle price posted for the same month in a case
2835 containing the one class and specific brand of alcoholic liquor. For
2836 purposes of this subsection, "family brand" means a group of different
2837 products belonging to a single brand that are marketed under a parent
2838 brand. Family brand cases shall be assembled and packaged by the
2839 supplier or by a third party, on behalf of the supplier, and shall not be
2840 assembled by the wholesaler.

2841 (e) The provisions of this section shall not apply to the sale or
2842 distribution of infused beverages, as defined in section 21a-420, as
2843 amended by this act.

2844 Sec. 31. (NEW) (*Effective July 1, 2024*) (a) For the purposes of this
2845 section, "infused beverage" has the same meaning as provided in section
2846 21a-420 of the general statutes, as amended by this act.

2847 (b) A fee of fifty cents shall be assessed by the holder of a wholesaler
 2848 permit or a wholesaler permit for beer issued under section 30-17 of the
 2849 general statutes on each infused beverage container sold to the holder
 2850 of a package store permit issued under subsection (b) of section 30-20 of
 2851 the general statutes, as amended by this act. Such fee shall not be subject
 2852 to any sales tax or treated as income pursuant to any provision of the
 2853 general statutes.

2854 (c) On January 2, 2025, and every six months thereafter, each holder
 2855 of a wholesaler permit or a wholesaler permit for beer issued under
 2856 section 30-17 of the general statutes shall remit payment to the
 2857 department for each infused beverage container sold during the
 2858 preceding six-month period. The funds received by the department
 2859 from infused beverage sales shall be deposited in the consumer
 2860 protection enforcement account established in section 21a-8a of the
 2861 general statutes, as amended by this act, for the purposes of (1)
 2862 protecting public health and safety, (2) educating consumers and
 2863 licensees, and (3) ensuring compliance with cannabis and liquor control
 2864 laws.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | July 1, 2024 | 21a-8a(a) |
| Sec. 2 | July 1, 2024 | 21a-240 |
| Sec. 3 | July 1, 2024 | 21a-408 |
| Sec. 4 | July 1, 2024 | New section |
| Sec. 5 | July 1, 2024 | 21a-420 |
| Sec. 6 | July 1, 2024 | New section |
| Sec. 7 | July 1, 2024 | New section |
| Sec. 8 | July 1, 2024 | New section |
| Sec. 9 | July 1, 2024 | New section |
| Sec. 10 | July 1, 2024 | New section |
| Sec. 11 | July 1, 2024 | 21a-420c |
| Sec. 12 | July 1, 2024 | 21a-420d(i) to (k) |
| Sec. 13 | July 1, 2024 | 21a-420e(c) |
| Sec. 14 | July 1, 2024 | 21a-420g(b) |
| Sec. 15 | July 1, 2024 | 21a-420m(b) |

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|---------|--------------|--------------------|
| Sec. 16 | July 1, 2024 | 21a-420o |
| Sec. 17 | July 1, 2024 | 21a-420p |
| Sec. 18 | July 1, 2024 | 21a-420u(b) |
| Sec. 19 | July 1, 2024 | 21a-420v |
| Sec. 20 | July 1, 2024 | 21a-420w(d) |
| Sec. 21 | July 1, 2024 | 21a-420x(d) |
| Sec. 22 | July 1, 2024 | 21a-420y |
| Sec. 23 | July 1, 2024 | 21a-420z(b) to (d) |
| Sec. 24 | July 1, 2024 | 21a-421j(b) |
| Sec. 25 | July 1, 2024 | 21a-421l(b) |
| Sec. 26 | July 1, 2024 | 21a-421bb(b) |
| Sec. 27 | July 1, 2024 | 22-61m |
| Sec. 28 | July 1, 2024 | 22-61n(c) |
| Sec. 29 | July 1, 2024 | 30-20(b) |
| Sec. 30 | July 1, 2024 | 30-63 |
| Sec. 31 | July 1, 2024 | New section |

Statement of Legislative Commissioners:

In Section 4(e)(2)(B), "not later than" was changed to "at least" for clarity; in Section 5(59), "as defined in section 22-61l," was added after "manufacturer hemp products" for clarity; and in Section 8(b)(1), "producer" was changed to "hemp producer" for internal consistency.

GL *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do 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.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 25 \$ | FY 26 \$ |
|--|--|-------------------|-------------------|
| Consumer Protection, Dept. | GF - Potential Cost | 394,000 | 394,000 |
| Attorney General | GF - Potential Cost | 113,000 | 150,000 |
| State Comptroller - Fringe Benefits ¹ | GF - Potential Cost | 167,000 | 183,000 |
| Department of Revenue Services | Various - Potential Revenue Gain | Less than 100,000 | Less than 100,000 |
| Consumer Protection, Dept. | Consumer Protection Enforcement Account - Revenue Gain | See Below | See Below |
| Resources of the General Fund | GF - Potential Revenue Gain | See Below | See Below |
| Consumer Protection, Dept. | CSEIF - Potential Revenue Gain | Potential | None |

Note: GF=General Fund; Various=Various

Municipal Impact:

| Municipalities | Effect | FY 25 \$ | FY 26 \$ |
|------------------------|------------------------|-----------|-----------|
| Various Municipalities | Potential Revenue Gain | See Below | See Below |
| Various Municipalities | Potential Cost | See Below | See Below |

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.25% of payroll in FY 25.

Explanation

The bill makes various changes to the laws governing cannabis, hemp, and medical marijuana resulting in the costs and revenue gains described below.

Sections 5 - 8, 17, 21 and 24 result in a potential revenue gain to the Cannabis Social Equity and Innovation Fund by:

- (1) allowing certain social equity cultivator applicants partnering with hemp producers to apply for either a cultivator or micro-cultivator license that allows cultivation outside a disproportionately impacted area. The bill requires a cultivator application to pay a \$3 million fee or the micro-cultivator to pay a \$500,000 fee unless the applicant received a provisional license. Applicants may apply between July 1, 2024 and March 31, 2025, which limits any revenue impact to FY 25.
- (2) allowing social equity applicants for a cultivator license to apply instead for a micro-cultivator license. The bill requires the applicant to pay (i) a \$500,000 application fee and (ii) a \$500,000 conversion fee. Applicants may apply between July 1, 2024 and December 31, 2024, which limits any revenue impact to FY 25.
- (3) allowing certain hemp manufacturers to obtain a product manufacturer license. The bill requires the applicant to pay a \$25,000 application fee. Applicants may apply between July 1, 2024 and December 31, 2024, which limits any revenue impact to FY 25.

As these provisions generally provide expanded access for qualified social equity applicants and hemp manufacturers to develop businesses, it is anticipated that more businesses may apply and pay the fee for licensure as permitted under the bill. The actual revenue gain will be dependent upon the number of qualified applicants and the type of licensure they are seeking.

Based on information from the Department of Consumer Protection and Social Equity Council (SEC), there are currently 13 cultivator licensees (1 active; 12 provisional) and 6 micro-cultivators (1 active; 5 provisional). Fourteen cultivator applicants approved by the SEC have yet to pay the \$3 million provisional license fee and therefore may reapply for a micro-cultivator license under this bill. Additionally, there are currently 49 hemp manufacturers who have been licensed prior to January 1, 2022.

Sections 9-10 and 31 assess a fee of fifty cents on each infused beverage container and require the fees to be deposited into the Consumer Protection Enforcement Account² resulting in a revenue gain to the account dependent on the number of infused beverages sold.

This section also expands CUTPA enforcement by the Office of the Attorney General to include the unauthorized sale of (cannabis) infused beverages. It is anticipated that the OAG could require at least one Assistant Attorney General and one Investigator position as a result. The total annualized cost of these positions in FY 25 would be less than \$212,000.

Sections 11 and 27 allow municipalities to (1) prohibit certain businesses from operating, and (2) apply for a court order to remove certain merchandise from stores that violate provisions related to the delivery of cannabis, medical marijuana, or hemp. These sections also permit (1) civil fines up to \$30,000 for each violation committed, and (2) civil fines up to \$10,000 for anyone who knowingly makes commercial areas available for use in these violations.

This results in a potential cost to municipalities beginning in FY 25 for legal costs. This potential cost may offset by a potential revenue gain to municipalities for the collection of civil fines. The civil fines collected are first paid to the municipality to reimburse for legal costs. Half of the remainder is then paid to the municipality.

²Per section 21a-8a of the Connecticut General Statutes, this account funds positions dedicated to the enhanced enforcement of DCP licensing laws and regulations.

Section 11 also results in a potential revenue gain to the state to the extent civil penalties are imposed.³

Sections 13 and 22 allows a product packager to expand its authorized activities to include a product manufacturer if certain conditions are met and a \$30,000 application fee is paid resulting in a potential revenue gain to the state to the extent these applications are received. There are currently seven provisional product manufacturer licenses issued and seven provisional product packager licenses issued in the state.

Sections 7, 17, 19, 24 allows the relocation of a dispensary or hybrid retailer and the sale of seedlings by a micro-cultivator resulting in a potential cost to the Department of Consumer Protection (DCP) and the State Comptroller. To the extent numerous relocation requests are submitted⁴ and the sale of seedlings generates a significant number of complaints which result in investigations⁵, DCP may have to hire up to three additional positions⁶ for a salary and other expenses cost of \$394,000 per year, along with associated fringe benefit costs of \$121,000 per year.

These sections also result in a state and municipal tax revenue gain by allowing the sale of cannabis seedlings. The bill limits sales to only micro-cultivator establishments. The revenue gain is therefore anticipated to be less than \$100,000 annually for the state and less than \$50,000 annually for various municipalities in total from applicable state and local taxes.

³Income from civil penalties must first be paid to the municipality to reimburse it for the costs of instituting the action. If there is a remainder, half is paid to the municipality and half is paid to the state treasurer to deposit into the General Fund.

⁴There are currently 33 licensed hybrid and medical dispensaries in the state, but the number is likely to increase. Relocation requests are labor intensive for DCP, and any rejection will likely result in appeals, requiring legal intervention.

⁵Currently, no live cannabis or hemp plants are permitted for retail sale in the state which results in additional oversight for DCP. Violations will require swift inspections to ensure product safety.

⁶ The positions include a drug control agent, program manager, and staff attorney.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations, inflation, applications, and employee wage increases. The impact to the Cannabis Social Equity and Innovation Fund noted above is limited to FY 25 only.

OLR Bill Analysis**sHB 5150*****AN ACT CONCERNING CANNABIS AND HEMP REGULATION.***

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Allows a product packager to expand its authorized activities to include the authorized activities of a product manufacturer

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§ 16 — SOCIAL EQUITY CULTIVATOR LICENSEES AND OUTDOOR GROW FACILITY

Allows certain social equity cultivator applicants to locate an exclusively outdoor grow facility outside a disproportionately

impacted area if it is in a municipality that has one, and prohibits DCP from granting an application for certain social equity provisional cultivator licenses after December 31, 2025

§ 19 — RELOCATION OF DISPENSARY OR HYBRID RETAILER

Requires certain information be included in a dispensary facility's or hybrid retailer's application to relocate their facility or retail location and, by eliminating the sunset date; allows the DCP commissioner to deny these applications

§§ 20 & 21 — CERTAIN MANUFACTURERS GETTING CANNABIS

Allows a product manufacturer and food and beverage manufacturer to get cannabis from the places it is already allowed to sell, transfer, or transport to

§ 24 — PACKAGING AND SIGNAGE

Allows edible cannabis products to be packaged for multiple servings under certain requirements and requires DCP to establish disclosures for mold and yeast and signage for mold and their remediation practices

§ 25 — STORING CANNABIS

Deems a location to be secure for storing cannabis if it satisfies the requirements for securing certain controlled substances

§ 26 — ADVERTISING

Generally prohibits cannabis establishments from advertising or marketing a discounted price or other promotional offer to buy cannabis

§ 27 — MANUFACTURER HEMP PRODUCTS

Specifies out-of-state licensees may apply for a DCP manufacturer hemp license; increases various fines; limits manufacturer hemp THC levels and sales to establishments that only sell other hemp products; allows municipalities to prohibit certain businesses from operating if found in violation of these hemp laws; makes additional actions CUTPA violations

§ 28 — FOOD AND BEVERAGE MANUFACTURER TRACKING HEMP

Requires food and beverage manufacturers to track third-party purchases of hemp or hemp products

BACKGROUND

SUMMARY

This bill makes various changes to the laws around adult-use cannabis, hemp, and medical marijuana. Among other things, it:

1. establishes a new category of high-tetrahydrocannabinol (THC) product, which it classifies as an “infused beverage” and requires it to meet many of the requirements for manufacturer hemp products (i.e., intended for human ingestion, inhalation, absorption, or other internal consumption) and prohibits sales to anyone under age 21;
2. generally lowers the amount of THC for a product to be considered a high-THC hemp product and removes the differing thresholds depending on the type of product, instead setting a uniform threshold;
3. requires each cannabis establishment to submit marijuana (i.e., cannabis) samples to a cannabis testing laboratory for testing;
4. allows certain social equity cultivator applicants to (a) partner with hemp producers to receive either a cultivator or micro-cultivator license that allows cultivation outside a disproportionately impacted area, (b) apply for a micro-cultivator license, and (c) locate an exclusively outdoor grow facility outside a disproportionately impacted area;
5. expands what is considered a disproportionately impacted area to include state tribal reservations and other land tribes own;
6. expands what certain licensees (e.g., a product packager allowed to do product manufacturer activities) can do under their licenses and allows them to apply to the Department of Consumer Protection (DCP) to do expanded activities;
7. expands the DCP and revenue services commissioners’ powers to summarily suspend a credential for certain violations;
8. allows edible cannabis products to be packaged for multiple servings under certain requirements and requires DCP to

establish disclosures and signs for mold and yeast;

9. generally prohibits cannabis establishments from advertising or marketing a discounted price or other promotional offer to buy cannabis;
10. limits the amount of THC in manufacturer hemp products and requires it to be sold in establishments that only sell other hemp products; and
11. makes various other minor, technical, and conforming changes.

EFFECTIVE DATE: July 1, 2024

§§ 1-2, 5, 9-10 & 29-31 — INFUSED BEVERAGES

Establishes a new category of THC product, which it classifies as an “infused beverage” and requires it to meet many of the requirements for manufacturer hemp products; prohibits sales to anyone under age 21; sets various requirements for signs, packages, and labels; imposes a 50-cent assessment per container; makes it a CUTPA violation to violate certain provisions

The bill establishes a new category of THC product, which it classifies as an “infused beverage” and requires it to meet many of the requirements for manufacturer hemp products. It prohibits sales of these beverages to anyone under age 21.

Infused Beverages (§§ 2, 5, 9, 29 & 30)

An “infused beverage” is a beverage that is not alcoholic; is intended for human consumption; and is advertised, labeled, or offered for sale as having a total THC content of less than 2.5 milligrams (mg) per container that is at least 12 fluid ounces. It is not considered cannabis, marijuana, or a high-THC product.

Age Requirement. The bill prohibits infused beverages from being sold to anyone under age 21. It does so by prohibiting a package store owner, agent, or employee; dispensary facility, hybrid retailer (i.e., licensed to sell both recreational cannabis and medical marijuana), or retailer from selling these beverages without first verifying the consumer’s age with a valid driver’s license or identification card.

Sales and Sign Requirements. Under the bill, an infused beverage may only be sold and distributed if it is sold at a package store that buys from a wholesaler, dispensary facility, hybrid retailer, or retailer. If sold at a dispensary, hybrid retailer, or retailer, the beverage must be stored and displayed separately from cannabis in the same way as manufacturer hemp products (i.e., displayed with a DCP-approved sign, clearly labeled to distinguish them as a different product, and subject to different testing standards).

Standards. Infused beverages must also meet certain standards of manufacturer hemp products. These standards prohibit these beverages from:

1. having any synthetic cannabinoid;
2. being packaged, presented, or advertised in a way that is likely to mislead a consumer (e.g., using a statement or depiction that resembles cannabis or implying it is a cannabis product); and
3. being distributed or sold without certain packaging and labeling (e.g., scannable bar code and product expiration or best by date if applicable).

The bill requires infused beverages to meet the testing standards for manufacturer hemp products required by law or regulation or other testing standards for these products the DCP commissioner or his designee may require.

Packaging and Labeling Requirements. The bill prohibits these beverages from being sold in packages that have more than two containers.

It also requires each beverage container to prominently display a symbol of at least one-half inch by one-half inch in a DCP commissioner-approved format that indicates the beverage is not legal for sale to people under age 21.

Penalty. Under the bill, anyone who makes an unauthorized sale of

infused beverages is deemed to have violated the Connecticut Unfair Trade Practices Act (CUTPA, see BACKGROUND), which the attorney general must enforce.

For other violations (e.g., underage sales or violations of the sales, standards, or labeling requirements), violators are deemed to have committed a CUTPA violation.

The bill specifies that CUTPA's provision for a private right of action, class actions, equitable relief, and jury trials applies to these violations.

Container Assessment (§§ 1, 10 & 31)

The bill requires a 50-cent assessment on every infused beverage container sold that must be remitted to DCP every six months for certain public health and safety purposes.

Under the bill, a cannabis establishment (i.e., dispensary facility, hybrid retailer, or retailer) and alcohol liquor wholesaler permittee or beer wholesaler permittee must assess this on each container sold. For cannabis establishments, it is on sales to a consumer. For wholesalers, it is on sales to a package store. These assessments are not subject to any sales tax or treated as income tax.

The bill begins the required remittances on different dates, but requires they all occur every six months. For cannabis establishments, it begins October 1, 2024, and for wholesalers it begins January 2, 2025. For both, they must remit payment to DCP for each infused beverage container sold during the preceding six months, and the funds must be deposited into the consumer protection enforcement account. This money must be used for the purpose of (1) protecting public health and safety, (2) educating consumers and licensees, and (3) ensuring compliance with cannabis and liquor control laws.

§ 2 — HIGH-THC HEMP PRODUCTS

Generally lowers the amount of THC for a product to be considered a high-THC hemp product; removes the differing thresholds depending on the type of product and instead imposes a uniform threshold

The bill generally lowers the amount of THC for a product to be

considered a high-THC hemp product and classifying it as marijuana or cannabis, subjecting it to various licensing and regulatory requirements (e.g., it must be sold only by licensed establishments, tested, and sold only to those age 21 or older except under the medical marijuana program). It also removes the differing thresholds depending on the type of product and instead imposes a uniform threshold.

Under the bill, the new THC thresholds are 2.5 mg per container of any manufacturer hemp product or 0.3% on a dry-weight basis for cannabis flower or cannabis trim.

Under current law the thresholds are:

1. for a hemp edible, topical, or transdermal patch: (a) one mg on a per-serving basis or (b) five mg on a per-container basis;
2. for a hemp tincture, including oil intended for ingestion by swallowing, buccal administration (i.e., between the gums and mouth cheek), or sublingual absorption (i.e., placing under tongue to dissolve): (a) one mg on a per-serving basis or (b) 25 mg on a per-container basis;
3. for a hemp concentrate or extract, including a vape oil, wax, or shatter (a type of cannabis extract): 25 mg on a per-container basis; or
4. for a manufacturer hemp product not described above: (a) one mg on a per-serving basis, (b) five mg on a per-container basis, or (c) 0.3% on a dry-weight basis for cannabis flower or cannabis trim.

§§ 3 & 4 — MARIJUANA TESTING

Requires each cannabis establishment to submit marijuana (i.e., cannabis) samples to a cannabis testing laboratory for testing; sets testing and retesting method standards and procedures; sets maximum marijuana sample batch sizes and when an establishment must dispose of an entire batch

Testing Samples

The bill requires each cannabis establishment to submit marijuana

(i.e., cannabis) samples to a cannabis testing laboratory for testing, as required by this provision. By law, a cannabis establishment is a producer, dispensary facility, cultivator, micro-cultivator, retailer, hybrid retailer, food and beverage manufacturer, product manufacturer, product packager, delivery service, or transporter.

Under the bill, a cannabis testing laboratory must test each marijuana sample for (1) microbiological contaminants, mycotoxins, heavy metals, and pesticide chemical residue and (2) an active ingredient analysis, if applicable. The microbiological testing must include, as a minimum, testing for the *Aspergillus* species, as set and posted on DCP's website. (Presumably, DCP will set acceptable limits for all of these tests.)

Testing Methods

When conducting the microbiological testing, the marijuana sample must be tested using a molecular method that:

1. includes quantitative polymerase chain reaction;
2. is certified for identifying microbiological DNA; and
3. is approved by the Association of Official Analytical Collaboration International, or a comparable national research and standard-making agency the DCP commissioner designates.

The bill also allows alternative testing methods if DCP approves them and posts them on the department's website.

Repeat Testing After Failure

Under the bill, if a sample does not pass the testing, the cannabis establishment that submitted the failing sample must repeat testing on the marijuana batch where the sample was taken, in a DCP-approved way. If the repeat test provides satisfactory results, the entire batch may be released for sale.

The bill also allows a cannabis establishment to submit a remediation plan that is sufficient to ensure public health and safety to the commissioner and, if he approves it, the establishment may remediate

the batch where the sample was taken and repeat the testing in a DCP-approved way. If all the repeat testing provides satisfactory results, the entire batch may be released for sale.

Disposing of Batches

If a cannabis establishment does not retest, or if repeat laboratory testing does not provide satisfactory results, the establishment must dispose of the entire marijuana batch where the sample was taken according to DCP commissioner-established procedures, as published on the agency's website.

Marijuana Batch Size

The bill sets the maximum quantity and number of marijuana samples to be sufficient to ensure representative sampling of the corresponding batch size. The size of the corresponding marijuana batch size must not exceed the lesser of:

1. 25 pounds or
2. a smaller marijuana batch size, if the DCP commissioner (a) has determined the smaller size is needed to protect public health and safety and (b) posts the smaller size on DCP's website within 30 days before the first date the commissioner requires the smaller size.

§§ 5 & 6 — SOCIAL EQUITY APPLICANTS PARTNERING WITH HEMP PRODUCERS

Allows certain social equity cultivator applicants to partner with hemp producers to receive either a cultivator or micro-cultivator license that allows cultivation outside a disproportionately impacted area, under certain conditions

The bill provides an additional option for certain social equity cultivator applicants by allowing them to partner with hemp producers to cultivate outside a disproportionately impacted area.

By law, DCP opened a three-month application period for social equity applicants to apply for a provisional and final cultivator license for a facility located in a disproportionately impacted area without participating in a lottery or request for proposals.

The bill sets a time period of between July 1, 2024, and December 31, 2025, for these social equity applicants to partner with a hemp producer to receive a cultivator or micro-cultivator license that may grow outside a disproportionately impacted area, under certain conditions.

Under current policies and procedures, among other things, cultivators must have a grow space and outdoor grow space of between 15,000 and 250,000 square feet in the aggregate, and micro-cultivators must have between 2,000 and 10,000 square feet in the aggregate, before any authorized expansion.

Conditions for New License

To qualify under the bill, the social equity applicant must have submitted an application before July 1, 2024, and also reapply under the terms of the bill between July 1, 2024, and March 31, 2025.

Applied for Prior License. The bill requires a social equity applicant to have submitted a completed cultivator application to locate the cultivation facility in a disproportionately impacted area before July 1, 2024. Additionally, the applicant must have been either:

1. verified by the Social Equity Council to have met the social equity applicant criteria or
2. issued a provisional, but not final, cultivator license by DCP.

Applying for New License With Hemp Producer. The bill requires the applicant to (1) apply to DCP between July 1, 2024, and March 31, 2025, by submitting a completed application for a new cultivator or micro-cultivator license on a DCP-prescribed form and (2) meet the bill's requirements.

The bill requires the applicant to submit:

1. a copy of the agreement between the applicant and a hemp producer that has been continually licensed as a hemp producer since January 1, 2023 (see below);

2. an acknowledgement from the applicant and a separate acknowledgement from the hemp producer of the steps that take place after the license is issued (see below);
3. evidence that is sufficient for DCP that the hemp producer has been continuously licensed since January 1, 2023;
4. a written statement from the applicant disclosing whether he or she have had any change of ownership or control since being verified by the Social Equity Council as a social equity applicant; and
5. the application fee, which unless the applicant has already received a provisional cultivator license or paid the fee, is either (a) \$3 million for a cultivator license or (b) \$500,000 for a micro-cultivator license.

Requirements of Hemp Producer Agreement. The agreement must require the use of the hemp producer's cultivation lot, which may be located outside of a disproportionately impacted area. It must also provide that if DCP issues a provisional cultivator or micro-cultivator license to the applicant the:

1. provisional license automatically replaces both the provisional cultivator license application the applicant submitted and any provisional cultivator license DCP may have issued, and both are immediately deemed to have been automatically withdrawn or surrendered, and
2. hemp producer must immediately be deemed to have automatically surrendered his or her hemp producer license.

Acknowledgements. Under the bill, the applicant must also submit an acknowledgment by both the applicant and hemp producer that upon approval under the bill the new license replaces any existing application and license, and both are automatically considered withdrawn or surrendered (as mentioned above).

Additionally, the applicant must acknowledge that he or she will be (1) eligible to create only one equity joint venture after receiving a cultivator license and begins cultivation activities and (2) ineligible to create an equity joint venture after receiving a micro-cultivator license.

Changes to Social Equity Status. Under the bill, if applicable, if the applicant provided a written statement on changes in ownership or control, the Social Equity Council must determine if the changes are allowed under the laws and regulations governing its application review process. Additionally, the council must also review the agreement between the applicant and hemp producer.

For both reviews, the council must determine whether the applicant continues to meet the social equity applicant criteria and submit to DCP a written notice disclosing its determination.

Harvesting Hemp. Before a new license may be issued, the bill requires all hemp to be harvested from the cultivation lot. All harvested hemp continues to be deemed hemp until DCP issues a final cultivator or micro-cultivator license to the applicant. (Hemp and cannabis are regulated under different laws in Connecticut.) After the final license is issued, the harvested hemp is deemed cannabis and subject to all cannabis cultivation, testing, labeling, tracking, reporting, and manufacturing laws that apply to cultivators and micro-cultivators.

License Renewal Fee

Under the bill, a renewal fee for a final cultivator and micro-cultivator license are the same as existing law (i.e., \$75,000 for cultivators and \$1,000 for micro-cultivators). All of these fees must be deposited in the Cannabis Social Equity and Innovation Fund. By law, this fund may be used as access to capital for businesses, technical assistance for start-ups, workforce education and community investment funding, and paying costs for regulating cannabis (CGS § 21a-420f).

Equity Joint Venture

In a provision that is substantially similar to the acknowledgement requirements above, the bill only allows a social equity applicant to

create one equity joint venture and it may not be created until the applicant has received a cultivator license and begins cultivation activities. It also prohibits social equity applicants receiving a micro-cultivator license from creating an equity joint venture.

Application Information Disclosure

The bill extends existing law’s prohibition on application information disclosure to these applications. Existing law generally prohibits current or former state officers or employees, or employees of anyone who had access to a submitted application, to disclose the application or any information included in or submitted with it (CGS § 21a-420e(g)).

Application Process

Regardless of any provision of the Responsible and Equitable Regulation of Adult-Use Cannabis Act and unless otherwise provided in these provisions, the bill requires each submitted application to be processed as other cultivator or micro-cultivator applications selected through the lottery and subject to the process set in existing laws.

§§ 5 & 12 — STATE-RECOGNIZED TRIBAL RESERVATIONS DEEMED DISPROPORTIONATELY IMPACTED AREA

Expands what is considered a disproportionately impacted area to include state tribal reservations and other land they own

The bill expands what is considered a “disproportionately impacted area” to include state tribal reservations of the Schaghticoke, Paucatuck Eastern Pequot, or Golden Hill Paugusset.

On and after July 1, 2024, the bill deems any of these state tribal reservations as a disproportionately impacted areas, as long as the reservation includes at least 10 acres of contiguous land, and the land was part of the reservation on July 1, 2024. On and after January 1, 2025, any land parcel the state-recognized tribes own in fee simple is deemed a disproportionately impacted area if the parcel is at least 10 acres of contiguous land and is in a municipality that contained a disproportionately impacted area before July 1, 2024.

Under existing law, a disproportionately impacted area is a U.S.

census track in the state that Social Equity Council identifies using a statutory process. Additionally, the adult-use cannabis laws provide certain advantages to residents of disproportionately impacted areas (e.g., social equity applicants). And certain cultivators with social equity applicants could have received a license without participating in a lottery if they located their facilities in a disproportionately impacted area (CGS §§ 21a-420(48) & -420o).

§§ 5 & 23 — TRANSPORTER LICENSE

Expands what a transporter licensee may transport by allowing him or her to deliver manufacturer hemp products between cannabis establishments, among other places

The bill expands what a transporter licensee may transport by allowing a licensee to deliver manufacturer hemp products between cannabis establishments, research programs, and cannabis testing laboratories. It also makes a conforming change requiring applicants to indicate the type of transport they will be applying for.

§§ 7, 17 & 24 — MICRO-CULTIVATORS

Allows certain social equity cultivator applicants to apply for a micro-cultivator license and allows micro-cultivators to sell cannabis seedlings

Social Equity Applicants (§ 7)

Similar to how the bill allows certain social equity applicants to partner with a hemp producer (see §§ 5 & 6 above) to apply for a new cultivator or micro-cultivator license after applying for a cultivator license in a disproportionately impacted area without a lottery or request for proposal, the bill also allows these applicants to apply for a new micro-cultivator license without any partners.

Application. Under the bill, between July 1, 2024, and December 31, 2024, a social equity applicant that had submitted an application for these cultivator licenses may withdraw the application and apply for a micro-cultivator license. The applicant may do so if:

1. the Social Equity Council verifies the applicant meets the social equity criteria;
2. the applicant is eligible to receive a provisional cultivator license

(e.g., passes criminal background check);

3. DCP has not already issued a provisional cultivator license; and
4. the applicant submits an application to DCP with a written statement (a) withdrawing the cultivation application, and (b) acknowledging that with the withdrawal, the applicant will be ineligible to create an equity joint venture.

Withdrawals. The bill specifies that applicants that withdraw an application are not eligible for a refund on any fee connected to that application.

Issuance of License. During this period, DCP must issue a micro-cultivator license to a social equity applicant if he or she:

1. meets eligibility criteria and submits a completed application,
2. submits a written statement disclosing whether any change in ownership or control has occurred since the applicant was verified by the Social Equity Council as a social equity applicant, and
3. submits the \$500,000 application fee and \$500,000 conversion fee.

Changes to Social Equity Status. Under the bill, if applicable, if the applicant provided a written statement on changes in ownership or control, then the Social Equity Council must determine if the changes are allowed under the laws and regulations governing its application review process.

The council must determine whether the applicant continues to meet the social equity applicant criteria and submit to DCP a written notice disclosing its determination.

License Renewal Fee. Under the bill, a renewal fee for a final micro-cultivator license is the same as existing law (i.e., \$1,000 for micro-cultivators). These fees must be deposited in the Cannabis Social Equity and Innovation Fund (see above).

Equity Joint Venture. Under the bill, an applicant that withdraws an application in the process above, is ineligible to create an equity joint venture.

Application Disclosure and Process. Like the provision allowing applicants to partner with hemp producers, the bill applies the same prohibition on application disclosure and requires submitted applications to be processed as other applications selected through the lottery.

Seedlings (§§ 17 & 24)

The bill allows a micro-cultivator, and no other cannabis establishment, to sell its own cannabis seedlings to consumers. But a micro-cultivator may only sell a seedling to a consumer if:

1. the micro-cultivator cultivated the seedling in the state from a seed or clone;
2. the seedling has a standing height of up to six inches measured from the base of the stem to the tallest point, does not contain any bud or flower, and has been tested for pesticides and heavy metals based on laboratory testing standards set by policies and procedures and final regulations; and
3. there is a label or informational tag on the seedling disclosing certain information.

The bill requires the label or informational tag to include the following in legible English, black lettering, Times New Roman font, flat regular typeface, on a contrasting background, and in uniform size of at least one-tenth of one inch, based on a capital letter "K":

1. the micro-cultivator's name;
2. a product description for the seedling;
3. one of the following chemotypes anticipated after flowering: "High THC, Low CBD," "Low THC, High CBD," or "50/50 THC"

- and CBD;”
4. the results of the required testing;
 5. directions for the optimal care of the seedling;
 6. unobscured symbols, in a size of at least one-half inch by one-half inch and in a DCP commissioner-approved format, where the symbols indicate the seedling contains THC and is not legal or safe for individuals under age 21; and
 7. a unique identifier that a cannabis analytic tracking generates and DCP maintains to track cannabis under policies, procedures, and final regulations.

Exempts Seedlings From Child-Resistant Packaging and Creates Limit on Sales. The bill exempts micro-cultivators selling seedlings from having to sell them in child-resistant packaging. It also prohibits micro-cultivators from (1) selling more than three seedlings to a consumer in any six-month period and (2) accepting any returned seedlings.

§§ 8 & 21 — HEMP MANUFACTURER GETTING A PRODUCT MANUFACTURER LICENSE

Allows a hemp manufacturer to get a product manufacturer license under certain conditions (e.g., must have been licensed before a certain time and apply during a specific time period, agree to certain terms, and pay certain fees); allows a manufacturer to get cannabis from the places it is already allowed to sell, transfer, or transport to

The bill allows a hemp manufacturer to get a product manufacturer license from DCP. By law, a product manufacturer may:

1. perform cannabis extractions, chemical synthesis, and all other manufacturing activities the DCP commissioner allows and publishes on DCP’s website;
2. package and label cannabis manufactured at its establishment subject to its license; and
3. sell, transfer, or transport its own products to a cannabis

establishment, laboratory, or research program if the transportation is done using its own employees or a transporter.

Under the bill, a product manufacturer may also get cannabis from a cannabis establishment, laboratory, or research program.

License Requirement

The bill requires DCP to issue a product manufacturer license to a hemp manufacturer if:

1. the manufacturer (a) has a DCP hemp manufacturer license; (b) continually held this license since January 1, 2022; and (c) is not a Department of Agriculture licensed hemp producer;
2. during the period between July 1, 2024, and December 31, 2024, the manufacturer submits a completed application to DCP with a \$25,000 application fee as well as social equity and workforce development plans approved by the Social Equity Council; and
3. the manufacturer submits an acknowledgement that if DCP issues a final license to the manufacturer, the manufacturer will immediately be deemed to have automatically surrendered its hemp manufacturer license.

Hemp

The bill allows a provisional product manufacturer licensee to maintain an active hemp manufacturer license, provided the manufacturer must immediately be deemed to have automatically surrendered the hemp manufacturer license when DCP issues a final license.

Under the bill, hemp and hemp products in the manufacturer's possession continues to be deemed hemp while he or she has an active hemp manufacturer license. But once DCP issues the final product manufacturer license and the hemp manufacturer license is automatically surrendered, all of these hemp and hemp products are deemed cannabis and subject to all applicable laws and regulations.

Fees

As under existing law, each final product manufacturer license and renewal fee is \$25,000. These fees are nonrefundable and must be deposited in the Cannabis Social Equity and Innovation Fund (see above).

Application Process

The bill requires each complete application to be processed like a product manufacturer application selected through the lottery and subject to certain similar application requirements and procedures (e.g., limited disclosure of application information, no backers being added during certain periods, and how provisional and final licenses are issued).

Sufficient Cause

Existing law allows the DCP commissioner, for sufficient cause, to suspend or revoke a license or registration, issue fines of up to \$25,000 per violation, accept an offer in compromise, refuse to grant or renew a license or registration, place a licensee or registrant on probation, place conditions on a licensee or registrant, or take other actions the law permits. The bill deems violations of any of the bill's product manufacturer provisions as sufficient cause.

§§ 8 & 27 — SUMMARILY SUSPENDING CERTAIN CREDENTIALS

Expands the DCP and revenue services commissioners' powers to summarily suspend a credential for any violation of the laws on manufacturer hemp, cannabis tax, marijuana and controlled substances tax, medical marijuana, and adult-use cannabis

Under current law, the DCP and revenue services commissioners may summarily suspend any credential their respective department issues to anyone who violates certain provisions on selling manufacturer hemp products (e.g., selling hemp that contains synthetic cannabinoid and failing to follow labeling or packaging guidelines). The bill expands the power to summarily suspend a credential to apply to any violation of the laws on manufacturer hemp, cannabis tax, marijuana and controlled substances tax, medical marijuana, and adult-use cannabis. As under existing law, these suspensions must be done

under the Uniform Administrative Procedure Act (UAPA) procedures for matters involving licenses.

§ 11 — DELIVERING CANNABIS OR MEDICAL MARIJUANA

Expands medical marijuana delivery to patients or caregivers by allowing hybrid retailers or dispensary facilities and their employees to make these deliveries; allows municipalities to apply for a court order to take certain merchandise from stores that violate this provision; makes violations CUTPA violations and adds additional penalties

Medical Marijuana Deliveries

Current law generally prohibits anyone except delivery services or their employees from delivering cannabis to consumers, patients, or caregivers. The bill expands who may deliver medical marijuana to patients or caregivers by allowing hybrid retailers or dispensary facilities and their employees, who are acting as part of their employment, to make these deliveries.

Municipal Prohibition

The bill allows any municipality, by legislative vote, to prohibit any business from operating within the municipality if the business (1) is found to be illegally selling, offering, or delivering cannabis or (2) poses an immediate threat to public health and safety (see below).

If a municipality's chief executive officer determines that a business in the municipality is operating (i.e., offering sales of goods and services to the general public, including through indirect sales) in this way, he or she may apply to Superior Court for an order to take certain merchandise from the business. If the Superior Court finds that a business is in violation or poses a threat, then it may issue an ex parte (i.e., only one party involved) order without a hearing directing the municipality's chief law enforcement officer to take possession and control of merchandise related to the violation or immediate threat to public health and safety. These items include any cannabis or cannabis product; any cigarette, tobacco, or tobacco product; any merchandise related to these products; and any proceeds related to these products and merchandise.

Under the bill, "immediate threat to public health and safety"

includes the presence of any (1) cannabis or cannabis product in connection with any law on selling, offering, or delivering cannabis, or (2) cigarette or tobacco product alongside any cannabis or cannabis product.

Penalties

Under the bill, a violation of the law on selling, offering, or delivering cannabis is deemed a CUTPA violation, which the attorney general must enforce. It also specifies that CUTPA's provision for a private right of action, class actions, equitable relief, and jury trials apply to these violations.

Additionally, anyone who aids or abets these violations is assessed a \$30,000 civil fine for each violation, where each day the violation continues is a separate offense. A person is not deemed to have aided or abetted a violation, unless he or she:

1. was the owner, officer, controlling shareholder, or in a similar position of authority over a person who is prohibited from selling or offering cannabis and then sold or offered it in violation of these provisions;
2. knew that the person was prohibited and still sold or offered the sale;
3. gave substantial assistance or encouragement for the sale or offer of sale; and
4. the person's conduct was a substantial factor in furthering the sale or offer of sale.

It also imposes a \$10,000 civil fine for each violation by anyone who manages or controls a commercial property, building, room, space, or enclosure, in the person's capacity as owner, lessee, agent, employee, or mortgagor, who knowingly makes the commercial area available for use in these violations. Each day a violation continues is a separate offense.

Under the bill, only the attorney general, upon the complaint of the

DCP commissioner or a municipality where the violation occurred, may investigate these violations, assess any civil penalty, or institute a civil action to recover any imposed civil penalties. If a municipality institutes a civil action to recover an imposed civil penalty, the penalty must be paid to the municipality first to reimburse it for the costs for instituting the action. Half of the remainder, if any, is paid to the municipality's treasurer and half is paid to the state treasurer for deposit into the General Fund.

Lastly, the bill specifies that it does not prohibit criminal penalties on anyone prohibited from selling or offering cannabis or cannabis products who sells or offers to sell it.

§§ 13 & 22 — PRODUCT PACKAGER EXPANDED ACTIVITIES

Allows a product packager to expand its authorized activities to include the authorized activities of a product manufacturer

The bill allows a product packager to expand its authorized activities to include the authorized activities of a product manufacturer under certain conditions (see § 8 above for product manufacturer abilities). In order for this to happen the:

1. packager must submit to DCP a completed license expansion application and a \$30,000 application fee; and
2. commissioner must authorize the packager, in writing, to perform the expanded activities of a product manufacturer.

The bill requires a product packager that expands its authorized activities to comply with all the laws, regulations, policies, and procedures for product manufacturers. If there is a conflict between the packager requirements and the manufacturer requirements, the more stringent public health and safety standard prevails.

Under the bill, the renewal fee for a product packager's expanded authorization is \$30,000. This renewal fee is instead of the product packager renewal fee, which is \$25,000.

§§ 14-15 & 18 — TECHNICAL AND CONFORMING CHANGES

Makes various technical and conforming changes

The bill makes various technical and conforming changes.

§ 16 — SOCIAL EQUITY CULTIVATOR LICENSEES AND OUTDOOR GROW FACILITY

Allows certain social equity cultivator applicants to locate an exclusively outdoor grow facility outside a disproportionately impacted area if it is in a municipality that has one, and prohibits DCP from granting an application for certain social equity provisional cultivator licenses after December 31, 2025

By law, in order for a social equity applicant who applied for a cultivator license without participating in a lottery to get a final cultivator license, the applicant must provide evidence of certain information, including a right to exclusively occupy a location in a disproportionately impacted area where the cultivation facility will be located (CGS § 21a-420o).

The bill also allows the applicant to provide evidence that an exclusively outdoor grow facility will be located outside of a disproportionately impacted area if the facility is in a municipality that has any portion of a disproportionately impacted area. The outdoor grow must be done on land the municipality has approved for agricultural or farming uses and all cultivation must comply with all regulations, policies, and procedures on outdoor cannabis cultivation.

Additionally, the bill prohibits DCP from granting an application for these provisional cultivator licenses after December 31, 2025.

§ 19 — RELOCATION OF DISPENSARY OR HYBRID RETAILER

Requires certain information be included in a dispensary facility's or hybrid retailer's application to relocate their facility or retail location and, by eliminating the sunset date; allows the DCP commissioner to deny these applications

The bill allows a dispensary facility or hybrid retailer to submit an application to DCP, in a form the commissioner prescribes, to relocate its current facility or retail location. The application must include, at least:

1. the size of the qualifying patient population that the applicant served during the six-month period before the application, broken down by month and indicating whether the qualifying

- patient population increased or decreased during that time;
2. evidence of accessible alternatives in the area around the applicant, before the proposed relocation, where qualifying patients can get medical marijuana products;
 3. whether the applicant will provide delivery services to the qualifying patients it serves before the proposed relocation and, if so, the length of time and geographic scope of the services; and
 4. a plan to communicate (a) the proposed relocation to the qualifying patients, including the communication methods and timeframes, and (b) with nearby dispensary facilities and hybrid retailers on the proposed relocation and the needs of the qualifying patients the applicant serves.

Prior law allowed the DCP commissioner to deny a dispensary facility's or hybrid retailer's change of location application based on the needs of qualifying patients until June 30, 2023. The bill eliminates this sunset date, allowing the commissioner to deny relocations.

§§ 20 & 21 — CERTAIN MANUFACTURERS GETTING CANNABIS

Allows a product manufacturer and food and beverage manufacturer to get cannabis from the places it is already allowed to sell, transfer, or transport to

Current law allows a product manufacturer and food and beverage manufacturer to sell, transfer, or transport its own products to a cannabis establishment, cannabis testing laboratory, or research program using its own employees or a transporter. The bill also allows these manufacturers to get cannabis from these places.

§ 24 — PACKAGING AND SIGNAGE

Allows edible cannabis products to be packaged for multiple servings under certain requirements and requires DCP to establish disclosures for mold and yeast and signage for mold and their remediation practices

Under existing law, the cannabis-related regulations that the DCP commissioner must adopt must include specified labeling and packaging requirements. The bill modifies a few of these requirements and adds another.

Edible Cannabis Packaging

Current law requires packaging for edible cannabis products to be individually wrapped. The bill allows these products to be packaged for multiple servings if each single standardized serving is easily discernable and is individually wrapped or physically demarked and delineated.

Mold and Yeast

Existing law requires DCP to set laboratory testing standards. The bill requires DCP to:

1. establish consumer disclosures on mold and yeast in cannabis and allowed remediation practices and
2. prescribe signage for dispensary facilities, retailers, and hybrid retailers to prominently display that discloses (a) possible health risks related to mold and (b) the use and possible health risks related to using mold remediation techniques.

§ 25 — STORING CANNABIS

Deems a location to be secure for storing cannabis if it satisfies the requirements for securing certain controlled substances

By law, among other things, a cannabis establishment must store all cannabis in a way to prevent diversion, theft, or loss. Under the bill, a location is deemed to be secure if the location satisfies the state regulations for securing controlled substances (i.e., schedule III, IV, and V, which require storage in an approved vault, safe, or separate secure locked area, among other requirements) (Conn. Agencies Regs., § 21a-262-4).

§ 26 — ADVERTISING

Generally prohibits cannabis establishments from advertising or marketing a discounted price or other promotional offer to buy cannabis

The bill prohibits cannabis establishments from advertising or marketing that includes a discounted price or other promotional offer as an inducement to buy cannabis or a cannabis product that is not medical marijuana.

§ 27 — MANUFACTURER HEMP PRODUCTS

Specifies out-of-state licensees may apply for a DCP manufacturer hemp license; increases various fines; limits manufacturer hemp THC levels and sales to establishments that only sell other hemp products; allows municipalities to prohibit certain businesses from operating if found in violation of these hemp laws; makes additional actions CUTPA violations

Out-of-State Licensees Getting Connecticut License (§ 27(a))

Existing law prohibits anyone from manufacturing hemp in Connecticut without a DCP license. But the bill specifies that the manufacturer hemp laws should not be construed to prohibit anyone who is licensed in another state to manufacture, handle, store, and market manufacturer hemp products from applying for or getting a DCP license.

Fine Increase (§ 27(e) & (f))

The bill increases the following fines, from:

1. up to \$2,500 to up to \$5,000, for a manufacturer licensee who violates the manufacturer hemp law or regulations;
2. up to \$2,500 to up to \$5,000, for any entity who manufactures in the state without getting a license or does so when its license is suspended; and
3. \$250 to \$10,000, for anyone who manufactures in the state without a license or when the entity's license is suspended or revoked, payable by mail to the Centralized Infractions Bureau without appearing in court.

For the first two fines, a hearing conducted under the UAPA must be held first.

Police Training on High-THC Hemp Products (§ 27(z))

Current law required the Department of Emergency Services and Public Protection, in consultation with DCP, to publish a training bulletin by October 31, 2023, informing local law enforcement agencies and officers of the investigation and enforcement standards for cannabis and high-THC hemp products. The bill makes this an annual

requirement with the same October 31 deadline.

THC Limit (§ 27(bb) & (cc))

The bill limits the amount of THC a manufacturer hemp product may have by requiring it to be lower than the high-THC hemp product threshold. Specifically, it prohibits manufacturer hemp products from containing a total THC concentration of (1) greater than 0.3% on a dry-weight basis or (2) 2.5 mg of total THC on a per-container basis. It also prohibits these products from being sold in packaging that contains more than two containers per package.

The bill limits the amount someone under age 21 may purchase to 0.5 mg of total THC. It prohibits any individual or entity from selling to a consumer without first verifying the consumer's age with a valid driver's license or identification card.

Sales Only at Stores Selling Hemp (§ 27(dd))

The bill limits manufacturer hemp product sales to establishments that sell only other hemp products.

Municipal Prohibition (§ 27 (ff))

Like the provisions for selling, offering, or delivering cannabis, but adding manufacturer hemp (see § 11 above), the bill allows municipalities to apply to Superior Court for an order to take certain merchandise (e.g., cannabis, manufacturer hemp, cigarettes, and associated merchandise) from a business that violates the bill's manufacturer hemp provisions.

Penalties (§ 27(ee) & (gg))

Manufacturer Hemp THC Limits and Hemp Establishment Sales. Under the bill, a violation of the provisions on manufacturer hemp THC limits and sales only at hemp establishments is (1) deemed a CUTPA violation, which the attorney general must enforce and (2) subject to a \$30,000 civil penalty for each violation where each day the violation continues is a separate offense.

Additionally, like those who aid and abet the illegal selling, offering,

or delivering of cannabis, anyone who aids or abets these hemp-related violations is assessed a \$30,000 civil fine for each violation, where each day the violation continues is a separate offense (see § 11 above).

Similarly, the bill (1) imposes a \$10,000 civil fine for each violation by those who manage or control certain commercial buildings and (2) gives the attorney general and municipalities the same enforcement and disciplinary powers (see § 11 above).

Private Right of Action. The bill also specifies that CUTPA's provisions for a private right of action, class actions, equitable relief, and jury trials apply to the violations related to sales, packaging, labeling, and THC amount, among other things.

Hemp Transportation (§ 27(hh))

The bill specifies that nothing in the state hemp laws should be construed to prohibit any hemp shipment or transport through the state if it was lawfully produced under federal law.

The federal law allowing hemp explicitly prohibits states from prohibiting the transportation or shipment of hemp or hemp products produced in accordance with federal law through the state (P. L. 115-334, § 10114(b)).

§ 28 — FOOD AND BEVERAGE MANUFACTURER TRACKING HEMP

Requires food and beverage manufacturers to track third-party purchases of hemp or hemp products

As under existing law for certain cannabis establishments, the bill requires that hemp or hemp products purchased by a food and beverage manufacturer from a third party be tracked as a separate batch throughout the manufacturing process. Once the manufacturer receives the hemp or hemp product, it is deemed cannabis and the licensee must comply with all the cannabis laws and regulations. Manufacturers must keep a copy of the certificate of analysis for the purchased hemp or hemp products and the invoice and transport documents that show the quantity purchased and date received.

BACKGROUND

CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney’s fees; and impose civil penalties of up to \$5,000 for willful violations and up to \$25,000 for a restraining order violation.

Related Bill

sHB 5235 (File 102), favorably reported by the General Law Committee, has a substantially similar provision specifically allowing the transport of hemp through the state if it was lawfully produced under federal law. It also effectively prohibits synthetic cannabinoids, by making them Schedule I drugs.

sHB 5236 (File 103), favorably reported by the General Law Committee, among other things, allows DCP to impose a civil penalty of up to \$5,000 for CUTPA violations, after an administrative hearing.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute
Yea 21 Nay 1 (03/12/2024)