

General Law Committee JOINT FAVORABLE REPORT

Bill No.: HB-5150

Title: AN ACT CONCERNING CANNABIS AND HEMP REGULATION.

Vote Date: 3/12/2024

Vote Action: Joint Favorable Substitute

PH Date: 2/22/2024

File No.: 199

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SPONSORS OF BILL:

General Law Committee
Rep. Travis Simms, 140th Dist.
Rep. Kadeem Roberts, 137th Dist.
Rep. Holly H. Cheeseman, 37th Dist.

REASONS FOR BILL:

The purpose of the bill is to make significant changes to regulations concerning cannabis and hemp products. This includes redefining terms such as "high-THC hemp product" and "disproportionately impacted area", enabling social equity applicants to engage in additional activities and apply for more licenses, modifying ownership requirements for equity joint ventures, expanding authorized activities for product packagers, limiting licensing periods for certain licenses, modifying cultivation facility location requirements, authorizing micro-cultivators to sell cannabis seedlings, allowing hybrid retailers to provide access to pharmacists through telehealth, establishing additional requirements for facility relocations, altering packaging requirements for cannabis and hemp products, restricting certain advertising practices for cannabis establishments, and making minor technical and conforming changes to related statutes.

SUBSTITUTE LANGUAGE:

The substitute language establishes an account known as the "consumer protection enforcement account". The account will be used by DCP to fund positions and related expenses for the enforcement of DCP licensing and registration laws. The fund will also protect public health and safety, educate consumers and licensees, and ensure compliance with cannabis and liquor control laws. The new Section 4 adds that each cannabis establishment shall submit marijuana samples to cannabis testing laboratory for testing. New Section 8 adds language regarding product manufacturer licenses issued to hemp manufacturers. New Section 9 creates new regulations for THC infused beverages.

Municipalities are also given the ability to determine violations. Any parcel of land owned in fee simple by any indigenous tribe recognized by the state shall be deemed to be a disproportionately impacted area. Sections 20 and 21 give food and beverage manufacturers and product manufacturers the ability to sell, transfer or transport their own products to a cannabis establishment, testing laboratory or research program. Section 23 allows a cannabis delivery service to deliver cannabis from a micro-cultivator, retailer, or hybrid retailer directly to a consumer. Other sections of the substitute language add new definitions for words and phrases.

RESPONSE FROM ADMINISTRATION/AGENCY:

Ginnie-Rae Clay & Paul. O. Robertson, Social Equity Council

The Social Equity Council (SEC) supports Sections 4, 5, and 9. Many of these concepts were included in the Council's 2024 legislative proposals. The SEC believes the proposed changes to RERACA will improve opportunities for social equity. The Social Equity Council opposes section 3. The proposed conversion pathway for the hemp farmers would bypass the social equity lottery and allow cultivation lots to be located outside a DIA. The SEC stands with 149 cultivators in opposes this measure. Allowing hemp farmers to cultivate adult use cannabis would hinder the Council's effort and undermine the goal of addressing systemic inequities in the DIAs.

GENERAL COMMENTS:

Holly Cheeseman, CT General Assembly, State Representative

Provided testimony in support of the bill. Rep. Cheeseman commends the committee's efforts to address issues posed by the legalization of cannabis in Connecticut, and welcome's this bill's redefinitions and regulation of its sale. Rep. Cheeseman believes further steps must be made to protect the public from certain health concerns related to cannabis use, citing information pertaining to risks of birth and pregnancy complications. Further, she recommends more explicit warning labels informing consumers of these risks on cannabis products, as well as child proof packing and poison control phone number listings on such products.

Mark DeCaprio, CT General Assembly, State Representative

Provided testimony expressing concerns about the bill. While the representative does not express direct opposition to the bill's passage, he provides information he believes the legislature ought to consider. Marijuana consumed by the public has seen a massive increase in THC content and potency over the last several decades. This high potency increases the cases of marijuana-related overdoses, hospitalization, accidental child ingestion, and poison control calls in the short term; as well as long-term risk of THC addiction, psychosis, depression, and other mental health concerns. He attached two articles pertaining to the risks of increased THC content in marijuana, one of which recommending capping marijuana potency at 15%.

Chris Poulos, CT General Assembly, State Representative

Rep. Poulos wrote in response to a letter sent in by STEPS Youth Council in Southington. The letter highlights the issue of cannabis-infused seltzers exploiting loopholes in labeling regulations, making them accessible to underage individuals through convenience stores.

Rep. Poulos urges the committee to consider amending current statutes to address this abuse and safeguard the health and safety of children.

The following citizens submitted **general comments** on HB5150:

Linda Kowalski, CMCC

Rachael Lang

Norman Plude

Beth Ann Saxagne

Paul Travaglino

NATURE AND SOURCES OF SUPPORT:

Paige Cecchi, 351 Burnham LLC, Managing Member

Is in support of HB5150. Cannabis product packagers are empowered through a seamless transition into product manufacturing. Currently, the product packager license lacks critical functions such as pre-roll production and brand registration. Expanding the capabilities of the product packagers will support the growing industry and create jobs. Acquiring manufacturing capabilities can alleviate pressure on the supply chain, driving efficiency and progress by streamlining operations and ensuring compliance. They acknowledge concerns regarding market competition, but their primary objective is to establish a viable cannabis business, create employment opportunities, and contribute to the overall growth of the industry.

Connecticut Medical Cannabis Council (CMCC)

The Connecticut Medicaid Cannabis Council (CMCC) testified in support of various aspects of House Bill 5150, including revisions to THC levels, updates to DIA definitions, and permitting micro-cultivators to sell seedlings. However, they urge further discussions on provisions related to hemp producers entering the market, applicant location flexibility, and product packaging regulations. They request additional amendments, such as extending the time for finalizing agreements with social equity applicants and reducing the number of mandated warning labels on products. CMCC expresses readiness for further dialogue as the legislative session continues.

Kaitlin Comet, The Hub Regional Behavioral Health Action Organization (RBHAO), Program Manager

Ms. Comet expressed support for H.B. 5150. She emphasized the importance of appropriate packaging and labeling of cannabis products to prevent appeal to children and to ensure consumers are well-informed about dosage, potency, serving sizes, and potential risks. She advocated for clear marking of multiple-serving edible cannabis products to prevent overconsumption and highlighted the need for child-resistant packaging. Comet also called for further restrictions on advertising to prevent exposure to underage individuals and urged for proper monitoring and enforcement of these regulations to ensure safer communities. She offered her availability for any further questions and collaboration with the committee on this issue.

Katie Covett, Soulstar CT, Co-Founder

Ms. Covett expressed general support for HB 5150, highlighting its potential to improve the Social Equity program in the cannabis industry. As a Social Equity Cultivator licensee, Covett emphasized the challenges faced by income-limited groups and advocated for provisions in the bill that would address these barriers, such as permitting outdoor cultivation operations

within disproportionately impacted areas (DIAs), redefining DIAs to include tribal reservations, and allowing Social Equity licensees to partner with hemp farmers. However, Covett voiced concerns about provisions that could disadvantage Social Equity groups, including requirements for hemp farmers to give up their licenses and limitations on forming equity joint ventures. Additionally, Covett opposed Section 17, which prohibits discounting on cannabis products, arguing that such restrictions could disproportionately affect Social Equity groups. Covett also urged consideration of input from pharmacists and patients regarding the requirement for a pharmacist to be on-site. Covett concluded by urging the committee to recommend provisions of HB 5150 that promote diversity and equity in the cannabis industry.

Brian Essenter RPh, Connecticut Cannabis Company, COO

Mr. Essenter expresses support for HB 5150 with proposed changes, particularly emphasizing the need to address the shortage of inputs for manufacturers in the cannabis market, which poses a significant barrier to Social Equity license holders. Concerns are raised about the potential collapse of the entire Adult Use program if cultivators fail to produce biomass, as well as the financial strain on Social Equity businesses awaiting licensing. He supports measures to increase Social Equity participation in the industry, streamline licensing processes, and clarify regulations regarding advertising and manufactured cannabinoids. Additionally, concerns are raised about the removal of pharmacists from dispensaries, potentially compromising patient care and the reputation of Connecticut's medical cannabis program. Mr. Essenter proposes requirements for telehealth providers to have dispensary experience and undergo cannabis certification to ensure patient safety and education.

CT Cannabis Chamber of Commerce

The testimony from the Connecticut Cannabis Chamber of Commerce expresses general support for several sections of the bill, such as the definition of High-THC hemp products, enhanced access to pharmacists via telehealth, and provisions for the relocation of dispensaries and hybrid facilities. However, the Chamber recommends amendments regarding partnerships between Sec 149 Cultivators and Hemp farmers, micro-cultivation operations, and the ownership requirement for Social Equity Applicants (SEA). They propose capping hemp partnerships and micro-cultivator conversions on a first-come, first-serve basis and reducing the SEA ownership requirement from 7 years to 3 years. Additionally, the Chamber opposes the prohibition of advertising or marketing with discounted prices, arguing it would harm the industry. They look forward to further discussions in future sessions to address branding reform, packaging reform, and potency limits to maintain competitiveness with neighboring states.

Angerlyk Frytz, White Oak Apothecary LLC, COO

Ms. Frytz expresses support for Bill 5150, particularly the proposed amendments broadening the scope of authorized activities for product packagers to include those of a product manufacturer. Frytz argues that the current restrictions render the standalone product packager license unviable and unjustly burden license holders with renewal fees comparable to manufacturers without offering equivalent privileges. This limitation not only hinders the potential contributions of packagers but also threatens the vibrancy and diversity of Connecticut's cannabis industry. Frytz emphasizes the importance of this legislative amendment to ensure the viability of packaging licenses and calls for updates to the transporter license to facilitate the efficient storage and distribution of cannabis and hemp

products, as well as measures to expedite biomass supply from cultivators to support the overall health of the market.

Justin Frytz, The White Oak Bridge, CEO

Mr. Frytz advocates for critical updates to regulations governing the adult-use cannabis industry, particularly regarding transporter licenses. Frytz highlights concerns about the current limitations, such as the 24-hour hold time restriction and the restriction to same-day services, which impede the efficiency and viability of the cannabis supply chain. Frytz proposes allowing transporters to store and handle cannabis within secure facilities approved by the Department of Consumer Protection, similar to regulations in Massachusetts. This model would facilitate cost-effective shipment of products within the state and promote environmental sustainability. Frytz also expresses support for proposed measures to authorize product packagers to expand their activities and urges the committee to consider proposals to bring balance to the cultivation market. Overall, Frytz emphasizes the importance of updating the transporter language in Bill 5150 to support the growth and efficiency of Connecticut's adult-use cannabis industry.

The following citizens wrote in support of HB5150:

Ingrid Gillespie, Director of Prevention, Liberation Programs Inc

Rebecca Goetsch, President, Connecticut Hemp Industry Association

Thomas Healy

George Kingsley, Social Equity Licensee, Dutch LLC

Angelique Leeman

Kelly Marsella

Bryan Murray

Kiersten Naumann

Pete Onofrio

Chelsea Oullette

Steve Palauskas

Solmarie Santiago

Brant Smith

Jason Teal

Shirley Thomas

Chief Richard Velky

Robyn Wahl

Margaret Watt

Jeff Wentzel

Stella Johnson

NATURE AND SOURCES OF OPPOSITION:

Vincent Candelora, CT House Republican Caucus, Minority Leader

Minority Leader Candelora encourages the committee to add language to this bill to make the illegal sale of cannabis, or high-THC hemp, products from businesses not licensed as a cannabis retailer a CUTPA violation. Tobacco shops, gas stations and convenience stores across the state are selling these illegal products. There are penalties, but currently the DCP has no enforcement authority. Subjecting unlicensed businesses selling cannabis products to CUTPA would allow concerned individuals to issue a complaint with the DCP. Complaints through DCP would allow the agency to investigate the violations. Making this distinction will

allow DCP to better enforce the intent of the law while discouraging the bad actors from continuing in their current ways.

Olivia, Your CBD Store-SUNMED, Franchise Owner

Olivia opposes HB5150. The proposed THC limits could significantly impact business and hinder access to life-changing relief for customers. Because of the repercussions of last year's HB6697 and HB6699, stores are still recuperating and reconstructing. Stringent limits have inhibited the majority of hemp-derived full spectrum products. The THC limits proposed in HB5150 pose an even more severe threat by prohibiting all remaining hemp-derived full spectrum products. Olivia suggests that emulating the regulations in Minnesota in order to save some products from being eliminated.

Peter A., Your CBD Store-SUNMED, Franchise Owner

Peter opposes HB5150. He testifies that products at SUNMED/Your CBD Stores are scientifically formulated for wellness. The THC content is negligible and is not intended to make anyone high. Peter suggests making hemp products 21+ would help and allow equality for cannabis and hemp. It is contradictory to say that THC can only belong to cannabis when it is naturally found in the hemp plant as well. Humans are all born with an endocannabinoid system and this system needs to be properly maintained for homeostasis and good health. Peter is trying to make life easier, happier, and less painful for his customers. He will lose his business if the products are made less effective.

Mitchell Ancona, Ancona's Wines, Owner

Mr. Ancona opposes HB5150. His business has been around for 91 years, so this industry is a major part of his family's entire life. He points out that there has never been a legal product introduced that directly competes with beverage alcohol. Hemp based THC beverages should be looked at closely. There are certain regulations that should be implemented immediately, and others that should be analyzed and discussed further. The rise of "Dry January and "Sober October" have shown that consumers want an alternative to alcohol. Mr. Ancona's beverage alcohol sales have been declining since 2022, while alcohol free product sales have increased. He believes that THC based beverages should be treated like spirit based alcohol products. This would mean 21+ to purchase, only available in dispensaries and liquor stores, flows through the distribution system, labels registered with the state, and similar taxation.

Anonymous, Dispensary Pharmacist

Opposes Section 11 of HB5150. Aiming to make pharmacists only provide telehealth services at dispensaries undermines the work that medical professionals in the Medical Marijuana Program have accomplished. Having pharmacists on-site allows patrons to seek guidance during and outside of formal consultations. Customers depend on pharmacists to help place orders, make clinical recommendations, and answer therapeutic questions. It would be best to allow telehealth services in addition to on-site services.

Mary McCarty, Your CBD Store

Ms. McCarty opposes HB5150. She believes that restricting Delta-9 THC would be detrimental to the well-being of CT residents. Delta-9 has been widely recognized for its medicinal purposes, offering relief to individuals suffering from chronic pain, anxiety, and other conditions. Limiting access to these products will risk depriving patients a safe and

effective treatment option. By embracing a responsible approach to cannabis policy, the state can harness economic opportunities while promoting public health and safety.

Karen Anulewicz, Dispensary Pharmacist

Ms. Anulewicz opposes HB5150. She has been a pharmacist for 32 years, the last 3 years at a dispensary. Providing counseling to medical marijuana patients has been rewarding. Many patients do not have prior cannabis experience and need advice and direction. Patients have come to expect an in-person pharmacist to assist them with immediate questions. Another important role for a dispensary pharmacist is inventory management and the final verification of every medical cannabis order. This could not be done effectively virtually.

David Barton, Health CBD Store, Managing Partner

Mr. Barton opposes HB5150. He believes the proposed changes would have a detrimental impact and goes against the principles of fairness and justice. The proposed law change would infringe upon our fundamental rights and freedoms. The changes would also disproportionately impact vulnerable populations. Any law changes should be based on sound reasoning and supported by credible evidence.

Kenneth Bastian, CT Cannabis SBA Inc., Managing Director

Mr. Bastian opposes HB5150. The current language has outlawed 90% of the hemp products in his shop inventory. These regulations have stripped stores of the ability to provide full spectrum hemp products. There is now an unfair and unbalanced business landscape as larger multi-state operations are the only stores allowed to carry these products. The CCSBA has made recommendations aimed to make the hemp and cannabis landscape fair, equitable, and legal for small CBD and hemp businesses, while still addressing the loophole of some hemp products containing psychoactive properties. Mr. Bastian urges the committee to consider recommendations and protect small businesses.

Peter Bogdan, Your CBD Store Wilton, Owner

Mr. Bogdan opposes HB5150. He has owned Your CBD Store Wilton since April 2021. HB5150 would severely damage his business and deprive customers so many products that have helped them. People suffering from Parkinson's disease, insomnia, migraines, arthritis, sciatica, and many other diseases use CBD products. Health and wellness businesses like his are not trying to get people high.

Juliana Brown, Dispensary Pharmacist

Ms. Brown opposes Section 11 line 865 of HB5150. She has worked as a pharmacist for nearly 10 years, in the medical marijuana program in CT for 2 years. The physical presence of pharmacists in dispensaries is in the best interest of medical patients and is essential to ensuring that each medical patient has the best outcomes from their medical marijuana. Many patients enter the dispensary in a vulnerable state and are relieved to be able to speak with a pharmacist face to face and receive specific product and dosing recommendations. Patients who are not technologically savvy will have a worse experience if they need to use telehealth or phone appointments. There has been a huge change in the products available to medical patients. Many medical patients no longer have access to products they have been using. This causes a greater need for a pharmacist so the patients can get correct products and dosage.

Vincent Bucchieri, Pharmacist

Mr. Bucchieri opposes HB5150. He has been a dispensary pharmacist for 6+ years with experience in both medical and hybrid type facilities. There have been many changes since the introduction of adult use, but despite challenges there have been a positive outcome with medical patients. One major reason for this is being assessable to patients as much as possible. When patients were given a choice of in person and phone consultations- the majority chose in person. There is no way to guarantee quick, easy, and efficient accessibility to patients by using telehealth.

Matthew Carter, Pharmacist

Mr. Carter opposes HB5150. With experience in both traditional pharmacy settings and the cannabis industry, he highlighted potential risks to patient safety in the proposed removal of on-site pharmacist oversight in cannabis dispensaries, emphasizing the importance of pharmacist involvement in patient care. He supported the proposed telehealth consultations but urged further consideration of retaining pharmacist supervisory responsibilities. Carter also advocated for necessary changes to hemp regulations to prevent the sale of intoxicating THC-containing products without oversight. Additionally, he cautioned against added prohibitions on cannabis establishments without accompanying measures to ensure market competitiveness and consumer protection, warning against the potential for monopolistic practices. Carter emphasized the importance of thoughtful legislation for the well-being of the state and encouraged the General Law Committee to carefully consider diverse perspectives on the matter

Nick Costanza, The Cann – Botl Company, General Counsel

The Cann + Botl Company provided written testimony concerning House Bill No. 5150, expressing concerns about proposed amendments affecting low-potency THC beverages in Connecticut. They emphasized their company's role as a pioneer in the low-dose THC beverage market, highlighting their commitment to providing safe alternatives to alcohol. The testimony outlined the potential adverse impacts of proposed THC limits on beverage products, arguing that these limits lack scientific basis and could disrupt the regulated hemp beverage market. The company urged the General Law Committee to reconsider the proposed amendments and suggested alternative regulatory measures to ensure the safe distribution and consumption of low-potency THC beverages in the state.

Erin Doolittle, LMFT

Ms. Doolittle expresses deep concerns and questions about HB05150, emphasizing the need for responsible adult consumption akin to alcohol regulations. She highlights the adverse impact of recent changes in THC regulations on hemp products, causing harm to farmers and small businesses in Connecticut. She urges for a balance between regulation and consumer access, advocating for the rescue of the hemp/CBD industry from extinction through measures like micro-licenses for seedlings. Additionally, Ms. Doolittle criticizes the limitations on cannabis advertising, suggesting that Connecticut should embrace moderate advertising to destigmatize cannabis use while benefiting from tax revenue.

Keith Farrell, Still River Wellness, Creative Director

Mr. Farrell expresses concern about the paradoxical nature of Connecticut's cannabis program, highlighting the restrictions and stigma it perpetuates. He emphasizes the challenges faced by cannabis businesses in effectively promoting their products due to stringent regulations, particularly regarding advertising and discounts. Comparisons are

drawn to the treatment of alcohol, which is considered more harmful but faces fewer restrictions. Mr. Farrell argues that Connecticut must reconsider its approach to cannabis regulation to remain competitive with neighboring markets and avoid forfeiting potential revenue to states like Massachusetts.

Michael Goenough, Chairman, Connecticut Cannabis Small Business Alliance

Provided Testimony in opposition to the bill, advocating several changes which he believes are in the interest of both retailers and consumers by streamlining licensing, providing financial support for emerging businesses, and reducing barriers to entry.

Michael Honig, Co-Owner, The CBG Gurus

Provided testimony in opposition to the bill. Honig sees several problems with existing and proposed legislation, stating that they impose extreme restrictions on the ability for his business to sell their products. He provides several suggestions to improve the bill to make it more amenable to retailers such as himself, such as amending permitted THC concentrations and clarifying language surrounding edibles

The following citizens wrote in **opposition** to HB 5150:

Joseph Raymond Accettullo, Cannawarriors-NECCA

Anonymous, Curaleaf/Higher Collective

Anonymous, Your CBD Store, Customer

Anonymous, Pharmacist

Anonymous

Anonymous, Hybrid Dispensary, Employee

Scott Anonymous

Kalunda Anthony

Kevin Baez

Vanessa Bastian

Lyandre Boyd

Haley Bussey, Medical Patient

Demi Carrillo, Affinity Dispensary, Cannabis Sales Associate

Lisa Capitani, Registered Nurse

Emmanuel Castillo

Keisha Clarke

Sharon Centrone, Pharmacist

Maureen Coleman, Pharmacist

Candace Conway, RN/BSN/OCN

Dr. Linda Delessio

Darrin Dang, Affinity Dispensary, Pharmacist

Diana Davino, PharmD/RPh

Jessica Dydyn, PharmD

Daniel Dabrowski, CT CannaWarriors

Ulysses Fautner, Medical Marijuana Patient

Dashwan Genoval

Gabriela Golden

Kirk & Erin Gorman, CEO, Canna Government Strategies

Joe Grabowski, Co-Owner, Sarene Craft Beer Distributors

Christina Holms

Devin Jumper, Pharmacist

Thomas Karovsky, Dispensary Pharmacist
Jeremy Keyes, General Manager, D&G Agtek
Howard Kohlenberg, Retail Store Owner, HHS Wellness
Davin Kwon, Pharmacist, Wynn Hospital
Joe LaChance, Pharmacist, Cannabis Corner Radio
Craig Lewis, CEO, Flyers Cocktail Co.
Thomas Macre, Managing Partner, Still River Wellness
Duncan Markovich
Arthur Massolo
Kathy McCarty
Jacob McKenna
Brandon Mendes
Krista Mikkelson
Patrick Miller
Maritza Montanez
Vannesa Moreno
David Morizo
Peter N/A
Tiarra Pallett
Al Popp
Hadler Raymond
Lou Rinaldi
Christian Rohde
Anne Marie Rosado
Ken N/A
Katie Schenker
Josiah Schlee
Joshua Scji;tz
Gokul ShahPatrick Shatzer
Shawn Sheehan
Jack Sherrie
Alison Sicard
Chad Simard
Jane Smith
Kevin Sprague
Haley Steigerwald
Nicholas Stein
Camden Svec
Karen Swiatek
Meredith Taylor
Carl Tirella
James Viglione
Kevon Walker
Andreas Wener
Gordon Whelpley
Zanaiua Williams
Nicholas Woodard
Pierce Wylie
James Young

Steven Young
Ben Zachs
Uma Zakir
Laurie Zrenda
4 Anonymous
Shawn Magill

Reported by: Michael (MJ) Shannon

Date: 4/1/2024