House of Representatives

General Assembly

File No. 631

January Session, 2025

Substitute House Bill No. 7178

House of Representatives, April 9, 2025

The Committee on General Law reported through REP. LEMAR of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CANNABIS, HEMP AND TOBACCO REGULATION.

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

Section 1. (NEW) (*Effective from passage*) Notwithstanding the provisions of sections 21a-425 to 21a-425d, inclusive, of the general statutes, an infused beverage manufacturer licensed by the Commissioner of Consumer Protection pursuant to section 21a-425a of the general statutes, as amended by this act, may manufacture beverages containing total THC greater than three milligrams per container, provided such beverages are sold outside of this state in accordance with all applicable provisions of federal law and the laws of the states in which such beverages are sold. For purposes of this section, "total THC" has the same meaning as provided in section 21a-240 of the general statutes.

Sec. 2. Section 30-17 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) A wholesaler permit shall allow the bottling of alcoholic liquor and the wholesale sale of alcoholic liquor to permittees in this state and without the state, as may be permitted by law, and the sale of alcoholic liquors to vessels engaged in coastwise or foreign commerce, and the sale of alcohol and alcoholic liquor for industrial purposes to nonpermittees, such sales to be made in accordance with the regulations adopted by the Department of Consumer Protection, and the sale of alcohol and alcoholic liquor for medicinal purposes to hospitals and charitable institutions and to religious organizations for sacramental purposes and the receipt from out-of-state shippers of multiple packages of alcoholic liquor. The holder of a wholesaler permit may apply for and shall thereupon receive an out-of-state shipper's permit for direct importation from abroad of alcoholic liquors manufactured outside the United States and an out-of-state shipper's permit for direct importation from abroad of beer manufactured outside the United States. The annual fee for a wholesaler permit shall be two thousand six hundred fifty dollars.

(2) When a holder of a wholesaler permit has had the distributorship of any alcohol, beer, spirits or wine product of a manufacturer or out-of-state shipper for six months or more, such distributorship may be terminated or its geographic territory diminished upon (A) the execution of a written stipulation by the wholesaler and manufacturer or out-of-state shipper agreeing to the change and the approval of such change by the Department of Consumer Protection; or (B) the sending of a written notice by certified or registered mail, return receipt requested, by the manufacturer or out-of-state shipper to the wholesaler, a copy of which notice has been sent simultaneously to the department in a manner prescribed by the Commissioner of Consumer Protection. No such termination or diminishment shall become effective except for just and sufficient cause, provided such cause shall be set forth in such notice and the department shall determine, after hearing, that just and sufficient cause exists. If an emergency occurs, caused by the wholesaler, prior to such hearing, which threatens the manufacturers' or out-of-state shippers' products or otherwise endangers the business of the manufacturer or out-of-state shipper and

said emergency is established to the satisfaction of the department, the department may temporarily suspend such wholesaler permit or take whatever reasonable action the department deems advisable to provide for such emergency and the department may continue such temporary action until its decision after a full hearing. The department shall render its decision with reasonable promptness following such hearing. Notwithstanding the aforesaid, a manufacturer or out-of-state shipper may appoint one or more additional wholesalers as the distributor for an alcohol, spirits or wine product within such territory, provided such appointment shall not be effective until six months from the date such manufacturer or out-of-state shipper sets forth such intention in written notice to the existing wholesaler by certified or registered mail, return receipt requested, with a copy of such notice simultaneously sent to the department in a manner prescribed by the Commissioner of Consumer Protection. For just and sufficient cause, a manufacturer or out-of-state shipper may appoint one or more additional wholesalers as the distributor for a beer product within such territory provided such manufacturer or out-of-state shipper sets forth such intention and cause in written notice to the existing wholesaler by certified or registered mail, return receipt requested, with a copy of such notice simultaneously sent to the department in a manner prescribed by the Commissioner of Consumer Protection. Such written notice shall include the name of each additional wholesaler appointed as a distributor and provide a detailed description of the just and sufficient cause necessitating such appointment. For the purposes of this section, "just and sufficient cause" means the existence of circumstances which, in the opinion of a reasonable person considering all of the equities of both the wholesaler and the manufacturer or out-of-state shipper warrants a termination or a diminishment of a distributorship as the case may be. For the purposes of this section, "manufacturer or out-of-state shipper" means the manufacturer or out-of-state shipper who originally granted a distributorship of any alcohol, beer, spirits or wine product to a wholesaler, any successor to such manufacturer or out-of-state shipper, which successor has assumed the contractual relationship with such wholesaler by assignment or otherwise, or any other

manufacturer or out-of-state shipper who acquires the right to ship such alcohol, beer, spirits or wine into the state.

(3) Nothing contained in this section shall be construed to interfere with the authority of the Department of Consumer Protection to retain or adopt reasonable regulations concerning the termination or diminishment of a distributorship held by a wholesaler for less than six months.

(4) All hearings held under this section shall be held in accordance with the provisions of chapter 54.

(b) A wholesaler permit for beer shall be in all respects the same as a wholesaler permit, except that the scope of operations of the holder shall be limited to beer; but shall not prohibit the handling of nonalcoholic merchandise. The holder of a wholesaler permit for beer may apply for and shall thereupon receive an out-of-state shipper's permit for direct importation from abroad of beer manufactured outside the United States. The annual fee for a wholesaler permit for beer shall be one thousand dollars.

(c) A wholesaler permittee may offer to industry members and its own staff free samples of alcoholic liquor that it distributes for tasting on the wholesaler's premises. Any offering, tasting, wine education and tasting class demonstration held on permit premises shall be conducted only during the hours a package store is permitted to sell alcoholic liquor under section 30-91. No tasting of wine on the premises shall be offered from more than ten uncorked or open bottles at any one time. A wholesaler may offer such tastings to retail permittees not more than four times per year.

(d) Notwithstanding the provisions of subsections (a) to (c), inclusive, of this section, a wholesaler permittee may exclusively engage in the wholesale sale of infused beverages, and shall not be required to engage in the wholesale sale of alcoholic liquor in order to engage in the wholesale sale of infused beverages. As used in this subsection, "infused beverage" has the same meaning as provided in section 21a-425.

Sec. 3. Subsection (b) of section 21a-420g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(b) Except as provided in sections 21a-420o and 21a-420aa and section 13 of this act, prior to the first date that the department begins accepting applications for a license type, the department shall determine the maximum number of applications that shall be considered for such license type and post such information on its Internet web site. Fifty per cent of the maximum number of applications that shall be considered for each license type (1) shall be selected through a social equity lottery for such license type, and (2) shall be reserved by the department for social equity applicants. If, upon the close of the application period for a license type, the department receives more applications than the maximum number to be considered in total or to be reserved for social equity applicants as set forth in this subsection, a third-party lottery operator shall conduct a lottery to identify applications for review by the department and the Social Equity Council.

Sec. 4. Subsection (j) of section 21a-420g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(j) All applicants selected in the lottery and not denied shall be provided a provisional license application, which shall be submitted in a form and manner prescribed by the commissioner. Lottery applicants shall have sixty days from the date they receive their provisional application to complete the application. The right to apply for a provisional license is nontransferable. Upon receiving a provisional application from an applicant, the department shall review the application for completeness and to confirm that all information provided is acceptable and in compliance with this section and any regulations adopted under this section. If a provisional application does not meet the standards set forth in this section, the applicant shall not be provided a provisional license. A provisional license issued by the department to an applicant, **[**on or before June 30, 2023,**]** other than a

provisional license issued pursuant to section 21a-420o, shall expire twenty-four months after the date on which the department issued such provisional license and shall not be renewed. **[**A provisional license issued by the department to an applicant on or after July 1, 2023, other than a provisional license issued pursuant to section 21a-420o, shall expire after fourteen months and shall not be renewed.**]** Upon granting a provisional license, the department shall notify the applicant of the project labor agreement requirements of section 21a-421e. A provisional licensee may apply for a final license of the license type for which the licensee applied during the initial application period. A provisional license shall be nontransferable. If the provisional application does not meet the standards set forth in this section or is not completed within sixty days, the applicant shall not receive a provisional license. The decision of the department not to award a provisional license shall be final and may be appealed in accordance with section 4-183. Nothing in this section shall prevent a provisional applicant from submitting an application for a future lottery.

Sec. 5. Subsection (d) of section 21a-420j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) **[**A**]** (1) Except as provided in subdivision (2) of this subsection, a cultivator licensed under section 21a-420o, including the backer of such cultivator, shall not increase its ownership in an equity joint venture in excess of fifty per cent during the seven-year period after a license is issued by the department under this section.

(2) A cultivator licensed under section 21a-420o, including the backer of such cultivator, may increase its ownership in an equity joint venture in excess of fifty per cent, provided (A) at least three years have elapsed since a license was issued by the department under this section, and (B) the Social Equity Council has approved such increase in ownership in writing.

Sec. 6. Subsections (e) to (g), inclusive, of section 21a-420m of the general statutes are repealed and the following is substituted in lieu

thereof (*Effective from passage*):

(e) **[**A**]** (1) Except as provided in subdivision (2) of this subsection, a producer, including the backer of such producer, shall not increase its ownership in an equity joint venture in excess of fifty per cent during the seven-year period after a license is issued by the department under this section.

(2) A producer, including the backer of such producer, may increase its ownership in an equity joint venture in excess of fifty per cent, provided (A) at least three years have elapsed since a license was issued by the department under this section, and (B) the Social Equity Council has approved such increase in ownership in writing.

(f) Equity joint ventures that are retailers or hybrid retailers that share a common producer backer or owner shall not be located within twenty miles of each other.

(g) If a producer has paid a reduced conversion fee, as described in subsection (b) of section 21a-420*l*, and subsequently did not create two equity joint ventures under this section that, not later than **[**fourteen**]** twenty-four months after the Department of Consumer Protection approved the producer's license expansion application under section 21a-420*l*, each received a final license from the department, the producer shall be liable for the full conversion fee of three million dollars established in section 21a-420*l* minus such paid reduced conversion fee.

Sec. 7. Subsections (e) to (g), inclusive, of section 21a-420u of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(e) **[**A**]** (1) Except as provided in subdivision (2) of this subsection, a dispensary facility, including the backers of such dispensary facility, shall not increase its ownership in an equity joint venture in excess of fifty per cent during the seven-year period after a license is issued by the department under this section.

(2) A dispensary facility, including the backers of such dispensary

facility, may increase its ownership in an equity joint venture in excess of fifty per cent, provided (A) at least three years have elapsed since a license was issued by the department under this section, and (B) the Social Equity Council has approved such increase in ownership in writing.

(f) Equity joint ventures that are retailers or hybrid retailers that share a common dispensary facility backer or owner, or hybrid retailer backer or owner, shall not be located within twenty miles of each other.

(g) If a dispensary facility has paid the reduced conversion fee, in accordance with subsection (a) of this section, and did not subsequently create one equity joint venture under this section that, not later than **[**fourteen**]** twenty-four months after the Department of Consumer Protection approved the dispensary facility's license conversion application under section 21a-420t, receives a final license from the department, the dispensary facility shall be liable for the full conversion fee of one million dollars established in section 21a-420e, as amended by this act, minus such paid reduced conversion fee.

Sec. 8. Section 21a-421j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) As used in this section, "total THC" has the same meaning as provided in section 21a-240.

(b) The commissioner shall adopt regulations in accordance with chapter 54 to implement the provisions of RERACA. Notwithstanding the requirements of sections 4-168 to 4-172, inclusive, in order to effectuate the purposes of RERACA and protect public health and safety, prior to adopting such regulations the commissioner shall issue policies and procedures to implement the provisions of RERACA that shall have the force and effect of law. The commissioner shall post all policies and procedures on the department's Internet web site and submit such policies and procedures to the Secretary of the State for posting on the eRegulations System, at least fifteen days prior to the effective date of any policy or procedure. The commissioner shall also

provide such policies and procedures, in a manner prescribed by the commissioner, to each licensee. Any such policy or procedure shall no longer be effective upon the earlier of either the adoption of the policy or procedure as a final regulation under section 4-172 or forty-eight months from June 22, 2021, if such regulations have not been submitted to the legislative regulation review committee for consideration under section 4-170. The commissioner shall issue policies and procedures and thereafter final regulations that include, but are not limited to, the following:

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

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

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

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

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

(A) Inclusion of universal symbols to indicate that cannabis, or a cannabis product, contains THC and is not legal or safe for individuals younger than twenty-one years of age, and prescribe how such product and product packaging shall utilize and exhibit such symbols.

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

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

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

(E) Except as provided in subdivision (3) of subsection (f) of section 21a-420p, as amended by this act, child-resistant, tamper-resistant and light-resistant packaging. For the purposes of this subparagraph, packaging shall be deemed to be (i) child-resistant if the packaging satisfies the standard for special packaging established in 16 CFR 1700.1(b)(4), as amended from time to time, (ii) tamper-resistant if the packaging has at least one barrier to, or indicator of, entry that would preclude the contents of such packaging from being accessed or adulterated without indicating to a reasonable person that such packaging has been breached, and (iii) light-resistant if the packaging is entirely and uniformly opaque and protects the entirety of the contents of such packaging from the effects of light.

(F) Except as provided in subdivision (3) of subsection (f) of section 21a-420p, as amended by this act, (i) packaging for cannabis intended for multiple servings to be resealable in such a manner so as to render such packaging continuously child-resistant, as described in subparagraph (E)(i) of this subdivision, and preserve the integrity of the contents of such packaging, and (ii) if packaging for cannabis intended

for multiple servings contains any edible cannabis product, for each single standardized serving to be easily discernible and (I) individually wrapped, or (II) physically demarked and delineated as required under this subsection.

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

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

(I) A net weight statement.

(J) A recommended use by or expiration date.

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

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

(M) Chemotypes, which shall be displayed as (i) "High THC, Low CBD" where the ratio of THC to CBD is greater than five to one and the total THC percentage is at least fifteen per cent, (ii) "Moderate THC, Moderate CBD" where the ratio of THC to CBD is at least one to five but not greater than five to one and the total THC percentage is greater than five per cent but less than fifteen per cent, (iii) "Low THC, High CBD" where the ratio of THC to CBD is less than one to five and the total THC percentage is not greater than five per cent, or (iv) the chemotype described in clause (i), (ii) or (iii) of this subparagraph that most closely

fits the cannabis or cannabis product, as determined by mathematical analysis of the ratio of THC to CBD, where such cannabis or cannabis product does not fit a chemotype described in clause (i), (ii) or (iii) of this subparagraph.

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

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

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

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

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

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

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

(V) Directions for use and storage.

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

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

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

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

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

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

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

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

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

(X) All information necessary to comply with labeling requirements imposed under the laws of this state and federal law, including, but not limited to, sections 21a-91 to 21a-120, inclusive, and 21a-151 to 21a-159, inclusive, the Federal Food, Drug and Cosmetic Act, 21 USC 301 et seq.,

as amended from time to time, and the federal Fair Packaging and Labeling Act, 15 USC 1451 et seq., as amended from time to time, for similar products that do not contain cannabis.

(XI) Such additional warning labels for certain cannabis products as the commissioner may require and post on the department's Internet web site.

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

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

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

(9) Prohibiting cannabis product types that appeal to children, including, but not limited to, facsimiles of foods, beverages and other items that appeal to children.

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

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

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

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

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

(15) Permitting the outdoor cultivation of cannabis, including, but not limited to, the outdoor cultivation of cannabis at one or more locations physically removed from a cultivator's or micro-cultivator's indoor cultivation facility, provided the cultivator's or micro-cultivator's combined indoor grow space shall not, in the aggregate, exceed the maximum grow space permitted for a cultivator or micro-cultivator.

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

(17) Allowing packaging to include a picture of the cannabis product and contain a logo **[**of one cannabis establishment**]** or mark, which logo or mark may be comprised of **[**not more than three**]** colors and **[**provided

neither black nor white shall be considered one of such three colors**]** graphics.

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

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

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

(B) A cannabis establishment may emboss, deboss or similarly print **[**the**]** a name **[**of the cannabis establishment's business entity, and one logo with not more than three colors,**]** or other identifying mark on a delivery device cartridge.

[(21)**]** (19) Prescribing signage to be prominently displayed at dispensary facilities, retailers and hybrid retailers disclosing (A) possible health risks related to mold, and (B) the use and possible health risks related to the use of mold remediation techniques.

Sec. 9. Subsection (b) of section 21a-421k of the general statutes is

repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) Notwithstanding the requirements of sections 4-168 to 4-172, inclusive, in order to effectuate the purposes of RERACA and protect public health and safety, prior to adopting such regulations the commissioner shall implement policies and procedures to implement the provisions of RERACA that shall have the force and effect of law. The commissioner shall post all such policies and procedures on the department's Internet web site and submit such policies and procedures to the Secretary of the State for posting on the eRegulations System, at least fifteen days prior to the effective date of any policy or procedure. Any such policies and procedures shall no longer be effective upon the earlier of either adoption of such policies and procedures as a final regulation under section 4-172 or **[**forty-eight**]** sixty months from June 22, 2021, if such regulations have not been submitted to the legislative regulation review committee for consideration under section 4-170.

Sec. 10. Section 21a-421*l* of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Each cannabis establishment shall establish, maintain and comply with written policies and procedures for the cultivation, processing, manufacture, security, storage, inventory and distribution of cannabis, as applicable to the specific license type. Such policies and procedures shall include methods for identifying, recording and reporting diversion, theft or loss, and for correcting all errors and inaccuracies in inventories. Cannabis establishments shall include in their written policies and procedures a process for each of the following, if the establishment engages in such activity:

(1) Handling mandatory and voluntary recalls of cannabis. Such process shall be adequate to deal with recalls due to any order of the commissioner and any voluntary action by the cannabis establishment to remove defective or potentially defective cannabis from the market or any action undertaken to promote public health and safety by replacing existing cannabis with improved products or packaging;

(2) Preparing for, protecting against and handling any crisis that affects the security or operation of any facility used in the operation of a cannabis establishment in the event of a strike, fire, flood or other natural disaster, or other situations of local, state or national emergency;

(3) Ensuring that any outdated, damaged, deteriorated, misbranded or adulterated cannabis is segregated from all other inventory and destroyed. Such procedure shall provide for written documentation of the cannabis disposition; and

(4) Ensuring the oldest stock of a cannabis is sold, delivered or dispensed first. Such procedure may permit deviation from this requirement, if such deviation is temporary and approved by the commissioner.

(b) A cannabis establishment shall (1) store all cannabis in such a manner as to prevent diversion, theft or loss, (2) make cannabis accessible only to the minimum number of specifically authorized employees essential for efficient operation, and (3) return any cannabis to a secure location at the end of the scheduled business day. For the purposes of this subsection, a location shall be deemed to be secure if the location satisfies the requirements imposed in subsection (b) of section 21a-262-4 of the regulations of Connecticut state agencies for controlled substances listed in schedules III, IV and V of the Connecticut controlled substance scheduling regulations adopted pursuant to section 21a-243.

(c) Notwithstanding any provision of this chapter, no cannabis establishment shall be required to report to the department any suspected diversion, theft or loss of cannabis until the cannabis establishment has completed an investigation of such suspected diversion, theft or loss, provided the value of the cannabis that the cannabis establishment suspects has been diverted, stolen or lost does not exceed five hundred dollars.

Sec. 11. Subsection (x) of section 22-61m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from*

passage):

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

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

(A) The name of such product;

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

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

(D) The concentration of cannabinoids present in such product, including, but not limited to, total THC and any cannabinoids or active ingredients comprising at least one per cent of such product;

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

(3) A clear and conspicuous statement disclosing that:

(A) **[**Children, or those**]** Those who are pregnant or breastfeeding **[**,**]** should avoid using such product prior to consulting with a health care professional concerning such product's safety;

(B) Products containing cannabinoids should be kept out of reach of children; and

(C) The federal Food and Drug Administration has not evaluated such product for safety or efficacy; and

(4) If such product is intended to be inhaled, a clear and conspicuous warning statement disclosing that smoking or vaporizing is hazardous

to human health.

Sec. 12. Subdivision (1) of section 21a-420 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(1) "Responsible and Equitable Regulation of Adult-Use Cannabis Act" or "RERACA" means this section, sections 2-56j, 7-294kk, 7-294*ll*, 12-330*ll* to 12-330nn, inclusive, 14-227p, 21a-278b, 21a-278c, 21a-279c, 21a-279d, 21a-420a to 21a-420j, inclusive, as amended by this act, 21a-420*l* to 21a-421r, inclusive, 21a-421aa to 21a-421ff, inclusive, 21a-421aaa to 21a-421hhh, inclusive, 21a-422 to 21a-422c, inclusive, 21a-422e to 21a-422g, inclusive, 21a-422j to 21a-422s, inclusive, 22-61n, 23-4b, 47a-9a, 53-247a, 53a-213a, 53a-213b, 54-33p, 54-56q, 54-56r, 54-125k and 54-142u, sections 23, 60, 63 to 65, inclusive, 124, 144 and 165 of public act 21-1 of the June special session, and the amendments in public act 21-1 of the June special session to sections 7-148, 10-221, 12-30a, 12-35b, 12-412, 12-650, 12-704d, 14-44k, 14-111e, 14-227a to 14-227c, inclusive, 14-227j, 15-140q, 15-140r, 18-100h, 19a-342, 19a-342a, 21a-267, 21a-277, 21a-279, 21a-279a, 21a-408 to 21a-408f, inclusive, 21a-408h to 21a-408p, inclusive, 21a-408r to 21a-408w, inclusive, 21a-420aa, 21a-421s, 30-89a, 31-40q, 32-39, 46b-120, 51-164n, 53-394, 53a-39c, 54-1m, 54-33g, 54-41b, 54-56e, 54-56g, 54-56i, 54-56k, 54-56n, 54-63d, 54-66a and 54-142e, section 20 of public act 23-79 and section 13 of this act;

Sec. 13. (NEW) (*Effective July 1, 2025*) (a) During the period beginning July 1, 2025, and ending December 31, 2026, the department shall issue a cultivator license or micro-cultivator license to a social equity applicant:

(1) If prior to July 1, 2025, the social equity applicant submitted to the department a completed cultivator license application pursuant to subsection (a) of section 21a-420o of the general statutes, and:

(A) The Social Equity Council verified, pursuant to subdivision (1) of subsection (a) of section 21a-420o of the general statutes, that the applicant met the criteria established for a social equity applicant; or

(B) The department issued a provisional cultivator license, but not a final cultivator license, to the social equity applicant pursuant to section 21a-420o of the general statutes;

(2) If during the period beginning July 1, 2025, and ending March 31, 2026, the social equity applicant submits to the department, in a form and manner prescribed by the commissioner:

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

(B) A copy of an agreement, between the social equity applicant and a hemp producer that has been continually licensed under section 22-61*l* of the general statutes since January 1, 2024, which provides:

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

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

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

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

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

(i) Such provisional cultivator license or provisional micro-cultivator license shall immediately be deemed to have automatically replaced both the provisional cultivator license application the social equity applicant submitted and any provisional cultivator license the department issued to the social equity applicant pursuant to subsection (a) of section 21a-420o of the general statutes, and such previously submitted provisional cultivator license application and previously issued cultivator license shall immediately be deemed to have been automatically withdrawn or surrendered, as applicable; and

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

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

(E) Evidence that is sufficient for the department to verify that the hemp producer which is a party to the agreement described in subparagraph (B) of this subdivision has been continually licensed under section 22-61*l* of the general statutes since January 1, 2024;

(F) A written statement by the social equity applicant disclosing whether any change occurred in the ownership or control of the social

equity applicant after the Social Equity Council verified that the social equity applicant met the criteria for a social equity applicant pursuant to subdivision (1) of subsection (a) of section 21a-420o of the general statutes; and

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

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

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

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

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

(5) If all hemp, as defined in section 22-61*l* of the general statutes, has been harvested from the cultivation lot described in subparagraph (B)(i) of subdivision (2) of this subsection.

(b) (1) A social equity applicant seeking a cultivator license under this section shall submit to the department a three-million-dollar application fee unless the social equity applicant has (A) received a provisional

cultivator license under subsection (a) of section 21a-420o of the general statutes, and (B) paid the fee required under subdivision (3) of subsection (a) of section 21a-420o of the general statutes.

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

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

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

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

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

(d) All harvested hemp described in subdivision (5) of subsection (a) of this section shall continue to be deemed hemp until the department issues a final cultivator license or final micro-cultivator license to the

social equity applicant pursuant to this section. After the department issues a final cultivator license or final micro-cultivator license to the social equity applicant pursuant to this section, such harvested hemp shall be deemed to be cannabis and shall be subject to all cannabis cultivation, testing, labeling, tracking, reporting and manufacturing provisions of RERACA as such provisions apply to cultivators and micro-cultivators. For the purposes of this subsection, "hemp" has the same meaning as provided in section 22-61*l* of the general statutes.

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

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

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

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

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

Sec. 14. Section 21a-420p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

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

(b) A micro-cultivator is authorized to cultivate, grow, propagate, manufacture and package the cannabis plant at an establishment containing not less than two thousand square feet and not more than ten thousand square feet of grow space, prior to any expansion authorized by the commissioner, provided such micro-cultivator complies with the provisions of any regulations adopted under section 21a-420q concerning grow space. A micro-cultivator business shall meet physical security controls set forth and required by the commissioner.

(c) A micro-cultivator may apply for expansion of its grow space, in increments of five thousand square feet, on an annual basis, from the date of initial licensure, if such licensee is not subject to any pending or final administrative actions or judicial findings. If there are any pending or final administrative actions or judicial findings against the licensee, the department shall conduct a suitability review to determine whether such expansion shall be granted, which determination shall be final and appealable only to the Superior Court. The micro-cultivator may apply for an expansion of its business annually upon renewal of its credential until such licensee reaches a maximum of twenty-five thousand square feet of grow space. If a micro-cultivator desires to expand beyond twenty-five thousand square feet of grow space, the micro-cultivator licensee may apply for a cultivator license one year after its last expansion request. The micro-cultivator licensee shall not be required to apply through the lottery application process to convert its license to a cultivator license. If a micro-cultivator maintains its license and meets all of the application and licensure requirements for a cultivator license, including payment of the cultivator license fee established under section

21a-420e, as amended by this act, the micro-cultivator licensee shall be granted a cultivator license.

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

(e) A micro-cultivator may sell, transfer or transport its cannabis to a dispensary facility, hybrid retailer, retailer, delivery service, food and beverage manufacturer, product manufacturer, research program, cannabis testing laboratory or product packager, provided the cannabis is cultivated, grown and propagated at the micro-cultivator's licensed establishment and transported utilizing the micro-cultivator's own employees or a transporter. A micro-cultivator shall not gift or transfer cannabis or cannabis products at no cost to a consumer as part of a commercial transaction.

(f) (1) **[**Subject to the requirements of this subsection and subsection (b) of section 21a-420c, a**]** A micro-cultivator may sell **[**its own**]** cannabis **[**, including, but not limited to, its own cannabis seedlings,**]** seedlings cultivated at its micro-cultivator establishment directly to consumers, excluding qualifying patients and caregivers, solely through delivery by either utilizing a delivery service or its own employees, subject to the requirements of subsection (b) of section 21a-420c. No cannabis establishment other than a micro-cultivator shall sell cannabis seedlings to consumers, and no cannabis establishment other than a delivery service or a micro-cultivator utilizing its own employees shall deliver cannabis seedlings cultivated and sold by a micro-cultivator to consumers.

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

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

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

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

(i) The name of the micro-cultivator;

(ii) A product description for the cannabis seedling;

(iii) One of the following chemotypes anticipated after flowering: (I) "High THC, Low CBD"; (II) "Low THC, High CBD"; or (III) "50/50 THC and CBD";

(iv) The results of the testing required under subparagraph (B)(iii) of this subdivision;

(v) Directions for optimal care of the cannabis seedling;

(vi) Unobscured symbols, in a size of not less than one-half inch by one-half inch and in a format approved by the commissioner, which symbols shall indicate that the cannabis seedling contains THC and is not legal or safe for individuals younger than twenty-one years of age; and

(vii) A unique identifier generated by a cannabis analytic tracking system maintained by the department and used to track cannabis under the policies and procedures issued, and final regulations adopted, by the commissioner pursuant to section 21a-421j, as amended by this act.

(3) Notwithstanding section 21a-421j, as amended by this act, no cannabis seedling shall be required to be sold in child-resistant packaging.

(4) No micro-cultivator shall knowingly sell more than three cannabis seedlings to a consumer in any six-month period.

(5) No micro-cultivator shall accept any returned cannabis seedling.

(g) (1) A micro-cultivator that has obtained a final license from the department pursuant to this section and maintains an exclusively indoor grow facility may submit an application to the department, in a form and manner prescribed by the commissioner, for a retailer or hybrid retailer endorsement to such final license under this subsection. Such endorsement, if issued, shall authorize the micro-cultivator to operate a retailer or hybrid retailer pursuant to this subsection. An applicant micro-cultivator shall submit a complete application for an endorsement under this subsection, along with the endorsement application fee, to the department not later than one year after the date on which the applicant micro-cultivator obtained a final micro-cultivator license from the department pursuant to this section or June 30, 2026, whichever is later. The department shall not accept an application submitted pursuant to this subsection after such time period has expired. The amount of the application fee for an endorsement under this subsection shall be the same as the fee imposed to receive a final retailer license or a final hybrid retailer license set forth in subsections (c) and (d) of section 21a-420e, as amended by this act. The annual renewal fee for an endorsement issued under this subsection shall be the same as the renewal fee for a final retailer license or a final hybrid retailer license set forth in subsections (c) and (d) of section 21a-420e, as amended by this act.

(2) The department shall issue an endorsement to a micro-cultivator pursuant to this subsection if the micro-cultivator:

(A) Submits a timely and complete endorsement application to the department, in the form and manner prescribed by the commissioner;

(B) Attests that the retailer or hybrid retailer created pursuant to the endorsement shall be operated in compliance with all requirements established in this chapter for a licensed retailer or a licensed hybrid retailer; and

(C) Acknowledges and attests that such micro-cultivator shall not engage in any outdoor cultivation of cannabis.

(3) Each micro-cultivator that is issued an endorsement under this subsection shall have twenty-four months from the date such endorsement is issued to (A) satisfy the requirements established in section 21a-420g, as amended by this act, for a retailer or hybrid retailer that has been issued a final license, and (B) seek and obtain a written statement from the department, in a form and manner prescribed by the commissioner, confirming that such micro-cultivator satisfies such requirements and is authorized to engage in the activities of a retailer or hybrid retailer.

(4) An endorsement issued pursuant to this subsection shall expire and shall not be eligible for reapplication or renewal if the micro-cultivator (A) fails to satisfy the requirements established in subdivision (3) of this subsection, or (B) allows such endorsement to lapse.

(5) The facility of a retailer or hybrid retailer established pursuant to an endorsement issued pursuant to this subsection shall be located (A) on the same premises as the micro-cultivator, or (B) on a tract of land or parcel that abuts such premises, provided such abutting tract of land or parcel is located within one hundred feet of such premises measured from the point on such tract of land or parcel that is closest to such premises.

(6) Upon receipt of a written statement from the department as set forth in subparagraph (B) of subdivision (3) of this subsection, the micro-cultivator shall:

(A) Be authorized to sell cannabis (i) to consumers only if such cannabis is cultivated indoors by the micro-cultivator, and (ii) in the case

of a hybrid retailer endorsement, to consumers, qualifying patients and caregivers;

(B) Acknowledge and agree that such micro-cultivator is not eligible to expand to a cultivator license, as provided in section 21a-420p, as amended by this act; and

(C) Maintain the retailer's or hybrid-retailer's activities and facility in accordance with the requirements established in this chapter, chapter 420f and the regulations, policies and procedures adopted or issued pursuant to said chapters, as applicable.

(7) A micro-cultivator that is issued an endorsement under this subsection may sell cannabis cultivated by the micro-cultivator directly to consumers by utilizing a delivery service or its own employees, subject to the provisions of subsection (b) of section 21a-420c, provided such micro-cultivator shall exclusively sell cannabis cultivated by such micro-cultivator.

(8) Notwithstanding the provisions of this section, a micro-cultivator with an active endorsement issued under this subsection shall not exceed twenty-five thousand square feet of grow space and shall not be eligible to convert to a cultivator unless the micro-cultivator permanently surrenders such endorsement and ceases all retailer and hybrid retailer activities at the cannabis establishment.

(9) An endorsement issued under this subsection shall not impact any right a micro-cultivator may have to create an equity joint venture.

Sec. 15. Subsection (c) of section 21a-420e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

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

(1) For a retailer license, the fee to enter the lottery shall be five hundred dollars, the fee to receive a provisional license shall be five

thousand dollars and the fee to receive a final license or a renewal of a final license shall be twenty-five thousand dollars.

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

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

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

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

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

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

(B) For a food and beverage manufacturer seeking authorization to

expand the food and beverage manufacturer's authorized activities to include the authorized activities of a product manufacturer, the application fee for such expanded authorization shall be twenty-five thousand dollars and the fee to renew such expanded authorization shall be twenty-five thousand dollars. The fees due under this subparagraph shall be in addition to the fees due under subparagraph (A) of this subdivision.

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

(B) For a product packager seeking authorization to expand the product packager's authorized activities to include the authorized activities of a product manufacturer, the application fee for such expanded authorization shall be thirty thousand dollars and the fee to renew such expanded authorization shall be twenty-five thousand dollars. The **[**fees**]** renewal fee due under this subparagraph shall be in lieu of the **[**fees**]** renewal fee due under subparagraph (A) of this subdivision.

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

(B) For a transporter seeking authorization to expand the transporter's authorized activities to include the authorized activities of a product packager, the application fee for such expanded authorization shall be twenty-five thousand dollars, and the fee to renew such expanded authorization shall be twenty-five thousand dollars. The renewal fee due under this subparagraph shall be in lieu of the renewal fee due under subparagraph (A) of this subdivision. In the event a transporter elects to cease the authorized activities of a product packager, such transporter shall notify the department in writing prior

to reverting to the authorized activities of a transporter. Such transporter shall remain authorized to perform the authorized activities of a product packager until the end of the license period in which such written notice was provided.

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

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

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

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

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

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

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

Sec. 16. Section 21a-420z of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) On and after July 1, 2021, the department may issue or renew a license for a person to be a delivery service or a transporter. No person may act as a delivery service or transporter or represent that such person

is a licensed delivery service or transporter unless such person has obtained a license from the department pursuant to this section.

(b) Upon application for a delivery service or transporter license, the applicant shall indicate whether the applicant is applying to transport cannabis (1) between cannabis establishments, in which case the applicant shall apply for a transporter license, or (2) from certain cannabis establishments to consumers or qualifying patients and caregivers, or a combination thereof, in which case the applicant shall apply for a delivery service license.

(c) A delivery service may (1) deliver cannabis from a micro-cultivator, retailer, or hybrid retailer directly to a consumer, and (2) deliver cannabis and medical marijuana products from a hybrid retailer or dispensary facility directly to a qualifying patient, caregiver, or hospice or other inpatient care facility licensed by the Department of Public Health pursuant to chapter 368v that has protocols for the handling and distribution of cannabis that have been approved by the Department of Consumer Protection. A delivery service may not store or maintain control of cannabis or medical marijuana products for more than twenty-four hours between the point when a consumer, qualifying patient, caregiver or facility places an order, until the time that the cannabis or medical marijuana product is delivered to such consumer, qualifying patient, caregiver or facility.

(d) A transporter may deliver cannabis between cannabis establishments, research programs and cannabis testing laboratories and shall not store or maintain control of cannabis for more than twenty-four hours from the time the transporter obtains the cannabis from a cannabis establishment, research program or cannabis testing laboratory until the time such cannabis is delivered to the destination.

(e) The commissioner shall adopt regulations, in accordance with chapter 54, to implement the provisions of RERACA. Notwithstanding the requirements of sections 4-168 to 4-172, inclusive, in order to effectuate the purposes of RERACA and protect public health and safety, prior to adopting such regulations the commissioner shall issue

policies and procedures to implement the provisions of this section that shall have the force and effect of law. The commissioner shall post all policies and procedures on the department's Internet web site, and submit such policies and procedures to the Secretary of the State for posting on the eRegulations System, at least fifteen days prior to the effective date of any policy or procedure. Any such policy or procedure shall no longer be effective upon the earlier of either adoption of such policy or procedure as a final regulation under section 4-172 or forty-eight months from July 1, 2021, if such final regulations have not been submitted to the legislative regulation review committee for consideration under section 4-170. The commissioner shall issue policies and procedures, and thereafter adopt final regulations, requiring that: (1) The delivery service and transporter meet certain security requirements related to the storage, handling and transport of cannabis, the vehicles employed, the conduct of employees and agents, and the documentation that shall be maintained by the delivery service, transporter and its drivers; (2) a delivery service that delivers cannabis to consumers maintain an online interface that verifies the age of consumers ordering cannabis for delivery and meets certain specifications and data security standards; and (3) a delivery service that delivers cannabis to consumers, qualifying patients or caregivers, and all employees and agents of such licensee, to verify the identity of the qualifying patient, caregiver or consumer and the age of the consumer upon delivery of cannabis to the end consumer, qualifying patient or caregiver, in a manner acceptable to the commissioner. The individual placing the cannabis order shall be the individual accepting delivery of the cannabis except, in the case of a qualifying patient, the individual accepting the delivery may be the caregiver of such qualifying patient.

(f) A delivery service shall not gift or transfer cannabis at no cost to a consumer or qualifying patient or caregiver as part of a commercial transaction.

(g) A delivery service that employs twelve or more individuals to deliver cannabis pursuant to subsection (c) of this section may only use individuals employed on a full-time basis, not less than thirty-five hours

a week, to deliver cannabis pursuant to subsection (c) of this section. Any delivery service employees who deliver cannabis shall be registered with the department, and a delivery service shall not employ more than twenty-five such delivery employees at any given time.

(h) No provision of this section shall be construed to excuse any delivery service from the requirement that such delivery service enter into a labor peace agreement with a bona fide labor organization under section 21a-421d.

(i) (1) A transporter may expand the transporter's authorized activities to include the authorized activities of a product packager if: (A) The transporter submits to the department (i) a completed license expansion application on a form and in a manner prescribed by the commissioner, and (ii) the fee prescribed in subparagraph (B) of subdivision (8) of subsection (c) of section 21a-420e, as amended by this act; and (B) the commissioner authorizes the transporter, in writing, to expand such transporter's authorized activities to include the authorized activities of a product packager.

(2) A transporter that expands the transporter's authorized activities to include the authorized activities of a product packager under this subsection shall comply with all provisions of this chapter, and all regulations, policies and procedures prescribed pursuant to this chapter, concerning product packagers. In the event of a conflict between any provision of this chapter, or any regulation, policy or procedure prescribed pursuant to this chapter, concerning transporters and any such provision, regulation, policy or procedure concerning product packagers, the provision, regulation, policy or procedure imposing the more stringent public health and safety standard shall prevail.

Sec. 17. Section 21a-422f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) As used in this section, "municipality" means any town, city or borough, consolidated town and city or consolidated town and

borough, and a district establishing a zoning commission under section 7-326.

(b) Any municipality may, by amendment to such municipality's zoning regulations or by local ordinance, (1) prohibit the establishment of a cannabis establishment, (2) except as provided in subsection (f) of this section, establish reasonable restrictions regarding the hours and signage within the limits of such municipality, or (3) establish restrictions on the proximity of cannabis establishments to any of the establishments listed in subdivision (1) of subsection (a) of section 30-46. The chief zoning official of a municipality shall report, in writing, any zoning changes adopted by the municipality regarding cannabis establishments pursuant to this subsection to the Secretary of the Office of Policy and Management and to the department not later than fourteen days after the adoption of such changes.

(c) Unless otherwise provided for by a municipality through its zoning regulations or ordinances, a cannabis establishment shall be zoned as if for any other similar use, other than a cannabis establishment, would be zoned.

(d) Any restriction regarding hours, zoning and signage of a cannabis establishment adopted by a municipality shall not apply to an existing cannabis establishment located in such municipality if such cannabis establishment does not convert to a different license type, for a period of five years after the adoption of such prohibition or restriction.

(e) For purposes of ensuring compliance with this section, a special permit or other affirmative approval shall be required for any retailer or micro-cultivator seeking to be located within a municipality. When awarding final licenses for a retailer or micro-cultivator, the Department of Consumer Protection may assume that, if an applicant for such final license has obtained zoning approval, the approval of a final license for such applicant shall not result in a violation of this section or any municipal restrictions on the number or density of cannabis establishments.

(f) No retailer or hybrid retailer shall engage in any direct or indirect retail sale of cannabis (1) on Sunday before ten o'clock a.m. or after six o'clock p.m., or (2) on any day other than Sunday before eight o'clock a.m. or after ten o'clock p.m.

Sec. 18. Subsection (e) of section 21a-425a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(e) (1) **[**Beginning on October 1, 2024, no**]** No infused beverage that is sold or offered for sale in this state shall include (A) any additive that (i) is psychotropic, or (ii) could increase the potency, toxicity or addictive properties of the infused beverage, including, but not limited to, caffeine other than caffeine naturally occurring in chocolate, or (B) total THC that exceeds three milligrams per container.

(2) (A) **[**Beginning on October 1, 2024, each**]** Each lot of an infused beverage in final form shall be tested by a cannabis testing laboratory. A statistically significant number of samples shall be collected from such lot and submitted to the cannabis testing laboratory for final product testing in a manner approved by the Department of Consumer Protection. Such sampling and final product testing shall be conducted by using a representative sample of such lot and by collecting a minimum number of sample increments relative to the size of such lot.

(B) **[**Beginning on October 1, 2024, no**]** No infused beverage shall be sold or offered for sale in this state unless the infused beverage meets (i) the laboratory testing standards for cannabis established in, and any regulations, policies and procedures adopted or issued pursuant to, section 21a-421j, as amended by this act, or (ii) such other testing standards as may be approved by the Department of Consumer Protection and posted on the department's Internet web site.

(3) **[**Beginning on October 1, 2024, no**]** No infused beverage sold or offered for sale in this state shall be packaged, labeled or advertised in any manner that is likely to mislead an individual by incorporating any statement, brand, design, representation, picture, illustration or other

depiction that:

(A) Bears a reasonable resemblance to trademarked or characteristic packaging of (i) cannabis offered for sale (I) in this state by a cannabis establishment licensed in this state, or (II) on tribal land by a tribal-credentialed cannabis entity, or (ii) a commercially available product other than a cannabis product; or

(B) Appeals to individuals who are younger than twenty-one years of age by, among other things, (i) making use of any spokesperson or celebrity who appeals to such individuals, (ii) depicting any individual who is younger than twenty-five years of age consuming cannabis or an infused beverage, (iii) including any object, such as a toy, character or cartoon character, which suggests the presence of any individual who is younger than twenty-one years of age, or (iv) making use of any other method that is designed to appeal to any individual who is younger than twenty-one years of age.

(4) **[**Beginning on October 1, 2024, each**]** Each infused beverage container sold or offered for sale in this state shall prominently display (A) a symbol **[**, in a size of not less than one-half inch by one-half inch and in a format approved by the Commissioner of Consumer Protection, that indicates**]** in accordance with American Society of Testing and Materials or "ASTM" standard D8441/D8441M-22, and (B) a label indicating that such infused beverage is not legal or safe for individuals younger than twenty-one years of age.

Sec. 19. Subsections (a) to (c), inclusive, of section 12-287 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) Each person engaging in, or intending to engage in, the business of selling cigarettes in this state as a dealer, and each person engaging in or intending to engage in, the business of selling taxed tobacco products at retail, shall secure a dealer's license from the Commissioner of Revenue Services before engaging in such business or continuing to engage therein. The department shall not issue an initial license to an

applicant until such applicant has complied with the provisions of subsection (b) of this section. Subject to the provisions of section 12-286, such license shall be renewable annually, provided that prior to renewal the commissioner shall consider and respond to any comments received pursuant to section 12-287a, as amended by this act.

(b) (1) Upon filing an application, an applicant shall, in a form and manner prescribed by the department, give notice of such application to the clerk of the municipality where the business is to be located. Such notice shall contain the name and residential address of the applicant and the location of the place of business for which such license is to be issued. Upon receipt of such notice, the clerk shall post and maintain such notice on the Internet web site of the municipality for at least two weeks.

(2) Not later than the day following the date an applicant provides notice pursuant to subdivision (1) of this subsection, the applicant shall affix a copy of such notice, which shall be maintained in a legible condition, upon the outer door of the building wherein such place of business is to be located. If an application is filed for a license for a building that has not yet been constructed, the applicant shall, not later than the day following the date an applicant provides notice pursuant to subdivision (1) of this subsection, erect and maintain in a legible condition on the site where the business is to be located, a sign that (A) is not less than six feet by four feet, (B) contains the license applied for and the name of the proposed licensee, and (C) is clearly visible from the public highway.

(3) An applicant shall make a return to the department, under oath, of compliance with the requirements of subdivisions (1) and (2) of this subsection, in such form as the department may require. The department may require additional proof of compliance. Upon receipt of sufficient evidence of such compliance, the department **[**may**]** shall hold a hearing as to the suitability of the proposed location.

(c) (1) Any ten persons who are at least eighteen years of age and who are residents of the town in which the place of business is intended to

be operated under the license or renewal applied for, may file with the department, not later than three weeks after the last date of the posting of notice pursuant to subdivision (1) of subsection (b) of this section for an initial license, and, in the case of renewal of an existing license, at least twenty-one days before the renewal date of such license, a remonstrance containing any objection to the suitability of such applicant or proposed place of business. **[**, provided any such issue is not controlled by local zoning.**]** Upon the filing of such remonstrance, the department, upon written application, shall hold a hearing and provide such notice as it deems reasonable of the time and place at least five days before such hearing. The remonstrants shall designate one or more agents for service, who shall serve as the recipient or recipients of all notices issued by the department. At any time prior to the issuance of a decision by the department, a remonstrance may be withdrawn by the remonstrants or by such agent or agents acting on behalf of such remonstrants and the department may cancel the hearing or withdraw the case. The decision of the department on such application shall be final with respect to the remonstrance.

(2) Any ten persons who have filed a remonstrance pursuant to the provisions of subdivision (1) of this subsection and who are aggrieved by the granting of a license by the department may appeal therefrom in accordance with section 4-183.

Sec. 20. Section 12-287a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

A municipality may adopt an ordinance requiring that each person who files an application to renew a license pursuant to section 12-287, as amended by this act, shall simultaneously give written notice of such renewal application to the chief law enforcement official, or such chief law enforcement official's designee, of the town in which any place of business to be operated under such license is located. Such chief law enforcement official, or such chief law enforcement official's designee, **[**may**]** shall respond in writing, not later than fifteen days after receipt of such notice, to the Commissioner of Revenue Services, with

comments regarding the renewal application that is the subject of such notice. **[**The**]** Prior to approving or denying such application, the commissioner shall (1) consider any written comments offered by such chief law enforcement official, or such chief law enforcement official's designee, **[**prior to approving such application**]** and (2) send a written response to such chief law enforcement official, or such chief law enforcement official's designee, providing a detailed response to such written comments.

Sec. 21. (*Effective from passage*) (a) There is established a task force to study, and make recommendations concerning, the laboratory testing standards established for cannabis and cannabis products in this state. Such study shall include, but need not be limited to, an examination of (1) such standards to ensure that such standards account for the inherent heterogeneity of cannabis and cannabis products, and (2) the feasibility of (A) substituting intermediate batch testing for final form testing in accordance with best practices in the cannabis industry, (B) modifying stability testing requirements to account for anticipated variances, (C) modifying testing requirements concerning chromium and aspergillus, and (D) clarifying the state's out-of-specification policy to prohibit the unnecessary destruction of usable biomass.

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

(1) One appointed by the House chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection;

(2) One appointed by the Senate chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection;

(3) One appointed by the House ranking member of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection; and

(4) One appointed by the Senate ranking member of the joint standing

committee of the General Assembly having cognizance of matters relating to consumer protection.

(c) Any member of the task force appointed under subdivision (1), (2), (3) or (4) of subsection (b) of this section may be a member of the General Assembly.

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

(e) The House and Senate chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection shall select the chairpersons of the task force from among the members of the task force. The chairpersons of the task force shall schedule the first meeting of the task force, which shall be held not later than sixty days after the effective date of this section.

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

(g) Not later than January 15, 2026, the task force shall submit a report on its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection, in accordance with the provisions of section 11-4a of the general statutes. The task force shall terminate on the date that it submits such report or January 15, 2026, whichever is later.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage*	New section
Sec. 2	*from passage*	30-17
Sec. 3	*July 1, 2025*	21a-420g(b)
Sec. 4	*from passage*	21a-420g(j)
Sec. 5	*from passage*	21a-420j(d)
Sec. 6	*from passage*	21a-420m(e) to (g)

Sec. 7	*from passage*	21a-420u(e) to (g)
Sec. 8	*October 1, 2025*	21a-421j
Sec. 9	*from passage*	21a-421k(b)
Sec. 10	*from passage*	21a-421*l*
Sec. 11	*from passage*	22-61m(x)
Sec. 12	*from passage*	21a-420(1)
Sec. 13	*July 1, 2025*	New section
Sec. 14	*July 1, 2025*	21a-420p
Sec. 15	*July 1, 2025*	21a-420e(c)
Sec. 16	*July 1, 2025*	21a-420z
Sec. 17	*July 1, 2025*	21a-422f
Sec. 18	*July 1, 2025*	21a-425a(e)
Sec. 19	*July 1, 2025*	12-287(a) to (c)
Sec. 20	*July 1, 2025*	12-287a
Sec. 21	*from passage*	New section

Statement of Legislative Commissioners:
In Section 14(f)(1), "such micro-cultivator establishment" was changed to "its micro-cultivator establishment" for clarity.

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 26 $	FY 27 $
Consumer Protection, Dept.	GF - Cost	329,000	322,000
State Comptroller - Fringe Benefits[1]	GF - Cost	124,588	124,588
Department of Revenue Services	GF - Potential Cost	170,000	170,000
State Comptroller - Fringe Benefits[2]	GF - Potential Cost	69,207	69,207
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

Municipal Impact: None

Explanation

The bill makes various changes to cannabis, hemp, and tobacco statutes resulting in the fiscal impact described below.

Section 1, 13, 17 allow infused beverages for out of state sale, allow certain social equity applicants to partner with hemp producers to cultivate cannabis, and limits the hours of retail cannabis stores resulting in a cost to the state. To meet the requirements of these

[1]The 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 40.71% of payroll in FY 26.

[2]The 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 40.71% of payroll in FY 26.

sections the Department of Consumer Protection (DCP) will need to hire three additional employees for a salary and other expenses cost of $329,000 in FY 26 and $322,000 in FY 27, along with annual associated fringe benefit costs of $124,588. The new employees are needed to: 1) help conduct inspections which will become more complicated and time consuming due to the manufacturing of out-of-state products with higher THC content, 2) regulate and inspect hemp farmers who can partner with social equity applicants, and 3) regulate and enforce the hours of operation for cannabis retail stores.

Section 2 allows liquor wholesalers to only wholesale infused beverages without having to wholesale liquor resulting in a potential revenue gain to the state to the extent additional liquor wholesaler permits are applied for. The annual fee for a liquor wholesaler permit is $2,650.

Sections 3, 12 – 13 result in a potential revenue gain to the Cannabis Social Equity and Innovation Fund by 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, 2025 and March 31, 2026, which limits any revenue impact to FY 26.

The actual revenue gain will be dependent upon the number of qualified applicants received under this provision.

Section 14 allows micro-cultivators who exclusively maintain an indoor grow facility to apply for a retailer or hybrid retailer endorsement for a fee of $25,000 resulting in a potential revenue gain to the General Fund to the extent these licensees apply for the endorsement. In FY 24 there were 3 micro-cultivator license applications and renewals.

Section 15 allows a transporter licensee to expand its authorized

activities to include a product packager for a fee of $25,000 resulting in a potential revenue gain to the General Fund to the extent this occurs. In FY 24 there was one transporter license applied for.

Sections 19 & 20 make (1) detailed written responses by the Department of Revenue Services (DRS) commissioner mandatory upon receipt of written comments regarding cigarette dealer's license renewals, and (2) expanded DRS location suitability hearings for cigarette dealer's license applicants mandatory, rather than optional. In order to accommodate the potential volume of responses and hearings it is anticipated that DRS could require two positions at a total General Fund cost of $239,207 ($85,000 each for salary and $34,604 each for fringe benefits).[3]

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases, the number of applications, and inflation. The impact to the Cannabis Social Equity and Innovation Fund noted above is limited to FY 26 only.

[3] There are approximately 5,000 cigarette dealer license applications and renewals.

OLR Bill Analysis

sHB 7178

AN ACT CONCERNING CANNABIS, HEMP AND TOBACCO REGULATION.

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SUMMARY

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Allows THC-infused beverage manufacturers to manufacture beverages with THC greater than three milligrams per container if they are not selling them in-state

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Allows alcoholic liquor wholesaler permittees to only wholesale infused beverages without having to wholesale alcoholic liquor

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Allows certain cannabis establishment backers to increase their ownership in an equity joint venture to more than 50% if at least three years have passed and the Social Equity Council approves

§ 8 — FACSIMILE OF FOODS, OUTDOOR CULTIVATION, AND PACKAGING COLORS
Requires the DCP commissioner to adopt various cannabis-related regulations (1) specifying that the prohibition on products that appeal

to children includes facsimiles of foods and beverages, (2) specifying that outdoor cultivation includes growing away from an indoor cultivation facility, and (3) allowing additional colors in cannabis packaging

§ 9 — EXPIRATION OF CANNABIS POLICIES AND PROCEDURES

Extends the effective period of cannabis policies and procedures by 12 months, if regulations have not been adopted

§ 10 — SUSPECTED CANNABIS THEFT REPORTING EXEMPTION

Allows cannabis establishments to complete their investigation of suspected cannabis theft or loss of up to $500 before reporting to DCP

§ 11 — MANUFACTURER HEMP PRODUCT LABELING

Eliminates the requirement that the manufacturer hemp product statement disclosure include warnings directed at children

§ 14 — MICRO-CULTIVATORS

Allows certain micro-cultivators to receive a retailer or hybrid retailer endorsement under certain conditions; allows micro-cultivators to sell their cannabis seedlings directly to consumers using their own employees

§§ 15 & 16 — EXPANDING TRANSPORTER LICENSES

Allows transporters seeking to expand their authorized activities to include product packager activities under specified procedures; sets the expansion and renewal fee at $25,000

§ 17 — HOURS FOR RETAIL CANNABIS SALES

Generally limits the hours a cannabis retailer or hybrid retailer may sell cannabis to 10:00 a.m. to 6:00 p.m. on Sundays, and 8:00 a.m. to 10:00 p.m. any other day

§ 18 — INFUSED BEVERAGE LABELING REQUIREMENTS

Requires an infused beverage container to prominently display an international symbol that applies to products with intoxicating cannabinoids in keeping with an ASTM standard

§§ 19 & 20 — CIGARETTE DEALER LICENSES AND RENEWALS

Requires the local police chief to send written comments for a cigarette dealer license renewal and DRS to send a written response back, under certain circumstances; requires DRS to hold suitability hearings for new licenses; allows certain remonstrance objections on suitability to be on issues controlled by local zoning

§ 21 — LABORATORY TESTING TASK FORCE

Establishes a task force to study and make recommendations on cannabis and cannabis product laboratory testing standards and report to the General Law Committee by January 15, 2026

BACKGROUND

SUMMARY

This bill makes various unrelated changes to laws on cannabis, hemp, cigarettes, and THC-infused beverages.

EFFECTIVE DATE: Upon passage, unless otherwise noted.

§ 1 — THC-INFUSED BEVERAGES FOR OUT-OF-STATE SALES

Allows THC-infused beverage manufacturers to manufacture beverages with THC greater than three milligrams per container if they are not selling them in-state

Regardless of the infused beverage laws, the bill allows a licensed infused beverage manufacturer to manufacturer beverages with a total THC of more than three milligrams per container if they will only sell them outside the state and following all applicable federal law and the laws of the state where they will be sold.

By law, an "infused beverage" is, broadly, a non-alcoholic beverage with a total THC content of less than three milligrams (mgs) per container, which must be 12 fluid ounces.

§ 2 — ALCOHOLIC LIQUOR WHOLESALERS EXCLUSIVELY SELLING INFUSED BEVERAGES

Allows alcoholic liquor wholesaler permittees to only wholesale infused beverages without having to wholesale alcoholic liquor

The bill allows an alcoholic liquor wholesaler permittee and a wholesaler permitee for beer to only sell infused beverages at wholesale. So, under the bill, they are not required to sell alcoholic liquor at wholesale in order to sell infused beverages at wholesale.

§§ 3, 12 & 13 — 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, the Department of Consumer Protection (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, 2025, and December 31, 2026, for these social equity applicants to partner with a hemp producer to get a cultivator or micro-cultivator license and allowing them to 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, 2025, and also reapply under the terms of the bill between July 1, 2025, and March 31, 2026.

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, 2025. 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, 2025, and March 31,

2026, 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, 2024 (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 to determine that the hemp producer has been continuously licensed since January 1, 2024;

4. a written statement from the applicant disclosing whether there has been a 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 getting a cultivator license and beginning cultivation activities and (2) ineligible to create an equity joint venture after getting a micro-cultivator license.

Changes to Social Equity Status. Under the bill, if applicable, if the applicant gave 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). The initial and renewal 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 gotten a cultivator license and begins cultivation activities. It also prohibits social equity applicants getting 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.

EFFECTIVE DATE: July 1, 2025

§§ 4 & 7 — PROVISIONAL LICENSE EXPIRATION EXTENSION

Extends the expiration date, from 14 to 24 months, for provisional licenses DCP issued on or after July 1, 2023, other than for cultivator licenses for certain social equity applicants

The bill extends the expiration date, from 14 to 24 months, for provisional licenses (but those not for cultivator licenses for social equity applicants). Under current law, such licenses that are issued on

or after July 1, 2023, expire after 14 months. As under existing law, a provisional license may not be renewed.

§§ 5-7 — EQUITY JOINT VENTURE INCREASE IN OWNERSHIP

Allows certain cannabis establishment backers to increase their ownership in an equity joint venture to more than 50% if at least three years have passed and the Social Equity Council approves

Current law prohibits certain cannabis establishments and their backers from increasing their ownership in an equity joint venture to more than 50% in the seven years after the license is issued.

The bill allows cultivators, producers, and dispensary facilities, including backers, to increase their ownership in an equity joint venture to more than 50% if at least three years have passed and with the Social Equity Council's approval.

§ 8 — FACSIMILE OF FOODS, OUTDOOR CULTIVATION, AND PACKAGING COLORS

Requires the DCP commissioner to adopt various cannabis-related regulations (1) specifying that the prohibition on products that appeal to children includes facsimiles of foods and beverages, (2) specifying that outdoor cultivation includes growing away from an indoor cultivation facility, and (3) allowing additional colors in cannabis packaging

Existing law requires the DCP commissioner to adopt various cannabis-related regulations, including ones on prohibiting cannabis product types that appeal to children, allowing outdoor cannabis cultivation, and setting standards for packaging and labeling.

The bill specifies that (1) the prohibition on products that appeal to children includes facsimiles of foods, beverages, and other items that appeal to children; and (2) outdoor cultivation includes cultivating cannabis at one or more locations away from a cultivator's or micro-cultivator's indoor cultivation facility, but the cultivator's or micro-cultivator's combined indoor grow space must not, in total, exceed the maximum grow space allowed for a cultivator or micro-cultivator (see above).

The bill loosens the cannabis product packaging and labeling requirements to allow more colors by eliminating the current restrictions (1) limiting the logo to three colors, excluding black and

white and (2) requiring packaging to be just one color and not include any information, print, embossing, debossing, graphic, or hidden feather, other than a permitted or required label. It also allows a cannabis establishment to print any name, rather than just the establishment's name, and put other identifying marks on a delivery device cartridge. It also eliminates the (1) one logo with up to three colors limit and (2) requirement that the packaging and labeling for an edible cannabis product, excluding the warning, be only black and white.

Under the bill, cannabis products may still be packaged with a picture of the cannabis product. But the package may also show a colored logo or mark, which may include graphics.

EFFECTIVE DATE: October 1, 2025

§ 9 — EXPIRATION OF CANNABIS POLICIES AND PROCEDURES

Extends the effective period of cannabis policies and procedures by 12 months, if regulations have not been adopted

The bill extends the maximum effective period of cannabis policies and procedures from June 22, 2025, to June 22, 2026, if regulations have not been submitted to the Regulation Review Committee. As under existing law, the policies and procedures are no longer effective when regulations are adopted.

§ 10 — SUSPECTED CANNABIS THEFT REPORTING EXEMPTION

Allows cannabis establishments to complete their investigation of suspected cannabis theft or loss of up to $500 before reporting to DCP

Under current policies and procedures, a licensee and any employee must immediately notify DCP in writing as soon as they are aware of any, among other actions, suspected diversion, theft, or loss of any cannabis.

The bill allows cannabis establishments to first investigate suspected diversions, thefts, or losses of cannabis valued at $500 or less before reporting the actions to DCP.

By law, a "cannabis establishment" is a cannabis producer,

dispensary facility, cultivator, micro-cultivator, retailer, hybrid retailer (one licensed to sell both recreational cannabis and medical marijuana), food and beverage manufacturer, product manufacturer or packager, delivery service, or transporter.

§ 11 — MANUFACTURER HEMP PRODUCT LABELING

Eliminates the requirement that the manufacturer hemp product statement disclosure include warnings directed at children

Existing law requires manufacturer hemp products that are a food, beverage, oil, or other product intended for human ingestion to have certain labels on the package. Current law requires a clear and conspicuous statement disclosing that, "Children, or those who are pregnant or breastfeeding, should avoid using such product prior to consulting with a health care professional concerning such product's safety." The bill eliminates the requirement that the statement include reference to children.

§ 14 — MICRO-CULTIVATORS

Allows certain micro-cultivators to receive a retailer or hybrid retailer endorsement under certain conditions; allows micro-cultivators to sell their cannabis seedlings directly to consumers using their own employees

Retailer or Hybrid Retailer Endorsement

The bill allows a micro-cultivator with a final license that maintains an exclusively indoor grow facility to submit an application to DCP, on a commissioner-prescribed form and manner, for a retailer or hybrid retailer endorsement to the final license. The endorsement authorizes the micro-cultivator to operate as a retailer or hybrid retailer under the bill's requirements.

Application. A micro-cultivator applicant must submit a complete endorsement application, along with the endorsement application fee, to DCP within one year of when the applicant obtained a final micro-cultivator license or June 30, 2026, whichever is later. DCP must not accept an application submitted after the time period has expired.

The application fee for an endorsement is the same as the fee for a final retailer license or a final hybrid retailer license (i.e. $25,000). The

annual renewal fee for an endorsement is also the same as the retailers and hybrid retailers' renewal fee (i.e. $25,000).

Conditions. Under the bill, DCP must issue an endorsement if the micro-cultivator:

1. submits a timely and complete endorsement application to the department, in the commissioner-prescribed form and manner;

2. attests that the retailer or hybrid retailer created through the endorsement will be operated following all licensed retailer or licensed hybrid retailer requirements; and

3. acknowledges and attests that the micro-cultivator will not engage in any outdoor cannabis cultivation.

Final License Requirements. Each micro-cultivator issued an endorsement has 24 months from when the endorsement is issued to (1) satisfy the requirements for a retailer or hybrid retailer that has been issued a final license (see below), and (2) seek and get a DCP written statement, in a commissioner-prescribed form and manner, confirming that the micro-cultivator satisfies the requirements and may engage in the activities of a retailer or hybrid retailer.

Existing law requires final license applications to be submitted on a form and in a manner the DCP commissioner approves and to include the legally required application information, as well as evidence of the following:

1. a contract with an entity providing an approved electronic tracking system,

2. a right to occupy the location where the cannabis establishment will be located,

3. any necessary local zoning approval for the establishment's operation,

4. a certification by the applicant that a project labor agreement will

be entered into before construction of any facility the establishment uses for operations,

5. a Social Equity Council-approved social equity plan and workforce development plan,

6. written policies for preventing diversion and misuse of cannabis and sales to underage people,

7. all other security requirements DCP sets based on the specific license type, and

8. a labor peace agreement entered into between the cannabis establishment and a bona fide labor organization (CGS § 21a-420g).

Expiration. This endorsement expires and is not eligible for reapplication or renewal if the micro-cultivator (1) fails to satisfy the requirements established above, or (2) allows the endorsement to lapse.

Location. The retailer or hybrid retailer facility must be located (1) on the same premises as the micro-cultivator, or (2) on a tract of land or parcel that is next to the premises, provided this tract of land or parcel is located within 100 feet of the premises measured from the point that is closest to the premises.

Authorization. Upon receiving DCP's written statement, the micro-cultivator must:

1. be authorized to sell cannabis only if the cannabis is cultivated indoors by the micro-cultivator;

2. acknowledge and agree that the micro-cultivator is not eligible to expand to a cultivator license; and

3. maintain the retailer's or hybrid-retailer's activities and facility following the requirements established under the cannabis and medical marijuana laws, regulations, and policies and procedures.

The bill allows a micro-cultivator with an endorsement to sell cannabis it cultivated directly to consumers using a delivery service or its own employees, subject to the delivery service requirements. The bill only allows the micro-cultivator to sell cannabis it cultivated.

Limitations. The bill limits a micro-cultivator with an endorsement from exceeding 25,000 square feet of grow space. It is not eligible to convert to a cultivator license unless the micro-cultivator permanently surrenders the endorsement and stops all retailer and hybrid retailer activities.

An endorsement does not impact any right a micro-cultivator may have to create an equity joint venture.

Seedling Delivery

Under current law, micro-cultivators may only sell cannabis seedlings through a delivery service to consumers. The bill expands the delivery options by allowing them to sell seedlings using their own employees for delivery under the same requirements as the delivery service.

EFFECTIVE DATE: July 1, 2025

§§ 15 & 16 — EXPANDING TRANSPORTER LICENSES

Allows transporters seeking to expand their authorized activities to include product packager activities under specified procedures; sets the expansion and renewal fee at $25,000

The bill allows a transporter to expand its authorized activities to include a product packager's authorized activities. In order for this to happen the:

1. transporter must submit to DCP a completed license expansion application and a $25,000 application fee; and

2. commissioner must authorize the transporter, in writing, to do the expanded activities of a product packager.

The bill requires a transporter that expands its authorized activities

to comply with all the laws, regulations, policies, and procedures for product packagers. If there is a conflict between the transporter requirements and the product packager requirements, the more stringent public health and safety standard prevails.

Under the bill, the renewal fee for a transporter's expanded authorization is $25,000. This renewal fee is instead of the transporter renewal fee, which is $5,000. If a transporter decides to stop the expanded activities, it must notify DCP in writing before reverting to the authorized activities of a transporter. The transporter remains authorized to do the expanded activities until the end of the license period during which the written notice was given.

EFFECTIVE DATE: July 1, 2025

§ 17 — HOURS FOR RETAIL CANNABIS SALES

Generally limits the hours a cannabis retailer or hybrid retailer may sell cannabis to 10:00 a.m. to 6:00 p.m. on Sundays, and 8:00 a.m. to 10:00 p.m. any other day

The bill generally limits the hours a cannabis retailer or hybrid retailer may sell cannabis to 10:00 a.m. to 6:00 p.m. on Sundays, and 8:00 a.m. to 10:00 p.m. any other day.

Current law allows municipalities to amend their zoning regulations or enact local ordinances to, among other things, reasonably restrict cannabis establishments' hours. Under the bill, municipalities may not allow a retailer or hybrid retailer to sell during a period prohibited by the bill, but can still limit the allowable times further.

EFFECTIVE DATE: July 1, 2025

§ 18 — INFUSED BEVERAGE LABELING REQUIREMENTS

Requires an infused beverage container to prominently display an international symbol that applies to products with intoxicating cannabinoids in keeping with an ASTM standard

Under existing law, each infused beverage container sold or offered for sale in Connecticut must prominently display a symbol indicating the beverage is not legal or safe for anyone under age 21. Current law requires the symbol to be at least one-half inch by one-half inch in size

and in a DCP-approved format.

The bill instead requires (1) an international symbol applicable to all products with intoxicating cannabinoids in keeping with American Society of Testing and Materials or "ASTM" standard D8441/D8441M-22 and (2) a label indicating the beverage is not legal or safe for anyone under age 21.

EFFECTIVE DATE: July 1, 2025

§§ 19 & 20 — CIGARETTE DEALER LICENSES AND RENEWALS

Requires the local police chief to send written comments for a cigarette dealer license renewal and DRS to send a written response back, under certain circumstances; requires DRS to hold suitability hearings for new licenses; allows certain remonstrance objections on suitability to be on issues controlled by local zoning

Required Written Response

Existing law allows municipalities to adopt ordinances requiring anyone applying to renew a Department of Revenue Services (DRS) cigarette dealer's license to simultaneously give written notice of the application to the chief law enforcement official or his or her designee in the municipality where the business is located. Current law (1) allows the official or designee to send written comments on the application to the DRS commissioner within 15 days after receiving the notice and (2) requires the DRS commissioner to consider the comments before renewing the license.

The bill instead requires the official or designee to send written comments and the DRS commissioner to send a written response to them providing a detailed response to the comments before approving or denying the application.

Notice of Application for Cigarette Dealer's License

Existing law requires a cigarette dealer's license applicant to notify the town where their businesses will be located and post certain notices at their businesses about their license applications. Under current law, DRS may hold a hearing on the proposed location's suitability after receiving sufficient evidence of compliance. The bill instead makes the suitability hearing mandatory.

Objections to a Proposed or Renewed Cigarette Dealer's License

Existing law allows any 10 adult town residents where the cigarette dealer's business is proposed or currently located, to file a "remonstrance" (i.e. objection) with DRS. Current law requires the remonstrance to include any objection to the suitability of the applicant or proposed business place, if the issue is not controlled by local zoning. The bill allows objections that concern local zoning.

EFFECTIVE DATE: July 1, 2025

§ 21 — LABORATORY TESTING TASK FORCE

Establishes a task force to study and make recommendations on cannabis and cannabis product laboratory testing standards and report to the General Law Committee by January 15, 2026

The bill establishes a four-person task force to study and make recommendations on the laboratory testing standards for cannabis and cannabis products in Connecticut. The study must examine the standards to ensure they account for the inherent heterogeneity of cannabis and cannabis products, and the feasibility of:

1. substituting intermediate batch testing for final form testing based on cannabis industry best practices,

2. modifying stability testing requirements to account for anticipated variances,

3. modifying testing requirements concerning chromium and aspergillus, and

4. clarifying the state's out-of-specification policy to prohibit the unnecessary destruction of usable biomass.

Membership

The General Law House and Senate chairpersons and ranking members must each appoint a task force member.

Under the bill, initial task force appointments must be made within 30 days after the bill's passage. Appointed members may be legislators

and the appointing authority fills any vacancy. The bill requires the General Law chairpersons to select the task force's chairpersons from among the membership.

Meeting and Staff

The task force chairperson must schedule and hold the first meeting within 60 days of the bill's passage. The General Law administrative staff must serve as the task force's administrative staff.

Report

The bill requires the task force, by January 15, 2026, to submit a report on its findings and recommendations to the General Law Committee. The task force ends on the day it submits the report or January 15, 2026, whichever is later.

BACKGROUND

Related Bills

sSB 970, favorably reported by the General Law Committee, has the same provision eliminating the requirement that the manufacturer hemp product statement disclosure include warnings directed at children.

sHB 6930, favorably reported by the General Law Committee, specifies cannabis establishment licensees are not entitled to pay a reduced license renewal fee if the (1) business is sold or ownership changes during the three years after a final license is issued, and (2) sale or change is made to anyone other than a social equity applicant.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute
Yea 16 Nay 6 (03/24/2025)