General Assembly **Substitute Bill No. 7178**

January Session, 2025

HB07178GL 032425

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 Section 30-17 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):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