

General Assembly

Amendment

February Session, 2024

LCO No. **5773**



Offered by:

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SEN. MARONEY, 14th Dist.

To: Senate Bill No. 200

File No. 73

Cal. No. 73

"AN ACT ESTABLISHING A TASK FORCE TO STUDY CONSUMER PROTECTION MEASURES."

Strike everything after the enacting clause and substitute the following in lieu thereof:

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

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

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

- (2) One appointed by the president pro tempore of the Senate, who shall be a member of the Senate and the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection, and whose district shall include a disproportionately impacted area, as defined in section 21a-420 of the general statutes;
- 27 (3) One appointed by the majority leader of the House of 28 Representatives, who shall be a social equity applicant described in 29 section 21a-420o of the general statutes seeking a license to cultivate 30 cannabis outdoors;
 - (4) One appointed by the majority leader of the Senate, who shall be a member of the Social Equity Council who has been appointed to said council (A) pursuant to subdivision (4) of subsection (b) of section 21a-420d of the general statutes, or (B) by any other member of the General Assembly;
 - (5) One appointed by the minority leader of the House of Representatives, who shall be a producer, as defined in section 22-61*l* of the general statutes, who (A) has been continually licensed under section 22-61*l* of the general statutes since January 1, 2023, and (B) is located outside of a disproportionately impacted area, as defined in section 21a-420 of the general statutes;
 - (6) One appointed by the minority leader of the Senate, who shall be a member of the Social Equity Council who has been appointed to said council (A) pursuant to subdivision (6) of subsection (b) of section 21a-420d of the general statutes, or (B) by any other member of the General Assembly;

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

- 50 (8) One appointed by the chairperson of the Black and Puerto Rican 51 Caucus of the General Assembly, who shall be a member of the Senate; 52 and
 - (9) The Commissioner of Consumer Protection or said commissioner's designee, provided such designee shall (A) be employed by the Department of Consumer Protection, and (B) have been a resident of a disproportionately impacted area, as defined in section 21a-420 of the general statutes.
- (c) All initial appointments to the task force shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.
- (d) The speaker of the House of Representatives and the president pro tempore of the Senate shall select the chairpersons of the task force from among the members of the task force. Such chairpersons shall schedule the first meeting of the task force, which shall be held not later than sixty days after the effective date of this section.
- 66 (e) The administrative staff of the joint standing committee of the 67 General Assembly having cognizance of matters relating to consumer 68 protection shall serve as administrative staff of the task force.
 - (f) Not later than January 1, 2025, the task force shall submit a report on its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection, in accordance with the provisions of section 11-4a of the general statutes. The task force shall terminate on the date that it submits such report or January 1, 2025, whichever is later.
- Sec. 2. Section 31 of substitute house bill 5150 of the current session, as amended by House Amendment Schedule "A", is repealed and the

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77 following is substituted in lieu thereof (*Effective January 1, 2025*):

- 78 (a) As used in this section:
- 79 (1) "Cannabis establishment" has the same meaning as provided in
- section 21a-420 of the general statutes, as amended by [this act] section
- 81 <u>4 of substitute house bill 5150 of the current session, as amended by</u>
- 82 House Amendment Schedule "A";
- 83 (2) "Consumer" has the same meaning as provided in section 21a-420
- of the general statutes, as amended by [this act] section 4 of substitute
- 85 house bill 5150 of the current session, as amended by House
- 86 Amendment Schedule "A";
- 87 (3) "Container" (A) means an object that is offered, intended for sale
- 88 or sold to a consumer and directly contains (i) a manufacturer hemp
- 89 product, or (ii) a moderate-THC hemp product, and (B) does not include
- 90 an object or packaging that indirectly contains, or contains in bulk for
- 91 transportation purposes, (i) a manufacturer hemp product, or (ii) a
- 92 moderate-THC hemp product;
- 93 (4) "Manufacturer" has the same meaning as provided in section 22-
- 94 61*l* of the general statutes, as amended by section 23 of substitute house
- 95 bill 5150 of the current session, as amended by House Amendment
- 96 Schedule "A";
- 97 [(4)] (5) "Manufacturer hemp product" has the same meaning as
- 98 provided in section 22-61*l* of the general statutes, as amended by [this
- 99 act] section 23 of substitute house bill 5150 of the current session, as
- amended by House Amendment Schedule "A";
- [(5)] (6) "Moderate-THC hemp product" (A) means a manufacturer
- hemp product that has total THC, as defined in section 21a-240 of the
- general statutes, as amended by [this act] section 1 of substitute house
- 104 bill 5150 of the current session, as amended by House Amendment
- Schedule "A", of not less than one-half of one milligram, and not more
- than five milligrams, on a per-container basis, and (B) does not include

107 (i) an infused beverage, as defined in section 26 of [this act] substitute

- 108 <u>house bill 5150 of the current session, as amended by House</u>
- 109 <u>Amendment Schedule "A"</u>, or (ii) a legacy infused beverage, as defined
- in section 26 of [this act] substitute house bill 5150 of the current session,
- as amended by House Amendment Schedule "A"; and
- 112 (6) "Moderate-THC hemp product vendor" means a person that (A)
- 113 holds a certificate of registration issued by the Commissioner of
- 114 Consumer Protection pursuant to this section, and (B) is not a cannabis
- 115 establishment.
- (b) Beginning on January 1, 2025, no person shall sell or offer to sell,
- at retail, any moderate-THC hemp product in the state to consumers
- unless such person is a cannabis establishment or holds a certificate of
- 119 registration issued by the Commissioner of Consumer Protection
- pursuant to this section. The provisions of this section shall not apply to
- 121 the wholesale or commercial distribution of moderate-THC hemp
- 122 products for resale.
- (c) (1) (A) Beginning on January 1, 2025, a person seeking a certificate
- of registration as a moderate-THC hemp product vendor shall submit
- to the Commissioner of Consumer Protection, in a form and manner
- 126 prescribed by the commissioner, an application accompanied by a
- nonrefundable application fee in the amount of two thousand dollars <u>or</u>,
- if the applicant actively holds a manufacturer license, in the amount of
- one thousand dollars. Such application shall, at a minimum, disclose:
- (i) The location in the state where such person currently sells or offers
- 131 <u>to sell,</u> or proposes to sell <u>or offer to sell</u>, at retail, moderate-THC hemp
- 132 products to consumers; and
- 133 (ii) Except as provided in subparagraph (C) of this subdivision,
- information sufficient for the commissioner to determine that:
- (I) During the preceding year, at least eighty-five per cent of the
- average monthly gross revenue generated at such existing retail location
- was derived from sales, at retail, of moderate-THC hemp products to

138 consumers; or

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

- (B) Except as provided in subparagraph (C) of this subdivision, the commissioner shall not issue a certificate of registration as a moderate-THC hemp product vendor unless the commissioner has determined that the applicant satisfies, or is reasonably likely to satisfy, the minimum sales threshold established in subparagraph (A) of this subdivision. Each such certificate shall expire annually, and shall allow the moderate-THC hemp product vendor to sell <u>and offer to sell</u>, at retail, moderate-THC hemp products to consumers at such location.
- (C) (i) No person seeking a certificate of registration as a moderate-THC hemp product vendor shall be required to disclose information sufficient for the Commissioner of Consumer Protection to determine that such person satisfies, or is reasonably likely to satisfy, the minimum sales threshold established in subparagraph (A) of this subdivision if such person (I) manufactures moderate-THC hemp products at the location in the state where such person sells or offers to sell, or proposes to sell or offer to sell, at retail, moderate-THC hemp products to consumers, or (II) is actively licensed as a manufacturer and sells or offers to sell, or proposes to sell or offer to sell, at retail, to consumers moderate-THC hemp products manufactured by such manufacturer.
- (ii) The commissioner may issue a certificate of registration as a moderate-THC hemp product vendor to a person that satisfies the criteria set forth in [this] subparagraph (C)(i) of this subdivision even if such person does not satisfy the minimum sales threshold established in subparagraph (A) of this subdivision.
- (2) (A) Each certificate issued pursuant to this section shall be renewable for additional one-year periods. Each moderate-THC hemp product vendor seeking renewal shall submit to the Commissioner of

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

(B) (i) No moderate-THC hemp product vendor seeking renewal of a certificate issued pursuant to this section shall be required to disclose information sufficient for the Commissioner of Consumer Protection to determine that such moderate-THC hemp product vendor satisfied the minimum sales threshold established in subparagraph (A) of this subdivision if (I) such moderate-THC hemp product vendor manufactures moderate-THC hemp products at such moderate-THC hemp product vendor's registered retail location, or (II) is actively licensed as a manufacturer and sells or offers to sell, at retail, to consumers moderate-THC hemp products manufactured by such manufacturer.

- (ii) The commissioner may issue a renewal to a moderate-THC hemp product vendor that satisfies the criteria set forth in [this] subparagraph (B)(i) of this subdivision even if the moderate-THC hemp product vendor did not satisfy the minimum sales threshold established in subparagraph (A) of this subdivision.
- 202 (3) All fees collected by the department under this section shall be

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203 deposited in the consumer protection enforcement account established 204 in section 21a-8a of the general statutes.

- (d) No person may act as a moderate-THC hemp product vendor, or represent that such person is a moderate-THC hemp product vendor, unless such person has obtained and actively holds a certificate of registration as a moderate-THC hemp product vendor issued by the Commissioner of Consumer Protection pursuant to this section.
- (e) No cannabis establishment or moderate-THC hemp product vendor, or agent or employee of a cannabis establishment or moderate-THC hemp product vendor, shall sell a moderate-THC hemp product to any individual who is younger than twenty-one years of age. Prior to selling any moderate-THC hemp product to an individual, the cannabis establishment, moderate-THC hemp product vendor, agent or employee shall first verify the individual's age with a valid government-issued driver's license or identity card to establish that such individual is twenty-one years of age or older.
- (f) No person shall sell any moderate-THC hemp product intended for human ingestion in packaging that includes more than two containers.
 - (g) All moderate-THC hemp products shall meet the standards set forth for manufacturer hemp products in subsections (v), (w) and (x) of section 22-61m of the general statutes, as amended by [this act] section 24 of substitute house bill 5150 of the current session, as amended by House Amendment Schedule "A".
 - (h) All moderate-THC hemp products shall meet (1) the testing standards for manufacturer hemp products established in, and any regulations adopted pursuant to, section 22-61m of the general statutes, as amended by [this act] section 24 of substitute house bill 5150 of the current session, as amended by House Amendment Schedule "A", or (2) such other testing standards for manufacturer hemp products as the Commissioner of Consumer Protection, in the commissioner's discretion, may designate.

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

- (j) No cannabis establishment or moderate-THC hemp product vendor, or agent or employee of a cannabis establishment or moderate-THC hemp product vendor, shall gift or transfer any moderate-THC hemp product at no cost to a consumer as part of a commercial transaction.
- (k) Each moderate-THC hemp product vendor shall be subject to the investigation and enforcement provisions set forth in section 21a-421p of the general statutes.
 - The Commissioner of Consumer Protection shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the provisions of this section. Notwithstanding the requirements of sections 4-168 to 4-172, inclusive, of the general statutes, the commissioner shall, prior to adopting such regulations and in order to effectuate the provisions of this section, issue policies and procedures to implement the provisions of this section that shall have the force and effect of law. The commissioner shall post all policies and procedures on the Department of Consumer Protection's Internet web site, and submit such policies and procedures to the Secretary of the State for posting on the eRegulations System, at least fifteen days prior to the effective date of any policy or procedure. Any such policy or procedure shall no longer be effective upon the earlier of either the adoption of the policy or procedure as a final regulation under section 4-172 of the general statutes or forty-eight months from July 1, 2024, if such regulations have not been submitted to the legislative regulation review committee for consideration under section 4-170 of the general statutes.
- 266 (m) Following a hearing conducted in accordance with chapter 54 of

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	from passage	New section
Sec. 2	January 1, 2025	HB 5150 (current
		session), Sec. 31

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