

General Assembly

February Session, 2024

Raised Bill No. 5150

LCO No. **886**

Referred to Committee on GENERAL LAW

Introduced by: (GL)

AN ACT CONCERNING CANNABIS AND HEMP REGULATION.

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

Section 1. Subdivision (63) of section 21a-240 of the 2024 supplement
 to the general statutes is repealed and the following is substituted in lieu

3 thereof (*Effective July 1, 2024*):

(63) "High-THC hemp product" means a manufacturer hemp 4 5 product, as defined in section 22-61*l*, that has, or is advertised, labeled or offered for sale as having, total THC that exceeds (A) [for a hemp 6 7 edible, hemp topical or hemp transdermal patch (i) one milligram on a 8 per-serving basis, or (ii) five milligrams on a per-container basis, one-9 half milligram on a per-container basis for any manufacturer hemp 10 product, or (B) [for a hemp tincture, including, but not limited to, oil 11 intended for ingestion by swallowing, buccal administration or 12 sublingual absorption (i) one milligram on a per-serving basis, or (ii) 13 twenty-five milligrams on a per-container basis, (C) for a hemp 14 concentrate or extract, including, but not limited to, a vape oil, wax or 15 shatter, twenty-five milligrams on a per-container basis, or (D) for a 16 manufacturer hemp product not described in subparagraph (A), (B) or

17 (C) of this subdivision, (i) one milligram on a per-serving basis, (ii) five
18 milligrams on a per-container basis, or (iii)] three-tenths per cent on a
19 dry-weight basis for cannabis flower or cannabis trim.

Sec. 2. Section 21a-420 of the 2024 supplement to the general statutes
is repealed and the following is substituted in lieu thereof (*Effective July*1, 2024):

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

24 (1) "Responsible and Equitable Regulation of Adult-Use Cannabis 25 Act" or "RERACA" means this section, sections 2-56j, 7-294kk, 7-294ll, 26 12-330ll to 12-330nn, inclusive, 14-227p, 21a-278b, 21a-278c, 21a-279c, 27 21a-279d, 21a-420a to 21a-420j, inclusive, 21a-420l to 21a-421r, inclusive, 28 as amended by this act, 21a-421aa to 21a-421ff, inclusive, 21a-421aaa to 29 21a-421hhh, inclusive, 21a-422 to 21a-422c, inclusive, 21a-422e to 21a-30 422g, inclusive, 21a-422j to 21a-422s, inclusive, 22-61n, as amended by 31 this act, 23-4b, 47a-9a, 53-247a, 53a-213a, 53a-213b, 54-33p, 54-56q, 54-32 56r, 54-125k and 54-142u, sections 23, 60, 63 to 65, inclusive, 124, 144 and 33 165 of public act 21-1 of the June special session, and the amendments 34 in public act 21-1 of the June special session to sections 7-148, 10-221, 12-35 30a, 12-35b, 12-412, 12-650, 12-704d, 14-44k, 14-111e, 14-227a to 14-227c, 36 inclusive, 14-227j, 15-140q, 15-140r, 18-100h, 19a-342, 19a-342a, 21a-267, 37 21a-277, 21a-279, 21a-279a, 21a-408 to 21a-408f, inclusive, 21a-408h to 38 21a-408p, inclusive, 21a-408r to 21a-408v, inclusive, 30-89a, 31-40q, 32-39 39, 46b-120, 51-164n, 53-394, 53a-39c, 54-1m, 54-33g, 54-41b, 54-56e, 54-40 56g, 54-56i, 54-56k, 54-56n, 54-63d, 54-66a and 54-142e, [and] section 20 41 of public act 23-79 and sections 3 and 4 of this act;

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

49 control, management or operation of the cannabis establishment;

(3) "Cannabis" means marijuana, as defined in section 21a-240, as
<u>amended by this act</u>;

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

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

62 (6) "Cannabis testing laboratory" means a laboratory that (A) is 63 located in this state, (B) is licensed by the department to analyze 64 cannabis, and (C) meets the licensure requirements established in 65 section 21a-408r and the regulations adopted pursuant to subsection (d) 66 of section 21a-408r;

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

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

77 (9) "Cannabis product" means cannabis, intended for use or 78 consumption, that is in the form of (A) a cannabis concentrate, or (B) a

79 product that contains cannabis and at least one other cannabis or 80 noncannabis ingredient or component, excluding cannabis flower; 81 (10) "Cannabis concentrate" means any form of concentration, 82 including, but not limited to, extracts, oils, tinctures, shatter and waxes, 83 that is extracted from cannabis: 84 (11) "Cannabis-type substances" have the same meaning as 85 "marijuana", as defined in section 21a-240, as amended by this act; (12) "Commissioner" means the Commissioner of Consumer 86 87 Protection and includes any designee of the commissioner; 88 (13) "Consumer" means an individual who is twenty-one years of age 89 or older: 90 (14) "Control" means the power to direct, or cause the direction of, the 91 management and policies of a cannabis establishment, regardless of 92 whether such power is possessed directly or indirectly; 93 (15) "Cultivation" has the same meaning as provided in section 21a-94 408; 95 (16) "Cultivation lot" means one or more lots, as defined in section 22-96 61l, associated with a hemp producer's license issued pursuant to 97 section 22-61*l*; 98 [(16)] (17) "Cultivator" means a person that is licensed to engage in 99 the cultivation, growing and propagation of the cannabis plant at an 100 establishment with not less than fifteen thousand square feet of grow 101 space; 102 [(17)] (18) "Delivery service" means a person that is licensed to deliver 103 cannabis from (A) micro-cultivators, retailers and hybrid retailers to 104 consumers and research program subjects, and (B) hybrid retailers and 105 dispensary facilities to qualifying patients, caregivers and research 106 program subjects, as defined in section 21a-408, or to hospices or other 107 inpatient care facilities licensed by the Department of Public Health pursuant to chapter 368v that have a protocol for the handling and
distribution of cannabis that has been approved by the department, or a
combination thereof;

111 [(18)] <u>(19)</u> "Department" means the Department of Consumer 112 Protection;

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

119 [(20)] (21) "Disproportionately impacted area" means (A) for the 120 period beginning July 1, 2021, and ending July 31, 2023, a United States 121 census tract in the state that has, as determined by the Social Equity 122 Council under subdivision (1) of subsection (i) of section 21a-420d, as 123 <u>amended by this act</u>, (i) a historical conviction rate for drug-related 124 offenses greater than one-tenth, or (ii) an unemployment rate greater 125 than ten per cent, [and] (B) [on and after] for the period beginning 126 August 1, 2023, and ending June 30, 2024, a United States census tract in 127 this state that has been identified by the Social Equity Council pursuant 128 to subdivision (2) of subsection (i) of section 21a-420d, as amended by 129 this act, and (C) on and after July 1, 2024, (i) a United States census tract 130 in this state that has been identified by the Social Equity Council 131 pursuant to subdivision (2) of subsection (i) of section 21a-420d, as 132 amended by this act, and (ii) a reservation, as defined in section 47-63, 133 as set forth in subdivision (3) of subsection (i) of section 21a-420d, as 134 amended by this act; 135

[(21)] (22) "Disqualifying conviction" means a conviction within the last ten years which has not been the subject of an absolute pardon under the provisions of section 54-130a, or an equivalent pardon process under the laws of another state or the federal government, for an offense under (A) section 53a-276, 53a-277 or 53a-278, [;] (B) section 53a-291, 53a140 292 or 53a-293, [;] (C) section 53a-215, [;] (D) section 53a-138 or 53a-139, 141 [;] (E) section 53a-142a, [;] (F) sections 53a-147 to 53a-162, inclusive, [;] (G) sections 53a-125c to 53a-125f, inclusive, [;] (H) section 53a-129b, 53a-142 129c or 53a-129d, [;] (I) subsection (b) of section 12-737, [;] (J) section 53a-143 144 48 or 53a-49, if the offense which is attempted or is an object of the 145 conspiracy is an offense under the statutes listed in subparagraphs (A) 146 to (I), inclusive, of this subdivision, [;] or (K) the law of any other state 147 or of the federal government, if the offense on which such conviction is 148 based is defined by elements that substantially include the elements of an offense under the statutes listed in subparagraphs (A) to (J), inclusive, 149 150 of this subdivision;

[(22)] (23) "Dispensary technician" means an individual who has had an active pharmacy technician or dispensary technician registration in this state within the past five years, is affiliated with a dispensary facility or hybrid retailer and is registered with the department in accordance with chapter 420f and any regulations adopted pursuant to said chapter;

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

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

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

[(26)] (27) "Equity joint venture" means a business entity that is controlled, and at least fifty per cent owned, by an individual or individuals, or such applicant is an individual, who meets the criteria of subparagraphs (A) and (B) of subdivision [(50)] (52) of this section;

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

183 [(28)] (29) "Financial interest" means any right to, ownership, an 184 investment or a compensation arrangement with another person, 185 directly, through business, investment or family. "Financial interest" does not include ownership of investment securities in a publicly-held 186 187 corporation that is traded on a national exchange or over-the-counter 188 market, provided the investment securities held by such person and 189 such person's spouse, parent or child, in the aggregate, do not exceed 190 one-half of one per cent of the total number of shares issued by the 191 corporation;

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

195 [(30)] (31) "Grow space" means the portion of a premises owned and 196 controlled by a producer, cultivator or micro-cultivator that is utilized 197 for the cultivation, growing or propagation of the cannabis plant, and 198 contains cannabis plants in an active stage of growth, measured starting 199 from the outermost wall of the room containing cannabis plants and 200 continuing around the outside of the room. "Grow space" does not 201 include space used to cure, process, store harvested cannabis or 202 manufacture cannabis once the cannabis has been harvested;

203 (32) "Hemp producer" means producer, as defined in section 22-61*l*;

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

[(32)] (34) "Historical conviction rate for drug-related offenses" means, for a given area, the historical conviction count for drug-related offenses divided by the population of such area, as determined by the five-year estimates of the most recent American Community Survey conducted by the United States Census Bureau;

216 [(33)] (35) "Hybrid retailer" means a person that is licensed to 217 purchase cannabis and sell cannabis and medical marijuana products;

218 [(34)] (36) "Key employee" means an employee with the following 219 management position or an equivalent title within a cannabis 220 establishment: (A) President or chief officer, who is the top ranking 221 individual at the cannabis establishment and is responsible for all staff 222 and overall direction of business operations; (B) financial manager, who 223 is the individual who reports to the president or chief officer and who is 224 responsible for oversight of the financial operations of the cannabis 225 establishment, which financial operations include one or more of the 226 following: (i) Revenue and expense management; (ii) distributions; (iii) 227 tax compliance; (iv) budget development; and (v) budget management 228 and implementation; or (C) compliance manager, who is the individual 229 who reports to the president or chief officer and who is generally 230 responsible for ensuring the cannabis establishment complies with all 231 laws, regulations and requirements related to the operation of the 232 cannabis establishment;

233 [(35)] (37) "Labor peace agreement" means an agreement between a 234 cannabis establishment and a bona fide labor organization under section 21a-421d pursuant to which the owners and management of the
cannabis establishment agree not to lock out employees and that
prohibits the bona fide labor organization from engaging in picketing,
work stoppages or boycotts against the cannabis establishment;

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

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

[(38)] (40) "Micro-cultivator" means a person licensed to engage in the cultivation, growing and propagation of 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;

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

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

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

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

263 [(43)] (45) "Product manufacturer" means a person that is licensed to
264 obtain cannabis, extract and manufacture products;

265 [(44)] (46) "Product packager" means a person that is licensed to 266 package and label cannabis;

267 [(45)] (47) "Qualifying patient" has the same meaning as provided in
268 section 21a-408;

269 [(46)] (48) "Research program" has the same meaning as provided in
270 section 21a-408;

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

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

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

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

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

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

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

292 (53) "Telehealth" has the same meaning as provided in section 19a-

293 <u>906;</u>

[(51)] (54) "THC" has the same meaning as provided in section 21a240, as amended by this act;

296 [(52)] (55) "Third-party lottery operator" means a person, or a 297 constituent unit of the state system of higher education, that conducts 298 lotteries pursuant to section 21a-420g, as amended by this act, identifies 299 the cannabis establishment license applications for consideration 300 without performing any review of the applications that are identified 301 for consideration, and that has no direct or indirect oversight of or 302 investment in a cannabis establishment or a cannabis establishment 303 applicant;

304 [(53)] (56) "Transfer" means to transfer, change, give or otherwise
305 dispose of control over or interest in;

306 [(54)] (57) "Transport" means to physically move from one place to 307 another;

308 [(55)] <u>(58)</u> "Transporter" means a person licensed to transport 309 cannabis between cannabis establishments, cannabis testing 310 laboratories and research programs; and

311 [(56)] (59) "Unemployment rate" means, in a given area, the number
312 of people sixteen years of age or older who are in the civilian labor force
313 and unemployed divided by the number of people sixteen years of age
314 or older who are in the civilian labor force.

Sec. 3. (NEW) (*Effective July 1, 2024*) (a) During the period beginning
July 1, 2024, and ending December 31, 2025, the department shall issue
a cultivator license to a social equity applicant:

(1) If prior to July 1, 2024, the social equity applicant submitted to the
department a completed cultivator license application pursuant to
subsection (a) of section 21a-4200 of the general statutes, as amended by
this act, and:

322 (A) The Social Equity Council verified, pursuant to subdivision (1) of 323 subsection (a) of section 21a-420o of the general statutes, as amended by 324 this act, that the applicant met the criteria established for a social equity 325 applicant; or 326 (B) The department issued a provisional cultivator license, but not a 327 final cultivator license, to the social equity applicant pursuant to section 328 21a-420o of the general statutes, as amended by this act; 329 (2) If during the period beginning July 1, 2024, and ending March 31, 330 2025, the social equity applicant submits to the department, in a form 331 and manner prescribed by the commissioner: 332 (A) A completed application for a cultivator license; 333 (B) A copy of an agreement, between the social equity applicant and 334 a hemp producer that has been continually licensed under section 22-335 61*l* of the general statutes since January 1, 2023, which provides: 336 (i) For the use of the hemp producer's cultivation lot, which may be 337 located outside a disproportionately impacted area; and 338 (ii) That if the department issues a provisional cultivator license to 339 the social equity applicant pursuant to this section: 340 (I) Such provisional cultivator license shall immediately be deemed 341 to have automatically replaced both the provisional cultivator license 342 application the social equity applicant submitted and any provisional 343 cultivator license the department issued to the social equity applicant 344 pursuant to subsection (a) of section 21a-420o of the general statutes, as 345 amended by this act, and such previously submitted provisional 346 cultivator license application and previously issued provisional 347 cultivator license shall immediately be deemed to have been 348 automatically withdrawn or surrendered, as applicable, as set forth in 349 subparagraph (C)(i) of this subdivision; and

(II) The hemp producer shall immediately be deemed to haveautomatically surrendered such hemp producer's license under section

352 22-61*l* of the general statutes, as set forth in subparagraph (D) of this353 subdivision;

354 (C) An acknowledgment by the social equity applicant that, if the 355 department issues a provisional cultivator license to the social equity 356 applicant pursuant to this section:

357 (i) Such provisional cultivator license shall immediately be deemed 358 to have automatically replaced both the provisional cultivator license 359 application the social equity applicant submitted and any provisional 360 cultivator license the department issued to the social equity applicant 361 pursuant to subsection (a) of section 21a-420o of the general statutes, as 362 amended by this act, and such previously submitted provisional 363 cultivator license application and previously issued cultivator license 364 shall immediately be deemed to have been automatically withdrawn or surrendered, as applicable; and 365

(ii) The social equity applicant shall no longer be eligible to create anequity joint venture, as prohibited under subsection (e) of this section;

368 (D) An acknowledgment by the hemp producer which is a party to 369 the agreement described in subparagraph (B) of this subdivision that, if 370 the department issues a provisional cultivator license to the social equity 371 applicant pursuant to this section, the hemp producer shall immediately 372 be deemed to have automatically surrendered such hemp producer's 373 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, 2023;

(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

383 statutes, as amended by this act; and

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

(3) If any change described in subparagraph (F) of subdivision (2) ofthis subsection has occurred which is:

(A) Allowed under (i) section 21a-420g of the general statutes, as
amended by this act, or (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 disclosing 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
disclosing 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 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, as amended by this act, and (B)
paid the fee required under subdivision (3) of subsection (a) of section

413 21a-420o of the general statutes, as amended by this act.

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

(3) 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.

433 (d) All harvested hemp described in subdivision (5) of subsection (a) 434 of this section shall continue to be deemed hemp until the department 435 issues a final cultivator license to the social equity applicant pursuant to 436 this section. After the department issues a final cultivator license to the 437 social equity applicant pursuant to this section, such harvested hemp 438 shall be deemed to be cannabis and shall be subject to all cannabis 439 cultivation, testing, labeling, tracking, reporting and manufacturing 440 provisions of RERACA as such provisions apply to cultivators. For the 441 purposes of this subsection, "hemp" has the same meaning as provided 442 in section 22-61*l* of the general statutes.

443 (e) No social equity applicant that receives a cultivator license

444 pursuant to 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 asotherwise provided in subsections (a) to (f), inclusive, of this section:

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

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

Sec. 4. (NEW) (*Effective July 1, 2024*) (a) (1) During the period beginning July 1, 2024, and ending December 31, 2024, a social equity applicant that has submitted an application to the department for a cultivator license pursuant to subsection (a) of section 21a-4200 of the general statutes, as amended by this act, may withdraw such application and apply for a micro-cultivator license pursuant to this section if:

(A) The Social Equity Council has verified that the applicant meets
the criteria for a social equity applicant pursuant to subdivision (1) of
subsection (a) of section 21a-4200 of the general statutes, as amended by
this act;

(B) The social equity applicant is eligible to receive a provisional
cultivator license pursuant to subsection (a) of section 21a-4200 of the
general statutes, as amended by this act;

472 (C) The department has not already issued a provisional cultivator473 license to the social equity applicant pursuant to subsection (a) of section

474 21a-420o of the general statutes, as amended by this act; and

475 (D) The social equity applicant submits to the department, in a form
476 and manner prescribed by the commissioner, a written statement by the
477 social equity applicant:

(i) Withdrawing the social equity applicant's application under
subsection (a) of section 21a-4200 of the general statutes, as amended by
this act; and

(ii) Acknowledging that if the social equity applicant withdraws the
application submitted under subsection (a) of section 21a-420o of the
general statutes, as amended by this act, the social equity applicant shall
no longer be eligible to create an equity joint venture, as prohibited
under subsection (e) of this section.

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

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

(1) If the social equity applicant meets the eligibility criteriaestablished in subdivision (1) of subsection (a) of this section;

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

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

(B) 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
applicant met the criteria for a social equity applicant pursuant to

subdivision (1) of subsection (a) of section 21a-420o of the generalstatutes, as amended by this act; and

505 (C) The application and conversion fees required under subdivision 506 (1) of subsection (c) of this section; and

507 (3) If any change described in subparagraph (B) of subdivision (2) of 508 this subsection has occurred:

(A) Such change in ownership or control is allowed under (i) section
21a-420g of the general statutes, as amended by this act, or (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) Pursuant to subsection (d) of this section, (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 disclosing
that the Social Equity Council has determined that the social equity
applicant continues to meet the criteria for a social equity applicant.

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

525 (2) The fee to renew a final micro-cultivator license issued pursuant 526 to this section shall be the same as the fee to renew a final micro-527 cultivator license as set forth in section 21a-420e of the general statutes, 528 as amended by this act.

(3) 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.

532 (d) If any change described in subparagraph (B) of subdivision (2) of

subsection (b) of this section has occurred, the Social Equity Council
shall (1) determine whether the social equity applicant continues to meet
the criteria for a social equity applicant, and (2) submit to the
department, in a form and manner prescribed by the commissioner, a
written notice disclosing such determination.

(e) A social equity applicant that withdraws an application in the
manner set forth in subdivision (1) of subsection (a) of this section shall
no longer be eligible to create an equity joint venture.

(f) Each application submitted to the department pursuant to
subsection (b) 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.

546 (g) Notwithstanding any other provision of RERACA, and except as 547 otherwise provided in subsections (a) to (f), inclusive, of this section:

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

551 (2) Each social equity applicant, application submitted pursuant to 552 subsection (b) of this section and micro-cultivator license issued 553 pursuant to this section shall be subject to subsections (e) to (l), inclusive, 554 of section 21a-420g of the general statutes, as amended by this act.

555 Sec. 5. Subsections (i) to (k), inclusive, of section 21a-420d of the 2024 556 supplement to the general statutes are repealed and the following is 557 substituted in lieu thereof (*Effective July* 1, 2024):

(i) (1) Not later than August 1, 2021, and annually thereafter until July
31, 2023, the council shall use the most recent five-year United States
Census Bureau American Community Survey estimates or any
successor data to determine one or more United States census tracts in
the state that are a disproportionately impacted area and shall publish a

563 list of such tracts on the council's Internet web site.

564 (2) Not later than August 1, 2023, the council shall use poverty rate 565 data from the most recent five-year United States Census Bureau 566 American Community Survey estimates, population data from the most 567 recent decennial census and conviction information from databases 568 managed by the Department of Emergency Services and Public 569 Protection to identify all United States census tracts in the state that are 570 disproportionately impacted areas and shall publish a list of such tracts 571 on the council's Internet web site. In identifying which census tracts in 572 this state are disproportionately impacted areas and preparing such list, 573 the council shall:

574 (A) Not deem any census tract with a poverty rate that is less than the 575 state-wide poverty rate to be a disproportionately impacted area;

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

581 (C) Include census tracts in the order of rank described in 582 subparagraph (B) of this subdivision until including the next census 583 tract would cause the total population of all included census tracts to 584 exceed twenty-five per cent of the state's population.

(3) On and after July 1, 2024, any reservation, as defined in section 4763, of the Schaghticoke, Paucatuck Eastern Pequot or Golden Hill
Paugussett indigenous tribe recognized by this state under subsection
(b) of section 47-59a shall be deemed to be a disproportionately
impacted area, provided such reservation includes at least ten acres of
contiguous land and such land comprised part of such reservation on
July 1, 2024.

(j) After developing criteria for workforce development plans asdescribed in subdivision (4) of subsection (h) of this section, the council

shall review and approve or deny in writing any such plan submitted
by a producer under section 21a-420*l* or a hybrid-retailer under section
21a-420u, as amended by this act.

597 (k) The council shall develop criteria for evaluating the ownership 598 and control of any equity joint venture created under section 21a-420m, 599 as amended by this act, 21a-420u, as amended by this act, or 21a-420j 600 and shall review and approve or deny in writing such equity joint 601 venture prior to such equity joint venture being licensed under section 602 21a-420m, as amended by this act, 21a-420u, as amended by this act, or 603 21a-420j. After developing criteria for social equity plans as described in 604 subdivision (5) of subsection (h) of this section, the council shall review 605 and approve or deny in writing any such plan submitted by a cannabis 606 establishment as part of its final license application. The council shall 607 not approve any equity joint venture applicant which shares with an 608 equity joint venture any individual owner who meets the criteria 609 established in subparagraphs (A) and (B) of subdivision [(50)] (52) of 610 section 21a-420, as amended by this act, other than an individual owner 611 in their capacity as a backer licensed under section 21a-420o, as 612 amended by this act.

Sec. 6. Subsection (c) of section 21a-420e of the 2024 supplement to
the general statutes is repealed and the following is substituted in lieu
thereof (*Effective July 1, 2024*):

(c) Except as provided in subsection (d) of this section, the followingfees 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 twentyfive 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.

650 (B) For a food and beverage manufacturer seeking authorization to 651 expand the food and beverage manufacturer's authorized activities to 652 include the authorized activities of a product manufacturer, the 653 application fee for such expanded authorization shall be twenty-five 654 thousand dollars and the fee to renew such expanded authorization 655 shall be twenty-five thousand dollars. The fees due under this 656 subparagraph shall be in addition to the fees due under subparagraph 657 (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 thirty thousand dollars.
The fees due under this subparagraph shall be in lieu of the fees due
under subparagraph (A) of this subdivision.

(8) 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.

673 (9) For an initial or renewal of a backer license, the fee shall be one674 hundred dollars.

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

677 (11) For an initial or renewal of a registration of an employee who is678 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

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

Sec. 7. Subsection (b) of section 21a-420g of the 2024 supplement to
the general statutes is repealed and the following is substituted in lieu
thereof (*Effective July 1, 2024*):

696 (b) Except as provided in section 21a-420o, as amended by this act, 697 and sections 3 and 4 of this act, prior to the first date that the department 698 begins accepting applications for a license type, the department shall 699 determine the maximum number of applications that shall be 700 considered for such license type and post such information on its 701 Internet web site. Fifty per cent of the maximum number of applications that shall be considered for each license type (1) shall be selected 702 703 through a social equity lottery for such license type, and (2) shall be 704 reserved by the department for social equity applicants. If, upon the 705 close of the application period for a license type, the department 706 receives more applications than the maximum number to be considered 707 in total or to be reserved for social equity applicants as set forth in this 708 subsection, a third-party lottery operator shall conduct a lottery to 709 identify applications for review by the department and the Social Equity 710 Council.

Sec. 8. Subsection (b) of section 21a-420m of the 2024 supplement to
the general statutes is repealed and the following is substituted in lieu
thereof (*Effective July 1, 2024*):

(b) The equity joint venture shall be in any cannabis establishment licensed business, other than a cultivator license, provided such equity joint venture is at least fifty per cent owned and controlled by an individual or individuals who meet, or the equity joint venture applicant is an individual who meets, the criteria established in subparagraphs (A) and (B) of subdivision [(50)] (52) of section 21a-420, 720 <u>as amended by this act</u>.

Sec. 9. Section 21a-420o of the 2024 supplement to the general statutes
is repealed and the following is substituted in lieu thereof (*Effective July*1, 2024):

724 (a) Thirty days after the Social Equity Council posts the criteria for 725 social equity applicants on its Internet web site, the department shall 726 open up a three-month application period for cultivators during which 727 a social equity applicant may apply to the department for a provisional 728 cultivator license and final license for a cultivation facility located in a 729 disproportionately impacted area without participating in a lottery or request for proposals. Such application for a provisional license shall be 730 731 granted upon: (1) [verification] Verification by the Social Equity Council 732 that the applicant meets the criteria for a social equity applicant; (2) the 733 applicant submitting to and passing a criminal background check; and 734 (3) payment of a three-million-dollar fee to be deposited in the Cannabis 735 Social Equity and Innovation Fund established in section 21a-420f. Upon 736 granting such provisional license, the department shall notify the 737 applicant of the project labor agreement requirements of section 21a-738 421e. The department shall not grant an application for a provisional 739 cultivator license under this subsection after December 31, 2025.

740 (b) To obtain a final cultivator license under this section, the social 741 equity applicant shall provide evidence of: (1) [a] \underline{A} contract with an 742 entity providing an approved electronic tracking system as described in 743 section 21a-421n; (2) a right to exclusively occupy [a] the location [in a 744 disproportionately impacted area] at which the cultivation facility will 745 be located, which location shall be situated (A) in a disproportionately 746 impacted area, or (B) in the case of an exclusively outdoor grow, in a 747 municipality containing any portion of a disproportionately impacted 748 area, provided (i) such outdoor grow is conducted on land that such 749 municipality has approved for agricultural or farming uses, and (ii) all 750 cultivation complies with the provisions of the regulations adopted, and 751 policies and procedures issued, pursuant to section 21a-421j, as 752 amended by this act, permitting the outdoor cultivation of cannabis; (3)

any necessary local zoning approval and permits for the cultivation facility; (4) a business plan; (5) a social equity plan approved by the Social Equity Council; (6) written policies for preventing diversion and misuse of cannabis and sales of cannabis to underage persons; and (7) blueprints of the facility and all other security requirements of the department.

Sec. 10. Section 21a-420p of the 2024 supplement to the general
statutes is repealed and the following is substituted in lieu thereof
(*Effective July 1, 2024*):

(a) On and after July 1, 2021, 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 microcultivator unless such person has obtained a license from the
department pursuant to this section.

767 (b) A micro-cultivator is authorized to cultivate, grow, propagate, 768 manufacture and package the cannabis plant at an establishment 769 containing not less than two thousand square feet and not more than ten 770 thousand square feet of grow space, prior to any expansion authorized 771 by the commissioner, provided such micro-cultivator complies with the 772 provisions of any regulations adopted under section 21a-420q 773 concerning grow space. A micro-cultivator business shall meet physical 774 security controls set forth and required by the commissioner.

775 (c) A micro-cultivator may apply for expansion of its grow space, in 776 increments of five thousand square feet, on an annual basis, from the 777 date of initial licensure, if such licensee is not subject to any pending or 778 final administrative actions or judicial findings. If there are any pending 779 or final administrative actions or judicial findings against the licensee, 780 the department shall conduct a suitability review to determine whether 781 such expansion shall be granted, which determination shall be final and 782 appealable only to the Superior Court. The micro-cultivator may apply 783 for an expansion of its business annually upon renewal of its credential 784 until such licensee reaches a maximum of twenty-five thousand square

785 feet of grow space. If a micro-cultivator desires to expand beyond 786 twenty-five thousand square feet of grow space, the micro-cultivator 787 licensee may apply for a cultivator license one year after its last expansion request. The micro-cultivator licensee shall not be required to 788 789 apply through the lottery application process to convert its license to a 790 cultivator license. If a micro-cultivator maintains its license and meets 791 all of the application and licensure requirements for a cultivator license, 792 including payment of the cultivator license fee established under section 793 21a-420e, as amended by this act, the micro-cultivator licensee shall be 794 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.

800 (e) A micro-cultivator may sell, transfer or transport its cannabis to a 801 dispensary facility, hybrid retailer, retailer, delivery service, food and 802 beverage manufacturer, product manufacturer, research program, 803 cannabis testing laboratory or product packager, provided the cannabis 804 is cultivated, grown and propagated at the micro-cultivator's licensed 805 establishment and transported utilizing the micro-cultivator's own 806 employees or a transporter. A micro-cultivator shall not gift or transfer 807 cannabis or cannabis products at no cost to a consumer as part of a 808 commercial transaction.

809 (f) [A] (1) Subject to the requirements of this subsection and subsection (b) of section 21a-420c, a micro-cultivator may sell its own 810 811 cannabis, including, but not limited to, its own cannabis seedlings, to 812 consumers, excluding qualifying patients and caregivers, either through 813 a delivery service or utilizing its own employees. [, subject to the 814 requirements of subsection (b) of section 21a-420c] No cannabis 815 establishment other than a micro-cultivator shall sell cannabis seedlings 816 to consumers.

817 (2) No micro-cultivator shall sell a cannabis seedling to a consumer 818 unless: 819 (A) The micro-cultivator cultivated the cannabis seedling in this state 820 from seed or clone; 821 (B) The cannabis seedling (i) has a standing height of not more than 822 six inches measured from the base of the stem to the tallest point of the 823 plant, (ii) does not contain any bud or flower, and (iii) has been tested 824 for pesticides and heavy metals in accordance with the laboratory 825 testing standards established in the policies and procedures issued, and 826 final regulations adopted, by the commissioner pursuant to section 21a-827 421j, as amended by this act; and 828 (C) A label or informational tag is affixed to the cannabis seedling 829 disclosing the following in legible English, black lettering, Times New 830 Roman font, flat regular typeface, on a contrasting background and in 831 uniform size of not less than one-tenth of one inch, based on a capital letter "K": 832 833 (i) The name of the micro-cultivator; 834 (ii) A product description for the cannabis seedling; 835 (iii) One of the following chemotypes anticipated after flowering: (I) "High THC, Low CBD"; (II) "Low THC, High CBD"; or (III) "50/50 THC 836 and CBD"; 837 838 (iv) The results of the testing required under subparagraph (B)(iii) of 839 this subdivision; (v) Directions for optimal care of the cannabis seedling; 840 841 (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 842 symbols shall indicate that the cannabis seedling contains THC and is 843 844 not legal or safe for individuals younger than twenty-one years of age; 845 and

| 846 | (vii) A unique identifier generated by a cannabis analytic tracking |
|-----|---|
| 847 | system maintained by the department and used to track cannabis under |
| 848 | the policies and procedures issued, and final regulations adopted, by |
| 849 | the commissioner pursuant to section 21a-421j, as amended by this act. |
| 850 | (3) Notwithstanding section 21a-421j, as amended by this act, no |
| 851 | cannabis seedling shall be required to be sold in child-resistant |
| 852 | packaging. |
| 853 | (4) No micro-cultivator shall knowingly sell more than three cannabis |
| 854 | seedlings to a consumer in any six-month period. |
| 855 | (5) No micro-cultivator shall accept any returned cannabis seedling. |
| 856 | (6) Any micro-cultivator that engages in the delivery of cannabis <u>as</u> |
| 857 | set forth in subdivision (1) of this subsection shall maintain a secure |
| 858 | location, in a manner approved by the commissioner, at the micro- |
| 859 | cultivator's premises where cannabis that is unable to be delivered may |
| 860 | be returned to the micro-cultivator. Such secure cannabis return location |
| 861 | shall meet specifications set forth by the commissioner and published |
| 862 | on the department's Internet web site or included in regulations adopted |
| 863 | by the department. A micro-cultivator shall cease delivery of cannabis |
| 864 | to consumers if [it] the micro-cultivator converts to being a cultivator. |
| 865 | Sec. 11. Subsections (d) and (e) of section 21a-420s of the 2024 |
| 866 | supplement to the general statutes are repealed and the following is |
| 867 | substituted in lieu thereof (Effective July 1, 2024): |
| 868 | (d) A hybrid retailer shall [maintain] provide access to a licensed |
| 869 | pharmacist, either on premises or through telehealth, at all times when |
| 870 | the hybrid retail location is open to the public or to qualifying patients |
| 871 | and caregivers. |
| 872 | (e) The hybrid retailer location shall include a private consultation |
| 873 | space for pharmacists to meet with qualifying patients and caregivers |
| 874 | either on premises or through telehealth. Additionally, the hybrid |
| 875 | retailer premises shall accommodate an expedited method of entry that |

allows for priority entrance into the premises for qualifying patients andcaregivers.

Sec. 12. Subsection (b) of section 21a-420u of the 2024 supplement to
the general statutes is repealed and the following is substituted in lieu
thereof (*Effective July 1, 2024*):

(b) Any equity joint venture created under this section shall be created for the development of a cannabis establishment, other than a cultivator, provided such equity joint venture is at least fifty per cent owned and controlled by an individual or individuals who meet, or the equity joint venture applicant is an individual who meets, the criteria established in subparagraphs (A) and (B) of subdivision [(50)] (52) of section 21a-420, as amended by this act.

- 888 Sec. 13. Section 21a-420v of the general statutes is repealed and the 889 following is substituted in lieu thereof (*Effective July 1, 2024*):
- (a) A dispensary facility or hybrid retailer may submit an application
 to the department, in a form and manner prescribed by the
 commissioner, to relocate its current dispensary facility or hybrid
 retailer location. Such relocation application shall include:
- 894 (1) The number of qualifying patients the applicant served during the
 895 six-month period preceding the date of such relocation application,
 896 broken down by month, and indicating whether such number increased
 897 or decreased over such six-month period;
- 898 (2) Evidence of (A) alternative dispensary facilities and hybrid
 899 retailers located within a ten-mile radius of the applicant, prior to the
 900 proposed relocation, where qualifying patients may obtain medical
 901 marijuana products, and (B) available public transportation to the
 902 alternative dispensary facilities and hybrid retailers described in
 903 subparagraph (A) of this subdivision;
- 904 (3) A statement disclosing whether the applicant will continue to
 905 provide delivery services to the qualifying patients the applicant serves

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

908 (4) A plan to communicate the proposed relocation to qualifying

909 patients, including, but not limited to, the content and methods of, and

910 <u>timeframes and target audiences for, such communications; and</u>

911 (5) A plan to communicate with nearby dispensary facilities and
 912 <u>hybrid retailers concerning the proposed relocation and the needs of the</u>
 913 <u>qualifying patients served by the applicant.</u>

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

917 [(b)] (c) Prior to June 30, 2022, the commissioner shall not approve the 918 relocation of a dispensary facility or hybrid retailer to a location that is 919 further than ten miles from its current dispensary facility or hybrid 920 retailer location.

921 Sec. 14. Section 21a-420y of the 2024 supplement to the general
922 statutes is repealed and the following is substituted in lieu thereof
923 (*Effective July 1, 2024*):

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

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

936 utilizing its own employees or a transporter.

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

(d) A product packager shall ensure all equipment utilized forprocessing and packaging cannabis is sanitary and inspected regularlyto deter the adulteration of cannabis.

945 (e) (1) A product packager may expand the product packager's authorized activities to include the authorized activities of a product 946 947 manufacturer if: (A) The product packager submits to the department 948 (i) a completed license expansion application on a form and in a manner 949 prescribed by the commissioner, and (ii) the fee prescribed in 950 subparagraph (B) of subdivision (7) of subsection (c) of section 21a-420e, 951 as amended by this act; and (B) the commissioner authorizes the product 952 packager, in writing, to expand such product packager's authorized 953 activities to include the authorized activities of a product manufacturer.

954 (2) A product packager that expands the product packager's 955 authorized activities to include the authorized activities of a product 956 manufacturer under this subsection shall comply with all provisions of 957 this chapter, and all regulations, policies and procedures prescribed 958 pursuant to this chapter, concerning product manufacturers. In the 959 event of a conflict between any provision of this chapter, or any regulation, policy or procedure prescribed pursuant to this chapter, 960 961 concerning product packagers and any such provision, regulation, policy or procedure concerning product manufacturers, the provision, 962 963 regulation, policy or procedure imposing the more stringent public 964 health and safety standard shall prevail.

Sec. 15. Subsection (b) of section 21a-421j of the 2024 supplement to
the general statutes is repealed and the following is substituted in lieu
thereof (*Effective July 1, 2024*):

968 (b) The commissioner shall adopt regulations in accordance with 969 chapter 54 to implement the provisions of RERACA. Notwithstanding the requirements of sections 4-168 to 4-172, inclusive, in order to 970 971 effectuate the purposes of RERACA and protect public health and 972 safety, prior to adopting such regulations the commissioner shall issue 973 policies and procedures to implement the provisions of RERACA that 974 shall have the force and effect of law. The commissioner shall post all 975 policies and procedures on the department's Internet web site and 976 submit such policies and procedures to the Secretary of the State for 977 posting on the eRegulations System, at least fifteen days prior to the 978 effective date of any policy or procedure. The commissioner shall also 979 provide such policies and procedures, in a manner prescribed by the 980 commissioner, to each licensee. Any such policy or procedure shall no 981 longer be effective upon the earlier of either the adoption of the policy 982 or procedure as a final regulation under section 4-172 or forty-eight 983 months from June 22, 2021, if such regulations have not been submitted 984 to the legislative regulation review committee for consideration under 985 section 4-170. The commissioner shall issue policies and procedures and 986 thereafter final regulations that include, but are not limited to, the 987 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.

999 (3) Requiring that, if it is impracticable to clearly demark every1000 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.

1011 (5) Imposing labeling and packaging requirements for cannabis sold1012 by a cannabis establishment that include, but are not limited to, the1013 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.

1018 (B) A disclosure concerning the length of time it typically takes for 1019 the cannabis to affect an individual, including that certain forms of 1020 cannabis take longer to have an effect.

1021 (C) A notation of the amount of cannabis the cannabis product is1022 considered the equivalent to.

1023 (D) A list of ingredients and all additives for cannabis.

1024 (E) [Child-resistant] Except as provided in subdivision (3) of 1025 subsection (f) of section 21a-420p, as amended by this act, child-1026 resistant, tamper-resistant and light-resistant packaging. [, including 1027 requiring that an edible product be individually wrapped.] For the 1028 purposes of this subparagraph, packaging shall be deemed to be (i) 1029 child-resistant if the packaging satisfies the standard for special 1030 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.

1037 (F) [Packaging for] Except as provided in subdivision (3) of subsection (f) of section 21a-420p, as amended by this act, (i) packaging 1038 1039 for cannabis intended for multiple servings to be resealable in such a 1040 manner so as to render such packaging continuously child-resistant, as 1041 described in subparagraph (E)(i) of this subdivision, and preserve the 1042 integrity of the contents of such packaging, and (ii) if packaging for 1043 cannabis intended for multiple servings contains any edible cannabis 1044 product, for each single standardized serving to be easily discernible 1045 and (I) individually wrapped, or (II) physically demarked and 1046 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 andwhen the cannabis was grown and manufactured such that a productrecall could be effectuated.

1054 (I) A net weight statement.

1055 (J) A recommended use by or expiration date.

1056 (K) Standard and uniform packaging and labeling, including, but not 1057 limited to, requirements (i) regarding branding or logos, (ii) that all 1058 packaging be opaque, and (iii) that amounts and concentrations of THC 1059 and cannabidiol, per serving and per package, be clearly marked on the 1060 packaging or label of any cannabis product sold. 1061 (L) For any cannabis concentrate cannabis product that contains a 1062 total THC percentage greater than thirty per cent, a warning that such 1063 cannabis product is a high-potency product and may increase the risk 1064 of psychosis.

1065 (M) Chemotypes, which shall be displayed as (i) "High THC, Low 1066 CBD" where the ratio of THC to CBD is greater than five to one and the 1067 total THC percentage is at least fifteen per cent, (ii) "Moderate THC, 1068 Moderate CBD" where the ratio of THC to CBD is at least one to five but 1069 not greater than five to one and the total THC percentage is greater than 1070 five per cent but less than fifteen per cent, (iii) "Low THC, High CBD" 1071 where the ratio of THC to CBD is less than one to five and the total THC 1072 percentage is not greater than five per cent, or (iv) the chemotype 1073 described in clause (i), (ii) or (iii) of this subparagraph that most closely 1074 fits the cannabis or cannabis product, as determined by mathematical 1075 analysis of the ratio of THC to CBD, where such cannabis or cannabis 1076 product does not fit a chemotype described in clause (i), (ii) or (iii) of 1077 this subparagraph.

1078 (N) A requirement that, prior to being sold and transferred to a 1079 consumer, qualifying patient or caregiver, cannabis packaging be 1080 clearly labeled, whether printed directly on such packaging or affixed 1081 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:

1093 (I) The name of such cannabis, as registered with the department 1094 under the policies and procedures issued, and final regulations adopted, 1095 by the commissioner pursuant to this section. 1096 (II) The expiration date, which shall not account for any refrigeration 1097 after such cannabis is sold and transferred to the consumer, qualifying 1098 patient or caregiver. 1099 (III) The net weight or volume, expressed in metric and imperial 1100 units. 1101 (IV) The standardized serving size, expressed in customary units, and 1102 the number of servings included in such packaging, if applicable. 1103 (V) Directions for use and storage. 1104 (VI) Each active ingredient comprising at least one per cent of such 1105 cannabis, including cannabinoids, isomers, esters, ethers and salts and 1106 salts of isomers, esters and ethers, and all quantities thereof expressed 1107 in metric units and as a percentage of volume. 1108 (VII) A list of all known allergens, as identified by the federal Food 1109 and Drug Administration, contained in such cannabis, or the denotation 1110 "no known FDA identified allergens" if such cannabis does not contain 1111 any allergen identified by the federal Food and Drug Administration. 1112 (VIII) The following warning statement within, and outlined by, a red 1113 box: 1114 "This product is not FDA-approved, may be intoxicating, cause long-1115 term physical and mental health problems, and have delayed side 1116 effects. It is illegal to operate a vehicle or machinery under the influence 1117 of cannabis. Keep away from children." 1118 (IX) At least one of the following warning statements, rotated 1119 quarterly on an alternating basis: 1120 "Warning: Frequent and prolonged use of cannabis can contribute to

1121 mental health problems over time, including anxiety, depression,1122 stunted brain development and impaired memory."

1123 "Warning: Consumption while pregnant or breastfeeding may be1124 harmful."

1125 "Warning: Cannabis has intoxicating effects and may be habit-1126 forming and addictive."

1127 "Warning: Consuming more than the recommended amount may1128 result in adverse effects requiring medical attention.".

(X) All information necessary to comply with labeling requirements
imposed under the laws of this state or 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 asthe commissioner may require and post on the department's Internetweb site.

1139 (6) Establishing laboratory testing standards.

(7) Restricting forms of cannabis products and cannabis productdelivery systems to ensure consumer safety and deter public healthconcerns.

(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.

1148 (9) Prohibiting cannabis product types 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.

1163 (14) Prohibiting a cannabis establishment from selling, other than the sale of medical marijuana products between cannabis establishments 1164 1165 and the sale of cannabis to qualified patients and caregivers, (A) 1166 cannabis flower or other cannabis plant material with a total THC 1167 concentration greater than thirty per cent on a dry-weight basis, and (B) 1168 any cannabis product other than cannabis flower and cannabis plant 1169 material with a total THC concentration greater than sixty per cent on a 1170 dry-weight basis, except that the provisions of subparagraph (B) of this 1171 subdivision shall not apply to the sale of prefilled cartridges for use in 1172 an electronic cannabis delivery system, as defined in section 19a-342a 1173 and the department may adjust the percentages set forth in 1174 subparagraph (A) or (B) of this subdivision in regulations adopted 1175 pursuant to this section for purposes of public health or to address 1176 market access or shortage. As used in this subdivision, "cannabis plant 1177 material" means material from the cannabis plant, as defined in section 1178 21a-279a.

1179 (15) Permitting the outdoor cultivation of cannabis.

(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, which logo may be
comprised of not more than three colors and provided neither black nor
white shall be considered one of such three colors.

(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.

1197 (20) (A) Except as provided in subparagraph (B) of this subdivision, 1198 requiring that delivery device cartridges be labeled, in a clearly legible 1199 manner and in as large a font as the size of the device reasonably allows, 1200 with only the following information (i) the name of the cannabis 1201 establishment where the cannabis is grown or manufactured, (ii) the 1202 cannabis brand, (iii) the total THC and total CBD content contained 1203 within the delivery device cartridge, (iv) the expiration date, and (v) the 1204 unique identifier generated by a cannabis analytic tracking system 1205 maintained by the department and used to track cannabis under the 1206 policies and procedures issued, and final regulations adopted, by the 1207 commissioner pursuant to this section.

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

1211 Sec. 16. Section 21a-421r of the general statutes is repealed and the 1212 following is substituted in lieu thereof (*Effective July 1, 2024*):

1213 A licensed pharmacist working as an employee [at] <u>of</u> a dispensary 1214 facility or hybrid retailer shall transmit dispensing information, in a 1215 manner prescribed by the commissioner, on any cannabis sold to a 1216 qualifying patient or caregiver in real-time or immediately upon 1217 completion of the transaction, unless not reasonably feasible for a 1218 specific transaction, but in no case longer than one hour after completion 1219 of the transaction.

Sec. 17. Subsection (b) of section 21a-421bb of the 2024 supplement to
the general statutes is repealed and the following is substituted in lieu
thereof (*Effective July 1, 2024*):

(b) Except as provided in subsection (d) of this section, cannabisestablishments shall not:

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

1228 (A) In ways that target or are designed to appeal to individuals under 1229 twenty-one years of age, including, but not limited to, spokespersons or 1230 celebrities who appeal to individuals under the legal age to purchase 1231 cannabis or cannabis products, depictions of a person under twenty-five 1232 years of age consuming cannabis, or, the inclusion of objects, such as 1233 toys, characters or cartoon characters, suggesting the presence of a 1234 person under twenty-one years of age, or any other depiction designed 1235 in any manner to be appealing to a person under twenty-one years of 1236 age; or

(B) By using any image, or any other visual representation, of thecannabis plant or any part of the cannabis plant, including, but notlimited to, the leaf of the cannabis plant;

1240 (2) Engage in any advertising by means of any form of billboard

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

(3) Engage in advertising by means of any television, radio, Internet,
mobile application, social media or other electronic communication,
billboard or other outdoor signage, or print publication unless the
cannabis establishment has reliable evidence that at least ninety per cent
of the audience for the advertisement is reasonably expected to be
twenty-one years of age or older;

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

1258 (5) Advertise cannabis or cannabis products in a manner claiming or 1259 implying, or permit any employee of the cannabis establishment to 1260 claim or imply, that such products have curative or therapeutic effects, 1261 or that any other medical claim is true, or allow any employee to 1262 promote cannabis for a wellness purpose unless such claims are 1263 substantiated as set forth in regulations adopted under chapter 420f or 1264 verbally conveyed by a licensed pharmacist or other licensed medical 1265 practitioner in the course of business in, or while representing, a hybrid 1266 retail or dispensary facility;

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

1273 that will watch, listen or participate in the event is expected to be under1274 the legal age to purchase cannabis products;

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

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

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

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

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

(12) Display cannabis, cannabis products or any image, or any other
visual representation, of the cannabis plant or any part of the cannabis
plant, including, but not limited to, the leaf of the cannabis plant, so as
to be clearly visible to a person from the exterior of the facility used in
the operation of a cannabis establishment, or display signs or other

| 1304 1305 1306 1307 1308 | printed material advertising any brand or any kind of cannabis or cannabis product, or including any image, or any other visual representation, of the cannabis plant or any part of the cannabis plant, including, but not limited to, the leaf of the cannabis plant, on the exterior of any facility used in the operation of a cannabis establishment; |
|--------------------------------------|--|
| 1309 1310 1311 | (13) Utilize radio or loudspeaker, in a vehicle or in or outside of a facility used in the operation of a cannabis establishment, for the purposes of advertising the sale of cannabis or cannabis products; [or] |
| 1312 1313 1314 | (14) Operate any web site advertising or depicting cannabis, cannabis products or cannabis paraphernalia unless such web site verifies that the entrants or users are twenty-one years of age or older; or |
| 1315 1316 1317 | (15) Engage in advertising or marketing that includes a discounted price or other promotional offering as an inducement to purchase cannabis or any cannabis product. |
| 1318 1319 1320 | Sec. 18. Section 22-61m of the 2024 supplement to the general statutes is repealed and the following is substituted in lieu thereof (<i>Effective July 1</i> , 2024): |
| 1321 1322 | (a) No person shall manufacture in the state without a license to manufacture issued by the Commissioner of Consumer Protection. |
| 1323 1324 1325 | (b) Each applicant for a manufacturer license shall submit an application on a form and in a manner prescribed by the Commissioner of Consumer Protection. |
| 1326 | (c) The following fees shall apply for a license to manufacture: |
| 1327 1328 | (1) A nonrefundable license application fee of seventy-five dollars; and |
| 1329 1330 | (2) A nonrefundable licensing fee of three hundred seventy-five dollars for a license to manufacture hemp. |
| 1331 | (d) A license to manufacture issued by the Commissioner of |

1332 Consumer Protection pursuant to this section shall expire triennially on1333 June thirtieth. Such licenses shall not be transferable.

(e) In accordance with a hearing held pursuant to chapter 54, the
Commissioner of Consumer Protection may deny, suspend or revoke a
manufacturer license, issue fines of not more than two thousand five
hundred dollars per violation and place conditions upon a
manufacturer licensee who violates the provisions of this section and
any regulation adopted pursuant to this section.

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

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

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

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

(i) (1) Each manufacturer shall follow the protocol in this subsection
for disposing of cannabis in the event that any hemp or hemp product
is deemed to exceed the prescribed THC concentration, as determined
by the Commissioner of Consumer Protection, or a manufacturer

1363 licensee in possession of hemp or hemp products who desires to dispose 1364 of obsolete, misbranded, excess or otherwise undesired product. Each 1365 manufacturer licensee shall be responsible for all costs of disposal of hemp samples and any hemp produced by such licensee that violates 1366 1367 the provisions of this section or any regulation adopted pursuant to this 1368 section. Any cannabis that exceeds the prescribed THC concentration 1369 allowable in hemp or hemp products shall be immediately embargoed 1370 by such manufacturer and clearly labeled as adulterated by such 1371 licensee and such licensee shall immediately notify both the Department 1372 of Consumer Protection and the Department of Agriculture, in writing, 1373 of such adulterated product. Such adulterated product shall be 1374 destroyed and disposed of by the following method, as determined by 1375 the Commissioner of Consumer Protection:

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

(B) By disposal in a manner prescribed by the Commissioner ofConsumer Protection.

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

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

1391 (1) The date, time and location of disposal or destruction;

1392 (2) The manner of disposal or destruction;

(3) The batch or lot information and quantity of hemp or hempproduct disposed of or destroyed; and

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

1399 (k) Any hemp intended to be manufactured by a manufacturer into a 1400 manufacturer hemp product shall be tested by an independent testing 1401 laboratory located in this state. A manufacturer licensee shall make 1402 available samples, in an amount and type determined by the 1403 Commissioner of Consumer Protection, of hemp for an independent 1404 testing laboratory employee to select random samples. The independent 1405 testing laboratory shall test each sample in accordance with the 1406 laboratory testing standards established in policies, procedures and 1407 regulations adopted by the commissioner pursuant to section 21a-421j, 1408 as amended by this act.

1409 (l) Once a batch of hemp, intended to be sold as a manufacturer hemp 1410 product, has been homogenized for sample testing and eventual 1411 packaging and sale, until the independent testing laboratory provides 1412 the results from its tests and analysis, the manufacturer shall segregate 1413 and withhold from use the entire batch of hemp that is intended for use 1414 as a manufacturer hemp product, except the samples that have been removed by the independent testing laboratory for testing. During this 1415 1416 period of segregation, the manufacturer licensee shall maintain the 1417 hemp batch in a secure, cool and dry location, as prescribed by the 1418 Commissioner of Consumer Protection, so as to prevent the hemp from 1419 becoming adulterated. Such manufacturer shall not manufacture or sell 1420 a manufacturer hemp product prior to the time that the independent 1421 testing laboratory completes testing and analysis and provides such 1422 results, in writing, to the manufacturer licensee who initiated such 1423 testing.

1424 (m) An independent testing laboratory shall immediately return or

dispose of any hemp or manufacturer hemp product upon the
completion of any testing, use or research. If an independent testing
laboratory disposes of hemp or manufacturer hemp products, the
laboratory shall dispose of such hemp in the following manner, as
determined by the Commissioner of Consumer Protection:

(1) By surrender, without compensation, of such hemp or
manufacturer hemp product to the Commissioner of Consumer
Protection who shall be responsible for the destruction and disposal of
such hemp or hemp product; or

1434 (2) By disposal in a manner prescribed by the Commissioner of1435 Consumer Protection.

(n) If a sample does not pass the microbiological, mycotoxin, heavy
metal or pesticide chemical residue test, based on the laboratory testing
standards established in policies, procedures and regulations adopted
by the Commissioner of Consumer Protection pursuant to section 21a421j, as amended by this act, the manufacturer licensee who sent such
batch for testing shall:

1442 (1) Retest and reanalyze the hemp from which the sample was taken 1443 by having an employee from the same laboratory randomly select another sample from the same hemp batch. If the sample used to retest 1444 1445 or reanalyze such hemp yields satisfactory results for all testing 1446 required under this section, an employee from a different laboratory 1447 shall randomly select a different sample from the same hemp batch for 1448 testing. If both samples yield satisfactory results for all testing required 1449 under this section, the hemp batch from which the samples were taken 1450 shall be released for manufacturing, processing and sale;

(2) If a remediation plan sufficient to ensure public health and safety
is submitted to and approved by the commissioner, remediate the hemp
batch from which the sample was taken and have a laboratory employee
randomly select a sample from such remediated hemp batch for testing.
If such randomly selected sample yields satisfactory results for any
testing required under this section, an employee from a different

laboratory shall randomly select a different sample from the same hemp
batch for testing. If both samples yield satisfactory results for all testing
required under this section, the hemp batch from which the samples
were taken may be released for manufacturing, processing or sale; or

(3) If the manufacturer does not retest or remediate, or if any
subsequent laboratory testing does not yield satisfactory results for any
testing required under this section, dispose of the entire batch from
which the sample was taken in accordance with procedures established
by the Commissioner of Consumer Protection pursuant to subdivision
(1) of subsection (i) of this section.

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

1470 (p) The independent testing laboratory shall file with the Department 1471 of Consumer Protection an electronic copy of each laboratory test result for any batch that does not pass the microbiological, mycotoxin, heavy 1472 1473 metal or pesticide chemical residue test, at the same time that it 1474 transmits such results to the manufacturer licensee who requested such 1475 testing. Each independent testing laboratory shall maintain the test 1476 results of each tested batch for a period of three years and shall make 1477 such results available to the Department of Consumer Protection upon 1478 request.

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

(r) The Commissioner of Consumer Protection may adopt
regulations, in accordance with the provisions of chapter 54, to
implement the provisions of this section including, but not limited to,

establishing sampling and testing procedures to ensure compliance
with this section, prescribing storage and disposal procedures for hemp,
marijuana and manufacturer hemp products that fail to pass
Department of Consumer Protection prescribed independent testing
laboratory testing standards and establishing advertising and labeling
requirements for manufacturer hemp products.

(s) Any claim of health impacts, medical effects or physical or mental
benefits shall be prohibited on any advertising for, labeling of or
marketing of manufacturer hemp products regardless of whether such
manufacturer hemp products were manufactured in this state or
another jurisdiction. Any violation of this subsection shall be deemed an
unfair or deceptive trade practice under subsection (a) of section 42110b.

1502 (t) Not later than February 1, 2020, the Commissioners of Agriculture 1503 and Consumer Protection shall submit a report, in accordance with 1504 section 11-4a, to the joint standing committee of the general assembly 1505 having cognizance of matters relating to the environment on the status 1506 of the pilot program, the development of the state plan and any 1507 regulations for such pilot program or state plan. Such report shall also 1508 include any legislative recommendations, including, but not limited to, 1509 any recommendations for requiring the registration of any 1510 manufacturer hemp product offered for sale in this state.

1511 (u) (1) Any person who sells manufacturer hemp products shall not 1512 be required to be licensed, provided such person only engages in: (A) 1513 The retail or wholesale sale of manufacturer hemp products in which no 1514 further manufacturing of hemp occurs, provided such manufacturer 1515 hemp products are acquired from a person authorized to manufacture 1516 the manufacturer hemp products under the laws of this state or another 1517 state, territory or possession of the United States or another sovereign 1518 entity; (B) the acquisition of manufacturer hemp products for the sole 1519 purpose of product distribution for resale; and (C) the retail sale of 1520 manufacturer hemp products that is authorized under federal or state 1521 law.

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

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

1532 (w) No manufacturer hemp product offered for sale in this state, or 1533 to a consumer in this state, shall be packaged, presented or advertised 1534 in a manner that is likely to mislead a consumer by incorporating any 1535 statement, brand, design, representation, picture, illustration or other 1536 depiction that: (1) Bears a reasonable resemblance to trademarked or 1537 characteristic packaging of (A) cannabis offered for sale (i) in this state 1538 by a cannabis establishment licensed in this state, or (ii) on tribal land 1539 by a tribal-credentialed cannabis entity, or (B) a commercially available 1540 product other than a cannabis product, as defined in section 21a-420, as 1541 amended by this act; or (2) implies that the manufacturer hemp product 1542 (A) is a cannabis product, as defined in section 21a-420, as amended by 1543 this act, (B) contains a total THC concentration greater than three-tenths 1544 per cent on a dry-weight basis, or (C) is a high-THC hemp product, as 1545 defined in section 21a-240, as amended by this act.

(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:

1553 (A) The name of such product;

| 1554 1555 | (B) The name, address and telephone number of such product's manufacturer, packer and distributor, as applicable; |
|------------------------------|--|
| 1556 1557 | (C) The batch number, which shall match the batch number on such package or label; and |
| 1558 1559 1560 | (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; |
| 1561 | (2) The expiration or best by date for such product, if applicable; |
| 1562 | (3) A clear and conspicuous statement disclosing that: |
| 1563 1564 1565 | (A) Children, or those who are pregnant or breastfeeding, should avoid using such product prior to consulting with a health care professional concerning such product's safety; |
| 1566 1567 | (B) Products containing cannabinoids should be kept out of reach of children; and |
| 1568 1569 | (C) The federal Food and Drug Administration has not evaluated such product for safety or efficacy; and |
| 1570 1571 1572 | (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. |
| 1573 1574 1575 1576 | (y) No manufacturer hemp product that is a topical, soap or cosmetic, as defined in section 21a-92, 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: |
| 1577 1578 1579 1580 | (1) A scannable barcode, Internet web site address or quick response code that is linked to the certificate of analysis of the final form extract or final form product batch by an independent testing laboratory and discloses: |
| 1581 | (A) The name of such product; |

| 1582 1583 | (B) The name, address and telephone number of such product's manufacturer, packer and distributor, as applicable; |
|----------------------|--|
| 1584 1585 | (C) The batch number, which shall match the batch number on such package or label; and |
| 1586 1587 | (D) The concentration of cannabinoids present in such batch, including, but not limited to, total THC and any marketed cannabinoids; |
| 1588 | (2) The expiration or best by date for such product, if applicable; and |
| 1589 | (3) A clear and conspicuous statement disclosing the following: |
| 1590 1591 | "THE FDA HAS NOT EVALUATED THIS PRODUCT FOR SAFETY OR EFFICACY.". |
| 1592 1593 1594 | (z) Any violation of subsections (u) to (y), inclusive, of this section shall be deemed an unfair or deceptive trade practice under subsection (a) of section 42-110b. |
| 1505 | |

(aa) Not later than October 31, 2023, the Department of Emergency
Services and Public Protection shall, in consultation with the
Department of Consumer Protection, publish a training bulletin to
inform local law enforcement agencies and officers regarding the
investigation and enforcement standards concerning cannabis and highTHC hemp products.

1601 (bb) Notwithstanding any provision of the general statutes: (1) CBD 1602 that is found in manufacturer hemp products shall not be considered a 1603 controlled substance, as defined in section 21a-240, as amended by this 1604 <u>act</u>, or legend drug, as defined in section 20-571; and (2) CBD derived 1605 from hemp and contained in manufacturer hemp products shall not be 1606 considered a controlled substance or adulterant.

1607 (cc) No manufacturer hemp product shall be sold in packaging that 1608 contains more than one serving per container.

1609 Sec. 19. Subsection (c) of section 22-61n of the 2024 supplement to the

1610 general statutes is repealed and the following is substituted in lieu1611 thereof (*Effective July 1, 2024*):

1612 (c) Hemp or hemp products purchased by a producer, cultivator, micro-cultivator, [or] product manufacturer or food and beverage 1613 manufacturer from a third party shall be tracked as a separate batch 1614 1615 throughout the manufacturing process in order to document the 1616 disposition of such hemp or hemp products. Once hemp or hemp products are received by a producer, cultivator, micro-cultivator, [or] 1617 1618 product manufacturer or food and beverage manufacturer, such hemp or hemp products shall be deemed cannabis and shall comply with the 1619 1620 requirements for cannabis contained in the applicable provisions of the 1621 general statutes and any regulations adopted pursuant to such 1622 provisions. A producer, cultivator, micro-cultivator, [and] product 1623 manufacturer or food and beverage manufacturer shall retain a copy of the certificate of analysis for purchased hemp or hemp products and 1624 1625 invoice and transport documents that evidence the quantity purchased 1626 and date received.

| This act sha | This act shall take effect as follows and shall amend the following | | | | |
|--------------|---|---------------------|--|--|--|
| sections: | | | | | |
| | | | | | |
| Section 1 | July 1, 2024 | 21a-240(63) | | | |
| Sec. 2 | July 1, 2024 | 21a-420 | | | |
| Sec. 3 | July 1, 2024 | New section | | | |
| Sec. 4 | July 1, 2024 | New section | | | |
| Sec. 5 | July 1, 2024 | 21a-420d(i) to (k) | | | |
| Sec. 6 | July 1, 2024 | 21a-420e(c) | | | |
| Sec. 7 | July 1, 2024 | 21a-420g(b) | | | |
| Sec. 8 | July 1, 2024 | 21a-420m(b) | | | |
| Sec. 9 | July 1, 2024 | 21a-420o | | | |
| Sec. 10 | July 1, 2024 | 21a-420p | | | |
| Sec. 11 | July 1, 2024 | 21a-420s(d) and (e) | | | |
| Sec. 12 | July 1, 2024 | 21a-420u(b) | | | |
| Sec. 13 | July 1, 2024 | 21a-420v | | | |
| Sec. 14 | July 1, 2024 | 21a-420y | | | |
| Sec. 15 | July 1, 2024 | 21a-421j(b) | | | |
| Sec. 16 | July 1, 2024 | 21a-421r | | | |

| Sec. 17 | July 1, 2024 | 21a-421bb(b) |
|---------|--------------|--------------|
| Sec. 18 | July 1, 2024 | 22-61m |
| Sec. 19 | July 1, 2024 | 22-61n(c) |

Statement of Purpose:

To: (1) Redefine "high-THC hemp product" and "disproportionately impacted area"; (2) enable certain social equity applicants to engage in additional cultivation activities and apply for additional licenses; (3) modify certain common ownership requirements concerning equity joint ventures; (4) enable product packagers to expand their authorized activities; (5) limit the licensing period for certain provisional cultivator licenses; (6) modify requirements concerning the location of cultivation facilities; (7) authorize micro-cultivators to sell cannabis seedlings; (8) authorize hybrid retailers to provide access to pharmacists through telehealth; (9) establish additional requirements concerning dispensary facility and hybrid retailer relocations; (10) alter certain requirements applicable to packaging containing (A) multiple servings of cannabis, or (B) manufacturer hemp products; (11) provide that no cannabis establishment shall engage in certain advertising; and (12) make various minor, technical and conforming changes to statutes concerning cannabis and hemp regulation.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]