



General Assembly

January Session, 2023

Raised Bill No. 6700

LCO No. 4434



Referred to Committee on GENERAL LAW

Introduced by:
(GL)

AN ACT CONCERNING HEMP LICENSEES AND THE ADULT-USE CANNABIS MARKET.

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

1 Section 1. Section 21a-420 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

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

4 (1) "Responsible and Equitable Regulation of Adult-Use Cannabis
5 Act" or "RERACA" means this section, sections 2-56j, 7-294kk, 7-294ll,
6 12-330ll to 12-330nn, inclusive, 14-227p, 21a-278b, as amended by this
7 act, 21a-278c, 21a-279c, 21a-279d, 21a-420a to 21a-420i, inclusive, 21a-
8 420l to 21a-421r, inclusive, 21a-421aa to 21a-421ff, inclusive, 21a-421aaa
9 to 21a-421ggg, inclusive, 21a-422 to 21a-422c, inclusive, 21a-422e to 21a-
10 422g, inclusive, 21a-422j to 21a-422s, inclusive, 22-61n, as amended by
11 this act, 23-4b, 47a-9a, 53-247a, 53a-213a, 53a-213b, 54-33p, 54-56q, 54-
12 56r, 54-125k and 54-142u, sections 23, 60, 63 to 65, inclusive, 124, 144 and
13 165 of public act 21-1 of the June special session and the amendments in
14 public act 21-1 of the June special session to sections 7-148, 10-221, 12-
15 30a, 12-35b, 12-412, 12-650, 12-704d, 14-44k, 14-111e, 14-227a to 14-227c,

16 inclusive, 14-227j, 15-140q, 15-140r, 18-100h, 19a-342, 19a-342a, 21a-267,
17 21a-277, 21a-279, 21a-279a, 21a-408 to 21a-408f, inclusive, as amended
18 by this act, 21a-408h to 21a-408p, inclusive, as amended by this act, 21a-
19 408r to 21a-408v, inclusive, 30-89a, 31-40q, 32-39, 46b-120, 51-164n, 53-
20 394, 53a-39c, 54-1m, 54-33g, 54-41b, 54-56e, 54-56g, 54-56i, 54-56k, 54-
21 56n, 54-63d, 54-66a, 54-142e, 21a-421hhh, [and] 21a-420j, as amended by
22 this act, and sections 2 and 3 of this act;

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

31 (3) "Cannabis" means marijuana, as defined in section 21a-240;

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

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

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

47 (7) "Cannabis product" means cannabis that is in the form of a
48 cannabis concentrate or a product that contains cannabis, which may be
49 combined with other ingredients, and is intended for use or
50 consumption. "Cannabis product" does not include the raw cannabis
51 plant;

52 (8) "Cannabis concentrate" means any form of concentration,
53 including, but not limited to, extracts, oils, tinctures, shatter and waxes,
54 that is extracted from cannabis;

55 (9) "Cannabis-type substances" have the same meaning as
56 "marijuana", as defined in section 21a-240;

57 (10) "Commissioner" means the Commissioner of Consumer
58 Protection and includes any designee of the commissioner;

59 (11) "Consumer" means an individual who is twenty-one years of age
60 or older;

61 (12) "Cultivation" has the same meaning as provided in section 21a-
62 408, as amended by this act;

63 (13) "Cultivator" means a person that is licensed to engage in the
64 cultivation, growing and propagation of the cannabis plant at an
65 establishment with not less than fifteen thousand square feet of grow
66 space;

67 (14) "Delivery service" means a person that is licensed to deliver
68 cannabis from (A) micro-cultivators, retailers and hybrid retailers to
69 consumers and research program subjects, and (B) hybrid retailers and
70 dispensary facilities to qualifying patients, caregivers and research
71 program subjects, as defined in section 21a-408, as amended by this act,
72 or to hospices or other inpatient care facilities licensed by the
73 Department of Public Health pursuant to chapter 368v that have a
74 protocol for the handling and distribution of cannabis that has been
75 approved by the department, or a combination thereof;

76 (15) "Department" means the Department of Consumer Protection;

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

83 (17) "Disproportionately impacted area" means a United States
84 census tract in the state that has, as determined by the Social Equity
85 Council under section 21a-420d, as amended by this act, (A) a historical
86 conviction rate for drug-related offenses greater than one-tenth, or (B)
87 an unemployment rate greater than ten per cent;

88 (18) "Disqualifying conviction" means a conviction within the last ten
89 years which has not been the subject of an absolute pardon under the
90 provisions of section 54-130a, or an equivalent pardon process under the
91 laws of another state or the federal government, for an offense under (A)
92 section 53a-276, 53a-277 or 53a-278; (B) section 53a-291, 53a-292 or 53a-
93 293; (C) section 53a-215; (D) section 53a-138 or 53a-139; (E) section 53a-
94 142a; (F) sections 53a-147 to 53a-162, inclusive; (G) sections 53a-125c to
95 53a-125f, inclusive; (H) section 53a-129b, 53a-129c or 53a-129d; (I)
96 subsection (b) of section 12-737; (J) section 53a-48 or 53a-49, if the offense
97 which is attempted or is an object of the conspiracy is an offense under
98 the statutes listed in subparagraphs (A) to (I), inclusive, of this
99 subdivision; or (K) the law of any other state or of the federal
100 government, if the offense on which such conviction is based is defined
101 by elements that substantially include the elements of an offense under
102 the statutes listed in subparagraphs (A) to (J), inclusive, of this
103 subdivision;

104 (19) "Dispensary technician" means an individual who has had an
105 active pharmacy technician or dispensary technician registration in this
106 state within the past five years, is affiliated with a dispensary facility or

107 hybrid retailer and is registered with the department in accordance with
108 chapter 420f and any regulations adopted [thereunder] pursuant to said
109 chapter;

110 (20) "Employee" means any person who is not a backer, but is a
111 member of the board of a company with an ownership interest in a
112 cannabis establishment, and any person employed by a cannabis
113 establishment or who otherwise has access to such establishment or the
114 vehicles used to transport cannabis, including, but not limited to, an
115 independent contractor who has routine access to the premises of such
116 establishment or to the cannabis handled by such establishment;

117 (21) "Equity" and "equitable" means efforts, regulations, policies,
118 programs, standards, processes and any other functions of government
119 or principles of law and governance intended to: (A) Identify and
120 remedy past and present patterns of discrimination and disparities of
121 race, ethnicity, gender and sexual orientation; (B) ensure that such
122 patterns of discrimination and disparities, whether intentional or
123 unintentional, are neither reinforced nor perpetuated; and (C) prevent
124 the emergence and persistence of foreseeable future patterns of
125 discrimination or disparities of race, ethnicity, gender and sexual
126 orientation;

127 (22) "Equity joint venture" means a business entity that is at least fifty
128 per cent owned and controlled by an individual or individuals, or such
129 applicant is an individual, who meets the criteria of subparagraphs (A)
130 and (B) of subdivision [(48)] (51) of this section;

131 (23) "Extract" means the preparation, compounding, conversion or
132 processing of cannabis, either directly or indirectly by extraction or
133 independently by means of chemical synthesis, or by a combination of
134 extraction and chemical synthesis to produce a cannabis concentrate;

135 (24) "Financial interest" means any right to, ownership, an investment
136 or a compensation arrangement with another person, directly, through
137 business, investment or family. "Financial interest" does not include

138 ownership of investment securities in a publicly-held corporation that
139 is traded on a national exchange or over-the-counter market, provided
140 the investment securities held by such person and such person's spouse,
141 parent or child, in the aggregate, do not exceed one-half of one per cent
142 of the total number of shares issued by the corporation;

143 (25) "Food and beverage manufacturer" means a person that is
144 licensed to own and operate a place of business that acquires cannabis
145 and creates food and beverages;

146 (26) "Grow space" means the portion of a premises owned and
147 controlled by a producer, cultivator or micro-cultivator that is utilized
148 for the cultivation, growing or propagation of the cannabis plant, and
149 contains cannabis plants in an active stage of growth, measured starting
150 from the outermost wall of the room containing cannabis plants and
151 continuing around the outside of the room. "Grow space" does not
152 include space used to cure, process, store harvested cannabis or
153 manufacture cannabis once the cannabis has been harvested;

154 (27) "Hemp" has the same meaning as provided in section 22-61l;

155 (28) "Hemp producer" means producer, as defined in section 22-61l;

156 ~~[(27)]~~ (29) "Historical conviction count for drug-related offenses"
157 means, for a given area, the number of convictions of residents of such
158 area (A) for violations of sections 21a-267, 21a-277, 21a-278, 21a-279 and
159 21a-279a, and (B) who were arrested for such violations between
160 January 1, 1982, and December 31, 2020, inclusive, where such arrest
161 was recorded in databases maintained by the Department of Emergency
162 Services and Public Protection;

163 ~~[(28)]~~ (30) "Historical conviction rate for drug-related offenses"
164 means, for a given area, the historical conviction count for drug-related
165 offenses divided by the population of such area, as determined by the
166 five-year estimates of the most recent American Community Survey
167 conducted by the United States Census Bureau;

168 [(29)] (31) "Hybrid retailer" means a person that is licensed to
169 purchase cannabis and sell cannabis and medical marijuana products;

170 [(30)] (32) "Key employee" means an employee with the following
171 management position or an equivalent title within a cannabis
172 establishment: (A) President or chief officer, who is the top ranking
173 individual at the cannabis establishment and is responsible for all staff
174 and overall direction of business operations; (B) financial manager, who
175 is the individual who reports to the president or chief officer and who is
176 generally responsible for oversight of the financial operations of the
177 cannabis establishment, including, but not limited to, revenue
178 generation, distributions, tax compliance and budget implementation;
179 or (C) compliance manager, who is the individual who reports to the
180 president or chief officer and who is generally responsible for ensuring
181 the cannabis establishment complies with all laws, regulations and
182 requirements related to the operation of the cannabis establishment;

183 [(31)] (33) "Laboratory" means a laboratory located in the state that is
184 licensed by the department to provide analysis of cannabis that meets
185 the licensure requirements set forth in section 21a-246;

186 [(32)] (34) "Laboratory employee" means an individual who is
187 registered as a laboratory employee pursuant to section 21a-408r;

188 [(33)] (35) "Labor peace agreement" means an agreement between a
189 cannabis establishment and a bona fide labor organization under section
190 21a-421d pursuant to which the owners and management of the
191 cannabis establishment agree not to lock out employees and that
192 prohibits the bona fide labor organization from engaging in picketing,
193 work stoppages or boycotts against the cannabis establishment;

194 [(34)] (36) "Manufacture" means to add or incorporate cannabis into
195 other products or ingredients or create a cannabis product;

196 (37) "Manufacturer hemp product" has the same meaning as
197 provided in section 22-61l;

198 [(35)] (38) "Medical marijuana product" means cannabis that may be
199 exclusively sold to qualifying patients and caregivers by dispensary
200 facilities and hybrid retailers and which are designated by the
201 commissioner as reserved for sale to qualifying patients and caregivers
202 and published on the department's Internet web site;

203 [(36)] (39) "Micro-cultivator" means a person licensed to engage in the
204 cultivation, growing and propagation of the cannabis plant at an
205 establishment containing not less than two thousand square feet and not
206 more than ten thousand square feet of grow space, prior to any
207 expansion authorized by the commissioner;

208 [(37)] (40) "Municipality" means any town, city or borough,
209 consolidated town and city or consolidated town and borough;

210 [(38)] (41) "Paraphernalia" means drug paraphernalia, as defined in
211 section 21a-240;

212 [(39)] (42) "Person" means an individual, partnership, limited liability
213 company, society, association, joint stock company, corporation, estate,
214 receiver, trustee, assignee, referee or any other legal entity and any other
215 person acting in a fiduciary or representative capacity, whether
216 appointed by a court or otherwise, and any combination thereof;

217 [(40)] (43) "Producer" means a person that is licensed as a producer
218 pursuant to section 21a-408i and any regulations adopted [thereunder]
219 pursuant to said section;

220 [(41)] (44) "Product manufacturer" means a person that is licensed to
221 obtain cannabis, extract and manufacture products exclusive to such
222 license type;

223 [(42)] (45) "Product packager" means a person that is licensed to
224 package and label cannabis;

225 [(43)] (46) "Qualifying patient" has the same meaning as provided in
226 section 21a-408, as amended by this act;

227 [(44)] (47) "Research program" has the same meaning as provided in
228 section 21a-408, as amended by this act;

229 [(45)] (48) "Retailer" means a person, excluding a dispensary facility
230 and hybrid retailer, that is licensed to purchase cannabis from
231 producers, cultivators, micro-cultivators, product manufacturers and
232 food and beverage manufacturers and to sell cannabis to consumers and
233 research programs;

234 [(46)] (49) "Sale" or "sell" has the same meaning as provided in section
235 21a-240;

236 [(47)] (50) "Social Equity Council" or "council" means the council
237 established under section 21a-420d, as amended by this act;

238 [(48)] (51) "Social equity applicant" means a person that has applied
239 for a license for a cannabis establishment, where such applicant is at
240 least sixty-five per cent owned and controlled by an individual or
241 individuals, or such applicant is an individual, who:

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

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

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

250 [(49)] (52) "THC" has the same meaning as provided in section 21a-
251 240;

252 [(50)] (53) "Third-party lottery operator" means a person, or a
253 constituent unit of the state system of higher education, that conducts
254 lotteries pursuant to section 21a-420g, identifies the cannabis

255 establishment license applications for consideration without
256 performing any review of the applications that are identified for
257 consideration, and that has no direct or indirect oversight of or
258 investment in a cannabis establishment or a cannabis establishment
259 applicant;

260 [(51)] (54) "Transfer" means to transfer, change, give or otherwise
261 dispose of control over or interest in;

262 [(52)] (55) "Transport" means to physically move from one place to
263 another;

264 [(53)] (56) "Transporter" means a person licensed to transport
265 cannabis between cannabis establishments, laboratories and research
266 programs; and

267 [(54)] (57) "Unemployment rate" means, in a given area, the number
268 of people sixteen years of age or older who are in the civilian labor force
269 and unemployed divided by the number of people sixteen years of age
270 or older who are in the civilian labor force.

271 Sec. 2. (NEW) (*Effective July 1, 2023*) (a) During the period beginning
272 October 1, 2023, and ending December 31, 2023, a hemp producer that
273 has been continuously licensed by the Department of Agriculture as a
274 hemp producer for the entirety of the period beginning January 1, 2021,
275 and ending January 1, 2023, may apply to the Department of Consumer
276 Protection for a cultivator license or micro-cultivator license without
277 entering the lottery. Such application shall be in a form and manner
278 prescribed by the Commissioner of Consumer Protection, and shall
279 include:

280 (1) An attestation that the applicant hemp producer has not
281 undergone any change in ownership since January 1, 2023;

282 (2) An acknowledgment and affirmation that prior to being awarded
283 a provisional cultivator or micro-cultivator license, the applicant hemp

284 producer shall surrender such hemp producer's license as a hemp
285 producer;

286 (3) The attestation required under subsection (a) of section 3 of this
287 act; and

288 (4) Any other item the commissioner deems relevant for the purposes
289 of this section.

290 (b) No cultivator or micro-cultivator licensee shall hold a hemp
291 producer license. Upon surrender of a hemp producer license as set
292 forth in subsection (a) of this section and licensure as a cultivator or
293 micro-cultivator, all hemp inventory in such cultivator or micro-
294 cultivator licensee's possession shall be deemed to be cannabis and
295 subject to all cannabis reporting, handling, security, testing and other
296 standards as set forth in applicable law.

297 (c) No hemp producer that converts to a cultivator or micro-cultivator
298 under this section shall add any new owner after such cultivator or
299 micro-cultivator receives a provisional license, except such cultivator or
300 micro-cultivator may add any new owner who meets the criteria
301 established in subparagraphs (A) and (B) of subdivision (51) of section
302 21a-420, as amended by this act, not later than three years after such
303 cultivator or micro-cultivator receives a final license.

304 Sec. 3. (NEW) (*Effective July 1, 2023*) (a) In order to pay a reduced
305 license fee as described in subdivision (14) or (15) of subsection (d) of
306 section 21a-420e of the general statutes, as amended by this act, a hemp
307 producer that is applying to convert to a cultivator or micro-cultivator
308 under section 2 of this act shall create two equity joint ventures to be
309 approved by the Social Equity Council under section 21a-420d of the
310 general statutes, as amended by this act, and licensed by the department
311 pursuant to this section, which shall be evidenced by filings with the
312 Secretary of the State, organizing documents disclosing the terms of the
313 business relationship between such applicant and such equity joint
314 ventures and an attestation to the creation of such equity joint ventures

315 on the application submitted pursuant to section 2 of this act.

316 (b) Each equity joint venture created pursuant to subsection (a) of this
317 section shall be in any cannabis establishment licensed business, other
318 than a cultivator or micro-cultivator license, provided such equity joint
319 venture is at least fifty per cent owned and controlled by an individual
320 or individuals who meet, or the equity joint venture applicant is an
321 individual who meets, the criteria established in subparagraphs (A) and
322 (B) of subdivision (51) of section 21a-420 of the general statutes, as
323 amended by this act.

324 (c) Each equity joint venture applicant described in subsection (a) of
325 this section shall submit an application to the Social Equity Council that
326 may include, but need not be limited to, evidence of business formation,
327 ownership allocation, terms of ownership and financing and proof of
328 social equity status. The equity joint venture applicant shall submit to
329 the Social Equity Council information including, but not limited to, the
330 organizing documents of the entity that outline the ownership stake of
331 each backer, initial backer investment and payout information to enable
332 the council to determine the terms of ownership.

333 (d) Upon obtaining the written approval of the Social Equity Council
334 for an equity joint venture described in subsection (a) of this section, the
335 equity joint venture applicant shall apply for a license from the
336 department in the same form as required by all other licensees of the
337 same license type, except that such application shall not be subject to the
338 lottery.

339 (e) A converted hemp producer that receives a license as a cultivator
340 or micro-cultivator under section 2 of this act, including the backers
341 listed on the conversion application of such converted hemp producer,
342 shall not increase its ownership in an equity joint venture in excess of
343 fifty per cent during the seven-year period after a license is issued by
344 the department pursuant to this section.

345 (f) Equity joint ventures that are retailers or hybrid retailers shall not

346 be located within twenty miles of another equity joint venture that
347 shares a common backer of a cultivator or micro-cultivator that receives
348 a license under section 2 of this act.

349 (g) If a converted hemp producer has paid a reduced conversion fee,
350 as described in subdivision (14) or (15) of subsection (d) of section 21a-
351 420e of the general statutes, as amended by this act, and subsequently
352 did not create two equity joint ventures under this section that, not later
353 than fourteen months after the department approved the converted
354 hemp producer's cultivator or micro-cultivator license application
355 under section 2 of this act, each received a final license from the
356 department, such (1) cultivator shall be liable for the full conversion fee
357 of three million dollars established in subdivision (14) of subsection (d)
358 of section 21a-420e of the general statutes, as amended by this act, minus
359 such paid reduced conversion fee, or (2) micro-cultivator shall be liable
360 for the full conversion fee of one million dollars established in
361 subdivision (15) of subsection (d) of section 21a-420e of the general
362 statutes, as amended by this act, minus such paid reduced conversion
363 fee.

364 (h) No cultivator or micro-cultivator that receives a license under
365 section 2 of this act shall create more than two equity joint ventures. No
366 cultivator or micro-cultivator that receives a license under section 2 of
367 this act shall apply for, or create, any additional equity joint venture if
368 such licensee has created two equity joint ventures that have each
369 received a provisional license.

370 (i) An equity joint venture applicant shall pay fifty per cent of the
371 amount of any applicable fee specified in subsection (d) of section 21a-
372 420e of the general statutes, as amended by this act, for the first three
373 renewal cycles of the applicable cannabis establishment license applied
374 for, and shall pay the full amount of such fee thereafter.

375 Sec. 4. Subsection (a) of section 21a-278b of the general statutes is
376 repealed and the following is substituted in lieu thereof (*Effective July 1,*

377 2023):

378 (a) No person may manufacture, distribute, sell, prescribe, dispense,
379 compound, transport with the intent to sell or dispense, possess with
380 the intent to sell or dispense, offer, give or administer to another person
381 cannabis or cannabis products, except as authorized in chapter 420b or
382 420f or sections 21a-420n, 21a-420p, 21a-420r to 21a-420t, inclusive, [or]
383 as amended by this act, 21a-420w to 21a-420z, inclusive, or section 2 of
384 this act.

385 Sec. 5. Section 21a-408 of the general statutes is repealed and the
386 following is substituted in lieu thereof (*Effective July 1, 2023*):

387 As used in this section, sections 21a-408a to 21a-408o, inclusive, and
388 sections 21a-408r to 21a-408v, inclusive, unless the context otherwise
389 requires:

390 (1) "Advanced practice registered nurse" means an advanced practice
391 registered nurse licensed pursuant to chapter 378;

392 (2) "Cannabis establishment" has the same meaning as provided in
393 section 21a-420, as amended by this act;

394 (3) "Caregiver" means a person, other than the qualifying patient and
395 the qualifying patient's physician, physician assistant or advanced
396 practice registered nurse, who is eighteen years of age or older and has
397 agreed to undertake responsibility for managing the well-being of the
398 qualifying patient with respect to the palliative use of marijuana,
399 provided (A) in the case of a qualifying patient (i) under eighteen years
400 of age and not an emancipated minor, or (ii) otherwise lacking legal
401 capacity, such person shall be a parent, guardian or person having legal
402 custody of such qualifying patient, and (B) in the case of a qualifying
403 patient eighteen years of age or older or an emancipated minor, the need
404 for such person shall be evaluated by the qualifying patient's physician,
405 physician assistant or advanced practice registered nurse and such need
406 shall be documented in the written certification;

407 [(3)] (4) "Cultivation" includes planting, propagating, cultivating,
408 growing and harvesting;

409 [(4)] (5) "Debilitating medical condition" means (A) cancer, glaucoma,
410 positive status for human immunodeficiency virus or acquired immune
411 deficiency syndrome, Parkinson's disease, multiple sclerosis, damage to
412 the nervous tissue of the spinal cord with objective neurological
413 indication of intractable spasticity, epilepsy or uncontrolled intractable
414 seizure disorder, cachexia, wasting syndrome, Crohn's disease,
415 posttraumatic stress disorder, irreversible spinal cord injury with
416 objective neurological indication of intractable spasticity, cerebral palsy,
417 cystic fibrosis or terminal illness requiring end-of-life care, except, if the
418 qualifying patient is under eighteen years of age, "debilitating medical
419 condition" means terminal illness requiring end-of-life care, irreversible
420 spinal cord injury with objective neurological indication of intractable
421 spasticity, cerebral palsy, cystic fibrosis, severe epilepsy or uncontrolled
422 intractable seizure disorder, or (B) any medical condition, medical
423 treatment or disease approved for qualifying patients by the
424 Department of Consumer Protection and posted online pursuant to
425 section 21a-408l;

426 [(5)] (6) "Dispensary facility" means a place of business (A) for which
427 the department has issued a dispensary facility license pursuant to this
428 chapter, and (B) where marijuana may be dispensed, sold or distributed
429 in accordance with this chapter and any regulations adopted
430 [thereunder] pursuant to this chapter to qualifying patients and
431 caregivers; [and for which the department has issued a dispensary
432 facility license pursuant to this chapter;]

433 [(6)] (7) "Employee" has the same meaning as provided in section 21a-
434 420, as amended by this act;

435 (8) "Hemp manufacturer" means manufacturer, as defined in section
436 22-61l;

437 [(7)] (9) "Institutional animal care and use committee" means a

438 committee that oversees an organization's animal program, facilities
439 and procedures to ensure compliance with federal policies, guidelines
440 and principles related to the care and use of animals in research;

441 [(8)] (10) "Institutional review board" means a specifically constituted
442 review body established or designated by an organization to protect the
443 rights and welfare of persons recruited to participate in biomedical,
444 behavioral or social science research;

445 [(9)] (11) "Laboratory" means a laboratory located in the state that is
446 licensed by the department to provide analysis of marijuana and that
447 meets the licensure requirements set forth in section 21a-246;

448 [(10)] (12) "Laboratory employee" means a person who is registered
449 as a laboratory employee pursuant to section 21a-408r;

450 [(11)] (13) "Licensed dispensary" or "dispensary" means an individual
451 who is a licensed pharmacist employed by a dispensary facility or
452 hybrid retailer;

453 [(12)] "Producer" means a person who is licensed as a producer
454 pursuant to section 21a-408i;

455 (14) "Manufacturer hemp product" has the same meaning as
456 provided in section 22-61l;

457 [(13)] (15) "Marijuana" means marijuana, as defined in section 21a-
458 240;

459 [(14)] (16) "Nurse" means a person who is licensed as a nurse [under]
460 pursuant to chapter 378;

461 [(15)] (17) "Palliative use" means the acquisition, distribution,
462 transfer, possession, use or transportation of marijuana or paraphernalia
463 relating to marijuana, including the transfer of marijuana and
464 paraphernalia relating to marijuana from the patient's caregiver to the
465 qualifying patient, to alleviate a qualifying patient's symptoms of a

466 debilitating medical condition or the effects of such symptoms, but does
467 not include any such use of marijuana by any person other than the
468 qualifying patient;

469 [(16)] (18) "Paraphernalia" means drug paraphernalia, as defined in
470 section 21a-240;

471 [(17)] (19) "Physician" means a person who is licensed as a physician
472 [under] pursuant to chapter 370;

473 [(18)] (20) "Physician assistant" means a person who is licensed as a
474 physician assistant [under] pursuant to chapter 370;

475 [(19) "Caregiver" means a person, other than the qualifying patient
476 and the qualifying patient's physician, physician assistant or advanced
477 practice registered nurse, who is eighteen years of age or older and has
478 agreed to undertake responsibility for managing the well-being of the
479 qualifying patient with respect to the palliative use of marijuana,
480 provided (A) in the case of a qualifying patient (i) under eighteen years
481 of age and not an emancipated minor, or (ii) otherwise lacking legal
482 capacity, such person shall be a parent, guardian or person having legal
483 custody of such qualifying patient, and (B) in the case of a qualifying
484 patient eighteen years of age or older or an emancipated minor, the need
485 for such person shall be evaluated by the qualifying patient's physician,
486 physician assistant or advanced practice registered nurse and such need
487 shall be documented in the written certification;]

488 (21) "Producer" means a person who is licensed as a producer
489 pursuant to section 21a-408i;

490 [(20)] (22) "Qualifying patient" means a person who: (A) Is a resident
491 of Connecticut, (B) has been diagnosed by a physician, physician
492 assistant or advanced practice registered nurse as having a debilitating
493 medical condition, and (C) (i) is eighteen years of age or older, (ii) is an
494 emancipated minor, or (iii) has written consent from a custodial parent,
495 guardian or other person having legal custody of such person that

496 indicates that such person has permission from such parent, guardian
497 or other person for the palliative use of marijuana for a debilitating
498 medical condition and that such parent, guardian or other person will
499 (I) serve as a caregiver for the qualifying patient, and (II) control the
500 acquisition and possession of marijuana and any related paraphernalia
501 for palliative use on behalf of such person. "Qualifying patient" does not
502 include an inmate confined in a correctional institution or facility under
503 the supervision of the Department of Correction;

504 [(21)] (23) "Research program" means a study approved by the
505 Department of Consumer Protection in accordance with this chapter
506 and undertaken to increase information or knowledge regarding the
507 growth or processing of marijuana, or the medical attributes, dosage
508 forms, administration or use of marijuana to treat or alleviate symptoms
509 of any medical conditions or the effects of such symptoms;

510 [(22)] (24) "Research program employee" means a person who (A) is
511 registered as a research program employee [under] pursuant to section
512 21a-408t, or (B) holds a temporary certificate of registration issued
513 pursuant to section 21a-408t;

514 [(23)] (25) "Research program subject" means a person registered as a
515 research program subject pursuant to section 21a-408v;

516 [(24)] (26) "Usable marijuana" means the dried leaves and flowers of
517 the marijuana plant, and any mixtures or preparations of such leaves
518 and flowers, that are appropriate for the palliative use of marijuana, but
519 does not include the seeds, stalks and roots of the marijuana plant; and

520 [(25)] (27) "Written certification" means a written certification issued
521 by a physician, physician assistant or advanced practice registered
522 nurse pursuant to section 21a-408c.

523 Sec. 6. Section 21a-408h of the general statutes is repealed and the
524 following is substituted in lieu thereof (*Effective July 1, 2023*):

525 (a) No person may act as a dispensary or represent that such person
526 is a licensed dispensary unless such person has obtained a license from
527 the Commissioner of Consumer Protection pursuant to this section.

528 (b) No person may act as a dispensary facility or represent that such
529 person is a licensed dispensary facility unless such person has obtained
530 a license from the Commissioner of Consumer Protection pursuant to
531 this section.

532 (c) (1) The Commissioner of Consumer Protection shall determine the
533 number of dispensary facilities appropriate to meet the needs of
534 qualifying patients in this state and shall adopt regulations, in
535 accordance with chapter 54, to provide for the licensure and standards
536 for dispensary facilities in this state and specify the maximum number
537 of dispensary facilities that may be licensed in this state. On and after
538 the effective date of such regulations, the commissioner may license any
539 person who applies for a license in accordance with such regulations,
540 provided the commissioner deems such applicant qualified to acquire,
541 possess, distribute and dispense marijuana pursuant to sections 21a-408
542 to 21a-408m, inclusive, as amended by this act. At a minimum, such
543 regulations shall:

544 [(1)] (A) Indicate the maximum number of dispensary facilities that
545 may be licensed in this state;

546 [(2)] (B) Provide that no marijuana may be dispensed from, obtained
547 from or transferred to a location outside of this state;

548 [(3)] (C) Establish a licensing fee and renewal fee for each dispensary
549 facility, provided such fees shall not be less than the amount necessary
550 to cover the direct and indirect cost of licensing and regulating
551 dispensary facilities pursuant to sections 21a-408 to 21a-408m, inclusive,
552 as amended by this act;

553 [(4)] (D) Provide for renewal of such dispensary facility licenses at
554 least every two years;

555 [(5)] (E) Describe areas in this state where dispensary facilities may
556 not be located, after considering the criteria for the location of retail
557 liquor permit premises set forth in subsection (a) of section 30-46;

558 [(6)] (F) Establish health, safety and security requirements for
559 dispensary facilities, which may include, but need not be limited to:
560 [(A)] (i) The ability to maintain adequate control against the diversion,
561 theft and loss of marijuana acquired or possessed by the dispensary
562 facility, and [(B)] (ii) the ability to maintain the knowledge,
563 understanding, judgment, procedures, security controls and ethics to
564 ensure optimal safety and accuracy in the distributing, dispensing and
565 use of palliative marijuana;

566 [(7)] (G) Establish standards and procedures for revocation,
567 suspension, summary suspension and nonrenewal of dispensary facility
568 licenses, provided such standards and procedures are consistent with
569 the provisions of subsection (c) of section 4-182; and

570 [(8)] (H) Establish other licensing, renewal and operational standards
571 deemed necessary by the commissioner.

572 (2) Notwithstanding the requirements of sections 4-168 to 4-172,
573 inclusive, in order to effectuate the purposes of this subsection and
574 protect public health and safety, the commissioner, prior to amending
575 any regulations adopted pursuant to subdivision (1) of this subsection,
576 shall issue policies and procedures to implement the provisions of this
577 subsection, which policies and procedures shall have the force and effect
578 of law. The commissioner shall post each such policy or procedure on
579 the department's Internet web site, and submit such policy or procedure
580 to the Secretary of the State for posting on the eRegulations System, at
581 least fifteen days prior to the effective date of such policy or procedure.
582 Any such policy or procedure shall no longer be effective upon the
583 earlier of either the adoption of such policy or procedure as a final
584 regulation pursuant to section 4-172 or June 30, 2027, if such regulations
585 have not been submitted to the legislative regulation review committee

586 for consideration under section 4-170. Not later than January 1, 2024, the
587 commissioner shall issue policies and procedures to permit dispensary
588 facilities licensed pursuant to this chapter to acquire manufacturer
589 hemp products from hemp manufacturers, and sell such manufacturer
590 hemp products to qualifying patients and caregivers in accordance with
591 this chapter, chapter 424 and any regulations adopted pursuant to said
592 chapters. At a minimum, such regulations shall require that each such
593 manufacturer hemp product be:

594 (A) Labeled in a manner that indicates that such manufacturer hemp
595 product is (i) a manufacturer hemp product, (ii) subject to different
596 testing standards than marijuana, and (iii) not marijuana; and

597 (B) Stored separately from marijuana and displayed with signage
598 approved by the department.

599 (d) Any fees collected by the Department of Consumer Protection
600 under this section shall be paid to the State Treasurer and credited to the
601 General Fund.

602 [(e) On or before January 1, 2017, and annually thereafter, each
603 dispensary facility shall report data to the Department of Consumer
604 Protection relating to the types, mixtures and dosages of palliative
605 marijuana dispensed by such dispensary facility. A report prepared
606 pursuant to this subsection shall be in such form as may be prescribed
607 by the Commissioner of Consumer Protection.]

608 Sec. 7. Section 21a-409 of the general statutes is repealed and the
609 following is substituted in lieu thereof (*Effective July 1, 2023*):

610 (a) As used in this section, "producer" has the same meaning as
611 provided in section 21a-408, as amended by this act, and "manufacture",
612 "market", "cultivate", "hemp", "hemp products", [and] "manufacturer
613 hemp products" and "producer hemp products" have the same
614 meanings as provided in section 22-61l. Any producer licensed [under]
615 pursuant to section 21a-408, as amended by this act, shall manufacture,

616 market, cultivate or store hemp and manufacturer hemp products in
617 accordance with the provisions of this chapter and any regulations
618 adopted [under] pursuant to this chapter. Producers may obtain hemp
619 and manufacturer hemp products from a person authorized under the
620 laws of this state or another state, territory or possession of the United
621 States or another sovereign entity to possess and sell such hemp and
622 manufacturer hemp products.

623 (b) Hemp or manufacturer hemp products purchased by producers
624 from third parties shall be tracked as a separate batch throughout the
625 manufacturing process in order to document the disposition of such
626 hemp or manufacturer hemp products. Hemp or manufacturer hemp
627 products obtained, manufactured, marketed, cultivated or stored by a
628 producer shall be deemed marijuana and shall comply with the
629 requirements for marijuana contained in the applicable provisions of the
630 general statutes and any regulations adopted [under] pursuant to such
631 provisions. Producers shall retain a copy of the certificate of analysis for
632 purchased hemp or manufacturer hemp products and invoice and
633 transport documents that evidence the quantity purchased and date
634 received.

635 (c) (1) No hemp or producer hemp products shall be sold or
636 distributed within a dispensary facility that is licensed [under] pursuant
637 to this chapter.

638 (2) Notwithstanding subdivision (1) of this subsection, manufacturer
639 hemp products may be sold within a dispensary facility that is licensed
640 pursuant to this chapter, provided such manufacturer hemp products
641 are (A) sold from a location within the dispensary facility that is separate
642 from the area within such dispensary facility where marijuana is sold,
643 (B) labeled as hemp products that are not subject to marijuana testing
644 standards, and (C) sold in accordance with this chapter, chapter 424 and
645 any regulations adopted pursuant to said chapters.

646 Sec. 8. Subsections (d) and (e) of section 21a-420b of the general

647 statutes are repealed and the following is substituted in lieu thereof
648 (*Effective July 1, 2023*):

649 (d) No law enforcement officer employed by an agency that receives
650 state or local government funds shall expend state or local resources,
651 including the officer's time, to effect any arrest or seizure of cannabis, or
652 conduct any investigation, on the sole basis of activity the officer
653 believes to constitute a violation of federal law if the officer has reason
654 to believe that such activity is in compliance with this section and
655 sections 21a-420a, 21a-420c to 21a-420i, inclusive, 21a-420l to 21a-420n,
656 inclusive, 21a-420p to 21a-420t, inclusive, 21a-420v to 21a-421c,
657 inclusive, 21a-421f, as amended by this act, 21a-421g, 21a-421j to 21a-
658 421q, inclusive, 21a-421aa to 21a-421dd, inclusive, 21a-422k and 53-247a
659 and sections 23, 60 and 63 to 65, inclusive, of public act 21-1 of the June
660 special session, [or] chapter 420f or section 2 of this act.

661 (e) An officer may not expend state or local resources, including the
662 officer's time, to provide any information or logistical support to any
663 federal law enforcement authority or prosecuting entity related to
664 activity the officer believes to constitute a violation of federal law if the
665 officer has reason to believe that such activity is in compliance with the
666 provisions of this section and sections 21a-420a, 21a-420c to 21a-420i,
667 inclusive, 21a-420l to 21a-420n, inclusive, 21a-420p to 21a-420t,
668 inclusive, 21a-420v to 21a-421c, inclusive, 21-421f, 21a-421g, 21a-421j to
669 21a-421q, inclusive, 21a-421aa to 21a-421dd, inclusive, 21a-422k and 53-
670 247a and sections 23, 60 and 63 to 65, inclusive, of public act 21-1 of the
671 June special session, [or] chapter 420f or section 2 of this act.

672 Sec. 9. Subsection (k) of section 21a-420d of the general statutes is
673 repealed and the following is substituted in lieu thereof (*Effective July 1,*
674 *2023*):

675 (k) The council shall develop criteria for evaluating the ownership
676 and control of any equity joint venture created under section 21a-420m,
677 as amended by this act, 21a-420u, as amended by this act, [or] section

678 21a-420j, as amended by this act, or section 3 of this act and shall review
679 and approve or deny in writing such equity joint venture prior to such
680 equity joint venture being licensed [under] pursuant to section 21a-
681 420m, as amended by this act, 21a-420u, as amended by this act, [or]
682 section 21a-420j, as amended by this act, or section 3 of this act. After
683 developing criteria for social equity plans as described in subdivision
684 (5) of subsection (h) of this section, the council shall review and approve
685 or deny in writing any such plan submitted by a cannabis establishment
686 as part of its final license application. The council shall not approve any
687 equity joint venture applicant which shares with an equity joint venture
688 any individual owner who meets the criteria established in
689 subparagraphs (A) and (B) of subdivision [(48)] (51) of section 21a-420,
690 as amended by this act.

691 Sec. 10. Section 21a-420e of the general statutes is repealed and the
692 following is substituted in lieu thereof (*Effective July 1, 2023*):

693 (a) Not later than thirty days after the date that the Social Equity
694 Council identifies the criteria and the necessary supporting
695 documentation for social equity applicants and posts such information
696 on its Internet web site, the department may accept applications for the
697 following cannabis establishment license types: (1) Retailer, (2) hybrid
698 retailer, (3) cultivator, (4) micro-cultivator, (5) product manufacturer, (6)
699 food and beverage manufacturer, (7) product packager, (8) delivery
700 service, and (9) transporter. Each application for licensure shall require
701 the applicant to indicate whether the applicant wants to be considered
702 for treatment as a social equity applicant.

703 (b) On and after July 1, 2021, the department may accept applications
704 from any dispensary facility to convert its license to a hybrid-retailer
705 license and any producer for expanded authorization to engage in the
706 adult use cannabis market under its license issued pursuant to section
707 21a-408i.

708 (c) During the period beginning October 1, 2023, and ending

709 December 31, 2023, the department shall accept applications from any
710 hemp producer to become licensed as a cultivator or micro-cultivator
711 under section 2 of this act.

712 [(c)] (d) Except as provided in subsection [(e)] (f) of this section, the
713 following fees shall be paid by each applicant:

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

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

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

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

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

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

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

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

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

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

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

752 (12) The license conversion fee for a dispensary facility to become a
753 hybrid retailer shall be one million dollars, except as provided in section
754 21a-420u, as amended by this act.

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

758 (14) For a hemp producer that converts to a cultivator license under
759 section 2 of this act, (A) the fee to receive an initial license shall be three
760 million dollars, provided, if the hemp producer participates in two
761 approved equity joint ventures as described in section 3 of this act, such
762 fee shall be one million five hundred thousand dollars, and (B) the fee
763 to receive a renewal of a license shall be the same as the renewal fee
764 established in subdivision (3) of this subsection.

765 (15) For a hemp producer that converts to a micro-cultivator license
766 under section 2 of this act, (A) the fee to receive an initial license shall be

767 one million dollars, provided, if the hemp producer participates in two
768 approved equity joint ventures as described in section 3 of this act, such
769 fee shall be five hundred thousand dollars, and (B) the fee to receive
770 renewal of a final license shall be the same as the renewal fee established
771 in subdivision (4) of this subsection.

772 [(d)] (e) For any dispensary facility that has become a hybrid retailer,
773 the renewal fee shall be the same as the fee for a hybrid retailer set forth
774 in subdivision (2) of subsection [(c)] (d) of this section. For any producer,
775 the renewal fee shall be the same as set forth in section 21a-408i. A social
776 equity applicant shall pay fifty per cent of the amount of any of the fees
777 specified in subsection [(c)] (d) of this section for the first three renewal
778 cycles of the applicable cannabis establishment license applied for, and
779 the full amount thereafter, provided in the case of the fees set forth in
780 subdivisions (12) and (13) of subsection [(c)] (d) of this section, a social
781 equity applicant shall pay the full amount of the fee.

782 [(e)] (f) (1) For the fiscal year ending June 30, 2023, [and thereafter,]
783 the fees collected by the department under this section shall be paid to
784 the State Treasurer and credited to the General Fund, except that the fees
785 collected under subdivisions (12) and (13) of subsection [(c)] (d) of this
786 section shall be deposited in the Social Equity and Innovation Fund
787 established under section 21a-420f, as amended by this act.

788 (2) For the fiscal year ending June 30, 2024, and thereafter, the fees
789 collected by the department under this section shall be paid to the State
790 Treasurer and credited to the General Fund, except that the fees
791 collected under subdivisions (12) to (15), inclusive, of subsection (d) of
792 this section shall be deposited in the Social Equity and Innovation Fund
793 established under section 21a-420f, as amended by this act.

794 [(f)] (g) For each license type:

795 (1) Applicants shall apply on a form and in a manner prescribed by
796 the commissioner, which form shall include a method for the applicant
797 to request consideration as a social equity applicant; and

798 (2) The department shall post on its Internet web site the application
799 period, which shall specify the first and last date that the department
800 will accept applications for that license type. The first date that the
801 department shall accept applications shall be no sooner than thirty days
802 after the date the Social Equity Council posts the criteria and supporting
803 documentation necessary to qualify for consideration as a social equity
804 applicant as set forth in section 21a-420g. Only complete license
805 applications received by the department during the application period
806 shall be considered.

807 Sec. 11. Subsections (a) and (b) of section 21a-420f of the general
808 statutes are repealed and the following is substituted in lieu thereof
809 (*Effective July 1, 2023*):

810 (a) (1) There is established an account to be known as the "cannabis
811 regulatory and investment account" which shall be a separate,
812 nonlapsing account within the General Fund. The account shall contain
813 any moneys required by law to be deposited in the account. Moneys in
814 the account shall be allocated by the Secretary of the Office of Policy and
815 Management, in consultation with the Social Equity Council, as defined
816 in section 21a-420, as amended by this act, to state agencies for the
817 purpose of paying costs incurred to implement the activities authorized
818 under RERACA, as defined in section 21a-420, as amended by this act.

819 (2) Notwithstanding the provisions of section 21a-420e, as amended
820 by this act, for the fiscal years ending June 30, 2022, and June 30, 2023,
821 the following shall be deposited in the cannabis regulatory and
822 investment account: (A) All fees received by the state pursuant to
823 section 21a-421b and subdivisions (1) to (11), inclusive, of subsection
824 [(c)] (d) of section 21a-420e, as amended by this act; (B) the tax received
825 by the state under section 12-330ll; and (C) the tax received by the state
826 under chapter 219 from a cannabis retailer, hybrid retailer or micro-
827 cultivator, as those terms are defined in section 12-330ll.

828 (3) At the end of the fiscal year ending June 30, 2023, all moneys

829 remaining in the cannabis regulatory and investment account shall be
830 transferred to the General Fund.

831 (b) (1) There is established an account to be known as the "social
832 equity and innovation account" which shall be a separate, nonlapsing
833 account within the General Fund. The account shall contain any moneys
834 required by law to be deposited in the account. Moneys in the account
835 shall be allocated by the Secretary of the Office of Policy and
836 Management, in consultation with the Social Equity Council, to state
837 agencies for the purpose of (A) paying costs incurred by the Social
838 Equity Council, (B) administering programs under RERACA to provide
839 (i) access to capital for businesses, (ii) technical assistance for the start-
840 up and operation of a business, (iii) funding for workforce education,
841 and (iv) funding for community investments, and (C) paying costs
842 incurred to implement the activities authorized under RERACA.

843 (2) Notwithstanding the provisions of sections 21a-420e, as amended
844 by this act, and 21a-420o, for the fiscal years ending June 30, 2022, and
845 June 30, 2023, the following shall be deposited in the social equity and
846 innovation account: All fees received by the state pursuant to sections
847 21a-420l, 21a-420o and 21a-420u, as amended by this act, and
848 subdivisions (12) and (13) of subsection [(c)] (d) of section 21a-420e, as
849 amended by this act.

850 (3) At the end of the fiscal year ending June 30, 2023, five million
851 dollars shall be transferred from the social equity and innovation
852 account to the General Fund, or, if the account contains less than five
853 million dollars, all remaining moneys in the account. All moneys in the
854 account not transferred to the General Fund pursuant to this
855 subdivision shall be transferred to the Social Equity and Innovation
856 Fund established under subsection (c) of this section.

857 Sec. 12. Subsection (f) of section 21a-420j of the general statutes is
858 repealed and the following is substituted in lieu thereof (*Effective July 1,*
859 *2023*):

860 (f) An equity joint venture applicant shall pay fifty per cent of the
861 amount of any applicable fee specified in subsection [(c)] (d) of section
862 21a-420e, as amended by this act, for the first three renewal cycles of the
863 applicable cannabis establishment license applied for, and shall pay the
864 full amount of such fee thereafter.

865 Sec. 13. Subsections (b) to (i), inclusive, of section 21a-420m of the
866 general statutes are repealed and the following is substituted in lieu
867 thereof (*Effective July 1, 2023*):

868 (b) The equity joint venture shall be in any cannabis establishment
869 licensed business, other than a cultivator license, provided such equity
870 joint venture is at least fifty per cent owned and controlled by an
871 individual or individuals who meet, or the equity joint venture
872 applicant is an individual who meets, the criteria established in
873 subparagraphs (A) and (B) of subdivision [(48)] (51) of section 21a-420,
874 as amended by this act.

875 (c) The equity joint venture applicant shall submit an application to
876 the Social Equity Council that may include, but need not be limited to,
877 evidence of business formation, ownership allocation, terms of
878 ownership and financing and proof of social equity status. The equity
879 joint venture applicant shall submit to the Social Equity Council
880 information including, but not limited to, the organizing documents of
881 the entity that outline the ownership stake of each backer, initial backer
882 investment and payout information to enable the council to determine
883 the terms of ownership.

884 (d) Upon obtaining the written approval of the Social Equity Council
885 for an equity joint venture, the equity joint venture applicant shall apply
886 for a license from the department in the same form as required by all
887 other licensees of the same license type, except that such application
888 shall not be subject to the lottery.

889 (e) A producer, including the backer of such producer, shall not
890 increase its ownership in an equity joint venture in excess of fifty per

891 cent during the seven-year period after a license is issued by the
892 department [under] pursuant to this section.

893 (f) Equity joint ventures that share a common producer or producer
894 backer and that are retailers or hybrid retailers shall not be located
895 within twenty miles of another commonly owned equity joint venture.

896 (g) If a producer has paid a reduced conversion fee, as described in
897 subsection (b) of section 21a-420*l*, and subsequently did not create two
898 equity joint ventures under this section that, not later than fourteen
899 months after the Department of Consumer Protection approved the
900 producer's license expansion application under section 21a-420*l*, each
901 received a final license from the department, the producer shall be liable
902 for the full conversion fee of three million dollars established in section
903 21a-420*l* minus such paid reduced conversion fee.

904 (h) No producer that receives license expansion authorization under
905 section 21a-420*l* shall create more than two equity joint ventures. No
906 such producer shall apply for, or create, any additional equity joint
907 venture if, on the effective date of this section, such producer has created
908 at least two equity joint ventures that have each received a provisional
909 license.

910 (i) An equity joint venture applicant shall pay fifty per cent of the
911 amount of any applicable fee specified in subsection [(c)] (d) of section
912 21a-420*e*, as amended by this act, for the first three renewal cycles of the
913 applicable cannabis establishment license applied for, and shall pay the
914 full amount of such fee thereafter.

915 Sec. 14. Section 21a-420*r* of the general statutes is repealed and the
916 following is substituted in lieu thereof (*Effective July 1, 2023*):

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

921 (b) A retailer may obtain cannabis from a cultivator, micro-cultivator,
922 producer, product packager, food and beverage manufacturer, product
923 manufacturer or transporter or an undeliverable return from a delivery
924 service. A retailer may sell, transport or transfer cannabis or cannabis
925 products to a delivery service, laboratory or research program. A retailer
926 may sell cannabis to a consumer or research program. A retailer may
927 not conduct sales of medical marijuana products nor offer discounts or
928 other inducements to qualifying patients or caregivers. A retailer shall
929 not gift or transfer cannabis at no cost to a consumer as part of a
930 commercial transaction.

931 (c) Retailers shall maintain a secure location, in a manner approved
932 by the commissioner, at the licensee's premises where cannabis that is
933 unable to be delivered by an employee or delivery service may be
934 returned to the retailer. Such secure cannabis return location shall meet
935 specifications set forth by the commissioner and published on the
936 department's Internet web site or included in regulations adopted by
937 the department.

938 (d) A retailer may deliver cannabis through a delivery service or by
939 utilizing its own employees, subject to the provisions of subsection (b)
940 of section 21a-420c.

941 (e) Notwithstanding the requirements of sections 4-168 to 4-172,
942 inclusive, in order to effectuate the purposes of this section and protect
943 public health and safety, the commissioner, prior to amending any
944 regulations adopted pursuant to chapter 54 to implement the provisions
945 of this section, shall issue policies and procedures to implement the
946 provisions of this section, which policies and procedures shall have the
947 force and effect of law. The commissioner shall post each such policy or
948 procedure on the department's Internet web site, and submit such policy
949 or procedure to the Secretary of the State for posting on the eRegulations
950 System, at least fifteen days prior to the effective date of such policy or
951 procedure. Any such policy or procedure shall no longer be effective
952 upon the earlier of either the adoption of such policy or procedure as a

953 final regulation pursuant to section 4-172 or June 30, 2027, if such
954 regulations have not been submitted to the legislative regulation review
955 committee for consideration under section 4-170. At a minimum, such
956 policies, procedures and regulations shall require that each
957 manufacturer hemp product be:

958 (1) Labeled in a manner that indicates that such manufacturer hemp
959 product is (A) a manufacturer hemp product, (B) subject to different
960 testing standards than cannabis, and (C) not cannabis or a cannabis
961 product; and

962 (2) Stored separately from cannabis and cannabis products and
963 displayed with signage approved by the department.

964 Sec. 15. Section 21a-420s of the general statutes is repealed and the
965 following is substituted in lieu thereof (*Effective July 1, 2023*):

966 (a) On and after July 1, 2021, the department may issue or renew a
967 license for a hybrid retailer. No person may act as a hybrid retailer or
968 represent that such person is a hybrid retailer unless such person has
969 obtained a license from the department pursuant to this section.

970 (b) A hybrid retailer may obtain cannabis from a cultivator, micro-
971 cultivator, producer, product packager, food and beverage
972 manufacturer, product manufacturer or transporter. In addition to the
973 activities authorized under section 21a-420t, a hybrid retailer may sell,
974 transport or transfer cannabis to a delivery service, laboratory or
975 research program. A hybrid retailer may sell cannabis products to a
976 consumer or research program. A hybrid retailer shall not gift or
977 transfer cannabis at no cost to a consumer, qualifying patient or
978 caregiver as part of a commercial transaction.

979 (c) In addition to conducting general retail sales, a hybrid retailer may
980 sell cannabis and medical marijuana products, to qualifying patients
981 and caregivers. Any cannabis or medical marijuana products sold to
982 qualifying patients and caregivers shall be dispensed by a licensed

983 pharmacist and shall be recorded in the electronic prescription drug
984 monitoring program, established pursuant to section 21a-254, in real-
985 time or immediately upon completion of the transaction, unless not
986 reasonably feasible for a specific transaction, but in no case longer than
987 one hour after completion of the transaction. Only a licensed pharmacist
988 or dispensary technician may upload or access data in the prescription
989 drug monitoring program.

990 (d) A hybrid retailer shall maintain a licensed pharmacist on premises
991 at all times when the hybrid retail location is open to the public or to
992 qualifying patients and caregivers.

993 (e) The hybrid retailer location shall include a private consultation
994 space for pharmacists to meet with qualifying patients and caregivers.
995 Additionally, the hybrid retailer premises shall accommodate an
996 expedited method of entry that allows for priority entrance into the
997 premises for qualifying patients and caregivers.

998 (f) Hybrid retailers shall maintain a secure location, in a manner
999 approved by the commissioner, at the licensee's premises where
1000 cannabis that is unable to be delivered may be returned to the hybrid
1001 retailer. Such secure cannabis return location shall meet specifications
1002 set forth by the commissioner and published on the department's
1003 Internet web site or included in regulations adopted by the department.

1004 (g) Cannabis dispensed to a qualifying patient or caregiver that are
1005 unable to be delivered and are returned by the delivery service to the
1006 hybrid retailer shall be returned to the licensee inventory system and
1007 removed from the prescription drug monitoring program not later than
1008 forty-eight hours after receipt of the cannabis from the delivery service.

1009 (h) A hybrid retailer may not convert its license to a retailer license.
1010 To obtain a retailer license, a hybrid retailer shall apply through the
1011 lottery application process. A hybrid retailer may convert to a
1012 dispensary facility if the hybrid retailer complies with all applicable
1013 provisions of chapter 420f, and upon written approval by the

1014 department.

1015 (i) Notwithstanding the requirements of sections 4-168 to 4-172,
1016 inclusive, in order to effectuate the purposes of this section and protect
1017 public health and safety, the commissioner, prior to amending any
1018 regulations adopted pursuant to chapter 54 to implement the provisions
1019 of this section, shall issue policies and procedures to implement the
1020 provisions of this section, which policies and procedures shall have the
1021 force and effect of law. The commissioner shall post each such policy or
1022 procedure on the department's Internet web site, and submit such policy
1023 or procedure to the Secretary of the State for posting on the eRegulations
1024 System, at least fifteen days prior to the effective date of such policy or
1025 procedure. Any such policy or procedure shall no longer be effective
1026 upon the earlier of either the adoption of such policy or procedure as a
1027 final regulation pursuant to section 4-172 or June 30, 2027, if such
1028 regulations have not been submitted to the legislative regulation review
1029 committee for consideration under section 4-170. At a minimum, such
1030 policies, procedures and regulations shall require that each
1031 manufacturer hemp product be:

1032 (1) Labeled in a manner that indicates that such manufacturer hemp
1033 product is (A) a manufacturer hemp product, (B) subject to different
1034 testing standards than cannabis, and (C) not cannabis or a cannabis
1035 product; and

1036 (2) Stored separately from cannabis and cannabis products and
1037 displayed with signage approved by the department.

1038 Sec. 16. Subsections (b) to (i), inclusive, of section 21a-420u of the
1039 general statutes are repealed and the following is substituted in lieu
1040 thereof (*Effective July 1, 2023*):

1041 (b) Any equity joint venture created under this section shall be
1042 created for the development of a cannabis establishment, other than a
1043 cultivator, provided such equity joint venture is at least fifty per cent
1044 owned and controlled by an individual or individuals who meet, or the

1045 equity joint venture applicant is an individual who meets, the criteria
1046 established in subparagraphs (A) and (B) of subdivision [(48)] (51) of
1047 section 21a-420, as amended by this act.

1048 (c) An equity joint venture applicant shall submit an application to
1049 the Social Equity Council that may include, but need not be limited to,
1050 evidence of business formation, ownership allocation, terms of
1051 ownership and financing and proof of social equity status. The equity
1052 joint venture applicant shall submit to the Social Equity Council
1053 information including, but not limited to, the organizing documents of
1054 the entity that outline the ownership stake of each backer, initial backer
1055 investment and payout information to enable the council to determine
1056 the terms of ownership.

1057 (d) Upon receipt of written approval of the equity joint venture by
1058 the Social Equity Council, the equity joint venture applicant shall apply
1059 for a license from the department in the same form as required by all
1060 other licensees of the same license type and subject to the same fees as
1061 required by all other licensees of the same license type.

1062 (e) A dispensary facility, including the backers of such dispensary
1063 facility, shall not increase its ownership in an equity joint venture in
1064 excess of fifty per cent during the seven-year period after a license is
1065 issued by the department [under] pursuant to this section.

1066 (f) Equity joint ventures that are retailers or hybrid retailers that share
1067 a common dispensary facility or dispensary facility backer owner shall
1068 not be located within twenty miles of another commonly owned equity
1069 joint venture.

1070 (g) If a dispensary facility has paid the reduced conversion fee, in
1071 accordance with subsection (a) of this section, and did not subsequently
1072 create one equity joint venture under this section that, not later than
1073 fourteen months after the Department of Consumer Protection
1074 approved the dispensary facility's license conversion application under
1075 section 21a-420t, receives a final license from the department, the

1076 dispensary facility shall be liable for the full conversion fee of one
1077 million dollars established in section 21a-420e, as amended by this act,
1078 minus such paid reduced conversion fee.

1079 (h) No dispensary facility that receives approval to convert the
1080 dispensary facility's license to a hybrid-retailer license under section
1081 21a-420t shall create more than two equity joint ventures. No such
1082 dispensary facility shall apply for, or create, any additional equity joint
1083 venture if [, on the effective date of this section,] such dispensary facility
1084 has created at least two equity joint ventures that have each received a
1085 provisional license.

1086 (i) An equity joint venture applicant shall pay fifty per cent of the
1087 amount of any applicable fee specified in subsection [(c)] (d) of section
1088 21a-420e, as amended by this act, for the first three renewal cycles of the
1089 applicable cannabis establishment license applied for, and shall pay the
1090 full amount of such fee thereafter.

1091 Sec. 17. Section 21a-421f of the general statutes is repealed and the
1092 following is substituted in lieu thereof (*Effective July 1, 2023*):

1093 (a) The Social Equity Council, in coordination with the Departments
1094 of Consumer Protection and Economic and Community Development,
1095 shall develop a cannabis business accelerator program to provide
1096 technical assistance to participants by partnering participants with a
1097 cannabis establishment. The Social Equity Council may partner with a
1098 constituent unit of the state system of higher education in developing
1099 the program.

1100 (b) Any individual who would qualify as a social equity applicant
1101 may apply to participate in the accelerator program under this section.

1102 (c) [On and after October 1, 2021, the] The Social Equity Council may
1103 accept applications from an individual described in subsection (b) of this
1104 section for the component of the accelerator program corresponding to
1105 each of the following license types: (1) Retailer, (2) cultivator, (3) product

1106 manufacturer, (4) food and beverage manufacturer, and (5) product
1107 packager.

1108 (d) [On and after July 1, 2022, the] The council may accept
1109 applications from (1) retailers, (2) cultivators, (3) product
1110 manufacturers, (4) food and beverage manufacturers, (5) product
1111 packagers, (6) hybrid-retailers, and (7) micro-cultivators, licensed
1112 pursuant to section 21a-420e, as amended by this act, to partner with
1113 participants in the accelerator program component corresponding to the
1114 same license type, provided an accelerator retailer participant may be
1115 partnered with either a retailer or hybrid retailer and an accelerator
1116 cultivator participant may be partnered with either a cultivator or
1117 micro-cultivator.

1118 (e) As part of the cannabis business accelerator program, accelerator
1119 participants may be required to participate in training on accounting
1120 methods, business services, how to access capital markets and financing
1121 opportunities and on regulatory compliance. Social equity applicants
1122 who have been awarded either a provisional license or a final license for
1123 a cannabis establishment may participate in the training programs made
1124 available under this section.

1125 (f) The Social Equity Council shall facilitate opportunities for
1126 participants in the cannabis business accelerator program to meet with
1127 potential investors.

1128 (g) A participant who has partnered with a cannabis establishment
1129 pursuant to subsection (d) of this section shall be allowed to participate
1130 in any activity of the cannabis establishment with the same privileges
1131 afforded by the cannabis establishment's license to employees of such
1132 cannabis establishment.

1133 (h) Each participant shall annually apply for and obtain a registration,
1134 on a form and in a manner prescribed by the commissioner, prior to
1135 participating in any activity of a cannabis establishment. The Social
1136 Equity Council may charge a registration fee to participants.

1137 (i) The Social Equity Council may determine the duration of the
1138 program and number of participants under this section.

1139 Sec. 18. Section 22-61n of the general statutes is repealed and the
1140 following is substituted in lieu thereof (*Effective July 1, 2023*):

1141 (a) As used in this section: ["producer", "cultivator", "micro-
1142 cultivator", "product manufacturer", "hybrid retailer" and "retailer" have
1143 the same meanings as provided in section 21a-420; and "hemp", and
1144 "hemp products" have the same meanings as provided in section 22-61l]

1145 (1) "Cultivator" has the same meaning as provided in section 21a-420,
1146 as amended by this act;

1147 (2) "Dispensary facility" has the same meaning as provided in section
1148 21a-420, as amended by this act;

1149 (3) "Hemp" has the same meaning as provided in section 22-61l;

1150 (4) "Hemp products" has the same meaning as provided in section 22-
1151 61l;

1152 (5) "Hybrid retailer" has the same meaning as provided in section 21a-
1153 420, as amended by this act;

1154 (6) "Micro-cultivator" has the same meaning as provided in section
1155 21a-420, as amended by this act;

1156 (7) "Producer" has the same meaning as provided in section 21a-420,
1157 as amended by this act;

1158 (8) "Producer hemp product" has the same meaning as provided in
1159 section 22-61l;

1160 (9) "Product manufacturer" has the same meaning as provided in
1161 section 21a-420, as amended by this act; and

1162 (10) "Retailer" has the same meaning as provided in section 21a-420,

1163 as amended by this act.

1164 (b) Any producer, cultivator, micro-cultivator and product
1165 manufacturer may manufacture, market, cultivate or store hemp and
1166 hemp products in accordance with the provisions of this chapter and
1167 any regulations adopted [under] pursuant to said chapter, except that a
1168 producer, cultivator, micro-cultivator and product manufacturer may
1169 obtain hemp and hemp products from a person authorized under the
1170 laws of this state or another state, territory or possession of the United
1171 States or another sovereign entity to possess and sell such hemp and
1172 hemp products.

1173 (c) Hemp or hemp products purchased by a producer, cultivator,
1174 micro-cultivator or product manufacturer from a third party shall be
1175 tracked as a separate batch throughout the manufacturing process in
1176 order to document the disposition of such hemp or hemp products.
1177 Once hemp or hemp products are received by a producer, cultivator,
1178 micro-cultivator or product manufacturer, such hemp or hemp products
1179 shall be deemed cannabis and shall comply with the requirements for
1180 cannabis contained in the applicable provisions of the general statutes
1181 and any regulations adopted [under] pursuant to such provisions. A
1182 producer, cultivator, micro-cultivator and product manufacturer shall
1183 retain a copy of the certificate of analysis for purchased hemp or hemp
1184 products and invoice and transport documents that evidence the
1185 quantity purchased and date received.

1186 (d) No hemp or producer hemp [products shall] product may be
1187 dispensed, sold or distributed within a dispensary facility that is
1188 licensed [under] pursuant to chapter 420f or the business premises of a
1189 retailer or hybrid retailer. [or a retailer.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2023	21a-420
Sec. 2	July 1, 2023	New section

Sec. 3	<i>July 1, 2023</i>	New section
Sec. 4	<i>July 1, 2023</i>	21a-278b(a)
Sec. 5	<i>July 1, 2023</i>	21a-408
Sec. 6	<i>July 1, 2023</i>	21a-408h
Sec. 7	<i>July 1, 2023</i>	21a-409
Sec. 8	<i>July 1, 2023</i>	21a-420b(d) and (e)
Sec. 9	<i>July 1, 2023</i>	21a-420d(k)
Sec. 10	<i>July 1, 2023</i>	21a-420e
Sec. 11	<i>July 1, 2023</i>	21a-420f(a) and (b)
Sec. 12	<i>July 1, 2023</i>	21a-420j(f)
Sec. 13	<i>July 1, 2023</i>	21a-420m(b) to (i)
Sec. 14	<i>July 1, 2023</i>	21a-420r
Sec. 15	<i>July 1, 2023</i>	21a-420s
Sec. 16	<i>July 1, 2023</i>	21a-420u(b) to (i)
Sec. 17	<i>July 1, 2023</i>	21a-421f
Sec. 18	<i>July 1, 2023</i>	22-61n

Statement of Purpose:

To: (1) Enable a licensed hemp producer to seek a cultivator or micro-cultivator license from the Department of Consumer Protection and, if the hemp producer receives a cultivator or micro-cultivator license, participate in the state's adult-use cannabis market; and (2) authorize sales of manufacturer hemp products in additional licensed facilities.

[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.]