

Good afternoon, Sen. Maroney, Rep. Lemar, Sen. Cicarella, Rep. Rutigliano, and esteemed Members of the General Law Committee. Thank you once again for the opportunity to speak today. My name is Gordon Whelpley, and I am the CEO of Float House, a hemp-infused food and beverage manufacturer located in Windsor, Connecticut. I'm here to provide testimony regarding House Bill 7178 and Senate Bill 970.

We appreciate the meaningful and thoughtful changes proposed in both bills, which will help level the competitive landscape for Connecticut-based manufacturers like ours vs out-of-state manufacturers in the infused beverage market. I'd like to address a few critical provisions and offer recommendations to further strengthen these important legislative proposals.

Safe Harbor Provisions: Both bills recognize the necessity of safe harbor provisions (Sec. 1 of HB 7178 and Sec. 3 of SB 970), allowing Connecticut manufacturers to produce infused beverages exceeding the state's current 3 mg THC limit, provided they are exclusively intended for sale in states with higher allowable limits. This provision also gives us much needed clarity on our ability to package products with labels that are not compliant with CT regs. Almost every state has its own labelling requirements, and none are in-line with CT's, while we have asked for clarity from DCP we still do not know if we are allowed to package a RI specific can. The majority of states that regulate infused beverages have set their THC limits at 5 mg per serving—a standard already in place in RI and being considered by more neighboring states, including New York and Massachusetts. Lifting these restrictions will allow us to compete in those markets as well as make it possible for us to co-pack for brands formulated at a higher dose than is currently allowed.

We understand there may be concerns that a safe harbor provision might inadvertently lead to higher-dose products entering Connecticut's retail market. However, this concern overlooks Connecticut's robust regulatory framework, which rigorously ensures compliance from manufacturing through distribution to retail. I've included a portion of Float House's DCP-approved Standard Operating Procedure (SOP) in my written testimony, which clearly demonstrates the stringent control measures in place to prevent such scenarios. Products destined for other states will not find their way onto Connecticut shelves because wholesalers and licensed retailers serve as additional layers of compliance. We understand that there is concern that allowing hemp manufacturers to produce these high-THC products will undercut licensed cannabis operators in CT. This argument ignores the fact that cannabis is still federally illegal and no product manufactured with cannabis can cross state lines. We will not be competing with cannabis operators in out-of-state markets and therefore no "undercutting" will take place.

To enable Connecticut manufacturers to thrive and compete fairly in markets beyond our state's borders, we urge the committee to adopt strong, clear safe harbor provisions in whichever either or both bills.

Inbound Hemp-Derived THC Testing Requirements: While Sec. 1 of SB 970 introduces significant improvements to Connecticut's hemp testing protocols, a critical barrier remains for local infused beverage manufacturers. Currently, hemp-derived THC ingredients must arrive at our facilities already diluted below 0.3% THC—a requirement that substantially complicates beverage production and inflates costs. Presently, the only feasible workaround involves diluting these active ingredients out-of-state before shipping them into Connecticut, adding unnecessary complexity, opportunity for error, and obvious cost burdens. Furthermore, this dilution method severely restricts formulation and leads to less precise dosing. Most regulated states (e.g.,

Minnesota, Colorado, New York, and California) explicitly permit WIP hemp products to temporarily exceed 0.3% THC, provided that final consumer products meet all compliance limits.

We strongly recommend treating concentrated hemp-derived THC similar to ethanol as is typical in alcoholic beverage production. Manufacturers should be permitted to safely dilute these concentrates on-site, followed by rigorous, full-panel product testing prior to sale. This approach aligns Connecticut with prevailing standards in regulated markets nationwide, maintains robust consumer safety protocols, and significantly streamlines manufacturing processes for local businesses.

Lastly, we would like some clarity on tolerance above and below 3 mgs. Right now anything over 3 mg THC is considered “cannabis”. We would like to see clearly defined language that allows for a 10% variance above or below.

Broadened Definition of “Naturally Derived Cannabinoids”: We applaud the language in SB 970 that broadens the definition of what a naturally derived cannabinoid to include and allow the use of important minor-cannabinoids. The current regulations have stifled the hemp industry in CT and has made non-psychoactive, naturally derived, cannabinoids illegal. As a company we aim to be transparent and upfront with our consumers and will only be using non-converted cannabinoids in any of our products.

Packaging and Labeling Transparency: We want to thank the Committee for including provisions in each bill that will improve transparency in labeling for consumers. These bills would make clear that hemp-infused beverages are not intended for children under any circumstances by improving the “warning” language required on packaging (Sec. 9 of HB 7178 and Sec. 3 of SB 970). Sec. 22 of HB 7178 would also adopt the International Intoxicating Cannabinoid Product Symbol (IICPS) designed by ASTM as a standard for labeling hemp-infused beverage products. This is an important visual indicator for consumers so that such products—which are available at package stores alongside alcoholic beverages—are easily identified as intoxicating cannabinoid products.

HB 7178 and SB 970 present significant opportunities to expand the hemp-infused beverage industry in Connecticut and allow our state’s manufacturers to be competitive with manufacturers in other states. That said, we would like to offer some additional items for consideration by the Committee.

\$1 per Container Excise Tax: We recognize that taxation is not typically in the purview of the General Law Committee, but we feel it is vital for the success of our industry to address the existing flat-rate excise tax of \$1 per container (\$24 per case). This unusual tax model places Connecticut manufacturers at a distinct disadvantage compared to neighboring states, who have a much lower tax fine and different tax structure altogether. At \$1-per-can, this costly tax incentivizes consumer purchases outside Connecticut borders, stifling in-state economic growth.

We propose transitioning to a percentage-based gross receipts tax—such as the 10% model successfully implemented in other states—which would provide a fairer, scalable approach. This adjustment would likely boost sales within the state, ultimately enhancing total tax revenues for Connecticut.

Packaging Format Flexibility: Currently, Connecticut restricts hemp-infused beverages to a minimum container size of 12 ounces and a maximum retail packaging size of a four-pack. This arbitrary limitation disadvantages consumers, manufacturers, and retailers alike. It artificially inflates production costs, reduces consumer choice, and unnecessarily diverges from widely

accepted industry practices in both the alcoholic beverage and hemp-infused markets nationwide. Allowing manufacturers flexibility to produce and sell hemp-infused beverages in a broader range of container sizes and package configurations—like six-packs, or twelve-packs—would greatly enhance consumer convenience, affordability, and market competitiveness. We urge the committee to adopt packaging standards that parallel established alcohol-industry norms, providing both manufacturers and consumers with the variety and affordability they expect and deserve.

In conclusion, we seek the opportunity to compete on equal footing, grow our business here at home, and generate meaningful jobs and tax revenue for Connecticut. Let's remove these remaining obstacles that currently benefit out-of-state producers and provide Connecticut businesses like ours the chance to flourish within our state borders.

Thank you very much for your time and consideration. I welcome any questions the committee might have.

Gordon Whelpley

Founder & CEO

Float House

APPENDIX:**State-by-State dosage chart**

State THC Beverage Limits		
State	Dosage Limit	Notes
AK	Prohibited	
AL	No Limit	
AR	No Limit	
AZ	No Limit	Legislation pending to move to 10mg
CA	Prohibited	
CO	Prohibited	
CT	3mg	
DC	Prohibited	
DE	Prohibited	
FL	No Limit	
GA	10mg	
HI	Prohibited	
IA	10mg	
ID	Prohibited	
IL	No Limit	
IN	0.3% Dry Weight	
KS	Prohibited	
KY	No Limit	
LA	5mg	
MA	Prohibited	Legislation pending to move to 5mg
MD	No Limit	
ME	No Limit	
MI	No Limit	
MN	10mg	
MO	No Limit	
MS	No Limit	
MT	2mg	
NC	No Limit	
ND	No Limit	
NE	No Limit	
NH	No Limit	
NJ	10mg	
NM	No Limit	
NV	No Limit	
NY	1mg	Legislation pending to move to 5mg

OH	No Limit	
OK	No Limit	
OR	20mg	
PA	Prohibited	
RI	5mg	
SC	Prohibited	
SD	No Limit	
TN	25mg	
TX	No Limit	
UT	Prohibited	
VA	2mg	
VT	10mg	
WA	Prohibited	
WI	No Limit	
WV	No Limit	
WY	Prohibited	

Material handling SOP approved by DCP:

1. Product Testing

Ingredient and product testing is a critical aspect to our business and strict adherence to CT regulations will be maintained.

- **Purpose:** This procedure outlines the steps to be taken when sourcing and receiving hemp-derived THC products (distillate, water soluble emulsion, etc.) as well as final product testing and what to do if any batch of hemp-derived THC product to be used in production is found to exceed the legal THC limit of 0.3%.
- **Scope:** This procedure applies to all hemp product batches received by Float House, regardless of their origin (in-state or out-of-state).
- **Procedure:**
 - **Sourcing:** Test results from an independent lab to be furnished by the supplier prior to purchase must confirm the original hemp batch contains not more than 0.3% delta-9 on a dry weight basis.
 - **Testing and Identification:** Upon receipt all hemp-derived THC product batches must undergo preliminary testing for delta-9 THC concentration by an independent testing laboratory, either Northeast Laboratories or another approved laboratory, in accordance with Section 22-61m-2 of the Department of Consumer Protection (DCP) Hemp Manufacturer Testing Standards. The independent testing laboratory shall test each sample in accordance with the laboratory testing standards established in policies, procedures and regulations adopted by the commissioner pursuant to section 21a-421j. The independent testing laboratory shall test each sample in accordance with the laboratory

testing standards established in policies, procedures and regulations adopted by the commissioner pursuant to section 21a-421j.

- **Exceeding THC Limit:** If testing confirms that a hemp-derived THC batch exceeds the 0.3% THC limit, the following steps must be taken:
 - **Embargo and Labeling:** Immediately embargo the non-compliant batch. Clearly label all containers and storage areas as "Adulterated - Exceeds THC Limit" on the labelled shelf in the middle storage cabinet located on the wall in the production container
 - **Notification:** Notify the DCP and the Department of Agriculture in writing about the adulterated product within five business days of receiving the failed test result per **Public Act No. 24-76**
 - **Disposal Options:**
 - **Surrender to DCP:** Arrange for the surrender of the adulterated hemp batch, without compensation, to the DCP. The DCP will assume responsibility for the destruction and disposal of the product.
 - **Destruction Method:** Non-compliant hemp-derived THC distillate or emulsion will be mixed evenly with cat litter in a 1:1 ratio with water added as necessary and disposed of as a compostable material.
 - This process must take place in the main warehouse under video surveillance.
 - DCP must be present for this process until we are given approval to manage disposal by ourselves.
 - **Combining Batches (Alternative to Disposal):** Submit a written request to the DCP for permission to combine the non-compliant batch with other compliant batches to achieve a THC concentration of 0.3% or less on a dry weight basis.
 - **Documentation:** If batches are combined, maintain detailed records of the following:
 - The specific batches that were combined
 - The independent testing laboratory's THC concentration test results for each individual batch involved
 - The THC concentration test results for the final combined batch
- **Finished Product Testing Procedure:**
 - Prior to submitting a sample for testing, a randomly selected set of samples of finished goods (either cans, or gummies, or cups) will be selected from the entire batch by a representative of the independent testing laboratory.
 - Ensure that each batch submitted for testing contains no more than 50 kilograms.
 - **Sample Selection and Submission:**
 - The independent testing laboratory will randomly select samples from the homogenized product batch using the sampling procedure outlined in Section 22-61m-4 of the DCP

Hemp Manufacturer Testing Standards.

- Direct the laboratory to collect samples from each container storing the manufacturer hemp product batch and from various depths to ensure representative sampling.
- **Required Tests and Acceptance Criteria:**
 - The independent testing laboratory must conduct the following tests on the final product sample as outlined in Section 21a-421j-29 of the Department's Policies and Procedures:
 - THC Concentration: The sample must contain no more than 0.3% THC on a dry-weight basis and 1mg THC per gummy.
 - **Microbial Testing:**
 - E. coli, shiga toxin-producing E. coli, L. monocytogenes, and salmonella spp. must not be detected.
 - The total aerobic microbial count and total combined yeast and mold count must each be less than or equal to 10^5 cfu/g or ml.
 - **Mycotoxin Testing:** The sample must contain less than 20 micrograms per kilogram of each of the following mycotoxins: aflatoxin B1, aflatoxin B2, aflatoxin G1, aflatoxin G2, and ochratoxin A.
 - **Heavy Metal Testing:** The sample must meet the following heavy metal standards for the intended route of administration, based on consumption levels up to 10 grams per day

Heavy Metal	Intended Route of Administration: Not inhalation (µg/g)
Cadmium	≤0.5
Arsenic	≤1.5
Lead	≤0.5
Mercury	≤3.0
Chromium	≤2.0

- **Pesticide Chemical Residue Testing:** A sample not less than one half of one gram, shall be deemed satisfactory if (A) all of the Category I Residual Pesticides are not detected, employing a limit of quantitation of 0.10 µg/g, and (B) all of the Category II Residual Pesticides do not exceed the indicated

levels below. For purposes of this subdivision, Category I Residual Pesticides shall include aldicarb, carbofuran, chlordane, chlorfenapyr, chlorpyrifos, coumaphos, daminozide, dichlorvos (DDVP), dimethoate, ethoprop(hos), etofenprox, fenoxycarb, fipronil, imazalil, methiocarb, methyl parathion, mevinphos, paclobutrazol, propoxur (baygon), spiroxamine, and thiacloprid, and Category II Residual Pesticides shall include the following, with the corresponding action levels:

○ **Results and Actions:**

- **Satisfactory Results:** If a sample passes all the required tests, the entire batch from which it was taken can be released for sale.
- **Failure to Meet Potency Testing Standards:** If a finished product sample fails to meet potency testing standards follow these steps:
 - Immediately comply with the procedures outlined in Section 22-61m(n) of the Connecticut General Statutes by informing DCP (as outlined above) and follow the destruction method to destroy that batch.
 - Destruction of non-compliant materials will vary based on the type of material to be destroyed. For example if a batch of gummies fails to meet testing requirements the material will be mixed evenly with cat litter at a ratio of 1:1 and disposed of as a compostable material.
 - This process must take place in the main warehouse under video surveillance.
 - DCP must be present for this process until we are given approval to manage disposal by ourselves.
- **Failure to meet other required testing requirements pursuant of Section 21a-421j:**
 - Retesting by the independent lab will take place, if that result is also not satisfactory then DCP and DAG will be immediately notified with a destruction plan as outlined above.
 - If the sample used to retest or reanalyze such hemp yields satisfactory results for all 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 shall be released for manufacturing, processing and sale.

Record Retention: The laboratory must retain a record of the failed test results for at least three years and make them available to the DCP upon request

Packaging Procedure:

1. Only approved packaging materials to be used once they have been verified to be clean and intact.

2. Packaging must be verified and approved prior to filling to ensure the currently labelled package is being used depending on the intended state of distribution.
3. Packaging will be inspected for integrity and proper sealing.
4. Finished products to be stored in designated areas until QC analysis and approval.

Distribution

Procedure:

1. Order details verified and products prepared for shipment.
2. Transportation vehicles to be inspected for cleanliness and appropriate conditions.
3. Products will be loaded to ensure they are protected from damage and contamination.
4. Records of shipped batches to be maintained including lot numbers and destinations.

Record Keeping:

Details records will be kept of the following activities performed in adherence with Public Act 24-76. All required information: date, time, location, manner of destruction, batch/lot numbers, quantity, names and signatures.

1. Maintain comprehensive records of all testing activities, including:
 - a. Batch/Lot numbers.
 - b. Date of manufacture.
 - c. Date of sample submission.
 - d. Independent testing laboratory used.
 - e. Copies of all test results (both passing and failing).
 - f. Documentation of any remediation steps taken where applicable. See batch blending SOP above for detail under "Combining Batches"
 - g. Records of product disposal
 - h. Ensure that all records are readily available for inspection by the DCP upon request