

OFFICE OF FISCAL ANALYSIS

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sHB-5350

AN ACT CONCERNING CANNABIS, HEMP AND INFUSED BEVERAGE REGULATION.

As Amended by House "A" (LCO 4259), House "D" (LCO 4345)
House Calendar No.: 272

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Various	Various - Potential Revenue Gain	See Below	See Below

Note: Various=Various

Municipal Impact:

Municipalities	Effect	FY 27 \$	FY 28 \$
Various Municipalities	Potential Revenue Gain	See Below	See Below

Explanation

The bill makes various changes to the cannabis statutes resulting in the potential revenue gain described below.

Section 54 imposes a fee of \$8,000 for a person acquiring ownership or control of an equity joint venture resulting in a potential revenue gain to the Social Equity and Innovation Account to the extent these transactions occur.

This section also allows the Department of Consumer Protection (DCP) to issue fines of up to \$10 million for a violation of this section, resulting in a potential revenue gain to the General Fund to the extent violations occur.

Primary Analyst: ME
Contributing Analyst(s):
Reviewer: PR

4/21/26

Sections 66 & 68 results in a potential increase in state and municipal sales tax revenue by expanding the sale of certain medical use cannabis products to retail consumers.¹

Sections 93 - 94 also results in a potential increase in state and municipal sales tax revenue by increasing the allowable THC levels in an infused beverage to be sold or offered for sale within the state.

Section 94 requires infused beverage manufacturers to assess a \$1 fee for each container sold at retail resulting in a potential revenue gain to the consumer protection enforcement account to the extent these sales occur.

The bill also makes various changes to cannabis statutes that do not result in a fiscal impact to the state.

House "A" strikes the underlying bill and its associated fiscal impact resulting in the impact described above.

House "D" eliminates the reduced restrictions on cannabis packaging and labeling which removes the cost to the Department of Consumer Protection and the State Comptroller.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations, the number of infused beverages sold, and inflation.

¹Under current law, there is a 3% municipal sales tax on retail cannabis.