CHAIRPERSONS: Senator James Maroney, Representative Roland Lemar

SENATORS: Cicarella, Gadkar-Wilcox, Lopes, Osten

REPRESENTATIVES: Ackert, Allie-Brennan, Aniskovich, Gibson, Jensen, Luxenberg, Martinez, Osborne, Paolillo, Pemberton, Rutigliano, Santos, Turco, Yaccarino

SENATOR MARONEY (14TH): Alright. Good morning. We're going to call our March 4th, General Law Committee Public Hearing to order. Welcome to our, it's not an annual meeting, but today, this year, we decided to combine tech, alcohol, cannabis and gaming in one day.

And if we missed a vice, please let us know and we will add that next year, to our public hearing. So with that, the first hour is reserved for public officials. After that, we will alternate between. We ask when you come up, you please press the button to make sure, that you can be heard. It is being broadcast so the microphone will need to pick that up for people who are watching from home.

General public will have three minutes to speak. Our clerk will give you a warning when you get to your three minutes. If the buzzer goes, please try to summarize as quickly as possible and then the members of the committee can ask you questions after that.

So, with that again, thank you all for taking your time to come up here. We do have a lot of very big bills that we're working on this year, and we do value your input and your time. I'd appreciate you, taking your time to come here. So with that, I'll turn it over to my Co-Chair.

REP. LEMAR (96TH): Thank you, Senator Maroney. If you hadn't noticed, there are 100 people signed up

to testify today. If everyone takes three minutes, that's three hundred minutes. People are going to take more than three minutes. You have to go to some questions. There's going to be some feedback.

If you don't have the time today to stay here all afternoon into the evening, please submit written testimony. I promise you that is as valuable as your spoken testimony. It is often easier for us to reference written materials post hearing as we're determining JF language, as we're working through concepts and ideas.

It's better to get some information there. You will notice that there are numerous large hearings. I see a number of people who I know are in the other ones as well that are happening in the building today. Both you and our members are going to be in and out frequently throughout, the morning and afternoon.

So if you have written testimony, that is more explanative or goes into greater detail, we will review all of that as well. So thank you all for coming out today. There are a number of panels that we have additionally identified that we think might make sense. So we may call up two, three, four people in a row. If you think that makes sense for you and your organization, you might want to check-in with our clerk, and we can try to combine some testimony as well. And with that--

SENATOR MARONEY (14TH): Representative Rutigliano, do you have any comments?

REP. RUTIGLIANO (123RD): I wanted to echo the sentiments of the Chairman and let you know that I know for a fact that myself and most of the panel up here reads your testimony. So he is correct when he says submit written testimony. I spent most of the evening last night pre reading it. I'm sure the Chairman and Senator Maroney did. So, it's an excellent way to communicate with the committee.

SENATOR MARONEY (14TH): Thank you. And that is also very valuable as we go after the committee process, when we go back to try to revise the bills to make the substitute language. So just to echo that sentiment to please, submit your written testimony. And if you haven't done so yet you can still do so.

Is Senator Cicarella on? Okay. So, if Senator Cicarella comes in, he may have a few words to say when he joins us. With that, we're going to go, we're starting with the general public. Again, when the panels come up later on, we'll say this again, but, we would ask you to -- multiple people can come up and sit at the different chairs and just when you speak, make sure you push your button, so your microphone goes red. With that, we'll call up Commissioner O'Keefe.

COMMISSIONER DANIEL O' KEEFE: Thank you, Senator, and Representatives. I have opening remarks, but out of respect for your time, not out of a lack of respect for the process, I will not go through them. It sounds like you've read them. I'm here to testify in support of the Governor's AI Bill. Senate Bill 86, and also to echo my continued willingness to work with Senator Maroney and everyone on Senate Bill 5.

Let me just pause there and ask for any questions. Although I'm happy to go through my opening remarks, but if you've got a 100 people, I thought I might try to make this a little less painful. And, by the way, I just would like to say publicly that technology is not advice. At least I hope not. Maybe for some. Senator, would you like me to go through?

REP. RUTIGLIANO (123RD): He submitted separate testimony on 5 and 86.

COMMISSIONER DANIEL O' KEEFE: Correct.

REP. RUTIGLIANO (123RD): So they're separate pieces of testimony.

COMMISSIONER DANIEL O' KEEFE: Okay. So let me do 86, which is the Governor's AI Bill. So Section 1, that's to strengthen data governance and make high value privacy protected state data available on anonymous basis to support AI development and attract innovators.

Section 2 enables the creation of an AI regulatory sandbox signaling that Connecticut is committed to a business-friendly environment where companies can safely test new AI products. And then Section 3 requires AI companion tools to include mental health, aware safeguards, and transparency measures to ensure responsible and safe use.

We also, by the way, continue to work very broadly at the DECD, around enabling AI across the State of Connecticut. I do want to say something, which is three weeks ago, a little over three weeks ago, Anthropic came out with the latest Claude model, which is 4.6.

I have described this as a clarion call moment. I have been a technologist for 30 years. I taught myself how to code in the early '90s. I have never seen a step function change in technology development in my entire career. I vibe coded over a weekend an enterprise software product over 50,000 lines of code. I did not write a single one of them.

That is an important moment to note because what that means is an entire career path that a year ago, I would have advised my daughters would be an attractive place to be, which is software engineering, just went to a marginal cost of zero. So really focusing on workforce and preparing our workforce for what is coming and what is here, I think really needs to be all of our focus.

By the way, we are seeing it in the economy. We're seeing GDP growth, faster than jobs growth. And in fact, towards the end of last year, we saw those two lines, not only separate but go in opposite directions. I don't think that's AI entirely yet. I

think that's a lot of robotics and automation, but we are seeing it. We are seeing economic growth outpace jobs growth.

SENATOR MARONEY (14TH): Great. Thank you very much. I was at a conference several months ago when, they shared the statistic that for recent college graduates the unemployment rate for software engineers is double that for art history majors.

And it is something that we worked on as a state. One of the first bills I passed was to require all schools to teach computer coding because that was such an important skill. And as you mentioned, now there's that emphasis back on critical thinking.

COMMISSIONER DANIEL O' KEEFE: That's right.

SENATOR MARONEY (14TH): We're looking more at the judgment, now. Are there any questions from the committee? No. I guess a general question. I see the true economic benefit to Connecticut, or I see probably the biggest economic benefits or one of them to Connecticut. So it's not as much a development of the tools as it is adoption of the tools. So what are we doing to help increase adoption among small businesses?

COMMISSIONER DANIEL O' KEEFE: Well, that's a great question. And I do think, by the way, small businesses are those who are struggling most to understand how to adopt it. Look, the tools are widely available. And what I have said to everyone is, find ways to try it and see what your individual use case might be.

The more you use these tools, the more you think of ways that might apply. I mentioned this enterprise software product that I developed. It just happened to be a use case that was top of mind for me because it's one of the efforts that our agency undertakes.

But every, I think, small business can find unique ways to improve efficiencies, to improve workflows,

to frankly make their businesses more successful and competitive. And so I just encourage everyone to simply iterate and experiment. Now, but I'll come back to workforce.

What I worry about is clearly, I worry about artificial intelligence taking jobs, but I think what is more likely is, those who are equipped to leverage AI becoming more competitive in the workforce.

So starting to really work through at the university level, frankly, all the way through our education system, making sure that folks are understanding how to use these. Our kids all grow up as digital natives. And I think for this next generation, AI is going to be a companion tool that they'll use every day.

SENATOR MARONEY (14TH): Great. Thank you. Are there other questions for the Commissioner? Okay. Hearing none, thank you for coming to testify.

COMMISSIONER DANIEL O' KEEFE: By the way, last year when I testified, it was 03:00 in the morning in India.

SENATOR MARONEY (14TH): Yeah.

COMMISSIONER DANIEL O' KEEFE: This is much nicer.

SENATOR MARONEY (14TH): It's much easier for you. Alright. Next, I believe, former Representative McGee, Brandon McGee was bringing his children to school. So we'll get him up whenever he gets here. So, Neal Eskin?

NEAL ESKIN: Good morning. Honorable Co-Chairs, Ranking Members, members of the General Law Committee. My name is Neil Eskin. I'm the Executive Associate Athletic Director at UConn.

The University of Connecticut appreciates the committee's leadership on responsible gaming and

strongly supports the overall goals of House Bill 5229, including the robust protections against advertising targeted at individuals under the age of 21.

We have one narrow but important concern with the language in Section 2, Subsection E8, the second condition in the exception, sub paragraph B, in our view is unnecessarily restrictive, even when materials are directed to a general audience of fans, alumni, and the broader public.

The bill would limit the advertising of such materials in a campus athletic facility exclusively to trademarks or logos or a one-line disclosure statement. The issue here is that this may prohibit common responsible activations by university corporate partners that are also state gaming licensees, such as it would prohibit in arena announcements about upcoming games that our men's or women's basketball teams may annually play at the Mohegan Sun Arena.

Promotion of the popular UConn branded scratch tickets sold by the Connecticut lottery. It would prohibit game day fan engagement activities open to all attendees, like an on court free throw shooting contest or a prize giveaway, such as a trip to the Big East tournament.

And it would prohibit the advertisement of community service initiatives by corporate partners, such as funding a block of tickets to be given to underprivileged youth in one of our towns so that they might experience a UConn athletics event in person. These activities comply with every other safeguard in the bill, are customary at sporting events and are directed solely to general audiences.

UConn remains categorically against direct solicitation of students by or on behalf of gaming entities, but we respectfully request the aforementioned simple revision to Subsection E8 and Section 2, which removes the overly restrict

restrictive sub paragraph B while preserving the critical general audience protection.

This change maintains every other protection in the bill while allowing UConn to continue the responsible general audience partnership activities that are well received by the many state citizens who attend athletic events on our campus and are directly associated with vital revenue generation efforts supported by the corporate community. Thank you for your time, and I'm happy to answer any questions you may have.

SENATOR MARONEY (14TH): Thank you very much for your testimony. Especially, I appreciate very specific testimony and referencing the line numbers in your end testimony. I believe -- Representative Lemar.

REP. LEMAR (96TH): Thank you. I do appreciate your time and again your thoughtfulness on this issue for a couple of years.

NEAL ESKIN: Yes, we have.

REP. LEMAR (96TH): We've had the opportunity to talk to you about, how we protect against something you and I both identify, which is a rapidly growing problematic gaming behavior that's encompassing folks that we're concerned about and that you serve on a day-to-day basis--

NEAL ESKIN: Absolutely.

REP. LEMAR (96TH): --at the University of Connecticut. And I do full heartedly appreciate your stance on this and your willingness to come to the table on this and recognize that it probably costs you revenue. Like these are folks that you otherwise, if it was just about cashing checks, you would gladly do it in whatever format you can, but you recognize the concern--

NEAL ESKIN: I do.

REP. LEMAR (96TH): --that we're facing. And I wholeheartedly appreciate that. To the specific recommendations you have, I think they have merit. I quiver with some of the recommendations you make and we may need to have another conversation, maybe 15, 20 minutes --

NEAL ESKIN: Happy to do so.

REP. LEMAR (96TH): -- post hearing to get to what our committee's concerns are in this space. And I might need to understand a little bit better the types of promotions that you're running and the extent of them. And we can have a more in-depth conversation about where we can find happy medium on.

NEAL ESKIN: Happy to do so. Happy to work with the committee to arrive at a solution that works for all.

REP. LEMAR (96TH): I appreciate that. Thank you.

SENATOR MARONEY (14TH): Great. Thank you. Representative Rutigliano.

REP. RUTIGLIANO (123RD): Thank you, Mister Chairman. Thank you for your testimony. And thank you. I really want to take a minute and tell you how great UConn has been in cooperating with this issue and talking to us. We had a lengthy discussion at the UConn game, believe it or not.

And they told us what some of the concerns were. It's amazing where you could find consensus. It happened at a pre-game meal, but it was all good. My only question, the only thing that popped out at me and I share the Chairman's comments, is you mentioned the lottery ticket, UConn lottery ticket. How does UConn get compensated off, of a lottery ticket?

NEAL ESKIN: It's through a sponsorship agreement. It's not through the lottery ticket itself. It's through a sponsorship agreement between companies have sponsorship agreements, and they provide UConn with funds to promote their products just like any corporate partner. So it's not through the lottery ticket itself. It's just through promoting the corporate entity.

REP. RUTIGLIANO (123RD): So they basically are buying a sponsorship. It could be a billboard.

NEAL ESKIN: Correct.

REP. RUTIGLIANO (123RD): It could be time on your board. And then in that case, they get to use your likeness or logo--

NEAL ESKIN: Correct.

REP. RUTIGLIANO (123RD): --on a lottery ticket.

NEAL ESKIN: That's correct.

REP. RUTIGLIANO (123RD): So but you don't receive any proceeds from the actual sale of the lottery ticket?

NEAL ESKIN: That is correct.

REP. RUTIGLIANO (123RD): You just sell the right to use your logo?

NEAL ESKIN: Correct.

REP. RUTIGLIANO (123RD): Okay. That answers my question. Thank you, Mister Chairman.

SENATOR MARONEY (14TH): Great. Thank you very much. Are there any further questions from the committee? Okay. Hearing none. Thank you for coming to testify.

NEAL ESKIN: Thank you much.

SENATOR MARONEY (14TH): Next. Representative Menapace. Okay.

STATE REPRESENTATIVE NICHOLAS MENAPACE: Hello, members of the General Law Committee. Thank you for the opportunity to testify in support of Senate Bills 4 and 5. Across the country, every state legislature is grappling with the same challenge. How do we protect our residents, in a world where artificial intelligence and data driven technologies are advancing faster than the laws that govern them?

Over the past year as a member of the AI caucus, I've spent a great deal of time studying what other states are doing and where Connecticut has an opportunity to lead. I've spoken with researchers, technologists, advocates, and regulators. And one thing is clear, AI is a powerful tool, but like any powerful tool, it can be misused.

Our responsibility is to make sure innovation does not come at the expense of the people who live in Connecticut. Senate Bill 4, I think, is an important step toward restoring consumers' control over their personal data. Today, data brokers operate almost entirely in the shadows, collecting and selling information about all of us often without our knowledge or consent.

I think Senate Bill 4 brings transparency and gives residents a meaningful way to say delete my data. It protects minors, safeguards sensitive information like geolocation and health data, and ensures that companies cannot profit from people's personal information without accessibility, or excuse me, without accountability.

Senate Bill 5 addresses a different but unrelated, related challenge, excuse me. The rapid spread of AI tools into everyday life from homework to resume writing, to financial advice. AI is becoming a consumer product and consumers to know the terms, limits, and risks of what they're using.

Senate Bill 5 requires clear disclosure from AI subscription services. So people aren't surprised by hidden restrictions or shifting rules. It also includes strong whistleblower protections for employees, inside high-risk AI companies, ensuring that the people closest to the technology can speak up when something dangerous, or about something dangerous and establishes an AI learning laboratory.

So Connecticut can evaluate new technologies responsibly in partnership with our universities, our agencies, and our industries. Together these bills form a responsible foundation by building guardrails that allow innovation to happen safely. They protect residents from exploitation, increase transparency, and they position Connecticut to lead in the next generation of technology policy.

I also want to encourage the committee to review my written testimony. Over the past year, I've had the opportunity to work closely with members of the future caucus national task force on AI, especially, Representative Monique Priestley of Vermont and Assemblyman Alex Bores from New York.

Their states have taken thoughtful bipartisan approaches to AI and data governance, and their insights have been invaluable as we shape Connecticut's path forward. I believe our work here can be just as bipartisan and just as forward looking. I believe Senate Bills 4 and 5 are a strong start, and I urge the committee support them. Thank you for your time. Are there any questions?

SENATOR MARONEY (14TH): Thank you very much. Let me see. Are there any questions? So, with the future caucus, you're also working with Representative Fiefia then from Utah.

STATE REPRESENTATIVE NICHOLAS MENAPACE: Yes.

SENATOR MARONEY (14TH): Correct?

STATE REPRESENTATIVE NICHOLAS MENAPACE: Yeah.

SENATOR MARONEY (14TH): Who's been again, just showing the bipartisan nature. He's been very active at pursuing regulations in Utah, in recent articles and Axios. But, are there any suggestions you'd have areas where you'd like to see us go stronger perhaps?

STATE REPRESENTATIVE NICHOLAS MENAPACE: I think I would like to eventually see us, something similar to what was done in Vermont as we specifically targeted some of the issues that were happening with [related?] children and about the, well, the vulnerability that they have as a community.

I think we also saw in New York that there were some strong things targeting some of these very large companies because, well, I think this is kind of taking a little bit of a bottom-up approach, where New York they targeted a bit more of a top down of the biggest companies, how we can do.

Ultimately, I think it is, your decision of how we do approach that. I think both have their merits. But if I'm going to be something very specific, I think I would really love to see us, make sure we have some more protections for children.

SENATOR MARONEY (14TH): Great. Thank you. We actually did borrow in Senate Bill 4, we update the definition of publicly available information, and that is taken from the Vermont AADC and Representative Priestley's work --

STATE REPRESENTATIVE NICHOLAS MENAPACE: Yes, I did see that.

SENATOR MARONEY (14TH): --we borrowed from Representative Bores, the whistleblower protection to pass for those who don't know, pass the RAISE Act, which was signed into law catastrophic risk model in New York state. So Representative Turco.

REP. TURCO (27TH): Thank you, Mister Chairman. Thank you Representative for your testimony. You just partly answered it regarding, more protections for children, but I just wanted to get your thoughts if Connecticut was to delay another year for passing legislation like this, that would put more regulations around AI, where do you see the biggest threats to Connecticut consumers or as a state as a whole by not taking some action this year?

STATE REPRESENTATIVE NICHOLAS MENAPACE: I think you very much said there, Rep. Turco, is that this is, I think, primarily with children. We're seeing that a lot of these things are trying to increasingly market themselves well, to younger people. And I think you do significantly run the risk that, we've seen some of the problems that have popped up, and these might be isolated since.

But I think without good regulation, we run the risk that it's going to become more and more commonplace with people getting faulty information, sometimes dangerous information through some of these.

And I think it's also important that we recognize that these are often tools that we have out there, but young children are not equipped to be able to deal with them. And while there are restrictions put in there to try and limit them, frankly, in a lot of these, my opinion, a lot of the systems that are put in there by somebody's AI company, they're extremely easy to get around.

You basically just need to say that you are over that age and it's okay. And I would like us as the state to come in, if they are not willing to regulate this, then I think we need to do everything possible to protect these vulnerable populations.

REP. TURCO (27TH): Yeah. Thank you, Representative. It makes me think of the social media industry., When that first became a tech that everyone was using, it was the wild West and, states were very slow to put regulations in place and there's been a

lot of harm that's done to children and now we're trying to play catch up. So, I think we're already behind Connecticut compared to some other states in the nation regarding AI, but it's not too late to catch up. So thank you, Representative.

STATE REPRESENTATIVE NICHOLAS MENAPACE: Yeah. And just as Rep. Turco said, a lot of these social media companies are now also using AI to help better market themselves as well, and so I think there is a lot that we will need to continue to be working on or at least the General Law Committee will likely need to be working on in the future. Thank you.

SENATOR MARONEY (14TH): Are there other questions? If not, Representative Menapace, thank you for your work. Thank you for being part of the AI caucus, multi state, future caucus. We'd love to work with you going forward, especially on the Chatbot protections.

We do have the Chatbot protections in both Senate Bills 5 and 86, and so that's an area where we know we need to get it right as almost three and four teenagers have accessed companion Chatbot's. So it's 72% of teenagers who interact with companion Chatbot's and currently, in Connecticut, there are no regulations in place for how they must interact or be tested to make sure they're safe. So thank you.

STATE REPRESENTATIVE NICHOLAS MENAPACE: Thank you.

SENATOR MARONEY (14TH): Next, Representative Klarides-Ditria.

STATE REPRESENTATIVE NICOLE KLARIDES-DITRIA: Good morning, everybody. I'm State Representative Nicole Klarides-Ditria, and I'm going to defer my time to Christine Dorchak from Greyhound USA to give our testimony today.

CHRISTINE DORCHAK: Good morning. My name is Christine Dorchak, and I'm the President and General

Counsel of Greyhound Protection Group, GREY2K USA Worldwide. We-- is the mic not working? Let's try it again. Good morning. My name is Christine Dorchak, and I'm the President and General Counsel of Greyhound Protection Group, GREY2K USA Worldwide.

We work to pass laws to protect greyhounds and promote the adoption of ex racers all across the globe. Today, I'm here to testify on House Bill 5229, An Act Concerning Gaming, and respectfully ask that you amend the legislation to include a prohibition on simulcast wagering on dog racing.

I want to begin by sincerely thanking this committee and the Connecticut Legislature as a whole for your leadership in outlawing live dog racing in 2024. This was a major step forward in ending cruelty to dogs and was yet another example of Connecticut's commitment to humane and ethical policy.

Now while live dog racing was a landmark achievement, there is still work to be done. Simulcast wagering is a form of gambling where bettors place wagers on dog races taking place elsewhere. Even though live racing is no longer allowed in Connecticut and you cannot gamble on dogs racing here in the state, residents can still bet on races that are taking place in other states and countries.

This is a loophole, and this loophole keeps the dog racing industry alive in jurisdictions where humane protections are far weaker. In effect, US gambling dollars are propping up the cruelty of dog racing in major hubs around the world, including Australia, Ireland, United Kingdom, and even Vietnam.

Every bet on a greyhound race helps to sustain an industry where animals are confined, overworked, and in many cases, drugged to perform. I'd like to focus on what is happening here in Connecticut precisely. Currently, there are 11 OTBs or pari-mutuel facilities in the state that simulcast dog raising.

This is contrary to the positive public policy set in 2024. It's also completely out of step with modern perspectives on the humane care of dogs. As you will see in the materials I have provided, simulcast on dogs is now illegal in the majority of states. Ending simulcasting here is the next logical step to complete the work that was begun in Connecticut two years ago.

As I mentioned, national trends support this action. Since 2019, wagering on greyhound racing in The United States has fallen by 34%. Simulcasting of dog racing is already illegal in 32 states, and this number by 2028 will be 36 with legislation in Arizona, Arkansas, Oregon, and neighboring New Hampshire taking effect by that time. Rhode Island is also considering outlawing dog simulcasts this year.

So Connecticut now has the opportunity to align with this growing trend, a trend we're seeing not just in New England, but nationwide and ensure that gambling laws support humane values. I'd also note here that the corruption and race fixing associated with this industry is well documented.

Just since 2016, official records show that hundreds of racing greyhounds have tested positive for cocaine, amphetamines, and other illegal drugs. Allowing dog simulcast races to be broadcast into Connecticut perpetuates these illegal activities. Now I'd like to talk about what the proposal does not do.

Suspending dog simulcasting does not harm jobs or the broader gambling economy. Approximately 90% of simulcast wagers in Connecticut are placed on horses, not dogs. Horse racing, OTBs, and related businesses will continue unaffected.

And from a fiscal standpoint, statewide, the impact is negligible. Greyhound simulcasting generated approximately $232,000 in 2024, which is just 0.001% of Connecticut's 22,000,000,000 general fund.

Finally, I'd like, the committee to note that there is a bipartisan Federal Bill that has been introduced to address this greyhound simulcasting issue nationally. But we can't wait for Congress to act. Connecticut has the power and responsibility to take immediate action to protect animals and ensure humane practices in the state.

By amending House Bill 5229 to prohibit greyhound racing simulcasts, Connecticut can complete the work that it began in 2024. It can protect animals, uphold ethical gambling standards, and align itself with the majority of other states across this country.

This common sense change is humane, fiscally responsible, and morally right. I urge the committee to adopt this amendment. Thank you very much for hearing my testimony. And if you have any questions, I'd be glad to answer them.

SENATOR MARONEY (14TH): Great. Thank you very much for coming to testify and for your advocacy over the years. The Co-Chair's predecessor, I did have a greyhound, and I believe Bella was his greyhound's name. And so this was an important, issue for him. So, thank you for all of your advocacy over the years. Representative Lemar followed by Representative Rutigliano.

REP. LEMAR (96TH): --Chairman Maroney, thank you for your testimony. I had four questions, but then I looked at your written testimony and realized you answered all of them internal to that. So I appreciate that. I would just again highlight, we are one of very few states that continue to allow this.

Alabama, it looks like, Florida, Texas, West Virginia, Nevada, Idaho, very few states left in the country that still allow this. So I appreciate you, highlighting this issue and also providing really detailed written submission that helps, explain the

issue further. So thank you again. Thank you, Mister Chairman.

REP. RUTIGLIANO (123RD): Good morning. So where do these bets take place? Are they doing it on the app like sports betting, or is it through OTB? Where do they place the bets?

CHRISTINE DORCHAK: What we're talking about, principally our OTB outlets that carry a dog simulcast signal. And I'd like to point out that what we've done in other states is we've argued for a phase out so that this business can gradually wind down. So we understand contract issues and so forth and so on.

So what we would argue for is an amendment that would put a phase out of dog simulcast wagering in Connecticut to align with the live racing, a ban that was already put in place two years ago.

REP. RUTIGLIANO (123RD): Do you know how long they have left remain? Because we had asked questions prior to the hearing, and I guess there are some contracts in place that maybe we couldn't usurp. But do you know when those contracts are up?

CHRISTINE DORCHAK: Well, I'm not privy to their private contracts, but one could imagine, that putting a one or two year phase out should be sufficient.

STATE REPRESENTATIVE NICOLE KLARIDES-DITRIA: Or you could phase it out at the end of that contract. Let the people finish their contract, and they can't renew the contract.

REP. RUTIGLIANO (123RD): They just can't renew the contract. And you're comfortable with that if the committee was to go in that direction?

CHRISTINE DORCHAK: Certainly. That's what we've done in multiple states.

REP. RUTIGLIANO (123RD): Very good. It was very thorough. Your testimony was great. I appreciate the issue. And we are the protect Greyhound Committee as it turns out due to our past Chairman.

STATE REPRESENTATIVE NICOLE KLARIDES-DITRIA: Thank you.

REP. RUTIGLIANO (123RD): And, thank you for your time.

STATE REPRESENTATIVE NICOLE KLARIDES-DITRIA: Thank you.

CHRISTINE DORCHAK: Thank you.

SENATOR MARONEY (14TH): Representative Turco.

REP. TURCO (27TH): Thank you. Oh, sorry. I have a couple more questions if you don't mind.

CHRISTINE DORCHAK: Oh, excuse me.

REP. TURCO (27TH): Those Greyhound issues important to me as well. So I'm really happy that you brought it here to the committee as a member of our animal rights welfare, caucus. One of my concerns now that the ranking member brought that up, if the legislation was crafted because we never pass legislation and it goes into effect that day. If people see it coming, right now they'll amend their contracts and extend it for 50 years. So how do we prevent that? I'd have to have some sort of sunset date on it.

STATE REPRESENTATIVE NICOLE KLARIDES-DITRIA: Well, you could just write in the legislation that once your current contract ends, you cannot re up your contract. I'm sure there's legally some way we can figure it out that they can't continue the--

REP. TURCO (27TH): Yeah.

STATE REPRESENTATIVE NICOLE KLARIDES-DITRIA: A new contract.

REP. TURCO (27TH): Just because the date that law would go into effect, there'd be time between now and then to extend that contract. Indefinitely in a way that could be indefinite.

STATE REPRESENTATIVE NICOLE KLARIDES-DITRIA: No. That makes sense and that's something we need to think through and get the attorneys involved to figure that one out.

CHRISTINE DORCHAK: Certainly. And if I may, in the other states where this legislation has passed already, there have been no such issues. Really, dog simulcast is a fading form of gambling. And it's really important that, this state and all states in The United States not support dog racing happening elsewhere.

We've got a strong public policy all across New England against dog racing, and this is our chance to really make it full force. And just to comment on the state that has live racing right now, which is West Virginia.

Just since 2015, over 5,000 dogs have been injured while racing in the state. At one point, a dog was dying every 10 days just so someone could put a $2 bet on them. I think we're better than that. And I'd like to see an end to all forms of wagering on dog races.

REP. TURCO (27TH): Sure. And do you know if this simulcast betting is happening just at the OTB sites around the state or at the two casinos we have as well?

CHRISTINE DORCHAK: Well, I think that there is some dog simulcasting that could be allowed, but it's so unimportant. When I've gone to the casinos, all I've seen are horse races to bet on. So I imagine that could be a question for those private businesses.

But when I visited, I have not seen dog races on the screen.

REP. TURCO (27TH): Okay. Great. Thank you so much. Thank you, Mister Chairman.

SENATOR MARONEY (14TH): Great. Are there any further questions from the committee? If not, thank you. That was a powerful statistic. The dog was dying every 10 days, in West Virginia. So, thank you again for your advocacy.

CHRISTINE DORCHAK: Thank you.

STATE REPRESENTATIVE NICOLE KLARIDES-DITRIA: Thank you.

SENATOR MARONEY (14TH): Okay. Next, Senator Lesser here? [background noise]

CLERK: --Chairing the Appropriations Subcommittee meeting.

SENATOR MARONEY (14TH): Yeah. Just to be clear, the Chair of the Appropriations Committee is sitting too. Thank you for that clarification, Chairman Osten. Representative O'Dea. Okay. Representative O'Dea.

STATE REPRESENTATIVE TOM O'DEA: Dear Co-Chairs, Maroney and Lemar, and Ranking Members, Cicarella and Rutigliano. I'm happy to be here. I'm sorry that I'm remote. I am literally in four hearings right now, and so I apologize, for not being there in person. Just briefly, I submitted written testimony regarding House Bill 5228.

So, I won't repeat that. I know you've got a lot of people here. I'll just point out a couple things. In Stamford, what got me involved with this, was that there are high school kids, I'm sorry, yeah, high school kids get out of school, and they line up outside these vape shops or these convenience stores that sell vaping, tobacco products.

And so, normally, I'm opposed to this kind of regulation, overregulation, but we've got a serious problem in Stamford with proliferation of these convenience stores selling to minors. So what this bill does is simply try to address that problem and create a system by which the vape shops or the convenience stores and [subtle?] minors can be properly shut down.

So if their floor is more than 25%, vaping tobacco type tobacco products, and their gross revenue is more than 50% of those kind of products, the Commissioner--, they can't be a quote convenience store. They have to be a vape shop. They have to be more highly regulated.

We regulate alcohol sales and stores more than we do these convenience stores that are selling to minors. So that's the purpose of the bill. I'm certainly not an expert in the area, but I know that we've got a problem, particularly in Stamford.

My office across the street, there was convenience stores selling to minors. And as soon as school lets out, it's crowded with minors. So, I asked the committee to take a hard look at this and support 5228. Happy to answer any questions, but I know you got a busy agenda.

SENATOR MARONEY (14TH): Thank you very much. And if there definitely is an issue, I know, from my nieces, even after dance classes, a lot of the girls would be going outside to smoke the vape. So we've seen this as an issue over the years. Thank you for your work. Representative Rutigliano.

REP. RUTIGLIANO (123RD): Thank you. Thank you, Representative. So just a quick question. My understanding of the bill, the proposal before us is that we're trying to treat sort of vape shops like package stores where we limit the amount of vape shops you could have to population. Is that my understanding?

STATE REPRESENTATIVE TOM O'DEA: Yes. Very much, yes. That's correct.

REP. RUTIGLIANO (123RD): So the only thing that we--, I read through a bunch of testimony yesterday, and it seemed that there was only some concerns from the cigar folks that, a lot of these, sort of gas stations or convenience stores have a big humidor, and they sell cigars. Is the intent of the bill to tamp down on regular tobacco or just vapes?

STATE REPRESENTATIVE TOM O'DEA: Theoretically, it could be both but, the problems--, there's not really regular tobacco. Well, I should say the packs, the going to lip, if that's called--, if that's regular tobacco, but it's more of the focus on the vapes and the things that minors are using, the flavored packs, the vapes, the things that high school kids are utilizing.

REP. RUTIGLIANO (123RD): Well, what's that called? The ZYNs. Those aren't really tobacco, correct? Isn't it just straight nicotine?

STATE REPRESENTATIVE TOM O'DEA: Yeah. That's nicotine. I'm trying-- in reading lines 51 through 73, it does include, it says electronic nicotine delivery.

REP. RUTIGLIANO (123RD): Right.

STATE REPRESENTATIVE TOM O'DEA: I would like to see it expanded to include, the sale of the ZYNs to minors as well. In reading it, I see that it does seem like it's limited to electronic.

REP. RUTIGLIANO (123RD): Do you have any issue with protecting people who may or may not be in the cigar business? Was there intent to the bill to limit people's access to cigars?

STATE REPRESENTATIVE TOM O'DEA: Absolutely not. I have yet to see a teen waiting in line, smoking a

cigar. So absolutely not want to touch cigars. That's not a problem in Stamford or in New Canaan or in Darien. So I'm happy to have that carved out. That is not the issue. The issue is and without getting, any of my kids in trouble, my boys, when they were playing football, they were using the ZYN things, the packs, without my knowledge. I would like to see more enforcement on that side of a nicotine delivery system, whether it's electronic or not.

REP. RUTIGLIANO (123RD): Thank you. Thank you, Mister Chairman.

SENATOR MARONEY (14TH): Thank you. Are there any further questions? Okay. Alright. Hearing none, thank you very much, Representative O'Dea.

STATE REPRESENTATIVE TOM O'DEA: Thank you, everybody.

SENATOR MARONEY (14TH): Next. Perfect timing. Senator Perillo, I think you're up.

CLERK: Kara Rochelle.

SENATOR MARONEY (14TH): I think she's still driving to get here. She's stuck in traffic.

STATE SENATOR JASON PERILLO: You caught me off guard. Senator Maroney, Representative Lamar, Representative Rutigliano, Representative Turco. I really appreciate the opportunity to testify here today on actually, two bills. The first I will move through honestly quickly, because I would argue it's honestly the less important of the two.

And ironically, it's actually my bill. It is Senate 228, and it is related to tobacco bars. And a number of years ago, this committee enabled the creation of these bars to eliminate the reality that there was essentially one bar in existence in the State of Connecticut and no others could open.

That was done with specific population thresholds in mind. That population threshold most specifically was 80,000 residents, in a town. In that time, only two additional tobacco bars have opened. And the bill before you today is designed to move that 80,000 threshold down to 40, to enable an additional 17 towns.

It would only account for 17 towns--, to have somebody in those towns to have an opportunity to open a tobacco bar as well. So it is consistent with the original intent. The original intent only generated two more in, I want to say Stamford and Waterbury. Don't quote me on that, though. But this would create another 17 towns as an opportunity to do that. So before I move to the second bill, I'm happy to answer questions on that bill.

REP. LEMAR (96TH): Thank you, Senator. And I do appreciate, reaching out to the committee early on and proposing this and having a chance to talk through, how this works. In fact, the more I looked into this, I originally started out in opposition to the bill, to be honest with you. I'm like, well, why would we--?

STATE SENATOR JASON PERILLO: Thanks for the honesty.

REP. LEMAR (96TH): The original change that we made a few years ago wasn't particularly popular. Why were we going even further? There's a number of myriad concerns that different industries and different folks have about the expansion of tobacco bars or essentially smoking establishments inside Connecticut.

And the more research I did, I realized that there are already a number of tobacco lounges that are allowed to exist throughout the state. And in many cases, all we're doing is allowing these tobacco lounges ultimately to become places that can serve alcohol. They're commonly like hookah bars across the state.

There are numerous of them in states and communities all throughout Connecticut. And all this does largely is allow them to serve alcohol while they're also offering a tobacco lounge. So then, the intellectual merit of the case that we're just opening up for expansion of smoking bars doesn't hold water in my mind because instead, all we're doing is allowing in many cases, the currently existing tobacco lounges to serve alcohol.

So I started to come along and see why this has a reasonable, proposal. But what would you say to some of the concerns that we've heard, we're seeing in written testimony about this being a broad based rollback to Connecticut's Clean Air Act and the movement away from the protections we put in place for our workforce that they'd no longer had to, work inside of smoking establishments and consume secondhand smoke. And this is a rollback of that, and this is just a slippery slope. What would be your response to that?

STATE SENATOR JASON PERILLO: Just be very frank. It is in some way. You would create--, I'm just being honest. There are 17 additional towns. We're up to 17 because you only have one in a town. We're up to another 17 tobacco bars could be opened. I'm just being very, very frank with you. Would 17 open? Of course not.

But what we've seen historically, in the two additional tobacco bars that have opened as well as the one that had been in existence for a very long time is a very self-selecting group of employees who choose to work in those locations. It's sort of like, I've heard the argument that children could be exposed.

Look, no mom walks in with her two kids and says, oh, I really didn't realize there'd be so much smoke in here. The same is true for employees. They proactively choose to work in such an establishment.

And, again, we're talking about 17 new towns with the potential for 17 new tobacco bars.

So it's not a situation whereby an existing employee all of a sudden is in an environment where suddenly there's individuals smoking a cigar, and they didn't know that going in. These are individuals who would proactively choose to work for a new business. So nobody's going to be surprised.

SENATOR MARONEY (14TH): Representative Rutigliano, then Representative Yaccarino.

REP. RUTIGLIANO (123RD): Oh, sorry, Dave. I just wanted to follow-up on that real quick because you and I have talked about this bill an awful lot over time. I just want to be clear. You are not allowing smoking or cigar smoking in any bar or restaurant in the State of Connecticut, right?

STATE SENATOR JASON PERILLO: That is correct.

REP. RUTIGLIANO (123RD): My understanding, and you can confirm that these are tobacco establishments, cigar bars, essentially, where under current law, they could all go in there and have a humidor and smoke their own cigar. But if they wanted a brandy, they'd have to bring it. And you're saying we're going to allow that place that has already an existing sort of tobacco place sell them that brandy. Am I understanding the bill correctly?

STATE SENATOR JASON PERILLO: That is correct.

REP. RUTIGLIANO (123RD): Thank you.

STATE SENATOR JASON PERILLO: To add to that, though, and what I think you might have been leading toward was the possibility of an existing restaurant choosing to move in this direction. If you look at the actual details of the bill and the requirements in terms of sales--

REP. RUTIGLIANO (123RD): Right.

STATE SENATOR JASON PERILLO: --the reality is it would be quite the opposite.

REP. RUTIGLIANO (123RD): Yeah. I just wanted to follow-up with that because I really thought I understood the bill and the one that we've been passing for years trying to get this going. And I thought maybe the testimony, just I don't know if you intended it to, was slightly misleading that this was sort of opening the door for smoking in restaurants and bars again, when really it's more about liquor and an existing cigar establishment that you're allowing for.

STATE SENATOR JASON PERILLO: That is absolutely correct. Thank you, Representative.

REP. RUTIGLIANO (123RD): Thank you. Thank you for the clarification.

SENATOR MARONEY (14TH): Thank you, Representative Rutigliano and Senator Perillo. Yeah. It worked out at the previous bill and we're not creating new opportunities to smoke. These are smoke shops whereas you mentioned you can bring your own liquor. It's just allowing those existing smoke shops or someone who has, opens under that existing law the ability to sell alcohol.

But in addition, there are a lot of other protections in there for employees in terms of the insurance that must be provided, the quality of the air system filtering within the establishment. So there are other protections. Representative Yaccarino.

STATE SENATOR JASON PERILLO: And actually, Senator, if I could just address that because I think you bring up a very good point. These are currently, smoke shops where individuals are very often bringing in their own alcohol, and nobody is policing that.

SENATOR MARONEY (14TH): Right.

STATE SENATOR JASON PERILLO: There's no bartender saying, hey. Should this guy have another drink? Instead, it's a free for all. So in these cases, we'd actually be introducing some oversight into that.

SENATOR MARONEY (14TH): Thank you. Representative Yaccarino.

REP. YACCARINO (87TH): Thank you, Mister Chair. Senator, good to see you. Your point is well taken because the establishments now that don't have the license, to your point, people could keep drinking and drinking.

There's no no oversight over that. So I think that's really important. The one business I frequent in New Haven. I'm not going to say, I don't think I should say the name. The model is it going to be the same model?

REP. RUTIGLIANO (123RD): The Owl Shop.

REP. YACCARINO (87TH): The Owl Shop.

SENATOR MARONEY (14TH): We know. You don't need to--.

REP. YACCARINO (87TH): It's a really well run establishment. You have food, you have beverages, and of course you have tobacco or cigars. I see quite a few people in this building that I see there once in a while. But that's the model you're looking for. I think it's a good model. You go to Boston,

New York City. I'll go to New York City sometimes just for the day and there's a bookstore it's a lounge, cigar lounge. It's been there for about 80, 90 years. It's frequented by many, many people. They sometimes don't even smoke.

They just have a drink, a beverage and they read a book. I think it's actually societal. I don't think it's a bad idea. I really don't. I think it's a place for people to go relax, to enjoy themselves, and it's regulated. Am I correct?

STATE SENATOR JASON PERILLO: That is correct. In fact, why we're here is to ensure that any expansion would be regulated.

REP. YACCARINO (87TH): Yeah. I just went to a Patriot game a couple weeks ago, on the way back stopped outside of Providence. And they're really all through New England. I just think there's a stigma against it. I don't think it's a bad thing. I think it's a social activity for people. And I think it's better to be regulated. We have one in North Haven.

I don't go to because the smoke is terrible. I don't want to pay the membership, and I'm not going to sneak alcohol in. And that's what people do sometimes. You don't want that. So I think the Senator's on the right track. I think it makes sense. And I would still frequent the facility in New Haven once in a while, but I think your intent is well taken.

STATE SENATOR JASON PERILLO: Thank you, Representative.

REP. YACCARINO (87TH): Thank you, Mister Chair.

SENATOR MARONEY (14TH): Thank you. I guess you want to move on to the next bill you've already testified on.

STATE SENATOR JASON PERILLO: I appreciate that. And it's actually quite different, the testimony than what I just gave. But honestly, I think it is the more important of the two I'm going to discuss. And it is, my opposition to House Bill 5350, specifically Sections 67 and 81. I've submitted written testimony, so I'll summarize.

As stated in the current language is a proposal to increase, if not eliminate THC levels in cannabis products sold for recreational purposes legally in the State of Connecticut. In fact, I actually had a bill to limit and cut further those THC levels, but I want to understand why.

I think there's still a misconception among a lot of residents, policymakers, originally myself included, that the cannabis products we're seeing in stores today are the cannabis products that, may have been smoked 20, 30 years ago. We're looking--, THC levels, of two to 5% back then.

Now we're looking at levels as high as 80% in products sold in stores today. This is not for me, this is not your father's marijuana. This is a very different product. And the health impacts that we are seeing very specifically to mental health are significant and they cannot be ignored.

We are seeing in the state, around the country, actually around the world, in fact, most of the studies on this are from Europe and Canada. We are seeing a direct linkage from high potency cannabis products, high THC levels, cannabis products, and psychosis, most specifically among young adults and very specifically under the age of 25.

And you will hear testimony from folks far more qualified to speak about the medical aspects of this than I. But, psychosis isn't mild mental health disorder that lasts for a fairly brief period of time and can be managed 100% with medication. Psychosis is serious mental illness that lasts, though able to be managed with some medication, lasts forever and changes people's lives forever and not in a positive way.

So I would just ask that the committee consider that reality, that medical reality, as it considers this bill. Like I said, I am hardly an expert on the medicine here, but I do my research. And the risks

involved in this, quite honestly, I think, as I said, that the THC concentration levels should be lower. And the idea of increasing them or eliminating caps is very, very dangerous to the State of Connecticut.

SENATOR MARONEY (14TH): Thank you. Are there any questions? Oh, Representative Lemar.

REP. LEMAR (96TH): Thank you again, Senator on this bill. There's a number of folks who are here to testify on behalf of this bill, so we'll probably reserve a lot of our questions for those folks, specifically on the medical aspects of it. And, I think there's concern. I think your concern is well founded about look, I have the benefit of hindsight.

Like I came to this committee after our program was already established and up and running. And I have the ability to sit back and just like point at problems and say, I would have done it differently. It's an easy space for me to be in.

The different challenges for me to figure out the trajectory of the industry itself, what our program looks like, how it should evolve over time, and what is a net benefit to the Connecticut marketplace, our constituents, the folks who are involved and engaged in the industry right now.

And I do think this bill in its entirety represents a lot of the desires of the industry and its current participants to model it closer to New York or Massachusetts or different programs, have exist with greater success than the Connecticut program has evidenced so far.

So I think that's where there's a tension here. I read the same articles, I think that you do that evidence the same concerns, that you've highlighted. But I do think there's also an economic consideration about like, well, if consumer just easily traverse borders and jump into Massachusetts or New York and access this.

Why is Connecticut burdening its business owners with tighter regulations and standards? I think that's the tension that this committee is going to struggle with for the next few weeks as we determine what our recommendation is to the full legislature moving forward.

But I think inherent in that is a concern as well. Does Connecticut race in a direction that isn't appropriate for our state just because it makes sense on a marketplace consideration? So I think that, therein lies the tension that this committee will feel moving forward.

STATE SENATOR JASON PERILLO: Yeah. And to your point, Representative, I don't envy you. This is not an easy place to be, and you've got certainly very competing perspectives on this. And there's the economic impact. There's the health impact. And I you know, you use the word success, and that's fine.

But I think it depends how we define success. To me, success is, an appropriate balance of revenue with at the foremost, in our minds, the preservation of the mental health and the long-term mental health of our residents. So it's not an easy decision. I get it.

SENATOR MARONEY (14TH): Thank you. You're all set? Okay. Alright. Thank you very much for testifying.

STATE SENATOR JASON PERILLO: Thank you all.

SENATOR MARONEY (14TH): So we're nearing the end of our hours. We'll have one more public official, then we'll start alternating between the public officials and the general public. I believe, I don't see Senator Duff, Brandon McGee, Senator Lesser, or Representative Rochelle. So, Frank Suarez.

FRANK SUAREZ: Good morning. Before I get started, I have couple colleagues with us, and I'll let them introduce themselves.

ANGELICA MACK: Good morning. My name is Angelica Mack. I'm Assistant Corporate Counsel at the Lottery.

BRIAN FIGARO: Good morning. My name is Brian Figaro. I'm the manager of vendor compliance.

FRANK SUAREZ: Alright. If you are ready. Alright. Good morning, Co-Chairs Maroney and Lemar, Vice Chairs, Fonfara and Turco, Ranking Members, Cicarella and Rutigliano, and esteemed members of the General Law Committee. I am Frank Suarez, President and CEO of the Connecticut Lottery Corporation.

Thank you first for the opportunity to testify in support of S.B. 229. CLC has one mandate, to responsibly generate revenue for the State of Connecticut. And every dollar of net revenue that we produce goes directly to essential services for Connecticut residents.

This bill actually helps us do that job better without weakening a single consumer protection. So, I'm going to try to quickly walk you through the three areas that it addresses.

First is geolocation. Right now, Connecticut requires players to complete a geolocation check just to register for our lottery platform before they've even decided to play. That creates an unnecessary technological friction, particularly for mobile browser users. According to one study, nearly half of all mobile commerce happens through a browser, not a mobile app.

So that means that a significant share of eligible Connecticut adults who visit our site on their phone hit a wall before they can even sign up. They're not being rejected for age or location. They're being stopped by really a procedural requirement that adds complexity and interrupts the user experience

without adding additional consumer protection at that stage.

These are potential players and potential revenue for the state that we are losing before a single transaction takes place. To be clear, we're not asking to eliminate geolocation. Federal law requires it at the point of purchase, and we fully support that. We're asking for alignment with the federal standard, which is where the geolocation check matters, at the point of purchase.

Every age verification, identity check, and responsible gaming safeguard continues to remain fully in place. And, our geolocation proposal is not an expansion. We're simply asking Connecticut to apply the same requirement already used by DCP for online fantasy contests in this state.

Second, area is independent testing. CLC is fully committed to system integrity. It's central to public trust in everything that we do. We already operate under a rigorous multi layer testing framework vendors test first, then CLC conducts thorough user acceptance testing before any deployment and DCP reviews and approves all software releases.

The statutory addition of independent third party testing actually adds an additional third layer of testing. And S.B. 229 doesn't eliminate the new third party testing requirement. It actually ensures oversight is structured, coordinated, and fiscally responsible.

The amendment clarifies how that testing should be coordinated with CLC and establishes a $100,000 annual cap, which is consistent with DCPs own fiscal estimate. And without that cap, we think the state faces open ended financial liability.

And that matters because every unbudgeted operational dollar spent on duplicative testing is a dollar that doesn't go to the general fund, and this

amendment keeps oversight strong while making it fiscally predictable.

And finally, I'd like to talk to you about raffles and interactive games, two outdated, restrictions that are costing Connecticut real revenue and putting us at a disadvantage with our own players. First raffles, raffle style draw games are among the most popular and transparent lottery products in the country.

They feature limited tickets, clear odds, and guaranteed prizes. They're a proven revenue generator for state lotteries nationwide. Yet due to, I would say, a relatively recent regulatory interpretation, CLC no longer can offer them without express authorization from the legislature.

So this is really a straightforward update we're asking the committee to address. Second is interactive games. Current statute prohibits CLC from offering interactive lottery games, even for promotional purposes like loyalty or rewards on our website or on our mobile app.

And the current prohibition dates back more than 20 years when there were concerns that arose about how a particular scratch game was perceived at that time. Since then, Connecticut has authorized iLottery. We have online sports wagering and full online casino gaming, all under comprehensive regulatory frameworks that have strict age verification, identity verification, and responsible gaming standards.

Despite that evolution, this outdated prohibition remains in statute. Every other US lottery that has iLottery is permitted to offer interactive games within regulated platforms. Under this proposal, interactive lottery games would remain fully regulated. They would be offered only on our secure website and mobile app.

And then all existing age verification, identity verification, responsible gaming safeguards would apply, and DCP oversight would remain intact. This allows the lottery to operate within the modern digital environment that the legislature has already authorized.

Right now, basically, we are competing in a modern marketplace with one hand tied behind our back, and every competitive disadvantage translates into foregone revenue for the state.

So taken together, S.B. 229 is a bill designed to bring Connecticut's lottery into this modern era and meet the expectations of today's digitally savvy consumers. It removes outdated barriers and increases revenue return to the general fund all within the regulatory framework.

The legislature has already established and without compromising the consumer protections, Connecticut players rely on. We respectfully urge the committee's support. Thank you for your time and consideration. And now I'm happy to answer any questions.

SENATOR MARONEY (14TH): Great. Thank you very much. Senator Osten.

SENATOR OSTEN (19TH): Thank you very much. And thank you. I spoke with all of you the other day. And then I did my due diligence in speaking with the two large constituent bases in my district which are Mohegan tribal nation and the Mashantucket tribal nation. And I know that you said you had heard back from Mohegan, but not Mashantucket on the raffle style lottery game.

FRANK SUAREZ: Yes. Originally, we did finally hear back from Mashantucket yesterday.

SENATOR OSTEN (19TH): Yep. I got their testimony also. And first, I would like to say on DCP, I think that, we don't need as much redundancy that is

there. We want people to be protected, but an overarching, way of DCP is to do more regulations, more regulations. It's kind of their thing. I happen to not agree with that thing.

So I think that your way of looking at it is the right way. We don't want to have such hardline policies and overregulation that leads to problems within the confines of businesses. So, relative to the raffle style lottery games, this is going to be my concern all the way through this.

FRANK SUAREZ: Okay.

SENATOR OSTEN (19TH): The Mashantucket Pequot Tribal Nation said that we need to be careful that we don't interfere with the current agreements that we have with the two tribal nations. And my understanding is Mohegan may be coming on board with such a thought process too.

And that will be where I am, relative to these lottery games that we are not interfering with the contracts that we have, and the compact that we have, which would significantly, hurt the agreement that brings in hundreds of millions of dollars into our general fund, and supplies some of the largest job markets in the area with more than 12,000 workers between the two tribal nations.

And so I just put that out there because many of the people that live within the confines of my district work, at either one of the two places, and I don't want to see that happening. Right now, they are not agreeing with this testimony that you have right here on raffle style lottery game.

FRANK SUAREZ: Okay.

SENATOR OSTEN (19TH): And, I'm willing to work on it, over the session. But if it in any way jeopardizes our agreement with the tribal nations, I will be opposed to it. And I just wanted to let you know that.

FRANK SUAREZ: I appreciate that.

SENATOR OSTEN (19TH): Thank you very much.

FRANK SUAREZ: Yep.

SENATOR OSTEN (19TH): Thank you, Mister Chair.

SENATOR MARONEY (14TH): Thank you, Senator Osten. Representative Rutigliano.

REP. RUTIGLIANO (123RD): Thank you, Mister Chairman. And, good morning. When you say interactive lottery, are you talking like a sort of like a virtual scratch off ticket that they--?

FRANK SUAREZ: No. Well, not that one specifically because we can't do any instant games online. So we can't do any instant win games. We can only do draw games. So it's really just the ability for players to interact with the games. So, what I would say is the example is, like, someone can press a button to then reveal a prize.

So let's say if it's a loyalty program that we might have and we want to give them points, they might get to play, a game that then reveals a prize. Sort of like you would do with Starbucks, does that with their loyalty program or anyone else. We currently don't have the ability online for anybody to do anything. They just hit buy now, when it comes to draw games or any sort of loyalty programs. There's no interactive sort of feature that you can have.

REP. RUTIGLIANO (123RD): I'm a little confused. I'm sorry. So you're not referring to gambling per se? You're referring to--,I don't understand. So if they buy a lot of iLottery tickets, they get points that they can convert? Is that what you're referring to?

FRANK SUAREZ: Not yet. But we are looking to do a loyalty program.

REP. RUTIGLIANO (123RD): You're saying that the law currently prevents you from doing a loyalty program?

FRANK SUAREZ: No. It prevents us from having interactive elements of that program. Because--.

REP. RUTIGLIANO (123RD): But they're still purchasing some sort of gambling vehicle--

FRANK SUAREZ: Yes.

REP. RUTIGLIANO (123RD): --on the Internet.

FRANK SUAREZ: Yes.

REP. RUTIGLIANO (123RD): Okay. On the Internet, how are they funding that purchase?

FRANK SUAREZ: For the game? Like, the game that they purchased?

REP. RUTIGLIANO (123RD): Yeah.

FRANK SUAREZ: Yeah.

STATE REPRESENTATIVE TOM O'DEA: I know I'm doing a Zoom, but I got to go--

FRANK SUAREZ: [background noise] They typically deposit funds into their wallet.

STATE REPRESENTATIVE TOM O'DEA: I'm going to say hi, and then get down on my meeting.

SENATOR MARONEY (14TH): If you're listening in online, and you would please mute yourself. Thank you.

FRANK SUAREZ: Yeah. They typically fund their wallet online, and they have a few different methods that they can do that either directly through their bank account or with cards, like a debit card.

REP. RUTIGLIANO (123RD): Or a credit card?

FRANK SUAREZ: Or a credit card. Correct.

REP. RUTIGLIANO (123RD): So you guys are still actively taking credit cards, interest bearing credit cards?

FRANK SUAREZ: Yes. And to be clear, the reason that is, is because it's allowed by law, and we feel as a public entity, we should follow what the law says. Very open to changing that to--, if the legislature would like to change that to debit cards, that's not something we would oppose.

REP. RUTIGLIANO (123RD): Does the lottery use any AI or any technology at all to recognize somebody who's a heavy user or a gambler and sort of, or somebody who hasn't gambled in a while to encourage them to come gamble more?

FRANK SUAREZ: For lottery, no. We are not quite that advanced yet that--

REP. RUTIGLIANO (123RD): But you not opposed to that?

FRANK SUAREZ: To identify players. Say that again. Identify players that are--

REP. RUTIGLIANO (123RD): Somebody, you had a heavy user maybe for three weeks. You haven't seen them in two weeks.

FRANK SUAREZ: Yeah.

REP. RUTIGLIANO (123RD): And you go try to figure out how to get them.

FRANK SUAREZ: Yeah. Typically, we don't necessarily say a heavy user, but we will reach out. We have CRM programs. It's a customer relationship management programs that will send an email. Let's say someone came and they bought a Powerball ticket when it was a billion dollars. If they haven't come back in a

few months, we will send them an email. Just letting you know if there's a promotion or something like that.

REP. RUTIGLIANO (123RD): Is that an in house service, or do you hire a company? Is that AI?

FRANK SUAREZ: Yeah. It's a little bit of a combination. So we have a CRM platform that helps us segment out, the different players based on that. So we can pull the data and say which players haven't made a purchase within whatever amount.

REP. RUTIGLIANO (123RD): Right.

FRANK SUAREZ: It's not AI driven. It literally is, we pull a report and then the system tells us, and then it'll segment those players out. And then we can send an email to those players that are part of that segment.

REP. RUTIGLIANO (123RD): Does that same software sort of identify players that maybe are gambling too much or--?

FRANK SUAREZ: Not that I know of, but I'm sure we could look and say, let's say, if we wanted to do a query about, players that have purchased every month or a certain amount, we probably could do a query into the system. I'll look over to Brian. I don't know if Brian-- that's true?

REP. RUTIGLIANO (123RD): But you don't have those systems in place where you try to possibly identify people that couldn't afford to be doing what they're doing?

FRANK SUAREZ: No.

REP. RUTIGLIANO (123RD): Or okay. And so when somebody buys a scratch up ticket or a lottery ticket at a traditional retailer, the part of the way that retailer gets paid for doing that, they get

a sort of, for lack of a better word, like a piece or a VIG on the winning. Is that right?

FRANK SUAREZ: That commission. Yep.

REP. RUTIGLIANO (123RD): So when somebody buys an iLottery ticket--

FRANK SUAREZ: Right.

REP. RUTIGLIANO (123RD): --is it safe to say or is it correct to say that you're not paying out any VIG, you sort of keep the whole thing?

FRANK SUAREZ: Right.

REP. RUTIGLIANO (123RD): So, really, wouldn't it be more advantageous for the lottery to sell nothing but iLottery tickets, you would actually get more earnings?

FRANK SUAREZ: I mean, yeah. If you're saying, do we make more off of iLottery? Yes. Yes. Because we're not having to pay a commission to a retailer.

REP. RUTIGLIANO (123RD): Okay.

FRANK SUAREZ: But our retail network is almost 2,800 retailers. It's a big part of our business. That's the majority. So to give you a sense, last year in lottery, we sold almost 1.4 or, 1,400,000,000. iLottery was only 10,000,000 last year. And this year, we look at potentially doubling that as we continue to grow.

REP. RUTIGLIANO (123RD): But in theory, it's advantageous for you to try to double that every year to the point where you have way less retailers because essentially you make more money without the retailer.

FRANK SUAREZ: Well, we like to say it's more of an omnichannel. You want both to grow. You don't want--, because we do value our retailers, and there are

players that value retail. And at retail, actually, our biggest selling category is scratch games, instant tickets, and we can't do that online.

REP. RUTIGLIANO (123RD): Right.

FRANK SUAREZ: So, there's no way that we could replicate that online unless something changes.

REP. RUTIGLIANO (123RD): Your interactive, what you're looking for today would not open the door for sort of an interactive scratch off type ticket online?

FRANK SUAREZ: Not unless the legislature and the compact changes.

REP. RUTIGLIANO (123RD): So they would have to specifically say you could do that. So the bill you're looking for today and I really didn't I mean, I read it. I read your testimony. I read the Mohegan's testimony, and I kind of came away not really completely understanding what you were looking for because, I guess it's a point system with a--.

FRANK SUAREZ: No. That would be--, so let me not confuse it. That's just an example of having a loyalty program. One example of something that's very basic that, the tribes are able to offer the casinos, everyone offers, we want to, we will launch one, but ours would have to be a very basic thing. There's no fun, interactive nature of it because we can't do anything online as interactive.

We can't do any interactive online games. We can do a drawing for loyalty, but it can't be anything that's interactive because DCP translates or says that any of those games are considered a lottery game. And based on the legislation, no lottery game can be interactive. Does that make sense?

REP. RUTIGLIANO (123RD): It does. I probably have a billion more, but I'll let it go with that. It's a

long day, but I do appreciate you sitting there and giving us your answers and--

FRANK SUAREZ: Yeah, no, thank you.

REP. RUTIGLIANO (123RD): --I appreciate it. Thank you for your time. Thank you, Mister Chairman.

SENATOR MARONEY (14TH): Thank you. Representative Lemar.

REP. LEMAR (96TH): Thank you for your testimony again today. Had a chance to speak a little bit with Brianna during last session and, get a little bit more detail. There are some concerns. And it's easy to do because she's not here, but I tend to disagree with Senator Osten, the good Chair of Appropriations. [background noise]

I picked a convenient time. I do take heart of DCPs concerns. And specifically, if you could reference their testimony on 229 as we move forward. They highlight, some concerns about the laboratory testing report, and the need to have that made immediately available to DCP, and on the web portals. They immediately have access to this.

FRANK SUAREZ: Yes.

REP. LEMAR (96TH): And so, that continues perpetuity that is not impacted by the--

FRANK SUAREZ: No, we are not trying to change that part of the process. I think what we would like is the opportunity to engage the laboratories directly, and then also make sure that we're being responsible in terms of the amount that's being spent for testing, because it is an extra round of testing. We would have tested, done everything.

And then this is on top of all of our testing. So it's sort of like a third check. And so we just want to make sure that we can sort of coordinate a little bit better. And also that they let us know because

right now, there's no requirement for when they tell us where they want to do that testing, and that impacts our lead times for when we can launch new products.

REP. LEMAR (96TH): And I think they highlighted a concern there too that currently--, this proposal would require the department to provide two weeks of notice of a need to test.

FRANK SUAREZ: Yeah.

REP. LEMAR (96TH): And certify lottery gaming systems. [crosstalk] --too long lead time?

FRANK SUAREZ: Too long to give them?

REP. LEMAR (96TH): Yeah.

FRANK SUAREZ: Two weeks.

REP. LEMAR (96TH): No. No.

FRANK SUAREZ: Oh, too short.

REP. LEMAR (96TH): Too short.

FRANK SUAREZ: Yeah. Yeah. Yeah.

REP. LEMAR (96TH): Is it a two week period too short? --Too long of a--.

FRANK SUAREZ: My understanding is that we've always operated with them on, we have to give them everything within two weeks, and so that's where that number came from. But we will work with them. We will collaborate with DCP and work on some of that. If there's another time that works better, if we want to lengthen that, they feel like they need more time. We just want to make sure we have enough time when we start to kick off a project that it's built into the timeline, and so we know, when we need to do it, and it doesn't impede on the launch timing.

REP. LEMAR (96TH): And with respect to raising the bar for enforcement actions to substantial detriment. That seems like a pretty substantial change.

FRANK SUAREZ: Yeah. I'll let Angelica speak to that.

ANGELICA MACK: Sure. So, that simply is language that currently exists in the retail lottery regulations, concerning the same situation. Anytime that there was an issue with the game and DCP would take, an emergency action essentially to suspend it. So that's just consistent with the regulations for retail lottery that have been in place for decades.

FRANK SUAREZ: Yeah. So, we utilize the same language, but, again, that's not something that we wouldn't work with DCP to change if they felt strongly about it.

REP. LEMAR (96TH): Could you point to any current enforcement actions that would no longer be actionable because it would not rise to the bar of substantial detriment?

ANGELICA MACK: No, I'm not aware of them ever utilizing that power.

REP. LEMAR (96TH): Okay. And then capping the annual testing expense associated with regulatory compliance. What is a traditional testing expense?

FRANK SUAREZ: I typically always do our testing internal, so we don't go out to independent laboratory testing. I believe that a $100,000 was the fiscal estimate that was provided by DCP when they enacted or looked to enact the legislation. So, that's why we use that number.

Our concern is, we're self funded and we create a budget every year. And so we're always trying to make sure we get to that budget. If we don't know

how much we're going to have to spend on testing, then that's hard to plan for. And every dollar as you know, is what goes to the general fund if we use it for additional testing, versus that.

REP. LEMAR (96TH): Well, I think DCP has raised some concerns that we need to work through here. Some of them, I think you've provided adequate explanation about. Others I'm going to need more information as we craft this legislation.

FRANK SUAREZ: And again, we can work with you and DCP. We're very open to that.

REP. LEMAR (96TH): Perfect. Thank you very much.

SENATOR MARONEY (14TH): Great. Representative Paolillo.

REP. PAOLILLO (97TH): Thank you, Mr. Chair. Frank, thank you for your testimony today. And Brianna has been very helpful with getting some information out and just to follow-up on maybe one or two points in your testimony, you mentioned some of the testing, being redundant. Can you just kind of touch upon, I know we've talked about testing over the last couple of sessions and the importance, given some of the past issues.

FRANK SUAREZ: Mhm.

REP. PAOLILLO (97TH): With some of the concerns that have arisen, in the past with the lottery and how maybe an outside set of eyes would actually complement the work that's happening inside of the lottery.

FRANK SUAREZ: Yeah. Definitely. Thank you for the question. As I said in the testimony, this is a third round. So typically what happens is the software vendor, they have to do QA testing first before they deliver the software to us. Then when they deliver it to us, we do some very thorough rigorous testing. We call it user acceptance

testing, where we're testing one, the change that is happening, but also making sure that, that change didn't break everything else.

So we do very heavy regression testing to make sure all of the other tickets still, print that everything can still be cashed and all of that. And then this third independent party testing is going to then test the same things we already tested to see if we missed something that was there, is my assumption. And so it's, I think for DCPs comfort and extra level of testing, I will tell you I'm very confident in the rigor and the testing that we do.

The issues we had in the past were items that I don't believe an independent third party lab would have found. They were very unique and something where you had to have certain situations aligned that are not part of typical testing, test cases that they would use. And I'm very familiar with the independent lab.

GLI is one of them. This is a company that I think, DCP is looking to use. When I was in my previous jurisdiction in DC, we did outsource all of our testing and I use them all the time. So I'm pretty familiar with what their process is as well. And it's not, unique to what we normally do.

REP. PAOLILLO (97TH): Another follow-up just to your testimony before in terms of where this comes in the process. They would be requesting it after, obviously, your due diligence--

FRANK SUAREZ: Right.

REP. PAOLILLO (97TH): --has been done. So it may throw off your timelines. But, in the last couple of years, there really hasn't been any third party?

FRANK SUAREZ: No. They have not chosen to utilize that. And this was enacted about two years ago. And so they've yet to utilize that.

REP. PAOLILLO (97TH): And then in terms of the dollar amounts, and I think this goes to my second question to you that having not been utilized the last several years as this language has, now been put in statute, from your experience, is $100,000 a reasonable number, given the amount of launches or given the situations where this might be relevant?

FRANK SUAREZ: Yeah. I think it depends on what they're looking to test. So if you were trying to test a completely new game across every platform that we have, $100,000 is probably not going to cover that. But I also can't speak to what DCP was looking at and thinking about when they had that fiscal estimate before they were working with the vendor, the provider, the independent lab testing, and got numbers from them. So I can't really speak to what kind of testing they were looking to do. I just know, in my previous time having utilized GLI for independent testing, it can go beyond 100,000.

REP. PAOLILLO (97TH): Thank you for that answer. To echo the sentiments of the Chair that compliance is extremely important, to be able to trust our regulators and to have that working relationship with good compliance, creating good business opportunities and better business launches from your side, certainly, your efforts will be complemented by that compliance. So I share the sentiments, of the Chair and certainly look forward to working with you--

FRANK SUAREZ: Alright, thank you.

REP. PAOLILLO (97TH): --as the session continues. Thank you, Mister Chair.

FRANK SUAREZ: Thank you.

SENATOR MARONEY (14TH): Thank you. Are there further questions? If not, thank you for coming. We will definitely be in touch with you as we move through the process.

FRANK SUAREZ: Thank you so much.

SENATOR MARONEY (14TH): Thank you. Alright. And so now we are going to alternate between the public officials, state employees and the general public. So, we are going to move to our first general public, and it will be Matt Schwartz from Consumer Reports. Matt, who I'm assuming is online.

CLERK: He's online.

SENATOR MARONEY (14TH): Okay.

MATT SCHWARTZ: Yep. I'm online.

SENATOR MARONEY (14TH): Hi, Matt. Nice to see you. Please proceed.

MATT SCHWARTZ: Nice to see you as well. Chairs, Vice Chairs, and members of the committee, thank you for allowing me to testify today. My name is Matt Schwartz. I'm a policy analyst with Consumer Reports. I'm based in Washington DC. Consumer Reports speaks today in support of two elements of S.B. 4, Sections 1 through 9 relating to data brokers and Section 15 relating to precise geolocation information.

Consumer Reports is an independent nonprofit nonpartisan organization that works with consumers to create a fair and just marketplace. CR has 6,000,000 members spread across every state in the US, including Connecticut. Data brokers are businesses that collect and sell extremely detailed profiles of virtually every consumer without their awareness or explicit consent.

They're almost entirely unregulated, and consumers should have more control over the data collected by them. That's why we're so glad to see this committee consider legislation similar to California's Delete Act, which would provide Connecticut residents the right to easily delete their information from all of the state's data brokers in a single click.

While Connecticut law already provides for a deletion right, no consumer has the time or wherewithal to individually delete their information from hundreds of data brokers that they likely don't even know exist. This bill will create a better way. However, we do have a couple suggestions for how to make this legislation more workable for consumers.

Currently, the bill includes wide industry level exemptions that threaten to swallow the rule. It's reasonable to exempt certain data that brokers maintain that's already subject to analogous, protections, for example, credit reporting data. Data brokers that maintain such data should not be exempt as entire entities.

Second, the bill should be amended to clarify that data brokers are not permitted to individually verify deletion requests from consumers. Allowing individual data brokers to respond to deletion requests with emails asking for more information would completely undercut the purpose of having a centralized platform. We urge you to align with California on this point.

CR also strongly supports Section 15 of the bill, which would ban the sale of consumers' precise geolocation data. Creating stronger protections for this data should not be a controversial idea. The weather app on your phone may need access to your location information to give you an accurate forecast, but shouldn't be selling that data to dozens of companies behind your back, which is exactly what happens today with many apps.

Location information is an incredibly sensitive form of personal information that can reveal where you worship, where you go to the doctor, the location of your family and children, when you're at a protest, and more. Given the sensitivity around this topic, several states have already passed laws similar to the one being considered today, including complete bans on the sale of location data in Maryland,

Oregon, and just this week in Virginia as well. California, Massachusetts, Maine, and Vermont are also considering. I hear the dramatic buzzer.

SENATOR MARONEY (14TH): That is a signal to please summarize, but don't worry. I will ask you questions.

MATT SCHWARTZ: Yeah. I'm all set. Thank you so much for the time.

SENATOR MARONEY (14TH): Yeah. Thank you. Thank you for matching. I know Virginia had just passed. It's not yet signed by the Governor is my understanding, but the ban on the geolocation data. Are there any questions? Matt, I don't see your written testimony yet. Will you be submitting written testimony?

MATT SCHWARTZ: I will. Yeah.

SENATOR MARONEY (14TH): Okay. And then as always, I appreciate any red lines you can send to me. I want to ask you a question about the Delete Act and the drop mechanism. And so you're not prepared for this question, so feel free to say you'll get back to me. One of the pushbacks I've heard on creating the one stop for the drop mechanism, is that it creates a honeypot where people were more likely to go to try to steal the data that you put in there to try to verify for your deletion rights. Can you respond to that? Or how would you respond?

MATT SCHWARTZ: In the California Delete Act, there are provisions included in that law that requires that the state, basically commit to a certain level of data protection. And so they're going to have to ensure that any data that they're collecting from consumers is protected. They also, through that law, have to meet a certain standard of data encryption so that when the requests are sent from the consumers to the individual data brokers, that's not information that can be decrypted or intercepted by interlopers.

It's not a problem that, certainly has harmed those in California so far. I think there's perhaps someone from California that can speak to this a little bit better in terms of the technical mechanisms that they've put in place to protect that information, but there are kind of statutory requirements for how that information needs to be protected by the state.

SENATOR MARONEY (14TH): Great. Thank you. And, yeah, and I am in touch and will be in touch with Tom Kemp and Maureen, from, Cal privacy. I guess and I think that our Deputy Attorney General, Michele Lucan, likes to say that right shouldn't be hard to exercise. So we created a deletion right, and this is, that drop mechanism was a way of making that right easier, to access. Do you have any input on other Sections of the bill, either the dynamic pricing or are you going to be submitting testimony on S.B. 5?

MATT SCHWARTZ: I'm not sure. As you know, we have Grace Gedye consumer reports that handles our AI issues for us. She's really busy with a bunch of other bills in a bunch of states. As you know, there's a million kind of AI and dynamic pricing proposals. So I'm not sure if this one has gone onto her radar yet. I can raise it for her and see if she will submit comments as well.

SENATOR MARONEY (14TH): Okay. Great. Thank you very much, Matt.

MATT SCHWARTZ: Thank you.

SENATOR MARONEY (14TH): Okay. Are there any further questions from the committee? If not, thank you for taking the time to testify.

MATT SCHWARTZ: Thank you.

SENATOR MARONEY (14TH): Okay. Next, Anna Mae Duane.

ANNA MAE DUANE: Hi. Good morning. Honorable Co-Chairs and members of the committee. My name is Anna Mae Duane. Let me just fix that. And I am Professor of English and American studies at the University of Connecticut and the Director of University of Connecticut's Humanities Institute where I lead, AI research working group that includes scholars ranging from computer scientists to philosophers, engineers, and poets.

And I'm here today in support of S.B. 5 because I believe Connecticut has an opportunity to lead and because I believe the cost of an action is higher than it might appear. And I'm just going to speak briefly from my experience as a researcher, as an administrator, and I think most importantly as an educator who's very aware of what's already been spoken about, the real challenge of, educating our workforce and encouraging adoption and innovation.

And so I'm just going to speak, about two, examples. First, from my work as an educator and on from my, own research. Recently, members of UConn's Union came to me with a simple urgent question, will AI replace us? And I wasn't surprised to hear that because that's, of course, the discourse that is everywhere. This is what we're hearing, that AI will replace us and not much other information.

We convened a panel of experts to try to respond to that question, including the Senator who authored this bill, and the room was full. I actually cannot remember a time, and I've been at UConn for 20 years, a time where we had faculty and staff and students in equal measure all in [rhapsody?], all giving their full attention.

And I want to be clear that these are not people that are opposed to technology, but these are people who wanted to know what experts were doing to make sure that the technology would make their life better, not worse. And I think S.B.5 is how Connecticut needs to answer that question. People

wanted transparency, accountability, and a say in how this technology affects their lives.

For me, regulation is not due to slow innovation or drive away investments. I think it's a false divide. If we don't create guidelines to safeguard human dignity and quality of life, I don't think we're going to have innovation. We'll have a destructive backlash that harms everyone. A recent Pew survey found that 50% of Americans are now more worried about AI than they are excited about it, and that's gone up quite a bit from just four years ago.

And I'll say I see this in my classroom. I see this in conversation with my colleagues. You probably see it in your social media feeds. Unregulated AI is already driving people away. And I'll just take one quick example from my research. Chat GPT 4.0 was a model that was incredibly sycophantic and encouraged emotional investment, and they've had to pull it and both harmed and alienated their own customers. And there's my, ask for music.

SENATOR MARONEY (14TH): Alright. Be pleased. I think you finished, but were there any other points that you had wanted to make if the music hadn't signaled the time to wrap up?

ANNA MAE DUANE: Just really quickly that I think this builds in step with what some of the most forward-looking states are doing. And just in terms of improvement or as it moves on, I would suggest that the AI Academy includes both literacy and certainly in how to use these tools, but also, critical AI literacy, which is thinking about how these tools affect, our own working environment ourselves and sort of machine building. So both sort of emotional and technical proficiency with these tools.

SENATOR MARONEY (14TH): Great. Thank you. Are there further questions? If not, I will put you in touch actually with Dave Ferreira from Charter Oak who is working on the AI Academy. And one of the areas we

are looking to expand that into is the business higher Ed, forum identified seven durable or critical skills, AI essential skills, for the AI economy. And these are durable skills. So I don't like this calling them soft skills, but things like communication and other areas.

So I think that would go with what you're looking for in terms of making sure you maintain the humanity, in there. But we would value your input going forward. And you're right. I did like your suggestion to make sure on a working group that we bring in a diverse, set of perspectives and expand the perspectives we're looking at.

ANNA MAE DUANE: Yes. I do think the more people sort of feel invested in what happens, the greater adoption will be.

SENATOR MARONEY (14TH): Great. Yeah. And again, I think that's key. People need to feel safe before we see more, broad spread adoption.

ANNA MAE DUANE: 100%.

SENATOR MARONEY (14TH): So widespread adoption. Thank you so much.

ANNA MAE DUANE: Thank you.

SENATOR MARONEY (14TH): Okay. Next, Rafael Rosario, testifying remotely.

RAFAEL ROSARIO: Yes. Hi. Good morning.

SENATOR MARONEY (14TH): Good morning.

RAFAEL ROSARIO: Good morning. Sorry. Chairperson's, Ranking Members and members of the committee. My name is Rafael Rosario. I am founder of Basement Ghost Media. It's an AI consultation firm. And though I support S.B. 5, I'm actually here to testify on H.B. 5350 and H.B. 5351. Connecticut's cannabis market was structured from the start in a

way that worked more like a monopoly than a free market.

It handed advantages out to multistate operators, people with political connections, and whoever had access to serious capital. Legalization didn't really help the people who were supposed to benefit. Getting in was very impossible for them, not theorizing that's just what happened. So modernization, no question, matters.

But if modernization does not also fix access, then all we're doing is setting things up for smoother for the people who are already in it. That's not equity, that's just maintenance. H.B. 5350 updates the operational rules around products, beverages, manufacturing, testing, and retail. That could generally improve things for operators who are already licensed.

But the barriers to getting licensed in the first place, don't come down, then this bill will mostly just strengthen who's over already in the inside market. Now 5351, that is oversight at the Social Equity Council. It makes it harder for larger players to buy out smaller ones on trade terms. That's a real step, [needed?] but oversight doesn't create ownership.

And if it doesn't put capital in anyone's hand it doesn't really work. So, cannabis has always been part of this culture here in Connecticut. Just in case that people were wandering long before [audio break] on every corner, there are communities built around it. I'm worried about marketing, loyalty, and trust. Culture is what drives purchasing decisions in this market today.

So when the state shuts out communities out of ownership while letting a small group of entities consolidate control. Don't be surprised when our legal market struggles the way it does and turn loyalty the way it does. Strong legal market needs both modernization and access together. That means

real pathways to capital, affordable licenses, hands on technical support, and rules that prevent one or two players from swallowing the whole thing.

Connecticut can choose to modernize the gated market, or you can choose to build one that's actually competitive and that people are most affected by prohibition can participate in. I submitted in written testimony in there. I've added some amendments.

One of the ones was to create a Connecticut cannabis social equity loan fund that actually provide low interest loans, guarantees loans, and guarantees grants to equity applicants. So I think those kinds of things could actually help and change and reinforce the market. Thank you for your time. I submitted my testimony, and I'm here for any questions.

SENATOR MARONEY (14TH): Thank you very much. Representative Lemar has a question.

REP. LEMAR (96TH): Thank you so much for your testimony. And I do take to heart, what we're trying to accomplish at 5350, is a modernization of the program, bringing it up to date, recognizing some concerns and problems, that marketplace participants have identified with the current operations and structure of the program.

But you're right, if we don't get more people into the program, we're just solidifying their marketplace advantages. And so I do take your concerns to heart. Have you had an opportunity to speak with the Social Equity Council about your ideas and what types of programs may be more beneficial, the types of grant funds that you're thinking of, the type of loan funds that you're considering?

RAFAEL ROSARIO: No. I haven't. I do know some folks on the council that I could probably reach out, offline. But some of the ideas are in my written

testimony, like, just building micro license tiers with lower build out requirements and compliance rules, that scale to the size of the business versus, these multimillion dollar businesses that we have now, would help folks actually get into the industry that wanted to get in the industry.

I look at the speaker list. There's a lot of folks that are activists and out of all the speaker list, there's maybe three of them have actually been able to, get into the industry. So though that's great, there are a lot more folks that were wanting to and advocating for many years to get into this industry. So right now, it's kind of unfair, so we're looking at the strategy how we can kind of level the playing field, make it more applicable.

REP. LEMAR (96TH): Yeah. And we made some modifications last year to the micro cultivator license program. And I think there's, some good thought that's going into this about how to get more folks into the industry up to speed. So, I would reach out to the Social Equity Council. They've been really open and responsive to folks in the past.

And I think like your very specific knowledge and understanding of the impediments that are in the way of a number of folks entering the space would be received well. So, I would suggest if you have a chance reach out to them. I do know they're considering micro loan programs and other, innovative ways to help potential participants. So, I think it'd be a fertile conversation for you.

RAFAEL ROSARIO: Absolutely. I appreciate that.

REP. LEMAR (96TH): Of course. Thank you again for your work.

SENATOR MARONEY (14TH): Great. Are there further questions? If not, thank you very much, for taking the time--

RAFAEL ROSARIO: Thank you. --

SENATOR MARONEY (14TH): to testify and very fittingly. The next person to testify is Brandon McGee from the Social Equity Council. So if you would, come up.

BRANDON MCGEE: Good morning or yeah, almost afternoon. And thank you so much for being patient. We had a two-hour school delay, so welcome to New England, I guess. Good morning again to all of our distinguished members of the General Law Committee, to our Chairs, thank you so much. Brandon McGee, for the record, CEO of the Social Equity Council.

I will not read, my written testimony of which you have a copy of. But I would like to offer, a few remarks in support of House Bill 5351, of which I'll spend at least a few moments just to highlight a few components of it, and then I'll end off on a few comments.

First, within House Bill 5351, we are recommending, consolidating the reporting of monthly reports, to the legislature's Black and Puerto Rican caucus, to align with other quarterly reports to legislative leaders and the Office of the Governor. We believe transitioning to, quarterly reporting will allow us to provide substantive data, while continuing to maintain, transparency, within the organization.

Not to belabor this point, but during the 2024 legislative session, the legislature established this particular requirement in that the SEC report out to the members of the Black and Puerto Rican caucus as a result of their concern around many of the social equity plans, workforce development plans were bottlenecked, in a process and so we've been able to address the bottleneck, streamline the system, enhance criteria, but also serve as a backbone support to individuals submitting those plans, that will help within our disproportionately impacted communities.

Secondly, we are submitting a change to allow a one-time replacement of backers to cannabis establishment application, between the period of an initial application for a license and when a final permit is awarded to the cannabis establishment.

Subject to limited circumstances, current legislation prevents applicants from adding backers to cannabis establishment applications between the time of lottery entry or any initial application for a license in the award of a final permit to the cannabis establishment.

And then lastly, we are also authorizing the council to conduct investigations to carry out its duties. The council is charged with advancing equity throughout the State of Connecticut's regulated market, in partnership with our regulators, the Department of Consumer Protection, of which they've been extremely great partners in this work, including verifying social equity eligibility, review and ownership, all of the things that you all are familiar with, but most importantly, monitoring compliance, with program requirements and preventing arrangements that could undermine, legislative intent.

While we do have limited investigative authority, the absence of a broader clear investigative authority presents practical risks, to programming, integrity. So clarifying our authority will establish our ability to independently verify information, detect sham ownership structures, undisclosed control agreements, predatory financing arrangements, or post licensure transactions designed to circumvent social equity requirements.

There are additional details in my testimony that further supports the council's request from this body to support us in our priorities. I'll end off on House Bill 5350, an Act concerning cannabis hemp and infused beverage regulation. We respectfully highlight that Section 53 is not aligned with our

current policy and as drafted, will create confusion regarding changes in ownership provisions.

We want to reiterate our commitment to upholding [Reraka's?] equity principles. And to that end, we emphasize the importance of maintaining the ownership and control structure and vision to protect social equity individuals and limit predatory practices, including buyouts, before an SEI, social equity individual, reaches its full potential, especially in the context of equity joint ventures.

Regarding hemp, we believe additional information is necessary before an informed policy decision can be made, specifically more detailed, data needed on the number of active hemp farmers currently operating in Connecticut, their production capacity, existing infrastructure, financial stability, prior market participation, and their anticipated scale of entry into the adult use market.

Without this information, it is difficult to assess the potential market impact, including supply levels, pricing pressure, I mean I can go on and on, I'm preaching to the choir here. So as policy makers you know we must ensure that any expansion of licensure categories or onboarding pathways does not undermine the statutory purpose of creating an equitable and sustainable marketplace.

I have more notes, but I will yield my time. Oh, Senate Bill 4, is that on, I believe that's on the agenda today. That is not a part of my testimony, but I would like to just say, we are in full support of the start of a larger conversation around AI, and all of the work that this body continues to move forward, around making Connecticut a bit more safer in that space. So at this time, I am available for questions.

SENATOR MARONEY (14TH): Thank you very much. Are there any questions? If not, we know we will be in touch with you, going forward. We always value your

insight and your partnership. And, Representative Rutigliano and I came in with you as freshmen in the house. So we have a a long standing good relationship. So thank you again.

BRANDON MCGEE: Well, my new best friend is Senator Cicarella. So you tell Representative Rutigliano--

SENATOR MARONEY (14TH): We've been replaced.

BRANDON MCGEE: --yes. He's been replaced. Oh, and now he's here after the testimony. Nonetheless, thank you so much for your continued support of the council. And we continue, I heard the previous individual testify. Hopefully, they will reach out to our office, where we can talk a little bit more on the reinvestments that are being made throughout the State of Connecticut.

While folks only think we focus solely on Canna businesses, we are also making proper investments, into areas like reentry, youth initiatives, and economic development, throughout the state. So please, please, please we are not the same organization we were two years ago. Please take time to review our materials, our website, but I'm always available, to answer questions.

SENATOR MARONEY (14TH): Great. Thank you very much.

BRANDON MCGEE: Thank you.

SENATOR MARONEY (14TH): Okay. And so, again, we are alternating now, with the general public and then the next so we have, Kevin Kane from Flock who will be followed by Senator Duff.

KEVIN KANE: Oops. Apologies for that. Would you like me to start over?

SENATOR MARONEY (14TH): Actually, for the record, just please state your name again.

KEVIN KANE: Sure. Good afternoon, Co-Chairs, Senator Maroney, Representative Lemar and other distinguished members of the General Law Committee. Thank you for the opportunity to testify today. My name is Kevin Kane and I'm the Director of Government Affairs at Flock Safety. The nation's leading provider of automated license plate readers.

Every day in communities across Connecticut, license plate readers help law enforcement recover stolen vehicles, bring missing kids home safely, solve violent crimes faster, and close cases that would otherwise stay closed. Flock enthusiastically supports legislations with strong privacy protections, protections designed to ensure that community safety does not have to come at the expense of community values and to help build public trust in law enforcement technology.

That is why Flock Safety supports S.B. 4 with a minor clarification to the language that ensures the goals and intent of the underlying bills achieved, and I'll speak to that in a moment. Before I do, I would like to briefly discuss Flock's policies as, unfortunately, there is significant misinformation as to how our technology works.

First, I want to be clear that all data is owned by our customers, and our technology empowers communities to have control over how their data is used and if they choose to opt to share data with any other law enforcement agency.

Second, Flock Safety does not and has never sold customer data. This has been our practice from day one and continues today. Third, Flock Safety is already developed and made available to all customers specific protections for queries related to immigration and reproductive rights. Once these filters are applied, these automatically prevent any queries related to immigration enforcement or reproductive care and our audit logs add an additional layer of oversight to ensure proper use of this technology.

Finally, regarding federal agency use of our system, any federal agency requesting access to any specific data must submit an individual request to that specific law enforcement agency. Put simply, communities will not share data with federal agencies unless they choose to do so. As I stated, Flock Safety is proud to support S.B. 4 and respectfully requests two minor clarifications that we believe would strengthen the underlying intent of the legislation.

First, we seek a minor clarification to Paragraph 3 on page 35 that ensures that an ALPR vendor can access data, but only for the purpose of providing the service. Effectively, what this would mean is if there is a concern from an agency and they need technical assistance, our teams could provide that assistance.

Second, we request, clarification to Paragraph B on page 35 that ensures ALPR information gathered pursuant to contracts with entities that are not DOT, DMV, or law enforcement are also covered by S.B. 4. Again, we believe these minor changes are consistent with the intent of the underlying legislation. Flock Safety is proud to support the robust guardrails in S.B. 4 and appreciate your leadership on this important legislation, and I'm happy to answer any questions.

SENATOR MARONEY (14TH): Representative Retigliano, and then I'll have, some questions for you.

REP. RUTIGLIANO (123RD): I probably would defer to the Chairman because he's sort of an expert. But I just want to ask you because I listened to your testimony, read your testimony. So the data that is collected by your cameras, you don't keep that at all? That belongs solely to the agency that's using your camera?

KEVIN KANE: That's correct. All data is stored fully encrypted in the cloud. It is their data. It is not Flock Safety data..

REP. RUTIGLIANO (123RD): For lack of a better word, is it your cloud or their cloud? I mean, are you providing that storage service to them?

KEVIN KANE: So Amazon Web Service is the cloud provider, and it is their data, not our data.

REP. RUTIGLIANO (123RD): Their meaning the department?

KEVIN KANE: The agencies. That's correct. Yes.

REP. RUTIGLIANO (123RD): Alright. Thank you.

SENATOR MARONEY (14TH): Representative Lemar.

REP. LEMAR (96TH): Thank you. I'm just going to quickly follow-up on that. I think that raises a number of concerns in my mind that perhaps I didn't fully contemplate, before you actually said what you said. How many different entities could say a, federal agency, touch and or indict or and, gain warrant from a potentially access that data?

KEVIN KANE: Sure. Anytime a federal agency, if they are seeking to access any data, they have to submit a request to that agency. An agency can say no, that is fully up to them. We provide the tools and resources to make that clear and easy for law enforcement and for communities to have full oversight on any of these requests if they even come in.

REP. LEMAR (96TH): So when presented with a request, what would you do?

KEVIN KANE: Again, it's not up to Flock Safety. It is up to the local police force.

REP. LEMAR (96TH): So you would immediately forward that request to the local agency that you're contracted with?

KEVIN KANE: They receive the request, we don't because it's their data. And they have full control over that data. So if a federal agency says we would like to request any access, we're not part of that decision cycle. It is up to the communities to make that determination.

REP. LEMAR (96TH): So there's never been an example where someone you've had a warrant or a request for information on your end?

KEVIN KANE: I'm not aware of any as I sit here today again, because we don't have any data. This data belongs to all of our customers.

REP. LEMAR (96TH): And similarly, are you aware of potentially Amazon Web Services being served and requested for the information?

KEVIN KANE: Not to my knowledge. And, also to be clear with regard to the data, we have by standard a 30 day data retention policy. So, after 30 days, that data is hard deleted, not recoverable unless it is part of an active investigation.

REP. LEMAR (96TH): Deleted by whom? I think that's a perfect question. Who deletes that data?

KEVIN KANE: The system automatically deletes that data on a rolling basis. And so after 30 days, data is hard deleted. It is not recovered. That is something that occurs automatically.

REP. LEMAR (96TH): Who owns controls or programs the system to delete after 30 days?

KEVIN KANE: Well, first of all, it's part of our contracts. So we are contractually bound to ensure that data is deleted. And it's just something that occurs automatically in the cloud.

REP. LEMAR (96TH): Okay. Thank you.

SENATOR MARONEY (14TH): Representative Rutigliano.

REP. RUTIGLIANO (123RD): If you have no control over the data, which you just said, then what, do you just write a program that deletes it? I mean, you're in there. You're in that data somehow to delete it.

KEVIN KANE: Well, it's based upon the time period of the contract that we have consistent with our data retention policies. So after 30 days, that data--

REP. RUTIGLIANO (123RD): Maybe it's just me not understanding. Thank you for your indulgence. It's not us. I have no control over the data. I don't know what you're talking about. Go talk to the local community. But we delete it after 30 days. Well, how do you delete it after 30 days if you have no control over the data and it's not your data?

KEVIN KANE: It's part of the cloud contract. It is all--.

REP. RUTIGLIANO (123RD): So it's just some sort of program you put in place and it just sort of happens without you intervening at all?

KEVIN KANE: Basically, yeah.

REP. RUTIGLIANO (123RD): Okay. Thank you.
[background noise]

SENATOR MARONEY (14TH): And just if people who are on Zoom, if you could just make sure that you are muted. Are there further questions? I have several, so don't--. I just want to make sure, give everyone an opportunity to ask questions, ahead of time. Okay. So I just want to go through some things just so I can understand this better. I'm learning, this technology, how it's used.

I visited the real time time information center at, Milford Police Department this week. So I just want to go through my understanding of how the data is shared and how it works to make sure I'm clear. So it's up to departments to opt in whether or not they're sharing their data nationally.

KEVIN KANE: Correct.

SENATOR MARONEY (14TH): And so it's by default that though now at one point, it may not have been shut off, but by default now it shut off that police departments are sharing it nationally.

KEVIN KANE: That's correct. You have to, when a customer signs up for Flock, they're not sharing data with anyone. You have to opt in to any sharing relationships.

SENATOR MARONEY (14TH): Shared okay. And so now is there a choice, is there an ability if they want to opt in to share nationally to just share regionally? Meaning that, police department can just share with New England. Because there may be a missing child in New York who, or Northeast, contiguous States. Of course, I say New England, then I say New York, which, some people think Connecticut's not even part of new England, but New York definitely isn't.

But let's say, again, there's people go across borders. So you're looking for something that happened in Massachusetts. They may be looking for someone who came to Connecticut, Rhode Island, New York. Is there an ability to just share and set the states nationally that you share with or do you have to share? Is it just I share beyond the borders of my state or I don't?

KEVIN KANE: Customers have full power to determine what those sharing relationships look like. You can share nationally, you can share within the state, you can, whatever that looks like, that is up to our customers to determine that relationship. We don't

have a set policy that restricts what you can't share. There's no ability to make that determination yourself. It's up to the customers if they choose to do so they can do so.

SENATOR MARONEY (14TH): Okay. So, my understanding is so they shared or car comes, like, on the hot list for whatever reason. I believe that was the term that was used. That they're looking, like, beyond the lookout for a certain plate. It pings and then, you know, they're alerted, you know, that that plate has come in. And I guess is it up to the individual police departments to determine how license plates get added to their hot list or is that something like if you have a BOLO in New York and they've opted in nationally, does that automatically go into their hot list in Connecticut?

KEVIN KANE: Sure. There's a couple of things there. Number one, agencies use the National Crime Information Center database. That's where everything's plugged into. Number two, the Amber alerts that come out, that is another system that automatically comes in that broadcast everybody. And finally, each individual police department has the ability to create their own custom hot list. So, those are the three main ways that can be done.

SENATOR MARONEY (14TH): Okay. And now when searches are automated. Right? So, like, if you're looking for a plate from Connecticut, you're doing an investigation you want to find and you've opted internationally sharing, you can put it in and see where in the country, I guess, or request that data. Is that?

KEVIN KANE: Yes.

SENATOR MARONEY (14TH): Okay. Now, and then my understanding is when you go in to make a request, there's a drop-down menu. Right? And that's how you said that it's restricted, that you can't select. You know, you have to say what it's for. So, if it is for, you know, whatever purpose. Right? And so,

there are restrictions for you said, for immigration or for reproductive rights.

KEVIN KANE: Yes, sir.

SENATOR MARONEY (14TH): Right. So, you can't search on that basis. But is there anything preventing someone from selecting another reason why they're searching for the data? You know, they're looking for a stolen car when in fact they may be looking for immigration purposes or for reproductive rights purposes.

KEVIN KANE: Well, you know, for any of these instances, you have to, you know, certify that you are operating in compliance with state law. So, that would be a clear violation there. And as I mentioned in my statement, this is exactly why we have audit logs and we encourage, you know, legislators, local officials to conduct regular audits to make sure that cases like that, you know, aren't occurring, that nothing is slipping through the cracks and there's full transparency as to why there is a query in the first place.

SENATOR MARONEY (14TH): Can you explain who performs the audit and how the audit logs work? And then do the audit logs become FOI able or are they public? Actually, I believe in Milford's case, they have a transparency dashboard where they publish those publicly. But can you just talk a little bit more about the audit logs?

KEVIN KANE: Yes. Absolutely, sir. As you mentioned, whenever a police officer goes in to conduct a query, you have to have a reason. So, we have that drop down menu list of crimes, and we also have an open text field if there's any additional context, a case number, whatever may apply. That is captured in an audit log.

Again, although we have a 30-day data retention policy, audit logs are permanent, and those audit logs belong to the communities. With regard to

auditing, it can vary between different states or communities as to what the regular process looks like.

For example, in Virginia, I believe there's quarterly audits that are required in the state to be conducted by the agency. And those are also submitted to the state attorney general for review as well. So, it can vary, but our systems make it easy. Whatever the policies or regulations are, we make it easy to provide that oversight for this technology.

SENATOR MARONEY (14TH): So, let's go -- So, on the oversight and understanding, like, how queries are performed and how you can get counts on the queries. It's my understanding and again, I usually like to -- I was speaking with someone and they had shared that in one of the towns in Connecticut, they had been queried. And I don't know if they use Flock or not. So again, we're not legislating about Flock. We're legislating about license plate readers, you know, and it's whatever device you use device agnostic.

So, who they use, I'm not sure. But apparently, one town in Connecticut, they found that over I think it was a six-month period, their license plate data was queried 90,000 times by a police department in Houston, over 100,000 times by either sheriff's or police departments in Florida. Can you explain how that happens? Right? Again, just talk through because I think, I mean, those are big numbers. Right. But they may not be as big as they sound if you understand the automation of the process. So, can you go through that?

KEVIN KANE: Sure. It's, you know, I can't speak to specifically what that looks like. But number one, this is exactly why we have audit logs in the first place to ensure that there is clarity and transparency for the public as to how exactly this technology works and what it may be used for. You know, with regard to those sharing relationships,

again, we want to make sure that the public has oversight of, if there are any individual queries.

Now, you know, I'm certainly aware of many cases where, you know, specifically last summer operation coast to coast was a massive human trafficking investigation in 17 states where Flock was used to recover 70 victims of sex trafficking. So, we find many cases just anecdotally, you know, between states that Flock is a very powerful technology to share data, to conduct human trafficking and sex trafficking operations.

SENATOR MARONEY (14TH): So, okay. Back to my specific question though. Maybe I wasn't clear enough in it. So, again, that number, 90,000 queries from the Houston Police Department to a police department in Connecticut. When they search, is it that they go in and say, "We want to find this license plate anywhere or find information anywhere in the country?" Or are they saying -- For me, I can't see like, I don't think we're a big hideout place for criminals from Houston who are coming up here to hide. And so, why would that happen?

KEVIN KANE: Sure. If a community in Connecticut chooses to opt in to a nationwide sharing network, that is exactly why that would occur. So, you know, if someone is conducting a missing person's investigation and a community is part and say that investigation is coming from Texas, yes, that may show up on these audit logs because that community chose to opt in to a nationwide sharing network. That's why.

SENATOR MARONEY (14TH): Okay. Great. And again, then Houston would have logs. Right?

KEVIN KANE: That's right.

SENATOR MARONEY (14TH): So, you said it. So there should be logs to understand for those 90,000 searches why each of them was performed into or as part of. So I would assume though they wouldn't say

we search Connecticut. You can look through their logs when they're doing a nationwide search. Is that how that would show up?

KEVIN KANE: Yes, sir. And again, and typically, you know, just in speaking with police departments across the country, typically, it involves missing persons, silver alerts, amber alerts, things like that.

SENATOR MARONEY (14TH): Okay. Great. Thank you. And then, again, you have submitted, you said, written testimony with your specific recommendations.

KEVIN KANE: Yes, sir.

SENATOR MARONEY (14TH): Okay. And then just for other people who aren't aware, I believe our POSTC council just this week on Monday, POSTC is our Police Officer Standard and Training Council in Connecticut. They did pass regulations governing the use of license plate readers.

KEVIN KANE: Yes, sir. We're very supportive of that as well.

SENATOR MARONEY (14TH): Okay. Great. Are there any further questions from the committee? Okay. Hearing none, thank you.

KEVIN KANE: Thank you.

SENATOR MARONEY (14TH): Yes. Senator Duff.

STATE SENATOR BOB DUFF: All right. Good afternoon, everybody. Good to be back here again. And Representative Yaccarino is interesting to be on the other side of this room than sitting over there. This is our usual exec noms hearing room. Well, anyway, good afternoon, everyone. And wanted to speak about Senate Bill 4 and a little on Senate Bill 5. So, Chairman Maroney and Chairman Lemar, ranking members, Cicarella and Rutigliano, distinguished members of the committee, my name is

Bob Duff and I represent Norwalk and Darien in the state Senate.

I'm here to testify in favor of Senate Bills 4 and 5. Most of my testimony will be on Senate Bill 4. First, I want to thank the committee for voting to draft this bill. And we have all been down this road and I want to just thank this committee before at the outset of my remarks. We have worked really hard together as a legislature in a bipartisan way to pass data privacy. So, I want to thank everybody who's on this committee for helping with that because I think we've been a leader across the country and other states are modeling their bills after what we have done.

So, just thank you for that, but we know we have to continue to move forward on things. We live in an age where personal privacy is becoming much less of an expectation, and there's a lot of cynicism on that, but I think we can help with that cynicism because there's no reason why government should be complicit in the loss of personal privacy or ignoring the rights secured by the fourth amendment of the constitution.

Also when it comes to companies, consumers should have a choice. They should know that their images, their biometric data is being used as they enter a store. And that's the impetus behind Senate Bill 4. Senate Bill 4 seeks to regulate data brokers who trade our personal information for profits, car tariffs, algorithmic pricing. I didn't say that right.

REP. RUTIGLIANO (123RD): Easy for you to say.

STATE SENATOR BOB DUFF: I didn't say that right.

REP. RUTIGLIANO (123RD): One more time.

STATE SENATOR BOB DUFF: I said that correctly when I was practicing now, where different consumers unknowingly see different prices, the use of facial

recognition, cameras and software, the sale of our geolocation data, and license plate readers. I'd like to get personal for a minute about one section in particular. As many of you know, Speaker Emerita Melissa Hortman of Minnesota and her husband, Mark, were killed last year in an assassination.

What many people do not know is much of the information that the assassination got on his targets, he bought from data brokers. The fact that these companies make a profit selling Connecticut residents personal information without our permission is wrong and should not be allowed. And we should have the right to have our information deleted if we so choose and prevent them from profiting from the sale of it.

This is something, again, that the committee looked at last year. The same could be said for our geolocation data, and it's not just people like us, public servants that have to worry, but victims of domestic violence and stalking victims must be concerned as well, which leads me to license plate readers.

I don't know about any of you, but just from the last person who testified with all due respect to his testimony and, again, we're agnostic on companies, but the fact that there's a national database with all of our information should just put the hair on the back of anybody's neck up. And whether how many safeguards there are or not, as Senator Maroney you said, there's police departments in other states that are searching our information just literally by dashes or leaving things blank, thousands and thousands of searches and that we would allow a company or a couple of companies to have people's personal data on where they shop, where they go to church, or they go to work, where they may get their dog groomed is a little too much for me.

Government can track our movements and without guardrails, so can stalkers. And so can other states

who do not share the same values or laws as us. Whether a mother in need of a lifesaving healthcare for a non-viable pregnancy or a victim of domestic violence whose partner weaponizes the Freedom of Information Act, the fact that these cameras are turning up all over our cities and towns makes them dangerous and scary.

We saw the outrage over the Super Bowl commercial, if you remember, with the lost dog on the ring camera, resulting in the feature being dropped in a matter of days. Spent a lot of money and a fail, big fail. Now, put the power of these technologies in the hands of 50 state governments and countless municipalities, not to mention ICE and other federal agencies. No warrants, no judicial oversight, no control over who is seeing and using information and data. I want to thank the committee for your time, and I ask favorable report of the bill. Thank you. That's just my summary. My testimony has been shared with the committee.

SENATOR MARONEY (14TH): Great. Thank you. Representative Rutigliano?

REP. RUTIGLIANO (123RD): Oh, I didn't realize my mic was on. Sorry. Good afternoon, Senator. I just had a quick something popped into my head when we were questioning the last gentleman about the cameras, the license plates readers, and then your testimony now about the dangers of all that information. And I should have asked him, but I'm going to ask you. Maybe you have the answer, maybe you don't, but we'll put it out there into the Ether and see what happens.

If the police department's storing the license plate reader information, it's not available to anybody else. Where does the information go for speed cameras, red light cameras, school bus cameras? Who has that information? And is that readily available? And isn't that sort of a way to track your movement? Because even if you're not speeding, it's probably does that only take a picture when you're in an

infraction? Or is that tracking your information? And where does that information go? I don't know if you have the answer, but it definitely popped into my head.

STATE SENATOR BOB DUFF: Yeah. Thank you. I believe I'm not sure about the school bus cameras. I believe when we did the license plate readers and the speed cameras, that information is with the community. Is that right? And that information is already in statute as to how soon that has to be deleted.

REP. RUTIGLIANO (123RD): But isn't that basically what he just said about the license plate reader?

STATE SENATOR BOB DUFF: No. Because his license plate readers go on another cloud that is accessed by local police departments. And, again, we've seen this story a million times play over a million times where somebody says, "We don't have access to it. It's on a cloud. There's no danger to anybody." And the next thing you know, there's a big scandal because there's all this information that's on a cloud. Somebody's hacked into it.

Again, if that doesn't scare you that there's a literally a national database of all of our driving habits, where we're driving, where we're going by a private company or private companies, that, to me, is a red line.

REP. RUTIGLIANO (123RD): Thank you. Thank you, Mr. Chairman.

SENATOR MARONEY (14TH): Thank you. Representative Yaccarino.

REP. YACCARINO (87TH): Thank you, Mr. Chairman. Thank you, Senator, for being here.

STATE SENATOR BOB DUFF: Thank you.

REP. YACCARINO (87TH): Similar to dynamic pricing, companies track everything we do either through

facial recognition, your eye recognition. And it's similar to -- I'm not a fan of a lot of these license plate readers mainly because any of this data could be hacked, and it probably is hacked actually. And is that what you're addressing to?

STATE SENATOR BOB DUFF: Yeah. I mean, I think I don't want to dismiss a license plate reader as having no value because I think there is some value to it. I have an issue with the fact that the information is literally controlled by a company or their cloud in all 50 states and that you have police departments from other states accessing our information.

And to Senator Maroney, we can talk about this as well. In certain towns, if I'm leaving my house, you can track me from where I'm going in three or four different places. That information could be FOI'd right now. And if I am stalking somebody, I can then find where they're going, where they've been, what their patterns are. We have seen that multiple times.

Senator Maroney and I are part of the Cybersecurity AI Privacy task force with National Congress State Legislatures. I remember when somebody would -- We talked about this years ago. Somebody had a Fitbit. They were putting that stuff online. A woman was murdered because she kept putting where she was jogging all the time because she was logging it into a program that kind of keep herself motivated or her results.

And then somebody hacked into that, and then they stalked her and they killed her. Same kind of thing. And so, that's why I'm always coming back here every year, and we're working together on these issues together because the technology keeps moving forward. So, I think that, you know, obviously, when there's cameras walking into a grocery store for close circuit cameras for security purposes, I don't think anybody has an issue with that.

But if that information's then being used to do dynamic pricing for other types of things, that's a problem. And who owns that information? How long is that being stored, and what are they doing with it?

REP. YACCARINO (87TH): Yeah. That's my issue. I've watched the whole -- I've been doing research because initially, I was against any legislation to curb dynamic pricing, but I think it's a serious problem more than I thought to be honest with you. And mainly because of the data. And, like, where does the data go? And that's the concern. Yeah. You might pay 50¢ more but it's the other somebody getting stalked or somebody, you know, being followed or your habits are followed by everybody. Unfortunately, these phones carry a lot of good and bad information. But I --

STATE SENATOR BOB DUFF: Yeah. That's why we even have a part in the bill that says your geolocation.

REP. YACCARINO (87TH): Yeah. It's amazing. Yeah. I read that. But anyway, thank you for your effort. Thank you, Mr. Chair.

STATE SENATOR BOB DUFF: Thank you.

SENATOR MARONEY (14TH): Thank you. Are there other questions? Senator Duff, thank you. Thank you for your leadership as you often bring forward the issues that we get to then work on in this committee. You did highlight the unfortunate instance of Melissa Hortman, and the speaker of the house in --

STATE SENATOR BOB DUFF: No. I was just --

SENATOR MARONEY (14TH): Okay. In Minnesota, as you mentioned, myself, Senator Cicarella, and you were all part of the AI Data Privacy and Security task force with NCSL. There's actually two other members of our task force are from Minnesota, and they were on the list of Vance Boelter for legislators that he had wanted to kill. One of them, he went to her

house and she wasn't home. She has footage of him on her ring doorbell.

When he was caught, he had a notebook with listed all the different data broker websites, public websites that he found the information for their homes. He had surveilled them. He had written out diagrams. He knew which one of the people was her bedroom that he had gone there. So, thank you for pushing for legislation to tighten that. And with the Delete Act, it's not just for legislators we're looking to tighten that, but it's for anyone who chooses to exercise that right.

STATE SENATOR BOB DUFF: Yeah. No. Thank you. I appreciate it. Because I really appreciate what you said and again, the committee's work on this, your work on this. And Senator Cicarello is on the task force now. He wasn't a member when we had that briefing about the jogger many years ago.

But this is you see all these different things that come up, and this is why we have to continue to move this stuff forward and not allow what seems to be very logical, rational explanations for things turned into logical rational reasons why we just don't take action because things are happening very quickly. So, thank you.

SENATOR MARONEY (14TH): Thank you. Cicarella?

SENATOR CICARELLA (34TH): Thank you. Sorry. I was on a coffee run trying to keep everybody awake up here, so I missed your testimony. Make the young guy go get the coffee, I guess.

STATE SENATOR BOB DUFF: If I knew.

SENATOR CICARELLA (34TH): Or sure, I don't know.

STATE SENATOR BOB DUFF: It's not easy.

SENATOR CICARELLA (34TH): They're always bullying me. But I do agree that there is a problem, and we

have to find a way to address it. And I always say that when we're trying to solve one problem, we don't want to create another possibly. Some of this data is used for good, and there are bad actors every space that utilize something for bad. Right? It could be anything. It could be medicine. It could be anything.

And we just want to make sure when we're doing this to protect people, which that's what this committee's cognizant is, is consumer protection. It's the right place for it, and we do need to address it. But we have to do so just keeping in mind that there are permissible uses and there are, you know, certain processes that that data does need to be collected, whether it's law enforcement, whether it is some type of an insurance company or some kind of civil case. The information does have to be there to be collected, analyzed, and move forward. So, we're going to try to find that balance. I look forward to doing it. As you said, it is an issue.

STATE SENATOR BOB DUFF: Thank you. I appreciate that. And nobody gets a blank check, so there needs to be guardrails. I think and we both agree to that. So, thanks, everybody.

SENATOR MARONEY (14TH): Thank you. Okay. Next, Girish Patel.

KRUPA SHAH: Good afternoon, everyone. My name is Krupa Shah. I'm a member of Indian American Package Store Association. Thank you for giving us opportunity today to present our testimony on Bill 5223.

GIRISH PATEL: Good afternoon, everybody. My name is Girish Patel. I'm the Executive Director of the Indian American Package Store Association. I appreciate the opportunity to speak on raised House Bill 5223, an Act Establishing a Task Force to Study Issues Concerning Grocery Beer Permits. You know, as the director of the Indian American Packaged Store

Association, I have to say our industry has been regulated in a way where permitting is prescribed with a very deliberate approach, and that deliberate approach is one permit for every 2,500 residents based off of a municipality.

And that permitting over the past three, four decades, has prevented an oversaturation of alcohol outlets while providing amazing accessibility for adult beverages in Connecticut. It's also prevented boom and bust cycles while allowing natural market forces for package stores and the liquor industry at large to provide what we feel like is very healthy competition and has created a dynamic marketplace where consumers benefit from a robust range of products, as well as consistently low prices.

It's in that same vein that we believe our brethren in the grocery beer permit category, we feel they should be permitted and regulated in a similar way. Right now, there is no prescription to the way their permits are issued outside of meeting whatever legal requirements might be set forth for the permitting process. There is no cap based off of population, no deliberate approach to the way these permits are doled out by municipality, unlike the way the package store permit is issued.

And we believe that there are a number of concerns that need to be raised regarding this, specifically, public health and safety. We get to the point of having an oversaturated marketplace for adult beverages, and Connecticut already exists. We are the highest per capita state in the country when it comes to the number of retail outlets in which a consumer can acquire adult beverage.

And right now, that's with the one per 2,500 permit for package stores. But for grocery beer, that doesn't exist. And we get to the point of oversaturation. Studies have shown that that leads to greater consumption, that leads to more youth consumption, that leads to impaired driving. And so, we genuinely believe that there is a public health

and safety risk that is posed without having a cap on grocery beer permits.

Oversaturation could also lead to and comes in many ways. Right? There's a lot of uses for a grocery beer permit, and we're starting to see what we feel like are some bad actors in the space. Traditionally, you would think of a grocery beer permit as walking into a price right or a stop and shop or what we view as the supermarket landscape for beer purchases.

But the truth is the grocery beer permit has become available for convenience stores and increasingly gas stations, which we believe there's a flaw in the logic in how they're being issued permits. But that leads to my greater point. We support the study. We support it going through, and we hope to be able to contribute to the discussion, and we offer ourselves as a resource to the committee and the task force.

And most importantly, I feel like traditional alcoholic beverage retailers in the package store space, we've adhered to a certain set of rules, and I believe that we've been a good steward for the products that we retail. And by playing within the prescribed rules, we feel like creating a similar cap population-based approach to permitting for grocery beer levels a playing field. We think it closes a loophole for equity stakeholders in adult beverage retail.

SENATOR MARONEY (14TH): Great. Thank you very much. Are there any questions? Representative Lemar?

REP. LEMAR (96TH): Girish, thank you so much for coming here and testifying on behalf of this today. We're struggling as a committee trying to figure out how to tackle this issue. We've spoke with the Department of Consumer Protection a little bit. They don't see a dramatic increase, but I think we're all a little cognizant of the fact that there have been a few examples where it seems exploitative of the law.

And we're worried about more folks finding ways to circumvent what the protections are that we have in place. And frankly, you and folks in your industry and a number of your partners are, like, incredible community stewards. I don't hear complaints of selling illegal products at your stores. We don't hear of raids on package stores because they're selling inappropriate materials, but I'm hearing about it almost every day from a number of convenience stores, and gas stations.

So, the idea that we would allow folks to circumvent our laws and getting more products in there where there already are lax controls in numerous circumstances, I think was deeply problematic. And that's why we sought to at least have a conversation about a study. How do we get on top of this issue? What is the extent of problems? What would be responsible limits to put in place if we did want to go down that road?

I'm not convinced that we don't want to reform this whole process. But I do know right now that there's a real potential loss to your marketplace, the one that you've bought into and been strong stewards of, and a loss of public trust in the establishments, having access to selling materials when they have not evidence necessarily that they are responsible legal stewards of the products that they are allowed to sell. So, I support the study. I support maybe even going a little bit further this year. And so, as we move forward, I might ask you to come up with even stronger ideas for how we do this.

GIRISH PATEL: Well, I definitely got plenty of them. As the association, we've got a large number of members and there's a lot of good data that comes my way pretty consistently. And I think it's important that we recognize that a flood doesn't have to be, you know, you went from, you know, having a dry basement to now your house is washed away with the river.

A flood can be a slow systematic dripping that causes damage over a long period of time. And in fact, more often than not, those are the worst because you don't necessarily recognize them at face value. You don't see them immediately. It's the slow and steady decay and erosion of the foundation for adult beverage retail here in the state of Connecticut that we're looking to preserve, protect and enhance, to be quite honest.

REP. LEMAR (96TH): Thank you. You've been a terrific partner for the committee to resource for us to talk to and get an understanding on complex issues. And I really do appreciate the time you've given both to the committee, both in our meetings before session start, your landscape analysis generally has been spot on and I do appreciate the time you've given us today.

GIRISH PATEL: Thank you very much.

SENATOR MARONEY (14TH): Thank you. And yeah. Thank you for your work with us. And, you know, as I think -- Do you have a question, Representative Rutigliano.

REP. RUTIGLIANO (123RD): You would think I had a question but he did so well that I don't have a question.

SENATOR MARONEY (14TH): Okay.

REP. RUTIGLIANO (123RD): Let him know that I had some before Roland spoke.

SENATOR MARONEY (14TH): Thank you. And Senator Cicarella mentioned before, sometimes, you know, it's unintended consequences, and I think that's what we're looking at. We may have created loopholes in the law, and we know that every year we come back to look to see how we can do it better. So, thank you for sticking with us and working with us to help make things better.

GIRISH PATEL: Well, thank you for your time, and I look forward to collaborating in the future.

SENATOR MARONEY (14TH): Thank you. Okay. Next, I believe is Erin Kirk and Matt Schillberg.

ERIN KIRK: Good afternoon. May I proceed?

SENATOR MARONEY (14TH): Good afternoon. Please proceed.

ERIN KIRK: Good afternoon. Thank you, Co-Chairs Maroney and Lemar, vice chairs, and ranking members Cicarella and Rutigliano, and all distinguished members of the General Law Committee for allowing me to testify today on raised Bill HB 5350. My name is Erin Kirk, and I serve as Connecticut's cannabis ombudsman. Over the past year, I've held thousands of hours of conversations and completed a statewide survey of over 36,000 patients with over 4,100 responses.

The patient message is clear. Our medical program must remain worthy of the name, Compassionate Care. HB 5350 gets many foundational pieces right, including medical reciprocity, an issue this office raised last year. And we are deeply grateful to majority of the Broadhouse chief of staff, Curry, and their team as well as our partners at the DCP for their consistent collaboration on behalf of patients.

Several urgent issues remain, and I will let my amazing intern, UConn grad student, Matthew Schillberg, address some of them. But I would like to discuss affordability. The Compassionate Care Program, as mandated by our statute, is not being robustly enforced. We require dispensaries and producers to provide free or reduced cost medication to low income patients, but the process is confusing public and often humiliating.

This office respectfully requests authority to confidentially vet applicants for Compassionate Care

and ensure compliance. This would protect patient dignity, reduce the burden on the DCP, and bring the program back into alignment with its original intent. I'd also like to speak on behalf of patients' issues about remediation. They're very concerned whether the remediation is ozone or another methodology.

They feel that it must be clearly labeled and disclosed. A simple universal symbol like the Radora one used in food would give patients the information they need to make safe choices. Several insurers have already warned us that claims may be denied if remediated products still harbor underlying contaminants and someone falls ill.

Transparency protects patients and also protects good faith operators from future liability. And I wanted to address the hemp derived medications that our consumers and patients are very concerned about not being able to access. Families caring for epileptic children, elderly residents seeking nontoxic relief, and many patients continue to struggle because of our interpretation of hemp definitions.

We have trouble finding full spectrum products, CBD, CBG, and CBM, and patients are forced to obtain these products from smoke shops or online, neither of which meet medical standards. We must realign our approach with federal law and neighboring states to support our hemp farmers and give patients legal safe access to the products that sustain them.

I also wanted to mention that one of the good Senators before mentioned THC caps. Most of our patients report that the medication they had used prior to adult use is not as strong as it was. We don't seem to have caps on alcohol, so I'm confused as to why we want to have them on THC. And I'm very confused where the 2 to 5% levels of THC in the early days comes from because we were not legally allowed to study cannabis, and I'm not clear that those are actually correct stats.

But I measure -- You know, we understand economics, and we understand we've left at least a $160 million on the table in Massachusetts alone from our patients and consumers driving there. So, we do believe in economics, but we believe we measure success as a patient's achievement of best health outcomes. I'd also like to mention Mr. Rosario mentioned microgrows.

First thing I asked for in this office was the ability to have a micro micro medical grow. And as majority leader Rojas and others have pointed out in their testimony, we are lacking in biomass to support the entire framework and particularly patients. So, if we could have maybe a 2,000 square foot limitation, it could be the incubator program we talked about, maybe inside some of the larger grows. We would have medicine that would go directly to patients, and we think that would really help with the bottleneck.

I'd also just like to mention that Mr. McGee, in his testimony, asked for authority to investigate, and these are some of the provisions I've also asked for the Office of the Cannabis Ombudsman. And so, in closing, I believe 5350 contains important strides with targeted improvements, affordability enforcement, clearer labels, remediation transparency, required training, and access to hemp products, and we can safeguard a true medical program while upholding public health protections. And thank you, Betsy Francolino, for your accommodation today as I am in hospice with a patient, and I'm sorry I could not come personally. I'll be happy to take any questions if desired. Thank you.

SENATOR MARONEY (14TH): Great. Thank you. And, I don't know, do we have any questions? Now, is your intern going to present now as well?

ERIN KIRK: Yes, sir. We have put in some testimony, including some results from our survey, which is not

complete. But in the interest of the hearing, we wanted to get some data in front of you. And Mr. Schillberg will drill down on some of the other elements that we found after speaking to and hearing from 4,100 patients.

So, thank you very much. And, of course, our door is always open, and we appreciate the collaboration and the good work. Last year, we got the green crosses, and we got the QR codes, and we got the hybrid. So, it's just wonderful that we're proceeding to really tighten up the program for patients. Appreciate it.

SENATOR MARONEY (14TH): Thank you so much. Is Mr. Schillberg on now?

MATT SCHILLBERG: Yeah. I'm here. Can you hear me?

SENATOR MARONEY (14TH): Yeah. Would you please proceed?

MATT SCHILLBERG: Yes. Absolutely. Good afternoon, members of the committee, and thank you for allowing me the opportunity to speak today. My name is Matt Schillberg. I am a Connecticut resident and a researcher at the University of Connecticut studying patient experiences within Connecticut's Medical Cannabis program.

I'm here to testify in support of HB 5350 today. My comments today will reflect qualitative interviews conducted with registered patients across the state as well as themes which have emerged from patient outreach conducted alongside the Office of the Cannabis Ombudsman. Across interviews, several consistent concerns emerge, these being continuity of care, affordability, product transparency, and patient experience within dispensaries.

Many patients describe medical cannabis not as an optional product, but as part of an established treatment routine. Individuals who are managing chronic pain, neurological conditions, cancer related symptoms, or mental health conditions often

describe spending years finding stable dosing and product combinations that support daily functioning.

Because of this, when access becomes inconsistent, patients describe difficulty maintaining the stability that they have worked to achieve. One of the most consistent themes in the interviews as Erin had mentioned is affordability. Many participants live on fixed incomes and describe medical cannabis as an entirely out of pocket treatment due to the absence of insurance coverage.

Patients often refer to this as an insurance gap in care, where a medication that supports symptom management remains financially difficult to maintain. When affordability becomes a barrier, individuals describe rationing medication, delaying purchases, or in some cases, purchasing out of state. All of which can disrupt continuity of care.

Another theme raised repeatedly in these interviews relates to product transparency and labeling. Many patients report confusion about QR codes, testing documentation, and remediation practices. Patients often assume the information linked through these systems relates specifically to the product they purchased when in practice that is not always clear.

From a patient perspective, clear labeling and transparency around remediation processes would help build trust and allow patients to make informed choices about their medication. Finally, several interviewed participants discussed the dispensary experience itself. Patients frequently describe the importance of knowledgeable staff who can understand the medical nature of the program and can provide guidance when questions arise.

When patients feel supported and informed, trust in the medical program increases. When that support is absent, patients may feel uncertain navigating treatment options. And I would like to close by also acknowledging the work of the Office of the Cannabis Ombudsman who has played a very important role in

elevating patient concerns and helping individuals navigate this medical program.

The office provides a valuable channel through which patient experiences can inform ongoing policy discussions. My comments today are offered as a reflection of patient reported themes rather than legislative advocacy. And as the state continues redefining Cannabis Policy, maintaining affordability, transparency, and continuity of care will remain central to ensuring that Connecticut's Medical Cannabis program serves to patients who depend on it. Thank you for your time.

SENATOR MARONEY (14TH): Great. Thank you very much for your testimony. Are there any questions from the committee? I don't see any questions now, but thank you, again, for taking the time to come to testify to us today. Okay.

MATT SCHILLBERG: Thank you.

SENATOR MARONEY (14TH): Next. So, again, we are alternating between general public and the public officials. Next is a panel, I believe. I have Wesley Jenks and Tyler Semrow.

WESLEY JENKS: I don't know if you can hear me. I believe we're going to provide separate testimony.

SENATOR MARONEY (14TH): Please proceed.

WESLEY JENKS: All right. Thank you. Distinguished chairs and members of the committee, my name is Wesley Jenks. I'm the president of XpoCanna Connecticut's Premier B2B and Consumer Cannabis Platform and producer of the X Cup Cultivation Excellence Awards. We provide a professional state compliant environment for licensed producers and ancillary businesses to showcase safety and excellence.

I'm writing in strong opposition to HB 5350. While the intent may be an oversight, the bill's current

language creates an environment of regulatory hostility that threatens the very businesses that the state has licensed. My concerns with regulatory overreach, stripping agricultural protections in Section 1 by explicitly excluding cannabis from the definition of agriculture.

This bill creates a regulatory problem. It denies small scale cultivators the tax exemption and right to farm protections afforded to every crop in Connecticut, unfairly penalizing the state's newest agricultural sector. Arbitrary local veto powers in Section 10 and 12, the bill allows municipalities to shut down businesses deemed an unreasonable annoyance. This is subjective, non-empirical language provides a blank check for local officials to bypass state law and engage in backdoor prohibition against compliant B2B events and retail shops.

Policy by decree in Section 34 granting the commissioner the power to implement policies with the force of law without the standard legislative review process is dangerous overreach. Legitimate entrepreneurs cannot scale their businesses when the rules can be changed overnight without public notice or comment.

Destruction of the hemp industry, Section 2. By pulling non-intoxicated hemp products into the strict cannabis regulatory net, this bill effectively eliminates the CBD seed and clone market and forces small scale vendors, the backbone of our trade shows, out of business by treating nonintoxicating hemp with the same severity as high THC flower.

A path forward and trade show framework. Instead of broad prohibitions, Connecticut should adopt cannabis trade show and competition endorsement to allow for safe professional commerce. Temporary event permits establishing a 72-hour permit for registered organizers modeled after a temporary liquor permit.

Face to face seed and clone sales rescinds the delivery only restriction in Section 25. In person sales allow for vital consumer education and expert consultation in a controlled environment. Mandatory safety testing codify all competition entries must pass state licensed lab testing 30 days prior to our event.

Compliant consumption zones allow for age restricted 21 shield for consumption areas following the same liability protocols as festivals, including beer gardens. If you guys have any questions, I submitted my written testimony, which is just a little bit longer.

SENATOR MARONEY (14TH): Great. Thank you very much. Yeah. I did see that you have your written testimony so that we can follow-up on that. Are there any questions?

CLERK: Tyler next.

SENATOR MARONEY (14TH): You know what? We'll have Tyler present next, and then if there are questions for either of you, I guess, we'll go then. Tyler?

TYLER SEMROW: Hi. Good afternoon, chair and members of the General Law Committee. My name is Tyler Semrow. I'm one of the producers of the X Cup and XpoCanna Connecticut's based cannabis competition and B2B trade show operating within our state's local framework. I just want to begin by saying clearly, I support reasonable science-based regulation, consumer safety matters, product testing matters, and market integrity most certainly matters.

My concern with HB 5350 is not the regulation itself. It's how the regulation is being expanded and structured. This bill combines multiple complex issues into one single piece of legislation while granting broad discretionary authority through language that lacks clear standards. When laws are

unclear or unpredictable, compliant businesses struggle to understand how to operate safely within the system.

The predictable regulation builds compliance while uncertainty discourages it. The bill also removes cannabis from agricultural classifications despite the fact that cost of cultivation is fundamentally plant agriculture. This creates unequal treatment for farmers and may discourage local participation in a regulated industry.

I also believe that much of the challenge surrounding Cannabis Policy in Connecticut is fundamentally an education issue. Many public perceptions are still rooted in decades old narratives rather than a modern scientific understanding of the plant. Regulation should absolutely protect consumers, but it should also be paired with clear public education about responsible use, dosage awareness, and youth prevention.

Additionally, broad municipal authority based on subjective terms like unreasonable annoyance risks are inconsistent and can cause inconsistent enforcement across towns and even businesses operating within full legal compliance of state law. Connecticut has an opportunity not to regulate, but to lead through structured frameworks such as temporary permits that allow for the competition and events to take place with mandatory testing in a controlled environment.

We can promote this transparency, education, and responsible participation while maintaining strong safeguards. This is not a request for deregulation. It's a request for clarity, proportionality, and regulatory framework that achieves intended outcomes. Aside from my concerns related to the Cannabis Policy itself, my primary issue with this proposal is the legislative process being used.

The bill combines multiple complex and unrelated regulatory issues into a single piece of legislation

and advances them simultaneously, limiting meaningful discourse and careful review. When sweeping regulatory authority is expanded through broader, unclear statutory language, particularly when that authority is delegated to non independent bodies, it creates uncertainty for businesses, municipalities, and residents alike.

Connecticut also has an opportunity here to become a national leader in sensible science based hemp and Cannabis Policy. Beyond consumer markets, these plants have applications in sustainable construction material, environmental remediation --

CLERK: Thank you, Tyler. If you could please wrap up.

TYLER SEMROW: I'll be finished in just one second. Natural fiber textiles, biodegradable plastics, and ongoing medical research. Through regulation, we can allow Connecticut not just to regulate an industry but help shape the future of several emerging ones. Thank you for your time and consideration.

SENATOR MARONEY (14TH): Great. Thank you for your testimony, and thanks for the points on that we do need to make clarity on some terms. If you have suggestions, I think you mentioned unreasonable annoyance and other unclear terms. But --

TYLER SEMROW: Yeah. I submitted my written testimony as well that goes into more detail.

SENATOR MARONEY (14TH): Great. Thank you very much. Are there any other questions from the committee? Okay. Hearing none, thank you for taking the time to come to testify to us today.

TYLER SEMROW: Thanks very much.

SENATOR MARONEY (14TH): Okay. Next, Scott Gaul.

SCOTT GAUL: Ready?

SENATOR MARONEY (14TH): Yep. Please proceed.

SCOTT GAUL: Great. Thank you. And thank you also to Betsy for the accommodation, and our scheduling hiccups earlier. Thank you to the members of the committee for taking time to hear the testimonies today. I'm here to testify in support of Senate Bill 86, which is an act addressing innovations in and the responsible use of artificial intelligence.

My name is Scott Gaul. I'm the Chief Data Officer for state of Connecticut. I'm at the Office of Policy Management, and we work with all of the executive branch agencies on the careful use and management of data, which I think from the previous testimony is more important now than ever. We want to make sure that for Connecticut, we're allowing the state to benefit from the potential, to use AI to support innovation, but putting in place the protections that we need for data the state's collecting as well.

And so, that's what Senate Bill 86 does. I'm just going to speak about Section 1 of the bill, which creates policies that we need in order to protect data, but allows us to use that data to support innovation, particularly, making that data more accessible to AI and ready for the use in AI solutions. This week is open data week, International Open Data week. Tomorrow's Open Data Day today.

So, it's a good time to talk about open data. Connecticut's invested in open data for the past 10 years or so. Every state agency works hard to publish data, make sure that data is transparent to the public that allows the public to hold the public sector accountable. But we also want to make sure that again, we put in place the protections to make sure that we're protecting individual privacy, keeping information confidential, and balancing, you know, privacy and transparency in that process.

And so, Senate Bill 86 attempts to do that to make sure that we work with all of the agencies to use the existing framework that we have, the governance structure that we have for state data, to allow agencies to identify data sets that could be useful supporting AI innovation, to make sure that they go through a rigorous process to review that data, that we develop policies for governance data quality with those data sets. And then we put in place the protections to make sure that we're not releasing individual information out into the wild.

As I think folks know, you kind of have the sort of garbage in garbage out model here. So, we really want to emphasize looking at the quality of the data that agencies are releasing to make sure that the state is AI ready on this front. This isn't legislation that is about releasing more data or exposing more to the public. A lot of it is really about documenting and making sure that data is reflected accurately.

So, if it is used in some kind of AI solution, that it we've done everything possible to ensure that we're getting solid and reliable results out of that process. That takes effort. And so, that's why we want to make sure that there's a policy framework for it that's in place that agencies know about and the legislature knows about and the public can rely upon to say that we're doing this to protect the state's data, and trying again to balance innovation and privacy and confidentiality at the same time. That's all that I believe I have to cover today.

SENATOR MARONEY (14TH): Great. Thank you. Are there any questions? So, I guess my question is, how does this differ from what you're doing now? Right? Like, so if I'm a developer, I go to the Open Data website and you have a page where if I'm using the API, you have the libraries, the SDKs, everything is there already. So, what would change?

SCOTT GAUL: So, I think this is a good question. We are doing most of these things right now. I think

that this is really sort of amplifying and reinforcing the need to put in place some of those protections. So, in some cases we have policies for data quality, data privacy. For some sets of agencies, we have a process where agencies review data before publication. Before it goes out, we do regular audits of the metadata and the documentation.

So, we're doing some of these things already, but there's just increased pressure on the public sector to produce data. And so, this is a way of saying that we really want to make sure that we're emphasizing those that it's truly done, you know, across the enterprise. And there's a way that folks know that that's happening for the data the state's collecting. But I think of it as consistent with what's being done now, it's just sort of amplifying it and codifying it.

SENATOR MARONEY (14TH): And so, it's consistent with what's being done. You probably don't necessarily even need the legislation to change your policies and procedures. But in terms of applying, in some ways, this is more of a signaling or marketing of what we're trying to do to make it more awareness of what's already there.

SCOTT GAUL: I think of it as an assurance to the public to say that they know that we're doing these things. So, we have some of the administrative authority to work with executive branch agencies on this, but it gives a little more assurance to the public and to the legislature we're doing these things. It also does not hurt to have something in legislation and in statute to require agencies to do it. I can only ask so many times, but we can say, you're going to get called by your favorite legislator and it does help.

SENATOR MARONEY (14TH): Great. Thank you very much, Scott. And thank you for all of your work. Okay. Next, Elizabeth Ott? Next. So, Rino. Rino is not

there. Next. It's number 23. Chris Grant. Is he accepted?

CHRIS GRANT: Good morning, everybody. Or, sorry, afternoon.

SENATOR MARONEY (14TH): Please proceed.

CHRIS GRANT: My name is Chris Grant. So, I just want to personally thank the chairman, the ranking members, and members of the General Law Committee for my testimony today. As I said, my name is Chris Grant, Executive Director of the Lavender Policy Center. And so, I'm here today to speak to you guys about HB 5229.

But rather than restating the details that I have already submitted in my written testimony, I did want to briefly explain why this issue rose to the level where we felt it was appropriate to bring it forward for legislative consideration. The Lavender Policy Center regularly engages with Connecticut residents on issues related to public health and behavioral risk. And through our work, we sometimes encounter patterns in how systems operate in the real world and that are not always visible when policies are first written.

In this case, what caught our attention was a recurring theme in conversations with individuals who use legal online gambling gaming platforms. And several people had described a similar experience involving their attempts to step away from wagering activity. They would move money out of their gaming account with the intention of ending a session, but the design of the platform allowed the decision to be reversed almost instantly, while the transaction was still pending.

So, what stood out to us was not a single anecdote, but the consistency of the experience across different individuals. And when the same operational detail appears repeatedly in people's stories, it does suggest that there may be a small structural

issue that is worth examining. And from a policy standpoint, and moments that when individuals decide to disengage from a behavior, are often the most important opportunities for protective measures to work.

And when those moments are undermined by a system design flaw, even unintentionally, it can weaken the effectiveness of existing responsible gaming efforts. Connecticut has been thoughtful in building a regulated online gaming market, and the state has taken meaningful steps to incorporate consumer protections. But as the market matures, it is natural that new questions emerge based on real world use.

Addressing those issues incrementally is part of how responsible regulatory systems evolve. So, our intention in raising this concern was simply to ensure the legislature had visibility into something that surfaced through community experience and to allow policy makers to determine whether a refinement to the framework is appropriate. Thank you for your time and I just wanted to, you know, present our perspective here. So, I'm happy to answer any questions if there are any.

SENATOR MARONEY (14TH): Great. Thank you very much. Representative Rutigliano.

REP. RUTIGLIANO (123RD): Thank you, Mr. Chairman. Good afternoon. Thank you for your testimony. I just want to ask you a couple of quick questions just to be clear. You're saying that when you have folks that you talk to, members of your group or whatever, try to disengage with gambling means stop.

Are you saying that these companies are preventing them from withdrawing money, or are they getting increased marketing and enticements to continue to gamble even after they've decided to cut back?

CHRIS GRANT: They are not being enticed by these gaming platforms to continue gambling. It's really a

measure that a system design flaw that we feel is almost intentional because they're not allowing the transaction to finish processing.

So, when someone tries to transfer their winnings and they lose it through engagements repeatedly, they actually end up losing more than they had budgeted. And so, their earnings or savings, it feeds into a type of addiction habit.

REP. RUTIGLIANO (123RD): I have to be honest with you. I don't know if I entirely understand what you said. When you're saying -- Just to be clear, are you saying that people are setting limits for themselves and there's something about the programs that are not honoring those limits? Or when people go to withdraw money, they're not able to take it? I'm sorry for -- It's probably me. I'm just trying to be clear.

CHRIS GRANT: Perfectly understandable. So, just to clarify, if an individual is using this online gaming platform and they hit a small jackpot or a large jackpot, whatever, and that money is held in their gaming account, when they try to initiate a transfer to their personal savings account or personal checking account from that gaming account and then that's their self-regulatory option to stop gambling.

And the feature allows them to cancel that transaction, withdrawal immediately without letting the transaction finish processing in one to three business days. So, it allows the person to continue gambling without any kind of protections in place that, you know, make them responsible to stopping.

REP. RUTIGLIANO (123RD): Appreciate that. I think I understand a little better now. So, just a follow-up question. You may not be able to answer it. Are you saying that it takes one to three days to get your money transferred out of your account into your personal banking account? And if so, do you know how

long it takes to put money into your gambling account?

CHRIS GRANT: Yes. So, putting money into the account is instantaneous. The processing time from transferring it back from the gaming account to your personal account is not instant. And so, that does take some effort or, I'm sorry, some time. And I'm not entirely familiar with the exact time frame, but it is definitely, there is a waiting period. Yes.

REP. RUTIGLIANO (123RD): Thank you. Thank you for your testimony. Thank you, Mr. Chairman.

SENATOR MARONEY (14TH): Thank you. Are there any further questions? Okay. Hearing none, thank you very much for coming to testify. Next, Rino. He's out of line.

CLERK: Reno, are you there?

SENATOR MARONEY (14TH): All right. Well --

RINO FERRARESE: I am. I am. I am. Thank you. Thank you.

SENATOR MARONEY (14TH): Okay. There you are. Please proceed.

RINO FERRARESE: Thank you. And thank you for circling back to me. Good afternoon, Chairman, ranking members, and honorable members of the committee. I appreciate the opportunity to provide technical commentary on HB 5350. My name is Rino Ferrarese, and I am an owner and operator at Affinity Grow in Portland, Connecticut.

My background includes 30 years in FDA regulated manufacturing, and I'd like to offer some technical context that may be useful as you consider the transition to a more mature market. My career spans sterile vaccines, suites at Alexion and Wyeth vaccines, all the way to implantful medical devices with Covidien and Medtronic.

And foundation enabled me to lead my prior company in the partnership with Yale University to secure the nation's first FDA authorized clinical trial using state regulated cannabis from the Connecticut program. It's something we're very proud of. And I'm here to support HB 5350. It's a vital step toward a mature market, but to achieve true modernization, we must shift from reactive policy to proactive data-driven framework.

Characterizing the illicit supply chain. While this bill modernizes legal operations, the illicit market remains a black box representing 80% of Connecticut consumption. We must mandate the testing of seized illegal products. The danger. Black market fungicides like myclobutanil are particularly dangerous because they thermally degrade into hydrogen cyanide gas when smoked.

We need to provide poison control center NER doctors with objective data on these chemical stews so they aren't treating poison citizens, including our 18 to 21-year-old population. So, it's not treating these people in a vacuum. We need to adopt herbal standards, 21 CFR Part 111. Cannabis is a plant. It's not a synthetic pharmaceutical.

I strongly support Section 82, which requires infused beverages to comply with the dietary supplement standards. However, I urge the committee to expand this to all cannabis manufacturing. We must stop misapplying pharmaceutical metrics, which is 210 and 211. Those are designed for sterile injectables. We must stop applying our regulations to those sterile injectables instead treat cannabis as an herbal agricultural product.

And then risk-based testing and validation. Finally, testing specifications must be risk based. Current microbial counting is often mischaracterized. Higher counts of benign microbes do not equal health risks. I'll say that again. Higher counts of benign microbes do not equal health risks. I support the

spirit of Section 67, which is removing flower stability testing, and I suggest the state convene a technical committee to validate more consistent metrics like water activity, which is the FDA's gold standard for predicting microbial growth and contamination.

If there's not enough water in a product, then there's not going to be microbial growth. It just can't sustain. And in conclusion, I want to say 5350 is a strong foundation. And by aligning with Part 111, the dietary supplement standards, and testing of illicit products to protect our youth, Connecticut can lead with a science-based public health model. Thank you for your time.

SENATOR MARONEY (14TH): Well timed on your testimony. Just in under the gun or under the music. Are there any questions from our committee? Okay. No. Thank you for always being there to answer questions and for your testimony.

RINO FERRARESE: My pleasure. Thank you.

SENATOR MARONEY (14TH): Okay. Next, we are going to call up several people together. And so, we have a panel. So, Keri, Roberta Green, Jose Anaya, Jake Serafini, Chris Mauro, Ivan Shang, and Rachel Lyons. Okay. Please proceed.

KERI HOEHNE: Thank you for having us and getting us all up here together. My name is Keri Hoehne. I am Secretary Treasurer of UFCW Local 371. We're located in Westport, Connecticut, and we represent members throughout Connecticut as well as Western Massachusetts and Vermont.

I want to thank you all for hosting this hearing and for allowing us to share our thoughts. We are here in support of Senate Bill 4 with some modifications. We represent supermarket workers at Stop and Shop, Acme, Food Bazaar, ShopRite, and some other smaller employers throughout Connecticut. And as a mother of three, I also am in the supermarket every week.

I spend a significant portion of my family's budget just to keep everybody fed. And as a parent juggling work and homework and everything else that goes into keeping three kids alive, I don't have the time to wonder about whether or not the sale price in my flyer matches what's on the shelf or whether my personal data is used to quietly raise prices on essentials for my family.

Grocery chains are introducing electronic shelf labels and pairing them with algorithms to decide how much I am able to pay and willing to pay for each item. And how the system works is proprietary. So, we as the union don't even know, you know, much more than any other customer, how that algorithm works, but that's by design. It's one thing for luxuries like Taylor Swift tickets or airline, you know, flight tickets to go up with demand, but it's something very different to do it with items that we need to survive each week.

And doing that for working families frankly is cruel and greedy. Workers like Roberta Green, who's here to share her story, are highly skilled file maintenance employees. They ensure that pricing is accurate each week in a store and that paper tags hung in the front of each item are correct, easy to understand and fair.

And ESL's automate work that union members like Roberta currently perform, which would eliminate hundreds of good Connecticut jobs. Jobs like Roberta's have allowed workers to earn a pension, have quality health insurance, purchase homes, and put down roots in our state. And Roberta and others like her contribute to our tax base and to our communities in ways that an electronic label cannot.

Technology in our grocery stores makes life easier and fairer. It should. But it doesn't need to be more complicated and more invasive or less honest. And I'm proud that Connecticut is joining over a dozen other states who are taking up this issue this

year. However, this bill only mentions having a small disclosure sign in a store, and that's not enough.

That's not going to protect anybody. If Connecticut moves forward with Senate Bill 4, it must include real protections. It must restrict the use of ESLs and surveillance pricing. So, thank you for the opportunity for me to speak. I'm going to turn it over to Roberta. as she currently works in a supermarket, to share her thoughts. And then, thanks.

SENATOR MARONEY (14TH): Thank you.

ROBERTA GREEN: My name is Roberta Green. I live in Canaan, Connecticut. And for over 30 years, I've worked full time as a file maintenance clerk at a large supermarket chain here in Connecticut. My full time job is changing paper price tags on the shelves in our store. Every week, I walk every aisle. I check every tag. I make sure that the price on the shelf matches what rings up at the register.

And when there's a mistake, my employer is responsible for honoring the price printed on that tag. That paper tag isn't just paper. It's a promise to the customer. Over the past several years, grocery prices have risen sharply. Families are stretched thin. Seniors are counting dollars at the checkout. Parents are putting items back on the shelf. Now we are being told that the electronic shelf labels, ESLs for short, and so called surveillance pricing are the future.

But from where I stand in the aisles every day, this technology is not about convenience, it's about control. ESL technology can incorporate massive amounts of personal data. Stores can build profiles based on what you buy, where you shop, your income level, even your health needs. An AI system can calculate the maximum amount it thinks you are willing to pay and change the price in real time while you're standing in the aisle.

That means two customers could be looking at the same carton of eggs and be shown two different prices. We all deserve to pay the same price for the same goods. Your ZIP code, your shopping history, your perceived income should not determine what you pay for milk or bread. This is pricing integrity.

Additionally, ESL systems are designed to eliminate stable benefit providing jobs like mine that support working families and contribute to Connecticut's tax base. Here in Connecticut, SB 4 is a good start, but it does not go far enough. The bill must also prohibit both algorithm pricing and the use of ESLs in grocery retailers that are 15,000 square feet or larger.

As someone who changes those paper tags every single day, I can tell you this, a visible printed price is simple, it's honest, and it treats everyone the same. I thank you for taking up this issue and thank you for your time and your consideration.

JOSE ANAYA: Good afternoon, distinguished members of the General Law Committee. Thank you for the opportunity to testify and support Senate Bill 4. My name is Jose Anaya. I come from an immigrant family here in Connecticut. My parents worked hard for every dollar. And like so many families in our communities, we planned every grocery trip down to the last cent.

I worked in a supermarket myself. And today, as a union representative, I work alongside supermarket employees every single day. I know how hard they work and I know how hard customers work just to put food on the table. Most Connecticut residents assume the price on the shelf is the same for everyone, but that isn't always true.

Grocery stores are adopting digital price tags that can be changed instantly and remotely and pairing them with systems that collect shoppers' behavioral and personal data. This practice uses information

like purchase history and shopping patterns to estimate how much someone is willing to pay. That means two customers can be charged different prices for the same item at the same time without even knowing it.

This technology is not about helping consumers. It surveils them and uses their personal data to raise prices on essential goods at the same time. Electronic shelf labels automate work that union members in our stores rely on, threatening good local jobs.

Families like mine deserve fairness, practice, and confidence that the price we see is the same price everyone pays. A small notice on the wall won't protect us. Connecticut's SB 4 must include real safeguards by prohibiting the use of ESLs and surveillance pricing altogether. Thank you.

JAKE SERAFINI: Good afternoon, everybody. I'd like to take a moment. Thank you to the committee for allowing me to speak today on, Senate Bill 4. My name is Jake Serafini. I live in Winston, Connecticut, and I'm a member of the UFCW Local 371. I've worked in retail most of my adult life selling cell phones, stocking shelves in a supermarket, and ringing people up at the Dollar Store.

One thing I've always believed is simple. The price on the shelf should be the price everyone pays, but that's changing. Grocery stores are rolling out electronic shelf labels, digital price tags that can be changed instantly and remotely and pairing them with tracking systems that collect shoppers' data. That means two customers can pay different prices for the exact same item at the same time without ever knowing it.

In the supermarket, I've watched families every week with calculators out adding as they've shopped. I saw parents put back cereal so they could afford milk. At the Dollar Store, I saw people count change at the register deciding which item they could live

without. When I worked in cell phone sales, I saw customers stretch payments over years just to stay connected. People are already at their limit.

This technology isn't about giving shoppers better deals. It's about using shopping history, location data, and other personal information to figure out how much someone can be pushed to pay, especially on essentials like food. Electronic shelf labels also automate the work for updating price tags threatening retail jobs in our communities.

A small notice on the wall won't protect anybody. Connecticut's SB 4 must include real safeguards. Please amend this bill to prohibit electronic shelf labels and surveillance pricing in large grocery stores, protect minors' data, and require real transparency.

Technology in our stores should make things fairer and more efficient, not more secretive and not more predatory. Connecticut families deserve to trust that the price they see is the same price everyone else is paying. Thank you for addressing this issue this year and allowing me to share my thoughts with you today.

SENATOR MARONEY (14TH): Are there other panelists who are -- Oh, and then --

IVAN SHANG: And then we have one --

SENATOR MARONEY (14TH): Great.

IVAN SHANG: And then we have one remotely as well. Good afternoon. I'm Ivan Shang. I'm a representative Local 919. I'm a business agent. We represent 6,000 workers. Majority of them are stop and shop supermarket employees. I want to first thank you guys for the opportunity to testify today to support this legislation addressing surveillance pricing and electronic shelf labeling in grocery stores.

So, this legislation protects us as consumers to ensure that price integrity is being followed. However, I am here to also testify to advocate for the UFCW members and all the grocery store workers and their jobs threatened by the technology. Supermarkets right now have the file teams that oversee the change of prices and implement this technology would cut their hours or even reduce the workforce.

AI is here. We need to protect our lives, our jobs before it's too late. We ask not only protect the consumer, but to protect the jobs of our hardworking members working to support their families. Thank you for the opportunity. And I also want to introduce, Chris Mauro. He's remote. He had to work today, so he couldn't join us. But, Chris, you there?

CHRIS MAURO: Yes. Ivan. Hello. I'm Chris Mauro. The fear of this technology being used by retailers is concerning as both a consumer and as a supermarket employee. I'm here to advocate for my coworkers that do the functions of price changing.

This task is done almost on a daily basis by a full time employee who oversees a team of part time workers, allowing companies to utilize ELS pauses a threat to my coworkers' hours in livelihood. Not to mention it hurts the pockets of the consumer and our community.

When technology is implicated in the grocery store, it should only enhance jobs and the consumer's experience while maintaining transparency, fairness and privacy. Connecticut residents should feel confident that the price they see is the same price other customers are paying. Thank you for the opportunity to testify.

SENATOR MARONEY (14TH): Thank you very much. Are there any other? Okay. Rachel.

RACHEL LYONS: Hi. Can you hear me?

SENATOR MARONEY (14TH): Yes. We can hear you. Please proceed.

RACHEL LYONS: Okay. Thank you, Senator Maroney, Representative Lemar, and all the distinguished members of the General Law Committee for the opportunity to testify on SB 4. I'm Rachel Lyons. I'm with the National United Food and Commercial Workers. I'm based out of Washington, DC, and I echo everything my coworkers in the room have said.

This is an enormously important issue for workers, but also for all of us as consumers. There are new technologies in grocery stores and they are threatening family budgets and everyone's individual privacy. While we support the good work the committee is doing on surveillance pricing, SB 4 is missing a critical piece to be truly successful in banning the predatory practice, and that's electronic shelf labels, as you've heard.

So, we are a big union. We represent 1.2 million workers nationwide and our folks represent 13,000 workers in Connecticut. And we're everywhere along the food supply chain, grocery stores, food processing, health care, and cannabis. Honestly, our members are the folks who put food on the table for Connecticut families.

And, unfortunately, that cost of food in Connecticut is very high and becoming unaffordable for many working families. And despite what others may say, grocery prices are rising. In Connecticut, over the last 12 months, food prices have risen 6%. While the rise in prices have several causes, there's one challenge that you guys as legislators can address, and that's surveillance pricing and electronic shelf labels.

Large grocery retailers are adopting these new technologies that exploit consumers for profit and make it harder for struggling families to eat. Corporations collect information about where we go, what we watch, and what food we buy, and they are

using that data to set individual prices for different customers.

ESLs are essentially cloud connected devices that can use customer data to set prices. Combined with the vast computing power of AI, individual prices make individual pricing a reality today, not somewhere far off in the future. Using personal customer data and AI, a store can calculate the maximum amount of money you are willing to pay and reflect that number on that ESL when you are a customer in the aisle.

And we know it's happening because we've seen it, as you heard today. Kroger began using ESLs in a dozen stores in 2018 and Walmart announced it will bring ESLs to over 2,000 stores by 2026. If companies have the ability to treat groceries like an Uber ride, then legislators must support regulating the tools that enable raising prices on food.

We're seeking a ban to the use of electronic shelf labels because food is a necessity, not a luxury, and the price should be clearly understood. Analog price tags are the best protection for consumers. Unless action is taken, ESLs and surveillance pricing will only continue to contribute to the rising cost of groceries. I respectfully urge the committee to amend SB 4 to include a ban on ESLs and then pass it. Thank you so much for allowing me to testify and I'm glad to take any questions.

SENATOR MARONEY (14TH): Great. Thank you all for testifying. Do you have any -- Good. Okay. So, I do have a question. Right? So, first, thank you. I think we all remember during the pandemic, everyone thanked the doctors and all the other first line responders. But, really, I don't think when you signed up for your jobs, you realized you would be on the front lines during the pandemic. So, thank you.

I've seen the research right on, actually I think it's in the marketing materials for the ESLs that

they save thousands of hours of labor. So, I understand that concern. Right? I've seen online with Instacart. Right? Where using, you know, when you're online, when they know who the person is, but online person can pay up to 23% different buying the same item. But I haven't seen any articles. So, I know you might not have them now, but if you could just send me some articles to look at examples of where people in-person are also paying, you know, the differential pricing on, you know, in-person.

And it is something that I know we have looked at it. House Bill 8002, actually, Section 32 outlawed using personal data for setting rent prices. Right? Using private data. So, I think if we see the research on that, it is something we can probably get behind, because why should someone -- Right. But yeah, if you could just follow-up with that, and we'll be in touch with you as we work on the bill. Right? This is a starting point, not the ending point.

KERI HOEHNE: Yeah. And I'll say, you know, obviously, that's, like, the number one question everybody comes to and says, like, how do you know? How can you see? Can you do experiments? Can you do shopping and pricing? And so, much of it because it is proprietary. Like, nobody's offering up the info of how they do it. We know that's why they're investing. You know, one store's worth of electronic shelf labels is nearly half a million dollars.

So, if you're investing that money, you know that there's a reason why they're going to recover that money, and it's actually going to take a whole lot of staff to make that up. So, it's not just about labor costs. But I can turn it over to Rachel. She may have some additional information for you, but we can definitely, you know, get you whatever we can that's that.

SENATOR MARONEY (14TH): Great. Thank you.

RACHEL LYONS: Yeah. There's additional research, but as Keri notes, this is at the beginning of it. And so, that's really what we want to do is make sure that we put guardrails on something. It's kind of like the early internet. You don't want it to get out so that we're not trying to catch up to the technology, but we want to guide the technology from the beginning.

SENATOR MARONEY (14TH): Great. Thank you very much. Are there any further questions? Okay. Thank you so much for coming to testify. Thank you all for coming up. Yep. Taking the time to come up here. Next, David Weidlich. Yeah. I skipped someone. I'm sorry, David. You're up next. You're back on deck. I'm sorry. Premature call up. Christine Scruggs.

CHRISTINE SCRUGGS: Hi. My name is Christine Scruggs. Thank you for allowing public comment on House Bill 5350, which I oppose since I oppose any bill that makes cannabis more available or potent. I knew nothing about THC until we found out about the effects it had on my adult son. He's a gifted young man, graduated in the top 7% of his class.

His use of THC did not start until after college graduation at the age of 22, an adult. Within eight months, he was using every day. He developed delusional thinking. By day two of our knowing, we found out about his cannabis use. By day three, we thought either he had a brain tumor, had suddenly developed schizophrenia, or his symptoms had something to do with a new thing in his life, THC.

By day four, schizophrenia and brain tumor were ruled out at the ER. The speed with which we found out that cannabis can cause psychotic symptoms is a blessing. We tried for 11 months to get him into help and resorted to using Florida's Marchman Act to insist on long term dual diagnostic treatment costing over $200,000 to us, a cost does not reflect the mental and emotional turmoil our family endured.

He was diagnosed with cannabis induced psychotic disorder. His therapist told him he's lucky not to have converted to schizophrenia or bipolar. Many are not so lucky. He had no preexisting mental health conditions nor predisposition to any genetically. Edible and drinkable THC products go against the federal food, drugs, and cosmetics act since they're adulterated food products. There are THC products that have met FDA standards such as Marinol, but even Marinol's warnings describe adverse reactions like psychotic symptoms, hallucinations, addiction, and even paradoxical vomiting, CHS, the vomiting syndrome that cannabis users can have, and that's at a starting dose of only 2.5 milligrams twice daily.

The nano-emulsification technology used in THC beverages breaks cannabinoids into microscopic droplets, making THC more bioavailable. So, it's absorbed directly into the bloodstream, speeding up the intoxicating effects and making less THC deliver a more potent immediate high. This bill seeks to make even more potent THC beverages available for on-site public consumption at places that also have liquor licenses.

Cannabis users often use alcohol at the same time to get cross faded, intensifying the effects of both substances. Stricter rules regarding cannabis are better for the safety and well-being of Americans. Removing potency restrictions on flour, etc., and increasing allowable potency of THC beverages is a backwards move as far as public health is concerned and does not follow the science. Please listen to the truth. Americans' brains are worth infinitely more than any amount of money these products can produce. Thank you for listening, and I welcome any questions.

SENATOR MARONEY (14TH): Thank you very much for your testimony. Representative Rutigliano? Oh, no. Are there any questions? Representative Lemar.

REP. LEMAR (96TH): Thank you for your testimony. I really appreciate sharing your story. If you could

submit your testimony written to the committee, that would be really helpful as we proceed. If you need help doing so, just the same email that you used to sign up, reach out to Betsy Francolino in our office because, it's not available to us online, and there were so many things I wanted to reference back to. So, if you could get that to us, that would be terrific. Thank you.

CHRISTINE SCRUGGS: Yeah. Would you like the short version I did? Or I've got many -- Because I've spent a lot of time researching this, I've got a document that's a lot of pages. So, you just want the short one?

REP. LEMAR (96TH): No. No. Submit whatever you feel comfortable submitting to the committee. It's all helpful.

CHRISTINE SCRUGGS: Okay.

REP. RUTIGLIANO (123RD): I would appreciate the long one. Thank you.

SENATOR MARONEY (14TH): Great. Thank you very much.

CHRISTINE SCRUGGS: Sure.

SENATOR MARONEY (14TH): Okay. Next, for real this time, David.

DAVID WEIDLICH: Good afternoon. Thank you Chairs and ranking members and committee members for taking the time today to have this important hearing. My name is Dave Weidlich Jr. I live in Wethersfield. I'm President of Communication Workers Local 1298. Our local represents workers at formerly Frontier, now Verizon, and AT&T in the state doing telecommunications work.

It's becoming more of a common place for automated decision making systems being used in workplaces. Some uses are monitoring workers, assigning tasks, and evaluating performance. Influence in decisions

about hiring, discipline, scheduling, promotion, pay, and job security. While introduced for efficiency or innovation, they shape workers livelihoods without clear rules, transparency, or accountability, and must not undermine workers' rights or replace human judgment in workplace decisions.

There's a few sections in the bill around 12 to 16 that are important to workers. CWA, and our collective bargain agreement, we have a provision about new technology that we can approach the employer to discuss the issues. However, many who don't have the benefit of that voice in the workplace don't have those protections. And that's why having a legislative protection in place for all workers in those processes is very, very important. Strong worker protections are vital. As these systems become more embedded in workplaces, workers need a say in their implementation.

Employees offer valuable insight into tools affecting their jobs and ignoring their input risks harm and costly mistakes. Automated systems should be a bargaining topic to ensure technology supports not replacing workers. Lastly, real reinforcement is necessary. If harmed by these systems and monitoring, workers need a clear path to a remedy, including a private right of action.

With the rules, automated decisions can support workers and public services services. And then I'll also mention, I oppose Senate Bill 86 because it fails to provide many of the important, or address many of the important issues on this broader issue of the use of AI. I thank you for the opportunity to testify, and I'm happy to answer any questions if you have any.

SENATOR MARONEY (14TH): Thank you very much for taking the time to testify. And also, thanks for testifying to get rights for others that you already have. So, even though you have those, you're working on behalf of others. So, we appreciate that.

DAVID WEIDLICH: Thank you.

SENATOR MARONEY (14TH): Thank you. And we'll be in touch as we move through the process.

DAVID WEIDLICH: You bet.

SENATOR MARONEY (14TH): Okay. Next, Jacob Honig. Oh, Jacob. Okay. He's not here. Diana Goode? Okay. She's here. Yeah. Just please press the button so that the light goes on. Either one. Okay. Just one, not both.

DIANA GOODE: Hi, everyone. I'm Diana Goode. I'm the Executive Director at the Connecticut Council on Problem Gambling. Thank you for letting me here today in favor of Bill 5229e, an Act Concerning Gaming. So, I want to start by saying CCPG is not for or against gambling.

We just want to make sure as gambling becomes easier and more accessible, there are safeguards in place. We think that this legislation establishes important safeguards. The first one is restricting advertising on college campuses. I don't know how much more I need to say about that one. We think that's an important safeguard to protect some of the most vulnerable.

We used to think the problem gambler was the little old lady at the slot machine. Now it's 20 males betting on sports. We think it's important that online gambling operators shouldn't be targeting them on campus. The other safeguard we like is a toll-free customer service number having the online operators be required to have a customer service number.

Right now, we're answering hundreds of customer service calls from the should be going to the operators because people are looking for help signing on to their account, withdrawing money from their account, and that's not us. And one of the

biggest problems about it is when people call us and they can't get help from us, they're angry at us and they're angry at the operator.

So, I'm just not sure where the value added is for operators to have people pissed off at them when they don't have a customer service number. We're not asking for it to be a manned service number. It can be AI or an answering machine just directing people to the website where they can go on to chat and get the help that they need because that's not us.

We're a staff of seven people and we really shouldn't be answering customer service calls for FanDuel, DraftKings, and Fanatics. Withdrawal protection. So, what that really is referring to is when people want to withdraw money from their account, they often get a pop up with an incentive to keep gambling. We would like gambling operators to not do that.

If people want to withdraw their money, just let them withdraw their money. Don't try to incentivize them to keep gambling. And I know that one of our partners, Chris, from the Lavender Policy Project, already talked about that one. So, we want to support his efforts in pushing that one through. AI. So, we would also like some restrictions around AI, and I guess the best way I'll describe that is by two stories that we've had from helpline callers.

One was this 20 male who was betting every day. He wasn't betting a lot, but he was betting every day, and he missed a day. And he got an email from the company saying, "Hey, we missed you yesterday." We'd just like you to leave the kid alone. Another was was a 21-year-old girl who started gambling. She lost everything in the span of three months. Her book money, tuition money, food money.

So, she gave herself a time out through the app. Totally what you should do. But the day after she came off that time out, they sent her an email saying, "Welcome back. Here's a free $75 to get you

going again." That's what we want to avoid. That kind of targeting. So, this bill prioritizes consumer protections in public health and we think these provisions really represent thoughtful and meaningful steps toward reducing gambling related harm. Thank you. Any questions? Did I go over three minutes?

SENATOR MARONEY (14TH): No. Thank you very much.

DIANA GOODE: I think I read fast as I could.

SENATOR MARONEY (14TH): Representative Rutigliano. Thanks.

REP. RUTIGLIANO (123RD): I really appreciate your testimony and the work that you guys do over there and especially in light of the ever increasing problems that we're having, especially amongst the young people with online gambling and the behavior of many of these companies.

The gentleman from the Lavender Group before you testified that it takes multiple days to get your money out, but only seconds to put your money in. Are you finding that also true amongst your research and the people that you talk to?

DIANA GOODE: Yeah. What it shows to us that it takes one to five days to get your money out. So, and again, that's really not part of our job or our testimony. We just think people should be allowed to get their money out. Whether it takes one day or five days, that's as far as I'm concerned, fine. Just don't in that span of time, try to get them to keep their money in and lose it.

REP. RUTIGLIANO (123RD): Yeah. We're also finding that the AI seems to know when you're losing and sort of markets to you harder than if you're winning. In fact, if you're winning, they sometimes cancel your account or lower your bets. Do you find that to be true also?

DIANA GOODE: We find that to be true as well. Correct.

REP. RUTIGLIANO (123RD): It's a little odd. Right? That, you know, God forbid you win and they sort of cancel you. But if you're losing, they sort of market you. The other thing that I'd read a book over the past couple weeks that I didn't realize, and I thought I was pretty in touch with a lot of the marketing schemes, is this little, you know, the free bets that they give you. It's not money.

DIANA GOODE: Correct.

REP. RUTIGLIANO (123RD): So, you could bet 5, get 300 in match play or whatever they call it, but that stays as match play. You can't cash that in. That's not money. I don't even understand. Do people actually know that when they're gambling the free $3, $4, $500, whatever they want to call it, that they're not going to be able to cash that in.

DIANA GOODE: I don't think so. Again, I'm not a gambler, but it certainly if you look at the marketing materials, you would not know that. I haven't personally known that.

REP. RUTIGLIANO (123RD): So, you're saying that disclaimers on those are insufficient? Yeah. Because I didn't even know. And I've watched purposely some of the Saturday morning infomercials, which there are 8 billion of all over my television early on a Saturday morning to tell me about my match play that really isn't money, which I found fascinating.

I had one more, but I got so caught up with that one that irritated me that I got lost. But I do appreciate what you're doing. I don't think the world -- I don't think this marketplace is as innocent and as harmless as people think it is. I think there's some reasonable restrictions that should be in there. And part of it is on the marketing end of things. It's a lot of deception.

It's a lot going on. And so, I do appreciate your advocacy and you're coming to support that bill.

DIANA GOODE: Thank you.

REP. RUTIGLIANO (123RD): Thank you.

DIANA GOODE: And so many positive things happened when the legislature looked at tobacco advertising and alcohol advertising. And they really made some strides there. And we're just hoping that gambling gets the same respect.

I also also say we legalize gambling the same time we legalize marijuana. If a dispensary said, "Come in for a free sample," oh, we'd be freaking out. If a dispensary said it's risk free, we would be freaking out. It's the exact same thing with gambling. So, I'm not telling people how to spend their money or their free time. We would just like the same respect.

REP. RUTIGLIANO (123RD): Part of the longer conversation was part of that book was talking about England and what England has been going through over the past 20 plus years since they did legalized sports gambling. And then how they sort of did what we did, this sort of wild, wild west. Let's legalize it in '04. And there were so many issues that they've tamped down.

And then when we legalized it, they were shocked that we didn't adopt some of their -- I mean, they have people on staff that watch the bets and actually call you up to see if you could actually afford to do what you're doing. When here in America, we do the opposite. If you're betting a lot, we actually market to you to try to get you to bet more.

DIANA GOODE: Right.

REP. RUTIGLIANO (123RD): Which I find fascinating. But thank you for your time. We probably could go on

for a long time, but there's 1,000 people on this list for today.

DIANA GOODE: Thank you.

REP. RUTIGLIANO (123RD): But I appreciate you stopping by.

DIANA GOODE: Thank you.

REP. RUTIGLIANO (123RD): Thank you.

SENATOR MARONEY (14TH): Okay. Thank you very much.

DIANA GOODE: Thank you.

SENATOR MARONEY (14TH): Okay. Next, Jacob Honig.

JACOB HONIG: Hello, Senators and Representatives. It's, I'd like to say good to be back to be working for more equitable hemp laws, unfortunately, under these circumstances. But excuse me. So, I'll be brief with your time. I submitted a written testimony on behalf of Chia and some other members of the hemp industry, and we appreciate the gestures and the language to try to address some of our issues.

But, unfortunately, HB 5350, does not help us regain our manufacturing capacity, and allow us to create products and create a market for our hemp products here in Connecticut. So, with that being said, we've suggested some potential bill language, and we hope you'll get a chance to look at that, Senator Maroney, and continue the conversation. I'll yield my time.

SENATOR MARONEY (14TH): Great. Thank you. Are there questions? Yeah. Looking at your testimony now, I'll reach back out. I know you reference New York law language and some others. So, we'll circle back to you on those, Jacob.

JACOB HONIG: Appreciate it. Thank you for your time. And, yeah, look forward to working more with you.

SENATOR MARONEY (14TH): Great. Thank you. Okay. Next, Jennifer Benson. Okay. All right. Next, Curt Cameron and Gordon Whelpley.

CURT CAMERON: Hello. My name is Curt Cameron and thank you to the committee for the opportunity to speak today on 5350. In the interest of time, we have elected to combine the testimony of all six infused beverage manufacturers in the state, myself from Thomas Hooker Brewing, Float House, Gordon, Two Roads Brewing down in Stratford, Connecticut, Valley Brewing in South Windsor, Black Hog Brewing in Oxford, and SoNo 1420 in Norwalk.

It's worth noting this is the third session we've been in front of you guys. And it's also worth mentioning that Connecticut is one of the few states that done the hard work to enact thoughtful legislation on this matter and arrive at these regulations collaboratively between the legislation legislators, the regulators, and the manufacturers. So, thank you for that. And, as I'm giving out thanks, I would also like to thank, Commissioner Cafferelli.

He and his team have spent a considerable amount of time coming out, meeting with us, seeing our facilities, understanding what it is we do, and learn about the safeguards to ensure quality and public safety that we employ. We've gone to their offices, as a matter of fact, about two weeks ago before this session, to speak with them about some of our desires of regulation and legislation for this session.

The ultimate goal is really to have a clear path forward, no 11th hour antics, and to ensure public safety and ensure market viability here in Connecticut. So, all that said, there's a few areas we'd like to focus on and bring clarity to areas

that reflect how manufacturing and retail are actually working in the state now that we have some track record.

The areas I like to focus on today is number one, to clearly define work in process raw materials. And this is just a clarification. Testing requirements, we'd like to make a request that rather than than not to exceed, we deploy the same testing requirements as cannabis, which is a plus or minus one milligram. From a manufacturing perspective, it would really make our lives a lot easier. And from a public safety perspective, there'll be zero impact.

The per serving dosage caps, thank you for reviewing these. They help us from a manufacturing perspective because we're not making a one-off product just for Connecticut. It brings it more in line with national averages. But it also helps the Connecticut Package Store Association because quite honestly, they have a hard time competing against out of state manufacturers shipping product into the state, which is sort of a segue to that direct to consumer sales.

You know, in speaking with DCP, it's really a difficult thing to combat out of state or direct to consumer sales. Ironically, the only ones that aren't doing it are Connecticut manufacturers because we're following the rules. We'd like to review what it would look like to do direct to consumer sales. First off, because I think you'd actually get the tax revenue from them from us.

But secondly, we see it as just the natural progression on this. We'd like to talk about on-prem special events taproom sales. Sometimes they say you can read the future of mankind in this past. I've been in the brewing business for about 100 years now, and we saw where breweries couldn't do it, then we could do growlers.

And then fast forward today, we're able to allow people visiting the brewery to buy the products that we make, sort of a farm stand mentality. And then

taxes. Don't worry. We're not asking for you to lower the taxes this time. But I think it is worth pointing out that now that we have a track record when we first enacted the taxes, I think the goal was to take care of about an $850,000 compliance budget.

I think the data that we've seen said that last year we raised about 2.2 million in tax revenue from this product set. So, it's working. And we'll talk about it next session. I'm going to let, Gordon go ahead and take it from here and maybe drill down a couple of things.

GORDON WHELPLEY: Good afternoon, all the members of the General Law Committee. You know, with this being the third time up in front of you guys, just going to quickly go through because we submitted a pretty comprehensive testimony with appendices. So, just want to quickly go through the points and open it up for questions. On the supply chain clarity issue, we have a sense of urgency here. We understand the intent of the extractor license and the setup, but, as we all know, things take time.

And the hemp industry and growing here in Connecticut is not what it was five years ago. And in the interim, as we're watching the federal situation very closely, we just want to be able to source and store, you know, the actives needed for this to weather the storm and to be a viable supply chain in Connecticut.

So, we're just asking for explicit Interstate Sourcing Authority to create a supply, you know, which will allow for a regulated market here. With the key language being, you know, an allowance to source compliant hemp derived intermediates from entities authorized under Connecticut law, laws of another state or federal, provided that the finished beverage complies with all Connecticut potency and testing requirements.

On the testing standards and implementation timing. This also goes for the prior supply chain and work in process issue. The sense of urgency we have is, we will not make it to October 1st if that's where we have to wait here. You know, on the testing side, that is a huge portion of our margin goes to testing in Connecticut Labs.

We applaud the ability to use accredited third party labs out of state while we're able to. But parity with, you know, the allowance that edibles have and cannabis is all we would like. Dosage caps and timing. You know, when we first met, prior to this session going, the majority of this stuff we weren't even going to bring up. And we are very excited about this provision. We like how it is segregated and allows for the higher dose products to be sold in dispensaries.

With beverages being seasonal, I would be remiss not to ask if the implementation of this could go into effect sooner as peak beverage demand is in the summer. Now on-premise side, we applaud the inclusion of regulated on premise consumption in this bill. We believe that this can be done safely with service education and have provided the details that Rhode Island is choosing to tackle this issue.

There is a called a ServSafe equivalent, and, you know, just the same way we are age-gating and trusting for service of alcohol, this would be the same. Now, we were not included with the other establishments that we're able to sell both, you know, our to go beer or bruise and service on premise. The taproom model and vineyard model is a proven one here in Connecticut. It brings people into the state.

We as a company and as a group firmly believe that education and transparency is the only way to normalize this category and get wider acceptance. And we believe our ability to directly educate in the taproom environment is the best way to be able

to do that. And with that, the ability to sell to go is critical.

Direct to consumer sales, we included a just a directional survey, and we did not get statistical significance. But out of people that are consuming these regularly in Connecticut, one in five responded that they are sourcing higher dose products from out of state, and they're being shipped in. It is a virtually unenforceable thing. And, you know, I don't need to reiterate what Curt said, but being able to capture some tax revenue is always good. And we will table the future consideration and look forward to working with you guys on future tax consideration in the Finance Committee.

SENATOR MARONEY (14TH): Great. Thank you very much and thank you for referencing what Rhode Island is doing. I think that was one of my concerns. I know for alcohol, we require bartenders to do tips training and then we have courses, but I didn't know how we would train for on-premise consumption of, you know, the THC seltzers. With that, Representative Lemar.

REP. LEMAR (96TH): Thank you both for your testimony today. I really do appreciate it. Third time coming to the legislature, this would be the third success if we can actually pull it off. We've had a great benefit of working with you and your respective teams over the last couple of years. And I do appreciate, Gordon, thank you for James this year. He's been a great resource to us to help think through a lot of the complex issues that we're working towards.

It really has been helpful to have someone who can work through us on a day to day basis as we're trying to confront federal legislation and what's happening. Having someone on the ground here in Connecticut who's sort of serving a resource. I personally thank you for having --

GORDON WHELPLEY: Thanks, James.

REP. LEMAR (96TH): The ability for us to reach out to someone to continue to modify this proposal. We're going to continue to work through it over the next few months. Some of this, I think, might be a bridge too far for this current session if I'm reading the tea leaves and my own personal concerns still with regard to on-premises sales. I'm a little nervous about where we are and how that might work.

GORDON WHELPLEY: Sure.

REP. LEMAR (96TH): So, that's going to be my personal hesitation as we proceed. But everything else, I kind of kind of want to work through the details of. And I know that means I'm going to be reaching out to you probably, James, quite a bit to kind of think through the implications of what we're doing.

GORDON WHELPLEY: We are available.

REP. LEMAR (96TH): And with respect to testing, there's a lot of technical aspects of this and potential illegality moving out of state that we'll need to work through. DCP's got some concerns in a number of areas. I'm going to be working closely with them, so your continued availability and James' availability to kind of work through those details and figure out how it would work, how we would remain compliant is going to be really beneficial.

It's a lot of work to kind of get this through to the end of session. And it's going to be largely on you to help us think through a lot of that already. And so, I appreciate, like, it's in your interests, but also I think, Connecticut consumers have spoken and they want to make sure that this is a product that's available to them. And so, we're going to have to work through a lot of these details to ensure its continued availability. So, I just want to say thank for everything today.

GORDON WHELPLEY: You're welcome. And thank you.

SENATOR MARONEY (14TH): All right. Thank you. Are there any other questions from the committee? Okay. Hearing none. Hearing one from Representative --

REP. RUTIGLIANO (123RD): I'm trying to be respectful. You come here and you talk and you're testifying. I really do appreciate that you come and that you have an open conversation. But there is no class that somebody could take to check the impairment of somebody who's using THC. You're not going to turn every bartender, server, waitress into a direct recognition expert. The police can't even do it. They have to send somebody to, like, Arizona for a week or two just to figure out if somebody's impaired using THC.

There's going to be no class where you now are going to mix THC seltzer with alcohol, and then you're leaving it up to some 21-year-old bartender to figure out how impaired it is, especially when THC has a delayed reaction. So, in all due respect, I didn't mean to chime in, but that just bothered me a little bit because you're putting so much on an industry that does pretty well with liquor and alcohol.

We have, you know, hundreds of years of experience in figuring it out. But when you inject THC into that model, you're really setting everybody else up for failure. I mean, I find that proposal to be patently irresponsible. The fact that the country's going the other way, you think that it's getting more pervasive throughout The United States. It's actually getting more restrictive because they're finding some of the ills that happen. Make the product. Sell the product. I'll be with you on out of state shippers who aren't paying the tax. I get it. That's not fair. I'm with you.

I'm going to help you with some of the testing because I don't understand it, and you do. So, that's your business. But as far as thinking that

Rhode Island's going to come up with a ServSafe, which, by the way, is a food hazard program. It's for, like, not poisoning people with food. The alcohol component is called ServSafe alcohol, but most of the people just do tips. And tips tells you to recognize somebody who's impaired or more importantly to see how much you've served them because you're responsible for that person. It's, you know, dream chef. You're responsible.

So, if you've given them more than two drinks an hour or one drinks an hour or whatever you think it is, you're supposed to be monitoring that. How do you do that with THC mixed with alcohol when it might not kick in for an hour, hour and a half? So, I'm sorry for the rant. I appreciate the time. I'm happy to talk offline and do whatever. And I didn't mean to go off on a tangent, but I just find that part to be -- Listen, I'm in the restaurant business. You think I would want to sell this stuff. I get it. I don't. I don't want to sell it.

You know why? Because it's dangerous, and I can't regulate it, and I can't figure it out. I also don't think there's going to insurance company in the world is going to write me a policy to have THC inside of a long -- I could barely get dram shopped. There's only two countries writing it in the entire state of Connecticut.

GORDON WHELPLEY: There is insurance that is widely available for this. There is Frontier Risk located here in Connecticut. They went through a analysis for Live Nation of the risk of, you know, a bunch of catastrophic events. And due to hemp or THC infused products. And it came out at a near zero. It's going to be far more expensive for alcohol insurance always.

REP. RUTIGLIANO (123RD): Right. So, there's zero risk to THC sellers. I get it.

GIRISH PATEL: Near zero.

REP. RUTIGLIANO (123RD): I get it. Pot cures everything. THC is the greatest thing ever. You rub it on yourself. It's a miracle. It's an absolute miracle. Now I get it. I've heard it over and over and over again. There's no science for it, but it's a miracle. And now it's zero risk to an insurance company. I got it. I get it.

GORDON WHELPLEY: Would you agree that this is already an issue in restaurants and bars?

REP. RUTIGLIANO (123RD): What do you mean already an issue?

GORDON WHELPLEY: Already an issue with consumption of cannabis or THC products prior to coming into the bar or in the bar.

REP. RUTIGLIANO (123RD): I don't know. But we're not the ones serving it, so I'm not responsible for their consumption before they come in.

CURT CAMERON: I think the point Gordon's making is that I don't think we're treading on new ground here that people would actually mix these two items together. And I think we have to look -- And I don't disagree with you.

REP. RUTIGLIANO (123RD): Before we passed the regulation, there were restaurants, there were certain ones, not all, that had the drinks listed on their drink menu. They were mixing booze with seltzer.

CURT CAMERON: Yeah. And there are technologies. There's massive opportunity here. Right? And when there's a massive opportunity, there is technologies that are being developed to ascertain how much THC are in people's systems. I would suspect that within the next year or two, we're going to start seeing those hit the market. Then the question will be budgets for police officers to actually carry these devices. But, look, we know where you land on this issue.

SENATOR MARONEY (14TH): No. It's not right.

CURT CAMERON: But we appreciate you being willing to talk about it. And really, that's a sincere comment. We know where you land on this, but we appreciate your honesty and your candidness.

GORDON WHELPLEY: No. Sorry.

CURT CAMERON: You know, in all this stuff.

REP. RUTIGLIANO (123RD): So, You guys have a great day. Thanks for coming.

GORDON WHELPLEY: All right. Thank you.

REP. RUTIGLIANO (123RD): No problem.

SENATOR MARONEY (14TH): All right. Thank you very much.

GORDON WHELPLEY: All right.

SENATOR MARONEY (14TH): Next, Zephyr Teachout.

ZEPHYR TEACHOUT: Hi. My name is Zephyr Teachout. I'm a law professor at Fordham. Thank you so much the Law Committee for holding this hearing. I'm going to speak about SB Section 11 regarding surveillance pricing, and I want to offer myself testimony for any ongoing questions you have about the history of bans on different kinds of pricing, history of limits on discriminatory pricing.

I was hesitant to come today because I have a fever. And, as you probably know, I don't use TikTok, but if I did, Facebook could tell that I have a fever. It collects massive amounts of data based on my behavior, how I use the app, my keystrokes, voice prints, face prints to detect health, anxiety, stress. Now, it's one thing for Facebook or TikTok to deliver different content based on an assessment

of whether somebody is in a slightly more distressed mode.

But it's another thing entirely for Walmart, Instacart, Kroger, or other large retailers to be collecting that same data about my potentially mildly distressed state and then using that to deliver me different prices. And I use health as an example because it's very well documented that people are less price sensitive when they are unwell. That they are more eagerly seeking relief and therefore may pay more for the same product than they would when they were well. So, I want to urge you and using this as just one example of sort of the vast trove of TikTok-like data that could be used to deliver prices to move to a full ban on surveillance pricing in Connecticut.

In fact, I would suggest that such a ban would be not only wholly consistent but necessary for implementing Connecticut's existing very strong consumer protection laws, the lowest price rule that you have. And again, I'm happy to provide follow-up legal counsel on that.

Now, I was here for a few of the comments earlier, and then Senator Maroney, I believe, was asking about a question about how do we deal with the absence of direct proof that PII, personal information, like my 99-degree fever, is being used to deliver different prices for cough syrup or different prices for diapers. And I have one specific response and then a general approach. One is that we should look at the advocacy -- Oh, no. My music's up. Sorry.

SENATOR MARONEY (14TH): So what is your example of how --

ZEPHYR TEACHOUT: Yes. So I'll be really, really quick. I'm sorry that I'm so slow. The example is we look at what Chamber of Progress itself is saying in its many letters across the country, opposed to surveillance pricing bans.

It says, in particular, and I use an example, this will give consumers who have a baby at home a deal on diapers. They call it personalized pricing. And then very quickly, it's really difficult to detect. By the time you have proof, the practice will be normalized.

You will have built the coalition against this, and it will poison the information environment before we even get to be able to ban it. So before we take the poison out of the bag, we should just proactively prohibit it. And I'm really excited to take any questions and again follow-up. Sorry for going over time.

SENATOR MARONEY (14TH): Thank you. Do you have examples of how other state? I know the only state that's passed the law so far is New York State with their labeling. And I know a number of states are considering laws this year. But are there ones that you would recommend we look at or that you are more impressed with?

ZEPHYR TEACHOUT: Yes. I think it's much more important to do a ban than a transparency. In fact, what you'll see, I haven't seen your chamber progress letters to Connecticut, but I assume they're similar elsewhere. They focus a lot on the transparency issues because with a ban, they'd actually have to answer their core question, which is are there members using this?

Sorry. New York has a proposed bill to ban surveillance pricing, and I'm happy to get you what I think is the state-of-the-art ban. I happen to think a lot of this is illegal under unfairness law, and I haven't looked at Connecticut's. I do know you have this great lowest cost price rule, which again, I think doesn't -- actually, surveillance pricing would render it moot. So, this is protecting your existing strong consumer protection regime.

SENATOR MARONEY (14TH): Great. Thank you. Are there any questions from the committee? Representative Lemar.

REP. LEMAR (96TH): Thank you. Thank you, Ms. Zephyr for your testimony. Actually, your last point, I think corroborated my feeling is that our current laws already protect against surveillance pricing in store. I get the distinction between an Instacart and someone shopping online, but the practicality of someone using surveillance pricing at an existing brick and mortar when they're buying a physical product off of a shelf.

Like, I understand that technology could conceivably exist, but right now it's tied to a UPC, it's on the label, it would be hard to mirror a specific product to a UPC that's in somebody's cart and then use surveillance pricing to raise the price on something someone took off the shelf.

I feel like that would be violative of our current consumer protection statutes. So that was where my question was lying. I think you're right in reaching the analysis that our current laws probably protect against that. And perhaps we need to further clarify and specify that the use of surveillance pricing is inconsistent with our current consumer protection laws. But I think that's where the distinction is. We may need to iron out some language modifications there.

ZEPHYR TEACHOUT: Representative, I think that's right. And having worked in the attorney general's office in New York, I think clarity on that is extremely helpful because, as you know, with limited resources, having clarity so that there's no question about the illegality is valuable. But your general premise makes sense to me.

SENATOR MARONEY (14TH): Thank you very much and thank you for testifying. And feel better. So, next, Bryte Johnson.

BRYTE JOHNSON: Hello. I'm Bryte Johnson. I'm state director of government relations for the American Cancer Society Cancer Action Network. Speaking today on SB 228, relating to tobacco permits and tobacco bars.

We have submitted longer testimony, as you can imagine, that would express concern about anything that could potentially weaken the Clean Indoor Air Act or promote smoking. And in releasing that and putting that out, the reaction from some folks on the committee was one of perplexity, and that reaction perplexed us.

And I think that the testimony this morning from Senator Perillo and the follow-up from Representative Rutigliano and Representative Lemar has added some clarity that leads me to this. I just wanted to offer myself up to be able to answer any questions, and in the hopes of being able to ask one question if I could. And I'll leave it at that.

SENATOR MARONEY (14TH): Sure. We typically are the ones who ask the questions, but please go ahead.

BRYTE JOHNSON: Well, so I think that the confusion that exists with this is that the proponents of the bill are arguing that these cigar shops that would benefit from this bill and be allowed to sell alcohol are already providing opportunities for customers to smoke cigars in the smoke shops.

And my question would be, what current statute allows them to be able to do that? Because in the research that we've been doing, I can't find anything that would allow a cigar shop or a cigar lounge to provide for on-site smoking.

The Clean Indoor Air Act does contain a tobacco bar exemption, but it specifically defines a tobacco bar as an establishment with a permit for the sale of alcoholic liquor to consumers issued pursuant to Section 30-22 A that, in the calendar year, et cetera, et cetera.

In order to be able to offer smoking, you have to have a permit for the sale of alcohol alcoholic liquor to consumers. And if you have that, what's the need for this bill? And if you don't have that, then what other statute would provide a cigar shop with the opportunity to be able to allow for on-site smoking, because I have not been able to find anything.

And if that's the case, then this discussion should also include why would we be wanting to reward these shops for not following the law by codifying them not following the law. I'm just seeking clarification on how they have the ability to allow smoking already.

SENATOR MARONEY (14TH): I apologize. I should have before you spoke, once I saw Monica Lewinsky speak at a conference, and she had this rule. You can ask me any question you want, and then I will choose whether or not I will answer your question.

So we'll go back to that. We should have said that, but that being said, we do need to get back to you because our belief is it was banned under the alcohol statute for establishments that are serving alcohol. But it is the cigar shops and others that have lounges are regulated under a separate section of the statutes. But we will look into that and get back to you.

BRYTE JOHNSON: Yes. Same. So, I know this is obviously one of the first steps in the process, and this is not going to be decided today, but I would love the opportunity to be able to meet with you folks and go over this. And if it goes one way, so be it. But it's something that we should be looking further at, as to how this is happening and why should we be reviewing statutes, what's the impact on patrons as well as the employees, things along those lines.

Perhaps this could be turned into a study. I don't know. But I'd love the opportunity to meet and discuss this further as we go through the process.

SENATOR MARONEY (14TH): Great. Thank you. Representative Lemar?

REP. LEMAR (96TH): Thank you so much, Bryte, for your testimony. To bring it fully to public, you and I had this discourse this weekend, when I received a lot of opposition. I reached out to you directly, trying to understand where this difference of opinion is.

I actually started in opposition when I originally saw the proposal, until I looked at the existing framework. I was like, okay. The smoking is actually already happening. And so it's not like we're expanding locations to smoke. We're just expanding locations to drink.

Like, to me, that was my understanding of the proposal and how, in actuality would play out on the ground, these locations, whether they be hookah lounges or private cigar shops already in existence in so many locations across the State of Connecticut, and we would just expand the number of places that you could actually serve alcohol at.

And then I found those that I forwarded to you. I was like, okay, well, this is already happening, and I highlighted three or four across Connecticut that were happening in towns much smaller than 80,000, which the current law would indicate would be the only places where they're allowed to operate.

And many of them had BOB arrangements and advertised opportunities to purchase your own, bring corking fees, but they weren't allowed to sell their own alcohol on premises.

One in West Hartford I highlighted, pretty active and engaged, and they essentially wanted to be able to sell alcohol on their own. And it didn't seem

like it was an expansion of smoking. It seemed like perhaps it was expansion of drinking.

So I think that's where I was confused by the opposition and the framing of that opposition as being expanding opportunities to have smoking establishments. And so I think that's where you and I, perhaps, probably should try to get to the bottom of this a little bit too, so that we're speaking the same language. And I think, for clarity, I was the person engaging with you this weekend, trying to figure out the nature, and source and accuracy of the opposition.

BRYTE JOHNSON: And if I may, I appreciate the fact that you did do that, especially in light of the breadth of the agenda, for the hearing today. You have an awful lot on your plate, and I'm grateful that you took so much time as you did to go back and forth, because that did basically send me down this rabbit hole to figure out why there was this confusion.

And I think it's because our position is that the places that are currently providing an opportunity to smoke on premises legally shouldn't have that opportunity, according to existing statutes. So I'm trying to figure out how that has happened and why, and that sort of thing. So I appreciate the engagement very much.

SENATOR MARONEY (14TH): Okay. Great. Thank you very much, and thanks again for your testimony. Okay. Next, Chris Davis.

CHRISTOPHER DAVIS: Good afternoon, members of the General Law Committee. Thank you for having me back here today. I'm Chris Davis. I'm vice president of public policy for the Connecticut Business and Industry Association.

The state's largest business organization with thousands of member businesses across all industries, and about 90% of our membership is small

businesses. And that's where I want to focus my testimony here today, is on the impact of two bills on small businesses, in particular, Senate Bill 4, An Act Concerning Consumer Privacy, and Senate Bill 5, An Act Concerning Online Safety.

For Senate Bill 4, I use the word opposition simply because we have concerns that I think can be addressed in nearly every section. So I use that term lightly, and I'm happy to work with the committee on trying to tighten up some of the language here that would address some of the concerns that we have, especially around the definition of what a data broker is and a data service provider.

I believe Section 7 addresses some of the concerns of our members about the definition of at least data broker, and the exemptions that are included in there, but it is a bit confusing that it says any business that collects this type of data and then has those exemptions later on in Section 7.

So happy to have a conversation about that later on. And I think that may address some of the concerns that we have about the opt-out portal and the impracticality if it were to encompass a greater number of businesses than I think the ones that you're attempting to target in this bill.

If it were, it would be very, very difficult for these businesses to be able to comply every 45 days, check this data, have all of this data scraped from all of their systems, in that way, and happy to talk about that.

Facial recognition requirements could actually end up chilling the beneficial uses of facial recognition, that's used for enhancing security, preventing identity fraud, streamlining authentication, various other ways that it could be addressed. Happy to talk about that as well.

And algorithmic pricing disclosure requirements, I know it does not have the full band, which I think was just discussed by a previous testifier. But I will note that the disclosure would also apply to both when the price potentially goes up in these situations, as well as when the price goes down.

And I don't know if that's the intent of what you're trying to do, and obviously, it's to the benefit of the consumer when they're using this personal data to be able to lower prices. An example of which would be, say, I buy laundry detergent every month from an online retailer. They know that. They know that I do that.

They offer me a discount the following month to buy it from them and not somewhere else because they know I'm interested in buying that product. So this would still require that type of disclosure, even though they're actually lowering the price and giving me a discount or a promotion for that product. And I don't know if that was the intent.

In the precise geolocation data definitions, I think the word share and transfer, are included in addition to the word sale, and I'm not sure if that is something that was really what you're trying to achieve or if you're really going after just the sale of that data by these third parties that have no customer relationship with the individuals that are sharing that data.

Because there's oftentimes between different companies you might share data or transfer data, but not necessarily be selling it, to the benefit of the consumer. And then I hear the Oscars music, so I'll say I do have some comments about Senate Bill 5 as well.

A lot of good things in there, but also some concerns about the employment decision processes that are included in there, too, that I'm happy to talk about. So with that, thank you.

SENATOR MARONEY (14TH): Yes. Representative Rutigliano.

REP. RUTIGLIANO (123RD): I just had one. When you said that it might be burdensome for them to clear the data every 45 days, it's only the data brokers that have to clear. So what's that? I just want to make sure that you're not in the bill burdening a regular business that maybe collects some data somehow. This is someone who's registered data broker?

CHRISTOPHER DAVIS: Correct. So that is actually what my opening comments were, that I think if that definition of data broker could be tightened up or addressed in a way that makes it clear that it's just those data brokers that are those third-party data brokers and not the people that are collected, which I think some of the exemptions in Section 7 of the bill address that.

But on first reading of the definition of data broker and data service provider, our membership was like, holy, this pulls us in too. So I think in other states that have that definition, like Oregon, they have a much tighter definition of what a data broker is. So it's abundantly clear that only those types of entities are the ones that would be required to then be processing that kind of opt-out.

REP. RUTIGLIANO (123RD): That was my only question because I was confused by it. Thank you. Thank you, Chris.

SENATOR MARONEY (14TH): All right. Are there questions? So, so you were okay with the Oregon definition?

CHRISTOPHER DAVIS: I think it's closer to where it makes that clarity, a lot better than, necessarily, what's included in the languages here today.

SENATOR MARONEY (14TH): Okay. Because last year, we were using the Oregon definition. I know last year, you were opposed to --

CHRISTOPHER DAVIS: Yes. So we've gotten that additional feedback from our membership that that language is closer to what they would be comfortable with.

SENATOR MARONEY (14TH): Okay.

CHRISTOPHER DAVIS: So I'm happy to have that ongoing conversation with you all about that.

SENATOR MARONEY (14TH): Can you speak a little bit to how the facial recognition provisions would prevent the things that you're saying it would prevent?

CHRISTOPHER DAVIS: So right now --

SENATOR MARONEY (14TH): Use case examples, please.

CHRISTOPHER DAVIS: Sure. Hold on. Let me bring up that piece of my testimony. So say with facial recognition right now, if you were to have a situation where you were using it for perhaps authentication, and you were using somebody's face to be able to identify whether that person is actually the person using the product or not, or using whatever your system is.

That if you're going to be using that against a image of them, within that system, the language within the bill may be prohibitive of that if you're going out to an outside system, if you're not using your own internal system, because it's limited to just internal systems, if I'm not mistaken in the language of the bill.

So if you were to use, say, some national database to check against that, for whatever you're doing, I guess, a a case would be, say, you're a business that is verifying somebody can enter your premises

because they have a security clearance or something along those lines, and you went out to get that information, from some sort of third-party entity to verify the identification of that individual, then that's where you would have that issue because it's not an internal database that you'd be checking against. It would potentially be a third-party database.

SENATOR MARONEY (14TH): Okay. I understand that use case then. So All right. You testified. So let's go to the Senate Bill 5. Your opposition to creating whistleblower protections within large frontier models. I don't understand. We define a large frontier developer as a business with over $500 million in revenue the previous year, but your testimony says it's going to hurt Connecticut's small businesses.

CHRISTOPHER DAVIS: I think in that particular Section, I did call out that it just needs to be limited to the entities that develop those large-scale ones and not necessarily ones that are using the off-shelf tools created by those bigger companies.

So the large ones that create $500 million a year are the ones that perhaps are the developers. And then you have the individual companies that are using that property. And then how does the liability then go down from there?

Again, I'm not opposed to it. I'm just offering suggestions on how we can tighten it up to make it clear that those larger developers are the ones that are with the compliance, and not necessarily the end user that might be using their off-the-shelf product.

SENATOR MARONEY (14TH): Okay. Yes. You just have to get back to me with what your concerns are because it's limited to creating protections for employees of those large frontier model developers. If they're seeing something illegal, they have safety concerns,

that they can report those without losing their job. So I don't know how that would create a burden on users downstream. But if it does, we'll clear it up.

CHRISTOPHER DAVIS: Yes. Sure. And I'm more than happy to get additional feedback from my membership on that as well.

SENATOR MARONEY (14TH): Okay. And then, last thing, you referenced, the Connecticut attorney general's interpretation, saying where existing laws apply. Have you ever looked at how any of the other attorney generals have given their interpretation on how they are existing laws apply, and several did before our --

CHRISTOPHER DAVIS: Several have. Yes. I'm not as familiar with the individual laws in each one of those states in which their attorney generals were referencing, but I do know a couple of them have also referenced the federal laws that our attorney general referenced. But then, I'm not as privy to the information about their individual discrimination laws that they were referencing in those attorney general memorandums in those other states.

SENATOR MARONEY (14TH): Right. New Jersey. Right. Referenced their to stay in compliance with their laws against discrimination, you should be doing testing, which we don't require bias testing in here. But Oregon referenced that there is, and there already is, in our data privacy law, a right to know when you're subject to profiling. So, right now, employers are already responsible for doing these things, and they don't know. So why wouldn't we make it more clear to them without penalties?

CHRISTOPHER DAVIS: Well, as my testimony rights, I think our biggest concern is the human review aspect that is applicable to this in those situations of employment decisions that require a human review.

In the example that I give is, say, 200 people, a thousand people apply for a job. You theoretically, under the way that this bill is crafted, you would have to allow for a human review for every single individual that then doesn't get the job, which is very, very burdensome in that respect.

And that's really my focus of my concerns on this, and I'm happy to talk to you about how maybe we can tighten that up to alleviate those burdens for small businesses, especially, because that would be obviously a very big burden for them. And then I did note that even the state system would require this as well, in that this could be an impact on DAS.

SENATOR MARONEY (14TH): And I don't disagree with you on that point. So if that point we're able to clear up, then you don't have issues with the remainder of the employment sections.

CHRISTOPHER DAVIS: I think I'd have to look at some of the additional language and make sure that it's fine with my employer or that are members that have given me this feedback. But I think that was the main concern that was raised to me about that specific language, was in regards to the human reviews section.

SENATOR MARONEY (14TH): Okay. All right. Yes. We'll continue the discussion further because there are other issues that you just didn't bring up that I think we should talk through.

CHRISTOPHER DAVIS: I'm more than happy to, Senator. Yes. I'd be happy to sit down with you on both of these bills this year.

SENATOR MARONEY (14TH): Okay. Great. All right. Thank you very much.

CHRISTOPHER DAVIS: Thank you.

SENATOR MARONEY (14TH): Okay. Next, Liz Gustafson. Jim Williams?

DIRECTOR JIM WILLIAMS: Yes. Good afternoon. I would like to thank the leadership and members of the General Law Committee for providing me with the opportunity to give brief comments on Senate Bill 228, which would allow for the establishment and expansion of tobacco bars.

I listened to the conversation earlier in the hearing between Senator Perillo and the various committee members, and I'm just hoping to get some clarification, most likely at a later time. Based on those conversations, what I understood that this bill does is that this bill would allow an additional 17 towns with a lowered population threshold from 80,000 to 40,000 to open new tobacco bars.

But it was also stated that there's already indoor smoking happening at various tobacco shops, not bars, throughout the state, and all this bill would really do is to allow them and those 17 towns to also sell alcohol. I am unclear as to where specifically a statute, much like Bryte Johnson, is where this is allowed.

With a better understanding, we can perhaps become neutral on the bill. We're mainly concerned with maintaining our strong indoor air loss throughout the state, now with who is permitted to serve alcohol.

I appreciate the conversation that Representative Lemar and Senator Maroney had with Bryte Johnson from American Cancer Society. I look forward to learning more about this bill as the process continues, and I'm happy to give you the rest of my time back unless you have questions.

SENATOR MARONEY (14TH): Great. Thank you. I was going to make an offer to people. If you finish early, you can get that added time on our next public hearing. So thank you for yielding the remainder of your time. But, no. Thank you, and we

will be back in touch with you so we can work through this.

REP. ACKERT (8TH): Senator Moroney, Representative Turco has a question.

SENATOR MARONEY (14TH): Oh, Representative Turco has a question, which is going to come out of his time at a future meeting.

REP. TURCO (27TH): Thank you, Mr. Chairman. Jim, thank you for testifying. Thank you for all your work on behalf of the American Heart Association, looking out for the health of Connecticut residents.

Can you tell me if it is because I've been enlightened by the conversation today in the committee, as it seems like you have been as well? But if it's the case where there aren't new establishments opening, and it really is just the existing establishments that already are, people are enjoying their cigars to be able to now just purchase a brandy, which I think, the ranking member uses as an example. I'm not saying you love the bill, but can you accept the bill?

DIRECTOR JIM WILLIAMS: I think we could probably get to neutral on that, Representative Turco, because, again, we're not really concerned with who or who doesn't get a liquor license or is allowed to serve or sell alcohol.

We're mainly concerned with maintaining the strong indoor clean air laws that we have in the state. So what we hope not to see is new tobacco bars open throughout the state.

REP. TURCO (27TH): Well, thank you so much, Jim. And I think once we can get to the bottom of exactly how this would work with our existing statute, we can figure out if it's something that you believe we should oppose or, perhaps, consider moving forward. So thank you. And thank you, Mr. Chairman, for allowing me the question. Thank you.

SENATOR MARONEY (14TH): Thank you very much. All right. I don't see any further questions. So, next, Joe Feuerstein. Next, Michael Binko.

MICHAEL BINKO: Thank you, honorable Co-Chairs, ranking members, and distinguished members of the General Law Committee. My name is Michael Binko. I actually come to this as an outsider from Connecticut but very interested in the future of Connecticut from what I call an innovation road mapping perspective.

I'm here to provide some perspective on SB 5, but also SB 4 and SB 86 related to artificial intelligence and how to roadmap the stewardship of this new innovation for the state of Connecticut.

By background, I am a serial entrepreneur, an active early-stage angel, and venture capital equity investor in emerging technologies. Mostly has been in the Internet space, cloud computing, and cybersecurity, and more recently, AI and quantum technologies.

I had been introduced to the Connecticut future through the National Science Foundation, with Connecticut's ambitions around quantum computing with Yale and UConn, and the state getting together around quantum CT.

I was a finalist candidate for the CEO role, and I'll get it for that. But I am more of an applied innovation strategist than more of the pure research, the R 1, R 2 institution.

So, as I was meeting with all the stakeholders for the Quantum CT opportunity, it bubbled up to me that with the industry sectors that Connecticut has that mattered not only nationally to the US, but also on an international basis, it has a very good, fertile ground for becoming an applied AI and quantum juggernaut.

So I got a little more curious about it and looked into the potential of could the workforce in Connecticut be tuned to those opportunities more on the industry side than academia but certainly bringing our academic institutions into the fold.

When I had done cloud computing and cybersecurity with my own startup, I created a concept called the innovation sandbox. And Senator Maroney, I know a year ago, during session, we had talked about a sandbox environment for policy, best practices, or regulatory pathways if necessary.

I've seen this for over 30 years in innovations that are proving themselves in industry, and for consumer purposes. I think AI is coming very quickly. Quantum will follow. AI-driven quantum is certainly going to be the first shoe to drop in that regard.

So I do believe Connecticut is in a very interesting, what I call a rare air moment, to kind of apply what we call as talent plus innovation equals workforce ventures and economic impact. And I don't like to talk about it. I like to roll up my sleeves and do it.

So we got together with Trinity College as our first academic institution in Connecticut, in spinning up AI and quantum innovation sandbox. And what we're trying to do is be sensitive to some of the legislative and policy pathways of best practices, center of excellence, so that we might not have to go down the regulatory path so quickly, but always being aware of the fact that privacy concerns -- being an outsider, I do want to lift up Betsy Frankelino, really helped me out on getting, comfortable with how the legislative process works.

I was not able to submit my written testimony, but I will try to do that at the end. There's some really good data from Ecomap on where Connecticut lies amongst its peers, states across the US, and I'm happy to share that.

SENATOR MARONEY (14TH): Great, Binko. Thank you very much for testifying. I'm interested in learning, one -- Yes, agreed on the applied AI. I'd love to see what we can do to help as a state, provide resources to our small businesses, to help them to speed up their adoption of using AI to be more efficient in a responsible manner. Can you talk a little bit about some of the projects at Trinity that you've done and how the sandbox is working at Trinity?

MICHAEL BINKO: Sure. They had a senior project that seniors can select to choose for credit. This senior project is through the computer science department, but it's also co-stewarded by their life design and career center and their entrepreneur and innovation center.

So, these students are getting a hands-on perspective from their own department in their degree category, computer science, but also from their career mapping, and if they have an entrepreneurial mindset, to really energize that.

So, City of Hartford leaned in under the direction of Mayor Arulampalam and Jeff Alker, particularly, and we're going to be working on analyzing some camera data for safety and security, pedestrian and vehicle.

So also I've heard, as I've listened to some of the other testimony on other bills. That will also have some carryover on policy and advocacy there. The largest pediatric health center, CT Children's, is looking to do their clinical pathways dataset, which was in a very static PDF form, to become engaged chatbot where practitioners can actually engage in the data more actively and more efficiently when they're in front of their patients and their caregivers, mostly the parents.

In addition to that, an organization called NextMinds, which was the Connecticut Invention Convention, so K through 12 mindsets and beyond,

thinking of how AI or quantum capabilities could be a part of their future career plans.

And then, really, the students, leveraging this from not just having the technical chops of coding, and as I think as Dan O'Keefe pointed out upfront, his vibe coding over the weekend, really has given him the realization that they need to have more of the applied skills.

Project management, how do you manage the budgets, the efficiencies, and the metrics, and outcomes of applying these innovations? So that's what we focus this first academic deployment at Trinity, on getting the students certified for project management alongside their technical skills. And I think that's paid a ton of dividends as they've engaged on these projects over the last, essentially, eight to twelve weeks.

SENATOR MARONEY (14TH): Thank you. I'm sure you're already aware of it, but Berlin CityLAB they've done some innovative things, and everything they create is open source, and they document, and they had done -- I can't remember. I have to look through my notes, but they did have a project related to utilizing the data from their the cameras to help improve neighborhoods.

MICHAEL BINKO: Absolutely. Great.

SENATOR MARONEY (14TH): Are there any other questions? Okay. Thank you very much for testifying.

MICHAEL BINKO: Thank you. Appreciated.

SENATOR MARONEY (14TH): We'll be in touch. So okay. I see that Representative Rochelle is here. So we'll go back to Representative Rochelle.

STATE REPRESENTATIVE KARA ROCHELLE: Can you hear me now? Okay. So I am here today to testify on SB 4. I expressed my strong support for the bill and to focus on a few sections. First, I just want to put

on the record my strong support for Section 18 and encourage you all to really focus on the civil rights of residents and making sure that we are protecting people's rights to privacy there.

But I really today want to focus on Section 11, which is to discuss the urgent consumer protection issues of the most urgent consumer protection issue of our time, in my eyes, which is the growing use of surveillance pricing and surveillance wages.

Section 11 of this bill requires disclosure when personalized algorithmic pricing is used, which is a good start. But we need to be clear-eyed about the scope of the problem.

We should not merely require companies to tell consumers they are being surveilled and offered manipulative prices. We should ban this behavior outright.

In January 2025, the Federal Trade Commission published a first-of-its-kind report on surveillance pricing, which details how corporations are using vast quantities of personal data, our shopping habits, our browsing history, our financial vulnerabilities, even our physical location data and other behavioral signals to set individualized prices designed to extract maximum amount of money from each consumer.

The FTC found that surveillance pricing tools are being actively developed and marketed across a range of industries, from grocery stores and apparel retailers to health and beauty stores, home goods, convenience stores, and even financial service companies.

These are not hypothetical future threats. This is happening right now to real people in industries that impact the lives of every consumer in Connecticut. The evidence is already alarming. According to a report from ProPublica, a college

test prep company was caught charging over $1,000 more in ZIP codes with large Asian populations.

A study from the Belgian newspaper, Dernière Heure, concluded that rideshare companies may be charging customers more when their phone batteries are low because they're desperate for a ride.

Consumer Reports and Groundwork Collaborative investigation found that some grocery prices differed by as much as 23% per item from one Instacart customer to the next. Imagine opening an Instacart and seeing that your price of milk is 23% higher than your next-door neighbor's, because you're willing to pay it.

And the analogy that I often use is if you really love grapes and you order grapes every time you order Instacart to keep them stocked in your fridge, they're going to know that you're willing to pay a little bit more of that they're going to find that threshold of how much you'll exactly pay for those grapes, because they know that you want it in your refrigerator every week.

I am particularly concerned about the breadth and depth of this issue, and the fact that it is completely unregulated right now. And this threat does not stop with prices. I do want to flag for this committee that this also extends to surveillance wages as well.

This is something that we see and are familiar with, with things like Uber and Lyft, but is being extended into other industries like healthcare. They're being used now in healthcare across the country and in Connecticut with companies like CareRev.

So imagine it this way. Would you want somebody to be drawing your blood that, bid the lowest, for a shift that day? And would you appreciate it or want it so that somebody that they know from their data,

maybe a single mom, is offered the overnight shifts first?

This shouldn't be happening. People should be compensated based on their experience or licensing, their time at the workplace, not on what they're desperate to get paid, and what they're willing to tolerate.

So I think that this is something that we really need to get ahead of. I will point out to you that this is not a red state or blue state issue. Right now, there are 15 states that introduced this legislation this year, so it is incredibly timely.

States include Tennessee, Vermont, Florida, Illinois, Maryland, Oklahoma, Nebraska, Hawaii, Washington, Colorado, New Mexico, and Iowa. And, Utah, Hawaii, Washington, Colorado, New Mexico, and Iowa. And notably, Governor Wes Moore is championing a bill to ban surveillance pricing in grocery stores and with grocery apps.

So this is something that is current. This is evolving technology, but we feel an obligation to protect consumers. Everyone's worried about the price of groceries, so let's do something about it.

SENATOR MARONEY (14TH): Thank you very much. Are there questions? I know you had brought up, and we didn't look at the issue in scheduling and in wages, but that may be something to look at in the future. But, yes, you brought up some examples of how there are abuses.

STATE REPRESENTATIVE KARA ROCHELLE: There are some reports. I'm happy to send them over to you, and there's several links in my online testimony I'll be submitting.

SENATOR MARONEY (14TH): Okay. Great. Thank you very much.

STATE REPRESENTATIVE KARA ROCHELLE: Thank you.

SENATOR MARONEY (14TH): Okay. Vidushi Dyall.

VIDUSHI DYALL: Thank you, members of the committee, and Chairs Lemar and Maroney. My name is Vidushi Dyall, and I am the director of legal analysis for Chamber of Progress, a tech industry association committed to policies that promote technology's benefits.

We submitted written testimony in opposition to SB 4 unless amended, but I would like to state at the offset that we appreciate the committee's leadership on privacy, and we believe with very targeted fixes, this bill can strengthen protections without undermining innovation, public safety, or pro-consumer tools.

So I will just summarize the amendments that we're proposing. The first one, being in regards to the section on automated license plate readers. We support SB 4 as a guardrails on how ALPR data is used and protections to make sure that it is being used responsibly, but one minor amendment that we think would clarify the intent behind this bill is that agencies and law enforcement departments are able to contact vendors for technical support because as drafted this bill restricts in the absence of a warrant or exigent circumstances, access to the data.

And like the gentleman earlier spoke, a lot of these vendors don't have that data themselves. So we think this is a clarification that would avoid situations in real life where there is an immediate need for fixing a bug or just helping law enforcement use these tools as they do their work.

The second amendment that we're proposing is in regards to algorithmic pricing. We believe as written, the mandatory disclosure sweeps in routine discounts, loyalty programs, and promotions. And that's not what consumers think of as harmful

pricing, or that's not the risk that algorithmic pricing can pose.

So our recommendation is narrowly tailoring the definition of personalized pricing to include a baseline price. And that would be a retail price based on the region, absent loyalty programs or promotional offers. And we believe this gets us closer to what this bill is really looking to deter, which is price hikes.

Our written testimony cites some literature about the dangers of sweeping disclosures, where it can become noise and also provide cover for bad actors. So now price hikes and discounts are being lumped together, and we think this is a distinction that would get us closer to preserving discounts and savings for Connecticut families.

And the last amendment is regards to facial recognition technology. Right now, this bill takes a one-size-fits-all approach and restricts legitimate anti-fraud purposes, particularly by the in-house database requirement, which could really cripple retailers and financial institutions who rely on tools that use nationwide databases to track organized crime.

Right now, this would force them to build their own database and would limit their ability to crack down. And also, I'd like to call attention to the provision that would allow people to opt out of databases.

I just want to put forward a scenario where a bad actor can ask if they're in a database and then be removed from it. I think that's an obvious way that a bad actor could essentially circumvent fraud prevention strategies by retailers and financial institutions.

So we believe with these targeted amendments, SB 4 would come closer to upholding privacy protections without coming at the cost of innovation or pro-

consumer outcomes. And we're ready to work with you on what that language can look like.

SENATOR MARONEY (14TH): Thank you very much. So I have a few questions I just want to work through. I guess I understand right that the pricing may lead to a lower price. But if we're doing a disclosure, I don't know if it's -- and I agree with you that sometimes it just becomes noise.

All of the disclosures, they tend to -- at some point, you ignore them. But don't we want people seeing that there are benefits as well as detriments to something being used? Otherwise, they're only going to be opposed to it if they're only seeing a notification when it's being used to raise their prices.

VIDUSHI DYALL: I guess what I would say to that is, in a scenario where someone running out of toilet paper then being offered a discount on toilet paper is very different from someone being targeted with a price increase based on, let's say, their income or their ZIP code.

So if you're putting the same label of an algorithm has been used to set this price, I think that puts them both in a similar category of being inherently suspect, then that's just not the reality of these two scenarios. So to treat them the same doesn't seem to make sense or really deter good actors and bad actors.

SENATOR MARONEY (14TH): Okay. I'm still not seeing it that way. I look at it as a right to know issue, and so the right to know -- again, I want to know if I'm getting a discount because of that. So then maybe I'll want to continue sharing my data.

I think the right to know is looking at it from a data privacy perspective, the ability to opt out of the sharing of your data, the sale, the ability to delete. If you see that, oh, I'm getting some benefits, then maybe you want it to be set, versus

you're only seeing it when the prices are going up on you, then I would want to ban that practice if it's only being used.

So I'm not there. I'll just say that on that issue. I think we need to clarify because the facial recognition -- so first a question. National databases. Are there national date -- like earlier on Flock referenced, and says I forget CJIS, I think is a non -- do they have images in there like national criminal like that you can utilize?

I don't know what's in those databases. So are there pictures of people who have been convicted of crimes in other states in there that could be shared through these national databases? Or are you saying a national database, meaning Macy's national database of every Macy's across the country?

VIDUSHI DYALL: So if there is an organized crime that takes place across the country, as written SB 4, it seems to put the onus on creating individual databases rather than connecting, either with the databases Flock mentioned or others out there, to identify people versus them needing to work within a silo.

And that seems counterintuitive to -- essentially the regime that set out in Connecticut's data protection act, which does this balancing. So we think that the provisions in SB 4 shouldn't depart from what's already being codified in CTTPA.

SENATOR MARONEY (14TH): Okay. So we're not really departing. We're just clarifying because right now it wasn't necessarily intended to allow for blanket use of facial recognition in stores. But that is what's being interpreted by the security and fraud exemption.

So we're just clarifying. We're not banning it. We're allowing you to use, but we're trying to set limits where you can use it. People want their privacy. In some ways, but people also want to be

safe. They don't want to pay more than they have to because things are being stolen, and to make up for that, stores charge more.

So I understand that we have to strike a balance. We know organized retail theft is an issue. But when you say a national database, like, I would be okay if it was a national database of people who have been convicted of a crime, and we know that, and then you can reference that and say, okay.

But I don't know, how else, like, why are there any other reasons why someone would get on that database? And again, we're trying to protect people's rights and privacies. And the other thing is it's not a right to opt out.

If you find out that your name is on the list, whatever we call it, the warning list or something for a store, it's a right to appeal in case you were wrongfully put on that list. There are many cases of mistaken identity.

There's a very big difference between a right to appeal, a right to opt out, anyone can exercise, a right to delete. But a right to appeal, you would have to prove that's not really me. Why are you harassing me when I come to your store? Not, but why am I getting that extra?

Do you understand where I'm coming here? Like, we need to find a balance. So we already in Connecticut, we define your face if you're using it to identify an individual. Biometric information used to identify an individual is sensitive data.

If it's sensitive data, you need my permission to collect it, is the way it's written in the law. But there's the securities fraud theft exemption, where if you're using it for that purpose, it's not a blanket exemption from everything, but then, but we're trying to tighten down how you can use it under that exemption.

VIDUSHI DYALL: Understood. I still think there is a lack of clarity of whether retailers or banks can rely on, let's say, FinCEN, for example, or just other databases that do compile things to crack down on organized crime, versus them specifically needing to only rely on internal database that they are in control of.

SENATOR MARONEY (14TH): Yes. I am open to adding in and referencing national databases as long as there is some standard. And so, like, if it's NCIS, if it's CGIS, if there is something that you can show us that there's a standard, there's a valid reason why people are putting there -- we're open to that. Not just stating of a national database, we would not do. But thank you. Again, I appreciate your testimony. It's very useful testimony, and I will reference to it. So I do appreciate that. I'm just trying to flesh some things out with you.

VIDUSHI DYALL: Thank you. And we're open to continuing conversations on these. Thank you again.

SENATOR MARONEY (14TH): Thank you very much. Okay. Next, Kebra Smith-Bolden. Cabra? Oh, sorry.

KEBRA SMITH-BOLDEN: Good afternoon. Good afternoon to the chairs of this committee. State Representative Lemar, representing my great city of New Haven. Senator Maroney, ranking members, State Representative Rutigliano, and all the members of the General Law Committee.

My name is Kebra Smith-Bolden. I'm a registered nurse, a long-time advocate for responsible cannabis policy in Connecticut, and the founder of Lit New Haven, a social equity licensed cannabis retailer in the city of New Haven.

For more than a decade, I have worked at the intersection of cannabis policy, patient access, and public health in the state. Prior to adult use legalization, I operated one of Connecticut's early medical cannabis certification practices and helped

1000 patients access and navigate Connecticut's medical cannabis program.

I share that background because I come to this conversation from several perspectives. As a healthcare professional, as someone who advocated for legalization, and now as a social equity operator working to build a business under the framework that this legislature created.

Regarding HB 5351, I support providing the social equity council with clear authority to conduct investigations. The social equity framework intentionally limited applicants based on income, which meant many of us did not have the capital required to launch these businesses independently.

Opening a regulated cannabis retailer requires well over $1 million in capital, so partnering with capitalized investors often becomes a necessity rather than a choice.

A structural reality built into the framework of Reraka through the social equity program. That structure can create real power imbalances, which is why meaningful oversight and enforcement mechanisms are essential.

In my own experience as a social equity operator, and one of the few who aren't attached to large MSOs, I reached out to the social equity council seeking guidance when my investor began attempting to make operational decisions despite my objections.

Under our governance structure and under the law, operational control rests with me, the social equity partner. And as chair of the board, my decision should be final on all those matters. However, because the investor controlled the financing, he was able to threaten to withhold funding unless decisions were made according to his preferences.

That dynamic created a situation where financial leverage was being used to influence operational

decisions that the law specifically requires a social equity partner to control.

When I reached out to the social equity council, there was no clear mechanism in place that would allow them to intervene or review the situation. Situations like this are not always visible from the outside. Governance structures and financial arrangements can obscure how operational control is actually functioning within a business.

That is precisely why the social equity council needs the authority to review and investigate these situations when concerns arise. I would also encourage the legislature to be thoughtful about the proposed seven-year restriction on ownership changes.

While protecting social equity partners from predatory buyouts are important, the purpose of this restriction should be to prevent investors from forcing social equity partners out. At the same time, if a social equity partner decides they want to exit a partnership -- that's me already? I like to thank God.

Okay. So there should be a clear pathway that allows social equity partners to exit those relationships, and with the support of the social equity council to ensure the process is fair and consistent with the intent of the law.

Regarding HB 5350, I believe Connecticut has an opportunity to clearly distinguish between medical cannabis programs and the adult-use marketplace. As a nurse who has certified thousands of medical patients, I believe the medical programs should continue to be treated with a clinical and a pharmaceutical lens.

Now I had some ideas, but I'm going to keep them to myself for now as I talk to other social equity operators, because I think we can together come up with something that we can share about that.

I would also encourage careful consideration regarding the provision limiting retention of personal data. Long story short, that's the only way we get to advertise. If we have like loyalty programs and customer retention programs.

So if you restrict that, please keep those things in mind because it will severely limit how we can communicate with our customers. I will also like to briefly note several provisions in HB 5350 that I support. This is a great bill.

Allowing edible cannabis products to exceed the current five-milligram THC limit in certain circumstances. Removing existing potency and concentration caps on cannabis flower and concentrates. Agree with that.

Allowing additional branding and color flexibility on cannabis packaging. Also agree with that. And limiting wholesale credit terms. I agree with that. And at Lit New Haven, we have no more than a net 30 relationship with our wholesalers, and it works out perfectly fine. And it keeps that balance in place.

I appreciate that this bill begins exploring responsible social consumption through infused beverages. I support that direction. It would encourage the state to consider making social consumption an optional endorsement that retailers may add to their license if they have the appropriate space and capacity to offer that experience.

By allowing for social consumption spaces, Connecticut has the opportunity to position itself as a destination for responsible adult-use experiences, thus supporting our visitor and tourism economy.

Finally, I want to acknowledge the work legislators and policymakers have invested in building Connecticut's cannabis framework. This remains a

young and evolving industry, and even those of us who have been involved for many years continue to learn as the program develops.

Insight from social equity operators working on the ground is essential to ensuring that the promise of social equity is not only written into law but realized in practice. I believe the strongest path forward is one where legislators, regulators, and social equity operators work together to shape the policies that will determine how this industry develops.

When I advocated for legalization, I made a promise to my community and communities across Connecticut that we would build cannabis programs that protects communities, support responsible business, and fulfills the promise of social equity, including reinvesting in the communities that were most harmed by the war on drugs.

But social equity cannot succeed if licensed businesses are not allowed to compete with the broader marketplace. Consumers will simply go elsewhere, whether across state lines or into unregulated markets, and that undermines the very program we are trying to build. Thank you for the opportunity to testify today.

SENATOR MARONEY (14TH): Thank you very much. Representative Lemar.

REP. LEMAR (96TH): Thank you. My indulgence. Everyone on this committee knows, and most of the lobbyists know too, that you're a first amongst equals when it comes to social equity entrepreneurs here in this building.

Like your personal history, the work that you did to fight for legalization, and the challenges that you've personally confronted in trying to get up and going, I think you have a unique and, well developed interpretation of how the program has evolved, how

it should evolve, the challenges specific to the space.

And I just commend you for continuing to come up here and continue to fight on behalf of your personal business, but also generally, entrepreneurs in this space. And I thank you. And I hold a lot of the lobbyists who come to me with ideas to a Hebrew standard, which is like, how does she feel about this? Like, how would this impact her business?

So people in the committee know because I talk about you endlessly. I'm like, well, we're going to test this one out a little bit first. And generally use you, you were an example as how it impacts an individual, licensee. So thank you so much for being my person that I can like point to that specific business and how it impacts you as a way to test whether or not it's a good idea or a bad idea. So thank you very much.

KEBRA SMITH-BOLDEN: Thank you very much.

REP. LEMAR (96TH): And thank you for your written testimony. It is really helpful to be able to go back and forth and try to understand the impacts that a lot of these proposals. This is a huge bill and trying to understand how it would play out on the ground is of paramount concern to me.

I have some hesitations with the current bill as it's drafted, and I think we need to put some more work and some more thought into certain areas. But your ability to walk through how this would work on the ground is going to be helpful to me as we move forward. So I just want to say thank you.

KEBRA SMITH-BOLDEN: Okay. At your service.

REP. LEMAR (96TH): Thank you again, Kebra. I really do appreciate that.

KEBRA SMITH-BOLDEN: Thank you very much.

SENATOR MARONEY (14TH): Thank you. Okay. Next, Michael Goodenough?

MICHAEL GOODENOUGH: There we go. Now I'm unmuted. Is that better? Can you hear me now?

SENATOR MARONEY (14TH): Yes. We can hear you now. Please proceed.

MICHAEL GOODENOUGH: All right. Great. Thank you very much. I wanted to thank you all for having us here today and giving us a chance to actually talk about what's going on for us. I want to give a special shout-out to Senator Osten for looking out for our hemp farmers.

Always trying to find a way to get us over the hump of what's happened. I know everybody is extremely aware of the major impact that's happened within the hemp farmers within the state of Connecticut. And I think the impact has hit us all in a lot of different ways. I personally ended up losing that family farm of mine.

We're still holding on with our extraction and our greenhouse cultivation. But it's impacted the work that we do with the different universities, the studies that we've been able to do, the bodies of work that we're doing internationally with other organizations around doing research, it's had a major, major impact. And we're down to a small handful of individuals.

And I'm here today to speak of the rewrite that's needed by 5350. The reality is, I think adding an additional license to deal with extraction is absurd. I think the reality is today, and I need you guys to understand this, I act as a co-op to a lot of different groups, a lot of people who come in and extract the lavender or extract the hemp or go through the processes of what agriculture creates and derives and gives us the ability to work with.

Right now, I hold two different licenses with the Department of Consumer Protection. I hold a license with the Department of Agriculture. I hold a filing and a license with the USDA. I hold a filing and a license with the FDA for food manufacturing, and I hold a license and registration with FSA.

The amount of registrations that I already do and abide by, DCP audited my facility for over six months last year, after we went through testimony. And that six-month audit was on everything from my destruction logs to who my pest management contracts were to my extraction logs to my facility physically getting an audit.

The amount of stuff that we do today to abide by the current license doesn't need to have more added to it. A new license doesn't need to be created. We need to be allowed to do the extractions and make the products that we're able to make two years ago, before these things were ripped out from underneath us.

And I hear a lot of people talking today about guardrails that they want to put into place or onboarding equitable pathways for sustainable industry. What happened to our industry? It is not sustainable. It's been laughed at how unsustainable it is. It's not equitable. There is no pathway for me to plan a three to five-year plan around anything that's happened, and it keeps getting worse.

The reality is we need to be in a space where when DCP has a working groups that are put together to allow an understanding of what's happening in the industry, we actually have hemp farmers that are there and a part of that.

We have to be engaged, and I think we have in certain bill recommendations that are being made via Jake, via Paul, and a number of other members that are really looking out for our farmers. But the bottom line is we need you guys to help us save the farms, man. This is too --

SENATOR MARONEY (14TH): It seems like you finished just under the gun. Just before the bell.

MICHAEL GOODENOUGH: Watching that clock out of the corner of my eyes. I did. It sounds enough to make a daggone point. But anyway.

SENATOR MARONEY (14TH): So, no, thank you. Thank you for coming to testify. You've been here year after year to testify and advocate. We appreciate your insights. Are there any questions from the committee? Okay. I'm sure Senator Osten will be back in touch with you, or I'll be back in touch with you to discuss further. So thank you.

MICHAEL GOODENOUGH: Thank you for the time.

SENATOR MARONEY (14TH): Okay. Next, Andrew Gerber.

ANDREW GERBER: Hi. Thank you. Chairman Maroney, Chairman Lemar, and members of the committee, my name is Andrew Gerber. I reside in Weston, Connecticut, and am testifying in opposition to House Bill 5350 in that concern in cannabis and infused beverage regulation.

I'm a psychiatrist, a neuroscientist, and the president medical director of Silver Hill Hospital in New Canaan, one of Connecticut's in the country's most respected inpatient psychiatric and addiction treatment facilities. I'm here today to ask you respectfully and urgently to vote against House Bill 5350.

I want to tell you about a young man I'll call Marcus. Marcus was 19 years old when his parents brought him to Silver Hill. He had been a bright, funny kid, good with computers, dreamed of studying engineering. But in high school, he had started struggling, so many of our young people do, with anxiety and depression, the kind that made it hard to get out of bed and harder to ask for help.

Someone at a party offered him cannabis. It took the edge off. It made the noise in his head temporarily go quiet, so he kept using it. And over the next two years, as high-potency cannabis products became easier and cheaper to buy, what started as a vape pen and edibles became concentrates.

Products with THC levels approaching 80 or 90%. By the time his family reached us, Marcus believed his college roommates were conspiring against him. He could hear voices, voices that told him he was in danger, that the people around him meant him harm.

One night, convinced that his roommate was about to attack him, Marcus barricaded his door then burst out screaming, throwing furniture. Campus police were called. His roommate, a friend since freshman orientation, was so frightened he moved out.

Marcus's parents, when they heard about what happened, said this is not our son. Our son has never raised his voice at anyone in his life, and they were right. It wasn't him. It was his illness. He was floridly psychotic, meaning the break from reality was total and terrifying for everyone who witnessed it, and most of all for Marcus himself, who would later have no memory of that night.

Marcus was not alone. When our neuropsychiatric team reviewed our admissions data, we found that 80% of young people admitted to Silver Hill for severe psychotic disorders had histories of exposure to cannabis. 80%.

These are not anecdotes. This is what we see every week in our own hospital here in Connecticut. I've spent my career not only treating these patients but studying the science behind what is happening to their brains.

Let me tell you what the science says. The cannabis of 1995 contained on average about 4% THC. Today's legal market flour averages 20%. Concentrates, the products this bill would make more freely available

and reach 90 to 95% THC. This is not your grandfather's marijuana.

This is a categorically different substance engineered for potency on the human brain, particularly the adolescent and young adult brain, which continues developing until the mid-20s and beyond, and that brain is profoundly vulnerable. The data are unambiguous.

In Denmark, researchers tracked cannabis induced psychosis over a decade and found it more than doubled. In Colorado, after retail outlets opened, psychosis hospitalization among youth nearly tripled, and visits involving a cannabis related diagnosis quadrupled.

In Ontario, the fraction of new schizophrenia cases attributable to cannabis use tripled. Among young men aged 19 to 24 in that study, high-potency cannabis use was linked to nearly one in five new cases of schizophrenia.

I want to be precise about what this bill does and does not do. The bill's elimination of potency caps applies to the adult-use recreational market. Medical cannabis products, those dispensed through Connecticut's palliative use program, are explicitly exempted from those changes.

Patients enrolled in that program will continue to have high access to high-potency products under the existing medical framework as they do today. My concern is not with the medical program.

My concern is with the recreational market, the normalization of unlimited potency products in retail settings, package stores, restaurants, and cafes, environments where there is no clinical oversight, and where the primary customers are not patients managing serious illness, but ordinary consumers, including young people.

I'm not asking you to recriminalize cannabis or to limit its legitimacy use as a medical tool. I'm asking you to hold the line on the regulations we have, the ones that exist for a reason backed by science, recommended by clinicians, and validated by the suffering of young people like Marcus, who were sitting in psychiatric hospitals right now.

Please vote no on House Bill 5350. The cost of dismantling these protections will not be measured in tax revenue. It will be measured in our young people's minds. Thank you.

SENATOR MARONEY (14TH): Thank you. Are there any questions? Representative Rutigliano.

REP. RUTIGLIANO (123RD): Thank you. And thank you for your testimony. So it's very powerful. I was reading last night. There was many people that submitted testimonies with stories of their children and stories of their young people having a lot of problems. And what really this high-potency THC has done to them.

I am very familiar with Silver Hill Hospital. I'm very familiar with how hard it is to get in there, what the waiting list looks like, what the need is, and that you could probably double your beds and fill up tomorrow.

I have a couple questions, just because you're a medical doctor, just, on the basis of the psychotic episodes, we have heard of the increase in the amount of psychotic episodes linked to high THC, cannabis. Does it go away? We've heard stories of a weekend in the hospital where they don't know where they are. Can they recover from this, or is it a permanent condition?

ANDREW GERBER: It's a great question, and the answer is it depends. If we catch it early, if the cannabis use has not been going on for a long time, and if the person is lucky enough to have a brain that has some resilience, it can absolutely go away.

But when it's repeated, when the concentration of THC is high over a long period of time, particularly when somebody is young, so the brain develops all the way up to the late 20s. So it's not just until you're 18, but 18 to 30, the brain is still developing. And if you have consistent exposure, then it may not go away.

And in most of the patients who end up in Silber Hill, because we do treat the sickest patients, it is not going away. It can be treated with medication. There are ways to ameliorate the effects, but the lifelong disability is permanent.

REP. RUTIGLIANO (123RD): So over the past however many years, can you quantify the increase in patients that you have with this condition?

ANDREW GERBER: It's tough to say because obviously there's many factors, and that's why we cite studies from Denmark and Colorado where they've had much longer experience. The 80% number comes from our data, and we admit, let's say, about 200 patients per year with young adults with psychosis.

So you can take eighty percent. You got a hundred and sixty patients over the last two years. Oh, sorry. Over the last year, I would say we can attribute their increased psychosis to cannabis. But the impact is not just on the individuals. It's their entire families. It's our entire society. And we have to recognize that, and we can't be blind to the effect it's having.

REP. RUTIGLIANO (123RD): How many those patients that you admit or that you deal with, I don't pronounce this well. I don't know why. For some reason, my brain won't pronounce hypermethesis. Am I saying that correctly?

ANDREW GERBER: Hyperemesis. Thank you. Yes.

REP. RUTIGLIANO (123RD): Hyperemesis. How many present with that? We had heard from the Fairfield County Medical Association that it was upwards of 12% that present with that condition.

ANDREW GERBER: Yes. So, for people who don't know, hyperemesis means intractable vomiting. So people who, even after they've stopped smoking, now are vomiting sometimes continuously throughout the day. It's absolutely horrific as you can imagine, and there's all consequences for their health.

Our emergency rooms in the state are increasingly seeing this. It's not everybody, as you said, but I think that's about right, 10 to 15%, and we treat that quite regularly in our patient.

REP. RUTIGLIANO (123RD): Does that really skew younger, or can that happen to somebody at any age?

ANDREW GERBER: It can happen to someone at any age, but like many things, younger people are more vulnerable. Their brains are still growing, and we still don't fully understand why hyperemesis occurs, but it is clearly a brain effect.

REP. RUTIGLIANO (123RD): I was told by some group I was with that if there's a potential fatal aspect to that condition, it was A, is that true? And B, have you heard of that or seen that at all?

ANDREW GERBER: I have. The increased fatalities associated with cannabis come from multiple causes, hyperemesis just being one of them. They're also at just much higher risk for being in dangerous situations, either because of the psychosis that I was saying earlier or because of depression and anxiety and all sorts of negative consequences.

So there's a higher suicide rate. There's a higher, not just hospitalization, but incarceration rate. It hurts our young people in so many ways. And then you think about the impact on their family members, on

their children. The cost of society is almost incalculable.

REP. RUTIGLIANO (123RD): So we were told when all this was happening, and legalization was happening, I really know. Legalization might be the wrong word to use. I like to use the word commercialization. Nobody wants to see anybody in jail for marijuana, but maybe we don't want to see it put in the hands of capitalists like myself who only try to sell more and get more customers. But was that it's not addictive? Oh, it's not addictive. This is what you do for a living. Is it addictive?

ANDREW GERBER: Clearly, yes. There's no way of seeing it otherwise. I suppose one could make the argument that, from a physiologic perspective, some other substances have more physiologic withdrawal effects, but there's absolutely an addiction.

There's absolutely withdrawal. And worse than that, it has so many other negative consequences that go even beyond addiction and current use. It's all the other things that we've been talking about.

REP. RUTIGLIANO (123RD): I feel like you, and I could have this conversation for quite some time. But I wanted to thank you and people like you for stepping up. We're finally getting testimony.

There is many submitted testimony from the prevention community, from the medical community, the Connecticut Medical Association, the Fairfield County Medical Association, all discussing the same thing, how this isn't a harmless substance, and that we should take note of what's happening to young people.

So I really want to thank you and Silver Hill for stepping up and coming here today. So thank you, sir. Thank you, Mr. Chairman.

ANDREW GERBER: Thank you so much for giving me the opportunity.

SENATOR MARONEY (14TH): Great. Thank you. Are there any further questions? Okay. Thank you, Dr. Gerber, for coming to testify. Okay. Next, Thomas Burr, Amy Wadsworth, and Margaret Watt.

REP. ACKERT (8TH): I suspect that Amy and Margaret may be online. I'm not sure.

AMY WADSWORTH: I'm here.

REP. ACKERT (8TH): Oh, good.

AMY WADSWORTH: Can you hear me?

SENATOR MARONEY (14TH): Yes. We can hear you.

MARGARET WATT: And I'm here, but I have an event starting momentarily, so I'd love to go first.

SENATOR MARONEY (14TH): Okay. All right. Margaret, please go first.

MARGARET WATT: Okay. Thank you so much. Good afternoon. My name is Margaret Watt. I'm here as a board member of NAMI Connecticut and public policy chair. I'm also a behavioral health program director and the parent of two young adults.

I'm here to testify against 5350, especially the removal of THC potency caps and Sections 50 and 92. NAMI represents individuals and families affected by mental illness, by severe and persistent mental illness, conditions like schizophrenia.

When the topic of marijuana comes up among our members, people start sharing how much today's weight has played a role in your family member's mental illness. So I know most of you are probably parents. I would encourage you to please read the written testimonies submitted by Mike Pino, William Wadsworth, and Paul Reinhart.

Think about what their families have gone through and how you would feel if it was your child. Then consider whether it's really good policy to remove the safeguards we have put in place on how strong legal cannabis is in Connecticut.

I work in behavioral health, and it's clear, as Dr. Gerber just said, that our young adults are the guinea pigs in the cannabis market. They come of legal age at a time when their brains are years away from full maturity, and therefore at higher risk of IQ loss and addiction than older adults.

They use cannabis more than any other age group, often incorrectly thinking it's going to be the solution to their mental health crisis. And they typically use higher potency products, and they're ending up in our emergency rooms.

As just described, I wish that Dr. Feuerstein had been able to stay and testify today because he could tell you what he sees all the time. When Connecticut legalized adult-use cannabis, we knew research showed that THC, stronger than 10% harms brain development and mental health.

So capping THC at six times that level, 60%, was a harm reduction approach. But last year, we raised the cap to 50%, and I want you to think about the fact that that is plenty strong for anyone who wants to get really high. We don't need to get rid of that cap. The cannabis industry does not need to offer 99% THC to compete with the black market; they simply need to establish themselves as the only trustworthy source of a safer product.

Going to Section 50, which would allow people to use weed in plain view at retailers, including adjacent outdoor spaces. We don't allow people to drink outdoors next to a liquor store, so why would we do that for weed? This is inconsistent with our laws around signage and packaging, which seek to avoid normalizing cannabis to our youth.

Section 92 would allow the sales of THC drinks at restaurants and cafes. Beyond normalizing cannabis to youth, this is a liability nightmare. Patrons would be able to order both alcoholic and THC drinks, which would increase both the impact and the duration of their inebriation.

Also, statistically, about half of Americans are taking a prescription drug, and a quarter of us are taking three or more, which presents additional risk from patrons who combine THC and alcohol with their medications, and the staff don't know anything about how to handle those effects.

And then there's the question of driving home under the influence. In Colorado, the Department of Transportation recommends waiting six hours to drive after consuming cannabis and even longer after mixing THC and alcohol.

That means it's not safe to drive until the next day. So these proposed changes fly in the face of public health. Your committee is the one that put these safeguards in place, so please preserve them. Thank you.

THOMAS BURR: Thank you. Yes, I'd just like to add, since both Dr. Gerber and Margaret just really covered a lot of the details as far as the numbers around potency and all that, I can just tell you from my own personal experience with my son. My name is Thomas Burr. I'm the public policy manager with NAMI Connecticut.

Every time that he smoked marijuana, he wound up in the emergency room. Completely psychotic, completely out of his mind, and a person that we couldn't communicate with nor recognize. And, thankfully, he was one of the lucky ones.

He eventually did get his act together, is in a stable recovery. In fact, he owns his own home. He owns his own business. He's a taxpayer, and his life

is fine. But he's one of the lucky ones. Some people never recover from this.

And I can tell you that every time this happened back when he was struggling with his mental health, it was frightening to see him in a psychotic state. I don't wish this on any parent.

I can also tell you, as someone who has been an approximately 15-year family support group facilitator, I have seen over the years more and more parents who walk through that door to join in the family support group are caregiving an adult child who is not only dealing with a mental health condition, but is consuming some form of cannabis product.

And they, almost to a rule, think that the individual consuming thinks that it's helping them because the mind has been so impacted, they can't see that it's harming them.

So again, I surveyed our members on this topic just the other day, and if I can get my phone to cooperate here, they were overwhelmingly opposed to changing these potency caps as they are. They were overwhelmingly opposed to public consumption. And I, again, will appreciate the comments from Representative Rutigliano.

I don't think we have any way to measure this stuff. I think we are still a long way away from being able to do that accurately, let alone mixing it with other substances like alcohol. I also asked our members if they supported updating the high-potency warning label requirements, related to the risk of psychosis for products exceeding 30% THC. And, again, overwhelmingly, 96% are in favor of that. So, I don't know if, Amy, you have anything else you want to add since we're a panel?

AMY WADSWORTH: Yes. Hi. My name is Amy Wadsworth, and I am a West Hartford parent. And I'm here today to strongly oppose the 5350 bill. The bill removes

potency caps and expands access to high-potency THC products and allows on-site consumption of THC beverages.

This is not progress. This is a public health failure waiting to happen. I'm also the mother of a son who has had his life completely destroyed by high-potency cannabis. My son was healthy, athletic, sober, with no history of mental illness.

What began as casual use during his first semester at college for anxiety and sleep quickly escalated into addiction. Today's cannabis is not what previous generations knew. It's industrialized, engineered, and concentrated with THC potency of up to 99%.

These products are incredibly easy to hide, to use all day long, and are very addictive. When my son tried to stop, he couldn't. In November 2021, he suffered a psychotic break right in front of me. In a single moment, his entire life changed. The harm doesn't look like an overdose. It happens quietly over time as THC disrupts the structure and function of a developing brain.

The morning of my son's break, he had been encouraged by a bud tender at a dispensary with no medical or pharmaceutical training to go big or go home. He purchased the highest potency product available. The decision tipped the scale.

Today, my son lives with a severe lifelong psychotic illness. All of a sudden, my sound child living in a fractured reality riddled with hallucinations, delusions, and absolute terror from paranoia. I felt I was watching my child slowly die.

Once hospitalized, his doctors were clear. No family history, no biological risk. Their opinion was psychosis. His psychosis would not have developed outside of the context of high-potency THC products.

Numerous large longitudinal studies support this, and I have extensive medical records I'd be happy to share. He's been hospitalized many times, including at Yale and at Silver Hill right here in Connecticut. Both are leaders in research and cannabis related psychosis.

Both diagnosed him with severe cannabis use disorder and cannabis induced psychotic disorder. This has absolutely shattered our family. We live in constant crisis of hospitalizations, treatment programs, and daily fear that we might entirely lose him.

Even now, years later, relapse remains a constant threat in a world where avoiding THC is absolutely impossible. I've connected with thousands of families across the country facing the same devastation. This is widespread and growing.

As potency increases, so does the risk of addiction, psychosis, cognitive damage, and suicide, especially for people 25. This isn't controversial science. It's well established. Some argue for higher potency for medical patients.

To date, there's no justification for extreme THC potency nor any FDA-approved uses for medical marijuana. Any potential therapeutic benefit seems to plateau at low levels underneath 10%.

Connecticut legalized cannabis with guardrails, and 5350 tears those guardrails down. Please choose public health over industry pressure, preserve potency caps, prohibit public consumption of THC beverages, and require clear warnings about addiction, psychosis, and brain harm, allowing more shelf appealing labeling, weakens, not strengthens, protection of public health for market expansion.

My family is living proof of what happens when high-potency THC is normalized, glorified, and made easily accessible to young people. Tomorrow, I'm visiting my son in Maryland at his sixth treatment

center, as he cannot stabilize. The brain damage incurred is so pervasive. Thank you.

SENATOR MARONEY (14TH): Thank you, and thank you for sharing your personal story. Representative Lemar?

REP. LEMAR (96TH): I want to specifically thank you first, Amy, for sharing your story, and it sounds like a truly challenging number of years for you and your family. And I have deep sorrow for the experience that you are continuing to go through to this point.

And I can only extend my full heart to you. As a parent of four children, my oldest now 25 years old. I can only imagine what you're dealing with and how hard it has been. So thank you for sharing your story. I do appreciate that.

AMY WADSWORTH: I did submit a written testimony as well.

REP. LEMAR (96TH): Thank you. We did have a chance to read it in advance of the hearing, so I appreciate that. I think Tom, I have a few observations in this space I think are complicating this issue for me a little bit. I share some of the underlying concerns that are expressed here today, generally about raising caps and public consumption, and --

Are we moving a little too quickly? We just made some expansions last year. Are we going forward? My challenge is we now have a regulated marketplace that, in many ways, prevent against some of the excesses that are experienced.

A lot of the stories that I read about happened well before we even had a marketplace in Connecticut. So it wasn't that they were availing themselves of products that were in a regulated marketplace here in Connecticut because we didn't have one at that point in time.

And since the establishment of a regulated marketplace, when I talked to my local police, law enforcement, they say the problems that they are experiencing, whether it be at a local high school or things they find in the middle of New Haven Green, emergency response systems that they're engaged with. It isn't products that are found in our regulated marketplace. It's the illegal marketplace that is causing most of the problems.

So part of me understands why you would say, let's move more of this business into a regulated setting where we don't hear these stories coming from, where we've have good controls in place, where we know who's coming in and who's using, and there's a there's a one-on-one relationship.

And I further confront the opposition based upon the last number of years and the stories that we're hearing, which are truly dramatic and terrible, with other unregulated places where people would access products.

And whether or not we would look at the number of drunk driving deaths we've seen in the last hundred years, and the number of violence associated with drinking or alcohol abuse or alcoholism. And if we would have been in 1920s, looking to the future, would we have said, well, we shouldn't legalize that knowing all of those problems, or would we have tried to address it as we move forward?

So that's a part as a regulator and a government agency, I'm trying to understand if I can create a safer space in a regulated marketplace where folks can get safer and more well understood products, they're otherwise going to consume a illegal matter from an illegal marketplace without any caps, without any restrictions, wouldn't I be better establishing a framework for this?

And isn't that what we've managed to do over the last few years, establish a legal safer framework? I

know that's an impossible position to put you in, but I think it's a, it's a complicated policy choice that we confront because it sounds like a lot of the folks that I heard from were accessing an illegal marketplace and getting dangerous products at really, really dangerous levels?

THOMAS BURR: Well, I appreciate the question. And from my understanding, and Margaret, feel free to chime in if you have some actual data in front of you, but I've heard that since Connecticut has legalized marijuana, the consumption in youth and young adults has tripled. That's number one.

Where they're getting it from, I don't know. Could be a mix of both sources, I don't know. But because it was legalized, it is certainly sent a message that this stuff is okay, and the usage has dramatically increased. And with that increase in usage is the increases as Dr. Gerber talked about the people presenting at the ER and presenting at his hospital. We know this.

So, one of the arguments, I think, for legalization, and I'm not saying we necessarily need to revisit that, but I won't be surprised if down the road we do, the black market has exploded. Again, because the demand has increased, and for the people who aren't old enough to buy legally, that's where they go.

So how you put the genie back in the bottle on this, I don't know. I don't know if it's possible, but I think we should be very cautious because again, the trends and the increases in harm to our youth and young adult are clear. And I don't think we should be going out of our way to promote this stuff, certainly not promote it as quote unquote safe and normal, because it is not.

It's about five percent of the population that is susceptible to marijuana or THC-induced psychosis, and that number hasn't really changed. But what has changed is the number of people who are partaking

and the number of people who are having their lives derailed because of partaking.

REP. LEMAR (96TH): That's interesting. Do you happen to know what the number is for alcoholism, those who partake in drinking alcohol?

THOMAS BURR: No.

REP. LEMAR (96TH): So I presume there would be a similar corresponding increase in total numbers once prohibition is lifted and folks are able to drink alcohol, and suddenly more people would drink alcohol, and then you'd probably see higher numbers at that point in time. So I think it's a natural confrontation that both policy folks have got to contend with as we move forward.

THOMAS BURR: No. I understand. Prohibition was a huge failure back in the day, and I understand that it introduced a lot of bad things instead of helping things. We were fine, by the way, with decriminalization because people deserve help, but not handcuffs. But I don't think it makes any sense for us to promote this.

One of the arguments I had in a previous hearing this session, I think it was before appropriations, but don't hold me to that, was that we have this huge bunch of money coming in from the Tobacco Settlement Fund, which I understand only about a quarter of that goes to the intended use of prevention of tobacco use.

And I was suggesting that since we've been in a surplus for the past eight years, that other three quarters that goes into the general fund might be better spent in more money, not only for tobacco prevention, but also awareness, research, harm reduction around marijuana use.

And I was told by a particular legislator, and I'm not going to name names, but that -- oh, we can't do that because the statute doesn't allow for that.

Well, if it doesn't allow for that, how do we take three-quarters of that money and put it in the general fund? I'm confused. So I think that's something that you might want to consider because that's where we would like to see more money invested, in prevention, research, and harm reduction.

REP. LEMAR (96TH): Thank you so much. I do appreciate your testimony today and the thoughtfulness and the very direct, real situations that you experience and deal with on a daily basis. Thank you again.

THOMAS BURR: Thank you.

SENATOR MARONEY (14TH): Thank you very much. Are there further questions? Okay. Hearing none again. Thank you for taking the time to come here and for all of you for sharing your stories.

THOMAS BURR: So, our pleasure.

SENATOR MARONEY (14TH): Thank you. Thank you. Next, Eric Weiner.

ERIC WAINER: Good afternoon. My name's Eric Weiner from Windsor. I'm here to talk about SB 45 and the governor's bill 86, in regards to the AI components and the automatic license plate readers. Out of college, I grew up in Windsor. Out of college, I was recruited in 1985 by one of the first AI commercial companies called Intelli Corp, and have been in that business since then.

Last spring, I initiated in Windsor a search and then continued to lead the effort to understand how the use of the Flock Safety system was being used in town. That led to the town council voting eight one to turn the system off a few weeks ago.

I have not yet submitted written comments. I wanted to see the types of things you might be interested in before I send you this much data. But sitting

through this discussion, I realized there's really three maxims in the industry that applies to overall to what you're doing. The first is what is recognized as AI today, in three to five years is just normal computing.

The second is be very careful when you're being sold a technology product, or I guess in this case, lobbied by somebody who's wearing a necktie. And then the third is Silicon Valley operates generally on a move fast and break things model.

When underlying civil liberties and constitutional rights are affected, that model is broken. If you're going to threaten somebody's civil liberties, whether it's surveillance or what have you, you need to think a little bit more about what the medical industry might be doing, where they're not starting on saying how fast can we get the product out. You're putting safety first.

Without hesitation, I will assert that Flock Safety has not done that despite their claims to the opposite. I've gone through, for instance, a whole bunch of the Flock Safety contracts and the loopholes that are beneficial to the company and detrimental to the municipalities that are signing up are extraordinary.

And I've been on both sides of these contract negotiations throughout my career, and I shared some of this with one of the attorneys I had hired. And he said if I brought that to him, he would laugh me out of his office. It was so lopsided, and I will provide you with some of that write-up as we go on.

The move fast and break things and back to the contract and the bill. SB 4, for instance, has a provision that would put out of foyer reach data that's collected by an ALPR system. That would have prevented me from discovering what I did in Windsor back last summer.

So that's a provision that must come out. And then overall, the municipalities across any technology, the industry is moving so much faster than the towns are able to cope with. They need help understanding the technology and, particularly, the provisions in contracting.

A local town attorney is not going to be able to understand one of these software contracts. And I think perhaps that's where your General Law Committee might think about extending some of your expertise and legislative abilities.

With respect to ALPR data, the Judiciary Committee is going to be looking at an ALPR bill, is my understanding. I hope there can be some reconciliation between what you're doing, what they're doing, and what came through post.

And then finally, when I look at these technologies that can be very intrusive, step back and say, if you could explain this to the drafters of the Constitution, what would they think? Would they agree that it's okay to do nationwide surveillance? I think not.

SENATOR MARONEY (14TH): Great. Thank you very much. I'd like to ask you some questions.

ERIC WAINER: Sure.

SENATOR MARONEY (14TH): All right. You talk about the loopholes. Can you talk a little bit about those loopholes in the contract? Like, for instance, does it allow for selling of data?

ERIC WAINER: So, selling is a mixed word. You could argue they're selling the data because their overall service is making Windsor's data available to other municipalities. If they did not have the ability to make a locality's data available to elsewhere, they would have no product the way it's architected. So, I don't think it's out of the realm of past argument to say they are selling data.

SENATOR MARONEY (14TH): And it's a good argument. The way we define sale of data and our consumer data is privacy losses, monetary or other valuable considerations. So that's another valuable consideration. It's a value to people. But are there ways, like if the data is de-identified or other things that it allows for actual -- they're both sale. Valuable consideration. But what other people may more likely consider sale?

ERIC WAINER: Yes. The de-identification is tricky. Flock gets to define how they do it. With today's technology, it's very easy to go backwards and re-identify depending on how you do the de-identification.

They claim that the municipality owns the data. Well, not really, when you dig into the contract, they grant themselves some perpetual use licenses to the data. They get to aggregate the data. They get to use it for training their systems. They get to use it, in which, by the way, I believe a lot of that training is done outside of the country, which is just outside of our regulatory reach.

So the range of issues, if you think of one area in the contract that just struck out, is if Flock were to be acquired tomorrow, say by Palantir, which may be a company you're familiar with, everything Windsor has done would be now under the auspices of Palantir. There would not be a contractual right for a customer to say, no. I don't want to do that. So what does ownership really mean in that case?

SENATOR MARONEY (14TH): And an excellent point we do allow for when a sale or proposed for some sharing of data in that instance. Back to what would the framers of the constitution think about creating a system of mass surveillance?

I'm not sure if it was winter that I had heard, based on your research that they have been queried.

I believe it was like 90,000 times by Houston, 100,000 times by Florida.

ERIC WAINER: Yes.

SENATOR MARONEY (14TH): Can you explain exactly what that means when it's queried? Is it they're trying to match one license plate from there that they're looking for, and they just say where is it across the country? Or are they instead going and getting a list of all of the license plates to set up and see, so that they can compare it?

ERIC WAINER: Got you. Yes, I'll take you through that. So, my initial foyer request was for data from April 1st through June 9th of last year. There were about 590,000 searches of Windsor's data in that time period.

A 150,000 were from Texas, of which about 100,000 were just from Houston. And those were searches at discrete times for particular license plates. How they were doing such a volume, I don't know.

Media has certainly reported on cases where, right now, all it takes to do a search in Flock is a username and password, where local officers were sharing their username and passwords with federal law enforcement, whether it's ICE or Border Patrol or so on.

So even what you see in an audit log is not necessarily reflection of the truth. One example of the searches that just jumped out in Texas was July 4th last year in Lubbock, Texas. The search reason was something like protest vehicle, and it was on July 4th.

There was nothing in the press about any major protest breaking out or any crimes happening. It really looked to me like the local police department was going and grabbing all the license plates that were in the parking lot of people attending a particular demonstration, and then doing a

nationwide search to see where those people had been.

All this is without a warrant. If a police department wanted evidence from Google to get the information off of your phone and where it's been, it would require a warrant, a judicial warrant. Even that is being broken down now.

In the last few weeks, ICE and Border Patrol have been seeking administrative warrants that companies like Google have responded to. It's with no judicial review. We must be the bulwark against those destruction of our First, Fourth, and 14th Amendment rights.

SENATOR MARONEY (14TH): So you mentioned one of the reasons you saw when you did your FOIA request was a protest vehicle.

ERIC WAINER: Yes.

SENATOR MARONEY (14TH): What are some of the other reasons that people -- were they always things that seemed like a valid criminal reason?

ERIC WAINER: Yes. I would say out of that 590,000 searches in that area, it's got to been well over 95%, maybe even more than 99%, seemed like they were legitimate law enforcement searches.

But many of them would write a dash, or a number, or you would see ASDF in the searches, the first four letters in the second row of the keyboard. The FBI, out of a fusion center in Houston, a few weeks ago, came out with a statement saying, Encouraging people that do a search of flock to just write in as their reason for the search to be investigation.

And the rationale was that people like me were doing FOIA requests, and they were losing control of how they were searching, so let's just obscure it from the general public so that they can continue doing what they want.

Even with the drop-downs now that Flock talks about, it still doesn't get around the basic problem that my data in Windsor and driving it here into Hartford lives on a server that they control, that Windsor does not have a guarantee that they can withdraw or delete the data. If they did, Windsor would hold the encryption keys to that software. That's not how the system is architected.

SENATOR MARONEY (14TH): Okay. Thank you. So, I guess, then the controls of limiting searches by purpose, what do you feel?

ERIC WAINER: I think it's a sort of false flag. The main issue is that the data lives on a central server in the AWS, in the Amazon cloud that is controlled by Flock. The statement that the locality has ownership is meaningless in that environment.

You would have to go through a very heavy series of outside audits and attestations to deletion. My list is this long of what you would want to see in a properly architected and contracted system to let that kind of statement actually be real, in fact.

SENATOR MARONEY (14TH): And I guess I have one last question for you.

ERIC WAINER: Sure.

SENATOR MARONEY (14TH): Through your FOIA requests, what information do you actually get? Are you able to FOIA request a certain camera and get a list of every license plate that is driven by that camera?

ERIC WAINER: I haven't tried to do that yet, and I don't know the answer to that question. All I asked was for what the Flock calls the network audit, which is the list of searches that were done. Back out in Washington state, I could do a -- they just said that everything is a public record.

So, Senator, I could get your license plate and ask for all of your travels throughout Washington State, and that would be in public record. I don't think you'd really want that to happen. It's unclear how that would play out here in Connecticut.

SENATOR MARONEY (14TH): Okay. I guess, which brings up another question for me. And so obviously, your access to the audits was valuable information. But is access to the plate -- and again, we need to verify. We don't know if you can get them. But would you be opposed to limiting the ability of someone to FOI list of every license plate that is driven by a specific license plate reader?

ERIC WAINER: Yes. Because you could go and then assemble that same request from lots of license plate reader and then figure out where I've been over time. And I don't think that's what the founders would have thought was a good idea.

SENATOR MARONEY (14TH): No. I agree. I don't think that because with that amount of data and with AI, it just makes it so easy. You could upload it, say, identify trends, look for this person, build a profile for me. There are other things you could quickly do.

So I think that agreed. When we create public records, open records are important, but people's privacy are important. So I think we need to find that balance. I think we're in agreement that those audit records, yes, they should be public, but the individual license plates, you shouldn't be able to FOI and get that information.

ERIC WAINER: But you should be able to do it for yourself.

SENATOR MARONEY (14TH): Oh, that's interesting. You think that you should be able to pull and see every time? Okay. This is very interesting, I don't --

ERIC WAINER: Yes.

SENATOR MARONEY (14TH): We're only halfway through today. We're six hours in. And I could probably ask you questions for a long time. So I'm going to respect everyone else's time and say, I will be in touch with you.

ERIC WAINER: Please. I'm happy to help. And just one other piece on the AI side is, I believe, I can help a bunch on that. Between SB 45 and 86, you have three different definitions of artificial intelligence.

The definition in '86 to me is probably the closest. I could take the definition in SB 4 and say that the Coke vending machine out in the lobby is an artificial intelligence. So there needs to be a lot of work on what that definition aspect is.

SENATOR MARONEY (14TH): Yes. And agree. And one thing I'll just say that is hard to understand when you don't read this legislation all the time is that we try to look for uniformity across states. And, the OECD definition is the one that people are trying to adopt, but it doesn't necessarily always -- if you're a technologist, people don't necessarily like that definition, but just in looking for uniformity. But happy to work with you on that. But whatever definition we pick agreed, it should be consistent across bills.

ERIC WAINER: Yes.

SENATOR MARONEY (14TH): So that is an excellent point.

ERIC WAINER: All right. And I'm at your service.

SENATOR MARONEY (14TH): Thank you. Oh, actually, Representative Ackert has a question.

REP. ACKERT (8TH): Yes. Thank you. What did Windsor use the program for specifically?

ERIC WAINER: This was looking for vehicles that were on a hot list --

REP. ACKERT (8TH): Okay.

ERIC WAINER: -- like, they were stolen, or somebody fleeing a scene of an accident. And they helped. They helped solve crime.

REP. ACKERT (8TH): Okay.

ERIC WAINER: There was no question about that.

REP. ACKERT (8TH): I appreciate that because I have five towns I serve, and many of them are asking for more. They want to do licensed readers, and I think they did. Buyer beware is what we need to be stressing on that. So, thank you, Mr. Chairman. And thank you for your testimony.

SENATOR MARONEY (14TH): Thank you for your question. Understood. There is a definite public safety benefit. And so our goal here is to balance the personal right to privacy with the greater good of the public and public safety. And how do we put guardrails, not prohibitions?

ERIC WAINER: And the buyer beware applies to so many different software products now. The vendors are so far ahead of the municipalities that it's easy for them to get hoodwinked. I used to do the hoodwinking.

SENATOR MARONEY (14TH): Thank you. Reformed to hoodwinker. Thank you. All right. Next, Ben Zachs and Kennard Ray.

BEN ZACHS: Hello. And I just want to note that, even though there are em dashes in here, I had a teacher at Loomis who told me I used too many commas, so I didn't AI write this in the written testimony. And em dash is generally the telltale sign. But Chairman Lemar and Maroney, ranking members Cicarella and Rutigliano, and the members of

the General Law Committee, I really appreciate your working on this bill.

And to Chairman Lemar and House majority leader Rojas, who have really engaged in the economic reality as well as the operational issues, I really want to thank you both specifically for taking the lead. My name is Ben Zachs, and I, luckily, after three years, got to drag up Kennard Ray, my social equity partner and business partner in Fine Fettle.

We have nine dispensaries built in the state, as well as a cultivation. We employ about 150 Connecticut residents. We've invested about $30 million of capital into infrastructure here, donated about a million dollars towards our social equity plan, and thousands of hours of volunteerism, which is really a part of the bill that doesn't get discussed much.

For the past three years, the cannabis bills in Connecticut have really been about licensure more than anything and not operations, and there's been little addressing that. And this year, this bill is so much more comprehensive than I sort of ever would have expected, and I really appreciate you all for digging in so many ways in areas.

But our reality is that we have really high prices in Connecticut. We have incredible operational burdens that are unlike other places, and we also have a number of areas of regulatory friction that I think are overbearing versus impacting safety and patient care at the end of the day.

And I think this bill does meaningfully turn that towards impact that will keep patient and consumer safety. That's incredibly important. I'm proud that in Connecticut, we haven't had the traffic and driving issues. I'm proud that we are tracking to ensure that people 21 aren't using and consuming our products and coming into our stores.

And we're doing this the right way, and it is a nuanced and balanced issue, and we're incredibly cognizant of that. In our testimony, only two pages of this are really to be discussed, but we have 27 pages of direct language that we think we'd love for you to click, copy, and paste and put in, because we always get asked for the language, and so we wanted to put that directly into here.

But we're going to talk about three core issues, and Kennard will talk about the third. The first is around the pharmacist requirement, how it's set up now. The summary of the bill says to reduce the operational burden, but the way that this bill is actually written, it sort of just shifts one eight-hour in-person remote verification, from remote verification to in-person, to a 100% remote.

We think that there is -- it's time to adjust to a change with less operational impact of the pharmacist and really having the focus on the key areas, which is oversight in the prescription monitoring program, which is our required tracking of medical patients, auditing the inventory, and ensuring that the pharmacist is there really to have a conversation on the medical needs and not in the day-to-day of seeing a product, seeing a label, making sure it's the right run because we have the operational impacts towards that.

And so shifting that language more around audit and oversight, we think, is incredibly important. And so we've also given, as noted, language on how to adjust that, which we think was the intent of the bill based on the summary and discussions.

The second area that we want to talk about is the commercial extractor license and really hemp-derived THC. And with the federal regulations, which are coming in November, as well as the reality of the hemp industry in Connecticut, having these undefined terms of how they can operate.

Technically, they can't extract, but they could buy from outside the state and make the drinks themselves. There's a dichotomy there that I think the hemp producers are absolutely right. But the way that the bill is drafted now is incredibly broad, which would allow essentially to convert their license.

And there's been a major investment parity between the way that what we've had to do to operate and then being able to come in and ensure that the hemp-derived THC is really used in the drinks business. And we could even make the operations and hemp drink businesses in Connecticut a leader for nationwide or in the state.

And we think that THC should specifically be able to stay just for the drinks and not overtake our vape market, our edibles, and other core categories of cannabis products that our regulated industry is managing, and keep it towards the drinks, which is where it's been, where it's been federally, and where we think it should be in the state and the third piece that I just want to add, which I didn't write about, but I want to talk about before Kennard talks in is, consumption and driving is something that's really important. And so I think making sure that we understand how those impacts happen, and that there's a regulated market for where people are consuming, how they're consuming is important to really define how you're going to do this. And so that's, I think, hopefully, my three minutes, and Kennard can dive in on his piece.

KENNARD RAY: Hello, everyone. Good to be back. I'm going to speak specifically to 5351. I think you all know I've written about it, been interviewed about it, been on the news, maybe, interviewed a couple of times, but I oppose the codification of the seven-year restriction.

Reason being, look at the ownership structure as it is. I know that these provisions were put in as protections, but these protections may be

protectionisms at this point. We all worked together five or six years ago on the dream, but now the reality is much different if we look at or look across the market. I don't want to stick anyone out in particular, but I will since I'm here testifying.

If you take a look at Tiana Hercules, an operator, and her current situation that you all, I think, know about at this point, she'll testify a little while later to speak to it. But this is a real issue that's come up. And I think that I brought it up in the years past fearing something like this would happen. Because, of course, when you're working on a dream, you come up with the dream scenarios, you come up with the dream protections, but now we have to deal with the realities. And I encourage and implore each one of you to work with us to get the market into a realistic place. Thank you.

SENATOR MARONEY (14TH): Thank you. Representative Lemar.

REP. LEMAR (96TH): Thank you. And as Kebra's first amongst equals, Kennard, you're second amongst equals. I appreciate you and I have got a long-standing relationship in a variety of different ways well preceding your time here. And I've always admired your fight, your drive. You've been able to succeed in this, is of no surprise to anyone. You've always been the hardest working person I know, and I'm thrilled with your success.

I struggle, though. I'm struggling with what that dream was, and my worry that we promised something. We promised people an access point. We promised people an idea when we're going through this fight originally. And am I taking that away. Am I undermining something that was central to the legalization efforts. And in that you are so prominent in those fights.

I take your thoughts and consideration about how to move forward seriously, and I take it as a well-meaning request. And I'm not quite sure I fully

agree with you. So you'll see there's tension between 5351 and 5350. And that tension, I probably the cause of it because I think I'm somewhere in between and I'm not sure how to handle it.

I think we've gotten in 5350 a lot of places where you guys have been asking me to go for a couple of years. It took me a little while last year. I wasn't there. It took me a little while to catch up. In the seven to three aspect of this, I am torn. I am torn in a way that I don't know that I'm going to come to conclusion in the right timeline. I wouldn't mind you expounding upon your feelings a little bit more, if I could.

KENNARD RAY: I totally understand the struggles. That's partly why I haven't been here testifying. I understand that, in my personal opinion, it was almost improper to fight in one way and then fight against what I fought for. I think part of that, though, is I wasn't and none of us had been in the game yet. There was not a market yet. There was not an adult use market that where we could actually experience what the possible pitfalls could be if we were out there.

And I think although I spoke with both Senator Maroney and Representative D'Agostino in two sessions ago about this, I think the fear then has become real. When you look at Tianna's situation and, again, I don't want to continue to speak on hers because she'll speak on it herself, I think we've put certain folks at a huge disadvantage and others at a smaller disadvantage. Each of us operators I've heard today is called SEIs and SEAs. I'm going to say SEOs, social equity operators.

But I think each of us have been put in a pretty precarious situation where we got into the business to be in business and to move the program forward, but we don't have the protection that you need when your business may be going down. Just isn't there because there's so many variables. That's my piece

on that, and I really appreciate you appreciate each and every one of you for hearing us out.

BEN ZACHS: And if you don't mind my chiming in because I think there's impacts of this that really matter. For example, with our team, we had three social equity partners. Their ownerships had to be changed and adjusted. We added three more. And for each operation, we add $25,000 a year per one because we have to have seven different cap tables on our social equity operations rather than having ownership across.

We've created a great team together, but the reality is that they're actually -- my social equity partners are competitors with each other and partners with me in the middle. And so areas like that where if you have abilities to create fair valuations, it can work.

The other part is, part of what happens in this business is the importance of verticality from a tax perspective as well as a value perspective. So if you make your own product, hopefully, it costs less than you're going to buy it from someone third party. And now we have differentiated places on where we want to price it to ourselves because some people are owners somewhere versus others.

Also, Kennard himself, he could sell -- if we sell our grow, but he can't sell the dispensaries that he is on the cap table for four years across from each other, the value creation is now mitigated because you sell -- cannabis is not a multiple of revenue business. It's a multiple of EBITDA business. And when the EBITDA is different across different places, someone's going to get screwed. And the structure adds that. That's on the upside if you're making money.

KENNARD RAY: And that four-year piece is really important when you think about what Ben just said because the verticality, if we open in each year a different place, that's that restriction each year.

Right? It starts over again and again. So that's really, really tricky. And not just tricky. It's again, it's small disadvantage versus large disadvantage.

BEN ZACHS: Yes. Those are the upside scenarios. The downside's even more difficult. Because if something's going wrong, well, these businesses don't just keep running. You got to pay your bills. And then what happens? Or if you need to make an operational decision that you then can't afford. Or if you get the opportunity to sell because selling or giving away at times, fine federal outside of the state, we've given away a license basically because we were failing.

Other folks would not have that opportunity because of the timeline restrictions. And so having the nuanced ability to ensure there's oversight, and I heard Kebra talk about that, and I do understand that there can't be a predatory, taking advantage of, but also giving the place to have your own ownership decisions and be able to control your own destiny to completely shut that down is really hard. Whether it's a mechanism to recognize, hey, if this is a good deal or not, I can sell. He can't.

KENNARD RAY: That's the perfect mechanism. And in past years, that was an if. It's no longer an if. I don't want to keep referring to Tiana Ayr, but there's no longer an if there.

SENATOR MARONEY (14TH): Thank you very much. Okay. Next, Cody.

CLERK: Cody has not accepted the invitation to the panelist. Jan is not testifying, so we're at number 57.

SENATOR MARONEY (14TH): Okay. Cody, please accept the invitation to become a panelist. And while you are doing that, Paul.

PAUL TRAVAGLINO: I want to thank the chairs and the ranking members and other esteemed members of the committee for digging in on cannabis in such a substantial way this session. This is a marathon day for you, and we appreciate the time and also the ability to dig into the many things that we need to talk about within cannabis.

I'm going to just keep my remarks to two things today quickly. The Food and Beverage Alliance asked for limiting the number of drivers in transport. I think the language in the bill simply mentions the producer, which isn't even a thing anymore. So I think that was probably just a placeholder, so we would ask that that be applied to all the different licenses.

The second thing is we did submit to the committee, and I don't know where the committee's head is on this collectively, the concept of taking all the manufacturing licenses of which there are three types and collapsing them into one, essentially sunsetting the packager, food and beverage manufacturer, and making them all product manufacturers.

There's two things we're asking here for. First, to do all the products in Connecticut, you need to have a food and beverage license and a product manufacturer license, something we asked for a number of years ago because the DCP changed its interpretation before we were all up and operational.

There used to be a dividing line between what a food and beverage manufacturer can make, which is edibles, and then a product manufacturer, which are non-edibles. And then their interpretation changed to that. It was really because of a poorly written statute that product manufacturers could indeed do everything.

We came to the legislature in 2023 and said, can we make it reciprocal? The problem is it's a $30,000

license. And the comparison we like to make is, as independent manufacturers, we cannot grow, so we have to source our biomass or oil from someplace else, and we don't own any retail.

In fact, all the other licenses except for the transportation delivery licenses are essentially vertically integrated. A microcultivator costs $1,000 a year, and they can do everything. They can grow. They can make all the products that our two licenses require. And they can sell directly to consumers so long as they deliver.

There's an unintended consequence to here too. When the Department of Consumer Protection set the license type, they made it in -- well, they attached it to the original license. So if you started in January, say, with your food and beverage license, but you added your product manufacturing capability in June, you were only going to get six months' worth of that $25,000. This happened to a number of our licenses, where at the time of renewal -- in fact, one or two of them actually lapsed as they were going back and forth with the department as to what am I doing here and why do I not get to just annualize my payment.

It's not the department's fault necessarily. They made them coterminous and, really, they should each run for 12 months. And it was really because I think the way the website operates. The simple thing we're asking for is collapse everything down to a product manufacturer. We've written language. I think the committee has it, and we'd ask for a $5,000 annual fee. We think that's in line with other states. And also having one license is in line with other states. I'll take any questions on that. And if you want to ask me questions about work in process, I'm happy to talk about it, but I'm not going to testify otherwise.

SENATOR MARONEY (14TH): Great. Thank you. Are there --

REP. LEMAR (96TH): I'm work in progress because that's how I associate what -- you would have come here. I know.

PAUL TRAVAGLINO: There were robust conversations outside of this room all day long, and I think I've crashed from the adrenaline from those, but I'm happy to talk about it.

REP. LEMAR (96TH): I feel like we're getting closer to where you are asking us for some language modifications that you're probably seeking in line with what are the folks testifying to. If you've got thoughts on how that language should be reinterpreted, please let us know.

PAUL TRAVAGLINO: On web, you mean?

REP. LEMAR (96TH): Yes.

PAUL TRAVAGLINO: Yes. Just so everybody in the room understands, if I can take a moment to talk about it. There is an explainer document that I circulated to some people, and it was about eight pages. And it talks about what's happening on the federal level with the farm bill.

And in November next year, hemp is essentially extinct. The original farm bill language did not have any kind of intermediate work product definition, and therefore, Connecticut didn't either. It was always assumed that as a hemp farmer, you could grow the plant and then a manufacturer could extract the oil from the plant and then make derivative products.

The department's current posture towards hemp manufacturers in the state of Connecticut is that they can't hold any extract. So last year, they went to the legislators here and said, could you please help us? And I think Senator Maroney and Senator Osten asked DCP to draft something, and that was the extractor language. That would be the easy way to do

this, just to take that language wholesale and drop it in this bill, and that's what was done.

There probably is a more elegant solution. But first, we need to recognize that right now, hemp manufacturers aren't able to make the one milligram product because they're not allowed to hold on to concentrate. In years past, we were talking about trying to bring in THC from out of state or even buy THC in state, hemp farmers.

I think the bigger issue is really minor cannabinoids because there is an extinction event that we know about. We see the meteor coming. It's going to land here in November if nothing else happens on the federal level. And I don't know that we should rely on that and then taking any action. And I don't think anybody stood up and really has made any serious moves to stand up minor cannabinoid extraction and refining in the state.

I think some people are starting to talk about it now that this issue is in front of them. But I'm not trying to create anything that is going to compete with cultivators. I think cultivators are concerned about this because they think it's going to be a crazy event where a bunch of zombie hemp growers and manufacturers are going to stand up.

I have FOIAed the '23, '24, and '25 data. There really aren't that many people left. I think you as the policymakers could decide how you want to do that. And one of the things I'm going to just suggest is, when the paleo abuse of marijuana statutes were passed, in 2013, I think it was, the companies that wanted to apply had -- it wasn't by way of a lottery.

If the policy makers decided they wanted to restrict who could actually get into the game, they could do this by letting them apply and almost an RFP process. Not everybody really wants to do it. By the way, what's required to do, we do on the cannabis side. I have 4,000 square feet. We have 28 cameras.

I can't tell you how many access devices. DCP agents, when they come into our facility, make me try to hide behind things so there is no place in the facility where we can't be on camera. I don't know that our hemp manufacturers are prepared to do that.

And, again, I've said this as a joke kind of to people in this room. I'm not the lobbyist for the hemp industry, but I do feel for them and some of them are my friends now. I think they should be able to make the products that they're allowed by statute to make. I think the department's interpretation of that and the enforcement of that is contravenes the statute. That's for you all to decide.

I think the department recognizes this as an issue, and we have had conversations with them. But infused beverage manufacturers will go out of business if they can't source THC. And I don't know that I any longer need, from our license, to buy THC from hemp.

Last year when I was here, I desperately was concerned about that. I think there's probably a middle ground we can all get to. And the industry has my promise that I'm not looking to zombify a whole bunch of people who are sitting on the sidelines, but there are some people who are still hoping for hope on the hemp side.

And, again, I promised my son, who is my partner, that I wouldn't talk about this today. I am part of the person behind this, part of the move behind this, and I want to make this work for everybody. And I just want to be honest and candid to everybody that we'll e doing.

REP. LEMAR (96TH): I've had conversations. Do you understand why there's concerns?

PAUL TRAVAGLINO: A 100%.

REP. LEMAR (96TH): There's concerns in the marketplace that's going to eviscerate our social

equity partners, saying the sheer quantity that could hit the marketplace would collapse early-stage industries and businesses that have had the promise of existing under their license. When I talk to other folks, they don't quite understand why we're trying to reach a balance here.

PAUL TRAVAGLINO: Let me say something this way if I can. Despite our best efforts, we still haven't properly constituted a social equity marketplace in the state. You can name them, Kebra, Tiana, Lou. There are many out of state operators who came in here and backed social equity applicants and ghosted them. We need to do something about that.

There are many people who are on the cultivation side who will say, well, these hemp guys could have applied for a license. I think their lots were not in DIAs. We have since moved past that. I'm sensitive to that, and I think there nothing should be taken. If somebody who paid $3 million to just to get their license, should have the fruits of that license entirely and shouldn't have that infringed upon.

I think there are people on the hemp side who felt that they were going to be part of the solution, but the policy was drawn such that it was really social equity first. And I support that. And they know. The hemp guys I talked to know that. I don't think I'm talking about out of both sides of my mouth. I think I'm trying to manage the middle ground here a little bit. I don't think the remaining --

REP. LEMAR (96TH): Not a comfortable place to be.

PAUL TRAVAGLINO: It's a very lonely place. It's standing on the yellow line of a two-way street. You're going to be hit from both ways. And I appreciate everybody's deference to let me talk about this and your time.

REP. LEMAR (96TH): Thank you, Paul. I appreciate it.

PAUL TRAVAGLINO: Thanks.

SENATOR MARONEY (14TH): Thank you, Paul. Okay. Is Cody able to --

CLERK: No. I think we should move to the next person.

SENATOR MARONEY (14TH): Move to the next. Okay. I have Ivelisse.

IVELISSE CORREA: This isn't on. Here we go. Good afternoon.

SENATOR MARONEY (14TH): Good afternoon.

IVELISSE CORREA: I'm tired of coming up here. I'll be honest with you. My newborn still isn't sleeping through the night. I'm still breastfeeding, so I can't even smoke. I'm just frustrated. I'm here to talk about the bill here that's raised 5351. And when I read through it there was some frustration on my end because there's been studies, there's been public apologies from elected officials. My father went to prison for cannabis. My brother was arrested for possession of cannabis.

We already know what the effects were. And at no time have we released anyone in prison for possession. We haven't released anyone in prison for previous sales. As the state of Connecticut tries to save its floundering social equity market, we really don't have social equity. We have our tax dollars going towards ice cream trucks for police.

As people fight in the room next door to equalize our ECS formula, that money is not going towards schools. And if I was smoking, which I will be in a couple of months, I wouldn't buy from a Connecticut dispensary. I live in Connecticut. And if I couldn't source it or grow it and I wanted to smoke it immediately, I would go to Massachusetts. I can get

an eighth for $8 to $15. The taxes here are ridiculous. An eighth, by the way, is 3.5 grams.

We have done so much to nickel and dime people with our regulatory fees, with the lottery, which -- this guy said right before me, why did we even have a lottery? It was a huge slush fund. And there's just a certain level of frustration because people are still getting arrested for cannabis, people are still in prison for cannabis, and our communities are still harmed because of the war on drugs, and there's been absolutely nothing to repair that.

I'm not sure if we really should be wasting tax dollars on a study rather than taking previous knowledge and helping people enter the marketplace while lowering taxes on this. So I'm happy to answer any questions, but I don't think you have any.

SENATOR MARONEY (14TH): Thank you for coming to testify. Are there any questions? I don't see any now but thank you for your continued advocacy. All right. Next is Tim Phelan.

TIM PHELAN: Good afternoon, Senator Maroney, Representative Lemar, Senator Cicarella, Representative Anaskovich, Representative Ackert. I think at this point, Senator Maroney, this is where you say that because I'm your constituent, you -- what is it? What did you say? First among equals? I think this is where --

SENATOR MARONEY (14TH): When it comes to retail net merchants' networks, you are first among equals.

TIM PHELAN: Oh, I'm sorry. Representative Paolillo, I did not see you. I apologize. Well, good afternoon. For the record, I'm Tim Phelan, president of the Connecticut Retail Network. We're a statewide trade association representing the retail industry here in Connecticut. We have some of the world's largest retailers in the state's main street merchants.

You have my testimony regard in Senate Bill 4, so I won't go through that. Just wanted to highlight the four major areas that we want to continue to work with you, Senator Maroney, and other members of the committee on. First, in the area of facial recognition technology.

As you know, we use some of our members, not all of them, some of them use, facial recognition technology. We use it primarily for loss prevention purposes. It's not for any commercial purpose at all. We appreciate what you're trying to do in the drafting of the bill. We have some ideas that we think might make it a little bit easier to accomplish your goals. So we want to continue to work with you in that area.

Second, on automated license plate readers. Again, some of our retailers use this information. Some of them share it with organizations like Mall Operators, always in an effort to combat multistate organized retail crime operations.

Third, the use of this algo. I'm just going to call it algo because I can't pronounce algorithmic pricing. It's important to make this point. And I've heard this a little bit in a testimony earlier. Connecticut retailers compete for customers' business. In pricing, we are always striving for the lowest price. We would not be in business if we were increasing prices.

We think it's important when you draft this legislation around this area, that if there are any disclosures, it should be for any time a price increases, not when a price decreases. So we want to continue to work with you on that as this bill moves forward.

And finally, we do have some members that are interested and concerned around the new data broker provisions. And in my testimony, we outlined, I think, some of the areas that we're concerned about. We want to work with you on this bill as it moves

forward in that area as well. So I'll give you back some of the time that you asked for earlier, and happy to try to answer any questions that you have.

SENATOR MARONEY (14TH): Great. Thank you. I think we'll just need to go back and forth. So if you have specific language suggestions --

TIM PHELAN: We will. We're going to meet tomorrow. We're going to draft up some red lines. We'll get them to you as soon as possible.

SENATOR MARONEY (14TH): Okay. Great. Thank you.

TIM PHELAN: Thanks so much.

SENATOR MARONEY (14TH): All right.

TIM PHELAN: Thank my mother.

SENATOR MARONEY (14TH): Yes. Next, Jocelyn Cerda. Okay. Oh, sorry.

JOCELYN CERDA: Hello. Okay. Hi. All right. Well, thank you, you know, for having us here today. My name is Jocelyn Cerda, and I am the majority owner of Shangri-La Connecticut and Shangri-La Farms, and I'm also the social equity partner. I am grateful for the opportunity the state created through the Social Equity Program, which was designed to help individuals like me and communities impacted by prohibition to participate and benefit from this industry.

Today, my team and I operate four retail stores, one manufacturing facility, and a cultivation facility here in the state. Though I am very grateful for the opportunity, I am here today to respectfully express my opposition to HB 5351.

Connecticut's social equity structure was created to empower entrepreneurs and help build sustainable businesses that can generate long-term economic opportunity. While oversight hold businesses

accountable, the policies that we adopt must also ensure that social equity operators and applicants have the support necessary to succeed in a highly regulated and capital-intensive market.

So my concerns with the bill are as follows. The bill reinforces the seven-year holding period for equity joint ventures, and a seven-year holding period significantly limits the entrepreneurs. The three-year framework provides a more reasonable option between protecting the social equity operator and allowing us, as legitimate business owners, to make responsible financial decisions as our companies evolve.

So this sets us up for success and gives us the option and autonomy to pivot as many entrepreneurs are able to do. We can hold multistate operators accountable without undermining the social equity operator or applicant.

For example, I have won my licenses through the lottery process and as well as applying for EJV licenses. So that makes personally my situation a bit complicated. It is also important to recognize that a single policy prescription will not affect all operators the same way. Smaller businesses in particular face very different financial and operational realities than larger companies. Policies that appear neutral on paper can create disproportionate challenges for smaller social equity operators who are already navigating significant barriers. So one size does not fit all.

These policy changes will greatly disadvantage the very entrepreneurs the program was designed to support. Empowering social equity entrepreneurs can look like providing guidance and education to applicants and operators, consistently including them in social equity council's decision-making process, and ensuring that they have the information needed to make the well-informed decisions about how to structure and operate their businesses.

It also means strengthening access to capital by providing meaningful financial support, such as grants or low interest loans to help social equity operators launch, stabilize, and grow their business. I'll skip ahead. And I do remain deeply committed to the success of Connecticut's cannabis industry, and to the original vision of the social equity program, which is to create meaningful opportunities and pathways to generational wealth for individuals and communities impacted by prohibition. So for these reasons, I respectfully urge the committee to oppose the provisions contained in HB 5351. Thank you.

SENATOR MARONEY (14TH): Okay. Thank you very much. Any questions? Oh, just one.

REP. LEMAR (96TH): Thank you. We haven't had a chance to meet before, so I just want to say thank you for coming to testify.

JOCELYN CERDA: Thank you.

REP. LEMAR (96TH): I might want to bend your ear at some point in time about 5350 as well, and what we've got under consideration there. You've heard my prior comments with Kennard specifically. I have been a little bit of a hurdle in this conversion conversation because I do remain somewhat concerned that we're violating an original spirit and included in the law when it was passed.

I don't take lightly moving back a commitment I felt like we were making to folks. At some point, I may just want to walk through with you specifically how it impacts your business and your industry and where you are. I'm not saying no. I'm saying, gosh, you're going to get me to walk back on something I thought was pretty important. I need to understand a little bit better.

JOCELYN CERDA: Understood. And thank you, Representative Lemar. And I guess what I would say is that we would like an option as business owners.

And some of us are experienced business owners. We would just like the option and to have that conversation.

REP. LEMAR (96TH): Thank you.

JOCELYN CERDA: Thank you.

SENATOR MARONEY (14TH): Okay. Thank you very much. Okay. Next, Cody. I think he's available online now.

CODY R.: I am super sorry. Thank you, guys. Thank you, Ms. Betsy, for making it work. And I do apologize. I know it's going to be a long day. It's nice to see everyone. Mr. Maroney, it's nice to see you. Mr. Lemar, I haven't got a chance to meet you yet, but I'm sure we'll get the chance to cross paths.

I'm just going to dive right into it, guys. With regard to the cannabis bills up for today, we heard a lot about potency. We heard a lot from the families today, which I am deeply sorry for, what they have gone through with regards to cannabis.

And I'd like to offer maybe a suggestion to the illicit black-market products. Why don't we have a process for when these products are seized? Whether it's from a convenience store or an individual, however that may be. Why don't we have a pipeline to be able to test these products once we obtain them? We have extensive testing in the legal market, so we know what's inside of the legal market.

There's a big part of our market that a lot of our citizens are still ingesting black market products. And it might be nice for us, and I think it would be great and very valuable in terms of the eyes of a patient, maybe physicians, to be able to have this data. So when an individual is intake into a facility, maybe there's some data that would say, okay. Wow. They just did a seizure, and they did a test, and it contained this type of chemical, which can maybe relate to how someone's symptoms are.

So I think that's something big that we should take into consideration in the state. Also, the potential to be documenting the illicit products that we are seizing in order to better assist the citizens that could potentially becoming ill off of these products and not just point to the legal market. Because the legal market, we do have extensive testing and everything within that market.

It's very unfortunate what's happening. We won't want to limit that. We want to remove that black market element. I think a a big way to do that is obtain testing off of the seizures, create some type of database where physicians will be able to obtain that data when taking these individuals. I think it's great, very useful information for us.

I didn't get this chance to speak last week, SB 231, for cannabis connection delivery. We've been operating since the beginning. We love what we do. We love being a third-party delivery operator. We love that. That's all that we have to worry about. We love that we don't have to worry about the vault and the lights and everything. We like that we can offer a very unique service to customers, especially medical patients.

We recognize as a delivery service, that delivery is utilized by individuals who which whom are homebound, which whom are elderly, and who rely on this service to be able to attain their medicine because there's no other way to get it. They don't have anyone in their lives. They don't have the money for Uber.

So we really hope that you guys would preserve the language that you guys have originally enacted into the law for us delivery operators, and not extend this to hybrids, which would inevitably -- it would shut us third-party operators down since we have to rely on hybrid retailers for partnership. It would be nonexistent if they were able to complete their own operations.

And I personally spoke with Erin at the Cannabis Ombudswoman position, and she has experienced not one complaint from a medical patient with regards to delivery. We take patient complaints every single day as a company.

Our drivers are trained to assist medical patients when they receive those requests, whether it's going inside, whether it's delivering to someone that's homebound, getting a blood transfusion while there's nurses around. Whether it's someone that's elderly and can't walk upstairs, that's something that we take very seriously.

The DCP had mentioned the better serving medical patients. The DCP has not reached out to any one of us operators and outlined any issue with delivery specific to medical patients. And we would entertain that. I would love to know if there's an issue or something that we can correct. I would openly entertain those conversations. I would love to have those conversations, but we haven't gotten those calls.

Then you have social equity operators that are working in delivery. There's a lot of things that would happen if you were to be able to allow hybrids to take that over. We basically make our license. It wouldn't be much.

I hope that you guys would look into that. And anytime you guys need any type of information with regards to what we do or how we operate, or where we are, or where we deliver, I we're happily to be able to relay that. Not just myself. And I hope can speak on behalf of the other companies also, to be just as willing to offer this information to better serve patients and delivery customers in the state of Connecticut. We want the program to work. Thank you. That that's all I got for you, guys.

SENATOR MARONEY (14TH): Thank you, Cody. All right. Next, Pat Garofalo.

PAT GAROFALO: Thank you to the Chair and the members of the General Law Committee. My name is Pat Garofalo, and I'm the director of state and local policy at the American Economic Liberties Project, a research and advocacy organization dedicated to reducing the power dominant corporations wield over our economy and democracy.

We appreciate the inclusion in SB 4 of Section 11, a measure requiring the disclosure of surveillance pricing. But we urge the committee, rather than adopting a disclosure regime, to fully ban this abuse abusive pricing tactic, and to apply that ban to surveillance wage setting as well.

A disclosure regime puts the onus on the consumer in a way we think is not particularly actionable, while a ban would truly protect consumers and workers. You all probably know, but just in case, surveillance pricing and wage setting is the individualized data clean from online surveillance to set individualized prices or wages for consumers and workers divorced from any underlying market force.

Instead of fair, transparent pricing, corporations that engage in surveillance pricing charge customers the maximum amount they believe they can extract based on the intimate details they know about that customer's life. Two customers can therefore pay different prices for the same product, even if bought from the same location at the exact same moment.

In an interim report released in early 2025, the Federal Trade Commission found that details such as precise location or browser history can be used to target individual consumers with different prices for the same goods and services.

FTC staff found that everything from mouse movements to leaving items on purchased in an online shopping cart can be used to tailor consumer pricing. And

they said such practices are spreading across the retail and hospitality industries.

When combined with other practices such as dynamic or surge pricing, surveillance pricing can render prices permanently unpredictable, making planning and budgeting impossible for families. Now, you've heard or will hear claims that banning or restricting surveillance pricing will eliminate the ability of retailers to provide discounts. This is false. The use of transparent discounts, coupons, and loyalty programs are not inconsistent with rules regulating the use of intermittent surveillance data and price setting.

In fact, as Zephyr Teachout pointed out earlier, surveillance pricing can undermine your already existing laws requiring low, stable prices. Retailers and trade associations admit in their testimony, here and elsewhere, that they engage in surveillance pricing, but claim to only use it to lower prices. It simply beggars belief to my mind that the corporations that employ surveillance pricing are making all of the necessary time and financial investments in this technology in order to lower their profits.

More than a dozen states across the country are considering legislation to ban surveillance price and wage setting outright or prevent the use of certain types of data in the setting of prices or wages, and federal legislation has also been introduced with the same goals, reflecting growing bipartisan concern with these practices amidst an affordability crisis. Illinois and Colorado have particularly strong bills that we urge the committee to examine. Thank you, and I'm happy to answer any questions.

SENATOR MARONEY (14TH): Great. Thank you very much. I want to talk to you a little bit, and we'll probably have to follow-up afterwards, but I guess just looking at the intersection of data privacy and surveillance pricing. If we look at it from our data

privacy laws, you have the right to opt out of the sale of your data, the right to deletion from certain places.

I'm just wondering how that interacts if they are using your personal data for setting prices, different consumers. Some consumers may have opted out of the sale of their data, tracking for advertising, and deleted data. I guess that's a personal thing that I need to figure out. But let's go then. All data privacy laws are based on the premise of notice and choice. That you have rights to know when things are being collected about you and the choices. I usually don't like to go right to banning something. But are there guardrails, or what would happen if there were choices that you could put in rather than an outright ban?

PAT GAROFALO: I think the problem with choices, and I'm not saying there isn't a world in which you could get to a place where a choice regime could work. The problem is going to be the ubiquitousness of this technology and how widespread the use of it is going to be.

The gray areas between different pricing practices, between surveillance pricing, dynamic pricing, surge pricing, the various inputs that can be collected, the various ways in which your data can be used, and ultimately, the consumer's ability to know how and where and why that data is being used.

I think it would be hard to get to a place where you could do a functioning choice or disclosure regime, and it's actually simply cleaner and easier to ban the practice and preserve the ability of customers to know what baseline prices are, have access to predictable stable prices over time, and have access to clear, transparent, predictable discounts and loyalty programs.

SENATOR MARONEY (14TH): Great. Well, thank you. I'm sure I'll be in touch with you going forward. And you mentioned the Colorado and Illinois bills as

ones that you liked. Representative Ackert has a question.

REP. ACKERT (8TH): Thank you Mr. Chair and Pat, thank you for your testimony. It's hard for me to understand the two people buying the same item at the same time, pricing being different. If I bought it, went and bought a coffee for $9 and I saw the price on the little electronic pricing, someone else bought the same coffee, and they saw the price at $9, how on earth is it able that they can be pricing it differently?

PAT GAROFALO: I'm talking about mostly in the online shopping world. So two people are going to Target to buy crackers from the same exact location at the same exact moment, but they obviously can't see the prices that each other are being shown.

So that's where this sort of price discrimination is going to occur. I agree with you that it would be pretty hard to pull off in a brick-and-mortar retail setting under current technology. There are concerns that retailers want to move towards a world in which there are not actually posted prices, in which you are having to carry your phone around and bip it to get the price but what I'm talking about today, the concern we have, is mostly in the online world, where people are going to purchase the same thing. I think someone actually referenced the Instacart investigation earlier today. People were buying literally the same bucket of goods, and being shown completely different prices

REP. ACKERT (8TH): And that was my lead up question, by the way. Actually, Pat you're perfect on that, is that I know people that shop online, and they can build a standard. They keep buying the same things typically over and over, and the computer recognizes that. Or the system recognizes that, and they go, they're coming online. Oh, okay. The prices now that we're going to show them on the screen is this. Is that what you're referring to?

PAT GAROFALO: Correct. That is where today we are seeing this practice be most pervasive, is when you're talking about online shopping.

REP. ACKERT (8TH): Thank you so much, Pat. Thank you, Mr. Chairman.

SENATOR MARONEY (14TH): Thank you. Okay. Thank you, Pat, for testifying. All right. Next, Crystal Weise and Ed Hawthorne.

CRYSTAL WEISE: I'm not sure if Ed's in person. But if he is, he should definitely go first.

SENATOR MARONEY (14TH): Okay. Yeah. Ed is in person. Thank you.

CRYSTAL WEISE: Great.

ED HAWTHORNE: And, Crystal, it's good to see you. Good afternoon, Senator Maroney, Representative Lemar, other distinguished members of the General Law Committee. My name is Ed Hawthorne. I'm proud to serve as the president of Connecticut AFL-CIO, Federation of Unions representing approximately 250,000 working people.

It's on their behalf I testify multiple different bills today, SB 4, SB 5, SB 86. I'd like to focus first on SB 4, An Act Concerning Consumer Privacy Affordability. It's something that is on the mind of every single American, and I'm sure it's on the mind of every single one of your constituents that I'm sure call you and tell you that grocery prices are too high.

That was the major issue in the last presidential election. That is exactly what Section 11 is attempting to address. And we appreciate the thought behind it, but surveillance pricing is real. The technology, to Representative Ackert's point, may not be there yet. But if you look at the rate in which artificial intelligence is actually expanding, every six months it reinvents itself.

I don't think it's a far-fetched idea to say that if we put electronic shelf labeling in grocery stores, that it's not too far off in the distant future that the technology catches up to that, where they're able to biometrically have people's faces when they come in, identify who they are, use the online profile, which has been bought and sold several times over, use your phone that could automatically connect to the Wi-Fi in the store, and have that price change in real time in front of you.

That's dystopian, and I don't think that's something that anyone would be in favor of in the state of Connecticut. And to say that it's meant to lower prices or do coupons, if you believe that, there's a bridge I want to sell you. Because there is no way that they're investing, and we heard the price earlier from Keri Hoehne from UFCW, half a million dollars to put electronic shelf labeling in. They're not doing that for coupons. They already do that when you check out and you use your shoppers club card or stop and shop rewards card. They already have that data. They can give you coupons. I get emailed coupons every single day.

What we're worried about is people being nickel and dimed at the grocery store, because we're already feeling that the middle class is dying. The working class is getting nickel and dimed everywhere you look, and technology is supposed to make it better, not make it worse. And that's our problem. That's why we're looking for a full ban on electronic shelf labeling, which will prevent this from occurring and also save a lot of jobs.

SB 5, we appreciate the intent behind it. Greatest risks for AI and hiring, promotion, discipline termination, things like that. Just to the extensive testimony on that, just two sections to go over, the anti-discrimination in Section 19 and 22's recognition of AI can't unilaterally be imposed in state workplaces.

These bargaining protections shouldn't only be state employees. They should extend to teachers and municipalities as well. They shouldn't be treated differently. I know a lot of the laws do. We believe that all workers are workers, no matter who employs you. It should be everyone. And I will yield my time to Crystal. And I'm happy to answer any questions just to move us along.

SENATOR MARONEY (14TH): Great. Thank you. Crystal.

CRYSTAL WEISE: Hi. Good afternoon. Thank you so much for the opportunity to testify. I'm the policy and programs director of the AFL-CIO Technology Institute. So we are a non-partisan non-profit, affiliated with the AFL-CIO, which represents 64 unions across the country, more than 15,000,000 workers. And I'm here today to testify in support of SB4 with amendments and to oppose SB 86.

I will be submitting written testimony on the details of that. As you've heard President Hawthorne say, we are very deeply concerned about the current harms that are already happening because of AI to workers and communities, and also the potential harms in the future as this technology develops admittedly faster than regulations and policies can keep up.

And so at the national level, the labor movement has a framework for how to center workers and make sure that it is union-led AI policy. And that means strengthening labor rights and establishing guardrails. There has to be transparency and accountability for AI applications.

We need to make sure that when the government's using AI or working with AI companies, that they're doing it responsibly. And, ultimately, we need to make sure that we're protecting civil rights and upholding democratic integrity.

And so in terms of SB 4, we support with amendments, prohibiting surveillance pricing entirely,

prohibiting electronic shelf labels, making sure to protect the data of minors, clear disclosure, and important opt outs.

In terms of SB 86, we are deeply concerned about sharing public data with AI companies. This high value data, let's think about that term. Who's benefiting? Who's benefiting from the value of that data? Is it the residents of Connecticut, or is it the AI companies that are going to take advantage of that?

Just one more thing. I want to talk a little bit about, real quick, regulatory sandboxes. Regardless of what you call them, whether it's regulation mitigation or regulatory sandboxes that guard developers and deployers from accountability from harms that they might cause. So happy to answer any further questions.

SENATOR MARONEY (14TH): Great. Thank you very much. Let me just go towards the sandbox, I guess. Yes, agreed. There are certain issues that you shouldn't be given a safe harbor. There are certain things that are uncurable. Would you be opposed to something modeled out off of the COPPA Safe Harbor Program?

Again, we wouldn't look at giving a safe harbor but giving businesses in the implementation time a right to cure if something is deemed curable. So if it's something that can be fixed, allow them to fix that without a penalty, just to give more certainty, I think, as people are implementing some of these.

CRYSTAL WEISE: I think that's important to step back and understand this concept of a sandbox came out of the financial regulation industry. And that regulatory ecosystem has been decades in the making. And there's a really imperfect but robust set of rules and laws to protect consumers, and to protect communities.

So you know when you put your $250,000 in the bank, if it's FDIC-insured, you're going to be fined because that's backed. The idea of creating a sandbox was this idea that within this ecosystem of regulation, carving out small areas with regulator supervision who have resources, who have training, who have accountability to try some new things.

The problem with creating a sandbox when we lack a regulatory ecosystem is that you are probably preventing or just creating liability shields. So by providing a right to cure, to get to your question, what you're doing is you're saying to businesses, go ahead and experiment on your workers or on your consumers, and then you can worry about fixing it later. We want to prevent harms from happening instead of trying to figure out how to mitigate them after the fact.

SENATOR MARONEY (14TH): And I think excellent points in terms of financial services and even the COPPA Safe Harbor. The safe harbor is provided against as long as you're complying with regulations that have been promulgated in a way. It's something to think through on that. Does anyone else -- Representative Ackert?

REP. ACKERT (8TH): Yes. Thank you. Thank you, Ed. And also, I believe it was Crystal. Crystal, thank you for your testimony. Listen. I get it. I worked at a grocery store long time ago where you had to label a thing, and you put the label on. And if the price went up, you had to go scrape the lick. You couldn't have a price over anyways, but that's going way back.

We're not going to get rid of electronic pricing. It's really a stretch, I think, to think that we can get rid of the person that invested thousands and thousands of dollars to have electronic pricing. Listen. AI is eliminating jobs. That's another fact in life.

I'm glad I'm in the trades, to be honest with you, because it's hard to for -- right now, robots may be taking my job. I could be. They're going to be throwing holes and running wire. It could be. But I'm getting old, so I'm not going to -- because I still see grocery stores, many of them full of people, to be honest. Workers that are stocking shelves that are doing that. Restaurant pricing has been a long time, not something new. This whole scary face recognition thing is totally different. So that's another different ballgame, as far as I'm concerned, that I don't like at all. But do you know if there's any jobs that actually have been lost due to electronic pricing tags?

ED HAWTHORNE: As far as our unionized stores, they don't have that as of yet. But I think there are articles out there about Walmart, Whole Foods, implementing that. And if you're invest $500,000 in something, you're going to want to see a return for it. The technology isn't there yet in order to have that facial recognition, that surveillance pricing. So they're going to get it by cutting back on the labor cost to it, which only exacerbates what we're looking at now, which is job loss.

I think it's a twofold thing, that if we ban electronic shelf labeling, we essentially ban surveillance pricing. Because without an electronic shelf label, you're not going to be able to do that under this current structure unless they think of something else where everything needs to get done through an app or walk in or whatever it be. I look at one preventing the other and also having the positive effect of keeping good paying jobs with people actually changing those labels on the shelves.

REP. ACKERT (8TH): Well, I thank you for that input. Maybe I go to the local store and they have electronic pricing. I don't know. I just go on. I don't really look at prices. Unfortunately, I got to be a better shopper but thank you. Thank you for your testimony.

ED HAWTHORNE: You'd be looking at the prices if you saw it go up in real time.

REP. ACKERT (8TH): Oh, I do. When I see my coffee almost doubled in the last two years. It's like, all right, I'm drinking less coffee now.

ED HAWTHORNE: And it's deeply unpopular. I know I heard it was a fast food restaurant. I believe it was Wendy's that was using the surge pricing. And the pushback from the public on that, the prices went up during dinner. They knew people were willing to pay more because they're in a hurry, the lines longer, and they jack up the prices in real time in front of you.

So instead of just having one solid price, this is a consumer protection that needs to be taken care of now and not wait until it becomes a problem. Oftentimes, we're reactive. I'm asking everyone to be proactive and show the public that in this building, we are heeding their call to make things more affordable. And that's exactly what this will do.

REP. ACKERT (8TH): Thank you, Ed. Truly appreciate that. And thank you, Mr. Chair.

SENATOR MARONEY (14TH): Thank you very much. Thank you, Ed, for coming to testify. And I did see a study. I think it was on a European grocery store, but they saved 6,000 hours a year, they said, in labor from the digital shelf labels. So I don't know how it translates if you're a larger store, smaller store. But there is a definite thousands of hours of hours of labor. Thank you.

ED HAWTHORNE: All right.

SENATOR MARONEY (14TH): Okay. Kyle Sepe.

KYLE SEPE: Good afternoon, Chair Maroney, Chair Lemar, and members of the committee. My name is Kyle

Sepe. I'm the state policy manager for the Northeast Region at the Computer & Communications Industry Association or CCIA, which is a trade association representing communications and technology firms.

And I'm speaking today to respectfully oppose SB 4 unless amended and oppose SB 5 as drafted. And I did submit written testimony for the committee's reference, noting a very specific sections of the bill and suggested changes. But just to summarize, we shared the legislature's commitment to protecting safety and privacy online and understand the laudable intentions of the committee, and I appreciate the robust discussion today.

In terms of SB 4, we recommend some amendments. First, the definition of data broker should be limited to entities without a direct consumer relationship consisting with other states such as Vermont. And the separate data service provider category should be removed to avoid conflicting obligations.

And second, the bill's prohibition on personalized algorithmic pricing should be narrow to individualized, price increases with a clear baseline and tailor disclosure. I provide an example in my testimony such as a disclosure. This price was increased by an algorithm using your data.

This preserves transparency while protecting legitimate discounts and loyalty programs. We also recommend clarifying publicly available information and separating employment-related provisions from consumer privacy law and aligning geolocation rules with other states.

Moving to SB 5, this bill creates a broad regulatory framework, that could stifle innovation and burden consumers and create compliance and certainty. Specifically, the bill relies on vague and expansive definitions, including a foundation model or frontier developer that could sweep in everyday digital tools, such as customer service chat

functions. These tools vary greatly in function and risk, yet the bill treats them as equivalent.

In New Hampshire, for instance, there's a well-balanced bill on chatbots that passed last session, and it specifically targeted bad actors with the intent to cause harm. I would suggest the committee consider looking at that law.

And importantly, AI does not operate in a legal vacuum. Existing consumer protection and civil rights privacy and product liability laws apply. So focusing narrowly on clearly defined gaps rather than layering expansive new and uncertain liability regimes is key. So we look forward to continuing this discussion throughout the session. Thank you for your time.

SENATOR MARONEY (14TH): Great. Thank you. I don't know if you're aware. Vermont is looking to change their definition of data broker. Person who wrote the initial law said we were the first one we started. We realized it was a starting point. It's not what they want anymore. And so you can look at their law this year. They are looking to change and update that definition of data broker.

Later on, you pointed the definition of publicly available information. We did actually take that from Vermont's last year, age-appropriate design code, a bill that was passed in Vermont. I would argue against the broad regulation one. The front definition of the frontier, the regulations only apply to companies that had over 500 million in revenue the previous year. It's only creating whistleblower protections. We're not even looking at other regulations.

But if you're saying existing laws take place, we should protect the people who want to report violations by a company of those existing laws. And then the rest of it is just solely to employment, which you can argue a lot of it is part of existing law. However, companies aren't aware of that, and so

they may be liable for something here. We're making it that they don't know they're liable for. We're going to make it explicit to them. But happy to talk with you on some of your other points in there.

KYLE SEPE: Thank you. I appreciate it.

SENATOR MARONEY (14TH): Okay. All right. Next, Jason Teal.

JASON TEAL: Good. Oh, not afternoon. By evening at this point, right?

SENATOR MARONEY (14TH): Technically, yes. I believe we're evening.

JASON TEAL: Good evening, Senator, Representative, members of the General Law Committee. My name is Jason Teal. I am the CEO of Nova Farms, vertically integrated 149 licensee. And I had a whole three-minute testimony that was written out. And I'm not even going to read it at this point. I'm going to save you guys the time.

It's weird since 2016. I've been working on cannabis since 2016, and this is the first year where us as operators are on the same page. It's kumbaya. And we're all saying the same thing and we're all like working things out amongst each other. I don't really think that there's much different than I could get up here and say, because I think we're all pretty much all on the same page.

I believe with the commercial extraction license, I'm very scared about that. That's going to decimate my business. For that part, I should just grow hemp. Except I paid the state $3 million already. But if this license goes through, I could just grow hemp, have a lot less regulations, and have an easier time.

I know there's some concern about the minor cannabinoids. We're going to have plenty of room on the farm that we're about to light up. So if the

state needs minors, we can supply minors if that's what they need. That is the real concern. We can definitely help with that. Putting that license category in there is a real concern.

The second thing I would mention is the pharmacist situation. I have spoke about this before. It's hard because the pharmacists don't study the endocannabinoid system in school, which is the science behind why medical cannabis is medical. They don't study that in school. So having a mandate that has a super specialized position that's very, very expensive just puts us all in a very precarious situation.

I have one store. I have 2.5 full-time pharmacists. Those 2.5 full-time pharmacists make more than my entire staff combined, including my wife who's a general manager. I put my wife's salary in there who's a general manager. I put all my staff in there, and those two and a half pharmacists make more than my entirety of the staff. And then I still have butt tenders who answer the questions.

I do have one pharmacist who's really good. He's the exception. He's 10% of what I've seen for pharmacists. But for the most part, they have a cushioned job. They don't really want to go back to CVS. So this is another industry for them to parallel to. I don't see the independent thirst of knowledge from them to figure out what is the endocannabinoid system and how can it be utilized medically and all that. They're pretty much like inventory managers.

So it makes it very difficult situation where you have to pay them. And then sometimes customers come in, and if you don't know the endocannabinoid system, you're not a consumer of the product. You don't really know what to really say kind of.

I've had situations where bud tenders have actually told the customer what to do. And then they pull me aside and said, Jay, I'm a little upset because you

all making $18 an hour, and this pharmacist is making $60 an hour, and I'm the one that gave the recommendation on the product. So it's a very real thing, especially with me having one store, it puts me at a serious competitive disadvantage when I got have these doctors that all work for me.

The other thing was a 12-foot fence mandate. Real quick. If that could be added, that'd be great because I would like to have local control or have local municipalities have local control over fence mandates. An arbitrary 12-foot mandate from DCP is a little tough when the municipalities don't want it. If you guys look in testimony, there's a land use consultant who is testifying that the communities don't want the 12-foot fence. So that would be a great thing to look at as well. I have other obviously other comments but if you guys -- I heard my belt go off.

SENATOR MARONEY (14TH): All right. Thank you. I think Representative Lemar has one. I do have a question as well.

REP. LEMAR (96TH): Yes. Thank you, Jay. I do appreciate it. No one's going to overtake Hebra. But wearing the Red Sox hat gets you a long way.

JASON TEAL: Am I close second maybe?

REP. LEMAR (96TH): Red Sox hat gets you extra time. But I just want to say thank you again. Last year and this year, it's been great getting to know you. And I thought I'd solved that pharmacist stuff last year. I thought we had it. Turns out the interpretation, the drafting doesn't create the relief that we thought we were creating. So I'm glad we're taking another look at it this year. Hopefully we get it to the right point.

I talked to Robert a little bit last week about the 12-foot fence. He made the case and he's like, look, there are some communities who might be willing to look at allowing an outdoor grow, but they're not

signing up if they know they got to put up an ugly, fast fence like that, that just deteriorates from their community.

I think that's worth looking at. And I'll work with DCP a little bit, why they feel the current standard might be the right standard. I think we went to an eight-foot fence. Maybe that's the right number. Or maybe we work with local communities and let them decide and here are your security protocols in place. How difficult would it be for someone to break in?

I understand what the security concerns are, and I think you do too, but if you have a way to mitigate those concerns, that should be enough. And if a local community is comfortable allowing you in and your security apparatus is tight enough where DCP recognizes that you've got control over your site, that should be the standard. Not the 12-foot fence that we know was a primary determinant.

To the rest of 5350. God, that reflects a lot of stuff you've been telling me for about a year and a half now. I don't know that it all gets through this year, to be honest with you. But I think it reflects where this conversation has been. It screen a year and a half to catch up where the operators are and what they're trying to accomplish, and what the limitations are in the marketplace.

I think some of it goes a little bit too far. Right now, I don't think we have the public support for. And I think we'd be pushing the envelope a little bit further than where the public would support us. But I do like this conversation. I like that we're heading in the conversation about how independent business folks who've invested a lot of time, energy and significant resources into the marketplace, are recognizing the problems and the limitations and how the regulations are hurting them. I think that that conversation has shifted into you're winning now. I think we're in a good space to have a collaborative conversation moving forward, even if we don't get

all the way over the finish line with some of those provisions.

JASON TEAL: And I appreciate that. And it is moving in the right direction. We can see how this bill came out. It looks like we're trying to move in that right direction. I would say that. And Connecticut cannabis is in a tough space because my partners -- Nova Farms, we have operations from Jersey to Maine. And so we have conversations all over the country. And other places around the country are saying that Connecticut is one of the worst markets. And it's hard to get outside investment in Connecticut because of how it's so over regulated.

And I was just saying this earlier, we work with one of the biggest banks in cannabis, which is Chicago Atlantic Bank. And they don't really want a loan to Connecticut. They'll loan and give us money for the other markets. What my partner said was, they mentioned that Connecticut is the only market where A plus B never equals C. And banks don't like unreliable things.

That's creating a system where our ability to already leverage capital is already small because of our industry. Now, the few banks that will give us capital, if they're not having confidence in the market because it's too overregulated and it doesn't operate like the other markets, that puts us in a really bad position. If you can't get bank financing, we have no real industry. And I think that a lot of justice would be served if we looked at some of the other markets, and then just take their lead to the stuff that's working. You know what I mean? We'll take the 12-foot thing, for instance.

I had Brian Caforillia on our -- we brought him up to the farm and the whole team came up. They're amazing. And I said, Brian, go touch that tree. A cannabis outside, it's not like a plant indoors where you think it's a small plant. It's a tree. It's a rooted tree that's like this thick. So it's

like someone's going to scale that fence and then pull a rooted tree out of the ground. It's just not going to happen. It's things like that where we just look at the other markets around us and do the things that they do well, I think would serve us a lot of justice.

REP. LEMAR (96TH): Well, thank you. Again, it's been great getting to know you, and great getting to work with you. Hopefully, we get a good product over the finish line, and we'll be with your help. I appreciate it.

JASON TEAL: Thank you.

SENATOR MARONEY (14TH): Great. Jay, hold on one second. I just want to go to some questions on the -- again, it's been great working with you over the years. I think we have a good relationship. So I just want to be able to bounce some things off of you --

REP. LEMAR (96TH): Absolutely.

SENATOR MARONEY (14TH): -- as we go back. To the commercial extraction license, going back, I think one of the things we look at is the infused beverages. They're buying their hemp-derived THC from out of state. I have trouble understanding why we shouldn't allow our in-state growers to also sell to them if we're already allowing them to purchase it somewhere from out of state.

JASON TEAL: A lot of our in-state hemp growers?

SENATOR MARONEY (14TH): Yes.

JASON TEAL: Yes. That'd be fine for beverages. But when you're allowing hemp to make products that mirror what we can do, that's where you get into precarious waters.

SENATOR MARONEY (14TH): And then what if we limit it to only the people -- currently, I think there's

only two dozen approximately two dozen continuing hemp farmers. What if we limit it allowing these expansion or whatever to the people who have been operating continually. So through those two dozens people. You're not creating a new short cut right around.

JASON TEAL: Are they supplying intoxicating ---

SENATOR MARONEY (14TH): Well, I would say --

JASON TEAL: Because that's where we get into it. Once you get into what we're doing, that's the problem. And then I also get worried about scope creep because then you allow that and then the next year they come back and ask for more and the next year you come back and ask for more, and you look back and they're doing a parallel business to what we're doing. That would be the concern.

SENATOR MARONEY (14TH): Now, what about the things that they were able to sell before, like the one, I think, one milligram gummies right before that now because of they the way the laws, that they can't have it. I think it was said before the extract, the work in process, they can't make those. What if it would just limit it to that?

JASON TEAL: That if it's intoxicating THC, then it's a problem. I would say that. With the miners and CBD and CBN, we're not really in that business. But when you go over the threshold of the intoxicating THC, that's where it really becomes a problem. And is the issue that product manufacturers don't have the miners, is that what you're trying to solve? Or are you trying to figure out a place to keep the hemp guys in the game?

SENATOR MARONEY (14TH): Yes, that's a good point. I think it's a little of both.

JASON TEAL: Because if it's the miners, we can grow to supply miners. And until the federal law passes that closes a loophole with hemp, if DCP would allow

it and open up and be a little flexible. Most states you can get miners from out of state, which is cheaper. So those are other solutions.

And then once we get up and running, we can grow for miners. But if you're trying to keep the hemp guys in the game, then -- I don't know. Maybe just construct a way we can look at that. It can't be done in a way because we have a lot of investment. I haven't even got open yet. So when I see something that a license type that's coming up, that's going to basically make my license very invaluable, and we haven't even built the farm yet, it's a little concerning.

SENATOR MARONEY (14TH): I understand that. And then, looking at some of these people already also invested money for something they were able to sell and now they can't sell. So it's trying to balance. It sounds like though you wouldn't have an opposition to them selling miner.

JASON TEAL: No. Because we need miner. We all need miners.

SENATOR MARONEY (14TH): Okay.

JASON TEAL: I think when you get into the intoxicating THC part, that's where the issues really arise.

SENATOR MARONEY (14TH): Okay. For the infused beverages, you see that separately? How would you say for the --

JASON TEAL: Allowing hemp to supply infused beverages?

SENATOR MARONEY (14TH): Yes.

JASON TEAL: I think that's fine, if you just keep them a few beverage. There had to be some strong language written in there that they can't scope creep later, though. Because then it's like, all

right, you guys can do infused beverages. And then they say, all right, well, we got all this distraction equipment and it's the same process and we're not making enough money. You should let us now do gummies. Let us do five milligram gummies now. If it's codified in a way where they can only do seltzers and there's no scope creep, then it's probably a little bit safer for conversation.

SENATOR MARONEY (14TH): Yes. It's hard because we know people come back every year and ask for more.

JASON TEAL: And that's why we got to come off so hard to shut it down because we know that's what's going to happen. And then we're going to look back and then these hemp guys are going to have the same businesses as we all have, and then without any regulation and without any restrictions.

Or you could just say, hey, you guys want to do it, go through the same regulatory process as Jason has to do for his cannabis. Put the 12-foot fence up, have seed to sale tracking, do all that. And they won't do it because they're not going to be able to do it in a profitable way. It's like they have none of the regulations, but then they have a market that's available to them that's similar to our market, which creates a difficult situation for us, especially when we had to pay so much money for us to have our license.

SENATOR MARONEY (14TH): Okay. I just see the points.

JASON TEAL: Yes.

SENATOR MARONEY (14TH): So just try to see where there are agreements and where we can find some common ground.

JASON TEAL: Absolutely.

SENATOR MARONEY (14TH): Great. Thank you very much.

JASON TEAL: I do have a comment, I'm sorry, on the seven to three. We need the option. And I know you guys are very worried about it, but at the end of the day, I have to be able to -- we have to be able to operate a normal business at some point. If I need to sell some equity because I got to pay for pharmacists, and the source I'm making the money to fill with pharmacist, I got to leverage equity to put back in the business. Or if I say this cannabis thing is super difficult, I'm not built for it, I need to I need to exit. Every business is built for an exit.

So for me to have a moratorium on my exit, but nobody else's -- you know what I mean? It makes it a little difficult. We need to be able to leverage our equity to be able to invest in a business. We need to be able to sell our businesses if we need to, to be able to thrive and prosper and do what we need to do and help our families and help the business.

And maybe there's a middle ground where we can have some entity step in for the social equity person and consult them and then be there. If you are getting screwed, maybe there's someone that they can talk to, the social equity person, like listen, this is a bad deal. Help me out. And then maybe we could do it like that. But if the social equity person wants to do it, or in Tiana's situation needs to do it, but then we have a mandate saying you can't do it, that's not good for us at all. It's not good for us. It's not good for anybody in the industry.

They're putting regular business common sense into cannabis business common sense, which you can't do. So a regular business is new for the first five years. You're thinking, oh, the business is new for the first five years. In cannabis, after five years, it all tanks. Now, what ends up happening is, we're forced to hold the business at the time when it's the least valuable. We can't sell it when it's the most valuable. We've got to hold on to it when it's the least valuable.

It doesn't work for really anybody. But if we want to protect the social equity person, and we're saying we need to keep these mandates because protect social equity individuals, then I think there's another way to do that with just giving us some help in the negotiation or giving us some leverage or some other kind of leverage where -- but if the person really wants to do it, we should allow them to do it for the survival of the business, or maybe they just want the exit.

SENATOR MARONEY (14TH): Yes. It's conversation I think we'll continue to have. I'm with you some places, some I'm not so sure. But I think it's a conversation we'll continue.

JASON TEAL: Sounds good.

SENATOR MARONEY (14TH): Okay. Thank you.

JASON TEAL: Thank you, guys, for your time. Appreciate it.

SENATOR MARONEY (14TH): Okay. Tianna?

TIANA HERCULES: Yes. Thank you. Good evening, Senator Maroney and Representative Lemar, and other honorable members of the General Law Committee. My name is Tiana Hercules, and I'm a Connecticut social equity cannabis business owner. Well, sort of, I guess. Here today in opposition of SB 5351, but in support of many portions of House Bill 5350. And I want to specifically focus on Section 53, which would allow social equity license holders to sell their ownership interest after three years instead of seven.

And if I may briefly share my own experience. I know some of my, colleagues have alluded to it, explain some of my experience and why this change matters. I entered this industry three and a half years ago, like many of my colleagues, with a lot of optimism, entrepreneurial drive, and a deep belief in the promise of social equity.

I believe the program could be a legitimate pathway to economic stability and generational opportunity for people who have been historically excluded from this market. Over the past year, however, after the $3 million have been paid, after the celebration was over and the balloons had been popped, my business partner restructured and exited the Connecticut market. We were a hybrid retailer with a focus on women's health.

And I understand their decision from their business perspective, but the impact on me has been profound. While my partner had the ability to sell their portion of the business and make decisions in their own best interest, I did not have that same ability.

Under current law, I could not sell my interest. That meant I would have been forced to partner with whomever they chose to sell to or risk having no business at all. The lack of agency created a long period of uncertainty and financial instability, which I am still in the midst of. I was left vulnerable with no clear path forward and no meaningful control over the future of my own business.

The law that was intended to protect my equity instead left me trapped in circumstances I could not change. The economic impact has been real. I have not been in such a financially precarious position since my law school days. And despite my youthful appearance, that is many, many moons ago.

And this was not because of poor decision-making or a lack of effort. It was because the structure of the law prevented me from responding to changing business conditions in a rational and strategic way. Had I known that I could lose my partner and still be legally prevented from acting in my own best interest, I likely would have not entered this market at all.

Today, I'm finally at a turning point, cautiously optimistic that a new partnership will allow this business to move forward. But because the license will become active again, the seven-year clock effectively restarts. That means I could be locked in again for another seven years regardless of what the market does or what my circumstance requires. This is why this change matters.

Cannabis, as you all know, is a very volatile and unpredictable industry. Would make sense in year 1, may not make sense in year 3 or 4. Social equity entrepreneurs should be trusted with the same business judgment as any other business owner. And allowing an option to sell after three years does not weaken social equity. It actually strengthens it.

It could prevent collapse, protect dignity, and give owners a responsible exit while continuing to go no longer makes economic sense. The bill would give us flexibility. It wouldn't be a mandate. It does not force anyone to sell. It simply restores agency to the people this program was meant to empower, Kennard Ray, Jocelyn Cerda, Kebra Smith-Bolden, and myself.

We have an opportunity today to course correct or at the very least to prevent another social equity business owner from experiencing what I have experienced. If a social equity owner determines that exiting at year 3 is in their best interest, they should not be legally handicapped from doing so.

So I respectfully appreciate all the support and all the work that you all have done in getting us to where we are with respect to cannabis in this state. But I definitely would urge you to really look at that section and think about -- I heard earlier, Representative Lemar talking about the spirit and not wanting to backtrack, but I would urge you to be flexible in your thinking that the spirit can be met in other ways.

And right now, the spirit is actually being undermined. The spirit is not being realized because of the way the law is currently written. We're not able to respond to real-time circumstances and economic realities of this market. Thank you.

SENATOR MARONEY (14TH): Thank you. And thank you for sharing that. I think we you hear the theoretical, and it's one thing and we're -- testimony on another bill about in theory something's going to happen in a couple of years. But once you hear what it's actually happening, or actual harms, it's a much different. Much different impact on us. Thank you for sharing that. Representative Lemar.

REP. LEMAR (96TH): Thank you, Ms. Hercules, for your testimony. I've struggled with this for now what? A year-and-a-half that I've been chair of this committee. And I like your story, and I followed along and a couple of different news sources. And I've heard from other folks, the experiences that you've gone through and you providing your testimony today. Clearly, this is a miss. This is a policy miss. We're not living up to what ultimately, we thought we were adopting and accomplishing with the original construct of this.

I don't want to call myself slow, but I will say I've been a bit of a hurdle that this issue has had to navigate and overcome, and I've moved slowly in the direction that you're seeking now. I think I'm getting there. I can't say I'm fully there yet. I think I'm getting there, though. I think there might be some protections I need to consider and some oversight into the process that I've spoken with a couple of other folks that I want to install.

But ultimately, your experience is clearly not in line with what anyone had envisioned, and you deserve an opportunity to reach the full value of your investment. And right now, you're prohibited from doing so. And it's a construct of state

government. And therefore, it's my obligation to figure a way out for you too. Thank you, Tiana, for your testimony.

TIANA HERCULES: Thank you.

SENATOR MARONEY (14TH): Thank you. And just to echo those, I think I was close to there. I think I'm even closer to getting there, though. I'm not going to necessarily go through my internal thought processes. But at some point, you and I will together. Representative Ackert.

REP. ACKERT (8TH): Thank you, Tiana, for your testimony. I'm sorry to hear the situation that you're in. Sounds like you said you're getting through it. You mentioned restarting the clock on that, and that's a confusing component. You're still the social equity partner. Correct?

TIANA HERCULES: Yes, I am.

REP. ACKERT (8TH): So why is the clock restarting for the seven years?

TIANA HERCULES: Well, it would be my understanding that I would be starting with a whole new business and, effectively, my license would be a different license number, and that I would be starting back from the beginning of when the ownership of that business -- the inception of that. I could be wrong on that understanding, but that is my understanding.

REP. ACKERT (8TH): Okay. I'm going to try to dig into that a little more. If you're still a social equity partner, and unless you're that business closed and you're starting it -- new partners in businesses aren't restarting the business. I'd have to learn a little bit more about that and look forward to discussing it with the committee. But again, thank you for your testimony.

TIANA HERCULES: Thank you.

SENATOR MARONEY (14TH): Great. Thank you very much. Josiah Schlee.

JOSIAH SCHLEE: Good afternoon to the members of the General Law Committee. Thank you for the long day. You guys been here a long time. I'm here to strongly oppose the social equity bill. I oppose any bill that gives the social equity council more power.

I met with the director in May 2025 to try and understand why he supported hemp and cannabis task force that just this last weekend, that same task force arrested four people of color and charged them with multiple felonies for possession of cannabis, all because entering the legal cannabis market in Connecticut is so expensive and so difficult.

The Social Equity Council is tasked with righting the wrongs of the war on drugs, and now they're backing legislation that ends up with minorities arrested and charged with felonies for simple cannabis possession, which is absolutely absurd to me.

In regards to 5350, I believe it was, the remediation thing. I'm not sure why that's being brought up again. I spent so much time with Rep. Augustino and Rep Osborne going over remediation. Everyone tries to sanitize it and make it sound clean and helpful, but it's not. If you buy a moldy red pepper from the grocery store, would you put it in the microwave for 20 minutes and then serve it to your family? No.

That's what remediation is, is blasting moldy cannabis with gamma radiation or whatever type of radiation it is. I don't know exactly, to kill them all, but the leftovers from killing the mold are still there, as it would be if you put something moldy in the microwave. Artificial licensing restrictions keeping people up in the cannabis market are massive issue. And I think Rino Ferrarese's claim that eight percent of cannabis in Connecticut is illicit, while at the same time

claiming that the cannabis market in Connecticut is oversaturated. I don't understand how that math works.

We have an artificial market entry bottleneck in Connecticut. It is market strangulation by overregulation. And in 2024, speaking to the General Law Committee and Rep. Augustino, I said maybe we should stop writing laws and actually let things play out and see what happens. We keep writing laws and making things more and more complex. It's like we're reacting to things before we even see what the outcome is. We're already writing new laws on top of it.

Third rejection of any power given to the Social Equity Council and any language regarding remediation or retesting and final form testing. If you don't have anything to hide, what is wrong with final form testing? There are people that have worked at that specific grow with the person who has such a hard time with final four testing that I think you should speak with because I believe there may be something tied and transparency is a major issue here. And honesty and social equity, I think we really need to get real about what this is actually doing. And I appreciate your time and any questions, which I doubt anyone has.

SENATOR MARONEY (14TH): Schlee, thank you so much for taking the time to come testify to us today.

JOSIAH SCHLEE: Thank you.

REP. LEMAR (96TH): I don't see any questions. Oh, actually one from Representative Lemar.

REP. LEMAR (96TH): Thank you, Mr. Schlee. I just want to clarify one thing that you had in your testimony with respect to the Social Equity Program. In your opposition to 5331, you referenced the microcultivator opportunity being limited to two establishments -- two microcultivators in a statewide market. That's not how that is structured.

JOSIAH SCHLEE: Well, and the bill is only going to support two more specifically. But I know there's more than that available, but getting in, I've tried so myself, is next to impossible. You end up having to show a million dollars in liquid assets, is where you end up. That's not feasible for any kind of average person.

REP. LEMAR (96TH): Okay. I just wanted to --

JOSIAH SCHLEE: Yes. I understand there's more than two. Thank you.

REP. LEMAR (96TH): I want to make sure that I that you didn't feel precluded based upon an availability of two, but okay. I understand that.

JOSIAH SCHLEE: Yes. I understand that special assistance or something to two, but yes.

SENATOR MARONEY (14TH): Great. Thank you very much. Next, Caitriona Fitzgerald from EPIC.

DEPUTY DIRECTOR CAITRIONA FITZGERALD: Senator Maroney, Representative Lemar, members of the committee, thank you for the opportunity to testify today in support of SB 4, An Act Concerning Consumer Privacy. I'm Caitriona Fitzgerald, deputy director at the Electronic Privacy Information Center or EPIC.

EPIC is an independent non-profit founded over 30 years ago to secure the fundamental right to privacy in the digital age. As you all know, many states look to the Connecticut Data Privacy Act when they're considering data privacy laws. I commend Jim Maroney and this committee and the legislature for your continued work to ensure that the law keeps pace with technology.

This bill is a lot of different provisions we've heard today. I'll highlight just a few in my three minutes. First, which I don't think anyone's talked

about, the update to the definition of publicly available information in SB 4 is really critical.

I know that AG highlighted this in his enforcement report. And as he noted, the current definition means that much of the information available about us online is not covered by the privacy law, information that many Connecticut residents consider private.

As Senator Duff noted, we saw the tragic consequences of this last summer when it was discovered that the shooter who murdered two Minnesota's legislators had used people search sites to find his victims. And if you don't narrow the definition of publicly available data like you have in SB 4, the data broker deletion mechanism wouldn't apply to those websites the shooter used.

So this is a really critical piece of SB 4. Second, Connecticut should join Maryland and Oregon in banning the sale of precise geolocation data. Virginia's legislature passed a similar ban this week. It's on the governor's desk. Massachusetts and Maine are also considering similar bans.

Many apps send your precise location data back to third parties that you've never heard of, and this commercial data is now being abused by the Trump administration. There's reports that ICE has purchased software that allows the agency to track all of us via our cell phones.

So to protect your constituents from those harmful practices, EPIC urges support for for the ban on the sale of precise geolocation data. Third, EPIC supports the creation of the data broker registry paired with the centralized delete-act-type mechanism that California has. Data brokers are just two worst offenders in terms of entities that abuse our privacy.

They shouldn't be allowed to remain hidden by exploiting and profiting off our personal data. And

we view a registry and deletion might as the least the legislature should do considering the harm they inflict on us. EPIC would argue you could go even further, ban the sale of sensitive data as Maryland has done. But in general, this is a great first step. Epic echoes the amendments consumer reports are recommended to those provisions.

Lastly, I'd just say we'd be happy to work with the committee on the provisions on facial recognition, surveillance pricing, and license plate readers as we think more needs to be done on those provisions to address the risks from those practices. But, overall, I ask you to give a favorable report to SB 4, and thank you for your time. I will submit written testimony. I haven't had a chance yet yet.

SENATOR MARONEY (14TH): Great. Thank you. Any red line suggestions would also be appreciated on the language.

DEPUTY DIRECTOR CAITRIONA FITZGERALD: Correct.

SENATOR MARONEY (14TH): Again, I'm not sure if you're listening earlier, long time ago now, when I spoke with Matt Schwartz from Consumer Reports to ask the question. One of the pushbacks we've heard about the delete mechanism is that it creates a honeypot, the drop mechanism. And then you're collecting all of this data in one location. Do you have suggestions of, one, can you push back on that statement, or how do we mitigate that, I guess, potential risk?

DEPUTY DIRECTOR CAITRIONA FITZGERALD: Also, basically saying that that I know CalPrivacy has done a lot of work on this, making sure that that drop mechanism is not abused. And they also have kindly said that they will make the technology they have built to operationalize this in California available to other states that want to do it. I know you said you're in touch with Tom and Maureen. I think that they are probably the best ones soon to answer that question.

SENATOR MARONEY (14TH): Great. Thank you. And I did get red lines from Maureen, so I'll be looking through her red lines as well. But thank you so much.

DEPUTY DIRECTOR CAITRIONA FITZGERALD: Thank you.

SENATOR MARONEY (14TH): Okay. Next Stuart Savelkoul and Brad Murray.

MR. STUART SAVELKOUL: I'm here. I don't know if folks can hear me.

SENATOR MARONEY (14TH): We can hear you now.

MR. STUART SAVELKOUL: Oh, great.

SENATOR MARONEY (14TH): So please proceed.

MR. STUART SAVELKOUL: Excellent. I'll defer any questions to Brad who's coming up after me. But good afternoon, Senator Maroney, Representative Lemar, and members of the Law Committee. My name is Stuart Savelkoul, and I serve as chief of staff for AFT Connecticut. Our union represents over 30,000 educators, health care workers, and public employees in communities across the state.

AI is often discussed as something futuristic. For our members, it is already here. It shows up in hiring platforms that screen candidates before a human ever reviews an application. It appears in scheduling systems that determine workloads. It is embedded in analytics tools that are used to assess performance. And increasingly, decisions that affect people's livelihoods are being shaped at least in part by systems workers cannot see and do not fully understand.

That reality makes this legislation critically important. SB 5 moves Connecticut in the right direction. It makes clear that employers cannot use technology to quietly erode collective bargaining

agreements. It establishes transparency when AI influences employment decisions. It creates a framework for whistleblowers inside AI companies to raise safety concerns, and it recognizes that if technology displaces workers, the state has a responsibility to support retraining and workforce development.

Those are strong foundations, but protections only matter if they are enforceable. We encourage the committee to ensure that oversight bodies include worker representation and that compliance programs do not become shields from accountability. And when someone is harmed by an unlawful automated decision, there should be meaningful avenues for remedy.

SB 86 takes a different focus on state data systems, a regulatory sandbox, and companion chatbot. We appreciate the attention to governance and consumer safety. However, the bill largely sidesteps the impact AI systems can have inside workplaces. The concept of a regulatory sandbox deserves particular scrutiny.

Creating pathways to reduce regulatory obligations in order to attract AI development may sound economically attractive, but experimentation without guardrails can carry real consequences for workers and the public. Connecticut should not compete by lowering standards.

We also urge the committee to strengthen transparency requirements. Disclosure that a person is interacting with AI should not depend on whether someone might reasonably be misled. Clear notice should be universal and carve outs for internal business systems risk leaving workers unprotected precisely where AI is expanding most rapidly in productivity monitoring, evaluation tools, and workplace automation.

Artificial intelligence will shape the next generation of work in Connecticut. The question is whether that future will be defined by fairness,

accountability, and worker voice, or by opacity and imbalance. AFT Connecticut stands ready to work with you to ensure that innovation and worker protections advance together. Thank you for your time, and I'll turn it over to Brad.

SENATOR MARONEY (14TH): Brad?

BRAD MURRAY: Senator Maroney, Representative Lemar, and distinguished members of the General Law Committee, thank you for allowing me to testify today. My name is Brad Murray, and I'm the deputy research director for the AFT.

On behalf of the 1.8 million members of the AFT and the more than 30,000 members of AFT Connecticut, I want to thank you for the opportunity to testify on SB 4. I know a great deal of thought and work has gone into crafting this bill over a number of years. And in the current incarnation, we believe that work has paid off.

We appreciate the deliberation that has gone into defining the term substantial factor as it relates to high-risk decision-making systems. We're very much in favor of the current definition, and I know this has been a matter that has involved a lot of debate over the years.

Ensuring AI companions have guardrails to prevent harm to children is an issue that our members care deeply about, and we appreciate that this bill places strong guardrails on AI companions used by minors. We'd like to make a few, what I think, are friendly amendments suggestions.

We'd suggest that labor unions, including the AFT, be added as collaborators to the AI Academy in Section 24. AFT operates an AI Academy for its members in collaboration with several industry partners. That effort has been very popular with our membership, and we'd be happy to share lessons learned with the committee and the staff.

While we appreciate the language in Section 22, which preserves union rights. We'd love to see language added to clarify that introduction of an AI, which impacts working additions is a mandatory subject of bargaining for employees covered by a CBIA.

We'd also appreciate the addition of a requirement that notices about automated employment related decision processes be transmitted not only to workers, but to their applicable unions. In an ideal world, we'd also love to see a private right of action for discriminatory use of AI, but I know this is an issue that we've gone back and forth.

There's good reasons on either side. I'd like to close by just saying that we really applaud the legislature for showing real leadership in crafting policy to deal with foreseeable harms of AI. This bill covers a lot of ground, and I know how difficult it's been to find points of agreement on many issues.

Thank you, in particular, to Senator Maroney and the other authors of the bill for taking the time to engage thoughtfully on these essential topics over the years. In the absence of federal regulation, your leadership is essential. Thank you for your time.

SENATOR MARONEY (14TH): Great. Thank you, Brad and Stuart. All right. I just want to go through something. Again, I'm starting to see your concerns with the sandbox, that if you're giving regulatory mitigation without having specific regulations right in place or protections in place.

The goal is incentivizing the right behaviors. We don't want to penalize people for doing what we think are the right things or right behaviors. What if we looked towards finding auditors or ways of complying certification with a risk management framework like the NIST risk management framework?

Again, ISO, they can pay to get certified. And then allowing for cure periods.

Again, if you cause a harm, there's no free pass on that. No get out of jail card. But to allow a cure period if so you're trying to do the right thing, but maybe you make a mistake that -- again, if it's deemed curable. But I think if you end up discriminating or something like -- I don't know how you cure that without the penalty.

BRAD MURRAY: Yes. Stuart, do you want to take this?

MR. STUART SAVELKOUL: No. Go ahead, Brad.

BRAD MURRAY: Okay. Senator, I appreciate the thought that you put into these matters. If you have draft language, we'd be happy to look at it. These are often very fact-specific things, and I would need to see language to be able to evaluate it.

SENATOR MARONEY (14TH): Okay. Thank you. Yes. And I'm just starting to think that through. As I get language, I look forward to working with you going forward. And thanks for the suggestion of including you in our AI academy because I know you do have a lot of valuable partnerships. Thank you. Okay. Next, Christina. Okay next, Crissy, Jordan and Iman. And I believe those three are all online. They're on? Okay. If you would proceed.

CRISSY GROENEWEGEN: Can I please let my colleague, Jordan, go before me?

SENATOR MARONEY (14TH): Sure.

CRISSY GROENEWEGEN: In the interest of his time.

SENATOR MARONEY (14TH): Jordan, if you would start, please?

JORDAN DAVIDSON: Yes. Absolutely. Well, hello, everybody. Thank you, Mr. Chair, and members of the committee for welcoming us here today. My name is

Jordan Davidson. I'm the government affairs director for Smart Approaches to Marijuana, or SAM, which is the nation's leading group really pushing against the mass commercialization of marijuana, which we view as a new big tobacco, a big tobacco 2.0.

We were founded in 2013 by Dr. Kevin Sabet, who served in three White House ONDCPs, Office of National Drug Control Policies, as well as former Congressman Patrick Kennedy of Rhode Island. I, myself, I'm based in DC now, but I'm a Connecticut native, and lived in Connecticut in Weston until I was 18. And I'm actually seven years sober from a cannabis use disorder and was really proud to see Silver Hill Hospital here today, talking about the legislation as I went to Silver Hill myself.

I'm here as well as my colleagues today to speak in opposition to HB 5350 for many different reasons. But today, I'd really like to focus in on two main points. Firstly, the marijuana potency caps that Connecticut established when it legalized marijuana, it was really a progressive vision for how this could play out. Now, our organization isn't generally supportive of legalization, but where states do legalize, we really love to see common sense public health guardrails like potency caps in place.

And the fact that Connecticut is only one of three states that actually started doing this, yet we have the New York Times editorial board now, just in the past few weeks recommending the exact potency cap that Connecticut has to be established anywhere that has legal marijuana, really speaks volumes. That Connecticut is a public health leader in how they're conducting marijuana policy.

Connecticut's also a leader in how they do advertisements and really making sure that the marijuana policy in the state is focused on protecting young people. And so it's really discouraging, to myself, as a Connecticut native and to our organization to potentially see the state go

down a path of repealing these all-important potency caps.

I don't need to give the whole spiel of today is not your grandpa's or father's marijuana, not the woodstock weed. I know you all are familiar with that. But, I myself, in the state of Connecticut, got addicted to 99% THC potency products. It was really devastating for my mental health, and it's been devastating for the physical and mental health of young people and adults across the state and across the country.

Just to really pinpoint how devastating this can be, I wanted to flag for you all a stat you might not have heard, which is that across the United States, marijuana is the primary drug of choice among teenagers entering treatment, and it's not even close. For 16-year-olds, 69% of them in treatment, marijuana is the primary drug of choice.

The next highest number is not specified, and the third highest number is alcohol at three percent. That's almost 70% to three percent. Young people in treatment today, they're overwhelmingly all there almost exclusively for marijuana.

The other thing that I wanted to discuss briefly was the THC beverages issue. We would advise against doing things like allowing THC beverages to be sold in restaurants for a variety of reasons. First and foremost, we don't have a test to establish THC intoxication. Secondly, there is a public, really, disparity, among the percentage of the population that views alcohol, for example, as being harmful when driving on the roads compared to marijuana.

About 94% of people pulled just a couple of years ago by AAA, said that alcohol, they believed, was actually dangerous to drive under the intoxication of, or the influence of. Marijuana, one in three people thought was totally safe to drive under the influence of.

So we're going to have a setting where we're going to be distributing marijuana beverages at more locations, places which people drive to. They're probably going to be mixing it with alcohol, which creates an exacerbated effect. And then one in three of those people are thinking that it's actually safe to drive home that night.

For me, I'll just close out here by saying, just one more person putting their lives in danger from having a policy like this. That's too many. Connecticut has over a hundred deaths per year from impaired driving. And I don't want to see my home state enact a policy that would potentially drive that number up anymore even by a single person. And so for those reasons, in this limited time, I would urge the committee to vote no on advancing this legislation. And I'll yield to my colleagues and take time for any questions.

SENATOR MARONEY (14TH): Great. Thank you. I don't see any question. I think if you all three presented, then we may have questions out afterwards.

JORDAN DAVIDSON: Okay. Great. I'm going to have to hop off now, but I will let Iman and Crissy take any questions necessary. Thank you so much for your time.

SENATOR MARONEY (14TH): Okay. Thanks, Jordan.

CRISSY GROENEWEGEN: Good evening, distinguished members of the General Counsel. I'm not going to go into repeating what Jordan laid out, or what the psychiatrist said earlier and some of the parents, but I do want to make some facts clear. So while Jordan and Iman deal with policy, I am the director of our Parent Action Network division, which is the grassroots division.

I'm working every day with the families impacted across the country who have children suffering the consequences of marijuana normalization,

legalization, and commercialization. When I started three-and-a half years ago, there were about 750 families in the network. There are now 2,700 families that tell me these stories. We call them stories, but they're not stories every single day.

Again, I want to make that clear. I have a full-time job hearing from parents every single day of every single week and giving their stories of voice to leaders like yourselves to open your eyes to the problems happening here. I find it very interesting in having been here for five hours today, and hearing things that lead me to believe that even our regulators do not understand that weed -- think about that. Do we call medicine weed? Weed is not proven or approved for any medical condition.

In all reality, there are three prescribed types of medicine that are derived from marijuana, and they have been around for a long time and went through rigorous processes to become shut. So you must be prescribed them by a doctor. That is not what's going on in medical dispensaries.

I also want to note that Amy, who spoke much earlier today about her son, bought solely regulated marijuana from medical dispensaries, not from the items that fell through the loophole, not from a drug dealer on a street corner, or, like I said, in the gas stations or convenience stores.

Also, of all the parents I work with, six of whom I can name offhand that have children who have died by cannabis-induced psychosis from suicide while in a cannabis-induced psychotic state. Of those six families, four of those kids died using Delta-9, the medical dispensary-related products, and two died by the other products.

Then I would also like to emphasize that while those are six extreme situations where, yes, someone died, the bigger problem does remain that 95% of these kids aged 14 through -- even into their 30s, are

suffering every moment with cannabis-induced psychosis, cannabis use disorder, or other ailments.

I am terrified by some of the things I heard here today. I lastly, I would like to just say that I pray for that baby and the pregnant mom who is so desperate to get back to smoking her marijuana. This is not medicine, and it's hurting our kids and our future. And I will defer to Iman.

SENATOR MARONEY (14TH): Iman?

IMAN LOHRASBI: Yes. I'll keep it short. I appreciate you all being here and giving me the opportunity to speak, Chairman Maroney, Chairman Lemar, members of this committee. My name is Iman Lohrasbi. I do state policy at SAM.

Jordan gave a very good background and biography of our organization, so I will not bore you with that. But I do come here with this concern about this specific piece of legislation. Jordan mentioned that only three states really have these potency caps. And what we know is that there's a reason that the marijuana industry is desperately trying to get rid of these caps.

He compared it to tobacco earlier. These industries all share a similar theme, addiction for profit. The marijuana industry does not make their profit, does not make their money off someone who comes in once a month or uses rarely. They make their money off repeat users.

The data has showed this very clearly, is to get them on high potency marijuana. This is their profit model. This is how they fill their pockets. They want to give the consumer the product that will bring them back most likely. And we've seen over and over again that it is these higher potency products that cause cannabis use disorder at the highest rates.

I also want to stress that when you look at the data in regards to high potency marijuana use, and I'm sure this has come up earlier, maybe it wasn't, but there's a myth that people that use high potency marijuana are not going to go ahead and they'll use less marijuana because they're using a higher dosage of it, so they won't want to keep using. But data has refuted this.

There's a 197% increase in the THC consumption compared to users who only use 10% THC. I think that it would be extremely misguided for the state to roll back these potency, especially when we're seeing across the country -- when the New York Times, who was one of the biggest, pro-legalization newspapers, is now coming and saying, hey. Listen. We have a real problem, and we need a potency caps on these products. I do think it would be a large mistake. And I'm open to any questions. Thank you.

SENATOR MARONEY (14TH): Great. Thank you very much. Representative Rutigliano.

REP. RUTIGLIANO (123RD): Well, I just wanted to chime in. I wanted to know let you know that I really appreciate SAM, and I appreciate you guys showing up and testifying. We may not have a bunch of questions because you know what? We've had a long conversation about it today. But you're an important voice. I read all your testimony. People will hear it. And I wanted to thank you for coming up here or getting online and sharing your stories and your perspective. It's an important one. So thank you very much.

CRISSY GROENEWEGEN: Thank you.

IMAN LOHRASBI: Thank you.

SENATOR MARONEY (14TH): Okay. Thank you very much. Next, Melissa McGarry.

MELISSA MCGARRY: Good evening. Senator Maroney, Representative Lemar, and distinguished members of

the committee, thank you for the opportunity to testify after such a long day. My name is Melissa McGarry. I live in Westport. I've worked in substance use prevention for more than 20 years, and I'm the parent of three young adults.

I'm here to oppose HB 5350. Since Connecticut commercialized cannabis, I've been grateful for our legislature's effort to lead our nation to mitigate the harms through guardrails around potency, packaging, and advertising.

Unfortunately, HB 5350 is a sharp departure. It prioritizes the industry and its profits at the expense of public health and safety. This bill bucks scientific research and denies the professional and personal experiences of Connecticut residents who have seen the harms of cannabis firsthand.

Almost weekly, I receive alerts of new research on how high-potency cannabis impacts mental and physical health, especially among young adults whose brains are still developing. High potency products are more psychoactive, more addictive, and more harmful to the minds and bodies of Connecticut residents.

As you heard, young adults 18 to 25 use more cannabis than other age groups. They're more likely to use the high potency products, and more likely to experience cannabis-induced psychosis and other mental health problems.

I urge you to read Dr. Joe Feuerstein's testimony about cannabis-induced hyperemesis or EDs, are seeing an increasing numbers. I've also heard the comments today that the black market is to blame for all the negative outcomes. And I agree. We need to shut down the illegal sales. But you have received written testimony with citations to peer -reviewed scientific research, all showing that the harm from high potency products is from the legal products just like those that the industry wants to sell to our young people.

I'm also opposed to HB 5350's provision to allow on-site consumption of THC infused beverages in cafes, bars, and restaurants. The manufacturers' websites themselves tell you that it takes anywhere from 30 to 90 minutes to feel the effects of these beverages.

We also know that THC and alcohol consumed together amplifies the intoxicating effects of both. How will servers know how impaired a patron is? What is the burden on our public safety infrastructure when we release more impaired drivers on our already dangerous roads?

You may wonder why you don't hear from our prevention folks. Unfortunately, anyone funded by federal prevention grants, even funds passed through DHMAS, is banned from lobbying and many are scared to speak and risk their funding. But across the prevention community, there is alarm about how HB 5350 puts cannabis industry profits ahead of protecting our communities.

I hope you will give weight to what those of us in the prevention, recovery, treatment, and medical communities are seeing, as well as the lived experiences of the impacted families. Now, is not the time to loosen our guardrails. I urge you to put the health and safety of Connecticut residents, and our young people, especially ahead of the profits of the industry. Thank you.

SENATOR MARONEY (14TH): Thank you very much. Representative Rutigliano.

REP. RUTIGLIANO (123RD): Good evening, Melissa. Thank you very much for submitting testimony. I thought it was important, and it was well-written. And for full transparency, Ms. McGarry and I sit on a board in our hometown, drug and Drinking Prevention Board for Young People. It's called the Trumble Partnership Against Underage Drinking and

Drugs. But I thought it would be great teapot. It's good.

I thought it would be great. If you could just take a minute, Melissa, because I know we've beaten this. We've talked about this subject a lot today. It's near the end of the day. Everybody's getting tired. But when I first came into the group that you run, there was a decent amount of people around the table. Maybe 10, maybe 12 people. Parents around the table. Now when I go to the meetings, the room is full. So, that's either a good thing or a bad thing. I just was hoping that you could discuss a little bit who's around that table and why they're there.

MELISSA MCGARRY: Thank you, and thank you, Representative Rutigliano, for your support. TPAUD, Trumbull's Prevention Partnership, is a local coalition. We have representatives of sectors across our community, everyone from parents and young people to educators, health professionals, first responders, parks and rec, the Y, faith leaders, local elected officials from both parties.

And at our meeting last week, we had 30 people at table. We literally run out of chairs because we have engaged so many people in the conversations about mental health and substance use concurrently because that has been such an issue of concern. We also have representatives from three local treatment providers, who sit regularly at our table, which speaks to the level of engagement to support our young people who need and aren't their families because I'm called all the time by families looking for supports for their young people who are struggling with cannabis dependency or some of the adverse effects of their cannabis use.

It does take a village. And we all need to work together. We've been successful in Trumbull at kind of mitigating some of the retail effects. We're lucky. We don't have a lot of smoke shops, so we're not dealing with the smoke shop issue like some other communities. We don't have a cannabis

dispensary in Trumbull, but we are doing a lot of harm education because people do underestimate the harms of these products.

REP. RUTIGLIANO (123RD): I appreciate it. I appreciate your answer. And I've only asked the question, because, you know, at one point, we need all those people now. They all recognize there's a problem. Things have changed dramatically over the past 10 years. It used to just be busting up underage drinking parties and trying to teach parents to hide their alcohol from their kids. And now it's turned into a meeting about mental health and substance use disorder and all the things associated with commercial marijuana.

And I just was trying to illustrate the point that, even in our local town, it takes more people to try to solve this problem. It is not a harmless drug, and people are really being harmed. And I just wanted to illustrate that just by who's in the room. Even the police and the ambulance people are there, and they're there to talk to you about how many calls they do go on, how many kids get pulled out of the high school, how many kids get sent to the emergency room because they've used marijuana of too high of a concentration of THC and they're having a psychotic episode.

And it's rampant. It's almost epidemic. And if folks would just call their local emergency room or their poison control center, they will see exactly what we see in our everyday life. So, Melissa, thank you for your work and thank you for your time in answering a few questions and I appreciate it. Thank you.

MELISSA MCGARRY: Thank you.

SENATOR MARONEY (14TH): Thank you. Are there further questions? Okay. Here we go. Thank you very much for your testimony. Next. So, I understand Christina Capitan is online, but she's not accepted. You need to accept the promotion to a panelist in order to be able to testify. So, we're going to go

to the next person. And if you have accepted the invitation to become a panelist, we'll come back and let you testify. So, next is Nicole Hampton.

CLERK: Not on.

SENATOR MARONEY (14TH): Not on. Next is Lou Rinaldi.

LOU RINALDI: Well, hello there, Senator Maroney. It's so nice to see you.

SENATOR MARONEY (14TH): I thought we'd see you back in a week, so welcome back.

LOU RINALDI: Yeah. Yeah. Funny how that works. I'm here to keep, Mr. Rutigliano from getting more tired by hopefully engaging in some good conversation here. So, I'd like to thank Crissy at SAM for letting me know that my cannabis is not medicine. I had no idea. I wonder if we should hire her to help educate the 30,000 patients in our state's medical program.

So, anyway, Representative Lemar, Senator Maroney, you know, members of General Law, I'm glad you're getting closer. I'm glad you're inching your way there. Thank you for listening on the tax reform. I just wish we could have gotten it done in time to save some of our small businesses. We have constrained our state's cannabis industry with Warren Buffett style anti-competitive tactics, like build a moat around the business like we were taught in business school.

You know, why do we glorify this approach to doing business under the guise of social equity? And why are we telling lies, bold-faced lies about making people whole when we all know that many social equity license holders were never disproportionately harmed by the war on drugs? Some of them weren't even alive during the peak of the war on drugs. Now, I like Jason Teal. I like Tianna Hercules. I think

they deserve success, and I want to be able to support their businesses.

But I don't want to support Art Linares or Jerry Farrell or anyone else who has objectively gained the system to exploit something that they hated until they figured out they could profit from it. We need to start having honest conversations instead of selectively ignoring the most glaring problems, and we need to start solving for root cause. So, to that end, I'd like to touch on 49, 50, and 51 in rapid succession.

With regard to 49, I believe I'm the only person who submitted testimony on this one in favor of establishing a task force to study the operations of DCP. I think it's long overdue for reasons that you will find in my written testimony. I also think another thing that's long overdue is the execution of Section 54 of Public Act 23-79, which is the home cultivation farmers market task force from that same law that never got acted upon.

So, I think both of these task forces, it is a crucial importance if we're going to save this industry that both of these happen immediately. And written testimony there has a lot more. Moving on to 50. I love that we're talking about disclosure of post-harvest ionizing irradiation, but we also have to include pre-harvest UV irradiation.

This pre-harvest irradiation burns trichomes. I've included peer reviewed research in my written testimony. It makes medication less effective for patients. And also, it's just an example of how they continuously move the goalposts so they can find new pathways to adulterating cannabis before it reaches retail. We need to stop that process. We need to stop listening to the lobbyists for the incumbent medical licensees.

I have a couple other thoughts on 50. They're all there in the written. And on to 51, this is arguably the most important thing. I support what the social

equity council is doing. I support Brendan McGee in doing what he's trying to do. But we have Connecticut General Statute Section 21a-422k(g), which is an information destruction policy that exempts license sales and transfers from the Freedom of Information Act.

So, all the consolidation that's happening behind the scenes that we all think, oh, we're doing great with social equity. We're doing a fantastic job. Sounds like finally today, some of you are starting to realize that's not so much the case. But as long as we have those transfers exempt from FOIA, then it's going to remain a black box, and it's going to be completely off of public view.

So, we need more sunlight, we need more transparency, and we need more accountability in this industry. So, thank you again for, you know, moving to a flat retail tax. I'm hoping we can take some other common sense policy positions on some of these other matters and really start to turn this thing around and not listen to the paternalistic prohibitionists who can go on and on forever and, you know, try to dilute the issues here. So, thank you again for the time, and I'm happy to answer any questions about my position on any of these three bills.

SENATOR MARONEY (14TH): Great. Lou, thank you so much. Thanks for submitting the written testimony, and for sticking in with us all day. I think we're past --

LOU RINALDI: Of course. I appreciate all of you still being there. I know this is a grind.

SENATOR MARONEY (14TH): Yep. Passed that already.

LOU RINALDI: I mean, I know you got 12 bills in a single hearing. It's got to be unbearable. So, thank you for sticking with us.

SENATOR MARONEY (14TH): Yeah.

LOU RINALDI: Appreciate that.

SENATOR MARONEY (14TH): Thank you very much.

LOU RINALDI: Alright.

SENATOR MARONEY (14TH): Okay. I don't hear see any questions but I will be in touch with you. I do promise that.

LOU RINALDI: Appreciate it, sir.

SENATOR MARONEY (14TH): Yeah.

LOU RINALDI: Thank you.

SENATOR MARONEY (14TH): Thank you. Okay. Next, JoAnn Smith. Dr. Smith?

CLERK: Doctor Smith is not online. So, we'll skip to the next.

SENATOR MARONEY (14TH): Okay. Is Nicole Hampton or Christina. Going back. If not -- Oh, okay. Nicole Burnes. Alright. Nicole? Yep.

NICOLE BURNES: Good evening. Senator Maroney, other members of the committee, thank you so much for having us. Thank you for being here this late tonight. I am going to keep my testimony very short and sweet. You have -- I'm sorry. My name is Nicole Burnes. I am the Executive Director of the Connecticut Cannabis Chamber.

You have heard from a lot of our members today about their proposed amendments for the Bill 5053. So, I will just let you know that we are very happy with the bill. We thank you for taking the time to go over everything that you have and listening to the industry on a lot of these issues. We support the common sense modernization of packaging rules, including allowing limited additional colors, and also I wanted to throw in there because Kebra forgot

and she usually doesn't forget, but we also wanted to allow adult use retailers to use the term dispensary for consumer clarity.

Many consumers search for a dispensary near me and when they're searching for places to go. And if your adult use retailers are barred from using common terminology, it can materially harm lawful businesses' ability to be found and can inadvertently steer consumers to unregulated channels. So, that is something that she wanted to mention and she forgot, so I wanted to make sure that we put that out there.

We also want to reconsider the FOIA exposure for sensitive commercial filings. We are concerned about expanding FOIA eligibility for certain filings including notice of material change that may contain sensitive business information. We spoke about branding and how we are interested in the colors and branding for our businesses. And we just want to make sure that we have that opportunity to let consumers know who our brands are and that we are safe brands for them to consume.

We also heard a lot about 73, so we support a lot of our members, including Budr and those you will hear from after me. With the wish to consider changing some of the language in the bill to define the 73-year change and additional changes to clarify that routine ownership, restructuring, and non-social equity ownership transfers are permissible without SEC approval.

With that being said, like I said, we are really grateful for all your work you've done on this bill. We continue to -- We look forward to continue to work with you after this to go over some of the other things in this. And if you have any questions, I'm more than willing to answer those.

SENATOR MARONEY (14TH): Great. Thank you. Representative Ackert.

REP. ACKERT (8TH): Thank you, Nicole. While we were sitting here and I'm listening to light comments from different groups here, different businesses, I said, did you ever get in the room together and hash this out and work together? And I said, There must be a Chamber of Commerce.

NICOLE BURNES: Yes.

REP. ACKERT (8TH): Believe it or not, I looked it up while we're sitting here. So, that was one of the things that I know that I'm not a ranking and or a chair, so I don't get all these special meetings. And so, I'm wondering that's what I was curious about.

NICOLE BURNES: Yes. I spent a lot of months after last session talking to a lot of our members, but we also talk to those who are not members. We want the industry to do well, not just our members. So, I spent a lot of months last year trying to talk to everyone about what their issues are and what we can do to stand as a stronghold as an industry to really work towards a better industry.

And I think we were successful in doing that. A lot of the owners, cultivators, a lot of the retailers, anybody who was in this business came together and said this is what we need to do to make it, you know, stronger, to be more competitive, and for our businesses to not fail. We are seeing a lot of businesses fail.

By the end of this year, we might have to want to do business closing. And that's not -- You know, that's something we want to prevent. So, we did get together and we did spend a lot of time doing that. So, congratulations to all of those who got together and are willing to help each other out even if it's not something that is, you know, bothering them, they are still willing to come up here and speak on it. So, yes, to answer your question.

REP. ACKERT (8TH): So, well, yeah. That was a long yes but thank you for that long yes. Yeah. Just to be straight, I mean, I'm a business owner, so we get together, we talk about our industry, and we have a common voice. And it's better to have a common voice rather than be fragmented.

NICOLE BURNES: Yes.

REP. ACKERT (8TH): And I'm glad that that's working out with this committee. It looks like the leadership of this committee is getting it in a better position for the business. Whether you like that business or not, it doesn't matter. It's just the fact that we have the businesses and you never want to see them fail because of, you know, whatever may be regulatory that we can help that. But, so thank your commitment and let's keep getting that common voice out so that it makes this committee operate better. Thank you, Mr. Chair.

NICOLE BURNES: Absolutely. Thank you.

SENATOR MARONEY (14TH): Thank you. Thank you very much, Nicole. So, next, Jake Parker.

JAKE PARKER: Hi, Chair Senator Maroney, Lemar, members of the committee. I'm Jake Parker with the Security Industry Association representing companies to provide products to keep people safe in Connecticut and throughout the nation. Here to talk about SB 4, we do have some concerns. We support the Connecticut Data Privacy Act, which provides uniform rules, including for biometric data, which have been more or less adopted in 20 states so far.

It's critically important this framework continues to allow effective use of modern technologies by security professionals, businesses, and property owners while at the same time protecting privacy. The sweeping changes though to the existing privacy law in SB 4 would pull it out of alignment with these frameworks and cause a lot of confusion regarding compliance and ultimately could result in

companies simply choosing not to offer their products and services in the state.

Specifically, I want to highlight how over broad restrictions on using facial recognition technology for security anti-fraud purposes is broader than it might appear and would even ban important non biometric systems features that do not even involve identification. This stems in part from an erroneous definition that's used and would run directly counter to the existing definition of biometric data and the security related exclusions.

There will be some tangible negative impact, safety, and security from this as retailers and other businesses have embraced these modern features of security systems to reduce retail theft and protect their customers and workers from violence. And importantly, it does not appear to be limited to retail or even on-premise settings and would result in preventing things like, online anti-fraud uses for identity verification where an image is matched against an ID or a single image versus a database.

Fortunately, some of the concerns, I think are based on misconceptions about the security of biometric data, which I'm happy to answer questions about. But basically, this data is only created and readable within a specific proprietary system used. It's matched based on similarity to saved information. If this information is somehow leaked, usable by third parties or in other systems, and it can't be reversed to produce the features that were measured to begin with, which is a natural cryptography.

You've also may have heard something like passwords can be reset, but your biometric data can't be, yet this is false. It's actually infinitely changeable and renewable within a system that creates a different unique identifier each time it is analyzed and compared. There's also a long-outdated notion that facial recognition technology has inherent race and gender bias when we found the most recent US government testing confirms the leading technologies

are over 99% accurate, and it includes across over 70 different demographic variables.

So, there's many other textual inconsistencies in the bill, which I think are problematic for a number of other technologies, which I'll respect your time and not go too far into here. But for these reasons, we definitely urge you not to move the bill forward without significant changes, and we'd love to work with you on looking at how we could address these concerns. But I'm happy to answer any questions.

SENATOR MARONEY (14TH): Great. Thank you. I guess the questions are so the intent is to look at, you know, with the facial recognition. Again, we define the biometric information and so it's a good point, facial recognition technology. We don't use to identify a specific individual. But biometric information and biometric information used to identify a specific individual, that's sensitive data, which means it should be opt in consent, right, under our laws and the majority of the 19 states or 20, depends on how you count them, I guess, states who have the data privacy.

Some feel that that was a loophole. Right? That the security fraud theft exemption to get around getting consent. And so, what we're just trying to clarify is how it can be used. Right? That you shouldn't be using it to identify specific individuals when they're coming into the stores and less again, it's their opt in to that.

But we did want to allow for some security usages, recognizing that theft prevention, that there is loss. I guess, it's not something we're going to solve now, but I would be -- You know, understanding what our goals are, I would be interested in seeing what suggestions you would have. If we can achieve those goals without hampering what you're saying.

Again, we don't want to -- And actually, I disagree. I'm going to go back. I disagree with the statement that this would not allow you to identify yourself

online. Because if you're using a program your own, that that there is opt in. Right? You are opting in to give that permission to identify. So, again, we're trying to get around people being able to collect your biometric information without -- Not get around. To prevent people from being able to collect your biometric information without that opt consent.

JAKE PARKER: If I could explain. Can I explain that?

SENATOR MARONEY (14TH): Yes. That --

JAKE PARKER: So, the issue is that the language is structured as a prohibition on security and anti-fraud uses of the technology with limited caveats versus the other way around. And that's why I think it would actually prevent any kind of use of the technology that's not as defined that's not actually described here. So, it describes an on-premise use, and I think you probably have, you know, retail security uses in mind, and it would allow for that.

But the problem is the way it's structured, it wouldn't allow for any other kind of use, it seems. And it actually includes a definition of facial recognition technology that is different than biometric data in the bill, which is structured so that it would probably prevent use of more basic, less invasive common features of systems where you're just searching through your video data for similarities between frames.

And you're also just detecting where there's a face or a person in an area. Maybe it's a dangerous area on a factory floor where there needs to be alert, like, someone's getting too close to the piece of equipment or something like that, or for safety purposes. But as far as suggestions, you know, I think there definitely is reason to have transparency and have signage at physical locations where the technology is being used.

I know New York City requires that currently. So, that's reasonable. Also, some of the things described about redress, when it's being used in those loss prevention or security type scenarios make sense sites reflected in commonly used best practices and policies that are already out there. I don't know that you want to enshrine that in law though because that won't allow you to easily change this if the processes improve. Yeah. And it's kind of a lot of detail to include in the statute.

SENATOR MARONEY (14TH): Yeah. We don't have rulemaking in this area. And so, a lot of states, they may not enshrine it in statute because they leave it up to the regulators to promulgate regulations. And so, just the construct because the attorney general or this is being enforced by the attorney general, they have to review all of the regulations to make sure they're in compliance with the statute so they aren't also allowed to promulgate regulations.

So, that's why sometimes our laws are different than you would see in other states. We do need to put more detail in our statutes for issues where they're enforced by the attorney general.

JAKE PARKER: I'd love to continue the conversation about this with you, sir.

SENATOR MARONEY (14TH): Great. No. Thank you. Yeah. And you brought up some good points that I think we're not going to flesh out today. So, I agree. We will continue the conversation.

JAKE PARKER: Thank you.

SENATOR MARONEY (14TH): Okay. Next, Carl Tirella is not here. It's just Derrick. Okay. Derrick Gibbs.

DERRICK GIBBS: Alrighty. Good evening and thank you to the General Law Committee for having me this evening and speaking. My name is Derrick Gibbs from Budr Cannabis. We have written testimony in support

of Bill 5350. Let me make sure I get that right. I'm here again to speak before you regarding the allowing the social equity owners to sell their equity prior to the seven years.

I continue to say that this is an option. It is not a requirement. It is not a force. It just gives them the option of the ability to do so. And we're looking for ways to work with the social equity council to create a pathway with a few recommendations that we did present to them to allow us to work together. Social equity is the fabric of the industry in general, especially, Budr Cannabis.

And we've proven that in really many ways. One with our social equity plans, our work development plans, as well as putting our businesses in disproportionate impacted areas throughout the community. And I can kind of list even more things. At Budr Cannabis, we've changed the lives of our social equity applicants, which happens to be my direct family members. I've said this many times. They're my mother. They're her cousins, and they're also her sisters that are involved in this.

And our social equity applicants, ironically, no longer meet the social equity requirement anymore based on the regulatory requirements on a financial standpoint, which I think is one of the beauties of the program and sort of what was sort of the inception of this and how we put this whole thing together.

We're simply trying to continue that by creating generational wealth and allowing them to sell their equity when they would allow to. This regulation is looked at as a protection against predators. And I don't think that I would be considered a predator, considering that's my mother, considering that it's my aunts and my mother's first cousins.

And if you look at a lot of the other social equity applicants, not just my situation, but Fine Fettle was here with Ben Zacks. They've known each other

for over 20 years, and the list can go on in terms of the relationships that these social equity applicants and these owners and backers have. This isn't a situation where they've met people on the street and has said, "Come on over. Let's do a partnership."

And if that is the case, many businesses you said you were a business owner. Many businesses in America have even been set up that way. So, I don't agree a lot with that. I've heard the argument that the market hasn't matured and it takes more than three years for the market to mature. And they feel that by having the social equity applicant sell within the three years, they're not maximizing their return on their investment.

Well, let me just state some facts about maturity in the market. Over the last two years, we've seen Connecticut cannabis sales flat every month. Over the last two years, we've seen four social equity stores close. Over the last two years, we've seen more stores open, but flat revenue throughout the state.

That's simply meaning that customers are just going to other stores. You open a store, you're no longer going to my store, you're going to Ben's store, you're going to someone else's store. And then I'll also say that over the last two years, we've seen several social equity licenses expire prior to those businesses opening.

So, they've had the license. They were able to get everything started, but unfortunately, their time expired, and they weren't able to do anything with those licenses. So, when we keep talking about maturity, and the mature market, I'm having a hard time really understanding that. And I, also, have a hard time listening to people that perhaps are not actuaries or can predict the future of the markets and know when these things would be mature.

And then the last thing that I will say and I know I said it was the last thing, but the last thing that I will say is that we had people into our market that never opened a store. They bought a license, nonsocial equity. They never opened a store. They never found a location. They didn't hire staff, and they sold those licenses before all of that. So, we keep talking about maturity. They did all that before that. These people walked out of here with millions.

The difference was they weren't social equity. They were able to sell those licenses because they weren't social equity applicants, and they were able to sell them when they wanted to. And I still have a hard time after hearing all the stories and all the people that have come here today, and respectively, to hear we're over the edge, and we're almost there. These are actual events that have happened for people, and I continue to hear from folks that there's people that still want this in place that are social equity.

Well, we brought a bunch of people here today, and I didn't hear one of them saying that. And I haven't even seen anybody as a social equity applicant ever come here to tell anybody that they want to keep that in place. I've never seen them, never heard of them, and I'd like to meet them. Love to meet them if they would be introduced to me. If you know someone, please do, and I'll end my time there. Thank you very much.

SENATOR MARONEY (14TH): Thank you. Senator Cicarella.

SENATOR CICARELLA (34TH): Thank you. So, this is a very interesting, complicated new area of business, right? But I keep hearing about how it's over regulated and the kind of rules that Connecticut puts in place, hinders the growth and success of that industry. And other states are doing things differently and maybe the market for that your

industry is better in, you know, Mass or, you know, New York or somewhere else, not in Connecticut.

I do want to just make a very clear point that it's not specific just to your industry. Connecticut is really hard on businesses. So, it's not just your industry. So, I just wanted to make that point because I hear a lot of people saying that, and they're not just solely picking on this industry. We have to do a better job of supporting businesses here in Connecticut.

And listening, if you notice, I haven't spoke too much, because I'm trying to take it in. I don't know a lot about it, so I try not to talk about things that I don't know about, so I don't look like an idiot. But what I'm trying to understand is, and the good representative asked a question about having, you know, kind of a council or a group or a chamber. Just like in all businesses, you have the chamber, but then you also have the social equity council.

And it seems as if there is a discrepancy. I talk to the hemp people. I talk to the private equity, the social equity groups, and I'm trying to wrap my head around this very interesting business. But our job is to kind of listen, take it all in, and we're hearing kind of conflicting things.

So, can you maybe tell me why you believe that the counselor group put together to represent the social equity applicants are in disagreeance with you and the rest of the applicants that want to be able to sell their share earlier than is allotted?

DERRICK GIBBS: I mean, it's kind of a complicated question, if you will. But I would say to first start is that it's difficult for people that are not in the industry to come here to talk about something that they also are not in involved in. It's to say as if you ran the social equity council. You mentioned that you're not familiar with the industry and you're not in it. You're not in it every day, and, you know, we understand that.

But the folks that are also a part of the council are a bunch of people that are doing a great job, but they are also not in the business either. So, they're kind of hearing things and making decisions, so forth and so on. Some of them in insurance. Some of them are in banking. You know, a lot of business owners, some nonprofit organizations, but they're not in the business.

And so, it's very hard. I sit on many boards. It's very hard to be on a board and like an insurance company board. I'm not in insurance every day. You know? And so, to make decisions and hear what they have to say, it's very difficult to do that. And, typically, when I'm in the board meeting, I say, what does the staff have to say? What's the staff's decision on this?

And, typically, I go with what the staff says because they're the people that are in it every day. In this particular case, guess who the staff is? That happens to be the people that are in the industry. It can't be people that -- Unfortunately, can't be people that sit in an office and have never ran a store. Right?

SENATOR CICARELLA (34TH): I totally get that. I mean, I completely get it. Right? Totally understand where you're coming from and that does make sense. It's actually funny, you know. It's like you're not going to ask your plumber a medical question. Right? I get that whole concept. I'm with you on that. And I know there's a lot of smart people on that council and I think that's phenomenal and great.

And I agree with what you're saying, you know, you guys made an investment. And if you could make more money by selling it now, you should be entitled to do that. And it just, I'm just kind of stuck of how the council can't get in line with what you guys are asking for. That's just kind of where I'm stuck. I'm trying to see what is the other side.

Anytime I'm trying to make a decision, I see both sides of the issue, and then make a decision, you know, with taking all that into consideration. But you guys are kind of so far apart on that, and I just don't understand why you guys can't come to a middle ground. Because if you guys came to us and said, "Hey. We have an agreeance." I'm sure we would say, "Okay. That makes sense."

DERRICK GIBBS: We've made many. I also think that people are taking -- This is a new industry, so a lot of people are not familiar, including myself. I haven't been in this for 15 or 20 years. You know, this is a new industry. And so, the other thing is that, people are taking educated guesses on industry trends market. You know, it's just like betting on a stock. Right?

The conversation continues with maturity of the market and the belief again, this is information that I received from folks is that the maturity that the market hasn't matured yet, and that if the social equity applicant or anyone, specifically the social equity applicant sells prior to the three or seven years, that the market hasn't matured yet, and they're not going to get the bang for their buck. But how are we how are you going to predict that.

SENATOR CICARELLA (34TH): I get it.

DERRICK GIBBS: We're predicting stocks. I mean, if any of you could predict a stock and tell me to invest in it, you know, that'd be great. You know? "Hey. Invest in this, and then you'll make X." But there's no way for them to predict that at all. And the facts that I presented to you earlier regarding, no one brings that up in conversation for social equity stores closing.

They don't bring up that the market has been flat for the last two years making $25 to $28 million a month. I never even hear these conversations. No one brings up the fact that there were stores that weren't able to even get open prior to the

expiration date. These are facts that are happening within the industry. And to think that all of a sudden, we're going to go from 28 million and in two or three years, we're going to go 50 million. I mean, that's a heck of a prediction to be making.

And, of course, I think that I would be in favor of that, of course. Right? And I want to stay in the market. But if I was a person that said, "Well, I don't know if I want to stick with this stock." It's at the peak. Apple's doing good, and I've been in it for five years. And you know what? Today's my day. I say I want to get out. There's no one there saying you can't get out.

SENATOR CICARELLA (34TH): I get where you're going with that. And again, I agree with you. Right? You want to make a new investment. You see something else. Maybe you did find that stock. You got some good stock advice. And if you do, let me know. And you want to take that equity out of the business that you're in now and then you go and invest it somewhere else. I totally get that.

I think what we should do is -- And I know I almost said Representative McGee, but Brent McGee is a very reasonable guy, great guy. I'll reach out to him, have a conversation, try to educate myself more, and maybe we could get a room together and try to figure out a middle ground there.

Because it's hard for us to sit here and make those decisions. And I think it's important that you guys come to an agreement. But I do want to thank you for answering that question, coming up, testifying, and we'll see if anyone else has --

DERRICK GIBBS: Appreciate that.

SENATOR MARONEY (14TH): any other questions.

REP. LEMAR (96TH): Thank you again. Good to see you again. Senator Cicarella is going to take on the role I tried to play last year and try to find a

happy medium. I don't know if the happy medium exists. I do think we --

SENATOR CICARELLA (34TH): I have a union thing done. You never know. I might go for two.

REP. LEMAR (96TH): Yeah. It's true. We got -- Yeah. Yeah. Yeah.

REP. LEMAR (96TH): Look, I think, as you know, I was sort of hard person to convince on this issue. I've softened over the last year. I think the examples that are presented both today and that I read about for the last few months, have pushed me closer to where I think you'd hope that I would be. And so, we're going to I'm going to try to figure out what the structure is and what the protections are that I need to put in that will give my comfort level some ease.

But also speaking with the Social Equity Council to try to determine what their continued opposition is and what they are worried about that maybe I'm no longer worried about. So, I think Senator Cicarella is correct. There's got to be a space that we can operate thoughtfully in that allows people to maximize their return on their investment if they no longer see the economic gain that they thought they were going to receive.

We've got to give people an equitable chance out of the industry and out of the space if they see a good opportunity for them. That's mine.

DERRICK GIBBS: Okay.

REP. LEMAR (96TH): And everything else, I think, the bill reflects where you're trying to get me to go last year. So, you were right a year ago on that, so maybe you're right a year ahead of me this time too.

DERRICK GIBBS: Good.

REP. RUTIGLIANO (123RD): If I could just --

SENATOR MARONEY (14TH): Representative Rutigliano.

REP. RUTIGLIANO (123RD): Thank you. I just want to let you know, I've been in business for 30 years. Right? I've had tons of businesses. I had the worst year we ever had last year. So, don't feel bad. Traffic is down. Costs are up. Connecticut's a tough place. So, I don't know if it's exclusive just to your industry that you're flat and not growing. I can tell you, there's many other people experiencing the same thing. Alright?

DERRICK GIBBS: Yeah. But they have the option to get out.

REP. RUTIGLIANO (123RD): They do? Absolutely.

DERRICK GIBBS: Yeah. That's it. Right? That's it.

REP. RUTIGLIANO (123RD): I don't want to prolong the conversation, but can't you do a side agreement right now and sell? Can't you pay out your people?

DERRICK GIBBS: We've had this conversation.

REP. RUTIGLIANO (123RD): We've had this conversation.

DERRICK GIBBS: Yes.

REP. RUTIGLIANO (123RD): So, I didn't want to bring it up here because I know you guys are working on this. I'm sympathetic. I get it. But in all due respects, sir, you could buy out your mom right now. You could do it right now if she signs up to where it doesn't take effect for five years. Call it a day.

DERRICK GIBBS: No. We've looked at this. That's the whole point. That's why I'm here. That's why we're all here. If that was the case, I wouldn't be here if I could buy out my mom or someone or the social.

That's not the case here. And I don't want to also make it seem as if that's my whole strategy with this either. You know, I talked about this before. My mom is, you know, she's -- I don't want to give out her age, but, you know --

REP. RUTIGLIANO (123RD): Smart man.

DERRICK GIBBS: Right? You know? But --

REP. RUTIGLIANO (123RD): I'm sympathetic. And I'm also sympathetic to you say that people aren't even qualified to be social equity anymore. That was your testimony. Right?

DERRICK GIBBS: Yeah.

REP. RUTIGLIANO (123RD): Because I qualified. I grew up in Waterbury the first 14 years of my life. I was a social equity. I could've been a social equity applicant. So, I understand your frustration. I really do. I just don't understand how in a sense of setting up an LLC or a business agreement, you just sort of can't work it out and come up with a contract that we were sort of jokingly saying back here, you know, Otani's going to get paid for 40 years. You could really write anything you wanted to a contract if these folks really needed to get paid right now. But maybe I'm wrong, but I'm so open to your issue. No doubt about that.

DERRICK GIBBS: Yeah. They can get but there is no equity exchange. That's the -- They can get paid, but there's no equity exchange. So, are you going to buy someone's house for X amount of dollars and they tell you, "Well, you don't own it. You don't get the deed. You just you can stay here, but no deed."

REP. RUTIGLIANO (123RD): Should I stop? Okay. Alright. I'm going to let it go. No. I would just say, how come you can't write into the contract that these shares come to me in five years? Here's your money now. The contract says I own them in five years.

DERRICK GIBBS: You get the deed in five years.

REP. RUTIGLIANO (123RD): You're still late but she's not.

DERRICK GIBBS: You get the deed in five years. You pay me for my house today. And in five years, you're going to get the deed.

REP. RUTIGLIANO (123RD): That's what you're looking to do. No, I wouldn't do the deal. I was trying to find a way for you to get around the problem you're having. That's all.

DERRICK GIBBS: Okay.

REP. RUTIGLIANO (123RD): That's it.

DERRICK GIBBS: Alright.

SENATOR MARONEY (14TH): Thank you. And I'll just, I guess, share my thinking since we're all talking a lot.

DERRICK GIBBS: Okay.

SENATOR MARONEY (14TH): You know, initially, I guess, I wasn't buying the argument that you want to sell it earlier because the business is going to go down in value in the future. Right? Just because you're a businessman. Right? One efficient market theory of business is worth what it's worth. Right? And so, being able to sell it early because the sales are going to go down in the future, I wasn't necessarily buying that argument.

DERRICK GIBBS: But the sales are going to go down in the future?

SENATOR MARONEY (14TH): No. People have said that they want to be able to sell in year three because they know after year five, the value of the business

is going to go down. But why would you buy it then as a buyer --

DERRICK GIBBS: I hear what you're saying.

SENATOR MARONEY (14TH): Knowing it's going to go down. And it's like in stock markets, efficient market, you know, the prices when you know somewhere is going to a price, you're at that place right away. But I was looking at it the wrong way. Right? The way is because we have two different time frames. Right? There's a three year and a seven year. So, why shouldn't they both be at three years is one thing.

And then the other is looking, you know, bringing forward today the people the examples of we don't have those restrictions on the partner. And so, it does put the social equity applicant in an unfair position. So, that's why I'm coming around one the way I think I had been looking at it in the past. The argument that was put forward, I disagreed with, but the overall place we're going, I think, is the right way. Like, I agree for other reasons.

DERRICK GIBBS: Good.

SENATOR MARONEY (14TH): That's what I wanted to share. So, that's all.

DERRICK GIBBS: Appreciate it.

SENATOR MARONEY (14TH): So, alright. Thank you.

DERRICK GIBBS: Alright. Thank you. Take care. Have a good night.

SENATOR MARONEY (14TH): Alright. Norman Plude.

NORMAN PLUDE: Hold on there. Can you hear me?

SENATOR MARONEY (14TH): Yes. We can hear you. Please proceed.

NORMAN PLUDE: Okay. Finally, I got it right this time. Good evening now. I'm not sure who's up there, but thank you for taking the time to hear my testimony today. My name is Norman Plude. I'm from Seymour, Connecticut. I'm one of the first hemp farmers in the state of Connecticut. I'm just going to give you a little bit of background. I grew at UConn in 2017. We did two acres out there.

Later on in that year, I came back to Hartford. I was up in the Republican caucus and helped draft some of the regulation for the original hemp bill. I'm one of the state's smallest farms. I'm an eighth of an acre. I grow in 200-foot greenhouses. My farm, well, my whole endeavor through hemp started in 2019.

We flooded the market. 2021, we had COVID. '23, '24, we had over restrictive regulations. And every year, we had to cut our product and get rid of product. Last year and 2024, I lost my farm during the flood. I lost everything. I got a grant, small business and rebuilt my farm only to find out that there's nothing I could grow on it.

I have an extraction license I can grow. I can't extract. When I built my farm, I rebuilt it to do feminized seed for the industry. According to the federal regulations on hemp, seeds and clones, any plants that are not flowering and are below 0.3% are considered hemp. This is the last thing. This is all. We don't have anything left. Seeds and clones. The clones themselves, I have three in front of me here, and you can't see them, obviously. They're all the same age. They're three different heights.

For me to do, I do seed starts. They're all feminized seed. Any seed I put in, they're female. They're a much stronger plant. They do grow a lot quicker. We have a six-inch restriction on plants. I have plants that grow five inches in a night. The average plant that I plant when I go out into my fields is a foot tall before I even get it into the

ground, and it still has two weeks before it's mature.

As far as a cannabis plant, there is a way to tell if it's a mature plant, if it will ever flower. Up until that point, it's like salad. You might as well need lettuce. On a plant, they have two alternating branches. They go out on the side there. That's an immature plant. It will never flower. It will never have THC. When the branches start alternating, one higher and lower, that's when the plant is in sexual maturity.

In a light condition, you can force it into flower. That's when it becomes marijuana. That's not what we're selling. We are selling pre flowering plants that are legally federally legal as hemp. We're cultivators. We're farmers. We can't grow a plant, and we can't sell the seed from that plant. Does this make sense?

We've been at this since 2019, and there is nothing that we could do this year. I had a $28,000 grant that I got to rebuild my farm, and that's money out the windows. I can't do anything. I'm 62 years old, and I had to rebuild my farm for nothing. All we're asking, let us grow plants. That's our business, but yet you gave it to the dispensaries and to the cultivators.

We grow plants. They grow marijuana. They sell marijuana. We grow hemp. All we're asking is to be able to do what we do. You say it has THC in it, so it's illegal. Well, we have a thing that we could sell. I worked at Ace Begonias. We used to sell San Pedro cactuses, mescaline, schedule one, narcotic, a drug. Totally legal to grow in Connecticut. Don't use it. That's illegal. But yet the plants that I want to sell has no THC or CBD, I can't do anything with it.

And they're worried about taking over the market. What? They took over our market. We have another issue. As I said, I grew a couple of acres up at

UConn. I was arrested in 2016 for cultivation. This is how I got into this business. In 2017, I helped UConn grow hemp.

But, yeah, I hold a license to cultivate hemp. I was arrested for marijuana, but yet I hold a license to grow the same plant according to your definition. So, the state has to make up their mind. Am I a pot grower with a license or am I a pot grower with a felony? I don't think I've heard of anybody. And by the way, I was a patient when I got arrested.

I don't think anybody that's been arrested for cultivation of cannabis as a patient has had their charges expunged, and I know there were at least 12 of us in the early years. I'm looking through my notes. So, I hit the clean slate. San Pedro, immature. I think that's about it. You have my testimony there written. If you have any questions, I'll be happy to answer them for you.

SENATOR MARONEY (14TH): Great. No. Thank you very much and thanks for your written testimony. It's very thorough, and we appreciate you taking the time to testify to us.

NORMAN PLUDE: We're just frustrated here. There's no place for us to go anymore. You know, we're totally locked out of the business. I'm 62. I'm retired. If it doesn't happen this year and I can't go, I'm leaving the state. I'll go to Missouri where I can actually work, and I'll get a license down there because I can't do it here. And it's a shame because we have some really great cultivators in this state, and we're being left out even out of the most basic thing that we do. We grow plants, sell seeds. We can't even do that.

SENATOR MARONEY (14TH): We hear you and understand your frustration. So, thank you. Alright. Hearing no other questions, the next Norman, Norm Sondheimer.

NORMAN PLUDE: I'll go again.

SENATOR MARONEY (14TH): There's another one here.

NORMAN PLUDE: I know. I know. Alright. Thanks, guys. Have a great night.

SENATOR MARONEY (14TH): Have a nice day.

NORMAN SONDHEIMER: Thank you, Senator Maroney, Representative Lemar, Senator Cicarella, Representative Rutigliano, and the other distinguished members of the General Law Committee. Before I start, I sincerely want to thank you for taking on this responsibility. It's very impressive, the scope of issues that the committee needs to deal with.

My name's Norman Sondheimer. I'm a resident of Avon and a representative of the Connecticut Chapter of the Computer Science Teachers Association. And we're submitting testimony here in strong support of SB 005, an Act Concerning Online Safety. We want to commend the general assembly for the sections of this on this bill that are forward looking provisions that support artificial intelligence education in the primary and secondary schools.

The AI Academy, the teacher training, the digital literacy resources, the student course work represent really thoughtful investments in our children's future. But you're missing one thing. It's very strange. You're assuming that the schools are waiting for these resources. You're assuming that the schools will rise to the challenge of teaching what is a brand new topic with a lot of technology involved. You know, we faced this before.

In 2019, on the Governor's inaugural address, he urged the state to think big, act boldly, and he promised that we would teach coding K to 12. So, what you folks did is pass public law, public act, I got to get it exactly right, Public Act 19-128. It passed the senate unanimously, bipartisan. It passed the house overwhelmingly, and it included something

that you don't have, which is a single phrase that I'll get to shortly.

This one phrase made all the difference and the difference is huge. Thousands of kids are learning coding in Connecticut that wouldn't have otherwise. Today, one in three kids graduate from our high schools, at least getting an introduction to coding. And it's not just the numbers of increases that's important. What's important is the kids we're reaching. We are now reaching 61% more kids in the high needs category.

We're reaching 43% more Black and African American kids. We're reaching 42% more Hispanic and Latino kids. And we're reaching 51% more female students. So, it's the schools that weren't paying attention before that you're now got paying attention. What you can do is do the same thing, tie the support systems that are in that bill with a clear statutory expectation.

So, what I've got, and it's in the written testimony explicitly, in Section 10-16b, you have the list of subjects that must be taught by our public schools. What happened in 2019 is you changed the part that it now says, computer science including coding must be taught. All you have to do in this case is say, and let me read it here, in the public schools, the program of instruction offered shall include computer science, including but not limited to computer program instruction, artificial intelligence, that's the addition, and other emerging technologies.

With that one addition, you ensure that every student gets to benefit if they wish. It's not a requirement. But if they wish, they can take these artificial intelligence courses, which will be a part of a computer science course in general. You'll take the teacher training that you're requiring and translate that into classroom opportunities, and Connecticut will get a chance once again to lead the nation.

So, what I'm hoping you'll do is make that single change. Thousands of school kids will thank you eventually, even though they'll most likely not even know you're connected with this, but you'll make a big difference, and we'll all get to thank you for your leadership and thank you for the opportunity to testify.

SENATOR MARONEY (14TH): Great. No. Thank you very much. It was --

NORMAN SONDHEIMER: You're welcome.

SENATOR MARONEY (14TH): Pleasure working with you in the past on the legislation. Thanks for staying involved, and for pushing for improving the education and the access to new opportunities for our students.

NORMAN SONDHEIMER: Thanks. By the way, you should all know that that original bill that became the public act was introduced by Senator Maroney and Senator Witkos on the Republican side.

SENATOR MARONEY (14TH): Former ranking from General Law.

NORMAN SONDHEIMER: Thank you so much.

SENATOR MARONEY (14TH): Great. Thank you.

NORMAN PLUDE: Okay.

SENATOR MARONEY (14TH): Okay. Next, Andrew Simonow. Also, Christina Capitan, if you're online, if you would accept the promotion to a panelist, you would need to do that in order to testify. Is Andrew -- It says in-person. Alright. Sue Pertaus-Guevara. Okay. Andrew, for some reason, we can't hear you. I'm not sure if you could just check what microphone.

ANDREW SIMONOW: Okay. How about now?

SENATOR MARONEY (14TH): We can hear you now.

ANDREW SIMONOW: Okay. Excellent. Thank you. Sorry for the inconvenience. Alright. Good afternoon, Chairs Maroney and Lemar, ranking members Cicarella and Rutigliano, and members of the General Law Committee. My name is Andrew Simonow, President of Crisp Cannabis, a Connecticut cannabis company operating a regulated adult use and medical market.

We are proud to be a blue-collar Connecticut business creating good paying jobs and benefits and career advancement opportunities. Our facilities, we consistently produce some of the cleanest cannabis with yeast and mold counts often measured in the hundreds. Importantly, we achieve those results naturally through cultivation practices rather than relying on irradiation or UV remediation.

Reflecting on the quality and compliance standards Connecticut's regulated market has built to uphold. My testimony today focuses primarily on the proposed commercial extractor and raised license in bill 5350. Connecticut has built a strong highly regulated cannabis supply chain with seed to sale tracking, laboratory testing, and regulatory oversight designed to protect consumers.

Creating a new commercial extractor license would introduce a separate pathway for THC production outside a regulated cannabis system. Even though licensed Connecticut cultivators are already extracting cannabinoids commercially under the framework the state has established, the regulated market already has capacity to supply these ingredients.

Multiple companies have indicated that THC distillate is currently available in bulk, and Rodeo cannabis is beginning to produce minor cannabinoids that should become available for use in the near future as regulations allow. Much of the THC derived from hemp is produced through chemical conversion

while licensed cannabis cultivators already produce naturally derived THC within the regulated system.

If the committee is interested in having THC currently used in beverages sourced from Connecticut businesses, I would respectfully suggest allowing the existing adult use of medical cannabis license holders who already produce naturally derived THC and operate as commercial extractors within the regulated system to perform the activity under the current framework.

At this time, Connecticut hemp farmers should have an opportunity to participate in the regulated market by supplying naturally occurring minor cannabinoids derived from CBD production. Hemp has long been recognized for its value in cannabinoids and it naturally produces and establish a clear pathway for hemp farmers to sell those minor cannabinoids into the regulated cannabis manufacturing market would support Connecticut agriculture and maintaining the integrity and safety of the regulated system.

I also support reasonable improvements to branding and packaging rules. Clear product identification helps consumers recognize regulated products they can rely on and strengthens Connecticut's legal cannabis market by encouraging consumers to choose regulated products over unregulated alternatives.

Finally, many Connecticut residents still travel to Massachusetts to purchase cannabis products. Keeping consumers here helps maintain Medicaid. Our products are tested, tracked, and sold responsibly. Thank you for your time and consideration.

SENATOR MARONEY (14TH): Andrew, thank you so much for your testimony. I don't see your written testimony. Can you make sure that you submit that?

ANDREW SIMONOW: Absolutely.

SENATOR MARONEY (14TH): Great. Thank you very much. I don't see any questions from the committee.

ANDREW SIMONOW: Great. Thanks for your time.

SENATOR MARONEY (14TH): Have a nice day.

ANDREW SIMONOW: You too.

SENATOR MARONEY (14TH): Okay. Next, Sue.

SUE PERTUZ-GUEVARA: Good day. Hi.

SENATOR MARONEY (14TH): Hi.

SUE PERTUZ-GUEVARA: Good day, Senator Maroney, Representative Lemar, ranking members, and members of the General Law Committee. My name is Sue Pertuz, and I'm a member of the Center for Youth Leadership at Brian McMahon High School in Norwalk. On behalf of our members, I'm testifying in support of SB 86, an Act Addressing Innovations and in the Responsible Use of Artificial Intelligence with an emphasis on the section about chatbots.

I'm testifying with the support of our friends at the Mayor Youth Leadership Council at Stamford High School. We know many middle school and high school students who use chatbots responsibly. For example, as their bot for a dinner recipe, others ask what to wear to a school dance, and others ask their bot to plan a day in New York City.

We are concerned though for those who rely on chatbot for friendship and more concerned for those who use a bot as a counselor, therapist, or love interest. This concern has led us to design a workshop for students, which we will be delivering at our school starting next week. Here are a few things we will tell students who attend the workshop.

An AI companion doesn't have emotions, values, or real understanding of your life. It may say things

like I'm here for you or I understand completely, but the chatbot does not know you in a real way, and it has no responsibility to keep you safe. The more time a student spends with an AI companion as a friend, therapist, or romantic partner, the harder it becomes to think accurately about relationships and trust.

And routinely, using chatbots can make you emotionally dependent on them, and that can make you postpone reaching out to people who can actually help. Our workshop includes a sectional on steps that Connecticut has taken to keep children and teens safe online. For example, we quote the lines in SB 86 that address chatbots and sexually explicit images and conduct, as well as suicidal ideation, suicide, and self harm.

We also use language from an AI companion bill that is under review by the Washington State legislature. I kindly ask that you consider revising SB 86 to include language from the proposed Washington State bill that prohibits a chatbot from using manipulative engagement techniques like excessive praise, which is designed to foster emotional attachment and prevent a chatbot from expressing simulated feelings of loneliness or abandonment when a child or teen user wants to end a conversation, reduce usage time, or delete their account. Thank you for allowing me to testify.

SENATOR MARONEY (14TH): Sue, thank you very much for testifying and for staying. I'm not sure how long you were listening in, but it is late in the day. I would ask you to also look at we do have the chatbot protections in Senate Bill 5 as well as in '86. So, there are some additional protections in Senate Bill 5. But, you know, we'd be happy to work with you and your group going forward as we work on those protections.

SUE PERTUZ-GUEVARA: Thank you.

SENATOR MARONEY (14TH): Okay. Thank you. Have a nice day.

SUE PERTUZ-GUEVARA: You too.

SENATOR MARONEY (14TH): Okay. John Tusch?

JOHN TUSCH: Okay. We'll start that again. Thank you, everybody, for listening. Thank you for being here this long, and I really admire the amount of respect that you've afforded all of your guests tonight. So, I just appreciate what you're doing here. My name is John Tusch. I am the President of Computer Science Teachers Association of Connecticut.

So, Norm is my partner there and we do a lot of this work together. I represent the computer science teachers across the state of Connecticut. I'm here to speak. CSTA is very much in favor of SB 5, the Online Safety Act. And I'm going to amen everything Norm said earlier. So, I want to tell you that a lot of those increased requirements that he talked about were definitely in favor of those.

I want to restrict my comments specifically around two segments in that bill, 3B and 4A, because those very directly affect the teachers that I represent, the teachers we serve. And if I can just share one quick story, If you want teachers to get connected to a PD, make it about teaching with an about AI. The teachers will flock there and that's why we're behind this.

The thing about the teacher certification piece is this actually does something we've been hoping for for years. It deals with certification programs and it makes sure that these teachers get training in emerging technologies, which most certainly includes AI. But that writing is incredibly helpful because not only will it cover AI, but the next thing.

And it'll make sure that our teachers are thoroughly prepared. AI is the wind. And so, teachers are

coming in and it's only three years old, folks. So, they don't necessarily know how to teach with it and how it even works. So, teaching within about AI becomes a part of what their pre-service prep will be. Slowly by surely, by passing that law, you are going to be able to change the landscape for teachers across the state of Connecticut.

And then the second is the workforce development account because now you're putting money behind it. And that's the other piece that we really need is we need to be able to make sure that the colleges can when they're training people, when the ARC program is training people, that they're bringing in teachers who understand how the technology works, understand how to be with it because the kids are going to use it regardless. The kids are out there doing that every day.

What we want to do is we want to train a workforce of teachers who understand how it works, make it benefit our kids, make it benefit our educational practices so we can start to regain some of the losses we experienced through COVID, through the advent of smartphones, through all of those technologies that have been such a struggle for us in the public schools. So, this is one step in the right direction. So, I hope you'll put your weight behind those provisions. Thank you very much.

SENATOR MARONEY (14TH): Thank you. Representative Ackert.

REP. ACKERT (8TH): Boy, times have changed. My daughter went to grad school and it was education technology.

JOHN TUSCH: Right.

REP. ACKERT (8TH): And it was the smart board. That's how -- So, think about -- Right. So, then she did the training for other teachers on the smart boards. We're thinking about where we're going now

with this. So, I appreciate the work that you do and your testimony today.

JOHN TUSCH: Thank you, Representative. It's funny you mentioned that we're finding -- What's ironic, I'm a computer science instructional coach, and right now, we're actually starting to look at how we teach coding unplugged first. So, we do things without even getting to a coding screen, and then we have the kids understand it conceptually. It's times really have changed.

REP. ACKERT (8TH): Thank you. Thank you, Mr. Chairman.

SENATOR MARONEY (14TH): So, I guess, I'll put a question out for you. Is there something like, you know, before we required and I mean, even ongoing, right, an hour of code. Right? It's been big in the schools. Is there something we can do to try to give more like, again, it's great to require all schools to teach this, but we're not requiring every student to take, right, AI or computer coding. We know right now, at least, the most important skills are responsible use, right, and lifelong learning. Right? Which lifelong learning in general is a critical skill.

But how can we ensure that students are leaving K to 12 knowing the responsible use without -- You know, and then working in framework. Right? Your teachers are so busy. We put so many requirements on you. Are there ways that we can work? Is it within the advisory period once the kids get to middle school that there should be a responsible use curriculum or other ways that we're not taking away valuable time, but repurposing maybe some other existing requirements.

JOHN TUSCH: Senator Maroney, your question just as highlights why you've been such a friend of the Computer Science Education Movement in Connecticut for so long. So, thank you for that question. I really appreciate it. And the answer is going to be

not what do we add, but how do we change the way we approach it.

This particular bill that makes that a part of pre-service prep is a step, but we have to understand that that's what we mean when we talk about teaching with AI. We have to look at how kids do research nowadays. We have to look at how kids understand information, what data literacy looks like. In other words, the approach is every subject in the school.

So, it's not just although I represent computer science teachers, it will be the computer science teachers, but we have to also understand when we look at our standards in every single area, how are we incorporating emerging technologies in language arts, in mathematics, in science, in social studies, in world language, making sure even in PE and in the arts, how are we encouraging the computational thinking that is required to be a human being in today's world?

SENATOR MARONEY (14TH): Thank you. And, right, just as at one point there was writing across the curriculum, it's going to be AI or or --

JOHN TUSCH: Computational thinking across the curriculum. I think you have it.

SENATOR MARONEY (14TH): And I think the SUNY system looked at doing that for higher education, but it is something we need to think how do we get there. So, thank you again for coming to testify. And you mentioned it's we almost forget the learning loss from the pandemic because in some ways, it seems we've moved on, but we forget there's almost two decades worth of kids who have a two year gap, right, in their development.

JOHN TUSCH: My seniors now were in seventh grade or sixth grade when it was coming through you. Right?

SENATOR MARONEY (14TH): Yeah. And so, we're still going to be seeing that impact for another almost

decade. Another eight years or so. So, but thank you again for coming here.

JOHN TUSCH: Thank you everybody. Have a good night.

SENATOR MARONEY (14TH): Okay. Next, David Shapiro. Please proceed.

DAVID SHAPIRO: Thank you, members of the committee. Thank you for the opportunity to testify tonight. I'll just start off by saying that I'm new to all this, and I am just amazed as a citizen, and appreciative of just your patience, your engagement. It's really remarkable. I don't think enough people know this. And so, thank you for everything you're doing.

My name is David Shapiro. I'm the Chief Legal Officer at Ibotta. I'm here to share concerns about SB 4, specifically regarding the algorithmic pricing disclosure section. You probably don't know Ibotta. It is a digital discounts program in computer, on your app. We work with national household brands to make cashback offers available through a free digital platform. We help people earn cashback every day.

Here in Connecticut, over 500,000 Connecticut consumers have downloaded and opted into our app. They have received discounts on more than five and a half million purchases, totaling more than $18 million of cash back to Connecticut consumers in the last decade. That doesn't include millions of Connecticut consumers who have access to our unique discounts through our partner retailers, such as the 200 different dollar stores here in Connecticut and through their loyalty programs.

Our digital programs also support small businesses. Emerging brands have access to marketing platform that they would never otherwise be able to afford. Local specialty markets have access to discounts that they might not otherwise have access for. So, Ibotta shares the goals of consumers and of this

committee to protect Connecticut consumers from the involuntary collection and misuse of their data that leads to increased prices. What about discounts?

I heard a lot today. I heard a lot today about children and protecting them, raising prices, stealing data, misusing biometrics, misusing sensitive health data. These are all real concerns that we share with you. But I also want to say that there are a lot of responsible corporate citizens out there that help people, like making groceries more affordable and rely on technology to help your Connecticut citizens.

To advance the protections of SB 4, while also preserving beneficial discount programs, we respectfully request two amendments. I'm going to kind of summarize and bridge off of a couple things we heard earlier today. There was a discussion about do the disclosures actually apply to discounts? And I think, Senator Maroney, you answered that question with saying, I believe yes.

And you asked a good question. You asked, well, why not educate everybody? And I take that to heart, and I think it's a fair point. I think it's there's a lot of ways to educate people other than a label next to every single discount that occupies a lot of real estate on the screen. I think there was a comment about noise in a discussion about the noise.

The amount of noise in that system on that screen will limit the ability to educate folks, particularly on a discount where it will detract from the experience. People will give up. They will move on. And we have -- Oh, wow. That was fast. If I may have one more 30 seconds.

SENATOR MARONEY (14TH): You flew in from out of state.

DAVID SHAPIRO: I did. I've been here for a long day.

SENATOR MARONEY (14TH): For nine hours and twenty two minutes. We'll give you an extra --

DAVID SHAPIRO: 30 seconds.

SENATOR MARONEY (14TH): 45 seconds.

DAVID SHAPIRO: I just want to get to --

SENATOR MARONEY (14TH): Not a full minute. Yeah.

DAVID SHAPIRO: I just want to get to clarifying the exception relating to subscriptions in Section 11, starting on line 493. That's probably the biggest concern for us. I think there's an exception for subscriptions. I don't exactly know what a subscription is or is not. I would ask this committee to kindly think about including in the definition of subscription, loyalty, and membership programs.

There's the same type of opt in that you have to do. It's a consensual relationship that you're giving your data in order for someone to work with you. And that's really the heart of our ask. I think the other things are very manageable. Thank you.

SENATOR MARONEY (14TH): No. Thank you, and thank you for that testimony. Just so you know, we modeled the New York State bill, but that's the starting point, and we know we need to make improvements. So, that is very legitimate request, and thank you for that. And I don't see your written testimony online yet.

DAVID SHAPIRO: We have not submitted it yet. We will.

SENATOR MARONEY (14TH): Okay. Please submit that. Make sure that it's online. So, I did take notes and write down Section 11 and line 493, but it would be helpful to have your written testimony as well.

DAVID SHAPIRO: Great. Thank you. Thanks everyone.

SENATOR MARONEY (14TH): Oh, actually, Representative Ackert.

REP. ACKERT (8TH): Just real quick. You made a comment regarding the line and the changes that you want. Now could somebody -- So, you said subscription rather subscription. You said like a rewards or another platform that you -- Loyalty, I think you said. If somebody classified their subscription as a loyalty, though, I mean, that language would have to be pretty clear as to what something is.

DAVID SHAPIRO: Yeah. I mean, I really don't know what the difference is between a subscription and a loyalty program. For me, a subscription program sounds like something that you're paying for on a monthly basis. A loyalty program is something you opt in and you get for free. And in exchange for your engagement with that loyalty program, you get benefits.

I would think that for Connecticut consumers, we would want them to be able to opt in free, like at Dollar General, rather than have to pay a subscription service for some expensive service. That's my point.

REP. ACKERT (8TH): And that's what I was trying to get at. So, you would be considered of that, which are we? Do you classify something in there?

DAVID SHAPIRO: I don't want to go into record saying I'm not any of those.

REP. ACKERT (8TH): Okay. Alright. Alright. No. No. I just wanted to -- I see it's an app.

DAVID SHAPIRO: Yeah. So, yeah. I think we are a program that we offer people to opt into and sign up like a rewards program. I'll use that phrase if that's fair.

REP. ACKERT (8TH): Okay. Thank you for that.

DAVID SHAPIRO: Thank you.

REP. ACKERT (8TH): Appreciate that clarity for that your point on that. Thank you, Mr. Chairman.

SENATOR MARONEY (14TH): Thank you. And in our data privacy law, we do have exemptions for loyalty programs. So, we do recognize that already within our statutory framework. So, I think it's just looking here. And just my thought process in my head is that it'll be some form of a disclaimer one time when they sign up, you know, as part of their opt in, and then it would not be necessary anymore after that. That's kind of where I'm thinking of going, but, you know, it'll take a little time to get it drafted.

DAVID SHAPIRO: If we can help anyway, please let us know.

SENATOR MARONEY (14TH): Okay. Great.

DAVID SHAPIRO: Thank you.

SENATOR MARONEY (14TH): Thank you very much.

DAVID SHAPIRO: Thank you.

SENATOR MARONEY (14TH): Okay. Next, Willie Martinez from the Privacy Coalition.

WILLIAM MARTINEZ: Good evening, Senator Maroney, Representative Lemar. Can you hear me?

SENATOR MARONEY (14TH): I can hear you, but I talked with Andy yesterday, and you said you were coming in-person.

WILLIAM MARTINEZ: I was, but then I saw where I was on the list, and I'm like, okay, I guess I will stay at home today.

SENATOR MARONEY (14TH): That was part of your hazing for -- I mean, no. Just kidding. Alright. Please proceed.

WILLIAM MARTINEZ: Yes. Well, thank you, again. Again, my name is Willie Martinez. I'm an associate attorney with Mariner Strategies. We're a service council to the State Privacy and Security Coalition. SPSC is a New England based coalition of more than 30 companies and seven trade associations. We have submitted written testimony on this before, and we're here in opposition today. But I want to briefly focus on two issues, the data broker definitions and the facial recognition provisions.

First, we believe that the definitions of brokered personal data and broker are not clear. And for that reason, we think that Oregon's law provides a better approach. It lists specific sensitive data elements into the definition of broker personal data, and Oregon's law also excludes first party customer deployment relationships and entities already regulated under federal law from the definition of data broker.

We believe that this dual approach targets true 30 third party data brokers and avoids sweeping in routine commercial activity already covered by the Connecticut Data Privacy Act. Second, we are concerned with the bill's facial recognition provisions as they relate to the existing fraud prevention protections.

Now the bill restricts the use of facial recognition for fraud and security purposes unless it is used only against a database maintained by the same company and accompanied by entrance specific signage. For example, organized retail crime rarely operates within a single location or company. Limiting security tools to a single company database may weaken efforts to detect coordinated fraud schemes that move across stores and locations.

Also, the bill signage requirement also appears designed for physical spaces, but other parts of the bill appear to reach online uses, such as the requirement for a hyperlink on the notice. That creates uncertainty for common tools, such as online identity verification and systems designed to detect deep fakes.

Our members strongly agree that their ability to detect or prevent fraud and their crime, keep their customer data and physical inventory safe, and use all available means to meet the evolving challenges posed by cyber and physical present harm criminals should not be restricted by this law. Connecticut's Data Privacy Act already includes guardrails for fraud and security purposes.

Such use just need to be necessary and proportionate and protected by cybersecurity safeguards, and controllers relying on the exemption must also justify what they're doing. Connecticut's existing law ensures accountability without restricting these legitimate security tools. For these reasons, we respectfully ask the committee to follow Oregon's reproach on the data broker pieces and preserve Connecticut's existing fraud and cybersecurity framework. Thank you for your time and I'll answer any questions.

SENATOR MARONEY (14TH): Yeah. Thank you very much for testifying. So, you know, last year we did model the Oregon data brokers and everyone was opposed to it. So, I'll just bring that back up. I don't want to pull back your testimony from last year. But anyways, agreed. Like, I mean, the reason why we did model that last year was that Oregon has a similar data privacy law to ours. And so, we wanted to use their definition for the data brokers.

We thought using that registry made the most sense of the states that had it. This year, because we are trying to emulate the California Delete Act, we kind of went slightly different with the registry and used the California definitions. But there's really

no opposition on my end to going to the Oregon definition. Right? Like, I think that that's fine. But I guess my question is, is that the opposition or is just the whole drop mechanism and the delete?

WILLIAM MARTINEZ: So, we don't necessarily like -- Our issue with the drop mechanism is concerns around, like, cybersecurity, ensuring that the state collecting all of this information has the tools in place. So, like, I know you brought this up before, Senator Maroney, about this honeypot.

SENATOR MARONEY (14TH): Right.

WILLIAM MARTINEZ: So, yeah, that's what we're primarily concerned with. As for the definitions, they are circular in our view. Like, the definition of broker personal data is data sold or licensed by the data broker, but a data broker is somebody who sells or licensed personal data. So, I think the Oregon definitions make it more clear as to what is both the data broker and broker personal data.

SENATOR MARONEY (14TH): Okay. Great. So, I think we definitely we can work on that. And then just the, you know, again, with the facial recognition, if we make it clear that our concern is really more the on-premise than it is online. Because online, there's more notice. People know what's being used. Right? I think the thing is when you walk into a grocery store, I mean, again, I guess we should know. We're recorded everywhere we go.

But, people may not realize that and may not realize the facial recognition is being used. So, our concern is with the on-premise. Our concern is with the fact that, yes, there is the exemption but it's not clear. Right? On whether or not. And so, stores have reached out to the attorney general's office for clarification on can we be using this or not.

So, what we're trying to say is that if you use it in a responsible way, then you can get that and the exemption really is only applying to the consent.

Right? Because it's opt in for the sensitive data. So, I think you know or understand where we're going with that, and I do think there's a way we can work together to get there. But --

WILLIAM MARTINEZ: Absolutely. Our concern is any limiting of the fraud and cyber security preventions, but we believe that, you know, there may be a path forward to primarily focus on, like, these in-person spaces.

SENATOR MARONEY (14TH): Yeah. And I think -- Right. And then just figuring out, I guess, how we do that. But I do think that there is a path that we can get there.

WILLIAM MARTINEZ: Absolutely.

SENATOR MARONEY (14TH): So, great. Alright. Thank you very much for testifying today.

WILLIAM MARTINEZ: Thank you very much. Good evening.

SENATOR MARONEY (14TH): Okay. Next, Zak Leavy. Oh, Zach left. Okay. Next, Jean Cronin.

JEAN CRONIN: Well, thank you. It's good to see so many people here late at night. I'm always so impressed with this committee, I have to say. My name is --

SENATOR MARONEY (14TH): Don't let Senator Osten hear you say this is late at night because she stays till, like, 2AM.

JEAN CRONIN: I'm sure she's watching from wherever she is. Thank you. Chairman Maroney and Lemar, ranking members and members of the General Law Committee, my name is Jean Cronin. I'm the Executive Director of the Connecticut Packaged Stores Association and I'm here today to speak in favor of House Bill 5223 establishing a task force to study

grocery beer permits. And we want to thank you very much for raising this bill.

Our members for the last few years have been noticing quite an increase in the number of I would call them convenience stores that are getting grocery beer permits, especially some attached to gas stations which really kind of surprised us because I didn't know a gas station could get a grocery beer permit with the percentages. So, we did a little research and I spoke with DCP and we found out there's an interpretation in 2011 by the department that says that a gas station can sublet its convenience store to a third party who could then apply for a grocery beer permit because they wouldn't be encumbered by the gasoline volume.

I was really surprised by that and it apparently came from a bill back in 2004 which was shocking because I was actually at that public hearing and I remember that issue was in New Haven and it had nothing to do with this issue and the whole subletting. So, additionally we're concerned about maybe further defining what grocery beer should be and the types of products that should be sold, more food-based items.

You know there's several of these places that are within hundreds of feet of a grocery store. So, I'm trying to understand why a grocery beer permit would be issued to a convenience store located so close to a package store because, you know, obviously, access isn't the issue. So, we're looking -- You know, package stores have a per capita provision. It's a 2,500 population per permit.

There is no per capita for grocery store permit. If you can meet the criteria, you can get a permit. DCP has no ability to deny that. So, that's a little concerning to us. My staff did a little bit of research and we found -- This was back in December so they're a few months old but there were 864 grocery beer permits at that time compared to 1260 package store permits.

So, of those 864, we were trying to figure out how many were convenience stores but DCP doesn't categorize them that way. So, we did a little research. We did some Google Maps. We did all kinds of stuff. We found out about 300 of the 864 could be described as a convenience store. We also found out in December as of December 8 at that time there were 24 pending grocery beer permits.

Now, it just seems like each year there's more and more grocery beer permits being issued and they're not really grocery stores. So, we've talked to DCP. They're trying to get me some statistics. They do not break it down by convenience store type versus grocery. They also don't break it down by year. I was trying to get a year to year how many new permits have we had in the last 10 years. They don't break those figures down.

So, I can tell you sales are down. Alcohol sales are down across the country and beer is probably at the lowest sales it's been in a very long time. Gosh that is such nice music. I feel like I'm being ushered off the stage at the Academy Awards or something, you know. I'll finish up. So, basically, you know, sales are down. So, any new permits you're issuing are going to be taking sales from other places.

We also in addition to defining the permits maybe putting a per capita, we're a little concerned about, you know, what could be happening in the time frame that this task force would be meeting and permits that would be issued. If I was a convenience store and I wanted to get a permit, I'd rush right out now and get one.

So, I'm a little concerned about what could be happening in the interim. So, I would respectfully suggest, CPA would respectfully suggest that we put a moratorium on the issuance of grocery beer permits for a period of time like a year or so from let's say June 1st until July year till the task force can

meet. They can come up with recommendations and they can decide what to do.

And we're just very concerned about the numbers. No one's going to go thirsty in the meantime while we have a moratorium. There's plenty of grocery beer out there. There's a lot of access and we're just concerned about the numbers that have been issued over the years. Thank you for listening.

SENATOR MARONEY (14TH): Thank you very much. Representative Ackert.

REP. ACKERT (8TH): Just to comment. Thank you, Jean. I know that, Dave, our good ranking member, Representative Rutigliano, not Dave, got a phone call from me when I pulled in to the local gas station, a mobile station, and I pulled in and go, "It's got beer on." And I go, "Dave, what did we do?" I said, "What did we do?" And was shocked that the little cabinet in there they have, and it's right across the street from a liquor store. So, it was quite shocking to me and I'm like, I don't remember the voting for this.

JEAN CRONIN: But the truth is you did nothing. It was an interpretation of a statute that really wasn't intended for that at all.

REP. ACKERT (8TH): Thank you. Thank you, Mr. Chairman.

SENATOR MARONEY (14TH): Great. Thank you very much. Thanks, Jean.

JEAN CRONIN: Thank you. Thanks for staying.

SENATOR MARONEY (14TH): Yeah. Alright. Paul William Palmer.

PAUL WILLIAM PALMER SR.: Yeah. Good evening, Chairs of the committee and esteemed members team. I'm here to testify on bill 5350. I'm in opposition to this bill. I take this first line. I'm not going to

belabor all the points that everybody else has made, but I'm kind of supporting the position that NAMI has supported that this is nothing in this bill we want to support except for the warning label, which related to the risk of psychosis, which has touched my family.

Instead of getting into all the numbers, I'm just going to tell you four people in my family have been touched negatively by this. I have only 14 people in my family, and it's devastated my family. My ex son-in-law started smoking with high potency marijuana. He decided to quit his job after that. He decided to go on disability and put his entire family on welfare and, of course, stopped paying mortgage on his house.

And not long after that, they filed for divorce. Now, he also got my daughter involved in smoking and marijuana. And when she tried to get off of it, she had the intractable vomiting, which is devastating. And so, she went to gastroenterologist many times, had endoscopies. They couldn't find a cause for it. They even went so far as sending her for surgery and having her gallbladder removed as a hail Mary bass. It didn't do any good.

She eventually stopped vomiting as she withdrew from the marijuana. Now, the third person in my family is my grandson. He was 17 years old in high school when he started smoking marijuana. In his senior year, he decided he would slide. He didn't want to put any effort in anymore. He just gets C's and D's. Well, one of his D's turned into an F. He failed. He didn't graduate from high school.

I can directly attribute this to the high potency marijuana. Now I know you can say, he's under 18. How did he get it? How does anybody get anything when under 18? They get it from somebody else. And when I confronted him on this, he says, "Well, it's legal." And here's the problem. When you make something legal, people think it's safe. This is not safe. It's devastated my family.

The last person on the list is my niece. About a year and a half ago, I got a call from my brother, "Oh, my daughter's in the hospital." I said, "What happened?" "Oh, well, she went psychotic." I said, "What are you talking about?" Yeah. She started playing with fire in the house and doing all kinds of bizarre things. They put her in a mental hospital for three weeks.

They had no actual cause. She had no previous mental disorder. I found out from her sister she heavily smokes marijuana. I saw her on that Christmas. She looked like a zombie walking around on antipsychotics. Haven't seen her for 14 months. This is personal to me. I don't think you should do anything to expand or increase or do anything to help this marijuana industry.

I'm vehemently opposed to it. I think that the state legislature opened Pandora's box when they legalized it. And I know we can't close it, but we can push it down as hard as we can. This bill rips the lid off of Pandora's box. I will not support it. I don't think you should either. Thank you for the time.

SENATOR MARONEY (14TH): Thank you. And as we've said before, sharing the personal stories is always powerful. Does anyone have a question? Okay. Hearing none, thank you for your testimony and for sharing your stories. Okay.

PAUL WILLIAM PALMER SR.: Thank you.

SENATOR MARONEY (14TH): Next, Rachel Diamond.

RACHEL DIAMOND: I'm here.

SENATOR MARONEY (14TH): Okay. Please proceed.

RACHEL DIAMOND: Thank you to the distinguished members of the General Law Committee for having me here this evening. It's been quite a day. I've been here for all of it. Chairman Maroney and Lemar,

ranking members, Cicarella and Rutigliano, I appreciate your time today. My name is Rachel Diamond, and I am the Executive Director of the Connecticut Brewers Guild.

And I'm proud to be here to represent the 100 craft breweries that we have in our great state. I also have a home-based brewery, Broken Symmetry in Bethel, Connecticut, where I am the head of brand development. Since October 2021, the craft beer market has seen a substantial shift. Our state's permitting structures, changes in purchasing habits by the consumer, and the economic hardships of tariffs and rising costs across the board from labor to cost of goods sold have impacted the health of our industry, and we are watching breweries close as swiftly as they opened.

We have always thought of the package stores and the grocery stores as our partners because without their support, our breweries would have far fewer options to sell our product and far less success at becoming trusted brands. Our breweries here in Connecticut have watched their beer shelf space and moreover craft beer shelf space dwindle to 25% of what it was pre and during the pandemic.

According to the metrics given to us by Bump Williams Consulting and the data provided by the National Brewers Association, out of the 9,269 independent craft breweries in The US, the top 10 of them control 82% of the craft beer revenue on shelf space. And that leaves 9,259 breweries to split the bottom 18%.

We realize that the large box stores here in Connecticut would like to provide shelf space to craft beer and perhaps promising to exclusively provide Connecticut craft beer their shelf space for a period of time. The breweries are hesitant and have rightly been skeptical over the last few years that this may impede our already established relationships with the package stores and the grocery stores or worse create a larger problem when

the box stores no longer promote Connecticut craft beer.

And we are sidelined to those 10 brands that take a 100% of that shelf space. Our association also has concerns with the promise of selling Connecticut craft beer exclusively from such high-profile national retailers because it would attract attention from out of state brands and suppliers, and they may immediately flag legislation that discriminates against them as going against the dormant clause of the constitution.

In which case, all promises of supporting Connecticut craft beer would swiftly be removed. With all of that said, our industry is now looking for real solutions, small and large. And the creation of task force in this instance in Bill 5223 is smart. Relying on data, facts, and scientifically projected outcomes can help our industry make the right decisions and lend our support to the legislation that will positively impact our vulnerable breweries and retain the health and well-being of the communities that we love. So, in summation, the Connecticut Brewers Guild would like to lend their support to House Bill 5223, and I'd be happy to answer any questions you have. Right over the wire.

SENATOR MARONEY (14TH): Well timed. Are there any questions? Okay. No. Alright, Rachel. Thank you very much for your testimony.

RACHEL DIAMOND: Good night, guys, and thank you for everything.

SENATOR MARONEY (14TH): Good night. Thank you. Okay. Next, Tonishia Signore.

CLERK: He's not testifying today.

SENATOR MARONEY (14TH): Okay. Next, Rachel Baird. Okay. Next, and Carmen Clarkin is not Carmen?

CARMEN CLARKIN: I am.

SENATOR MARONEY (14TH): You are? Okay.

REP. RUTIGLIANO (123RD): Did you not want to do?

SENATOR MARONEY (14TH): Yes. Someone told me to cross you off. Why are you sitting there the whole time? I was watching.

REP. RUTIGLIANO (123RD): You were crossed off..

CARMEN CLARKIN: Goodness. Well, I am very much here. Thank you for calling me. I would have been very sad. Well, good evening, Senator Maroney, Representative Lemar, Senator Cicarella, Representative Rutigliano, and esteemed members of the General Law Committee. My name is Carmen Clarkin, and I'm the Special Assistant for Strategic Initiatives at Connecticut Voices for Children, a research and advocacy organization working to ensure that one day Connecticut is a thriving and equitable state where all children can reach their full potential.

CT Voices submits generally supportive testimony for SB 4, SB 5, and SB 86, which seek to establish a framework for ensuring transparency, equity, and accountability in the development, deployment, and use of artificial intelligence, as well as strengthen data governance practices in both the public and private sectors. For the sake of time, I will focus my testimony on SB 5, as it represents the most robust and comprehensive framework of the three bills.

This bill establishes critical requirements for artificial intelligence technologies and automated employment processes while creating the infrastructure necessary for statewide oversight. Presently, significant regulatory gaps leave Connecticut residents of all ages exposed to a number of dangers online, including but not limited

to algorithmic discrimination, data privacy violations, and exploitative digital practices.

These risks are more enhanced by the power of AI processing. And we are especially concerned for our children and youth who have grown up in a culture where digital interactions are increasingly unavoidable. While SB 5 is exceptionally robust and comprehensive, we'd like to offer a few recommendations to strengthen its framework and ensure its outcomes are more equitable, aligning with the bill's fundamental intent.

We applaud the provisions for AI education through the Connecticut AI Academy and the Workforce Research Hub. By providing resources to students, small businesses, and those seeking unemployment benefits, this bill ensures AI is harnessed for public good. SB 5 does offer a balanced framework for responsible development. And we believe the artificial intelligence learning laboratory, if implemented, could be made more equitable through increased accessibility.

Specifically, the $5,000 application fee for the learning hub creates a significant structural barrier for smaller diverse developers. Since participation in the lab is a mandatory gateway to receiving a regulatory mitigation agreement, this costs risks consolidating opportunity among only the most well capitalized firms.

To ensure diverse perspectives beyond traditional industry giants are present at the table, we urge the committee to consider the implementation of fee waivers or potentially a tiered fee structure. Expanding access to these spaces is essential to leverage economic opportunity for all groups and avoid perpetuating cycles of under investment and no investment in specific communities. We support the focus on frontier developers and the whistleblower protections in Section 2.

However, the definition of catastrophic risk requiring a threshold of 50 deaths or one billion dollars in damages sets a dangerously high bar for regulatory intervention. By centering oversight only on immediate massive casualties or financial loss, the bill inadvertently excludes cognitive manipulation, social scoring, and severe systematic harms that accumulate over time.

We suggest implementing additional risk tiers modeled after the EU AI Act to ensure these significant non lethal harms are adequately captured, monitored, and assessed for fairness before they escalate. With these refinements to accessibility and risk thresholds, we believe that SB 5 will foster a truly accountable and innovative AI ecosystem in Connecticut. We thank you for your work on this bill, and I'm happy to take any questions.

SENATOR MARONEY (14TH): Great. Great. Thank you so much for staying here. So, I'm going to ask you a question. You stayed here the whole day.

CARMEN CLARKIN: Yeah. Okay.

SENATOR MARONEY (14TH): So, you know, again, asking going to the suggesting following some of the EU's tiered framework. One of the tiers that is present in the EU that we don't -- Actually, Texas implemented it in Trega. The prohibited use. So, do you think that we should have some prohibited uses within? So, for example, in Texas, there is a prohibited use on the generation of CSAM, Child Sexual Abuse Material, right, to utilization of that to generate that. I mean, would you support adding in, I guess, some of the prohibited uses modeled after that tier of the EU?

CARMEN CLARKIN: Yeah. So, I think that that's a wonderful option to look at when you're talking about restricted or prohibited use. I know that there have been comments around how there are other existing laws that protect individuals. But I think

the issue that we have seen in our research and just the literature is that even though these laws do exist, so for example, you were talking about child sexual abuse material, we do know, obviously, that is illegal.

However, there are avenues, where legal protections that exist, the scope is not fully covered by the the laws and how fast AI technology is moving. And so, I do think that that's something worth looking into and exploring to make this bill even more comprehensive than it already is.

SENATOR MARONEY (14TH): Great. Thank you very much.

CARMEN CLARKIN: Thank you so much. I appreciate it.

SENATOR MARONEY (14TH): Thanks. Alright. Justin or Angie?

CLERK: Justin is online.

SENATOR MARONEY (14TH): Okay.

JUSTIN FRYTZ: Hi, Senator Maroney. You know, you got Justin tonight.

SENATOR MARONEY (14TH): Hi, Justin.

JUSTIN FRYTZ: I appreciate your time, Representative Lemar and members of the General Law Committee. My name is Justin Frytz. I'm a transport operator here in the market. I'm here today in support of HB 5350. Overall, this bill represents an important step forward in modernizing our market here in Connecticut and helping our market remain competitive against the states that are neighboring to us.

We appreciate the committee's continued work to refine the system as the industry matures. I'd like to briefly highlight two transport related considerations for the committee to review. First is the transport storage. Current laws limit the

transporter that expands its authorization to holding product for no more than 30 days.

As the market evolve has evolved, more operators are asking us to stage inventory and fulfill orders from a centralized location. This type of hub-and-spoke model is common in other industries because it reduces unnecessary movement of product across the supply chain. Instead of moving, the same inventory multiple times between facilities, product can be stage once and distributed efficiently as retailers' orders are placed.

That reduces transportation runs, less vehicles on the roads in the market, and improves inventory predictability for both the manufacturers and the retailers. To support that type of supply chain efficiency, we respectfully request that you extend the allowable holding time up to six months. And then, secondly is what, Paul Travaglino touched on earlier.

The current bill proposed allowing producers to operate transport vehicles with one employee, we respectfully request that it's just applied vehicles with one employee. We respectfully request that it's just applied across all license types that transport. It would create a structural cost and disadvantage for us as transport operators, even though we operate under the same compliance standards as, you know, any other operator in the market.

At the end of the day, I want to reiterate our support of the overall bill. There are targeted refinements intended to improve, you know, many things in the market and maintain fairness across the license state. We continue hope that you modernize our regulatory framework, and thank you again for your time and consideration. And if you have any questions, I'd be happy to answer them.

SENATOR MARONEY (14TH): Great. Justin, thank you very much. I don't see any questions, but we know,

you know, that we can reach you if we do have those questions. So, thank you.

JUSTIN FRYTZ: Appreciate your guys' time.

SENATOR MARONEY (14TH): Okay. Next, Jack Bullock.

JAKE BULLOCK: Hello.

SENATOR MARONEY (14TH): Hey, Jack.

JAKE BULLOCK: Hello.

SENATOR MARONEY (14TH): Please proceed.

JAKE BULLOCK: Thank you, Chairman and General Law Committee members. My name is Jake Bullock. I am the cofounder and CEO of CAN. I appreciate the opportunity to testify today in support of HB 5350 and also to suggest several language modifications for the committee's consideration. CAN is the largest supplier of THC infused beverages in Connecticut.

We represent about 30% of the state's THC beverage market. We've operated in the state since 2023. Our company was founded on the principle of providing low dose, predictable, and responsibly marketed alternatives to alcohol for consumers. We are committed to compliance and public safety. We sell canned products today safely to adults in over 30 states through leading alcohol retailers, including retailers like Total Wine and Stew Leonard's in Connecticut, now Target in Minnesota, Sprouts Grocer in Texas and Florida, and Circle K in a number of states.

CAN supports the proposed increase in allowable THC milligram levels from three milligrams to five milligrams for products sold in package stores. We believe that these adjustments better reflect the consumer demand and also align Connecticut's regulatory framework with other states that have

successfully integrated THC beverages into their regulated markets.

As the committee considers expanding allowable milligram thresholds for THC beverages, we respectfully request that it also consider expanding the locations where these products may be sold. Ensuring reasonable and regulated consumer access across appropriate retail channels will promote market stability, support small businesses, and reduce consumer confusion, especially for the lower potency products three milligrams and below.

Further, consumers are increasingly relying on THC infused beverages as alternatives to alcohol, and they're looking very importantly to purchase them alongside alcohol wherever alcohol is sold. Additionally, we respectfully request that the committee consider expanding the scope of the existing coliseum permit to include THC beverages.

This would be a potential sensible option to pilot expanded retail environments in a controlled and limited manner and would also provide valuable data to inform future policymaking while maintaining appropriate regulatory oversight. Finally, we request a technical amendment to Section 82(e) line 3840 of the bill to add the words coffee and tea to the list of allowable naturally occurring caffeine sources in addition to chocolate.

In other regulated markets, we currently offer THC infused coffee and tea products. They meet all applicable safety standards. Expanding these allowable product formats would increase consumer choice, would also remain within a regulated framework. If there are concerns about caffeine content, the committee could consider establishing a cap on that naturally occurring caffeine such as 100 milligrams to ensure consistency with public health objectives.

I thank you for the opportunity to provide testimony in support of HB 5350 today. We believe this

legislation represents a thoughtful step towards modernizing Connecticut's regulatory framework for THC beverages. With the suggested modifications, the bill can further enhance consumer choice, promote responsible access, and maintain strong public health protections for Connecticut residents. Thank you for the time and happy to answer any questions.

SENATOR MARONEY (14TH): Great. Thank you very much. Thanks for hanging in there, and for your suggestions and specific suggestions. It's always much appreciated. I don't see any questions from the committee. So, thank you for testifying. We will try to go back. There was one person who was unable to testify before. Is she available now? Christina?

CLERK: Looks like she's there.

CHRISTINA CAPITAN: I'm here.

SENATOR MARONEY (14TH): Okay.

CHRISTINA CAPITAN: Good evening. Thank you so much for having me at the end of the hearing, and I apologize for missing my initial slot. Good evening, Senator Maroney, Representative Lemar, ranking member Rutigliano, and respected members of the General Law Committee. My name is Christina Capitan. I'm a lifelong resident of Connecticut, and I'm the cofounder of CT CannaWarriors.

Frankly, today, this session more than any other session, I feel like throwing in the towel. You know, we live in a time where people are freezing to death sleeping outside due to homelessness, where children are dying in a war that they didn't ask for, and tragedies are happening in our own communities that are shaking the public's trust in systems that are meant to protect them.

It almost feels disturbing to be still sitting here debating cannabis regulatory structures while those realities exist, but yet here I am. I want to remind all of you and all of those in the community

watching that cannabis policy matters because it reveals something fundamental about government and how we choose to treat the people who are most vulnerable. I do have a number of concerns regarding HB 5350 and 5351, which I've outlined in my written testimony.

But those concerns shouldn't and will not come as a surprise to this committee. Connecticut continues to prioritize regulation while cannabis justice remains wholly untouched in this building, just this session as it has in past sessions. People who are actually arrested, prosecuted, and incarcerated for cannabis, remain excluded from any meaningful participation in the legal market.

The people who have fought, suffered, and lived in fear to keep cannabis alive are still treated like liabilities and criminals by the same people who are profiting from it today. Legacy providers who have served patients and continue to serve patients and communities now are treated as enforcement targets rather than stakeholders.

What is supposed to be legalization has become just commercialization and monopolization. That is not what I fought for. That is not something that we should be proud of. Cannabis is not supposed to be a corporate commodity first. Cannabis helps people. It heals people, and cannabis is a plant. I think somewhere, we might have lost sight of that.

I believe that before continuing to expand regulatory systems further, that we should prioritize policies that prioritize people over corporate profit and monopolies, education and honest public awareness about cannabis, strong patient protections and affordable access, and real social justice reform for those that were most hurt by prohibition.

In regard to HB 5349, I adamantly support more oversight, more transparency, and more scrutiny of the Connecticut Department of Consumer Protection.

It has demonstrated for over a decade that it has areas that it lacks in and could do better for patients in.

Honestly, for years, community members and patients have referred to the department as the department of corporate protection, and that nickname does not come from nowhere. It reflects a growing perception and reality that the system has become more responsive to corporate interests than to patients and communities that it was meant to serve.

I do support the idea of implementing a task force for oversight on the department. However, I cannot support this bill as written. The task force is largely composed of the same institutions and the leadership structures that already oversee and work alongside the department. Oversight cannot simply be government reviewing itself. If it's supposed to be meaningful oversight and public trust, the review process must include independent voices and people directly impacted by these policies including patients, caregivers, and community members who have lived under these regulations for years.

I think I want to go with the prohibitionist on this one. We should be wise to just repeal RERACA altogether and make cannabis a plant again instead of another industry captured by corporate interest and exhaustive regulation. People must come before policies and communities should come before profits. Thank you so much for the opportunity to testify.

SENATOR MARONEY (14TH): Great. Thank you very much. Thanks for hanging in there, Christina and for your testimony. Are there any questions?

REP. LEMAR (96TH): Christina, look, you get me every year because I have the benefit of hindsight. I get to come in and, gosh, I want to go backwards too.

REP. RUTIGLIANO (123RD): I concur. It's bipartisan. At least for the two of us.

CHRISTINA CAPITAN: I'll take decrim. I'll take decrim, and let's just go back to the plant itself, honestly.

REP. LEMAR (96TH): I think you and I have had a lot of conversations over the years. Dave and I are about to fix this whole thing by taking us back to 2021.

REP. RUTIGLIANO (123RD): That's right.

REP. LEMAR (96TH): And we'll start over. But look, I've had a lot of conversations with you in the hallways and in the committee rooms for a couple years now. And frankly, I know you feel like it's fallen on deaf ears, the concerns that you and the CannaWarriors have brought here. It hasn't, internal to the structure and what the purview of this committee is. I'm sad to say we probably have failed you in what your asks have been on this committee.

And partly it's because we don't quite have the imagination to pull it all off at this point. But I would encourage you to continue to come forward and keep coming forward. And perhaps we'll figure out a manner in which the issues that we deal with in General Law, you have broader issues that deal with inside of Public Safety and internal to Judiciary.

And I can't provide much counsel there, but here, you are listened to and we do appreciate the time and effort that you put into this committee. And hopefully, we can move in the future in that direction. And all that being said, I hope your son is doing well. Thank you.

CHRISTINA CAPITAN: Thank you so much.

SENATOR MARONEY (14TH): Thank you.

CARMEN CLARKIN: Thank you, everyone.

SENATOR MARONEY (14TH): Thank you very much. Okay. I believe that is our last person testifying today. Representative Lemar, do you have any comments?

REP. LEMAR (96TH): This concludes our public hearing schedule for the year. We will enter into JF meetings beginning next week. So, be aware of that. And as usual, New Haven will be well represented during our JF meetings. If anyone else would like to bring anything else, that'd be great. But we'll have New Haven here in the house for our JF meetings.

SENATOR MARONEY (14TH): By which I am hoping you still mean pizza and cannolis.

REP. RUTIGLIANO (123RD): The best of the best.

SENATOR MARONEY (14TH): Okay. And Representative Rutigliano, any comments?

REP. RUTIGLIANO (123RD): I've enjoyed my time with you.

SENATOR MARONEY (14TH): Senator Cicarella?

SENATOR CICARELLA (34TH): I concur.

SENATOR MARONEY (14TH): Okay. Just a last comment. I was hoping to exercise a point of personal privilege. My son submitted written testimony. Unfortunately, he didn't come before us to testify, so I could have exerted my fatherly prerogative and embarrassed him. But I'm doing my best to do so now. Love you, buddy. So, with that, we are adjourned, and our next meeting will be -- It hasn't been set yet. So, keep an eye out. It'll be next week. One day next week. Thank you.