OLR Bill Analysis

sHB 5350 (as amended by House "A" and "D")*

AN ACT CONCERNING CANNABIS, HEMP AND INFUSED BEVERAGE REGULATION.

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Increases the allowable THC levels, from three to five mgs, for infused beverages sold in package stores and from three mgs to 10 mgs, for ones sold in a dispensary facility, hybrid retailer, or retailer; allows for a testing method uncertainty of +/- 10% in the reported THC value; allows infused beverage manufacturers to sell infused-beverages for off-premises consumption and allows them to sell certain other beverages for on-premises consumption; allows infused beverages to be tested by out-of-state laboratories; modifies the container labeling requirements to additionally follow ASTM standards; eliminates obsolete references to legacy infused beverages

§ 90 — DISCLOSING MATERIAL CHANGES TO THE SOCIAL EQUITY COUNCIL

Requires parties to a transaction with a social equity applicant that results in a material change to a cannabis establishment to submit certain information to the Social Equity Council, which the council must post on its website

§§ 94 & 99-101 — HEMP MANUFACTURERS MAKING CANNABINOIDS AND INTERMEDIATE HEMP DERIVATIVES

Beginning December 1, 2026, allows hemp manufacturers to manufacture certain cannabinoids and intermediate hemp derivatives (extracts with a total THC concentration of more than 0.3% on a dry weight basis); requires manufacturers to exclusively sell these cannabinoids to certain cannabis establishments and the derivatives to the same establishments and infused beverage manufacturers

§ 103 — FOOD AND BEVERAGE MANUFACTURER

Allows food and beverage manufacturers to manufacture, market, cultivate, and store hemp and hemp products under the same procedures and requirements as for certain other cannabis establishments

SUMMARY

This bill makes various unrelated changes to laws on cannabis, hemp, and THC-infused beverages. It also makes numerous minor, technical, and conforming changes, as described in the section-by-section analysis below.

EFFECTIVE DATE: October 1, 2026, except when otherwise noted below.

*House Amendment "A" makes numerous changes to the underlying bill and adds the provisions on the statewide cannabis, hemp, and controlled substances enforcement board; out-of-state caregivers; dispensary facilities; and micro-cultivator retail facilities.

*House Amendment "D" removes the provision on packaging and labeling.

§§ 1-30, 32-47, 55, 60, 64, 66, 68-69, 70, 72, 79, 87-89, 91-93, 99, 102 & 109-113 — CANNABIS DEFINED

Renames "marijuana" as "cannabis" throughout the statutes; specifies extracted resin from the plant is considered cannabis, exempts certain cannabinoids derived from hemp from being considered cannabis

Renaming

The bill renames "marijuana" as "cannabis" in the general statutes. Currently, marijuana and cannabis have the same legal definition under state law. The bill also makes changes to the definition of cannabis.

Changes to Definition (§ 16)

Broadly, under current law, "cannabis" is all parts of a plant or species of the genus cannabis, whether growing or not, including its resin extracted from any part of the plant, among other parts. The bill specifies this includes extracted resin from the (1) plant's mature stalks, (2) fiber produced from the mature stalks, or (3) oil or cake made from the seeds. As under existing law, "cannabis" does not include the plant's

mature stalks, the fiber produced from the mature stalks, or the oil or cake from the seeds. (But as under existing law, every high-THC hemp product is cannabis.)

Under current law, cannabis is defined to generally include cannabinon, cannabinol (CBN), and cannabidiol (CBD), as well as chemical compounds that are controlled substances and which are similar to them in physiological effect (except CBD derived from hemp, if it is not high-THC). The bill eliminates cannabinon from the "cannabis" definition. It also specifically excludes from the "cannabis" definition: CBN, cannabigerol (CBG), cannabichromene (CBC), or any other minor cannabinoid derived from hemp.

§ 13 — STATEWIDE CANNABIS, HEMP, AND CONTROLLED SUBSTANCES ENFORCEMENT BOARD

Renames the Statewide Cannabis and Hemp Enforcement Policy Board, reduces its membership, and expands the purposes of its meetings to include controlled substances issues; exempts its quarterly meeting-related records from disclosure under FOIA

The bill renames the "Statewide Cannabis and Hemp Enforcement Policy Board" as the "Statewide Cannabis, Hemp, and Controlled Substances Enforcement Board." It correspondingly expands the purposes of the board's quarterly meetings to include identifying areas of need and enforcement opportunities concerning controlled substance sales and examining developments in national trends and best practices for controlled substance enforcement. Existing law already requires them to meet about these enforcement topics for cannabis and hemp. The bill eliminates the requirement that these meetings examine (1) scientific developments and public health studies on cannabis and hemp and (2) developments in the cannabis and hemp industries. The bill exempts the quarterly meetings, and documents related to them, from disclosure under the Freedom of Information Act (FOIA).

The bill also reduces board membership by removing the public health commissioner and the Social Equity Council's executive director. As under existing law, the board still includes the attorney general, the chief state's attorney, and the Department of Consumer Protection (DCP), emergency services and public protection, mental health and addiction services, and revenue services commissioners, or their

designees.

§§ 23-25, 27, 29, 32, 34, 39, 47, 53, 63-64, 66, 68-69, 77, 79, 81-84, 86 — QUALIFYING OUT-OF-STATE PATIENTS AND CAREGIVERS FOR MEDICAL CANNABIS

Generally allows qualifying out-of-state patients and their qualified caregivers to purchase and possess, among other things, medical cannabis in the same manner and under the same conditions as Connecticut qualifying patients and their caregivers

The bill generally allows qualifying out-of-state patients and caregivers to acquire, distribute, transfer, possess, and use medical cannabis in the same way as Connecticut qualifying patients and their caregivers.

A "qualifying out-of-state patient" is a resident of another U.S. state or jurisdiction with a valid credential there to use medical cannabis. A "qualifying out-of-state caregiver" is a person, other than the patient, who is at least age 18, a resident of another U.S. state or jurisdiction, is a parent, guardian, or person with legal custody of the patient, and holds a valid out-of-state credential. This credential is a card or other physical document the state or jurisdiction issues to allow the (1) patient to use medical cannabis or (2) caregiver to take responsibility for managing a qualifying patient's medical cannabis use.

Sales

The bill allows dispensary facilities and hybrid retailers (those licensed to sell both adult-use and medical cannabis) to dispense, sell, or distribute medical cannabis to qualifying out-of-state patients and their qualified caregivers. They may do this if the patient or caregiver who is purchasing the medical cannabis, at the time of purchase, provides:

1. a DCP registration form that the patient or caregiver signs that includes their name,

2. an acknowledgement that they understand the Connecticut medical cannabis laws and regulations on out-of-state patients and their caregivers and that they will be ineligible in the medical market if they violate any of these laws or regulations and are

prohibited from transporting the cannabis over state lines or internationally, and

3. any other information the DCP commissioner reasonably requires.

The bill requires each dispensary facility or hybrid retailer to submit the DCP registration form it receives from the out-of-state qualifying patient or their caregiver to DCP.

The bill requires a qualifying out-of-state patient or their qualified caregiver who purchases medical cannabis to possess the valid qualifying out-of-state credential at all times while in this state and in possession of the medical cannabis.

Liability

Under the bill, a qualifying out-of-state patient or caregiver who complies with Connecticut laws on medical and adult-use cannabis is not subject to arrest, prosecution, or penalty in any manner. This includes being subject to any civil penalty or denied any right or privilege, including being subject to any disciplinary action by a professional board, for using medical cannabis if the amount possessed does not exceed five ounces. This immunity does not apply to any medical cannabis use that endangers the health or well-being of others or ingesting cannabis in certain areas, such as moving vehicle, workplace, or school grounds.

§§ 31 & 67 — DISPENSARIES AND HYBRID RETAILERS

Eliminates the requirement that cannabis or medical cannabis be dispensed by a licensed pharmacist; allows automated systems to record and upload data to the state's electronic prescription drug monitoring program; specifically allows pharmacists, dispensary technicians, and other registered employees to perform most authorized activities; eliminates the minimum on-site presence requirement for pharmacists, though in-person consultations must be scheduled upon request

Pharmacist Requirements Reduced

The bill eliminates the requirement that cannabis or medical cannabis be dispensed to a qualifying patient or caregiver by a licensed pharmacist, and correspondingly eliminates the requirement that pharmacists conduct remote order entry verification. The bill broadly

allows a dispensary facility's or hybrid retailer's licensed pharmacist, dispensary technician, or other registered employee, to perform the establishment's authorized activities, including all activities related to the sale, handling, or management of cannabis or medical cannabis products.

Current law allows only the pharmacist or dispensary technician to upload data to the electronic prescription drug monitoring program. The bill also allows the data to be uploaded through an automated upload from the hybrid retailer's point-of-sale system. But it requires the pharmacist to conduct a daily audit of the uploaded data.

Current law requires dispensary facilities and hybrid retailers to have a licensed pharmacist on premises for at least eight consecutive hours per calendar week when the location is open, with telehealth consultations being available the other times. The bill instead requires them to ensure one is available (1) when the location is open (on-site or by telehealth) and (2) for telehealth consultations for at least 35 hours per week. They must also ensure the pharmacist is available for an in-person consultation upon a qualifying patient or caregiver's request. The bill eliminates the requirement that individual telehealth pharmacists must be employed by a retailer for at least 20 hours per week.

The bill also eliminates the requirement for pharmacists who consult with qualifying patients or caregivers to annually complete at least five contact hours of continuing professional education on the cannabis industry, the state pharmacy laws, or the treatment of debilitating medical conditions.

As under existing law, dispensary facilities and hybrid retailers must still conspicuously post a sign with the name of the licensed pharmacist that is available for consultation.

Privacy Training

Under the bill, a dispensary facility and hybrid retailer's registered employees who sell any cannabis or medical cannabis to a qualifying

patient, qualifying out-of-state patient, or caregiver must take at least one hour of educational training on each of the following topics:

1. types, availability, dosage, and methods of administering marijuana for palliative use;

2. professional ethics;

3. state and federal patient privacy laws and regulations; and

4. developments in medical cannabis product use.

DCP Regulations for Dispensary Facilities

The bill requires the DCP commissioner to adopt or amend regulations to implement these provisions for dispensary facilities (such as those on uploading data and offering telehealth services). Regardless of the Uniform Administrative Procedure Act's (UAPA) regulation adoption process, in order to carry out the bill's purposes and protect public health and safety and before adopting the required regulations, the commissioner must issue policies and procedures to implement this provision. These policies and procedures have the force and effect of law.

At least 15 days before the policies and procedures take effect, the act requires the commissioner to post them on DCP's website and submit them to the General Law Committee and the secretary of the state (SOTS) to be posted on the eRegulations system. A policy or procedure is no longer effective once SOTS codifies the final regulation or July 1, 2028, whichever occurs earlier.

EFFECTIVE DATE: Upon passage

§§ 32 & 87 — "DISPENSARY" IN ADVERTISING

Allows retailers to use the term "dispensary" in their advertising

The bill allows retailers to use the term "dispensary" in their marketing, advertising, or promotional materials, or on any sign, branding item, logo, or label.

Current law only allows dispensary facilities and hybrid retailers to

use the word "dispensary" or any variation of the word for advertisement purposes.

By law, a "retailer" is a person, excluding a dispensary facility or hybrid retailer, that is licensed to (1) purchase cannabis from producers, cultivators, micro-cultivators, product manufacturers, and food and beverage manufacturers and (2) sell cannabis to consumers and research programs.

§§ 44 & 52 — DEADLINES FOR SAMPLES THAT FAILED LABORATORY TESTING

Generally sets a 60-day deadline to dispose of medical marijuana and cannabis samples that fail testing

The bill generally sets a 60-day deadline to dispose of medical cannabis and cannabis batches that fail sample testing. It also requires each cannabis establishment to submit cannabis or medical cannabis to a cannabis testing laboratory for testing based on standards set in DCP regulations, rather than based on statute.

By law, a "cannabis establishment" is a cannabis producer, dispensary facility, cultivator, micro-cultivator, retailer, hybrid retailer, food and beverage manufacturer, product manufacturer or packager, delivery service, or transporter.

Existing law requires each cannabis establishment to submit cannabis samples to a cannabis testing laboratory for testing. For samples that fail, cannabis establishments may repeat the test, remediate the sample and then retest, or dispose of the batch, as appropriate. The bill generally retains these procedures, but sets specific deadlines for compliance.

Testing

Under the bill, if the cannabis samples taken from a batch pass the laboratory testing, then the batch must be released for sale. If the sample fails, the cannabis establishment that submitted it has 60 days after the failed testing to repeat the testing, submit a remediation plan to DCP, or dispose of the entire batch based on posted DCP procedures, unless the cannabis establishment requests a 60-day extension from DCP. The commissioner may only grant two requests for any batch.

Within 60 days after a repeated test, if the samples pass, then the batch may be released for sale.

Remediation Plan

For each remediation plan submitted to DCP, the commissioner must, within 60 days after receiving the plan:

1. review the plan to determine whether it is sufficient to ensure public health and safety;

2. approve or reject the plan based on the determination; and

3. send a written notice to the cannabis establishment that submitted the plan, the approval or rejection and, for rejections, the reasons for the rejection.

If the commissioner does not send a written notice to the cannabis establishment within 60 days, the remediation plan is deemed approved.

If the commissioner approves the remediation plan, or if the remediation plan is deemed approved, the cannabis establishment must remediate the cannabis batch with the failed samples and repeat all required laboratory testing. If the samples pass, then the whole batch must be released for sale, but if it fails, then the batch must be disposed of within 60 days based on the procedure above unless an extension is requested and granted.

§§ 47, 66 & 68— PERSONAL DATA RETENTION

Prohibits retailers and hybrid retailers from retaining any personal data they obtain for age verification purposes for more than 24 hours without written consent

The bill prohibits retailers and hybrid retailers from keeping any personal data they obtain for age verification purposes for more than 24 hours without written consent. "Personal information" is any information linked or reasonably linkable to an identified or identifiable individual. It does not include de-identified data or publicly available information.

The bill also makes technical and conforming changes.

§ 48 — CANNABIS REGULATORY WORKING GROUP

Establishes a cannabis regulatory working group to (1) study and recommend new or amended regulations or policies and procedures concerning cannabis and (2) propose legislation concerning cannabis

The bill establishes a cannabis regulatory working group to (1) study regulations adopted or proposed, and policies and procedures issued or proposed, by the DCP commissioner and the Social Equity Council concerning cannabis; (2) recommend new or amended regulations or policies and procedures concerning cannabis; and (3) propose legislation concerning cannabis.

The working group consists of four members with each of the General Law Committee's House and Senate chairpersons and ranking members appointing one member, who may be a legislator. The committee's chairpersons must select the working group's chairpersons from among the members.

The bill requires initial appointments to the working group to be made by October 31, 2026, with the appointing authority filling any vacancy. The chairpersons must schedule and hold the working group's first meeting by December 1, 2026.

The bill requires the General Law Committee's administrative staff to serve as the working group's administrative staff.

The bill requires the working group to submit a report on its findings and recommendations to the General Law Committee by January 1, 2027. The working group ends on that date or when it submits the report, whichever is later.

§ 49 — 30 DAY CREDIT LIMIT

Generally prohibits retailers, hybrid retailers, or dispensary facilities from borrowing money or being extended credit for more than 30 days from a cultivator, micro-cultivator, or producer

The bill broadly prohibits retailers, hybrid retailers, and dispensary facilities from borrowing money or receiving credit, directly or indirectly in any form, for more than 30 days from any cultivator, micro-cultivator, or producer.

§ 50 — MINIMUM EMPLOYEES REQUIRED FOR DELIVERY

Allows cannabis establishments to deliver or transport cannabis with only one employee when transporting to another cannabis establishment, testing laboratory, or research program if the vehicle is equipped with certain devices and containers

Current policies and procedures require at least two transporting agents per transport vehicle when there is more than two pounds of cannabis flower and cannabis trim or their equivalency. Regardless of any medical cannabis or adult-use cannabis law, the bill allows cannabis establishments to deliver or transport cannabis with only one employee when transporting to another cannabis establishment, testing laboratory, or research program if the vehicle is equipped with certain devices and containers to prevent diversion, theft, or loss. The vehicle must have:

1. an electronic recording device that records the vehicle's interior at all times while the vehicle is used to deliver or transport cannabis;

2. an electronic tracking device that tracks, in real time, the vehicle's geospatial location through a global positioning system while the vehicle is delivering or transporting cannabis; and

3. a secure container that holds all the cannabis being delivered or transported and is permanently affixed to the vehicle.

The bill allows the DCP commissioner to adopt policies and procedures and regulations to implement these provisions.

§ 51 — FENCE HEIGHT

Prohibits requiring a producer, cultivator, or micro-cultivator that cultivates cannabis outdoors to maintain a perimeter fence that is more than eight feet tall

Regardless of any medical or adult-use cannabis law, the bill prohibits requiring a producer, cultivator, or micro-cultivator that cultivates cannabis outdoors to maintain a perimeter fence that is more than eight feet tall.

§ 53 — IMMEDIATE THREAT TO PUBLIC HEALTH AND SAFETY

Broadens the circumstances under which a municipality may prohibit a business from operating because it poses an "immediate threat to public health and safety"; allows law enforcement officers to summarily close a business and seal the premises upon court order

Existing law allows municipalities to take certain actions if any business poses an "immediate threat to public health and safety." They may, by the legislative body's vote, prohibit these businesses from operating in the municipality and apply to the Superior Court for an order directing the municipality's chief law enforcement officer to take possession and control of any related merchandise from the business, including any cannabis, cannabis product, cigarette, tobacco, or tobacco product, any merchandise associated with those items, and any proceeds from them. In addition to these actions, the bill allows the court to direct the officer to summarily close the business and seal the premises.

The bill also broadens the circumstances under which a municipality may prohibit a business from operating by adding additional violations to what is considered an "immediate threat to public health and safety." Existing law includes, among other things, the presence of any cigarette, tobacco product, e-cigarette liquid, electronic nicotine delivery system, or liquid nicotine container alongside any cannabis or cannabis product. Under the bill, the presence of the following is also considered an immediate threat:

1. any nicotine product alongside any cannabis or cannabis product or otherwise being sold unlawfully;

2. any schedule I or II controlled substance;

3. any product offered or sold for human consumption that any federal, state, or local government agency acting within the scope of its authority has deemed unsafe based on reports that the product has caused personal injury or illness; or

4. any unlawful firearm.

The bill also deems any documented unauthorized sale of any

product to an underaged person to be an immediate threat.

By law, a violation is a Connecticut Unfair Trade Practices Act (CUTPA) violation and violators must additionally be assessed a civil fine of $30,000 for each violation. Anyone who aids or abets these violations must also be assessed a $30,000 civil fine for each violation. The law also imposes a $10,000 civil fine on people who manage or control certain commercial property and knowingly make the area available for use in violation of the laws on cannabis or cannabis product sales. In all three cases, each day a violation continues is a separate offense. If the municipality institutes the civil enforcement action, any imposed penalty must be paid to the municipality.

Background — CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than $10,000, impose civil penalties of up to $5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to $5,000 for willful violations and up to $25,000 for a restraining order violation.

§§ 54, 56, 59, 62, 71 & 74-76 — CHANGE IN OWNERSHIP OR CONTROL

Allows a change in ownership or control in an equity joint venture after six years of final licensure; allows the social equity applicant to request the Social Equity Council perform a nonfinancial review of the change; sets requirements for the council when conducting the review; requires the person acquiring ownership or control to pay certain fees and outstanding balances before the change is effective

Existing law prohibits cultivators, producers, dispensary facilities, and micro-cultivators from increasing their ownership in an equity joint venture by more than 50% for seven years after receiving final licensure. The law also requires the Social Equity Council to develop criteria for evaluating ownership and control of any equity joint venture.

Change After Year Five

The bill generally prohibits any contract from being entered or renewed after it passes in which an equity joint venture's ownership or control would change and the venture would not be controlled and at least 50% owned by someone who qualifies as a social equity applicant.

The bill allows a change if at least five years have passed since the final license was issued and at least 90 days before the change, the equity joint venture:

1. submits written notice to the council disclosing that the venture intends to make the change and

2. sends written notice to the social equity applicant disclosing that he or she may, within 60 days before the change is effective, submit a written request for the council to perform an optional nonfinancial review of the change.

If the council receives a written request, within 30 days before the change becomes effective it must complete the review to determine whether the social equity applicant (1) has retained legal counsel to advise him or her on the change; (2) understands the structure and implications; (3) understands the financial terms; (4) has engaged with his or her business partners, if any, to ensure that the change is appropriate; and (5) consents to the change free of any coercion or undue pressure. The review must also determine whether the change complies with the venture's organizational documents.

The council must also, at least 30 days before the change, send a written notice to the social equity applicant and the equity joint venture disclosing the results of the review.

Under the bill, to finalize the change, the person acquiring the ownership or control, must pay the council:

1. an $8,000 nonrefundable transaction fee, which must be deposited into the social equity innovation account, and

2. the outstanding balance on all loans issued to the equity joint venture or the social equity applicant as part of the canna-business revolving loan program, which provides, among other things, low-interest loans to social equity applicants to rehabilitate, renovate, or develop unused or underused real property for use as a cannabis establishment.

The bill specifies that this provision does not allow the council to delay or reject any change because of the results of the optional nonfinancial review. Any change that is made in violation of this provision is void and has no effect.

Regulations

The bill requires the council to adopt regulations to implement this provision. Regardless of the UAPA's regulation adoption process, to carry out this provision and before adopting the regulations, the council must issue policies and procedures, by October 1, 2026, to implement the bill's provisions. These policies and procedures have the force and effect of law. At least 15 days before the policies and procedures take effect, the bill requires the council to post them on its website and submit them to SOTS to be posted on the eRegulations system. A policy or procedure is no longer effective once SOTS codifies the final regulation or, if the regulations have not been submitted to the Regulation Review Committee, October 1, 2027, whichever occurs earlier.

Under the bill, the council may refer any violation of these policies or procedures or regulations to DCP for administrative enforcement action, which may result in a fine of up to $10 million or action against the cannabis establishment's license.

EFFECTIVE DATE: Upon passage, except a technical change (§ 74) is effective October 1, 2026.

§ 54 — SOCIAL EQUITY COUNCIL

Allows the Social Equity Council to conduct investigations related to its purposes and duties; consolidates its required reporting by eliminating its monthly reporting requirement and instead adds the BPRC to the quarterly report's recipients

Duties

The bill allows the Social Equity Council to conduct investigations it needs to carry out its duties for complaints or concerns that are brought before the council by a social equity applicant and relate to the protection, enforcement, or advancement of equity under the adult-use cannabis laws.

The bill also specifies that various actions it may take are done to carry out its duties.

Report

Under current law, the Social Equity Council must submit (1) a monthly report to the Black and Puerto Rican Caucus (BPRC) and (2) quarterly reports to the governor, legislative leaders, and Appropriations and General Law chairpersons.

The bill consolidates the reporting by eliminating the monthly reporting requirement and instead adds the BPRC to the quarterly report. These reports have similar requirements, except the monthly report requires the council to report on planned expenditures for the following month while the quarterly report covers expenditures already made. The monthly report also requires the pending social equity applicant applications to be broken down by municipality, assembly district, and senate district, while the quarterly report requires pending social equity applicant applications, social equity plans, and workforce development plans to be broken down by how long they have been pending.

EFFECTIVE DATE: Upon passage

§ 57 — ADDING BACKERS OR PROVISIONAL LICENSEES

Allows an applicant or provisional licensee that is a social equity applicant to apply to the DCP commissioner for a one-time replacement of an original backer, if the backer is not a social equity applicant

Existing law generally prohibits additional backers from being added to a cannabis establishment application between the lottery entry or initial license application and when the final license is awarded.

The bill allows an applicant or provisional licensee that is a social equity applicant to apply to the DCP commissioner, in a way he prescribes, for a one-time replacement of an original backer, if the backer is not a social equity applicant.

§§ 58, 65, 73, 78 & 80 — POLICIES AND PROCEDURES SUBMISSION

Extends the maximum effective period of cannabis policies and procedures until July 1, 2028; requires the policies and procedures that DCP and the Social Equity Council submit for posting on the eRegulations system to also be submitted to the General Law Committee

Current law requires DCP and the Social Equity Council to issue policies and procedures to implement various cannabis provisions that are effective until final regulations are adopted or either September 22, 2026, or October 1, 2026. The bill extends the maximum effective period of these policies and procedures until July 1, 2028.

The bill requires the policies and procedures related to adult-use cannabis that DCP and the Social Equity Commission must submit for posting on the eRegulations systems to also be submitted to the General Law Committee. As under existing law, they must submit the policies and procedures at least 15 days before they are effective.

EFFECTIVE DATE: July 1, 2026

§ 64 — MICRO-CULTIVATORS RETAIL FACILITIES

Allows micro-cultivators with a hybrid retailer or retailer endorsement to locate the facility within the same disproportionately impacted area as the premises; limits the sales types micro-cultivators with a hybrid retailer endorsement may make

Under current law, micro-cultivators with a hybrid retailer or retailer endorsement must locate the facility (1) on the same premises as the micro-cultivator or (2) within 100 feet of the premises measured from the point that is closest to the premises. The bill also allows them to locate a facility within the same disproportionately impacted area as the premises.

Current law also allows micro-cultivators with a hybrid retailer endorsement to sell medical cannabis to qualified (in-state) patients and caregivers through a delivery service or using their own employees. The bill narrows the sales types allowed to in-state patients by only allowing

a micro-cultivator to sell to them through a delivery service.

§§ 66 & 68 — MEDICAL CANNABIS PRODUCT SALES TO CONSUMERS

Allows for the sale of certain products that are currently only available to qualifying patients to other consumers; requires certain cannabis establishments to reserve these products for exclusive sale for at least 14 days after release

Regardless of any adult-use or medical marijuana laws, the bill allows a retailer or hybrid retailer to sell the following medical use cannabis products to consumers:

1. cannabis concentrates;

2. topical treatments, except transdermal patches;

3. creams;

4. tablets and capsules;

5. rosins; and

6. products intended for sublingual absorption (under the tongue).

The bill requires producers, cultivators, micro-cultivators, product packagers, product manufacturers, and food and beverage manufacturers to reserve these medical use cannabis products for sale exclusively to dispensary facilities and hybrid retailers for at least 14 days after the products are released to the market.

It also requires hybrid retailers to reserve these products for qualifying in- or out-of-state patients and caregivers for 14 days after receiving a shipment.

The bill requires DCP to adopt regulations on additional palliative use cannabis product sales.

§ 79 — THC LEVELS

Lifts the cap on THC by dry-weight-bases for cannabis flower, other plant material, and concentrates, and prohibits DCP from limiting their dosage, potency, or concentration; allows edibles to have a variance reflecting testing method uncertainty of up to +/- 10% of existing law's five mgs limit; eliminates DCP's ability to adjust certain maximum THC percentages for public health reasons or when there is a shortage

Current law prohibits cannabis establishments from selling to consumers (1) cannabis flower or other cannabis plant material with a total THC concentration over 35% on a dry-weight basis or (2) cannabis products (including concentrates) with a total THC concentration over 70% on a dry-weight basis. The bill eliminates the THC cap for cannabis flower, other plant material, and concentrates by removing (1) cannabis flower and other plant material from the 35% cap and (2) concentrates from the 70% cap.

It also prohibits DCP from limiting the dosage, potency, or concentration of cannabis products, cannabis flower, or other cannabis plant material (even if intended to address public health, market access, or shortage concerns).

The bill requires any cannabis flower or cannabis plant material that contains a total THC percentage greater than 30% to include a warning that it is a high-potency product and may increase the risk of psychosis. This is already a requirement for cannabis concentrates.

Under the bill, "other cannabis plant material" is cannabis trim and all parts of any plant or species of the genus cannabis, or any biological group below, excluding (1) the growing plant and its seeds, (2) cannabis flower or hemp, and (3) an uprooted clone or uprooted cutting of the cannabis plants.

Edibles

Current law requires DCP to issue policies and procedures and adopt regulations to set appropriate dosage, potency, concentration, and serving size limits and delineation requirements for edible cannabis products and beverages, as long as a standardized serving contains no more than five milligrams (mgs) of THC (unless it is a medical marijuana product). The bill allows edibles to have a variance in THC value, reflecting cannabis testing laboratory method uncertainty, of up to plus or minus 10%.

§ 79 — IONIZING RADIATION REMEDIATION

Specifies the permitted remediation practices must include remediating cannabis flower or other cannabis plant material by ionizing radiation

Existing law requires the DCP commissioner to issue policies and procedures and adopt regulations establishing permitted remediation practices. The bill specifies this must include allowing remediating cannabis flower or other cannabis plant material by one or more exposures to ionizing radiation if it fails any laboratory testing due to microbial contamination.

§§ 85, 93-98, 104-108 & 115 — INFUSED BEVERAGES

Increases the allowable THC levels, from three to five mgs, for infused beverages sold in package stores and from three mgs to 10 mgs, for ones sold in a dispensary facility, hybrid retailer, or retailer; allows for a testing method uncertainty of +/- 10% in the reported THC value; allows infused beverage manufacturers to sell infused-beverages for off-premises consumption and allows them to sell certain other beverages for on-premises consumption; allows infused beverages to be tested by out-of-state laboratories; modifies the container labeling requirements to additionally follow ASTM standards; eliminates obsolete references to legacy infused beverages

Increased Allowable THC Levels

The bill increases the allowable THC levels in an infused beverage to be sold or offered for sale within the state. Under current law, infused beverages may have up to three mgs per container. The bill increases this amount to (1) five mgs if the infused beverage is sold at a package store and (2) 10 mgs if it is sold at a dispensary facility, hybrid retailer, or retailer. The bill specifies the actual amount of THC can vary due to cannabis testing laboratory method uncertainty, by up to plus or minus 10% of the reported THC value. By law and unchanged by the bill, infused beverages cannot contain alcohol. The bill specifies that these beverages may contain caffeinated coffee or tea.

On-premises Beverage Sales

The bill allows an infused beverage manufacturer to sell beverages at retail for on-premises consumption if the beverages:

1. are manufactured on the premises and the sales are made and the beverages are consumed in a room or area separate from the manufacturing area, and

2. the beverage is not an infused or alcoholic beverage and does not contain THC (the bill would allow certain CBD drinks to be sold for on-premises consumption, for example).

Off-premises Infused Beverage Sales

Under the bill, an infused beverage manufacturer may sell infused beverages at retail for off-premises consumption if the beverages are manufactured on the premises and sold in a room physically separate from where they were manufactured. The manufacturer cannot sell more than 12 containers per day to a consumer.

The bill requires these manufactures to assess a $1 fee on each container it sells at retail. Existing law assess the same fee amount for infused beverages sold at certain cannabis establishments and package stores. This fee is not subject to any sales tax or treated as income. Beginning April 1, 2027, and every six months after, each manufacturer must remit payment to DCP for each container sold during the previous six-month period. DCP must deposit the funds into the consumer protection enforcement account that is used to protect public health and safety, educate consumers and licensees, and ensure compliance with cannabis and liquor laws.

As under existing law, infused beverages may only be sold to those age 21 and older.

Interstate Transportation and Derivative Resale Prohibited

The bill specifies that the infused beverage law does not authorize (1) interstate transportation of any product in violation of federal law, including the U.S. Agricultural Marketing Act of 1946 (7 U.S.C. § 1639o et seq.), and (2) intermediate hemp derivatives (see below) to be further distributed for resale. Generally, an intermediate hemp derivative is an oil or concentrate that is extracted using certain methods directly and exclusively from raw hemp and has a total THC concentration of more than 0.3% on a dry weight basis.

Hemp

The bill extends current law's requirement on where an infused beverage manufacturer must obtain hemp oil to cover all hemp. (Under the bill, these beverages must be made with either hemp, hemp oil, or an intermediate hemp derivative. Other hemp products cannot be used.) Under current law, manufacturers can only get hemp oil for infused

beverage manufacturing that is intended to be sold or offered in the state from certain producers or growers. As under current law for hemp oil, the bill requires the hemp to be extracted:

1. from hemp grown by a (a) hemp producer, as evidenced by a producer-issued certificate of authenticity, or (b) licensed hemp grower regulated by a state, territory, or federally recognized Indian tribe and in accordance with a state or tribal plan the U.S. Department of Agriculture approved, as evidenced by a grower-issued certificate of authenticity, or

2. by a person who is actively credentialed by a state or federally recognized Indian tribe to extract hemp and in a tribe-credentialed facility.

Packaging Amount

The bill increases, from four to 12 containers, the number of infused beverage containers that may be sold in a package. As under existing law, the containers must hold at least 12 fluid ounces.

Out-of-State Laboratories

The bill allows infused beverages to also be tested by similarly qualified out-of-state laboratories, rather than only DCP-regulated laboratories. As under existing law, each lot of an infused beverage in final form must be tested. These tests must be conducted using a representative sample and by collecting a minimum number of sample increments relative to the lot size.

Labeling

The bill modifies the labeling requirements for infused beverage containers by additionally requiring containers to have a symbol that satisfies ASTM International standard D8441. As under existing law, containers must also have a symbol that indicates the infused beverage is not legal or safe for those younger than age 21, which must be in a certain size and format that the DCP commissioner approves. Both symbols must be prominently displayed on the container.

§ 90 — DISCLOSING MATERIAL CHANGES TO THE SOCIAL EQUITY COUNCIL

Requires parties to a transaction with a social equity applicant that results in a material change to a cannabis establishment to submit certain information to the Social Equity Council, which the council must post on its website

Existing law requires anyone who enters a transaction that results in a material change to a cannabis establishment to file a written notice with the attorney general that includes the information he needs to determine if the transaction would violate antitrust laws. Under current law, this information is not subject to FOIA disclosure and may only be made public for relevant administrative or judicial action or proceedings.

Under the bill, certain information on these transactions must be given to the Social Equity Council for posting to its website.

Specifically, within 30 days after the effective date of any transaction that results in a material change to a social equity applicant's cannabis establishment license, all parties to the transaction must submit written notice to the Social Equity Council. The notice must disclose the following information about the transaction:

1. its effective date;

2. each party's identity;

3. the nature of each cannabis establishment, broken down by license type; and

4. the nature, and a detailed description of, each material change made to a cannabis establishment.

The bill requires the council to post a copy of each written notice it receives on its website.

§§ 94 & 99-101 — HEMP MANUFACTURERS MAKING CANNABINOIDS AND INTERMEDIATE HEMP DERIVATIVES

Beginning December 1, 2026, allows hemp manufacturers to manufacture certain cannabinoids and intermediate hemp derivatives (extracts with a total THC concentration of more than 0.3% on a dry weight basis); requires manufacturers to exclusively sell these

cannabinoids to certain cannabis establishments and the derivatives to the same establishments and infused beverage manufacturers

Manufacturing Allowed

Under the bill, starting December 1, 2026, a hemp manufacturer may manufacturer (1) CBG, CBN, or a DCP- approved manufactured cannabinoid and (2) intermediate hemp derivative to be incorporated into a manufacturer hemp product.

Permitted Sales

The manufacturer must exclusively offer and sell (1) these cannabinoids exclusively to a producer, cultivator, micro-cultivator, product manufacturer, or food and beverage manufacturer and (2) the derivative to the cannabis establishments listed above or an infused beverage manufacturer.

Intermediate Hemp Derivatives

Under the bill, an "intermediate hemp derivative" is an oil or concentrate that is extracted directly and exclusively from raw hemp plant material and contains a total THC concentration of more than 0.3% on a dry weight basis. Commercial extracts are extracted by:

1. adding heat;
2. decarboxylation;
3. adding a Class 3 organic solvent as defined by the most recent U.S. Pharmacopeia, Chapter 467, or another solvent the DCP commissioner approves;
4. ethanol extraction;
5. carbon dioxide extraction;
6. a solventless extraction method, including using ice water, rosin pressing, dry sifting, or steam distillation; or
7. an extraction process not listed if the DCP commissioner approves the process.

Purchasing These Products

Under current law, an infused beverage manufacturer cannot use any hemp product other than hemp oil to manufacture infused beverages. The bill allows intermediate hemp derivatives to be used, in addition to hemp oil, beginning on December 1, 2026. It also broadly allows cannabis establishments to purchase these cannabinoids or derivatives after that date.

For these establishments and manufacturers, the bill requires that the cannabinoids or derivatives be manufactured according to the bill's requirements and tracked as separate batches throughout the manufacturing process to document their disposition. Once the establishment or infused beverage manufacturer receives the cannabinoid or derivative, it is deemed cannabis and the licensee must comply with all the cannabis laws and regulations. The bill requires the cannabis establishments and infused beverage manufacturer, as applicable, to retain (1) a copy of the certificate of analysis for the cannabinoid or intermediate hemp derivative they purchased from a manufacturer and (2) invoices and transport documents that show the quantity of the cannabinoid or derivative purchased and the date they received the cannabinoid or derivative.

Regulations

The bill allows the DCP commissioner to adopt regulations to implement these provisions, including provisions on product tracking information, security, and transportation. Regardless of the UAPA regulation adoption process, the commissioner must issue policies and procedures to implement this provision. These policies and procedures have the force and effect of law.

At least 15 days before the policies and procedures take effect, the act requires the commissioner to post them on DCP's website and submit them to SOTS to be posted on the eRegulations system. A policy or procedure is no longer effective once SOTS codifies the final regulation or July 1, 2028, whichever occurs earlier.

Storage Requirements

The law extends current law's infused beverage manufacturer hemp oil storage and labeling requirements to intermediate hemp derivatives. These products must be (1) stored in a secure locked location separate from any cannabis, (2) clearly and conspicuously labeled as hemp oil or intermediate hemp derivative solely for use in infused beverage manufacturing, and (3) solely used for infused beverage manufacturing.

Interstate Transportation

The bill specifies that the hemp law does not authorize interstate transportation of any product in violation of federal law, including the U.S. Agricultural Marketing Act of 1946 (7 U.S.C. § 1639o et seq.).

EFFECTIVE DATE: Upon passage, except the infused beverage manufacturer provision is effective October 1, 2026.

§ 103 — FOOD AND BEVERAGE MANUFACTURER

Allows food and beverage manufacturers to manufacture, market, cultivate, and store hemp and hemp products under the same procedures and requirements as for certain other cannabis establishments

The bill allows food and beverage manufacturers to manufacture, market, cultivate, or store hemp or hemp products in accordance with existing hemp laws and regulations. As under existing law for certain other cannabis establishments, the food and beverage manufacturer may only obtain the hemp and hemp products from a person authorized under Connecticut law or the law of another U.S. state, territory, or possession or other sovereign entity to possess and sell these products.

EFFECTIVE DATE: Upon passage

§ 114 — DCP RECOMMENDATIONS ON MICRO-RETAILER LICENSE

Requires DCP to submit recommended legislation to establish a micro-retailer license for adult-use cannabis

The bill requires the DCP commissioner, by January 1, 2027, to submit a report to the General Law Committee recommending legislation to establish a micro-retailer license for adult-use cannabis.

EFFECTIVE DATE: Upon passage

BACKGROUND

Related Bills

sSB 231 (File 174), favorably reported by the General Law Committee, among other things, has an identical provision for failed cannabis tests.

sHB 5351 (File 386), favorably reported by the General Law Committee, among other things, has substantially similar provisions on Social Equity Council investigations, consolidating reporting requirements, and allowing a replacement backer under certain circumstances. It also prohibits the change of ownership and control of social equity applicants for three years after final licensure but allows the Social Equity Council to provide otherwise through policies and procedures and regulations.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute
Yea 13 Nay 8 (03/16/2026)