



RAISED BILL 5350: AN ACT CONCERNING CANNABIS, HEMP AND INFUSED BEVERAGE REGULATION.

RAISED BILL 5351: AN ACT CONCERNING THE SOCIAL EQUITY COUNCIL'S RECOMMENDATIONS REGARDING CANNABIS REGULATION.

Chairman Lemar and Chairman Maroney, Ranking Members Ciccarella and Rutigliano, and members of the General Law Committee,

Thank you for the opportunity to testify today.

I want to start by thanking Chairman Lemar and House Majority Leader Rojas for their serious engagement and leadership on cannabis policy. Your willingness to dig in on the real operational and economic issues facing this industry has not gone unnoticed.

My name is Ben Zachs, and I am the COO of Fine Fettle. We are a Connecticut-founded, multi-state cannabis operator. We have invested tens of millions of dollars into this state. We employ hundreds of Connecticut residents. We've built cultivation, retail, and manufacturing infrastructure here because we believe in this market and in doing it the right way at home.

For the past three years, this legislature has passed bills that have helped licensees get open. But candidly, those bills did very little to address the operational and economic realities of running a sustainable cannabis business in Connecticut and led to no new operators.

We have prices that are too high.

We have unnecessary operational burdens.

We have regulatory friction that does not improve safety or patient care.

House Bill 5350 is the first bill that meaningfully turns toward the needs of consumers, patients, and operators. We support the overall direction of this bill. It modernizes the program. It reduces burdens. It signals that Connecticut is ready to evolve.

But there are three areas where the bill, as drafted, does not fully accomplish its stated goals — and we believe targeted adjustments can fix that.



First: The Pharmacist Requirement

The summary states that the bill is intended to reduce the operational workload around pharmacists in dispensaries.

While the bill removes certain elements — such as private consultation space and some structural requirements for on-site time — it still maintains the same fundamental problem: pharmacists must verify each transaction, either on-site for eight hours per week or remotely 100% of the time otherwise.

That does not reduce operational burden or cost in any meaningful way.

Pharmacists should not be functioning as transaction verifiers. We already ensure product accuracy and compliance at the register level every day. That is not where the value of a pharmacist lies.

The value of Connecticut's pharmacist model is:

- Oversight of the Prescription Monitoring Program
- Auditing medical inventory and patient transactions
- Ensuring regulatory compliance
- Being available for real healthcare consultations

That is what differentiates Connecticut's program.

We are proposing language that shifts pharmacists into an auditing, oversight, and consultation role, while ensuring employees are appropriately trained in HIPAA and privacy compliance. That approach aligns with the stated intent of the bill and preserves patient protections without unnecessary cost.

We will provide specific proposed language at the end of this testimony.

Second: The Commercial Extractor License and Hemp-Derived THC

We understand the intent of creating a commercial extractor license. There are hemp businesses that may need a path forward given federal uncertainty. There is also an opportunity to integrate certain hemp operators and drink producers into the regulated framework.

However, as drafted, the extractor license is too broad.



The scale of hemp cultivation and extraction is enormous compared to the tightly controlled cannabis program. Without guardrails, this risks destabilizing the regulated THC market, especially with the enormous investment parity to be here.

We believe THC derived from hemp extractors should be limited to infused beverage manufacturing — specifically drinks that can be sold into restaurants and liquor establishments at one potency level and dispensaries at another.

It should not be eligible for use in vapes, high-potency edibles, or other core cannabis categories within the dispensary market.

At the same time, we support allowing non-THC cannabinoids and minor cannabinoids from licensed extractors to flow into the regulated market and, eventually, interstate commerce as federal law evolves.

Additionally, we believe beverages sold through liquor and restaurant channels should remain at five milligrams per serving, while dispensaries should be permitted to sell higher-strength beverages — such as ten milligrams — preserving differentiation between channels.

We will provide proposed language reflecting this balanced approach.

Third: The Seven-Year Ownership Restriction

This is an urgent issue and I must respectfully state, that the SEC is not living in reality.

The seven-year ownership restriction for equity joint ventures has caused real harm. Social equity operators have closed because they cannot sell. Others are trapped in failing structures with no exit path.

This policy was intended to create stability. In practice, it has created stagnation and failure. Codifying a seven-year restriction further in 5351 entrenches a system that is not working.

It is even crazier as the ownership of different, yet connected, license types are incongruous. If a social equity dispensary operator cannot sell alongside a 149 license, the value of their business declines dramatically. The result is not empowerment. It is economic isolation.



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We strongly believe this provision must be aligned with Section 149 and reduced to a reasonable timeframe that reflects how capital markets and ownership function in this industry.

We will submit proposed statutory language that accomplishes that alignment.

In closing, we highly support the direction of this bill. It is the first meaningful step toward correcting structural issues in Connecticut's cannabis market.

But if we are going to modernize, we must do it fully and thoughtfully.

Reduce operational burdens in a real way.

Protect the integrity of the regulated THC market.

And allow social equity businesses a path to success — not a prolonged path to failure.

Thank you for your time and consideration. I look forward to working with you to strengthen this legislation.



PROPOSED REVISIONS

Sec. 53. Section 21a-420h of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) During the period of provisional licensure and for three years following the issuance of a final license, no cannabis establishment license issued to a social equity applicant who the Social Equity Council has determined meets the criteria of subparagraphs (A) and (B) of subdivision (53) of section 21a-420, as amended by this act, shall be sold, and no change shall be made in the ownership held by the individual or individuals who meet the criteria of subparagraphs (A) and (B) of subdivision (53) of section 21a-420, as amended by this act, or control of such license, unless:

(1) The council has approved such sale or change in the manner set forth in subsection (b) of this section; and

(2) (A) Such sale or change is made to another social equity applicant who the council has determined meets the criteria of subparagraphs (A) and (B) of subdivision (53) of section 21a-420, as amended by this act, or (B) the backer of the cannabis establishment has died or has been diagnosed with a condition, including, but not limited to, a physical illness or loss of skill or deterioration due to the aging process, emotional disorder or mental illness, that would interfere with the backer's ability to operate, or (C) such sale or change is made to another individual or individuals who meet the criteria of subparagraphs (A) and (B) of subdivision (53) of section 21a-420, as amended by this act.

(b) (1) Prior to any sale or change in ownership or control authorized under subsection (a) of this section, the social equity applicant who the council has determined meets the criteria of subparagraphs (A) and (B) of subdivision (53) of section 21a-420, as amended by this act, and who is, or the cannabis establishment that is, seeking to sell the cannabis establishment license, or make a change in the ownership or control of such license, shall submit to the Social Equity Council, in a form and manner prescribed by the council:

(A) An application to make such sale or change; and

(B) All documents the council, in the council's discretion, deems necessary to determine whether such sale or change is authorized under subsection (a) of this section, including, but not limited to, all operating agreements and transfer, sale or conveyance



documents the council deems necessary for such purpose.

(2) Not later than ninety days after the council receives the application and documents required under subdivision (1) of this subsection, the council shall complete its review of such application and documents and, on the basis of such review and in a form and manner prescribed by the council, issue a decision approving or denying such application and send notice of such decision to the social equity applicant or cannabis establishment.

(3) If any sale or change in ownership or control of a social equity applicant is made that results in the social equity applicant no longer meeting the criteria of subparagraphs (A) and (B) of subdivision (53) of section 21a-420, as amended by this act, the cannabis establishment shall be treated as a cannabis establishment without social equity status beginning on the date of such change and such cannabis establishment shall no longer be eligible to pay a reduced license renewal fee.

(c) The Social Equity Council shall adopt regulations, in accordance with the provisions of chapter 54, to ~~prevent the sale or change in ownership or control of a cannabis establishment license awarded to a social equity applicant to someone other than another qualifying social equity applicant during the period of provisional licensure, and for three years following the issuance of a final license, unless the backer of such licensee has died or has a condition, including, but not limited to, a physical illness or loss of skill or deterioration due to the aging process, emotional disorder or mental illness that would interfere with the backer's ability to operate. If the council approves any sale or change in ownership or control of a cannabis establishment license awarded to a social equity applicant during the three-year period following issuance of a final license, and such sale or change in ownership or control is made to anyone other than another qualifying social equity applicant, the cannabis establishment licensee shall be treated as a cannabis establishment licensee without social equity status beginning on the date of such approval and such cannabis licensee shall no longer be eligible to pay a reduced license renewal fee~~ implement the provisions of this section. Notwithstanding the requirements of sections 4-168 to 4-172, inclusive, in order to effectuate this section, prior to adopting such regulations and not later than October 1, 2021, the council shall issue policies and procedures to implement the provisions of this section that shall have the force and effect of law. The council shall post all policies and procedures on its Internet web site and submit such policies and procedures to the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection and the



Secretary of the State for posting on the eRegulations System, at least fifteen days prior to the effective date of any policy or procedure. Any such policy or procedure shall no longer be effective upon the earlier of either the adoption of the policy or procedure as a final regulation under section 4-172 or sixty-three months from July 1, 2021. Any violation of such policies and procedures or any violation of such regulations related to the sale or change in ownership may be referred by the Social Equity Council to the department for administrative enforcement action, which may result in a fine of not more than ten million dollars or action against the establishment's license.

Sec. 55. Subsections (b) and (e) of section 21a-420m of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(b) The equity joint venture shall be in any cannabis establishment licensed business, other than a cultivator license, provided such equity joint venture is at least fifty per cent owned and controlled by an individual or individuals who meet, or the equity joint venture applicant is an individual who meets, the criteria established in subparagraphs (A) and (B) of subdivision [(51)] (53) of section 21a-420, as amended by this act.

(e) A producer, including the backer of such producer, shall not increase its ownership in an equity joint venture in excess of fifty per cent during the [seven-year] three-year period after a license is issued by the department under this section.

Sec. 59. Section 21a-420r of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

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

(b) A retailer may obtain cannabis from a cultivator, micro-cultivator, producer, product packager, food and beverage manufacturer, product manufacturer or transporter or an undeliverable return from a delivery service. A retailer may sell, transport or transfer cannabis or cannabis products to a cannabis establishment, cannabis testing laboratory or research program. A retailer may sell cannabis to a consumer or research program. A retailer may not conduct sales of medical [marijuana] cannabis products nor offer discounts or other inducements to qualifying patients, qualifying out-



of-state patients or caregivers. A retailer shall not gift or transfer cannabis at no cost to a consumer as part of a commercial transaction.

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

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

(e) Manufacturer hemp products, as defined in section 22-61l, as amended by this act, may be sold within a retailer facility, provided such manufacturer hemp products are:

- (1) Stored separately from cannabis and cannabis products;
- (2) Separated, by a physical separation, from cannabis and cannabis products in any display area;
- (3) Displayed with signage approved by the department;
- (4) Tested by a laboratory that meets the standards for accreditation and testing, and sampling methods, set forth for an independent testing laboratory in section 22-61m, as amended by this act, which laboratory may be located outside of this state;
- (5) Clearly labeled to distinguish the product as (A) a manufacturer hemp product, (B) subject to different testing standards than cannabis, and (C) not cannabis or a cannabis product; and
- (6) Sold in accordance with this chapter, chapter 424 and any regulations adopted pursuant to said chapters.

(f) No retailer shall retain any personal data the retailer obtains from a consumer for the purposes of age verification for longer than twenty-four hours, without the consumers express written permission.

Sec. 60. Section 21a-420s of the general statutes is repealed and the following is



substituted in lieu thereof (*Effective upon passage*):

(a) The department may issue or renew a license for a hybrid retailer. No person may act as a hybrid retailer or represent that such person is a hybrid retailer unless such person has obtained a license from the department pursuant to this section.

(b) A hybrid retailer may obtain cannabis from a cultivator, micro-cultivator, producer, product packager, food and beverage manufacturer, product manufacturer or transporter. In addition to the activities authorized under section 21a-420t, as amended by this act, a hybrid retailer may sell, transport or transfer cannabis to a cannabis establishment, cannabis testing laboratory or research program. A hybrid retailer may sell cannabis products to a consumer or research program. A hybrid retailer shall not gift or transfer cannabis at no cost to a consumer, qualifying patient, qualifying out-of-state patient or caregiver as part of a commercial transaction.

(c) In addition to conducting general retail sales, a hybrid retailer may sell cannabis and medical **[marijuana]** cannabis products to qualifying patients, qualifying out-of-state patients and caregivers. Any cannabis or medical **[marijuana]** cannabis products sold to qualifying patients, qualifying out-of-state patients and caregivers shall be **[dispensed by a licensed pharmacist and shall be]** recorded in the electronic prescription drug monitoring program, established pursuant to section 21a-254, in real-time or immediately upon completion of the transaction, unless not reasonably feasible for a specific transaction, but in no case longer than one hour after completion of the transaction. Only a licensed pharmacist, **[or]** dispensary technician, or other registered employee with direction from a licensed pharmacist or via an automated upload from the hybrid facility's point of sale software may upload data in the electronic prescription drug monitoring program, established pursuant to section 21a-254. A licensed pharmacist shall conduct weekly audits of the electronic prescription drug monitoring program, established pursuant to section 21a-254. All other authorized activities of a hybrid retailer, including actions performed in connection with the sale, handling or management of cannabis or medical cannabis products sold to qualifying patients, qualifying out-of-state patients and caregivers may be completed by a licensed pharmacist, dispensary technician, or other registered employee.

(d) (1) A hybrid retailer shall maintain a ratio of one licensed pharmacist per three affiliated **[on premises for at least eight consecutive hours per calendar week when the]**



hybrid retail ~~[location]~~ locations. ~~[is open to the public or to qualifying patients and caregivers.] [At all times while a hybrid retailer location is open to the public and a licensed pharmacist is not physically present on premises and available for qualifying patient and caregiver consultations, the]~~ A hybrid retailer shall ensure that a licensed pharmacist is readily available to ~~[(A)]~~ provide telehealth consultations for qualifying patients and caregivers for no less than thirty-five hours per week. ~~[, and (B) conduct remote order entry verification in accordance with regulations adopted by the commissioner pursuant to section 20-576, which remote order entry verification shall only be conducted by a licensed pharmacist in compliance with all remote order entry verification requirements established in regulations adopted by the commissioner pursuant to section 20-576.]~~

(e) All registered employees must undergo a minimum of one hour of HIPAA training prior to executing any medical sale in a hybrid location.

(2) A hybrid retailer or its affiliate that offers telehealth consultations with a licensed pharmacist shall (A) ~~[employ such pharmacist for at least twenty hours per calendar week, (B)]~~ maintain technology that is capable of facilitating such consultations, and ~~[(C)]~~ (B) make such consultations readily available and accessible to qualifying patients, qualifying out-of-state patients and caregivers, including, but not limited to, by telephone from a remote location outside of the hybrid retailer location. ~~[and from the private consultation space required under subsection (e) of this section.]~~

(3) Each hybrid retailer or its affiliate that offers consultations with a licensed pharmacist either in-person or through telehealth shall conspicuously post and maintain a sign at the main entrance of the hybrid retailer location, which sign shall (A) be at least twelve inches in height and eighteen inches in width, (B) incorporate lettering in a size and style that is clear and legible, and (C) state the name of the licensed pharmacist who is available for qualifying patient, qualifying out-of-state patient and caregiver consultations either in-person or through telehealth.

(4) Each hybrid retailer that offers consultations with a licensed pharmacist either in-person or through telehealth shall conspicuously post and maintain a sign ~~[at each register or comparable point of sale]~~ within the hybrid retailer location, and on any Internet web site maintained by such hybrid retailer, which sign shall (A) be at least eight inches in height and ten inches in width, (B) incorporate lettering in a size and style that



is clear and legible, and (C) state "Pharmacist available for consultation" in a clear and legible manner. ////////////////////////////////////

[(5) Each licensed pharmacist who consults with qualifying patients or caregivers shall annually complete not less than five contact hours of continuing professional education, as set forth in section 20-600, related to the cannabis industry, the pharmacy laws of this state or the treatment of debilitating medical conditions, as defined in section 21a-408. Such contact hours shall be included in, and not be in addition to, the fifteen contact hours required under section 20-600.]

(e) [The hybrid retailer location shall include a private consultation space for pharmacists to meet with qualifying patients and caregivers.] Each hybrid retailer shall conspicuously display, on the exterior of the hybrid retailer location, a symbol that denotes the sale of medical [marijuana] cannabis products, which symbol shall be in a form and manner prescribed by the commissioner and posted on the department's Internet web site. Additionally, the hybrid retailer premises shall accommodate an expedited method of entry that allows for priority entrance into the premises for qualifying patients, qualifying out-of-state patients and caregivers.

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

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

(h) A hybrid retailer may not convert its license to a retailer license. To obtain a retailer license, a hybrid retailer shall apply through the lottery application process. A hybrid retailer may convert to a dispensary facility, provided the hybrid retailer complies with all applicable provisions of chapter 420f and has received written approval from the department.



(i) A retailer may apply to the department to convert its license to a hybrid retailer license, without applying through the lottery application system. To convert a retailer license to a hybrid retailer license, a retailer shall submit a complete application to the department, in a form and manner prescribed by the commissioner. Prior to issuing a hybrid retailer license pursuant to this section, the department shall conduct an inspection of the converting retailer establishment. Upon a satisfactory inspection, the department shall deactivate the converting retailer license and issue a new hybrid retailer license to the applicant.

(j) Manufacturer hemp products, as defined in section 22-61l, [as amended by this act](#), may be sold within a hybrid retailer facility, provided such manufacturer hemp products are:

- (1) Stored separately from cannabis and cannabis products;
- (2) Separated, by a physical separation, from cannabis and cannabis products in any display area;
- (3) Displayed with signage approved by the department;
- (4) Tested by a laboratory that meets the standards for accreditation and testing, and sampling methods, set forth for an independent testing laboratory in section 22-61m, [as amended by this act](#), which laboratory may be located outside of this state;
- (5) Clearly labeled to distinguish the product as (A) a manufacturer hemp product, (B) subject to different testing standards than cannabis, and (C) not cannabis or a cannabis product;
- (6) Sold in accordance with this chapter, chapter 424 and any regulations adopted pursuant to said chapters; and
- (7) Derived from hemp grown by a United States Department of Agriculture hemp producer licensee under an approved state or tribal hemp production plan.

[\(k\) No hybrid retailer shall retain any personal data the hybrid retailer obtains from a consumer, qualifying patient, qualifying out-of-state patient or caregiver for the purposes of age verification for longer than twenty-four hours, without the consumers express written permission.](#)



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Sec. 62. Subsections (b) and (e) of section 21a-420u of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(b) Any equity joint venture created under this section shall be created for the development of a cannabis establishment, other than a cultivator, provided such equity joint venture is at least fifty per cent owned and controlled by an individual or individuals who meet, or the equity joint venture applicant is an individual who meets, the criteria established in subparagraphs (A) and (B) of subdivision ~~[(51)]~~ (53) of section 21a-420, as amended by this act.

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

Sec. 87. Section 22-61l of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) For the purpose of this section and section 22-61m, as amended by this act, the following terms have the same meaning as provided in 7 CFR 990.1, as amended from time to time: "Acceptable hemp THC level", "Agricultural marketing service", "Audit", "Cannabis", "Conviction", "Corrective action plan", "Culpable mental state greater than negligence", "Decarboxylated", "Decarboxylation", "Disposal", "Dry weight basis", "Gas chromatography", "Geospatial location", "Handle", "Liquid chromatography", "Immature plants", "Information sharing system", "Measurement of uncertainty", "Negligence", "Phytocannabinoid", "Postdecarboxylation", "Remediation", "Reverse distributor" and "Total THC". In addition, for the purpose of this section, ~~[and]~~ section 22-61m, as amended by this act, and section 88 of this act:

(1) "Cannabidiol" or "CBD" means the nonpsychotropic compound by the same name;

(2) "Cannabis" has the same meaning as provided in section 21a-240, as amended by this act;

~~[(2)]~~ (3) "Certificate of analysis" means a certificate from a laboratory describing the results of the laboratory's testing of a sample;



[(3)] (4) "Commissioner" means the Commissioner of Agriculture, or the commissioner's designated agent;

(5) "Commercial extract" means either (1) an oil or concentrate that (A) is extracted directly and exclusively from raw hemp plant material, (B) contains no total THC, as defined in section 21a-240, as amended by this act, and (C) is extracted by (i) adding heat, (ii) decarboxylation, (iii) adding (I) a Class 3 organic solvent within the meaning of the most recent United States Pharmacopeia, Chapter 467, as amended from time to time, or (II) another solvent approved by the Commissioner of Consumer Protection, (iv) ethanol extraction, (v) carbon dioxide extraction, (vi) a solventless extraction method, including, but not limited to, the use of ice water, rosin pressing, dry sifting or steam distillation, or (vii) an extraction process not set forth in subparagraphs (C)(i) to (C)(vi), inclusive, of this subdivision, provided such extraction process has been approved by the Commissioner of Consumer Protection; or (2) an oil or concentrate that does not meet the definition of subpart (1) of this subsection and (A) is extracted directly and exclusively from raw hemp plant material, (B) contains a total THC, as defined in section 21a-240, as amended by this act, concentration of more than 0.3 per cent on a dry weight basis, (C) is extracted by (i) adding heat, (ii) decarboxylation, (iii) adding (I) a Class 3 organic solvent within the meaning of the most recent United States Pharmacopeia, Chapter 467, as amended from time to time, or (II) another solvent approved by the Commissioner of Consumer Protection, (iv) ethanol extraction, (v) carbon dioxide extraction, (vi) a solventless extraction method, including, but not limited to, the use of ice water, rosin pressing, dry sifting or steam distillation, or (vii) an extraction process not set forth in subparagraphs (C)(i) to (C)(vi), inclusive, of this subdivision, provided such extraction process has been approved by the Commissioner of Consumer Protection and (D) is only advertised, offered sold or transferred to an infused beverage manufacturer;

(6) "Commercial extractor" means a person licensed or authorized pursuant to section 88 of this act to manufacture, advertise, offer and sell commercial extracts to infused beverage manufacturers, as defined in section 21a-425, as amended by this act, and manufacturers, producers, cultivators, micro-cultivators, food and beverage manufacturers and product manufacturers, as such terms are defined in section 21a-420, as amended by this act;

[(4)] (7) "Cultivate" means to plant, grow, harvest, handle and store a plant or crop;



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[(5)] (8) "Federal act" means the United States Agricultural Marketing Act of 1946, 7 USC 1639o et seq., as amended from time to time;

[(6)] (9) "Department" means the Department of Agriculture;

[(7)] (10) "Hemp" has the same meaning as provided in the federal act;

[(8)] (11) "Hemp products" means all manufacturer hemp products and producer hemp products;

[(9)] (12) "Independent testing laboratory" means a facility:

(A) For which no person who has any direct or indirect financial or managerial interest in the laboratory and also has any direct or indirect interest in a facility that:

(i) Produces, distributes, manufactures or sells hemp or hemp products, or [marijuana] cannabis in any state or territory of the United States; or

(ii) Cultivates, processes, distributes, dispenses or sells [marijuana] cannabis; and

(B) That is accredited as a laboratory in compliance with section 21a-408-59 of the regulations of Connecticut state agencies;

[(10)] (13) "Laboratory" means a laboratory that meets the requirements of 7 CFR 990.3 and that is accredited as a testing laboratory to International Organization for Standardization (ISO) 17025 by a third-party accrediting body such as the American Association for Laboratory Accreditation or the Assured Calibration and Laboratory Accreditation Select Services;

[(11)] (14) "Law enforcement agency" means the Connecticut State Police, the United States Drug Enforcement Administration, the Department of Agriculture, the Department of Consumer Protection Drug Control Division or any other federal, state or local law enforcement agency or drug suppression unit;

[(12)] (15) "Licensee" means an individual or entity that possesses a license to produce or manufacture hemp or hemp products in this state;

[(13)] (16) "Manufacture" means the conversion of the hemp plant into a by-product or an extract by means of (A) adding heat, [solvents or] (B) decarboxylation, (C) adding (i)



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a Class 3 organic solvent within the meaning of the most recent United States Pharmacopeia, Chapter 467, as amended from time to time, or (ii) another solvent approved by the Commissioner of Consumer Protection, (D) ethanol extraction, (E) carbon dioxide extraction, (F) a solventless extraction method, including, but not limited to, the use of ice water, rosin pressing, dry sifting or steam distillation, or (G) any method of extraction that modifies the original composition of the plant for the purpose of creating a manufacturer hemp product for commercial or research purposes;

[(14)] (17) "Manufacturer" means a person in the state licensed by the Commissioner of Consumer Protection to manufacture, handle, store and market manufacturer hemp products pursuant to the provisions of section 22-61m, as amended by this act, and any regulation adopted pursuant to section 22-61m, as amended by this act;

[(15)] "Marijuana" has the same meaning as provided in section 21a-240;]

[(16)] (18) "Market" or "marketing" means promoting, distributing or selling a hemp product within the state, in another state or outside of the United States and includes efforts to advertise and gather information about the needs or preferences of potential consumers or suppliers;

[(17)] (19) "On-site manager" means the individual designated by the producer license applicant or producer responsible for on-site management and operations of a licensed producer;

[(18)] (20) "Pesticide" has the same meaning as "pesticide chemical" as provided in section 21a-92;

[(19)] (21) "Lot" means a contiguous area in a field, greenhouse or indoor growing structure containing the same variety or strain of hemp throughout the area;

[(20)] (22) "Post-harvest sample" means a representative sample of the form of hemp taken from the harvested hemp from a particular lot's harvest that is collected in accordance with the procedures established by the commissioner;

[(21)] (23) "Pre-harvest sample" means a composite, representative portion from plants in a hemp lot, that is collected in accordance with the procedures established by the commissioner;



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[(22)] (24) "Produce" means to cultivate hemp or create any producer hemp product;

[(23)] (25) "State plan" means a state plan, as described in the federal act and as authorized pursuant to this section;

[(24)] (26) "THC" means delta-9-tetrahydrocannabinol;

[(25)] (27) "Controlled Substances Act" or "CSA" means the Controlled Substances Act as codified in 21 USC 801 et seq.;

[(26)] (28) "Criminal history report" means the fingerprint-based state and national criminal history record information obtained in accordance with section 29-17a;

[(27)] (29) "Drug Enforcement Administration" or "DEA" means the United States Drug Enforcement Administration;

[(28)] (30) "Farm service agency" or "FSA" means an agency of the United States Department of Agriculture;

[(29)] (31) "Key participant" means a sole proprietor, a partner in partnership or a person with executive managerial control in an entity, including persons such as a chief executive officer, chief operating officer and chief financial officer;

[(30)] (32) "Manufacturer hemp product" (A) means a commodity manufactured from the hemp plant, for commercial or research purposes, that (i) is intended for human ingestion, inhalation, absorption or other internal consumption, [that] and (ii) contains a THC concentration of not more than 0.3 per cent on a dry weight basis or per volume or weight of such manufacturer hemp product, and (B) does not include an infused beverage, as defined in section 21a-425, as amended by this act;

[(31)] (33) "Producer" means an individual or entity licensed by the commissioner to produce and market producer hemp products pursuant to the federal act, the state plan, the provisions of this section and the regulations adopted pursuant to this section;

[(32)] (34) "Producer hemp product" means any of the following produced in this state: Raw hemp product, fiber-based hemp product or animal hemp food product, and each of which contains a THC concentration of not more than 0.3 per cent on a dry weight basis or per volume or weight of such producer hemp product;



[(33)] (35) "USDA" means the United States Department of Agriculture;

[(34)] (36) "Entity" means a corporation, joint stock company, association, limited partnership, limited liability partnership, limited liability company, irrevocable trust, estate, charitable organization or other similar organization, including any such organization participating in the hemp production as a partner in a general partnership, a participant in a joint venture or a participant in a similar organization; and

[(35)] (37) "Homogenize" means to blend hemp into a mixture that has a uniform quality and content throughout such mixture.

(b) The Commissioner of Agriculture shall establish and operate an agricultural pilot program, as defined in 7 USC 5940, as amended from time to time, for hemp research to enable the department, and its licensees, to study methods of producing and marketing hemp. All producer licensees licensed pursuant to this section shall be participants in the state agricultural pilot program for hemp research. Until such time as said commissioner adopts regulations, in accordance with the provisions of chapter 54, the Department of Agriculture shall utilize procedures and guidance policies that the commissioner deems to be consistent with the provisions of 7 USC 5940, as amended from time to time, provided such procedures and guidance policies shall, at a minimum, require: (1) The commissioner to certify and register any site used to grow hemp, (2) any person who produces hemp to produce plants that meet the definition of hemp and verify such, (3) the maintenance of records by any person who grows hemp and the availability of inspection of such records by the commissioner, and (4) verification of compliance with the definition of hemp by a laboratory, at the expense of any licensee. The provisions of this section shall take precedence over any such procedure or guidance policy. Participants in the state agricultural pilot program for hemp research shall be licensed in accordance with the provisions of this section. Such pilot program shall operate until the earlier of the date of a fully approved state plan under the federal act, as described in this section, or the date of repeal of the federal law permitting the state's agricultural pilot program for hemp research.

(c) (1) The commissioner shall prepare a state plan in accordance with the federal act and 7 CFR 990.3, for approval by the Governor, in consultation with the office of the Chief State's Attorney and the Attorney General. The state plan, once approved by the Governor and the Attorney General, shall be submitted by the commissioner to the



United States Secretary of Agriculture for such secretary's approval. The commissioner shall have the authority to amend the state plan, in consultation with the Governor, the Attorney General and the office of the Chief State's Attorney, as necessary to comply with the federal act.

(2) The commissioner shall operate the state plan, which shall include, at a minimum, the following requirements:

(A) The sampling of hemp shall comply, at a minimum, with 7 CFR 990.3 and be performed by an authorized sampling agent;

(B) The testing of hemp shall comply, at a minimum, with 7 CFR 990.3;

(C) The control, remediation and disposal of noncompliant cannabis plants shall comply with 7 CFR 990.27 and 7 CFR 990.3;

(D) The department shall comply with all recordkeeping and reporting requirements in the federal act, and 7 CFR 990.1 to 7 CFR 990.71, inclusive;

(E) The department shall comply with enforcement procedures in 7 CFR 990.6;

(F) The department shall conduct annual inspections of, at a minimum, a random sample of producers to verify that hemp is not produced in violation of the federal act, the state plan and the provisions of this section, and shall enforce any violation as provided for in the federal act and as defined in 7 CFR 990.6;

(G) Producers shall report their required license, lot and hemp crop acreage information to FSA, in accordance with the requirements in 7 CFR 990.7; and

(H) Producers shall report to the commissioner the total acreage of hemp planted, harvested and, if applicable, disposed of or remediated, and such other information as the commissioner may require.

(3) All sampling and testing of hemp shall be done using protocols that are at least as statistically valid as the USDA's published protocols for sampling and testing of hemp, which protocols shall be posted on the department's Internet web site. During a scheduled sample collection, the producer, or an authorized representative of the producer, shall be present at the lot. A producer shall not harvest the cannabis crop prior



to the taking of samples. Samples of hemp plant material from one lot shall not be commingled with hemp plant material from other lots. Lots tested and not certified by a laboratory at or below the acceptable hemp THC level shall be handled, remediated and disposed of in accordance with the federal act, the provisions of this section and the state plan, as applicable.

(4) The commissioner shall collect, maintain and provide to the USDA, on a timely basis, and not less than once per month, license status of each hemp producer, contact information for each hemp producer licensed in the state, including lot legal descriptions and locations, and any changes to such information. The commissioner shall also report to the USDA, on a timely basis, and not less than once per month, all required hemp test results and disposal information for all nonconforming hemp plants and plant material. Such information shall not include state and federal fingerprint-based records pursuant to section 29-17a.

(d) The commissioner shall have the authority to enforce the federal act, as amended from time to time, the state plan, this section and any regulations adopted in accordance with the federal act and chapter 54 for hemp production in the state. The commissioner shall have the authority to enforce the applicable standards for producer hemp products. The commissioner may consult, collaborate and enter into cooperative agreements with any federal or state agency, municipality or political subdivision of the state concerning application of the provisions of the federal act and the regulations adopted pursuant to the federal act, as may be necessary to carry out the provisions of this section.

(e) Any person who produces hemp shall: (1) Be licensed by the commissioner; (2) comply with the federal act, the state plan, the provisions of this section and any regulation adopted pursuant to this section; and (3) transport hemp and hemp samples in a manner and with such documentation as required by the commissioner.

(f) Any person who sells hemp products shall not be required to be licensed provided such person only engages in: (1) The retail or wholesale sale of hemp or hemp products in which no further producing or manufacturing of the hemp products occurs and the hemp products are acquired from a person authorized under the laws of this state or another state, territory or possession of the United States or another sovereign entity to possess and sell such hemp products; (2) the acquisition of hemp or hemp products for the sole purpose of product distribution for resale; or (3) the retail sale of hemp products



that are otherwise authorized under federal or state law.

(g) Any applicant for a license pursuant to this section shall meet each of the following requirements, as applicable:

(1) Each applicant, whether an individual or an entity, shall submit an application for a license that consists, at a minimum, of the following: (A) The name, telephone number, electronic mail address, business address and address of any individual who is the applicant, the full name of any entity that is the applicant, including any applicable principal business location and the full name, title and electronic mail address of each key participant; (B) the name and address of each lot for the hemp cultivation or producing location; (C) the geospatial location of each lot by means of global positioning system coordinates and legal description of each lot used for the hemp cultivation; (D) the acreage size of each lot where the hemp will be cultivated; (E) written consent allowing the commissioner to conduct both scheduled and random inspections of and around the premises on which the hemp is to be cultivated, harvested, stored and produced; (F) the applicant's employer identification number or the applicant's Social Security number if an employer identification number is not available; and (G) any other information as may be required by the commissioner;

(2) Each individual who is an applicant and each key participant of any entity applying for a producer license, or renewal thereof, shall submit to state and national fingerprint-based criminal history records checks conducted in accordance with section 29-17a, at such individual's own expense;

(3) No individual, including any key participant of any entity, who has been convicted of any state or federal felony, related to a controlled substance, shall be eligible to obtain or hold a producer license for ten years from the date of the conviction, provided such restriction shall not apply to any individual who lawfully grew hemp with a license, registration or authorization under any state pilot program authorized by section 7606 of the Agricultural Act of 2014 before December 20, 2018. Any individual or entity that materially falsifies any information in an application pursuant to this section shall be ineligible to obtain a producer license; and

(4) Each individual or entity who is required by this section to obtain a producer license shall pay for all costs of sampling, testing, retesting and resampling any samples



at a laboratory for the purpose of determining the THC concentration level of any cannabis under their control, or in their possession. Each individual or entity who is required by this section to obtain a producer license shall pay for all costs of disposal of all noncompliant cannabis plants under their control, or in their possession.

(h) Any producer license issued by the commissioner shall expire on the third following December thirty-first and may be renewed during the preceding month of October. Such licenses shall not be transferable.

(i) The following fees shall apply for each producer license and inspection:

(1) A nonrefundable license application fee of fifty dollars, provided any constituent unit of higher education, state agency or department shall be exempt from such application fee if such production is for research purposes;

(2) A nonrefundable triennial producer license fee of four hundred fifty dollars for up to one acre of planned hemp plantings and thirty dollars per each additional acre of planned hemp plantings rounded to the nearest acre, except no license fee charged shall exceed three thousand dollars, provided any constituent unit of higher education, state agency or department shall be exempt from such license fee if such production is for research purposes; and

(3) In the event that resampling by the commissioner is required due to a test result that shows a violation of any provision of this section or any regulation adopted pursuant to this section, the licensee shall pay an inspection fee of fifty dollars. Such fee shall be paid prior to the inspection and collection of the sample to be used for resampling.

(j) After receipt and review of an application for producer licensure, the commissioner may grant a triennial license upon a finding that the applicant meets the applicable requirements. Each producer licensee shall notify the commissioner of any changes to their application information, not later than fifteen days after such change. While the pilot program is in effect, the commissioner may grant a conditional approval of a producer license, pending receipt of the criminal history records check required by this section. The commissioner shall assign each producer with a license or authorization identifier in a format consistent with 7 CFR 990.3.

(k) Whenever an inspection or investigation conducted by the commissioner pursuant



to this title reveals any violation of the state plan, this section or any regulation adopted thereunder, the producer license applicant or respondent, as applicable, shall be notified, in writing, of such violation and any corrective action to be taken and the time period within which such corrective action shall be taken. Any such producer license applicant or respondent may request a hearing, conducted in accordance with chapter 54, on any such notification. Any notification issued pursuant to this section shall be made by certified mail, return receipt requested to the producer license applicant or respondent's last known address, by in-hand service by the commissioner or designated agent of the commissioner, electronic mail service with the consent of the recipient, or by service in accordance with chapter 896. The commissioner shall report all producer violations made with a culpable mental state greater than negligence to the United States Attorney General and the State's Attorney for the judicial district in which the producer violation occurred.

(l) Nothing in this section shall be construed to limit the commissioner's authority to issue a cease and desist order pursuant to section 22-4d, or an emergency order, in order to respond to a condition that may present a public health hazard, or issue orders necessary to effectuate the purposes of this section, including, but not limited to, orders for the embargo, partial destruction, destruction and release of hemp or hemp products. Any cease and desist order or an emergency order shall become effective upon service of such order by the commissioner. Following service of any such order, subsequent proceedings shall proceed in accordance with the provisions of section 22-4d and the rules of practice for such agency. Any embargo, partial destruction, destruction or release order issued pursuant to this section shall be served by certified mail, return receipt requested to the respondent's last known address, by in-hand service by the commissioner or designated agent of the commissioner, or by service in accordance with chapter 896.

(m) Following a hearing conducted in accordance with chapter 54, the commissioner may impose an administrative civil penalty, not to exceed two thousand five hundred dollars per violation, and suspend, revoke or place conditions upon any producer licensee who violates the provisions of this section or any regulation adopted pursuant to this section.

(n) (1) Any individual who produces hemp in this state without obtaining a license pursuant to this section, or who produces hemp in this state after having a license



suspended or revoked shall have committed an infraction.

(2) Any entity that produces hemp in this state without obtaining a license pursuant to this section, produces hemp in violation of this section or produces hemp in this state after having a license suspended or revoked may be fined not more than two thousand five hundred dollars per violation, after a hearing conducted in accordance with chapter 54.

(o) (1) Any negligent violation, as described in the federal act, of this section or the state plan shall be subject to enforcement in accordance with the federal act, and the state plan for negligent violations.

(2) For any negligent violation, a producer shall be required to correct such negligent violation, by means of a corrective action plan approved by the commissioner. Each corrective action plan shall include, at a minimum, a reasonable completion deadline for correction of the negligent violation, periodic reporting to the commissioner for at least two years and compliance with the state plan.

(3) Any producer that negligently violates the state plan shall not, as a result of such negligent violation, be referred by the commissioner for any criminal enforcement action by the federal, state or local government.

(4) Any producer that negligently violates the state plan three times during any five-year period shall be ineligible to produce hemp for a period of five years beginning on the date of the third violation.

(5) The commissioner shall conduct an inspection to determine if the corrective action plan for a producer who commits any such negligent violation was properly implemented.

(p) Any person aggrieved by an order issued pursuant to this section may appeal to the commissioner in accordance with the provisions of chapter 54. Such appeal shall be made in writing to the commissioner and received not later than fifteen days after the date of the order. If no appeal is made pursuant to this subsection the order shall be final.

(q) (1) All documents submitted under this section shall be subject to disclosure in accordance with chapter 14, except: (A) Information depicting or describing (i) the test



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results of any producer, (ii) the location of any hemp growing, harvesting, processing or storage location, or (iii) hemp producer location security schematics; and (B) the results of any criminal history records check.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, all documents and records submitted or maintained pursuant to this section shall be disclosed to any law enforcement agency upon request of such law enforcement agency.

(r) The commissioner may inspect and shall have access to the buildings, equipment, supplies, vehicles, records, real property and other information that the commissioner deems necessary to carry out the commissioner's duties pursuant to this section from any person participating in producing, handling, storing, marketing or researching hemp.

(s) All licensees pursuant to this section shall maintain records required by the federal act, the state plan, this section and any regulation adopted pursuant to this section. Each licensee shall make such records available to the department immediately upon request of the commissioner and in electronic format, if available.

(t) The commissioner may adopt regulations, in accordance with the provisions of chapter 54, to implement the provisions of this section including, but not limited to, the labeling of producer hemp products.

(u) Whenever the commissioner believes or has reasonable cause to believe that the actions of a licensee or any employee of a producer licensee are in violation of the federal act, the state plan, or any state law concerning the growing, cultivation, handling, transporting or possession of **[marijuana]** cannabis, the commissioner shall notify the Department of Emergency Services and Public Protection and the Division of State Police.

Sec. 88. (NEW) (*Effective October 1, 2026*) (a) As used in this section:

(1) "Cannabis establishment" has the same meaning as provided in section 21a-420 of the general statutes, as amended by this act;

(2) "Cultivator" has the same meaning as provided in section 21a-420 of the general statutes, as amended by this act;

(3) "Food and beverage manufacturer" has the same meaning as provided in section 21a-420 of the general statutes, as amended by this act;



(4) "Infused beverage manufacturer" has the same meaning as provided in section 21a-425 of the general statutes, as amended by this act;

(5) "Micro-cultivator" has the same meaning as provided in section 21a-420 of the general statutes, as amended by this act;

(6) "Producer" has the same meaning as provided in section 21a-420 of the general statutes, as amended by this act; and

(7) "Product manufacturer" has the same meaning as provided in section 21a-420 of the general statutes, as amended by this act.

(b) No person shall manufacture, advertise, offer or sell commercial extract in this state unless such person is (1) a cannabis establishment, or (2) located in this state and the Department of Consumer Protection has issued a commercial extractor license to such person pursuant to this section.

(c) The Department of Consumer Protection may issue or renew not more than ten licenses for a person to be a commercial extractor. Each commercial extractor license issued pursuant to this section shall be issued to a manufacturer who held an active manufacturer license on July 1, 2026, and maintains an active manufacturer license until the date on which the department issues a commercial extractor license to such manufacturer pursuant to this section. Each commercial extractor license issued pursuant to this section shall authorize the holder of such license to (A) manufacture, advertise, offer and sell commercial extract that meets the criteria of subpart (1) of subdivision (5) of section 22-61l, as amended by this act in this state to producers, cultivators, micro-cultivators, product manufacturers, food and beverage manufacturers, manufacturers and infused beverage manufacturers; and (B) manufacture, advertise, offer and sell commercial extract that meets the criteria of subpart (2) of subdivision (5) of section 22-61l, as amended by this act in this state to infused beverage manufacturers. The department shall not issue a commercial extractor license to a cannabis establishment or infused beverage manufacturer, and no holder of a commercial extractor license shall hold a cannabis establishment, manufacturer or infused beverage manufacturer license. Any manufacturer who receives a commercial extractor license shall be deemed to have immediately surrendered such manufacturer license upon issuance of such commercial extractor license.



(d) (1) To obtain an initial license as a commercial extractor under this section, an applicant manufacturer shall submit to the Department of Consumer Protection, in a form and manner prescribed by the Commissioner of Consumer Protection, (A) a completed application for an initial license as a commercial extractor, and (B) an initial license fee in the amount of three hundred seventy-five dollars.

(2) Each initial license as a commercial extractor issued pursuant to this section shall be valid for a period of one year from the date of issuance, and may be renewed for successive one-year periods upon submission of a completed renewal application in the manner, and payment of a license renewal fee in the amount, set forth in subdivision (1) of this subsection for an initial license.

(3) All license and renewal fees collected pursuant to this subsection shall be deposited in the consumer protection enforcement account established in section 21a-8a of the general statutes for the purposes of (A) protecting public health, (B) educating consumers and licensees, and (C) ensuring compliance with hemp and cannabis laws.

(e) Each commercial extractor shall use an approved electronic tracking system, as described in section 21a-421n of the general statutes, as amended by this act, in a form and manner prescribed by the Commissioner of Consumer Protection for the purpose of monitoring (1) the intake of hemp in plant form, (2) the extraction and refinement of commercial extract, (3) the laboratory testing of commercial extract, (4) the transportation and handling of commercial extract, and (5) the sale or final disposition of commercial extract.

(f) Prior to the sale or distribution of commercial extract, a commercial extractor shall comply with the laboratory testing requirements set forth in section 22-61m of the general statutes, as amended by this act.

(g) (1) No cannabis establishment or commercial extractor licensed under this section shall manufacture or process commercial extract that contains any concentrate, oil or extract from hemp that was not manufactured by the commercial extractor.

(2) A commercial extractor may combine one or more commercial extracts, provided such commercial extracts were manufactured by such commercial extractor.

(h) Any producer, cultivator, micro-cultivator, product manufacturer, food and



beverage manufacturer, manufacturer or infused beverage manufacturer that receives commercial extract from a commercial extractor shall not further distribute such commercial extract, and shall incorporate such commercial extract into a hemp or cannabis product for the purpose of resale, which product shall comply with all total THC concentration limits.

Sec. 103. Subsection (d) of section 21a-420j of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(d) (1) Except as provided in subdivision (2) of this subsection, a cultivator licensed under section 21a-420o, including the backer of such cultivator, shall not increase its ownership in an equity joint venture in excess of fifty per cent during the ~~[seven-year]~~ three-year period after a license is issued by the department under this section.

(2) A cultivator licensed under section 21a-420o who satisfies the criteria established in subparagraph (A) of subdivision (2) of subsection (b) of section 21a-420o, including the backer of such cultivator, shall not increase its ownership in an equity joint venture in excess of fifty per cent during the ~~[seven-year]~~ three-year period beginning on the date on which a final license is issued by the department under subdivision (2) of subsection (b) of section 21a-420o.