

General Law Committee JOINT FAVORABLE REPORT

Bill No.: HB-7178

Title: AN ACT CONCERNING CANNABIS, HEMP AND TOBACCO REGULATION.

Vote Date: 3/24/2025

Vote Action: Joint Favorable Substitute (LCO 6831)

PH Date: 3/19/2025

File No.:

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SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

The General Law Committee raised this omnibus bill with the intent of addressing various issues pertaining to the regulation of cannabis and other products.

- The raised bill incorporates cannabis licensees' requests to modify the terms of certain licenses, including cultivation and micro-cultivation licenses.
- There are various proposed changes to labeling requirements that are intended to allow for greater product recognition while maintaining safeguards against accidental consumption.
- Language in the raised bill also responds to certain manufacturers' requests to allow them to produce products that exceed Connecticut's THC cap but could be sold in other states.
- The raised bill also incorporates prevention advocates' requests to cap the THC content of prefilled cartridges and restrict the hours during which products may be sold at retail locations.
- It also intends to improve cannabis transporters' safety by allowing them to return to a central facility if they are unable to complete a delivery.

SUBSTITUTE LANGUAGE:

In response to public hearing testimony and other feedback, it was determined that various changes should be made to the Raised Bill, including:

- Allowing equity joint venture owners to sell after three years if they obtain Social Equity Council approval
- Permitting an identifying symbol or mark on packaging
- Altering certain concentration limits set in the raised bill

- Requiring warnings to be presented alongside high-THC products
- Creating new micro-cultivator sales locations that are similar to craft breweries
- Instituting a testing protocols task force to make recommendations to the General Law Committee

RESPONSE FROM ADMINISTRATION/AGENCY:

Brandon McGee, Executive Director, Social Equity Council opposes the raised bill. (He presents the Social Equity Council's [strategic plan](#) as an addendum.) One of his specific concerns is with the language allowing a social equity cultivator to build a facility within a 5-mile radius of a disproportionately impacted area (DIA). The Social Equity Council fears that the facilities may now be allowed in so many towns that the program's intent is not served. The Social Equity Council also opposes the section permitting hemp producers to grow cannabis because they feel this proposed change has not been appropriately studied.

Bryan Cafferelli, Commissioner, Department of Consumer Protection (DCP) characterizes manufacturing beverages with higher than allowed THC concentrations as problematic and potentially dangerous. He fears that it could allow for an influx of unregulated products into Connecticut's market. Commissioner Cafferelli also states that the bill conflicts with the state's three-tier liquor system. If there is a new credential for businesses that only sell hemp beverages, confusion could result. He is also opposed to allowing cannabis licensees investigate instances of diversion, noting that this practice is not allowed in other industries. DCP would encounter additional difficulties when attempting to enforce various changes to the social equity program, and the provisions about cannabis employees are not accounted for in Governor Lamont's budget. DCP notes the need for additional enforcement resources should the hours of cannabis retailers be limited.

Bryan Hurlburt, Commissioner, Department of Agriculture opposes the raised bill's changes to the hemp industry. Commissioner Hurlburt asserts that an industrial hemp program is not part of Connecticut's federally approved plan for the industry. Most notably, the various new hemp initiatives outlined in the raised bill would violate current federal law.

Daniel O'Keefe, Commissioner, Department of Economic and Community Development submitted written testimony flagging the fact that DECD does not have the resources to operate the proposed program pertaining to industrial hemp-based materials.

Erin Kirk, Cannabis Ombudsman, Office of the Healthcare Advocate opposes Raised Bill 7178, characterizing its enforcement provisions as excessive and "a return to the disastrous War on Drugs." She believes that the proposals are detrimental to the health of medical patients across the state.

NATURE AND SOURCES OF SUPPORT:

Maritza Bond, Director of Health, City of New Haven supports HB 7178, with her comments focusing on the positive impact of improving tobacco product regulation. She argues that the amendments to current statute could reduce youth tobacco use and improve community health. She cites various statistics regarding the negative impact of tobacco use,

with a focus on its effects on young people. Ms. Bond supports the provisions because they have the potential to improve community health outcomes.

[Anna Festa, Caroline Tanbee Smith, Sarah Miller, and Frank Redente, New Haven Board of Alders](#) all testified in support of HB 7178 because of its focus on protecting youth from tobacco shops that sell illegal products to minors. They cite instances of violence being linked to sales of unregulated and illicit products and urge the committee to pass the bill in support of communities around the state.

[Jada Dunsen](#) submitted comments that are generally supportive of policies that bolster the hemp industry.

[Joe Feuerstein, MD, President, Fairfield County Medical Association](#) supports potency caps on THC vapes. Although he prescribes medical marijuana in his practice, he sees the impact of high potency cannabis on young people when he works as an attending physician at Yale's hospitals. He also has heard others recount incidents of cannabis induced psychosis.

[Angerlyk Frytz, COO, The White Oak Bridge](#) supports Raised Bill 7178 and suggests various amendments intended to improve the safety of cannabis transporters.

[Melissa McGarry](#) submitted testimony in general support of potency caps on THC vape cartridges as well as restrictions on the hours for tobacco, nicotine, and cannabis sales.

[David Nathan, MD, Co-Founder and Past President, Doctors for Drug Policy Reform](#) supports the raised bill's inclusion of ASTM labeling requirements for cannabinoid products. He states that the symbol has become the most widely used indicator in the United States, and he attaches a letter signed by 22 organizations that support the symbol's adoption.

[Margaret Watt](#) supports potency caps on THC vapes, noting that all other THC products sold in Connecticut have potency caps.

[Gordon Whelpley, CEO, Float House Beverages](#) testified in general support of the legislation but also proposing further changes. He appreciates the "safe harbor" provisions allowing Float House and other manufacturers to produce beverages intended for sales in other states, as it will improve Connecticut companies' ability to remain competitive in the marketplace. Mr. Whelpley argues that although some think that these changes will increase the prevalence of unregulated products, the stringent control measures already in place will limit this possibility. He encourages the committee to strengthen safe harbor provisions, alterations to testing requirements, and other initiatives intended to strengthen Connecticut manufacturers' competitiveness in this space.

NATURE AND SOURCES OF OPPOSITION:

[Duncan Markovich, Better Ways LLC](#) opposes HB 7178 as currently drafted. He characterizes proposed regulations as "burdensome" and "negatively impactful for licensed operators in other states." He expresses frustration regarding his perception of special interests' impact on the cannabis industry.

[Thomas Macre, Managing Partner, C-3 Ventures LLC](#) opposes specific sections of HB 7178 that he thinks place undue burdens on the state's small cannabis businesses. Mr. Macre thinks the extension to the equity joint venture timeline is unfair to businesses who had to scramble to get something in place in time. He opposes limits on vape potency, arguing that it will be detrimental to retailers' ability to compete with surrounding states. The proposed changes to microcultivator licensing are seen as potentially making supply shortages even worse. Overall, his greatest concern is with constant change in the state's cannabis regulations. Mr. Macre would appreciate it if any changes were predictable and phased-in so that businesses have time to react.

[Lou Rinaldi](#) opposes the legislation, submitting an informational sheet with links to various news stories.

[Stacey Bernstein](#) and [Scott Schulz](#) oppose the legislation, citing personal reasons.

GENERAL COMMENTS:

[Katie Covett, Co-Founder, SOULSTAR CT](#) testified to comment on Raised Bill 7178. They describe potential changes to DIA cultivator licenses that would allow them to scale down to become micro-cultivators. They note challenges regarding finding sufficient space and argue that having a network of smaller cultivators would better support the industry. In addition, they advocate for additional changes to packaging to allow for brand recognition, "expansion" of medical products, and eliminating the requirement that a pharmacist be on site at a dispensary.

[Erin Doolittle, CT Cannawarriors](#) submitted testimony to provide comment on the sections of the bill that she feels "most qualified to speak to." Among the provisions she supports are: selling THC beverages in liquor stores, expansion of hemp cultivation, increased supports for cannabis industry workers, tax credits for hemp, and expansion of microcultivation activities. She does not support the proposed caps on THC vape potency, arguing that it should be the patient's responsibility to keep their medicine away from minors.

[Derrick Gibbs, Founder, Budr Cannabis](#) provided comments on HB 7178 in which he requests a policy change allowing equity joint ventures to exit the market after three years. They argue that seven years is a very long time in a new, unpredictable market, and many unpredictable events can happen in a person's life over the course of seven years. They would like to find a policy solution that supports social equity owners while allowing for increased flexibility.

[Marcela Osello](#) provided comments outlining what they perceive as the legislation's strengths and weaknesses. They supply a lengthy list of the bill's provisions and explain why they support or oppose each one.

[Ann Marie Luisi-Rosado, Founder, Higher Health LLC](#) provided testimony that directly comments on other bills but does not mention her position on HB 7178.

Matthew Schillberg, Plant Science Graduate Assistant, University of Connecticut

provided testimony that comments on other bills but does not mention his position on HB 7178.

Rino Ferrarese, President, Affinity Grow

testified to request changes to the state's Final Form Testing (FFT) model for cannabis. He provides extensive analysis in support of his position, providing supplemental resources that further reinforce his viewpoint.

Ryan Picard, CSO, Analytics Labs

submitted comments in support of shifting to intermediate batch testing in Connecticut.

The Connecticut Medical Cannabis Council (CMCC)

provided comments evaluating HB 7178. CMCC supports the extension of the timeline for equity joint venture agreements, as they state that the current timeline has proven to be insufficient. They also appreciate the opportunity to investigate minor incidents of suspected diversion so that asset protection teams can do due diligence before engaging in required reporting to DCP. CMCC requests further changes regarding inspections, packaging, and updates to reporting requirements. They list concerns with other assorted provisions of the raised bill and urge the committee to pause before instituting major changes.

Kay Doyle, Director of Government Affairs, Green Thumb Industries, Inc.

testified to request modifications to outdoor cultivation statutes. They would like statutes clarified so that cultivators can grow at non-contiguous locations as long as they do not exceed the square footage limit established by DCP. They would like this change because it would enable them to better support the medical market across the state and create new jobs.

Jennifer Fell, Director of Business Development, Connecticut Cannabis Chamber of Commerce

presented written comments regarding its opinion of HB 7178. The Chamber asserts that it is looking for solutions that help grow the state's cannabis market, which has seen marked drops in number of patients and total sales. The Chamber details perceived deficiencies in cannabis statutes that it argues are negatively impacting the market. They request that the committee include additional language reforming marketing, advertising, and laboratory testing. Overall, the Chamber urges the committee to "balance oversight with economic growth.

Michael Goodenough, CEO, DG AgTech LLC

presented testimony that details his history as a combat veteran and hemp entrepreneur. In addition to providing suggestions about other bills, he outlines recommended changes to HB 7178. He would like to see changes to delivery systems that allow small businesses to better to compete, new language allowing CBD home-delivery, and the implementation of stronger protections from illicit hemp products.

Jude Malone, CT Beer Wholesalers Association

submitted written testimony requesting that the committee remove Section 2 from the raised bill. They think that it is only fair that someone who wants to distribute THC beverages should have to apply for a wholesaler permit.

Chief Richard Velky, Schaghticoke Tribal Nation

requested that the Schaghticoke Tribe be granted the "same cannabis growing rights the state permits to the state's current Social

Equity grantees. They argue that this change would help correct past injustices. Additionally, they request the opportunity to grow off reservation, as an expert thought that the land was unsuitable for outside cultivation.

[Benjamin Zachs, COO, Fine Fettle](#) presented testimony requesting changes to Connecticut's Final Form Testing (FFT) protocols but urging that the 20-mile rule be maintained. They would also like to see legislative change that allows equity joint ventures to sell after three years instead of seven. The testimony presents in-depth reasoning to support each proposal.

[Eileen Kopec](#) commented to request more detailed labeling of cannabis and hemp products. She would like to see more information regarding products' quality.

Reported by: Betsy Francolino

Date: March 27, 2025