General Law Committee JOINT FAVORABLE REPORT

Bill No.:HB-7181
AN ACT CONCERNING ENFORCEMENT OF THE STATE'S CANNABIS, HEMP
Title:Title:AND TOBACCO LAWS.Vote Date:3/24/2025Vote Action:Joint FavorablePH Date:3/19/2025File No.:Vertice Action:

Disclaimer: The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.

SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

HB 7181 establishes a state cannabis and hemp enforcement task force within the Department of Consumer Protection concerning the cultivation, manufacturing, distribution, sale, possession and use of cannabis and hemp products. This task force may request the cooperation of federal, state and municipal officials and will have authorization to conduct investigations as may be deemed necessary. This bill also imposes a \$30,000 civil penalty to individuals other than retailers, employees of retailers, and delivery service employees who offer or sell cannabis or a cannabis product to a consumer. Property owners who knowingly lease or rent to individuals for this purpose will be subject to a civil penalty of \$10,000.

The intent of HB 7181 is to increase regulation of cannabis, hemp, and tobacco products, ensuring that these products are being distributed by licensed professionals. Illegal sales of cannabis and tobacco from local smoke shops have caused many to suggest stricter enforcement and an increase in penalties for violations.

RESPONSE FROM ADMINISTRATION/AGENCY:

Bryan T. Cafferelli, Commissioner of the Department of Consumer Protection

recognizes the intent of HB 7181 and its goals of increasing enforcement related to the regulation of cannabis, hemp, and tobacco. The Department of Consumer Protection has worked to maintain strong relationships with local law enforcement, the Office of the Attorney General, and others to address illegal cannabis distribution. HB 7181 would place responsibility onto the Drug Control Division and reduce collaborative efforts to reduce illegal sales. Additionally, the implementation of a task force, expansions to the CUTPA, and the authority for the Department to seize ENDS products would all require additional resources not currently provided for in the Governor's budget.

Bryan Hurlburt, Commissioner of the Connecticut Department of Agriculture

emphasizes the role of the Department of Agriculture and the Department of Consumer Protection in the regulation of hemp products. The implementation of a cannabis and hemp task force places greater burden on the Department of Consumer Protection and hemp producers, despite the federally approved state hemp plan administered by the Department of Agriculture. There is a request that the Commissioner of Agriculture be placed on the State-Wide Cannabis and Hemp Enforcement Task Force Policy Board, mentioned in Section 5, and that the DoAg be included in ongoing conversations regarding hemp cultivation.

Erin Gorman Kirk, Cannabis Ombudsman, Office of the Cannabis Ombudsman opposes HB 7181, suggesting that excessive enforcement poses a potential threat of raids on legally operated cannabis establishments. There is a recommendation to implement QR codes on legal shops, as seen in New York, to secure small businesses who have followed state requirements. Section 2, which would create agreements between law enforcement outside the state, also poses potential harm to those traveling outside state lines to obtain medical cannabis and may contribute to the decline of the medical cannabis market throughout the state of Connecticut.

<u>William Tong, Attorney General, State of Connecticut</u> applauds the Committee for encouraging collaboration across agencies to tackle illegal cannabis and tobacco sales but proposes new language for Sections 2-6. These proposed changes would limit indemnity protections to personnel and conduct performed under the supervision of DESPP. Additionally, there is support for Sections 11-13, which would ban online sale of e-cigarettes and tobacco products, with proposed additions regarding the Commissioner of Consumer Protection. Revisions to Section 7(a) are also proposed.

NATURE AND SOURCES OF SUPPORT:

<u>Melissa McGarry</u> supports HB 7181, emphasizing the dangers of local smoke shops. The recent surge of local smoke shops has given kids greater accessibility to unregulated THC products. The current system for regulating tobacco and cannabis is fragmented, leading to issues in monitoring these local shops. The proposed task force suggested in HB 7181, along with greater penalties for illegal sales, would help protect the health and safety of communities throughout the state.

<u>Margaret Watt</u> is a behavioral health professional and parent who supports HB 7181. She calls attention to the increasing challenges in cannabis and hemp enforcement across municipalities and their respective planning and zoning boards. There is a need for greater planning and coordination with multiple agencies, including the DMHAS, which could utilize their connection to Local Prevention Councils to uplift public concerns. Additionally, vape shops who illegally sell cannabis to minors should face similar penalties to cannabis businesses performing the same act.

NATURE AND SOURCES OF OPPOSITION:

Joseph Accettullo, Co-founder of CannaWarriors, President of New England Craft Cannabis Alliance expresses strong opposition to HB 7181, suggesting that it targets a community that has already been subject to unjust arrests and systemic oppression. The individuals who benefit from medical cannabis would be harmed by this bill, not just businesses. Those who rely on medical cannabis for treatment would ultimately receive a lower quality of care and would face fear of arrest.

DeAndre Brown, Executive Director & Affiliate, Evolve Love & BLM860 opposes HB 7181, referencing the dangers of fentanyl, heroin, and cocaine and the harm they have done to individuals within his community. He urges the committee to consider focusing on these drugs rather than cannabis, as they pose a greater threat. Additionally, the bill may contribute to increased regulatory burden on legal, small, minority-owned businesses, and aggressive crackdowns. There are also concerns about potential black market growth and cross border smuggling issues.

<u>Christina Capitan, Co-Founder, CT CannaWarriors</u> highlights the testimony of the DCP Commissioner, suggesting that the task force implemented in HB 7181 is something regulatory agencies did not ask for. The expansion of enforcement powers encourages a prohibition-era approach that is potentially harmful to medical cannabis consumers. There is concern for smoke shops and gas stations that are illegally selling cannabis, however the state appears to be acting swiftly on these cases, making HB 7181 unnecessary. Priorities of HB 7181 should be shifted from enforcement to increasing affordable cannabis access for medical patients and reinvesting into communities that have been harmed by cannabis regulation.

<u>Erin Doolittle, MA MFT, CT CannaWarriors</u> believes HB 7181 fosters an heir of intimidation against citizens and creates greater challenges for state agencies that are already struggling. There are questions about the intent and language of the bill, and concern for the communities HB 7181 may target.

Jennifer Lascko opposes HB 7181, calling attention to the excessive fines and penalties property owners and cannabis businesses may face as a result of this bill. Legacy providers, medical cannabis patients, and consumers are also at risk of harm. The state should strive to create an inclusive, open market system rather than encouraging greater enforcement.

Duncan Markovich, Founder and Owner, Better Ways LLC expresses opposition to HB 7181, while uplifting SB 970. The regulations imposed by HB 7181 would negatively impact licensed operators in other states, foreshadowing the potential implications the bill would have on Connecticut. There is a lack of differentiation between the illicit drug market and legal cannabis consumers within this bill that contributes to stigma and impedes communities from receiving the support they need.

<u>Marcela Osello, CPA</u> calls attention to the unintended consequences of HB 7181 that could potentially stifle legal operators, discourage consumers from purchasing cannabis within the state, and reduce Connecticut's tax revenue. The excessive fines and enforcement expansion could lead to business closures rather than remediation, and ultimately harm small businesses. The state should consider establishing pathways and education, rather than focusing on enforcement.

Lou Rinaldi, Data and Policy Analyst views HB 7181 as another barrier to creating a competitive and consumer-friendly cannabis market. High prices and low product are two

major issues within the cannabis industry, and the increase in enforcement and fines proposed by this bill will not fix this. By making the cannabis market inclusive to all by considering policies that promote fair competition, Connecticut's cannabis industry has the potential to thrive.

<u>Aaron Romano, Attorney</u> believes that current cannabis regulations are sufficient and that the expansion of enforcement in HB 7181 is unnecessary. This bill creates ambiguity around cannabis legalization by creating criminal penalties; instead, civil penalties would be more appropriate. Simplifying the laws around legalization would be beneficial, as the average citizen could have a better understanding of the regulations surrounding cannabis.

Rafael Rosario, Organizer, Waterbury Empowers the People to Act (WEPA) stresses the impact HB 7181 could have on communities in cities like Waterbury. Those from marginalized communities are likely to face challenges as a result of greater enforcement, while redirecting funds that could be reinvested in businesses, jobs, and community programs. The lack of equity within the cannabis industry is the ultimate cause of its failure, and Connecticut would benefit from policy that increases access, education, and reinvests funds into communities historically targeted by the war on drugs.

Heather Carey, CT CannaWarrior Schlee Josiah, Medical Cannabis Advocate

The individuals above submitted testimony commenting on the constitutional concerns of HB 7181. Their testimony made the following key points:

The proposed task force enlisted by HB 7181 lacks a warrant requirement, which could lead to arbitrary searches and seizures prohibited under the 14th Amendment. The targeting and shutdown of cannabis operators without due process, coupled with the excessive financial penalties violate the 5th, 14th, 8th, and 10th Amendment. The expansion of government regulation and law enforcement is an overstep on government power and poses potential harm to small businesses, medical cannabis patients, and cannabis workers.

Josiah Schlee, Medical Cannabis Advocate submitted 2 pieces of testimony, one of which summarizes his constitutional concerns listed above, and the other relating to personal experience. <u>His personal testimony</u> shares how he has lost 14 friends as a result of opioids, fentanyl, and xylazine – all of which pose greater harm to consumers than cannabis. A strike-all amendment is proposed.

The following individuals submitted testimony in connection with Josiah Schlee, calling attention to the opioid crisis in Connecticut with a proposed strike-all amendment:

AJ Bauer shares their personal experience with opioid addiction which began after he was prescribed opioid medication after a surgery. The physical, psychological, and financial obstacles created by this addiction echo greater concerns than those produced by cannabis and hemp.

<u>Marypat Schlee</u> expresses opposition to HB 7181, highlighting how the expansion of law enforcement combined with harsh penalties exemplify government overreach. Losing loved ones to the opioid crisis has also fueled opposition to the bill, suggesting that the focus be shifted from cannabis to the opioid epidemic.

Ronald Schlee voices strong opposition to HB 7181, emphasizing the bill glosses over the opioid epidemic. It is because of drugs like fentanyl and xylazine that many have lost their lives or served in prison, including those in his personal life. The effects of opioids are dangerous and should be given greater attention than cannabis.

The following individuals submitted testimony in general opposition to HB 7181: <u>Janice Averill</u> <u>Stacey Bernstein</u> (2) <u>Laurie Joslin</u>

GENERAL COMMENTS:

<u>Michael Goodenough, CEO, DG AgTek LLC</u> comments on the issue of overregulation and its impact on the hemp industry. Misunderstandings surrounding hemp have contributed to conflicting laws and complicated regulations, leading many Connecticut residents to buy from out-of-state businesses. The potency caps and measurements proposed in HB 7181 are examples of overcomplicating the regulation process; instead, the legislature should consider shifting the focus to infrastructure needs of the cannabis industry.

<u>Eileen Kopec</u> acknowledges the environmental impact of single-use vapes and cartridges, which is not addressed in HB 7181. There is a call to limit the use of these devices in an effort to reduce waste.

Zachary McKeown, Advocacy Manager, Connecticut Conference of Municipalities (CCM) raises several questions regarding the selection of municipal police officers as temporary special state police officers. There are concerns with compensation and staffing, liability, and indemnification of these officers, as well as the fiscal impact. Unless further clarification is made, they are in opposition to HB 7181 as it stands.

Ann Marie Luisi-Rosado, Business Owner, Higher Health LLC acknowledges that while there are those selling cannabis illegally, there have been plenty of businesses that have done that right thing, yet have struggled to grow. This bill implements a task force that is impractical and perpetuates stigma. There are questions regarding the plan of action for this task force and suggestions that funding be used for education and prevention.

<u>Matthew Schillberg, Plant Science Graduate Assistant, University of Connecticut</u> emphasizes the knowledge gaps members of the public and lawmakers have in regards to cannabis. The difference between naturally occurring cannabinoids and synthetically produced derivatives is significant yet misunderstood by legislators, leading to potential problems in legislation. The current bill language contains some of these misconceptions and may lead to confusion surrounding the legality of cannabis.

Reported by: Aliana Montalvo

Date: April 4, 2025