PA 25-166—sHB 7181
General Law Committee
Judiciary Committee
Appropriations Committee

AN ACT CONCERNING THE REGULATION OF TOBACCO, CANNABIS, HEMP AND RELATED PRODUCTS, CONDUCT AND ESTABLISHMENTS

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SUMMARY: This act makes various unrelated changes to laws on cannabis, hemp, cigarettes, e-cigarettes, and THC-infused beverages.
EFFECTIVE DATE: Various, see below.

§§ 1 & 2 — CIGARETTE DEALER LICENSES AND RENEWALS

Requires the local police chief to send written comments for a cigarette dealer license renewal and DRS to send a written response back, under certain circumstances; allows certain remonstrance objections on suitability to be on issues controlled by local zoning

Required Written Response

Existing law allows municipalities to adopt ordinances requiring anyone applying to renew a Department of Revenue Services (DRS) cigarette dealer's license to simultaneously give written notice of the application to the chief law enforcement official or his or her designee in the municipality where the business is located.

Prior law (1) allowed the official or designee to send written comments on the application to the DRS commissioner within 15 days after receiving the notice and (2) required the DRS commissioner to consider the comments before renewing the license. The act instead requires the official or designee to send written comments and the DRS commissioner to send them a written, detailed response to the comments before approving or denying the application.

Objections to a Proposed or Renewed Cigarette Dealer's License

Existing law allows any 10 adult town residents where the cigarette dealer's business is proposed or currently located to file a "remonstrance" (i.e. objection) with DRS. Prior law required the remonstrance to include any objection to the suitability of the applicant or proposed business place, if the issue was not controlled by local zoning. The act allows objections that concern local zoning.
EFFECTIVE DATE: July 1, 2025

§§ 3 & 33 — DCP CANNABIS CONTROL DIVISION

Requires DCP to establish a Cannabis Control Division to oversee cannabis and hemp licensing and enforcement activities on a statewide basis and organize and conduct comprehensive compliance initiatives (i.e. coordinated efforts by multiple government agencies to conduct unannounced compliance checks); requires DCP to annually report certain compliance initiative statistics to the governor and certain legislative committees

The act creates, within the Department of Consumer Protection (DCP), a Cannabis Control Division to oversee cannabis and hemp licensing and enforcement activities on a statewide basis to ensure the effective and cooperative enforcement of laws on the cultivation, manufacturing, distribution, transportation, display, purchase, sale, dispensing, possession, and use of cannabis, cannabis products, manufacturer hemp products, infused beverages, and moderate-THC hemp products.

The DCP commissioner, within available appropriations, may appoint a director and other personnel he deems necessary to perform these duties, in addition to using existing department staff assigned to cannabis and hemp licensing and enforcement activities.

The act allows the division to conduct any authorized investigation in Connecticut that is deemed necessary. The division may:

1. request and receive from any federal, state, or local agency cooperation and assistance in performing its duties;
2. enter into mutual assistance and cooperation agreements with other states for cannabis, cannabis product, manufacturer hemp product, infused beverage, and moderate-THC hemp product law enforcement matters crossing state boundaries; and
3. consult and exchange information and personnel with other states' agencies on mutual law enforcement problems related to these products.

Comprehensive Compliance Initiatives

The act requires the division to organize and conduct comprehensive compliance initiatives on the in-state cultivation, manufacturing, distribution, transportation, display, purchase, sale, dispensing, possession, and use of cannabis, cannabis products, infused beverages, manufacturer hemp products, and moderate-THC hemp products. Under the act, a "comprehensive compliance initiative" is a coordinated effort by multiple government agencies to conduct unannounced compliance checks on at least two businesses per day to ensure compliance with state laws.

To bring about these compliance initiatives, the commissioner or his designee must coordinate with the attorney general, the chief state's attorney, DRS, the departments of Emergency Services and Public Protection (DESPP) and Public Health (DPH), and municipal officials.

Under the act, beginning by April 1, 2026, DCP must annually submit a report to the governor and the Finance, Revenue and Bonding and General Law committees. The report must include the previous year's:

1. number of comprehensive compliance initiatives that the division conducted;
2. number of businesses involved in the initiatives;
3. types of alleged violations discovered; and
4. agencies and departments involved in the initiatives.

Inspection or Compliance Checks (§ 33)

Under the act, at the end of any inspection or compliance check (presumably, those under existing law and under the act), DCP must give the licensee or registrant a written statement detailing (1) the inspection or compliance check findings and results, (2) any identified area of concern, and (3) any required corrective action to address the area of concern.

EFFECTIVE DATE: July 1, 2025, except the compliance check written statement provision is effective upon passage.

§ 4 — CANNABIS AND HEMP ENFORCEMENT POLICY BOARD

Establishes a Statewide Cannabis and Hemp Enforcement Policy Board and requires it to meet quarterly to identify enforcement opportunities and examine relevant developments about cannabis and hemp

The act establishes a Statewide Cannabis and Hemp Enforcement Policy Board consisting of the following officials or their designees: the attorney general; chief state's attorney; DCP, DESPP, DPH, DRS, and mental health and addiction services commissioners; and the Social Equity Council executive director. The board must convene quarterly to:

1. identify areas of need and enforcement opportunities concerning illegal cannabis sales and intoxicating hemp product sales,
2. examine scientific developments and public health studies on cannabis and hemp,
3. examine developments in national trends and best practices for cannabis and hemp regulation and enforcement, and
4. examine developments in the cannabis and hemp industries.

EFFECTIVE DATE: July 1, 2025

§ 5 — E-CIGARETTE DEALERS

Makes various changes to e-cigarette dealer requirements, such as requiring certain signs, prohibiting underaged individuals on the business premises under certain circumstances, requiring additional application information, increasing the application fee, generally increasing the penalty for businesses operating without a registration, and giving DCP additional enforcement powers for "sufficient cause"

Definition of "Selling" and "Delivering"

Under prior law, "selling" e-cigarettes or vapor products meant someone who intentionally transferred, offered, or attempted to transfer (including bartering or exchanging) them and "delivering" meant a person who intentionally transferred, or offered or attempted to transfer, physical possession of these products. The act eliminates the requirement that a person performs these actions intentionally and makes other minor and technical changes to related definitions.

Dealer Requirements

The act requires e-cigarette dealers to maintain a sign on all external entry doors where they operate, that clearly discloses that cannabis sales are prohibited at the location. The sign must be maintained as the commissioner prescribes and posted on DCP's website.

Under the act, dealers that derive at least 50% of their annual gross revenue from selling cigarettes, drug paraphernalia, e-cigarettes, nicotine products, synthetic nicotine, and tobacco products must verify the age of everyone entering the location they operate. Dealers must verify the age by checking a valid government-issued driver's license or identity card and prohibit anyone under age 21 from entering the location.

The act requires dealers to maintain a complete set of records, including all financial records needed to verify if the dealer derives at least 50% of its annual gross revenue from sales of the above listed items, for the current and preceding

three tax years. The dealer must (1) make the records immediately available to DCP upon the department's request for inspection and copying and (2) produce the records, in an electronic format (unless it is commercially impractical), to DCP within three days after the department requests them. The act prohibits anyone from using a foreign language, code, or symbol to designate any infused beverage or person when complying with these provisions.

Additional Information on Application

The act expands the information required for a dealer registration application. The law requires the application to include, among other things, an authorized owner's contact information. The act additionally requires it to include the names and contact information for each individual who has a financial interest (direct or indirect) in the applicant, unless the:

1. applicant is a publicly traded company listed on a national stock exchange or
2. financial interest held by the individual owner, or his or her spouse, parents, and children, in total, does not exceed 10% of the applicant's total ownership or interest rights.

The act also requires an initial or renewal registration applicant to have a third-party local and national criminal background check for each owner listed on the application. The background check must:

1. be conducted by a third-party consumer reporting agency or background screening company that complies with the federal Fair Credit Reporting Act and is accredited by the Professional Background Screening Association,
2. include a multistate and multijurisdictional criminal record locator or other similar commercial nationwide database with validation and any other background screening the commissioner requires, and
3. be requested by the applicant within 60 days before the application is submitted.

Additionally, the act requires the application to include:

1. the name of the person serving as the applicant's fiduciary agent and guarantor, who the act makes personally liable for any noncompliance that results in a debt owed to DCP, and
2. a disclosure of any enforcement action against, and negotiated settlement entered into by the applicant or any disclosed owner, if it is related to the sale of cigarettes, e-cigarettes, tobacco products, or vapor products.

Finally, for renewal applications, the act requires dealers to annually attest whether they derived at least 50% of their annual gross revenue from sales of cigarettes, drug paraphernalia, e-cigarettes, nicotine products, synthetic nicotine, tobacco products, and vapor products.

Registration Issuance

Under prior law, the commissioner had to issue a dealer registration within 30 days of the application unless he found the applicant had willfully made materially

false statements in the application, among other things. The act eliminates the requirement that this false statement be willfully made. It also expands the reasons for denying a registration to include when (1) statements made on the application are misleading, (2) the applicant has a criminal history that is sufficient to deny it under the state laws for denying employment based on conviction information, or (3) the applicant violated any other provision of the e-cigarette dealer law.

Required Updates

If dealers change any application information (e.g., contact or ownership information or owners' criminal histories), the act requires them to update the information on DCP's online licensing system within 30 days after the change occurs.

Fees

The act increases, from $75 to $1,000, the nonrefundable application fee, which is in addition to the $800 annual fee dealers must pay under existing law.

The act also eliminates prior law's reduced annual fee of $400 for e-cigarette dealers who also held additional DCP dealer or manufacturer registrations.

Expired Registrations

The act allows DCP to renew an expired dealer registration subject to administrative or court proceedings, which prior law prohibited. Under existing law and the act, the applicant must pay both the annual fee and a late renewal penalty the commissioner may impose.

Penalties

The act increases the maximum fine for businesses that intentionally sell e-cigarettes without a registration, from $50 per day to $5,000 per violation. Before imposing the fine, the act requires the business to first complete a hearing under the Uniform Administrative Procedure Act (UAPA). And it eliminates the DCP commissioner's authority to waive all or any part of the fine if it is proven to his satisfaction that failing to get or renew the registration was reasonable.

The act also modifies the penalty for dealers who operate up to 90 days after the registration expires. Under prior law, the penalty was an infraction with a $90 fine for each day the business was in violation. Under the act, violations are no longer an infraction, but the maximum penalty is increased to $500.

Sufficient Cause for Disciplinary Action

Under the act, the DCP commissioner may take the following actions against a dealer for sufficient cause: suspend, revoke, or refuse to grant or renew a registration; issue fines of up to $10,000 per violation; accept an offer in

compromise; place the registrant on probation or put conditions on them; or take other actions authorized by law.

The act specifies that the following reasons are sufficient to take these actions:

1. furnishing false or fraudulent information in an application or failing to comply with the representations made in it;
2. a civil judgment against, or conviction of, an owner or applicant, after reviewing and applying the denial criteria under existing laws on denying employment based on conviction information;
3. failing to maintain effective controls against diversion, theft, or loss of e-cigarettes;
4. a license or registration denial, suspension, or revocation (including license or registration renewals), related to the sale of cigarettes, e-cigarettes, tobacco products, or vapor products, by federal, state, or local government or a foreign jurisdiction;
5. a false, misleading, or deceptive representation made to the public or DCP;
6. involvement in a fraudulent or deceitful practice or transaction;
7. possessing, offering, or selling any illegal or controlled substance, unless allowed by law;
8. failing to register a business entity's trade name with the town where the registrant conducts business;
9. failing to notify DCP of any change in information about the business entity, owners, or designated manager or supervisor;
10. adverse administrative decisions or delinquency assessments against the registrant by DRS;
11. failing to cooperate, provide unrestricted access to the location, or provide information to DCP, local law enforcement authorities, or any other enforcement agency about any matter resulting from conduct connected to a licensee or registrant;
12. allowing an employee to promote an e-cigarette product for wellness purposes; or
13. failing to comply with e-cigarette laws and regulations.

Under the act, sufficient cause also includes advertising an e-cigarette in a way that does the following:

1. is designed to appeal to people under age 21 by (a) using spokespersons or celebrities who appeal to these underage people; (b) depicting people under age 25 using e-cigarettes; (c) using objects (e.g., toys, characters, or cartoon characters) to suggest that underage people are present; or (d) using any other depiction designed to appeal to someone under age 21, or
2. claims or implies that (a) e-cigarettes have a curative or therapeutic effect or (b) any medical claim is true.

License Revocation, Denial, or Surrender

Under the act, if DCP refuses to issue or renew a dealer registration, the commissioner must notify the applicant about the denial and his or her right to request a hearing within 10 days after receiving the notice. If the applicant requests

a hearing, the commissioner must (1) give notice of the grounds for the refusal and (2) conduct a hearing as a contested case under the UAPA. If the commissioner's denial is upheld after the hearing, the applicant cannot apply for a new dealer registration for one year after the denial was upheld.

The act also prohibits any person whose dealer registration was revoked, including the registrant's owners, from applying for a dealer registration for one year after the revocation date. The voluntary surrender of a dealer registration, or the failure to renew, does not prevent the DCP commissioner from suspending or revoking the registration or imposing other penalties allowed under applicable law.

Under the act, all fees, settlement amounts, and fines collected under this provision must be deposited in the consumer protection enforcement account. (DCP uses this account to enforce the licensing and registration laws it administers.)

Information Disclosure

Under the act, all information from inspections and investigations DCP conducts related to administrative complaints or cases are not subject to disclosure under the Freedom of Information Act, except after DCP has entered into a settlement agreement, or concluded its investigation or inspection as evidenced by case closure.

The act specifies that it does not prevent DCP from sharing any information with another state or federal agency or law enforcement if the information relates to an investigation of any suspected violation of applicable law.

EFFECTIVE DATE: October 1, 2025

§§ 5, 6, 44 & 45 — E-CIGARETTE SHIPPING AND AGE VERIFICATION

Imposes shipping and transporting restrictions on e-cigarettes similar to those that apply to cigarettes under existing law; specifically requires e-cigarette sellers to ask prospective buyers to present a driver's license, passport, or ID card to verify that they are at least 21 years old and allows them to use electronic scanners to check a passport's validity, just as existing law allows for driver's licenses and ID cards; increases the maximum fines that may be imposed on anyone who sells, gives, or delivers an e-cigarette to a minor

Shipping and Transporting Restrictions

The act places restrictions on in-state shipping and transporting of e-cigarettes that are similar to those in law for cigarettes. (PA 25-168, § 395, effective July 1, 2025, has substantially similar provisions, but subjects violators to criminal penalties. This act repeals and replaces those provisions, effective October 1, 2025.)

Shipping. Under the act, businesses may only ship or transport e-cigarettes to a (1) DCP-registered e-cigarette dealer or manufacturer or (2) government employee, officer, or agent acting within his or her official duties. The act relatedly requires the DCP commissioner to publish on the department's website a list of each person that holds a dealer or manufacturer registration. It prohibits common or contract carriers or anyone else from knowingly delivering e-cigarettes to a residence or to someone in Connecticut they reasonably believe is not one of these authorized

recipients.

Packaging Requirements. Prior law required e-cigarette dealers who sold and shipped e-cigarettes directly to in-state consumers (e.g., through online sales) to (1) get the signature of a person aged 21 or older at the shipping address prior to delivery and (2) require the signer to provide a driver's license or identification card as proof of age. It also required the seller to ensure that the shipping label conspicuously stated on the package: "CONTAINS AN ELECTRONIC NICOTINE DELIVERY SYSTEM OR VAPOR PRODUCT – SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY."

The act eliminates this law and replaces it with different procedures for delivery to authorized individuals, which do not allow direct sales to consumers (see above). Specifically, it requires anyone selling or delivering e-cigarettes to plainly and visibly mark their packages with the words "electronic nicotine delivery system" or "vapor product," as applicable when not shipped in the original manufacturer's container or wrapping. It also requires these sellers to make the deliveries conditional on the customer signing an acknowledgement of receipt and presenting proper proof of age.

Seizure. Under the act, e-cigarettes shipped or transported in violation of these provisions are contraband and subject to confiscation, storage, and destruction. The shipper or transporter is liable for all confiscation, storage, and destruction costs.

Penalties. The DCP commissioner may impose a maximum civil penalty of $10,000 for each violation, and each shipment or transport constitutes a separate offense. The attorney general, upon the DCP commissioner's request, may bring an action in the Hartford Superior Court to collect the civil penalty and for any injunctive or equitable relief. If the state wins an enforcement action the attorney general brings, the state may recover the investigation costs, expert witness fees, costs of the action, and reasonable attorney's fees.

The act also deems a violation of the act's e-cigarette shipping requirements a Connecticut Unfair Trade Practices Act (CUTPA) violation (see BACKGROUND).

Age Verification Requirements

The act explicitly requires e-cigarette sellers to ask prospective buyers to present a driver's license, passport, or ID card to verify that they are at least 21 years old and allows them to use electronic scanners to check a passport's validity, just as existing law allows for driver's licenses and ID cards. It also (1) increases the maximum fines that may be imposed on anyone who sells, gives, or delivers an e-cigarette to a minor and (2) authorizes the DCP commissioner to suspend or revoke an e-cigarette dealer's registration for violating any provision of these age verification laws. (PA 25-168, § 396, contains identical provisions.)

Proof of Age. Connecticut law makes it illegal to sell, give, or deliver e-cigarettes to a minor (under age 21) and requires sellers and their agents or employees to ask a prospective buyer who appears to be under age 30 for proper proof of age, in the form of a driver's license, valid passport, or ID card. Sellers are prohibited from selling an e-cigarette to someone who does not provide this proof.

The act additionally requires sellers and their agents or employees to ask all prospective buyers to present a driver's license, passport, or ID card to prove that they are 21 or older. A similar requirement applies under existing law to cigarette and tobacco product purchases.

Electronic Scanners. Existing law allows sellers to verify a prospective buyer's age by using an electronic scanner to check the validity of the buyer's driver's license or ID card. The act additionally allows them to use these scanners to check a passport's validity. It makes various conforming changes to the electronic scanner laws, including:

1. barring the sale if the scan fails to match the information on the passport,
2. limiting the information that can be recorded and kept from a scan to the passport holder's name and birthdate and the passport's expiration date and identification number, and
3. allowing an affirmative defense in prosecutions for selling e-cigarettes to minors where the seller relied on a scan indicating a valid passport.

The same provisions apply to driver's licenses and ID cards under existing law. The act also eliminates a provision allowing sellers to use an electronic scanner to check the validity of documents other than driver's licenses and ID cards if they have a scannable bar code or magnetic strip.

By law, violators of these provisions are subject to a civil penalty of up to $1,000.

Fines for Underage Sales. The act increases the maximum fines that may be imposed on anyone who sells, gives, or delivers an e-cigarette to a minor to $1,000 for each offense. Under prior law, the maximum fines were:

1. $300 for a first offense;
2. $750 for a second offense committed within 24 months of the first offense; and
3. $1,000 for each subsequent offense committed within those same 24 months.

By law, the fines do not apply to anyone who sells, gives, or delivers e-cigarettes to, or receives them from, a minor who receives or delivers them (1) as an employee or (2) as part of a qualifying scientific study.

EFFECTIVE DATE: October 1, 2025, except the age verification provision is effective July 1, 2025.

§ 7 — CONFORMING CHANGES

Makes conforming changes by incorporating certain of its provisions into RERACA

The act makes conforming changes by incorporating certain of its provisions into the Responsible and Equitable Regulation of Adult-Use Cannabis Act (RERACA).

EFFECTIVE DATE: Upon passage

§§ 8 & 19 — SOCIAL EQUITY CULTIVATOR APPLICANTS TO CONVERT TO MICRO-CULTIVATORS

Allows certain social equity cultivator applicants to apply for a micro-cultivator license between July 1, 2025, and December 31, 2026, under certain conditions; prohibits these micro-cultivators, and their backers, from increasing their ownership in an equity joint venture to more than 50% for seven years

By law, DCP opened a three-month application period for social equity applicants to apply for a provisional and final cultivator license for a facility located in a disproportionately impacted area without participating in a lottery or request for proposals. The act allows these applicants to withdraw the application and instead apply for a new micro-cultivator license under certain circumstances.

Conversion Process (§ 8)

Under the act, between July 1, 2025, and December 31, 2026, a social equity applicant that applied for one of these cultivator licenses or received a provisional cultivator license may withdraw the application and apply for a micro-cultivator license. The applicant may do so if the:

1. Social Equity Council verifies that the applicant meets the social equity criteria;
2. applicant is eligible for a provisional cultivator license (e.g., passes a criminal background check); and
3. applicant submits an application to DCP with a written statement withdrawing the cultivation application or provisional license.

Withdrawals. The act specifies that applicants that withdraw an application or provisional cultivator license are not eligible for a refund on any fee connected to that application.

Issuance of License. Between July 1, 2025, and March 31, 2027, DCP must issue a micro-cultivator license to a social equity applicant if he or she:

1. meets eligibility criteria and submits a completed application and other documentation required to determine social equity applicant eligibility;
2. submits a written statement disclosing whether any change in ownership or control has occurred since the Social Equity Council verified the applicant as a social equity applicant; and
3. submits the $500,000 application fee (alternatively, the $3 million fee the social equity applicant paid for the provisional cultivator license is considered the application fee to convert to a micro-cultivator license).

The applicant must submit the required documentation and fee by December 31, 2026.

Under the act, all application fees must be deposited into the consumer protection enforcement account.

Changes to Social Equity Status. Under the act, when applicable, if the applicant included a written statement on changes in ownership or control, then the Social Equity Council must determine if the changes are allowed under the laws and regulations governing its application review process.

The council must determine whether the applicant continues to meet the social equity applicant criteria and submit to DCP a written notice disclosing its determination.

License Renewal Fee. Under the act, a renewal fee for a final micro-cultivator license through this process is the same as the standard renewal fee for micro-cultivators under existing law (i.e. $1,000). All renewal fees must be paid to the state treasurer and credited to the General Fund.

Equity Joint Venture. The act prohibits a social equity applicant that receives a micro-cultivator license through this process from being eligible to apply for a provisional license and a final license to create more than one equity joint venture, that the Social Equity Council must approve. It also prohibits the social equity applicant from operating the equity joint venture unless the applicant has received a micro-cultivator license through this process, begun cultivation activities under the license, and submitted to DCP both the application fee and a $500,000 conversion fee. The conversion fee must be deposited into the social equity and innovation account.

Under the act, the $3 million fee the social equity applicant paid for the provisional cultivator license is considered the conversion fee to convert to a micro-cultivator license. Cultivators that paid the $3 million fee and received license conversion approval may create up to two equity joint ventures. The cultivator cannot apply for, or create, any additional equity joint venture if, on July 1, 2025, the cultivator has created at least two equity joint ventures that have each received a provisional license.

The act prohibits these micro-cultivators, and their backers, from increasing their ownership in an equity joint venture to more than 50% during the seven-year period beginning on the day DCP issues the final license.

Application Information Disclosure. The act extends existing law's prohibition on application information disclosure to these applications. Existing law generally prohibits current or former state officers or employees, or employees of anyone who had access to a submitted application, from disclosing the application or any information included in or submitted with it (CGS § 21a-420e(g)).

Application Process. Regardless of any provision of RERACA and unless otherwise provided in these provisions, the act requires each submitted application to be processed as other micro-cultivator applications selected through the lottery and subject to existing law's process for social equity applications.

Provisional License (§ 19)

Under the act, if DCP granted a provisional cultivator license to a social equity applicant, the person may apply to DCP to convert the license to a micro-cultivator license without paying a conversion fee or additional provisional license fee, as long as the person has not created more than two equity joint ventures that have obtained final licensure. As part of the application, the person must attest that he or she must:

1. surrender the provisional cultivator license immediately when DCP issues the micro-cultivator license;
2. be entitled to create two equity joint ventures, which must include any equity joint venture created before the conversion;
3. comply with laws regulating micro-cultivators; and

4. not have a change of ownership or control associated with the conversion.

The act prohibits DCP from issuing a final license to a micro-cultivator provisional licensee unless the licensee has complied with all final licensure requirements under existing law.

EFFECTIVE DATE: July 1, 2025, except the provisional license provision is effective upon passage.

§ 9 — SOCIAL EQUITY CULTIVATORS OR MICRO-CULTIVATORS LEASING HEMP PRODUCER LOT

Allows social equity applicants, between January 1, 2026, and December 31, 2027, to receive a cultivator or micro-cultivator license to have a facility outside a disproportionately impacted area under certain conditions, including leasing a certain hemp producer's lot; limits these cultivators to creating one equity joint venture, while prohibiting these micro-cultivators from creating an equity joint venture

The act requires DCP to issue a cultivator or micro-cultivator license to a social equity applicant, between January 1, 2026, and December 31, 2027, that allows the applicant to locate its facility outside a disproportionately impacted area if the following conditions are met:

1. by July 1, 2026, the social equity applicant submits to DCP a complete application for a provisional cultivator or micro-cultivator license as existing law requires for social equity applicants applying for a cultivator license without participating in a lottery or request for proposals (see above);
2. by June 30, 2027, (a) the Social Equity Council verifies that the applicant meets the social equity applicant criteria and (b) DCP issues a provisional cultivator or micro-cultivator license to the applicant; and
3. by July 1, 2027, the provisional licensee submits to DCP a complete application for a final cultivator or micro-cultivator license.

Final Application Requirements

The final license application must include:

1. a copy of a fully executed lease agreement between the provisional licensee and a hemp producer who has been continually licensed since January 1, 2024;
2. evidence sufficient for DCP to verify that the hemp producer that is a party to the lease has been continually licensed as a hemp producer since January 1, 2024;
3. the provisional licensee's acknowledgment that, if DCP issues a final cultivator or micro-cultivator license, the licensee (a) under a final cultivator license, may be eligible to create up to one equity joint venture after receiving the license and commencing cultivation activities, or (b) under a final micro-cultivator license, is ineligible to create an equity joint venture; and
4. the provisional licensee's attestation that (a) the hemp producer from which

the provisional licensee is leasing land has no ownership interest in, or managerial control over, the licensee, other than any ownership interest or control previously disclosed to the Social Equity Council to determine that the social equity applicant meets the social equity applicant criteria, and (b) all hemp has been harvested from the lot subject to the lease between the provisional licensee and the hemp producer.

Lease Agreement

The act requires the lease agreement between the provisional licensee and a hemp producer to provide:

1. for the use of the hemp producer's lot (i.e. contiguous area in a field, greenhouse, or indoor growing structure containing the same variety or strain of hemp throughout the area) that is on record with the Department of Agriculture on January 1, 2024, and may be located outside of a disproportionately impacted area;
2. that (a) the hemp producer does not currently hold a position of ownership, control, or management of the provisional licensee, and (b) if a final cultivator or micro-cultivator license is issued to the provisional licensee, the hemp producer is prohibited from holding a position of ownership, control, or management of the licensee for seven years from when the final license is issued; and
3. an express acknowledgment by the parties that if DCP issues a final cultivator or micro-cultivator license to the provisional licensee, the hemp producer must immediately be deemed to have automatically surrendered the hemp producer's license.

Business Arrangements and Interest Disclosure

During the seven-year period after a final cultivator or micro-cultivator license is issued, the cultivator or micro-cultivator must:

1. not enter into any business arrangement with the hemp producer, other than for the lease of the hemp producer's lot, or any affiliate, subsidiary, or entity the hemp producer controls, if the business arrangement may result in the hemp producer, affiliate, subsidiary, or entity holding an ownership position, control, or management of the cultivator or micro-cultivator; and
2. disclose any direct or indirect business interest or relationship between the cultivator or micro-cultivator and the hemp producer or any affiliate, subsidiary, or entity the hemp producer controls or any key participant (i.e. sole proprietor, a partner in partnership, or a person with executive managerial control in an entity, including a chief executive officer, chief operating officer, and chief financial officer).

License Renewal Fee

Under the act, a renewal fee for a final cultivator and micro-cultivator license

is the same as existing law (i.e. $75,000 for cultivators and $1,000 for micro-cultivators).

Existing Hemp

Under the act, all hemp located on the lot subject to the lease agreement between the provisional licensee and the hemp producer is continued to be deemed hemp until DCP issues a final cultivator or final micro-cultivator license to the licensee. After DCP issues a final cultivator or final micro-cultivator license, the hemp is deemed to be cannabis and subject to all cannabis cultivation, testing, labeling, tracking, reporting, and manufacturing requirements under RERACA as they apply to cultivators and micro-cultivators.

Equity Joint Venture

The act prohibits provisional licensees that receive a (1) final cultivator license from creating more than one equity joint venture, which they must not create unless the licensee has received a final license and began cultivation activities, and (2) micro-cultivator license from creating an equity joint venture.

Application Information Disclosure

The act extends existing law's prohibition on application information disclosure to these applications. Existing law generally prohibits current or former state officers or employees, or employees of anyone who had access to a submitted application, from disclosing the application or any information included in or submitted with it (CGS § 21a-420e(g)).
EFFECTIVE DATE: Upon passage

§ 10 — QR CODE SIGNAGE

Requires DCP to develop signage with a QR code that verifies whether the person displaying the signage holds an active DCP cannabis establishment license; requires the signage to be displayed in a way DCP prescribes; deems violations CUTPA violations

The act requires DCP to develop signage with a QR code, or a comparable electronic identifier, that verifies whether the person displaying the signage holds an active DCP cannabis establishment license. The signage must be displayed in a way the DCP commissioner prescribes.

The act prohibits (1) any person from displaying this signage, or substantially similar signage, unless he or she holds an active DCP cannabis establishment license and (2) cannabis establishments from displaying the signage in any way other than the way the DCP commissioner prescribes.

Under the act, a violation of the signage provisions is deemed a CUTPA violation and a violation by a cannabis establishment is subject to additional enforcement actions (i.e. license penalties and additional fines).

By law, a "cannabis establishment" is a cannabis producer, dispensary facility,

cultivator, micro-cultivator, retailer, hybrid retailer (one licensed to sell both recreational cannabis and medical marijuana), food and beverage manufacturer, product manufacturer or packager, delivery service, or transporter.
EFFECTIVE DATE: October 1, 2025

§§ 11, 21, 23 & 25 — PROHIBITIONS ON DISTRIBUTING CANNABIS AND CANNABIS PRODUCTS

Adds cannabis products as items only certain cannabis establishments may sell

In general, existing law limits who can sell, offer, or deliver cannabis to certain licensees. The law generally prohibits anyone other than:

1. retailers, hybrid retailers, micro-cultivators, delivery services, or their employees from selling or offering cannabis to consumers;
2. hybrid retailers, dispensary facilities, delivery services, or their employees from selling or offering cannabis to qualifying medical marijuana patients and caregivers; and
3. delivery services or their employees from delivering cannabis to consumers, patients, or caregivers.

The act adds cannabis products as items only these licensees and employees may sell, offer, or deliver. As under existing law, a violation is deemed a CUTPA violation.
EFFECTIVE DATE: October 1, 2025

§ 11 — MUNICIPAL PROHIBITION AND SEIZURE

Broadens the circumstances under which a municipality may prohibit a business from operating by adding additional items to what is considered an "immediate threat to public health and safety"; allows municipalities to keep all of the civil fine for certain violations

Existing law allows municipalities to take certain actions if any business (1) is found to violate any of the cannabis or cannabis products sale, offer, or delivery prohibitions (see above) or (2) poses an "immediate threat to public health and safety." They may, by legislative vote, prohibit these businesses from operating in the municipality and apply to the Superior Court for an order directing the municipality's chief law enforcement officer to take possession and control of any related merchandise from the business, including any cannabis, cannabis product, cigarette, tobacco or tobacco product, any merchandise associated with those items, and any proceeds from them.

The act broadens the circumstances under which a municipality may prohibit a business by adding additional items to what is considered an "immediate threat to public health and safety." Existing law includes the presence of any (1) cannabis or cannabis product connected to an illegal sale or delivery or (2) cigarette or tobacco product alongside any cannabis or cannabis product. Under the act, the presence of the following products next to cannabis or a cannabis product may also be considered an immediate threat: any electronic cigarette liquid, electronic nicotine delivery system, or liquid nicotine container. The act also makes the presence of

any of these products an immediate threat to public health and safety if they are being unlawfully sold.

Correspondingly, the act allows law enforcement to take these additional items, any merchandise associated with them, and any proceeds from them, upon a court order. It also requires the chief executive to submit a written copy of the court order application to the state attorney general and DCP commissioner upon making it.

Civil Fines

By law, a violator of the above laws must be assessed a civil fine of $30,000 for each violation. Additionally, anyone who aids or abets these violations must also be assessed a $30,000 civil fine for each violation. The law also imposes a $10,000 civil fine for each violation by anyone who manages or controls certain commercial property and knowingly makes the area available for use in these violations. In all three cases, each day a violation continues is a separate offense.

Under prior law, if a municipality instituted a civil action to recover an imposed civil fine, the fine had to be paid to the municipality first to reimburse it for the costs for instituting the action, with half of the remainder, if any, paid to the municipality's treasurer and the other half to the state treasurer for deposit into the General Fund. The act instead allows the municipality to keep all of the fine.
EFFECTIVE DATE: October 1, 2025

§ 12 — WORKFORCE DEVELOPMENT PLAN

Requires all applicants for a final cannabis license to submit a workforce development plan to the Social Equity Council for approval

Prior law required the Social Equity Council, after developing workforce development plan criteria, to review and approve or deny in writing any plan a producer or hybrid retailer submitted. The act expands this requirement to apply to all applicants for a final license and not just ones owned by a social equity applicant.

Under the act, unless the Social Equity Council has approved a workforce development plan for a cannabis establishment by July 1, 2025, the establishment must submit a plan to the council by October 1, 2025, or 60 days before the next license renewal date, whichever is earlier. Within 60 days after the establishment submits the plan, the council must send notice to the establishment disclosing whether the plan has been approved, rejected, or requires modification.
EFFECTIVE DATE: Upon passage

§ 13 — PRODUCT PACKAGER RENEWALS

Specifies that a product packager's expanded renewal fee to perform authorized activities as a product manufacturer is paid instead of a product packager renewal fee

Under existing law, a product packager seeking to expand its authorized activities to include those of a product manufacturer must, among other things, pay a $30,000 application fee and a $25,000 renewal fee. Under prior law, the

application and expansion fees were paid instead of the product packager fees. The act specifies that only the expanded renewal fee is paid instead of product packager renewal fee.
EFFECTIVE DATE: July 1, 2025

§§ 14, 17 & 26 — LICENSE AND FEE EXPIRATION EXTENSIONS

Extends, from 14 to 24 months, (1) the expiration date for provisional licenses DCP issued on or after July 1, 2023, other than for cultivator licenses for certain social equity applicants, and (2) the deadline for certain producers and dispensaries to create the required equity joint ventures or become liable for the full conversion fee

The act extends the expiration date, from 14 to 24 months, for provisional licenses (but not those for cultivator licenses for social equity applicants). Under prior law, these licenses issued on or after July 1, 2023, expired after 14 months. As under existing law, a provisional license may not be renewed.

Under existing law, a producer seeking to do expanded medical marijuana activities, or a dispensary seeking to convert to a hybrid retailer, can pay reduced fees in exchange for creating equity joint ventures. If they do not create the required equity joint ventures within a certain period, then they are liable for the full conversion fee. The act extends this period, from 14 to 24 months, after which they are liable for the full amount.
EFFECTIVE DATE: Upon passage

§§ 15 & 46 — SALE OR CHANGE IN OWNERSHIP

Specifies a social equity cannabis establishment licensee is not entitled to pay a reduced license renewal fee if the (1) business is sold or ownership changes during the three years after a final license is issued and (2) sale or change is made to anyone other than a social equity applicant

Existing law requires the Social Equity Council to adopt regulations to prevent a cannabis establishment license awarded to a social equity applicant from being sold to someone other than another social equity applicant during the provisional licensure period and for three years after final licensure, except where the backer has died or has a condition (e.g., a physical or mental illness) that would interfere with the backer's ability to operate.

Under the act, if the council approves any sale or change of ownership or control of a license awarded to a social equity applicant during the three years following a final license issuance, and the sale or change in ownership or control is to someone other than a social equity applicant, then the licensee must be treated like one without social equity status starting on the approval date. The new licensee is no longer eligible to pay reduced license renewal fees.

The act also repeals PA 25-137, § 2, which has an identical provision on sale or change in ownership but has a provision extending the policies and procedures for a maximum of one year (see below).
EFFECTIVE DATE: Upon passage

§§ 15, 22, 27, 29 & 31 — POLICIES AND PROCEDURES EXTENSION

Extends the maximum effective period of cannabis policies and procedures by 15 months if regulations have not been adopted

Prior law required DCP and the Social Equity Council to issue policies and procedures to implement various cannabis provisions that were effective until final regulations were adopted or either June 22, 2025, or July 1, 2025, if the regulations had not been submitted to the Regulation Review Committee.

The act extends the maximum effective period of these policies and procedures by 15 months but eliminates the requirement that the regulations have not been submitted to the Regulation Review Committee. (DCP submitted proposed regulations to the Regulation Review Committee, which rejected them without prejudice on May 27, 2025.)

As under existing law, the policies and procedures are no longer effective once regulations are adopted. (PA 25-168, §§ 161-165, has identical provisions.)

EFFECTIVE DATE: Upon passage

§§ 16 & 19 — SOCIAL EQUITY CULTIVATORS OUTSIDE DISPROPORTIONATELY IMPACTED AREA

Allows certain social equity cultivators to locate their cultivation facility outside a disproportionately impacted area under certain conditions; requires them, among other things, to employ a certain percentage of employees that reside in a disproportionately impacted area and pay a certain percentage of gross revenue sales to the Social Equity Council; extends the deadline for DCP to grant a provisional license by one year, from December 31, 2025, to December 31, 2026

By law, DCP opened a three-month application period for social equity applicants to apply, without participating in a lottery or request for proposals, for a provisional and final cannabis cultivator license for a facility located in a disproportionately impacted area.

Outside Disproportionately Impacted Area

Beginning October 1, 2025, the act allows these social equity cultivators that have obtained a final license to locate their cultivation facility outside a disproportionately impacted area under certain conditions. They may conduct all authorized activities of a cultivator outside a disproportionately impacted area, except for manufacturing or extracting cannabis.

Evidence and Verification

Under prior law, in order for the applicant to receive a final cultivator license, the applicant had to provide evidence of certain information, including the facility location. The act also allows the facility to be located outside a disproportionately impacted area, as long as it is in the state and the Social Equity Council has verified based on evidence the council deems sufficient, the applicant satisfies other criteria the act establishes below.

For a social equity applicant to cultivate at a location outside of a disproportionately impacted area, it must agree to comply with the act's provisions on cultivating outside a disproportionately impacted area and submit a written request for verification of compliance to the Social Equity Council. The council, based on evidence it deems sufficient, must also verify the following about the social equity applicant:

1. if manufacturing or extracting cannabis, that it does so exclusively in a disproportionately impacted area as required by the applicable cannabis laws, regulations, and policies and procedures;
2. at least 50% of its employees reside in a disproportionately impacted area for cannabis manufacturing or extraction;
3. the following minimum percentages of its employees reside in a disproportionately impacted area for any activity other than cannabis manufacturing or extraction: (a) 25% the first year after the applicant obtains the final license and begins cultivation, (b) 50% for the second year, and (c) 75% for the third and subsequent years;
4. for each of its employees who reside in a disproportionately impacted area, it must provide at its own expense either (a) transportation from home to work and back or (b) advance payment for these travel costs; and
5. it must periodically pay the Social Equity Council, in a council-prescribed way and on dates the council establishes for deposit in the social equity and innovation account, the following percentages of the licensee's annual gross revenue from sales to unaffiliated third parties: (a) 0.5% for the first year after the applicant obtains the final license and begins cultivation, (b) 1% for the second year, and (c) 1.5% for the third year and subsequent years.

Social Equity Council and DCP Review

Under the act, the evidence that must be submitted in a written request for verification must be in a Social Equity Council-prescribed way. Upon receiving the request, the council must review the request to determine whether the applicant satisfies the act's criteria. If the council determines the applicant does not satisfy the criteria, the council may accept an amended written request for verification or deny the request. Within 30 days after the council notifies the applicant that it has determined the applicant does not satisfy the criteria, the applicant may appeal the determination to Superior Court under the UAPA's procedures.

The act requires the Social Equity Council to identify for DCP each applicant that has submitted a written request for verification, qualifies as a social equity applicant, and should be reviewed by DCP for receiving a final cultivator license. After receiving notice from the council that a provisional licensee has been verified and identified, DCP must begin reviewing and processing the applicant's final license. The DCP commissioner must not issue a final license to a provisional licensee unless the council has notified the department about the verification results.

Final License

The act requires each cultivator issued a final license under this process to (1) attest that it satisfies the act's criteria at each license renewal and (2) comply with the Social Equity Council's requests for information and produce copies of all documents needed for the council to confirm that the cultivator satisfies the act's criteria within two business days after the request.

If the council determines and verifies that the licensee does not satisfy the criteria, the council must, after a cure period the council establishes, give DCP a detailed report outlining the basis for the determination of noncompliance and any evidence supporting it. The council must concurrently give a copy of the report to the applicable licensee. Upon receiving the noncompliance report, DCP must schedule a hearing on the matter within 45 days.

Off-site Manufacturing Endorsement

Before engaging in any manufacturing or extraction of cannabis, a cultivator must apply to DCP, in a commissioner-prescribed way, for an off-site manufacturing endorsement to be issued on or after October 1, 2025. The department may require the cultivator to have an inspection of the cultivator's facility before issuing the endorsement to ensure that the facility satisfies the relevant laws, regulations, and policies and procedures.

Weighing Cannabis

Under the act, on and after July 1, 2026, these cultivator licensees must weigh all cannabis, excluding the plant's leaves or stem, harvested at the facility within 24 hours after cutting or trimming the plant and:

1. record the weight in an approved electronic tracking system;
2. annually reserve at least 80% of all weighed cannabis to manufacture or extract into a cannabis product or cannabis concentrate; and
3. annually sell not more than 20% of all cannabis harvested at the facility, based on the weight recorded, for distribution as cannabis flower.

Additionally, upon each license renewal, the cultivator must attest that it followed these percentage requirements during the preceding calendar year.

Equity Joint Ventures

The act prohibits these cultivators with facilities outside a disproportionately impacted area, and their backers, from increasing their ownership in an equity joint venture to more than 50% during the seven-year period beginning on the day DCP issues the final license.

Provisional Cultivator License Prohibition Deadline Extension

Prior law prohibited DCP from granting an application for a provisional cultivator license for these social equity applicants after December 31, 2025. The

act extends the deadline for this prohibition for one year until December 31, 2026.
EFFECTIVE DATE: Upon passage

§ 18 — SOCIAL EQUITY CULTIVATORS FINAL LICENSE EXTENSION

Extends by two years DCP's authority to grant a final cultivator license to a social equity provisional cultivator license holder who has not developed the capability to meet the minimum grow space requirement

PA 24-151, § 138, allowed DCP to grant a final cultivator license to a social equity provisional cultivator license holder who has not developed the capability to meet the minimum 15,000 square feet grow space requirement until December 31, 2025. The act extends this by two years, allowing DCP to grant these licenses until December 31, 2027.

As under existing law, the applicant must submit a completed application for a final cultivator license to DCP with certain evidence (e.g., that it has at least 5,000 feet of grow space and a detailed business plan and buildout schedule). If DCP issues a final cultivator license under these procedures and the licensee fails to meet the 15,000 square feet of grow space requirement by the deadline, the licensee must pay the department a $500 extension fee for each day after it fails to satisfy the minimum grow space requirement. DCP may exercise its enforcement powers for cannabis establishments, for the failure to meet the grow space requirement by the specified date, including certain disciplinary actions (e.g., license suspension or fines).
EFFECTIVE DATE: Upon passage

§ 20 — MICRO-CULTIVATORS

Allows certain micro-cultivators to receive a retailer or hybrid retailer endorsement under certain conditions; allows micro-cultivators to sell their cannabis seedlings directly to consumers using their own employees

Retailer or Hybrid Retailer Endorsement

The act allows a micro-cultivator with a final license that maintains an exclusively indoor grow facility to apply to DCP, as the commissioner prescribes, for a retailer or hybrid retailer endorsement to the final license. The endorsement authorizes the micro-cultivator to operate as a retailer or hybrid retailer under the act's requirements.

Application. A micro-cultivator applicant must submit a complete endorsement application, along with the endorsement application fee, to DCP within one year after the applicant obtained a final micro-cultivator license or by June 30, 2026, whichever is later. DCP must not accept an application submitted after the time period has expired.

The application fee for an endorsement is the same as the fee for a final retailer license or a final hybrid retailer license (i.e. $25,000). All application fees for initial endorsements must be deposited in the consumer protection enforcement account.

The annual renewal fee for an endorsement is also the same as the retailers and hybrid retailers' renewal fee (i.e. $25,000).

Conditions. Under the act, DCP must issue an endorsement if the micro-cultivator:

1. submits a timely and complete endorsement application to the department, in the commissioner-prescribed form and manner;
2. attests that the retailer or hybrid retailer created through the endorsement will be operated following all licensed retailer or licensed hybrid retailer requirements; and
3. acknowledges and attests that the micro-cultivator will not engage in any outdoor cannabis cultivation.

Final License Requirements. Each micro-cultivator issued an endorsement has 24 months from when the endorsement is issued to (1) satisfy the requirements for a retailer or hybrid retailer that has been issued a final license (see below) and (2) seek and get a DCP written statement, as the commissioner prescribes, confirming that the micro-cultivator satisfies the requirements and may engage in the activities of a retailer or hybrid retailer.

Existing law requires final license applications to be submitted on a form and in a manner the DCP commissioner approves and to include the legally required application information, as well as evidence of the following:

1. a contract with an entity providing an approved electronic tracking system,
2. a right to occupy the location where the cannabis establishment will be located,
3. any necessary local zoning approval for the establishment's operation,
4. a certification by the applicant that a project labor agreement will be entered into before construction of any facility the establishment uses for operations,
5. a Social Equity Council-approved social equity plan and workforce development plan,
6. written policies for preventing diversion and misuse of cannabis and sales to underage people,
7. all other security requirements DCP sets based on the specific license type, and
8. a labor peace agreement entered into between the cannabis establishment and a bona fide labor organization (CGS § 21a-420g).

Expiration. This endorsement expires and is not eligible for reapplication or renewal if the micro-cultivator fails to satisfy the requirements established above or allows the endorsement to lapse.

Location. The retailer or hybrid retailer facility must be located (1) on the same premises as the micro-cultivator or (2) within 100 feet of the premises measured from the point that is closest to the premises.

Authorization. Upon receiving DCP's written statement, the micro-cultivator must:

1. for a retailer endorsement, be authorized to sell cannabis to consumers only if the cannabis is cultivated indoors by the micro-cultivator;
2. for a hybrid retailer endorsement, be authorized to sell (a) cannabis to

consumers only if the cannabis is cultivated indoors by the micro-cultivator and (b) medical marijuana products to qualifying patients and caregivers;
3. acknowledge and agree that the micro-cultivator is not eligible to expand to a cultivator license;
4. maintain the retailer's or hybrid-retailer's activities and facility following the requirements established under the cannabis and medical marijuana laws, regulations, and policies and procedures; and
5. acknowledge and agree that if an administrative agency or court with jurisdiction issues a suspension, revocation, cease and desist order, or other order stopping operations, the micro-cultivator must stop all public retailer or hybrid retailer activities associated with the endorsement.

The act allows a micro-cultivator to use a delivery service or its own employees, subject to the delivery service requirements, to sell (1) cannabis it cultivated directly to consumers if it has a retailer endorsement and (2) medical marijuana products directly to qualifying patients and caregivers, and cannabis it cultivated to consumers if it has a hybrid retailer endorsement.

Limitations. The act prohibits a micro-cultivator with an endorsement from exceeding 25,000 square feet of grow space. And it cannot convert to a cultivator license unless the micro-cultivator permanently surrenders the endorsement and stops all retailer and hybrid retailer activities.

An endorsement does not impact any right a micro-cultivator may have to create an equity joint venture.

Seedling Delivery

Under prior law, micro-cultivators could only sell cannabis seedlings through a delivery service to consumers. The act expands the delivery options by allowing them to sell seedlings using their own employees for delivery under the same requirements as the delivery service.

EFFECTIVE DATE: July 1, 2025

§ 24 — PHARMACIST AT A HYBRID RETAILER

Reduces the amount of time a licensed pharmacist must be at a hybrid retailer location and allows for telehealth consultations; requires certain signs to be posted related to pharmacist consultations; requires these pharmacists to complete certain continuing professional education contact hours related to cannabis or medical marijuana

Prior law required hybrid retailers to have a licensed pharmacist on-site when the retail location was open to the public or qualifying patients and caregivers. The act reduces this to at least eight consecutive hours a calendar week. However, when the hybrid retailer is open to the public and a pharmacist is not physically there, the hybrid retailer must ensure that a licensed pharmacist is readily available to (1) provide telehealth consultations for qualifying patients and caregivers and (2) conduct remote order entry verification according to pharmacy laws and regulations.

Telehealth Consultations

The act requires a hybrid retailer that offers telehealth consultations with a licensed pharmacist to:

1. employ the pharmacist for at least 20 hours per calendar week;
2. maintain technology that can facilitate the consultations; and
3. make the consultations readily available and accessible to qualifying patients and caregivers, including by telephone from a remote location outside the hybrid retailer's location and from the private consultation space the act requires (see below).

Signs

Under the act, hybrid retailers must conspicuously post and maintain a sign at their main entrance, which must (1) be at least 12 inches in height and 18 inches in width, (2) incorporate lettering in a size and style that is clear and legible, and (3) state the name of the licensed pharmacist who is available either in-person or through telehealth.

Additionally, hybrid retailers must conspicuously post and maintain a sign at each register or similar point of sale within the premises, and on any website the hybrid retailer maintains. The sign must (1) be at least eight inches in height and 10 inches in width, (2) incorporate lettering in a size and style that is clear and legible, and (3) state "Pharmacist available for consultation" in a clear and legible manner.

Continuing Professional Education

The act requires each licensed pharmacist who consults with qualifying patients or caregivers to annually complete at least five contact hours of continuing professional education related to the cannabis industry, the Connecticut pharmacy laws, or the treatment of debilitating medical conditions under the medical marijuana laws. These contact hours are included in, and not in addition to, the 15 hours pharmacists must take annually.

Private Consultation Space

Existing law requires hybrid retailer locations to include a private consultation space for pharmacists to meet with qualifying patients and caregivers. The act additionally requires each hybrid retailer to conspicuously display, on the exterior of its location, a symbol that signifies the sale of medical marijuana products. The symbol must be in a form and manner the DCP commissioner sets and must be posted on DCP's website.

EFFECTIVE DATE: October 1, 2025

§ 24 — RETAILER CONVERSION TO HYBRID RETAILER

Allows a retailer to apply to DCP to convert its license to a hybrid retailer without applying through the lottery

The act allows a retailer to apply to DCP to convert its license to a hybrid retailer without applying through the lottery. To do so, the retailer must complete an application the commissioner creates. Before issuing the license, DCP must inspect the converting retailer's establishment. If the inspection is satisfactory, DCP must deactivate the converting retailer's license and issue a new hybrid retailer license to the applicant.
EFFECTIVE DATE: October 1, 2025

§ 24 — SALE OF MANUFACTURER HEMP PRODUCTS AT HYBRID RETAILERS

Requires manufacturer hemp products that a hybrid retailer sells to be derived from hemp grown by a U.S. Department of Agriculture-licensed hemp producer under an approved state or tribal hemp production plan

By law, hybrid retailers may sell manufacturer hemp products (i.e. those intended for human ingestion, inhalation, absorption, or other internal consumption) under certain conditions (e.g., stored separately from cannabis, displayed with DCP-approved signs, and tested by accredited labs, among other things). The act also requires that the manufacturer hemp products be derived from hemp grown by a U.S. Department of Agriculture-licensed hemp producer under an approved state or tribal hemp production plan.
EFFECTIVE DATE: October 1, 2025

§ 28 — TRANSPORTER LICENSE

Allows a transporter to store, maintain, and handle cannabis for up to 30 days under certain conditions (e.g., complies with security requirements, makes certain attestations)

Prior law prohibited transporters from storing or maintaining control of cannabis for more than 24 hours from the time they obtained the cannabis until the cannabis was delivered. The act allows a transporter to store, maintain, and handle cannabis under certain conditions. In order to hold the cannabis beyond 24 hours, the transporter must:

1. possess each unit of cannabis for no more than 30 days after the transporter receives the cannabis;
2. comply with all security required by the cannabis laws, policies, procedures, and regulations;
3. attest that it did not open or remove any cannabis from individual child-resistant packaging, although it may consolidate or separate bulk packaged cannabis for commercial distribution;
4. attest that it complies with all recordkeeping and electronic tracking requirements, and all policies, procedures, and regulations for the electronic tracking system about the receipt, storage, repackaging, and distribution of cannabis;
5. pay to DCP, as the commissioner requires, a one-time expansion

authorization $5,000 payment, to be deposited in the consumer protection enforcement account;
6. notify DCP, as the commissioner requires, at least 30 days before the date it intends to begin storing cannabis for a period exceeding 24 hours; and
7. receive written DCP confirmation that the transporter meets the security requirements noted above.

The act requires DCP to take all reasonable efforts to schedule an inspection of the cannabis establishment facility within 60 days after the department receives a transporter expansion application. After completing the inspection, DCP must promptly give the transporter (1) written confirmation of compliance with the security requirements or (2) notice of noncompliance.

The act requires a transporter that expands its authorized activities to (1) comply with all the laws, regulations, policies, and procedures for product packagers and (2) not open or remove any cannabis from individual child-resistant packaging, although it may consolidate or separate bulk packaged cannabis for commercial distribution on a scale that is greater than commercial distribution on an individual and final packaging basis.

Under the act, if there is a conflict between the transporter requirements and the product packager requirements, the more stringent public health and safety standard prevails.

EFFECTIVE DATE: October 1, 2025

§ 30 — FACSIMILE OF FOODS, BEVERAGES, AND OTHER ITEMS

Specifies that the prohibition on products that appeal to children includes facsimiles of foods, beverages, and other items that appeal to children

Existing law requires the DCP commissioner to adopt various cannabis-related regulations, including ones on prohibiting cannabis product types that appeal to children. The act specifies that the prohibition on products that appeal to children includes facsimiles of foods, beverages, and other items that appeal to children.

EFFECTIVE DATE: October 1, 2025

§ 30 — INCREASE IN ALLOWABLE THC LEVELS

Increases the allowable THC levels on a dry-weight basis from (1) 30% to 35% for the cannabis flower or plant material and (2) 60% to 70% for any other cannabis product except for prefilled cartridges (e.g., vapes); requires DCP to adopt regulations requiring cannabis establishments that sell these higher-THC products to have a separate area for them and provide certain warnings

Prior law required the DCP commissioner to adopt regulations prohibiting cannabis establishments from selling, other than medical marijuana product sales between cannabis establishments and cannabis sales to qualified patients and caregivers, (1) cannabis flower or other cannabis plant material with a total THC concentration greater than 30% on a dry-weight basis and (2) any cannabis product other than the flower and plant material with a total THC concentration greater than 60% on a dry-weight basis, except for prefilled cartridges for use in an electronic

cannabis delivery system (e.g., vapes). The act requires the commissioner to adopt regulations that increase the allowable THC levels on a dry-weight basis from (1) 30% to 35% for the cannabis flower or plant material and (2) 60% to 70% for any other cannabis product except for prefilled cartridges.

The act also requires the DCP commissioner to adopt regulations:

1. requiring dispensary facilities, hybrid retailers, and retailers to display the following types of cannabis in a DCP-prescribed way and in an area physically and visually separate from other cannabis for sale at the establishment: (a) cannabis flower or other cannabis plant material with a total THC concentration between 30% and 35% on a dry-weight basis, and (b) any cannabis product other than cannabis flower and cannabis plant material with a total THC concentration between 60% and 70% on a dry-weight basis, except for prefilled cartridges for use in an electronic cannabis delivery system;
2. requiring any dispensary facility, hybrid retailer, or retailer that sells any form of cannabis with the THC concentrations described above to include the words "Warning - High THC" next to the cannabis on the cannabis establishment's menus and advertisements; and
3. prescribing signage to be displayed at a dispensary facility, hybrid retailer, or retailer informing consumers, qualifying patients, and caregivers of health risks associated with cannabis with the THC concentrations described above.

EFFECTIVE DATE: October 1, 2025

§ 32 — SUSPECTED CANNABIS THEFT REPORTING EXEMPTION

Generally allows cannabis establishments to complete their own investigation before notifying DCP of suspected cannabis theft or loss of one-half ounce of raw cannabis or less or the equivalent someone may legally possess

Under prior policies and procedures, a licensee and any employee had to immediately notify DCP in writing as soon as they were aware of any suspected diversion, theft, or loss of any cannabis, among other actions.

For a suspected diversion, the act allows cannabis establishments to conduct an internal investigation before notifying DCP under certain conditions. They may do so if:

1. they reasonably determined that the amount of cannabis involved is one-half ounce of raw cannabis or less, or the equivalent someone may legally possess;
2. they notify DCP about the diversion and any findings from the investigation within two business days after the suspected diversion is initially discovered; and
3. the suspected diversion does not involve any person with a financial interest in the cannabis establishment or a key employee (if so, the cannabis establishment must immediately notify DCP about the suspected diversion).

If at least two instances of cannabis diversion occur at a cannabis establishment within any six-month period, the commissioner may, in his sole discretion, require

the establishment to immediately notify DCP about any subsequent suspected employee diversion.

If at least three instances of cannabis diversion occur at the cannabis establishment within any 12-month period, the cannabis establishment must notify DCP immediately about any future discovery or suspicion of cannabis diversion.

The act specifies that this provision does not prohibit DCP from conducting an investigation.

EFFECTIVE DATE: October 1, 2025

§ 34 — ADVERTISING

Allows a person who displays advertising or promotional materials that are solely visible within the interior of a cannabis establishment to advertise cannabis or cannabis-related services

The act expands who can advertise cannabis or cannabis-related services in Connecticut to include a person who displays advertising or promotional materials that are solely visible within the interior of a cannabis establishment.

Under prior law, only cannabis establishments and a person who provided professional services related to cannabis purchases, sales, or uses were allowed to advertise cannabis or cannabis-related services.

EFFECTIVE DATE: October 1, 2025

§ 35 — HOURS FOR RETAIL CANNABIS SALES

Generally limits the hours a cannabis retailer, hybrid retailer, or certain micro-cultivators may sell cannabis to 10:00 a.m. to 6:00 p.m. on Sundays and 8:00 a.m. to 10:00 p.m. any other day

The act generally limits the hours a cannabis retailer, hybrid retailer, or micro-cultivator with a retailer or hybrid retailer endorsement may sell cannabis to 10:00 a.m. to 6:00 p.m. on Sundays and 8:00 a.m. to 10:00 p.m. any other day.

Prior law allowed municipalities to amend their zoning regulations or enact local ordinances to, among other things, reasonably restrict cannabis establishments' hours. Under the act, municipalities may not allow a retailer or hybrid retailer to sell during a period prohibited by the act but can still limit the allowable times further.

EFFECTIVE DATE: July 1, 2025

§§ 36 & 38 — HIGH THC-INFUSED BEVERAGES

Requires a DCP-issued high-THC beverage endorsement for persons that manufacture these beverages for sale outside of Connecticut; requires these manufacturers to include clear and conspicuous labeling that the beverage is not for sale in Connecticut and report to DCP

Under the act, a "high-THC beverage" is a beverage that (1) is not an alcoholic beverage; (2) is intended for human consumption; (3) contains, or is advertised, labeled, or offered for sale as containing, total THC that is more than three milligrams per container; and (4) contains THC solely derived from hemp (a) grown by a U.S. Department of Agriculture hemp producer licensed under an

approved state or tribal hemp production plan and (b) with a total THC concentration of 0.3% or less on a dry weight basis or by volume, as applicable.

High-THC Endorsement

Existing law generally requires anyone who manufactures any infused beverage intended to be sold or offered for sale in Connecticut to have a DCP license.

Starting January 1, 2026, the act prohibits any person (i.e. individual or entity) from manufacturing a high-THC beverage in Connecticut unless the person is an infused beverage manufacturer that received a DCP-issued high-THC beverage endorsement. Under the act, a high-THC beverage endorsement authorizes the high-THC beverage manufacturer to manufacture high-THC beverages for sale exclusively outside of Connecticut. The act prohibits high-THC beverage manufacturers from advertising, offering, or selling any high-THC beverage in Connecticut or offering or selling any high-THC beverage directly to any individual. It requires these manufacturers to verify that purchasers of high-THC beverages intend to engage in the commercial resale of the beverages exclusively outside Connecticut.

Requirements

Beginning January 1, 2026, an infused beverage manufacturer seeking a high-THC beverage endorsement must apply to DCP in a commissioner-prescribed way. Each high-THC beverage manufacturer must use the electronic tracking system required under existing laws for cannabis establishments to monitor the intake, manufacturing, disposition, and distribution of all hemp oil, infused beverages, and high-THC beverages in the manufacturer's possession. The act subjects this information to the cannabis electronic tracking system and recordkeeping laws, which require records to be kept for the current taxable year and the three preceding ones, subject to DCP audit and investigation.

The act also requires infused beverage manufacturers with the high-THC beverage endorsement to (1) include a clear and conspicuous warning in at least 12-point font on each high-THC beverage that reads "Not for Sale in CT" and (2) generally comply with hemp acquisition, manufacturing, and laboratory testing requirements that are already required for infused beverages. The act exempts these manufacturers from complying with existing laws (1) prohibiting infused beverages from exceeding three milligrams, (2) requiring certain labeling, and (3) limiting sales only to Connecticut entities authorized to sell infused beverages.

The act requires each infused beverage manufacturer with a high-THC endorsement, beginning July 31, 2026, and each six months after, to submit a report to DCP (1) for the six-month period beginning the previous January 1 or July 1, as applicable, and (2) disclose the total number of high-THC beverages the manufacturer sold out-of-state during that six-month period.

Implementing Policies, Procedures, and Regulations

The act requires the DCP commissioner to adopt regulations to implement these provisions, but he must first issue implementing policies and procedures which, under the act, have the force and effect of law. The commissioner must do so regardless of the UAPA's regulation adoption process, in order to carry out this provision and protect public health and safety.

At least 15 days before the policies and procedures take effect, the act requires the commissioner to post them on DCP's website and submit them to the secretary of the state (SOTS) to be posted on the eRegulations system. A policy or procedure is no longer effective on the earlier of (1) the date on which SOTS codifies the final regulation or (2) June 30, 2029, if the regulations have not been submitted to the Regulation Review Committee.

The commissioner must also provide the policies and procedures to each licensee in a way he prescribes.

EFFECTIVE DATE: October 1, 2025

§§ 36, 37 & 39 — INFUSED BEVERAGE WHOLESALER

Establishes licensure requirements for infused beverage wholesalers and generally requires anyone who acts or represents themselves as such to be licensed; requires the wholesalers to assess a $1 fee on each infused beverage sold; provides for compliance verifications and audits; allows DCP to take certain enforcement actions for violations

The act establishes a new licensure requirement by allowing DCP to issue or renew a license for a person to be an infused beverage wholesaler. Except for alcoholic liquor wholesale permittees and wholesale permittees for beer, the act prohibits any person from acting or representing to be an infused beverage wholesaler, unless the person has received the DCP license. By law, an "infused beverage" is a beverage that (1) is non-alcoholic and intended for human consumption and (2) contains, or is advertised, labeled, or offered for sale as containing, a total THC content of three milligrams or less per container, which must be at least 12 fluid ounces.

The act prohibits an infused beverage wholesaler from distributing alcoholic liquor and exempts alcoholic liquor wholesale permittees or wholesale permittees for beer from the requirement to apply for or maintain an infused beverage wholesaler license.

Application

A person seeking an infused beverage wholesaler license must apply to DCP in a commissioner-prescribed way. Each infused beverage wholesaler license is valid for one year and renewable for an additional year after submitting a renewal application.

The act allows DCP to issue an infused beverage wholesaler license to an applicant if the:

1. applicant's owners submit to a third-party local and national criminal background check and give the results to DCP;
2. owners do not have any disqualifying convictions specified under the

cannabis laws (e.g., certain crimes involving fraud or falsifying records); and

3. proposed infused beverage wholesaler operating facility is inspected by DCP and satisfies the department's requirements for cleanliness and security.

The act only allows an infused beverage wholesaler to sell infused beverages to package store permittees and cannabis retailers, hybrid retailers, and dispensary facilities.

Prohibition on Appealing to Children or Making Health Claim

Under the act, an infused beverage wholesaler must ensure that any infused beverage it offers or sells does not (1) appeal to anyone under age 21, including based on the name or appearance of the infused beverage, or (2) make any health claim.

Compliance Verifications

The act extends existing law's requirements for certain compliance checks to infused beverage wholesalers. This includes verifying, based on a representative sample in the shipment, that the infused beverages they received in a shipment satisfy the packaging, labeling, and advertising requirements, and any related DCP regulations, policies, or procedures.

Container Assessment

As under existing law for alcoholic liquor wholesalers, infused beverage wholesalers must assess a $1 fee on each infused beverage container sold to a package store permittee, cannabis retailer, hybrid retailer, or dispensary facility. These assessments are not subject to any sales tax or treated as income tax.

Beginning on October 1, 2025, and every six months after that, each infused beverage wholesaler must remit payment to DCP for each infused beverage container sold during the preceding six-month period. The funds must be deposited into the consumer protection enforcement account and used to protect public health and safety, educate consumers and licensees, and ensure compliance with cannabis and liquor control laws.

Records

The act requires each infused beverage wholesaler to maintain all records needed to fully demonstrate business transactions related to infused beverages for the current taxable year and the three previous taxable years. The records must be maintained in an auditable format, and the infused beverage manufacturer, or any other person in charge or having custody of the records, must make the records available to DCP for inspection as described below.

Production of Information, Audit, and Inspection

Under the act, the DCP commissioner may require any infused beverage wholesaler to produce the information as he deems necessary to properly administer this provision of the act and the existing infused beverages law. The commissioner may also require a third-party independent audit of the infused beverage wholesaler, which must be paid for by the wholesaler being audited.

Upon the request of the DCP commissioner or any other enforcement agency or other authorized person, an infused beverage wholesaler, and any other person in charge or having custody of the records, must make the records immediately available for inspection and copying. The wholesaler, or the other person in charge, must produce copies of the records to the commissioner or his authorized representative within two business days after the request. The records must be given to the commissioner or his representative in an electronic format, unless doing so is commercially impractical. The act prohibits any person from using a foreign language, code, or symbol to designate any infused beverage or person when complying with these provisions.

To supervise and enforce these provisions, the DCP commissioner may enter any facility used or maintained by an infused beverage wholesaler and inspect and inventory all pertinent equipment, finished or unfinished materials, containers or labeling, and all other items in the place. This includes records, files, financial data, sales data, shipping data, pricing data, employee data, research, papers, processes, controls, and facilities.

Violations

Under the act, any violation of the act's infused beverage wholesaler provisions constitutes sufficient cause for action by the DCP commissioner. This includes suspending, putting on probation, revoking, or placing conditions on the license; issuing a fine of up to $5,000 per violation; accepting an offer in compromise; or refusing to grant or renew a license.

Information Disclosure

Under the act, all information from DCP's inspections and investigations related to administrative complaints or cases are exempt from disclosure under the Freedom of Information Act until the department has entered into a settlement agreement, or concluded its investigation or inspection as evidenced by case closure.

The act specifies that it does not prevent DCP from sharing any information with another state or federal agency or law enforcement as the information relates to an investigation conducted for a suspected violation of law.

EFFECTIVE DATE: October 1, 2025

§ 40 — INGESTIBLE MANUFACTURER HEMP

Specifies that ingestible manufacturer hemp sold in the state must be from a federally licensed hemp producer; eliminates the requirement that the manufacturer hemp product statement disclosure include warnings directed at children

Existing law requires manufacturer hemp that is a food, beverage, oil, or other product intended for human ingestion that is distributed or sold in Connecticut to be in a package, or labeled, with certain information (e.g., product name; manufacturer, packer, and distributor contact information; and certain warning statements).

The act specifies that this hemp must be derived from hemp grown by a U.S. Department of Agriculture hemp producer licensed under an approved state or tribal hemp production plan.

For these products, prior law required a clear and conspicuous statement disclosing that "Children, or those who are pregnant or breastfeeding, should avoid using such product prior to consulting with a health care professional concerning such product's safety." The act eliminates the requirement that the statement specifically reference children.

EFFECTIVE DATE: Upon passage

§§ 41 & 42 — PENALTIES AGAINST CANNABIS ESTABLISHMENTS FOR ILLEGAL SALES TO UNDERAGED INDIVIDUALS AND SYNTHETIC CANNABINOIDS

Modifies the penalties for a cannabis establishment licensee selling or delivering cannabis or cannabis paraphernalia to someone under age 21 and makes it a class E felony for them to sell or deliver synthetic cannabinoids to anyone

The act modifies the penalties for a cannabis establishment licensee (or their agents) selling or delivering cannabis or cannabis paraphernalia to someone under age 21. It increases the penalty for illegally selling or delivering cannabis from a class A misdemeanor to a class E felony (see Table on Penalties). It decreases the penalty for illegally selling or delivering cannabis paraphernalia from a class A misdemeanor to a class C misdemeanor.

Existing law prohibits cannabis establishments from selling synthetic cannabinoids, which are classified as schedule I drugs (i.e. a drug with no current accepted medical use and a high potential for abuse) (CGS § 21a-243). The act makes it a class E felony for a cannabis establishment (or their servants or agents) to sell or deliver synthetic cannabinoids to anyone.

By law, "synthetic cannabinoids" are any substance converted by a chemical process to create a cannabinoid or cannabinoid-like substance that has (1) structural features that allow interaction with at least one of the known cannabinoid-specific receptors or (2) any physiological or psychotropic response on at least one cannabinoid specific receptor. It includes hexahydrocannabinol (HHC and HXC) and hydrox4phc (PHC) but does not include manufactured cannabinoids.

EFFECTIVE DATE: October 1, 2025

§ 43 — SOCIAL EQUITY COUNCIL WORKING GROUP

Requires the Social Equity Council to convene, by September 1, 2025, a working group to study and develop recommendations on cannabis cultivation in disproportionately impacted areas, among other things; requires the working group to report its findings to the governor and the General Law Committee by January 1, 2027

The act requires the Social Equity Council to convene, by September 1, 2025, a working group to study and develop recommendations on:

1. the availability of suitable locations within disproportionately impacted areas, and municipalities where disproportionately impacted areas are located, for indoor and outdoor cannabis cultivation by cultivators and micro-cultivators;
2. the estimated cost of developing a cultivator or micro-cultivator establishment in each disproportionally impacted area;
3. the average cost of developing a cultivator or micro-cultivator establishment in a municipality with a disproportionally impacted area compared to the average cost of doing so in a municipality that does not have such an area;
4. challenges faced by the Connecticut cannabis market and opportunities available to promote or incentivize progress within the market;
5. resources available to track municipal cannabis tax revenues and municipal moratoriums on cannabis establishments;
6. equity joint venture business structures and practices;
7. cannabis market saturation and whether there is a need to establish a quantitative cap on cannabis cultivation in the state; and
8. any other matter the working group deems relevant.

The working group must report the study's results and any legislative recommendations to address the findings or implement its recommendations to the governor and the General Law Committee by January 1, 2027. It terminates when it submits the report or January 1, 2027, whichever is later.
EFFECTIVE DATE: Upon passage

BACKGROUND

CUTPA

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