



General Assembly

February Session, 2026

Raised Bill No. 5351

LCO No. 2061



Referred to Committee on GENERAL LAW

Introduced by:
(GL)

***AN ACT CONCERNING THE SOCIAL EQUITY COUNCIL'S
RECOMMENDATIONS REGARDING CANNABIS REGULATION.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 21a-420d of the 2026 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 (a) There is established a Social Equity Council, which shall be within
5 the Department of Economic and Community Development for
6 administrative purposes only.

7 (b) The Social Equity Council shall consist of seventeen members as
8 follows:

9 (1) One appointed by the speaker of the House of Representatives,
10 who has a professional background of not less than five years working
11 in the field of either social justice or civil rights;

12 (2) One appointed by the president pro tempore of the Senate, who
13 has a professional background of not less than five years working in the

14 field of either social justice or civil rights;

15 (3) One appointed by the majority leader of the House of
16 Representatives, who has a professional background of not less than five
17 years working in the field of economic development to help minority-
18 owned businesses;

19 (4) One appointed by the majority leader of the Senate, who has a
20 professional background of not less than five years in providing access
21 to capital to minorities, as defined in section 32-9n;

22 (5) One appointed by the minority leader of the House of
23 Representatives, who is from a community that has been
24 disproportionately harmed by cannabis prohibition and enforcement;

25 (6) One appointed by the minority leader of the Senate, who has a
26 professional background of not less than five years in providing access
27 to capital to minorities, as defined in section 32-9n;

28 (7) Two appointed by the chairperson of the Black and Puerto Rican
29 Caucus of the General Assembly, one of whom shall be designated by
30 the chairperson of the Black Caucus of the General Assembly and one of
31 whom shall be designated by the chairperson of the Puerto Rican and
32 Latino Caucus of the General Assembly;

33 (8) Five appointed by the Governor, one who is from a community
34 that has been disproportionately harmed by cannabis prohibition and
35 enforcement, one who has a professional background of not less than
36 five years working in the field of economic development and one who
37 is an executive branch official focused on workforce development;

38 (9) The Commissioner of Consumer Protection, or the commissioner's
39 designee;

40 (10) The Commissioner of Economic and Community Development,
41 or the commissioner's designee;

42 (11) The State Treasurer, or the State Treasurer's designee; and

43 (12) The Secretary of the Office of Policy and Management, or the
44 secretary's designee.

45 (c) (1) In making the appointments in subsection (b) of this section,
46 the appointing authority shall use best efforts to make appointments
47 that reflect the racial, gender and geographic diversity of the population
48 of the state.

49 (2) Members appointed by the Governor shall serve a term of four
50 years from the time of appointment and members appointed by any
51 other appointing authority shall serve a term of three years from the
52 time of appointment. The appointing authority shall fill any vacancy for
53 the unexpired term.

54 (3) (A) The Governor shall appoint an interim executive director to
55 operationalize and support the Social Equity Council until,
56 notwithstanding the provisions of section 4-9a, the council appoints an
57 executive director. Subject to the provisions of chapter 67, and within
58 available appropriations, the council may thereafter appoint an
59 executive director and such other employees as may be necessary for the
60 discharge of the duties of the council.

61 (B) Not later than July 1, 2024, the council shall adopt bylaws
62 specifying which duties are retained by the members of the council and
63 which duties are delegated to the executive director.

64 (C) The council may, by a simple majority vote of the members of the
65 council, take any formal personnel action concerning the executive
66 director for any reason.

67 (D) In addition to the council's authority under subparagraph (C) of
68 this subdivision, if a final review board consisting of the chairperson
69 and the members of the council appointed under subdivisions (1), (2),
70 (5) and (6) of subsection (b) of this section determines, by a simple

71 majority vote of the members of the final review board, that removing
72 the executive director is in the best interest of serving the council's
73 mission, such final review board shall issue a letter to the council
74 recommending that the council remove the executive director.

75 (4) The Governor shall appoint the chairperson of the council from
76 among the members of the council. The chairperson shall directly
77 supervise, establish annual goals for and conduct an annual
78 performance review of the executive director.

79 (5) The chairperson and executive director shall jointly develop, and
80 the council shall review and approve, (A) allocations of moneys in the
81 social equity and innovation account established under section 21a-420f,
82 for the purposes that the council determines under subsection (a) of
83 section 21a-420f, further the principles of equity, and (B) any plans for
84 expenditures to provide (i) access to capital for businesses, (ii) technical
85 assistance for the start-up and operation of a business, (iii) funding for
86 workforce education, (iv) funding for community investments, and (v)
87 funding for investments in disproportionately impacted areas.

88 (d) A majority of the members of the Social Equity Council shall
89 constitute a quorum for the transaction of any business. The members
90 of the council shall serve without compensation, but shall, within
91 available appropriations, be reimbursed for expenses necessarily
92 incurred in the performance of their duties. Any member who fails to
93 attend three consecutive meetings, or who fails to attend fifty per cent
94 of all meetings held during any calendar year, may be removed from
95 office by a simple majority vote of the members of the council. The
96 appointing authority shall fill the vacancy for the unexpired term of any
97 member who is removed from office under this subsection, and shall
98 use best efforts to ensure such appointment reflects the racial, gender
99 and geographic diversity of the population of the state.

100 (e) The Social Equity Council may (1) request, and shall receive, from
101 any state agency such information and assistance as the council may

102 require, (2) use such funds as may be available from federal, state or
103 other sources [and may] to carry out its purposes, (3) enter into contracts
104 to carry out [the] its purposes, [of the council,] including, but not limited
105 to, contracts or agreements with Connecticut Innovations, Incorporated,
106 constituent units of the state system of higher education, regional
107 workforce development boards and community development financial
108 institutions, [(3)] (4) utilize such voluntary and uncompensated services
109 of private individuals, state or federal agencies and organizations as
110 may, from time to time, be offered and needed, [(4)] (5) accept any gift,
111 donation or bequest for the purpose of performing [the] its duties, [of
112 the council, (5)] (6) conduct such investigations as the council may deem
113 necessary to carry out its duties, (7) hold public hearings, [(6)] (8)
114 establish [such] standing committees, as necessary, to perform [the] its
115 duties, [of the council,] and [(7)] (8) adopt such regulations, in
116 accordance with the provisions of chapter 54, as the council may deem
117 necessary to carry out [the] its duties, [of the council.]

118 (f) The Social Equity Council shall promote and encourage full
119 participation in the cannabis industry by persons from communities
120 that have been disproportionately harmed by cannabis prohibition and
121 enforcement.

122 (g) Not later than forty-five days after June 22, 2021, or at a later date
123 determined by the Social Equity Council, the council shall establish
124 criteria for proposals to conduct a study under this section and the
125 Secretary of the Office of Policy and Management shall post on the State
126 Contracting Portal a request for proposals to conduct a study, and shall
127 select an independent third party to conduct such study and provide
128 detailed findings of fact regarding the following matters in the state or
129 other matters determined by the council:

130 (1) Historical and present-day social, economic and familial
131 consequences of cannabis prohibition, the criminalization and
132 stigmatization of cannabis use and related public policies;

133 (2) Historical and present-day structures, patterns, causes and
134 consequences of intentional and unintentional racial discrimination and
135 racial disparities in the development, application and enforcement of
136 cannabis prohibition and related public policies;

137 (3) Foreseeable long-term social, economic and familial consequences
138 of unremedied past racial discrimination and disparities arising from
139 past and continued cannabis prohibition, stigmatization and
140 criminalization;

141 (4) Existing patterns of racial discrimination and racial disparities in
142 access to entrepreneurship, employment and other economic benefits
143 arising in the lawful palliative use cannabis sector as established
144 pursuant to chapter 420f; and

145 (5) Any other matters that the council deems relevant and feasible for
146 study for the purpose of making reasonable and practical
147 recommendations for the establishment of an equitable and lawful
148 adult-use cannabis business sector in this state.

149 (h) Not later than January 1, 2022, the Social Equity Council shall,
150 taking into account the results of the study conducted in accordance
151 with subsection (g) of this section, make written recommendations, in
152 accordance with the provisions of section 11-4a, to the Governor and the
153 joint standing committees of the General Assembly having cognizance
154 of matters relating to finance, revenue and bonding, consumer
155 protection and the judiciary regarding legislation to implement the
156 provisions of this section. The council shall make recommendations
157 regarding:

158 (1) Creating programs to ensure that individuals from communities
159 that have been disproportionately harmed by cannabis prohibition and
160 enforcement are provided equal access to licenses for cannabis
161 establishments;

162 (2) Specifying additional qualifications for social equity applicants;

163 (3) Providing for expedited or priority license processing for each
164 license as a retailer, hybrid retailer, cultivator, micro-cultivator, product
165 manufacturer, food and beverage manufacturer, product packager,
166 transporter and delivery service license for social equity applicants;

167 (4) Establishing minimum criteria for any cannabis establishment
168 licensed on or after January 1, 2022, to comply with an approved
169 workforce development plan to reinvest or provide employment and
170 training opportunities for individuals in disproportionately impacted
171 areas;

172 (5) Establishing criteria for a social equity plan for any cannabis
173 establishment licensed on or after January 1, 2022, to further the
174 principles of equity;

175 (6) Recruiting individuals from communities that have been
176 disproportionately harmed by cannabis prohibition and enforcement to
177 enroll in the workforce training program established pursuant to section
178 21a-421g;

179 (7) Potential uses for revenue generated under RERACA to further
180 equity;

181 (8) Encouraging participation of investors, cannabis establishments
182 and entrepreneurs in the cannabis business accelerator program
183 established pursuant to section 21a-421f;

184 (9) Establishing a process to best ensure that social equity applicants
185 have access to the capital and training needed to own and operate a
186 cannabis establishment; and

187 (10) Developing a vendor list of women-owned and minority-owned
188 businesses that cannabis establishments may contract with for necessary
189 services, including, but not limited to, office supplies, information
190 technology infrastructure and cleaning services.

191 (i) (1) Not later than August 1, 2021, and annually thereafter until July

192 31, 2023, the Social Equity Council shall use the most recent five-year
193 United States Census Bureau American Community Survey estimates
194 or any successor data to determine one or more United States census
195 tracts in the state that are a disproportionately impacted area and shall
196 publish a list of such tracts on the council's Internet web site.

197 (2) Not later than August 1, 2023, the council shall use poverty rate
198 data from the most recent five-year United States Census Bureau
199 American Community Survey estimates, population data from the most
200 recent decennial census and conviction information from databases
201 managed by the Department of Emergency Services and Public
202 Protection to identify all United States census tracts in the state that are
203 disproportionately impacted areas and shall publish a list of such tracts
204 on the council's Internet web site. In identifying which census tracts in
205 this state are disproportionately impacted areas and preparing such list,
206 the council shall:

207 (A) Not deem any census tract with a poverty rate that is less than the
208 state-wide poverty rate to be a disproportionately impacted area;

209 (B) After eliminating the census tracts described in subparagraph (A)
210 of this subdivision, rank the remaining census tracts in order from the
211 census tract with the greatest historical conviction rate for drug-related
212 offenses to the census tract with the lowest historical conviction rate for
213 drug-related offenses; and

214 (C) Include census tracts in the order of rank described in
215 subparagraph (B) of this subdivision until including the next census
216 tract would cause the total population of all included census tracts to
217 exceed twenty-five per cent of the state's population.

218 (j) After developing criteria for workforce development plans as
219 described in subdivision (4) of subsection (h) of this section, the Social
220 Equity Council shall review and approve or deny in writing any such
221 plan submitted by an applicant for a final license. If the Social Equity
222 Council does not approve a workforce development plan for a cannabis

223 establishment on or before July 1, 2025, the cannabis establishment shall
224 submit a workforce development plan to the council not later than
225 October 1, 2025, or sixty days prior to the next renewal date for such
226 cannabis establishment's license, whichever is earlier. Not later than
227 sixty days after the cannabis establishment submits the workforce
228 development plan to the council, the council shall send notice to the
229 cannabis establishment disclosing whether such workforce
230 development plan has been approved, rejected or requires modification.

231 (k) The Social Equity Council shall develop criteria for evaluating the
232 ownership and control of any equity joint venture created under section
233 21a-420j, 21a-420m, 21a-420u, 21a-420aa, [21a-420bbb] 21a-420bb or
234 [21a-420ccc] 21a-420cc and shall review and approve or deny in writing
235 such equity joint venture prior to such equity joint venture being
236 licensed under section 21a-420j, 21a-420m, 21a-420u, 21a-420aa, [21a-
237 420bbb] 21a-420bb or [21a-420ccc] 21a-420cc. The council shall not
238 approve any equity joint venture applicant which shares with an equity
239 joint venture any individual owner who meets the criteria established
240 in subparagraphs (A) and (B) of subdivision (51) of section 21a-420,
241 other than an individual owner in their capacity as a backer licensed
242 under section 21a-420o. Except as provided in the policies and
243 procedures issued, or final regulations adopted, by the council pursuant
244 to section 21a-420h with respect to a sale or change in the ownership or
245 control of a cannabis establishment license awarded to a social equity
246 applicant, no change shall be made in the ownership or control of an
247 equity joint venture that has been approved by the council under this
248 subsection during the seven-year period beginning on the date on which
249 such equity venture is licensed under section 21a-420j, 21a-420m, 21a-
250 420u, 21a-420aa, 21a-420bb or 21a-420cc.

251 (l) The Social Equity Council shall, upon receipt of funds from
252 producers in accordance with subdivision (5) of subsection (b) of section
253 21a-420l, develop a program to assist social equity applicants to open
254 not more than two micro-cultivator establishment businesses in total.
255 Producers shall provide mentorship to such social equity applicants.

256 The council shall, with the department, determine a system to select
257 social equity applicants to participate in such program without
258 participating in a lottery or request for proposals.

259 (m) (1) The Social Equity Council shall review and either approve or
260 deny, in writing, any social equity plan submitted by a cannabis
261 establishment as part of the cannabis establishment's final license
262 application. The council shall approve or deny such social equity plan
263 not later than thirty days after such social equity plan is submitted to
264 the council. If the council denies any such social equity plan, the
265 applicant may revise and resubmit such social equity plan without
266 prejudice.

267 (2) (A) Each licensed cannabis establishment shall (i) maintain an
268 active social equity plan at all times while such cannabis establishment
269 is in operation, and (ii) not later than March 1, 2026, and annually
270 thereafter, submit to the council a report disclosing the impact such
271 social equity plan had on the disproportionately impacted area in which
272 such cannabis establishment is located during the preceding calendar
273 year.

274 (B) The council shall review each report submitted pursuant to
275 subparagraph (A)(ii) of this subdivision and may, not later than sixty
276 days after completing such review, request that the licensed cannabis
277 establishment that submitted such report revise such cannabis
278 establishment's social equity plan to ensure that such social equity plan
279 furthers the principles of equity.

280 (3) Not later than July 1, 2024, the council shall update the criteria for
281 social equity plans described in subdivision (5) of subsection (h) of this
282 section to include a specific, points-based rubric to evaluate social equity
283 plans.

284 (n) The Social Equity Council shall approve the amounts, grantees
285 and purposes of any grants made by the council from the social equity
286 and innovation account or the Cannabis Social Equity and Innovation

287 Fund, established under section 21a-420f, and any contract executed by
288 and between the council and a grant maker shall require that the
289 amounts, grantees and purposes of any subgrants made by such grant
290 maker shall be approved by the council.

291 (o) Not later than [July 1, 2024, and quarterly thereafter] the first days
292 of January, April, July and October for the preceding calendar quarter,
293 the Social Equity Council shall prepare and submit a report, in
294 accordance with the provisions of section 11-4a, to the Governor, the
295 speaker of the House of Representatives, the president pro tempore of
296 the Senate, the majority leader of the House of Representatives, the
297 majority leader of the Senate, the minority leader of the House of
298 Representatives, the minority leader of the Senate, [and] the joint
299 standing committees of the General Assembly having cognizance of
300 matters relating to appropriations and consumer protection and the
301 chairperson of the Black and Puerto Rican Caucus of the General
302 Assembly. The report shall include, but need not be limited to:

303 (1) The fiscal-year-to-date expenditures of the council, which
304 expenditures shall disclose, at a minimum: (A) All expenditures made
305 for personal services and the fringe benefit costs associated therewith;
306 (B) all expenditures made for consultants retained for the purpose of
307 reviewing applications for social equity applicant status; (C) all
308 expenditures made to provide businesses with access to capital and the
309 number of businesses that received access to such capital; (D) all
310 expenditures made to provide technical assistance for the start-up and
311 operation of businesses and the number of businesses that received such
312 assistance; (E) all expenditures made to fund workforce education, the
313 number of persons served by the workforce education programs
314 supported by such expenditures and the number of persons successfully
315 placed in relevant professional roles after completing such workforce
316 education programs; (F) all expenditures made to fund community
317 investment grants, the amounts, grantees and purposes of such grants
318 and, if any of such grants were made to a grant maker, the amounts,
319 grantees and purposes of any subgrants made by such grant maker; (G)

320 all expenditures made for promotional or branding items and which
321 promotional or branding items were purchased; (H) all expenditures
322 made for advertising or marketing campaigns; (I) all expenditures made
323 to advertising or marketing firms; (J) all expenditures made for
324 sponsorships; (K) all expenditures made for other community outreach;
325 (L) all expenditures made for travel; and (M) all other expenditures not
326 described in subparagraphs (A) to (L), inclusive, of this subdivision; and

327 (2) The status of the council's performance of the council's
328 responsibilities in the licensing process under RERACA, including, but
329 not limited to: (A) The number of applications for social equity applicant
330 status, social equity plans and workforce development plans pending
331 before the council, categorized into the number of applications, social
332 equity plans and workforce development plans pending before the
333 council for (i) less than thirty days, (ii) at least thirty days but less than
334 sixty days, (iii) at least sixty days but less than ninety days, and (iv) at
335 least ninety days; (B) the number of applications for social equity
336 applicant status, social equity plans and workforce development plans
337 approved during the then current fiscal year, broken down by license
338 type; and (C) the number of applications for social equity applicant
339 status, social equity plans and workforce development plans denied
340 during the then current fiscal year, broken down by license type.

341 [(p) Not later than July 1, 2024, and monthly thereafter, the executive
342 director of the council shall prepare and submit a report, in accordance
343 with the provisions of section 11-4a, to the council and the Black and
344 Puerto Rican Caucus of the General Assembly. The report shall include,
345 but need not be limited to:

346 (1) The expenditures the council plans to make during the month
347 immediately following submission of such report, which expenditures
348 shall disclose, at a minimum: (A) All expenditures the council plans to
349 make for consultants retained for the purpose of reviewing applications
350 for social equity applicant status; (B) all expenditures the council plans
351 to make to fund community investment grants, the amounts, grantees

352 and purposes of such grants and, if any of such grants are to be made to
353 a grant maker, the amounts, grantees and purposes of any subgrants to
354 be made by such grant maker; (C) all expenditures the council plans to
355 make for promotional or branding items, for advertising or marketing
356 campaigns, to advertising or marketing firms and for sponsorships; (D)
357 all expenditures the council plans to make for community outreach; and
358 (E) all expenditures the council plans to make for travel; and

359 (2) The status of the council's performance of the council's
360 responsibilities in the licensing process under RERACA, including, but
361 not limited to, the following information for the date of such report: (A)
362 The number of applications for social equity applicant status that are
363 pending before the council and the date each such application was
364 submitted, broken down by license type, municipality, assembly district
365 and senate district; (B) the number of social equity plans that are
366 pending before the council and the date each such social equity plan was
367 submitted, broken down by license type; and (C) the number of
368 workforce development plans that are pending before the council and
369 the date each such workforce development plan was submitted, broken
370 down by license type.]

371 [(q)] (p) Not later than October 1, 2025, the council shall develop and
372 submit a strategic plan to the Governor and the joint standing
373 committees of the General Assembly having cognizance of matters
374 relating to appropriations and consumer protection. The strategic plan
375 shall include a framework that outlines the council's goals, planned
376 actions and priorities for the three-year period beginning October 1,
377 2025, and ending September 30, 2028.

378 [(r)] (q) Not later than October 1, 2025, the council shall develop and
379 adopt an ethical code of conduct for council members and staff.

380 [(s)] (r) Not later than January 1, 2026, and annually thereafter, the
381 members of the council and council staff shall complete an ethics
382 training course focusing on disproportionately impacted areas and the

383 cannabis industry.

384 (s) The council shall adopt regulations, in accordance with the
385 provisions of chapter 54, to implement the provisions of subsection (k)
386 of this section and subsection (a) of section 21a-420g, as amended by this
387 act. Notwithstanding the requirements of sections 4-168 to 4-172,
388 inclusive, in order to implement the provisions of subsection (k) of this
389 section and subsection (a) of section 21a-420g, as amended by this act,
390 prior to adopting such regulations the council shall, not later than
391 October 1, 2026, issue policies and procedures to implement the
392 provisions of subsection (k) of this section and subsection (a) of section
393 21a-420g, as amended by this act, that shall have the force and effect of
394 law. The council shall post all policies and procedures on its Internet
395 web site, and submit such policies and procedures to the Secretary of
396 the State for posting on the eRegulations System, at least fifteen days
397 prior to the effective date of any policy or procedure. Any such policy
398 or procedure shall no longer be effective upon the earlier of either the
399 adoption of such policy or procedure as a final regulation under section
400 4-172 or October 1, 2027, if such regulations have not been submitted to
401 the legislative regulation review committee for consideration under
402 section 4-170. Any violation of such policies and procedures or any
403 violation of such regulations related to any change in ownership or
404 control may be referred by the council to the Department of Consumer
405 Protection for administrative enforcement action, which may result in a
406 fine of not more than ten million dollars or action against the cannabis
407 establishment's license.

408 Sec. 2. Subsections (a) to (g), inclusive, of section 21a-420g of the 2026
409 supplement to the general statutes are repealed and the following is
410 substituted in lieu thereof (*Effective from passage*):

411 (a) The Social Equity Council shall review the ownership information
412 and any other information necessary to confirm that an applicant
413 qualifies as a social equity applicant for all cannabis establishment
414 license type applications submitted to the department and designated

415 by the applicant as a social equity applicant. The Social Equity Council
416 shall prescribe the documentation necessary for applicants to submit to
417 establish that the ownership, residency and income requirements for
418 social equity applicants are met. On or before September 1, 2021, the
419 Social Equity Council shall post such necessary documentation
420 requirements on its Internet web site to inform applicants of such
421 requirements prior to the start of the application period. Except as
422 provided in the policies and procedures issued, or final regulations
423 adopted, by the council pursuant to section 21a-420h, no change shall be
424 made in the ownership or control of a social equity applicant that has
425 been approved by the council during the period of provisional licensure
426 and for three years following issuance of a final license.

427 (b) Except as provided in sections 21a-420o and 21a-420aa to 21a-
428 420cc, inclusive, prior to the first date that the department begins
429 accepting applications for a license type, the department shall determine
430 the maximum number of applications that shall be considered for such
431 license type and post such information on its Internet web site. Fifty per
432 cent of the maximum number of applications that shall be considered
433 for each license type (1) shall be selected through a social equity lottery
434 for such license type, and (2) shall be reserved by the department for
435 social equity applicants. If, upon the close of the application period for
436 a license type, the department receives more applications than the
437 maximum number to be considered in total or to be reserved for social
438 equity applicants as set forth in this subsection, a third-party lottery
439 operator shall conduct a lottery to identify applications for review by
440 the department and the Social Equity Council.

441 (c) (1) The third-party lottery operator shall:

442 (A) Not be provided any application received after the close of the
443 application period;

444 (B) Give equal weight to every complete application submitted
445 during the application period; and

446 (C) Conduct multiple, separate geographic lotteries if required by the
447 department.

448 (2) For purposes of the lottery, the third-party lottery operator shall:

449 (A) Conduct an independent social equity lottery and general lottery
450 for each license type that results in each application being randomly
451 ranked starting with one and continuing sequentially; and

452 (B) Rank all applications in each lottery numerically according to the
453 order in which they were drawn, including those that exceed the
454 number to be considered, and identify for the department all
455 applications to be considered.

456 (d) (1) Prior to submitting an application, an applicant that is a
457 business entity shall register such business entity with the Secretary of
458 the State to do business in this state, and include with such application
459 an attestation that such applicant has so registered.

460 (2) No applicant shall apply more than once in any application period
461 to the social equity lottery round, if applicable, or the general lottery
462 round. The department shall review the list of all lottery applicants in
463 the social equity lottery round and the general lottery round,
464 independently for each such round, to determine whether any applicant
465 has submitted more than one application under the same applicant
466 name. Except as provided in subdivision (3) of this subsection, if the
467 department determines that any applicant has submitted more than one
468 application in the social equity lottery round or the general lottery
469 round, all applications submitted in such round by such applicant shall
470 be disqualified and the department shall remove all such applications
471 from the pool of eligible applications the department provides to the
472 third-party lottery operator for selection in such round.

473 (3) If a social equity application is entered into the general lottery
474 round pursuant to subdivision (4) of subsection (e) of this section,
475 thereby resulting in two entries by the same social equity applicant in

476 the general lottery round, such entries shall not result in disqualification
477 under subdivision (2) of this subsection. Such social equity applicant
478 shall not be eligible to receive more than one license from any round of
479 the general lottery. If such social equity applicant is selected twice for
480 consideration in any general lottery round, the department shall
481 disqualify the second such selection and request that the third-party
482 lottery operator identify the next-ranked application in the applicable
483 lottery.

484 (4) No disqualification under this subsection shall result in any
485 refund of lottery fees.

486 (5) For the purpose of this subsection: (A) "Application period" means
487 the established period of time within which the department may accept
488 applications for a specific license type for the social equity or general
489 lottery; and (B) "round" means each time a lottery is run to determine
490 the ranking of applicants after the conclusion of an application period,
491 either for the social equity lottery or the general lottery.

492 (e) (1) Upon receipt of an application for social equity consideration
493 or, in the case where a social equity lottery is conducted, after such
494 lottery applicants are selected, the department shall provide to the
495 Social Equity Council the documentation received by the department
496 during the application process that is required under subsection (a) of
497 this section. No identifying information beyond what is necessary to
498 establish social equity status shall be provided to the Social Equity
499 Council. The Social Equity Council shall review the social equity
500 applications to be considered as identified by the third-party lottery
501 operator to determine whether the applicant meets the criteria for a
502 social equity applicant. If the Social Equity Council determines that an
503 applicant does not qualify as a social equity applicant, the application
504 shall not be reviewed further for purposes of receiving a license
505 designated for social equity applicants. The application shall be entered
506 into the general lottery for the applicable license type and may be
507 reviewed further if selected through such lottery, provided the

508 applicant pays the additional amount necessary to pay the full fee for
509 entry into such lottery within five business days of being notified by the
510 Social Equity Council that such applicant does not qualify as a social
511 equity applicant. Not later than thirty days after the Social Equity
512 Council notifies an applicant of the Social Equity Council's
513 determination that the applicant does not meet the criteria for a social
514 equity applicant, the applicant may appeal from such determination to
515 the Superior Court in accordance with section 4-183.

516 (2) Upon determination by the Social Equity Council that an
517 application selected through the lottery process does not qualify for
518 consideration as a social equity applicant, the department shall request
519 that the third-party lottery operator identify the next-ranked application
520 in the social equity lottery. This process may continue until the Social
521 Equity Council has identified for further consideration the number of
522 applications set forth on the department's web site pursuant to
523 subsection (b) of this section or until there are no remaining social equity
524 applications to be considered.

525 (3) For each license type, the Social Equity Council shall identify for
526 the department the social equity applications that qualify as social
527 equity applicants and that should be reviewed by the department for
528 purposes of awarding a provisional license.

529 (4) Any application entered into, but not selected through, the social
530 equity lottery shall not be reviewed as a social equity application, but
531 shall be entered into the general lottery for the applicable license type.

532 (5) After receiving the list of selected social equity applications
533 reviewed and approved by the Social Equity Council, the department
534 shall notify the third-party lottery operator, which shall then conduct
535 the independent general lottery for all remaining applicants for each
536 license type, rank all general lottery applications numerically including
537 those that exceed the number to be considered, and identify for the
538 department all of the selected applications to be reviewed. The number

539 of applications to be reviewed by the department shall consist of the
540 applications ranked numerically one through the maximum number
541 necessary to ensure that fifty per cent of the applications for each license
542 type identified through the lottery process are selected from the social
543 equity lottery and approved by the Social Equity Council.

544 (6) The numerical rankings created by the third-party lottery operator
545 shall be confidential and shall not be subject to disclosure under the
546 Freedom of Information Act, as defined in section 1-200.

547 (f) The department shall review each application to be considered, as
548 identified by the third-party lottery operator or Social Equity Council,
549 as applicable, to confirm such application is complete and to determine
550 whether any application: (1) Includes a backer with a disqualifying
551 conviction; (2) exceeds the cap set forth in section 21a-420i; or (3) has a
552 backer who individually or in connection with a cannabis business in
553 another state or country has an administrative finding or judicial
554 decision that may substantively compromise the integrity of the
555 cannabis program, as determined by the department, or that precludes
556 its participation in this state's cannabis program.

557 (g) (1) No additional backers may be added to a cannabis
558 establishment application between the time of lottery entry, or any
559 initial application for a license, and when a final license is awarded to
560 the cannabis establishment, except: [, if]

561 (A) If a backer of an applicant or provisional licensee dies, the
562 applicant or provisional licensee may apply to the commissioner, in a
563 form and manner prescribed by the commissioner, to replace the
564 deceased backer, provided if such applicant or provisional licensee is a
565 social equity applicant, the Social Equity Council shall review
566 ownership to ensure such replacement would not [cause the applicant
567 to no longer qualify] disqualify such applicant or provisional licensee as
568 a social equity applicant; and

569 (B) An applicant or provisional licensee that is a social equity

570 applicant may apply to the commissioner, in a form and manner
571 prescribed by the commissioner, for a one-time replacement of an
572 original backer, provided the original backer to be replaced is not an
573 individual who meets the criteria of subparagraphs (A) and (B) of
574 subdivision (51) of section 21a-420.

575 (2) A backer may be removed from a cannabis establishment
576 application selected through the general lottery at any time upon notice
577 to the department.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	21a-420d
Sec. 2	<i>from passage</i>	21a-420g(a) to (g)

Statement of Purpose:

To (1) authorize the Social Equity Council to conduct investigations to carry out its duties, (2) provide that no change shall be made in the ownership or control of certain equity joint ventures during the seven-year period following licensure, (3) require the council to submit an existing quarterly report to the chairperson of the Black and Puerto Rican Caucus of the General Assembly, (4) eliminate a monthly report by the council to said caucus, (5) require the council to issue policies and procedures, and adopt regulations, to implement requirements concerning changes in the ownership and control of certain cannabis establishments, (6) provide that no change shall be made in the ownership or control of an approved social equity applicant during the provisional licensure period or the three-year period following final licensure, and (7) provide that a social equity applicant may apply to replace an original backer.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]