



General Assembly

February Session, 2026

**Substitute Bill No. 5351**



**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2 statutes is repealed and the following is substituted in lieu thereof  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 or agreements to carry out [the] its purposes, [of the council,] including,  
105 but not limited to, contracts or agreements with Connecticut  
106 Innovations, Incorporated, constituent units of the state system of  
107 higher education, regional workforce development boards and  
108 community development financial institutions, [(3)] (4) utilize such  
109 voluntary and uncompensated services of private individuals, state or

110 federal agencies and organizations as may, from time to time, be offered  
111 and needed, [(4)] (5) accept any gift, donation or bequest for the purpose  
112 of performing [the] its duties, [of the council, (5)] (6) conduct such  
113 investigations as the council may deem necessary to carry out its duties,  
114 (7) hold public hearings, [(6)] (8) establish [such] standing committees,  
115 as necessary, to perform [the] its duties, [of the council,] and [(7)] (9)  
116 adopt such regulations, in accordance with the provisions of chapter 54,  
117 as the council may deem necessary to carry out [the] its duties. [of the  
118 council.]

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

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

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

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

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

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

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

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

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

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

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

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

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

176 (6) Recruiting individuals from communities that have been  
177 disproportionately harmed by cannabis prohibition and enforcement to  
178 enroll in the workforce training program established pursuant to section  
179 21a-421g;

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

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

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

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

192 (i) (1) Not later than August 1, 2021, and annually thereafter until July  
193 31, 2023, the Social Equity Council shall use the most recent five-year  
194 United States Census Bureau American Community Survey estimates  
195 or any successor data to determine one or more United States census  
196 tracts in the state that are a disproportionately impacted area and shall  
197 publish a list of such tracts on the council's Internet web site.

198 (2) Not later than August 1, 2023, the council shall use poverty rate  
199 data from the most recent five-year United States Census Bureau  
200 American Community Survey estimates, population data from the most  
201 recent decennial census and conviction information from databases  
202 managed by the Department of Emergency Services and Public

203 Protection to identify all United States census tracts in the state that are  
204 disproportionately impacted areas and shall publish a list of such tracts  
205 on the council's Internet web site. In identifying which census tracts in  
206 this state are disproportionately impacted areas and preparing such list,  
207 the council shall:

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

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

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

219 (j) After developing criteria for workforce development plans as  
220 described in subdivision (4) of subsection (h) of this section, the Social  
221 Equity Council shall review and approve or deny in writing any such  
222 plan submitted by an applicant for a final license. If the Social Equity  
223 Council does not approve a workforce development plan for a cannabis  
224 establishment on or before July 1, 2025, the cannabis establishment shall  
225 submit a workforce development plan to the council not later than  
226 October 1, 2025, or sixty days prior to the next renewal date for such  
227 cannabis establishment's license, whichever is earlier. Not later than  
228 sixty days after the cannabis establishment submits the workforce  
229 development plan to the council, the council shall send notice to the  
230 cannabis establishment disclosing whether such workforce  
231 development plan has been approved, rejected or requires modification.

232 (k) The Social Equity Council shall develop criteria for evaluating the  
233 ownership and control of any equity joint venture created under section  
234 21a-420j, 21a-420m, 21a-420u, 21a-420aa, [21a-420bbb] 21a-420bb or

235 [21a-420ccc] 21a-420cc and shall review and approve or deny in writing  
236 such equity joint venture prior to such equity joint venture being  
237 licensed under section 21a-420j, 21a-420m, 21a-420u, 21a-420aa, [21a-  
238 420bbb] 21a-420bb or [21a-420ccc] 21a-420cc. The council shall not  
239 approve any equity joint venture applicant which shares with an equity  
240 joint venture any individual owner who meets the criteria established  
241 in subparagraphs (A) and (B) of subdivision (51) of section 21a-420,  
242 other than an individual owner in their capacity as a backer licensed  
243 under section 21a-420o. Except as provided in the policies and  
244 procedures issued, or final regulations adopted, by the council pursuant  
245 to section 21a-420h with respect to a sale or change in ownership or  
246 control of a cannabis establishment license awarded to a social equity  
247 applicant, no change shall be made in the ownership or control of an  
248 equity joint venture that has been approved by the council under this  
249 subsection during the seven-year period beginning on the date on which  
250 such equity joint venture was licensed under section 21a-420j, 21a-420m,  
251 21a-420u, 21a-420aa, 21a-420bb or 21a-420cc.

252 (l) The Social Equity Council shall, upon receipt of funds from  
253 producers in accordance with subdivision (5) of subsection (b) of section  
254 21a-420l, develop a program to assist social equity applicants to open  
255 not more than two micro-cultivator establishment businesses in total.  
256 Producers shall provide mentorship to such social equity applicants.  
257 The council shall, with the department, determine a system to select  
258 social equity applicants to participate in such program without  
259 participating in a lottery or request for proposals.

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

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

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

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

285 (n) The Social Equity Council shall approve the amounts, grantees  
286 and purposes of any grants made by the council from the social equity  
287 and innovation account or the Cannabis Social Equity and Innovation  
288 Fund, established under section 21a-420f, and any contract executed by  
289 and between the council and a grant maker shall require that the  
290 amounts, grantees and purposes of any subgrants made by such grant  
291 maker shall be approved by the council.

292 (o) Not later than [July 1, 2024, and quarterly thereafter] the first days  
293 of January, April, July and October for the preceding calendar quarter,  
294 the Social Equity Council shall prepare and submit a quarterly report,  
295 in accordance with the provisions of section 11-4a, to the Governor, the  
296 speaker of the House of Representatives, the president pro tempore of  
297 the Senate, the majority leader of the House of Representatives, the  
298 majority leader of the Senate, the minority leader of the House of  
299 Representatives, the minority leader of the Senate, [and] the joint

300 standing committees of the General Assembly having cognizance of  
301 matters relating to appropriations and consumer protection and the  
302 chairperson of the Black and Puerto Rican Caucus of the General  
303 Assembly. The report shall include, but need not be limited to:

304 (1) The fiscal-year-to-date expenditures of the council, which  
305 expenditures shall disclose, at a minimum: (A) All expenditures made  
306 for personal services and the fringe benefit costs associated therewith;  
307 (B) all expenditures made for consultants retained for the purpose of  
308 reviewing applications for social equity applicant status; (C) all  
309 expenditures made to provide businesses with access to capital and the  
310 number of businesses that received access to such capital; (D) all  
311 expenditures made to provide technical assistance for the start-up and  
312 operation of businesses and the number of businesses that received such  
313 assistance; (E) all expenditures made to fund workforce education, the  
314 number of persons served by the workforce education programs  
315 supported by such expenditures and the number of persons successfully  
316 placed in relevant professional roles after completing such workforce  
317 education programs; (F) all expenditures made to fund community  
318 investment grants, the amounts, grantees and purposes of such grants  
319 and, if any of such grants were made to a grant maker, the amounts,  
320 grantees and purposes of any subgrants made by such grant maker; (G)  
321 all expenditures made for promotional or branding items and which  
322 promotional or branding items were purchased; (H) all expenditures  
323 made for advertising or marketing campaigns; (I) all expenditures made  
324 to advertising or marketing firms; (J) all expenditures made for  
325 sponsorships; (K) all expenditures made for other community outreach;  
326 (L) all expenditures made for travel; and (M) all other expenditures not  
327 described in subparagraphs (A) to (L), inclusive, of this subdivision; and

328 (2) The status of the council's performance of the council's  
329 responsibilities in the licensing process under RERACA, including, but  
330 not limited to: (A) The number of applications for social equity applicant  
331 status, social equity plans and workforce development plans pending  
332 before the council, categorized into the number of applications, social  
333 equity plans and workforce development plans pending before the

334 council for (i) less than thirty days, (ii) at least thirty days but less than  
335 sixty days, (iii) at least sixty days but less than ninety days, and (iv) at  
336 least ninety days; (B) the number of applications for social equity  
337 applicant status, social equity plans and workforce development plans  
338 approved during the then current fiscal year, broken down by license  
339 type; and (C) the number of applications for social equity applicant  
340 status, social equity plans and workforce development plans denied  
341 during the then current fiscal year, broken down by license type.

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

347 (1) The expenditures the council plans to make during the month  
348 immediately following submission of such report, which expenditures  
349 shall disclose, at a minimum: (A) All expenditures the council plans to  
350 make for consultants retained for the purpose of reviewing applications  
351 for social equity applicant status; (B) all expenditures the council plans  
352 to make to fund community investment grants, the amounts, grantees  
353 and purposes of such grants and, if any of such grants are to be made to  
354 a grant maker, the amounts, grantees and purposes of any subgrants to  
355 be made by such grant maker; (C) all expenditures the council plans to  
356 make for promotional or branding items, for advertising or marketing  
357 campaigns, to advertising or marketing firms and for sponsorships; (D)  
358 all expenditures the council plans to make for community outreach; and  
359 (E) all expenditures the council plans to make for travel; and

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

367 pending before the council and the date each such social equity plan was  
368 submitted, broken down by license type; and (C) the number of  
369 workforce development plans that are pending before the council and  
370 the date each such workforce development plan was submitted, broken  
371 down by license type.]

372 ~~[(q)]~~ (p) Not later than October 1, 2025, the council shall develop and  
373 submit a strategic plan to the Governor and the joint standing  
374 committees of the General Assembly having cognizance of matters  
375 relating to appropriations and consumer protection. The strategic plan  
376 shall include a framework that outlines the council's goals, planned  
377 actions and priorities for the three-year period beginning October 1,  
378 2025, and ending September 30, 2028.

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

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

385 (s) The council shall adopt regulations, in accordance with the  
386 provisions of chapter 54, to implement the provisions of subsection (k)  
387 of this section and subsection (a) of section 21a-420g, as amended by this  
388 act. Notwithstanding the requirements of sections 4-168 to 4-172,  
389 inclusive, in order to implement the provisions of subsection (k) of this  
390 section and subsection (a) of section 21a-420g, as amended by this act,  
391 prior to adopting such regulations the council shall, not later than  
392 October 1, 2026, issue policies and procedures to implement the  
393 provisions of subsection (k) of this section and subsection (a) of section  
394 21a-420g, as amended by this act, that shall have the force and effect of  
395 law. The council shall post all policies and procedures on its Internet  
396 web site, and submit such policies and procedures to the Secretary of  
397 the State for posting on the eRegulations System, at least fifteen days  
398 prior to the effective date of any policy or procedure. Any such policy

399 or procedure shall no longer be effective upon the earlier of either the  
400 adoption of such policy or procedure as a final regulation under section  
401 4-172 or October 1, 2027, if such regulations have not been submitted to  
402 the legislative regulation review committee for consideration under  
403 section 4-170. Any violation of such policies and procedures or any  
404 violation of such regulations related to any change in ownership or  
405 control may be referred by the council to the Department of Consumer  
406 Protection for administrative enforcement action, which may result in a  
407 fine of not more than ten million dollars or action against the cannabis  
408 establishment's license.

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

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

428       (b) Except as provided in sections 21a-420o and 21a-420aa to 21a-  
429 420cc, inclusive, prior to the first date that the department begins  
430 accepting applications for a license type, the department shall determine  
431 the maximum number of applications that shall be considered for such

432 license type and post such information on its Internet web site. Fifty per  
433 cent of the maximum number of applications that shall be considered  
434 for each license type (1) shall be selected through a social equity lottery  
435 for such license type, and (2) shall be reserved by the department for  
436 social equity applicants. If, upon the close of the application period for  
437 a license type, the department receives more applications than the  
438 maximum number to be considered in total or to be reserved for social  
439 equity applicants as set forth in this subsection, a third-party lottery  
440 operator shall conduct a lottery to identify applications for review by  
441 the department and the Social Equity Council.

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

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

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

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

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

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

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

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

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

474 (3) If a social equity application is entered into the general lottery  
475 round pursuant to subdivision (4) of subsection (e) of this section,  
476 thereby resulting in two entries by the same social equity applicant in  
477 the general lottery round, such entries shall not result in disqualification  
478 under subdivision (2) of this subsection. Such social equity applicant  
479 shall not be eligible to receive more than one license from any round of  
480 the general lottery. If such social equity applicant is selected twice for  
481 consideration in any general lottery round, the department shall  
482 disqualify the second such selection and request that the third-party  
483 lottery operator identify the next-ranked application in the applicable  
484 lottery.

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

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

493 (e) (1) Upon receipt of an application for social equity consideration  
494 or, in the case where a social equity lottery is conducted, after such  
495 lottery applicants are selected, the department shall provide to the  
496 Social Equity Council the documentation received by the department  
497 during the application process that is required under subsection (a) of  
498 this section. No identifying information beyond what is necessary to  
499 establish social equity status shall be provided to the Social Equity  
500 Council. The Social Equity Council shall review the social equity  
501 applications to be considered as identified by the third-party lottery  
502 operator to determine whether the applicant meets the criteria for a  
503 social equity applicant. If the Social Equity Council determines that an  
504 applicant does not qualify as a social equity applicant, the application  
505 shall not be reviewed further for purposes of receiving a license  
506 designated for social equity applicants. The application shall be entered  
507 into the general lottery for the applicable license type and may be  
508 reviewed further if selected through such lottery, provided the  
509 applicant pays the additional amount necessary to pay the full fee for  
510 entry into such lottery within five business days of being notified by the  
511 Social Equity Council that such applicant does not qualify as a social  
512 equity applicant. Not later than thirty days after the Social Equity  
513 Council notifies an applicant of the Social Equity Council's  
514 determination that the applicant does not meet the criteria for a social  
515 equity applicant, the applicant may appeal from such determination to  
516 the Superior Court in accordance with section 4-183.

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

526 (3) For each license type, the Social Equity Council shall identify for

527 the department the social equity applications that qualify as social  
528 equity applicants and that should be reviewed by the department for  
529 purposes of awarding a provisional license.

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

533 (5) After receiving the list of selected social equity applications  
534 reviewed and approved by the Social Equity Council, the department  
535 shall notify the third-party lottery operator, which shall then conduct  
536 the independent general lottery for all remaining applicants for each  
537 license type, rank all general lottery applications numerically including  
538 those that exceed the number to be considered, and identify for the  
539 department all of the selected applications to be reviewed. The number  
540 of applications to be reviewed by the department shall consist of the  
541 applications ranked numerically one through the maximum number  
542 necessary to ensure that fifty per cent of the applications for each license  
543 type identified through the lottery process are selected from the social  
544 equity lottery and approved by the Social Equity Council.

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

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

558 (g) (1) No additional backers may be added to a cannabis

559 establishment application between the time of lottery entry, or any  
560 initial application for a license, and when a final license is awarded to  
561 the cannabis establishment, except: [, if]

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

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

576 (2) A backer may be removed from a cannabis establishment  
577 application selected through the general lottery at any time upon notice  
578 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 Legislative Commissioners:**

In Section 1(e)(3), "or agreements" was added for internal consistency; in Section 1(k), "on which such equity venture is licensed" was changed to "on which such equity joint venture was licensed" for accuracy and consistency; and in Section 1(o), "quarterly" was added for clarity.

**GL** Joint Favorable Subst. -LCO