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## **OLR Bill Analysis**

### **sSB 231**

#### ***AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING CANNABIS REGULATION AND ELECTRONIC NICOTINE DELIVERY SYSTEM DEALER REGISTRATION.***

#### **SUMMARY**

This bill generally sets a 60-day deadline to dispose of medical marijuana and cannabis samples that fail testing. It also requires each cannabis establishment (see BACKGROUND) to submit cannabis or medical marijuana to a cannabis testing laboratory for testing based on standards set in the Department of Consumer Protection's (DCP) policies and procedures or regulations. Current policies and procedures have substantially similar requirements as under current law (for example, microbiological contaminant testing, mycotoxins, heavy metals, and pesticide chemical residue).

The bill also (1) adds to the grounds for which DCP may deny an e-cigarette dealer registration, including when a background check associated with the application (not just the applicant) reveals a sufficient reason for denial based on conviction information, and (2) specifies that the same grounds apply to denials of renewals.

It also makes various minor and technical changes.

EFFECTIVE DATE: Upon passage

#### **FAILED TEST DEADLINES**

Existing law requires each cannabis establishment to submit marijuana (cannabis) samples to a cannabis testing laboratory for testing. For samples that fail, cannabis establishments may repeat the test, remediate the sample and then retest, or dispose the batch.

The bill requires the cannabis establishment to choose one of these

options within 60 days after the failed test. For disposals, the bill requires the establishment to complete them within 60 days of the failed test or failed repeat test, whichever is later. During the 60-day period, the cannabis establishment may submit a written request to DCP, in a commissioner-prescribed way, to extend the 60-day period. The commissioner may grant or deny the request in his discretion.

### **E-CIGARETTE DEALER DENIALS**

Existing law generally requires the DCP commissioner to issue an e-cigarette dealer registration within 30 days of application unless the commissioner finds certain issues with the applicant. The bill extends this time requirement and grounds for denial to renewals and adds to the reasons for denial by including instances where:

1. any individual named on the application (people with certain financial interests in it) made a materially false or misleading statement on the application, rather than just the applicant;
2. the third-party local and national criminal background check for any authorized owner or applicant's named designee provides a sufficient reason to deny under the state laws for denying employment based on conviction information, rather than just when the applicant has such a criminal history;
3. the applicant, any authorized owner, or entity owned or managed by anyone named on the application has committed multiple violations of the e-cigarette dealer law, rather than just when the applicant has committed one violation; and
4. the applicant or such an owner or entity is the subject of (a) a Department of Revenue Service delinquency assessment or (b) any other adverse administrative decision from a government agency.

Existing law sets several other grounds for which DCP may refuse to grant or renew a dealer registration, such as fraudulent or deceitful practices or failure to maintain effective controls against theft, diversion, or loss.

**BACKGROUND**

***Cannabis Establishment***

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.

***Related Bill***

sHB 5228, favorably reported by the General Law Committee, adds to the grounds for which DCP may deny an initial or renewal e-cigarette dealer registration, to include when the applicant (1) exceeds certain limitations on annual gross revenue and the use of retail sales area, or (2) for renewals only, is located in a municipality that already includes one dealer for every 2,500 residents.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/11/2026)