

General Law Committee JOINT FAVORABLE REPORT

Bill No.: HB-6099

AN ACT CONCERNING ANTITRUST ISSUES AND THE PALLIATIVE USE OF

Title: MARIJUANA.

Vote Date: 3/9/2021

Vote Action: Joint Favorable Substitute

PH Date: 2/25/2021

File No.: 102

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SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

To require proposed changes in ownership of medical marijuana licensing by the Department of Consumer Protection to be reviewed by the Office of the Attorney General.

JFS LANGUAGE:

Makes technical changes throughout, in section 1 makes terminology consistent to use "transaction" changes reference to Freedom of Information Act pursuant to standard drafting conventions.

Section 5, changes references to consistent use of "marijuana producers", clarifies that such producers are licensed under any provisions of the general statues, adds subsection designators.

RESPONSE FROM ADMINISTRATION/AGENCY:

Michelle Seagull, Commissioner, Department of Consumer Protection submitted testimony. Section 1 would create a process by which any proposed changes in ownership would be reviewed by the Office of the Attorney General. The requirements for notice and an opportunity for review are consistent to federal antitrust laws for large mergers and acquisitions.

William Tong, Attorney General, State of Connecticut supports the bill. The bill increases transparency in the medical marijuana market. It will require this office to develop the form and content of the required notice or changes to ownership of a dispensary.

NATURE AND SOURCES OF SUPPORT:

Kelly McConney Moore, American Civil Liberties Union of Connecticut testified in support of the bill. The bill gives the Attorney General the power to prevent monopolized ownership of the medical marijuana business. Being locked out of participation of the medical marijuana industry is one of the more than 550 legal barriers a person with a criminal record faces. This bill is designed to prevent monopolies from forming in this industry and would provide participation by communities and people targeted by biased enforcement of marijuana laws.

NATURE AND SOURCES OF OPPOSITION:

Ben Zachs, Fine Fettle testified in opposition of the bill. The bill currently as written is overly intrusive and potentially limiting to the industry. The current system ensures that all "Backers" owners above 5% are subjected to review. This review is fair and there is transparency for both DCP and patients to understand who owns and operates the business.

Academy of Medical Marijuana Dispensaries testified in opposition of the bill. The bill presents an unnecessary intrusion into the business. The bill threatens to impede the natural development of an industry that is already highly regulated. There are already safeguards protecting against abuse of current changes of ownership by the Department of Consumer Protection and Drug Control.

Linda Kowalski, Connecticut Medical Cannabis Council submitted testimony against the bill. Connecticut presently has the best program in the nation. We have a number of questions about the unintended consequences of this bill. The bill lacks clarity in key respects and important aspects of the bill are vague.

Reported by: Pamela Bianca

March 17, 2021