

General Law Committee JOINT FAVORABLE REPORT

Bill No.: HB-5329

AN ACT CONCERNING CANNABIS TRANSFERS, CANNABIS
ADVERTISEMENTS AND RECOMMENDATIONS BY THE SOCIAL EQUITY

Title: COUNCIL CONCERNING CANNABIS.

Vote Date: 3/15/2022

Vote Action: Joint Favorable Substitute

PH Date: 3/8/2022

File No.:

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SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

In 2021, cannabis for adult-use (those over 21 years of age) was legalized in the state. There are questions that have been raised regarding the Social Equity Council and equity joint ventures, advertising and gifting to name a few, that have come to light during the year and this bill addresses these items. The Social Equity Council made recommendations to DCP, which the DCP agreed. The changes have to do with licensing, timelines, fees and equity joint ventures.

The law prohibits people gifting cannabis to another. It would ban advertising cannabis on billboards. Many people feel that having cannabis advertising on billboards while driving on Connecticut roads is sending the wrong message to our youth. It also will eliminate a provision that prohibits a municipality from granting zoning approval for more retailers or micro-cultivators than a number that would be allowed for 25,000 residents in a municipality.

Proposed Substitute Language

Section 2 regarding not allowing gifting unless individuals have a bona fide social relationship and the fees and fines charged if a person violates the provisions in the subsection.

Section 3 was revised

Section 4 had subsections and lines added.

Section 5 had subsections deleted.

Section 6 had subsections deleted.

Section 7 revised

New Sections 8, Section 9 regarding advertising,

New Section 10 regarding zoning, hours and signage in municipalities.
Section 11 New, regarding a working group to study the regulations and the possibility of including hemp in the state's cannabis program.

RESPONSE FROM ADMINISTRATION/AGENCY:

Michelle Seagull, Commissioner of Consumer Protection, State of Connecticut

This bill makes several changes to the Responsible and Equitable Regulation of Adult-Use Cannabis (RERACA), these changes included requests by the Social Equity Council (SEC) to clarify and strengthen the social equity provisions to the legislation passed last year. We support these changes. It also amends the advertising prohibitions to clarify that a cannabis business' outdoor signs at their place of businesses aren't subject to the 90 percent audience or disclosure rules. Currently, the businesses would have to submit evidence to DCP regarding the 90 percent audience or disclosure rules of all signs on their buildings and put lengthy disclosures on these business signs. The proposed language also addresses billboard advertising and events that were organized so that cannabis could be "gifted" to consumers.

Ginne-Rae Clay, Interim Executive Director, Social Equity Council and Andrea Comer, Chair, Social Equity Council

The Social Equity Council is in support of this bill, as it will have a positive impact on social equity applicants. It will create a clear deadline by which medical marijuana licensees must obtain a final license for any equity joint venture they create. Limits the number of EJV's that a medical marijuana licensee may create to two, promotes diversity in ownership of EJV's by prohibiting the same individual social equity applicants from holding ownership in more than one equity joint venture and lifts the restriction on the number of cannabis establishments that a municipality may authorize in their town-based population size. The SEC would like clarification on language that is in Sec. 3, 4, and 7 to ensure the social equity intent so this legislation is fully effectuated.

NATURE AND SOURCES OF SUPPORT:

Rep. Vincent J. Candelora, Republican Leader, House of Representatives, State of Connecticut

The recent passage of the legalization of recreational cannabis has immediately shown the law's failures. Rep. Candelora is in support of Sec. 2 and 6 of HB5329. In addition, to these changes he recommended several other changes in his letter that he would like to be added to strengthen Connecticut's cannabis laws.

Senator Kevin Kelly, Senate Republican Leader, State of Connecticut

Sen. Kelly supports this bill and would like it modified to include a proposal that it would prohibit any cannabis establishment from producing or selling an edible. In July, Dr. Suzanne Doyon, medical director at the CT Poison Control Center shared alarming information about the increasing cases of child poisonings related to edible marijuana exposure. Data from poison control centers around the nation confirm that these concerns must be taken seriously. Sen. Kelly strongly opposed legalization of cannabis because he believes it will have a negative impact on public safety. He also realizes that not everyone is in agreement, no one can deny the serious risks associated with edibles.

Rep. Lucy Dathan, House of Representatives, State of Connecticut

Rep. Dathan is in support of this bill Section 6 is her focus. Driving her son to college in Boston, her 14-year-old daughter pointed out the billboard advertising pot. Remembering SB1201 addressed advertising, when returned to CT she investigated the advertising and found that several complaints and billboard companies seemed to say that 90% of viewers were 21 year of age. She finds that hard to believe. These advertising practices are targeting our youth and consistent with other limitations of advertising substances that create health issues for our young people, we should ban advertising cannabis in CT.

Diana Goode, Executive Director, CT Council on Problem Gambling

The CT Council on Problem Gambling supports this bill. They would like to see the same advertising protections for our youth provided in this bill also be applied to gambling. The numbers outlined in her testimony show the impact of gambling before the expansion of online gambling, so can we imagine how much more impact some of the predatory advertisements offering risk-free bets are having. The calls coming into the hotline are from those not old enough to legally gamble yet are now beginning to show signs that gambling can be problematic. They ask that substitute language to be considered for this bill addressing some of the issues outlined in the testimony.

Kaitlin Comet, Program Coordinator, The Hub

Billboards tell a story in the estimated seconds it might take an individual to read. Promotion of cannabis billboard sends a message to our youth, "if you can drive and see this billboard, you could use cannabis." The use of cannabis promotion through billboard's can be extremely harmful to our youth and speaks volumes on the preventative efforts in our state.

Kiersten Naumann, Board member, Connecticut Association of Prevention Professionals

Ms. Naumann supports two sections of this bill and opposes one. She supports the provision banning all cannabis billboard advertising. She simply cannot believe that 90% of passengers on our highways are over 21 years of age. She supports the additional limitations on the manner that cannabis is gifted. She does oppose the elimination of the provision that prohibits municipalities from granting zoning approval for more retailers/micro-cultivators than a number that would allow for one retailer and one micro-cultivator for every 25,000 residents.

Brant Smith, Hemp House Farms, Cheshire, CT

Mr. Smith's testimony asks that the bill be amended to assist hemp farmers like the state of New York. New York allows for their current hemp farmers, not just large to participate in Connecticut's roll out of the recreational marijuana market. Mr. Smith then wrote his observations regarding current law and suggestions.

**NEITHER SUPPORTS NOR OPPOSES HB5329/BUT OPPOSES SECTION 6
John Barrett and Brad Falk, Outdoor Advertising Association of Connecticut, Inc.
(oaac)**

Oaac neither supports nor opposes HB5329. It does however oppose Section 6 as it specifically prohibits the use of billboards by "cannabis licensees and establishments." In this bill billboards are the only medium of communication prohibited. Equity and Law suggest that

the best course for the State of Connecticut is to treat all media the same in connection with the proposed legislation. Singling out one type of advertising media, Sec. 6 clearly violates both the equal protection clause of the Fourteenth Amendment of the US Constitution and the suppression of free expression under the First Amendment of the US Constitution. Last session a similar proposal was considered by the CT General Assembly's Judiciary Committee that section was removed from the cannabis legislation for these reasons. We respectfully ask Section 6 of HB 5329 be removed.

The following people asked that Section 2 of this bill be removed.

Christina E. Capitan, Consumer/Patient Advocate, Cannabis Patient Resource Centers of CT

Jordan Rosenzweig, Owner, Terrapin Terpenes Genetics, LLC

Terrapin Terpenes Genetics, LLC is a small craft cannabis breeding, consulting and event management company.

Eric Adames

Joaquin Bido

Jocelyn Cerda

Lisa Silver Crow Perrault

Erin Doolittle, LMFT, Manchester, CT

Billy Jean

Jackson Kachur

Donna Lockwood

Jane M.

Nicholas Bard Stein, E. Hampton, CT

Carlos Teixeira

Susan Thibault-Wynne

Janice Averill

James Bishop, Hamden, CT

Avery Christensen

Aldo Cucciniello

Gauge, Manchester, CT

Jessica Johnson

Steven Levine, Madison, CT

Laura Lynch

Dave Rauh

Tanya Stone, Chaplin, CT

Kimberly Testone

John Watkins

NATURE AND SOURCES OF OPPOSITION:

Senator Dennis Bradley, Senate, State of Connecticut

Senator Bradley would like changes made to the language of this bill to include cultivators as eligible cannabis licensees and establishments. The language in this bill prioritizes the existing marijuana industry and does not allow for smaller cultivators, keeping cultivators for adult use to be eligible to enter the industry and contribute to the market. Sen. Bradley attached suggested language to his testimony.

Hector Gerardo, Founder/Co-owner, Seamarron Farmstead, LLC

A different perspective on the legal use of marijuana and that this industry will make billions in revenue in very near future. The Black, Indigenous, and People of Color have been the most negatively affected by the war on drugs which criminalized cannabis. We would like to share with the committee solutions we can put together to make sure Connecticut doesn't further criminalize our communities.

Rebecca Goetsch, PhD, Owner, Running Brook Hemp, Co

Dr. Goetsch does not take issue with the provision in the bill aimed at deterring private parties that are taking advantage of the gifting clause in order to essentially sell marijuana on the

black market via donations. She does not have issue with trying to deter these events, but she wants to point out that they are only thriving because there is no other access to legal marijuana currently. Opening dispensaries will ensure that there is enough product to keep the shelves full. The existing MMP's are being given preferential access to this market, however it is unlikely that they will be able to meet demand in a timely fashion while still providing enough product for the medical market. She further discusses how hemp farmers differ dramatically from the corporate producers.

Joseph P. LaChance, CT NORML, Green Haven Media

Section 2 of HB5329 is redundant and an unnecessary overreach to re-criminalize Adult Use Cannabis. He suggests Section 4 is that equity joint ventures be limited to 2 at a time for a period of Five years in between, so that the program can be evaluated and re-adjusted as necessary. Accountability is key in this area. Section 6 Should be revised to remove the word internet and mobile application should be more specific. Please consider the changes outlined in the testimony while debating this bill.

Duncan Markovich, owner, Better Ways

Better Ways is a therapeutic cannabis store. After a full calendar year for our state's triumph of legalizing cannabis we are at a crossroads with the regard its adult use. Some of the language in this bill would in fact decimalize this plant and would be a step backwards. We request Section 2 be removed in its entirety. Please help to create a more affordable and easily accessible network for testing if the concern is for public safety for what is being given. With appropriate checks and balances we can ensure that CT becomes an exemplar for cannabis legislation and practice on the East Coast.

Fine Fettle Dispensary

Their testimony focused on five key elements that they feel is paramount to the successful and equitable rollout of recreational cannabis in Connecticut. They would like to see Timelines and a must start sales by, each licensee should be able to have a maximum of two Equity Joint Ventures as is written in this bill, change the joint venture partnership by ensuring applicants can only partner with one company or backer versus only being allowed in one EJV, do not remove the population standards if what is wanted is a diverse geographic rollout, the billboards and advertising restrictions will stunt significant revenue potential for media companies and billboard companies that the state should want to thrive.

Justin Welch, member of CT Cannawarrior and officer at the New England Craft Cannabis Alliance

Repeal HB5329 and remove Section 2 from this bill.

Reported by: [Type Report By]

Date: [Type Date]