



General Assembly

February Session, 2022

Raised Bill No. 5329

LCO No. 2242



Referred to Committee on GENERAL LAW

Introduced by:

(GL)

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

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

1 Section 1. Section 21a-420 of the 2022 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2022*):

4 As used in RERACA, unless the context otherwise requires:

5 (1) "Responsible and Equitable Regulation of Adult-Use Cannabis
6 Act" or "RERACA" means this section, sections 2-56j, 7-294kk, 7-294ll,
7 12-330ll to 12-330nn, inclusive, 14-227p, 21a-278b, 21a-278c, 21a-279c,
8 21a-279d, 21a-420a to 21a-420i, inclusive, 21a-420l to 21a-421r, inclusive,
9 21a-421aa to 21a-421ff, inclusive, 21a-421aaa to 21a-421ggg, inclusive,
10 21a-422 to 21a-422c, inclusive, 21a-422e to 21a-422g, inclusive, 21a-422j
11 to 21a-422s, inclusive, 22-61n, 23-4b, 47a-9a, 53-247a, 53a-213a, 53a-213b,
12 54-33p, 54-56q, 54-56r, 54-125k and 54-142u, sections 23, 60, 63 to 65,
13 inclusive, 124, 144 and 165 of public act 21-1 of the June special session
14 and the amendments in public act 21-1 of the June special session to

15 sections 7-148, 10-221, 12-30a, 12-35b, 12-412, 12-650, 12-704d, 14-44k, 14-
16 111e, 14-227a to 14-227c, inclusive, 14-227j, 15-140q, 15-140r, 18-100h,
17 19a-342, 19a-342a, 21a-267, 21a-277, 21a-279, 21a-279a, 21a-408 to 21a-
18 408f, inclusive, 21a-408h to 21a-408p, inclusive, 21a-408r to 21a-408v,
19 inclusive, 30-89a, 31-40q, 32-39, 46b-120, 51-164n, 53-394, 53a-39c, 54-1m,
20 54-33g, 54-41b, 54-56e, 54-56g, 54-56i, 54-56k, 54-56n, 54-63d, 54-66a and
21 54-142e and section 2 of this act;

22 (2) "Backer" means any individual with a direct or indirect financial
23 interest in a cannabis establishment. "Backer" does not include an
24 individual with an investment interest in a cannabis establishment if (A)
25 the interest held by such individual and such individual's spouse,
26 parent or child, in the aggregate, does not exceed five per cent of the
27 total ownership or interest rights in such cannabis establishment, and
28 (B) such individual does not participate directly or indirectly in the
29 control, management or operation of the cannabis establishment;

30 (3) "Cannabis" means marijuana, as defined in section 21a-240;

31 (4) "Cannabis establishment" means a producer, dispensary facility,
32 cultivator, micro-cultivator, retailer, hybrid retailer, food and beverage
33 manufacturer, product manufacturer, product packager, delivery
34 service or transporter;

35 (5) "Cannabis flower" means the flower, including abnormal and
36 immature flowers, of a plant of the genus cannabis that has been
37 harvested, dried and cured, and prior to any processing whereby the
38 flower material is transformed into a cannabis product. "Cannabis
39 flower" does not include (A) the leaves or stem of such plant, or (B)
40 hemp, as defined in section 22-61l;

41 (6) "Cannabis trim" means all parts, including abnormal or immature
42 parts, of a plant of the genus cannabis, other than cannabis flower, that
43 have been harvested, dried and cured, and prior to any processing
44 whereby the plant material is transformed into a cannabis product.
45 "Cannabis trim" does not include hemp, as defined in section 22-61l;

46 (7) "Cannabis product" means cannabis that is in the form of a
47 cannabis concentrate or a product that contains cannabis, which may be
48 combined with other ingredients, and is intended for use or
49 consumption. "Cannabis product" does not include the raw cannabis
50 plant;

51 (8) "Cannabis concentrate" means any form of concentration,
52 including, but not limited to, extracts, oils, tinctures, shatter and waxes,
53 that is extracted from cannabis;

54 (9) "Cannabis-type substances" have the same meaning as
55 "marijuana", as defined in section 21a-240;

56 (10) "Commissioner" means the Commissioner of Consumer
57 Protection and includes any designee of the commissioner;

58 (11) "Consumer" means an individual who is twenty-one years of age
59 or older;

60 (12) "Cultivation" has the same meaning as provided in section 21a-
61 408;

62 (13) "Cultivator" means a person that is licensed to engage in the
63 cultivation, growing and propagation of the cannabis plant at an
64 establishment with not less than fifteen thousand square feet of grow
65 space;

66 (14) "Delivery service" means a person that is licensed to deliver
67 cannabis from (A) micro-cultivators, retailers and hybrid retailers to
68 consumers and research program subjects, and (B) hybrid retailers and
69 dispensary facilities to qualifying patients, caregivers and research
70 program subjects, as defined in section 21a-408, or to hospices or other
71 inpatient care facilities licensed by the Department of Public Health
72 pursuant to chapter 368v that have a protocol for the handling and
73 distribution of cannabis that has been approved by the department, or a
74 combination thereof;

75 (15) "Department" means the Department of Consumer Protection;

76 (16) "Dispensary facility" means a place of business where cannabis
77 may be dispensed, sold or distributed in accordance with chapter 420f
78 and any regulations adopted thereunder, to qualifying patients and
79 caregivers, and to which the department has issued a dispensary facility
80 license under chapter 420f and any regulations adopted thereunder;

81 (17) "Disproportionately impacted area" means a United States
82 census tract in the state that has, as determined by the Social Equity
83 Council under section 21a-420d, as amended by this act, (A) a historical
84 conviction rate for drug-related offenses greater than one-tenth, or (B)
85 an unemployment rate greater than ten per cent;

86 (18) "Disqualifying conviction" means a conviction within the last ten
87 years which has not been the subject of an absolute pardon under the
88 provisions of section 54-130a, or an equivalent pardon process under the
89 laws of another state or the federal government, for an offense under (A)
90 section 53a-276, 53a-277 or 53a-278; (B) section 53a-291, 53a-292 or 53a-
91 293; (C) section 53a-215; (D) section 53a-138 or 53a-139; (E) section 53a-
92 142a; (F) sections 53a-147 to 53a-162, inclusive; (G) sections 53a-125c to
93 53a-125f, inclusive; (H) section 53a-129b, 53a-129c or 53a-129d; (I)
94 subsection (b) of section 12-737; (J) section 53a-48 or 53a-49, if the offense
95 which is attempted or is an object of the conspiracy is an offense under
96 the statutes listed in subparagraphs (A) to (I), inclusive, of this
97 subdivision; or (K) the law of any other state or of the federal
98 government, if the offense on which such conviction is based is defined
99 by elements that substantially include the elements of an offense under
100 the statutes listed in subparagraphs (A) to (J), inclusive, of this
101 subdivision;

102 (19) "Dispensary technician" means an individual who has had an
103 active pharmacy technician or dispensary technician registration in this
104 state within the past five years, is affiliated with a dispensary facility or
105 hybrid retailer and is registered with the department in accordance with
106 chapter 420f and any regulations adopted thereunder;

107 (20) "Employee" means any person who is not a backer, but is a

108 member of the board of a company with an ownership interest in a
109 cannabis establishment, and any person employed by a cannabis
110 establishment or who otherwise has access to such establishment or the
111 vehicles used to transport cannabis, including, but not limited to, an
112 independent contractor who has routine access to the premises of such
113 establishment or to the cannabis handled by such establishment;

114 (21) "Equity" and "equitable" means efforts, regulations, policies,
115 programs, standards, processes and any other functions of government
116 or principles of law and governance intended to: (A) Identify and
117 remedy past and present patterns of discrimination and disparities of
118 race, ethnicity, gender and sexual orientation; (B) ensure that such
119 patterns of discrimination and disparities, whether intentional or
120 unintentional, are neither reinforced nor perpetuated; and (C) prevent
121 the emergence and persistence of foreseeable future patterns of
122 discrimination or disparities of race, ethnicity, gender, and sexual
123 orientation;

124 (22) "Equity joint venture" means a business entity that is at least fifty
125 per cent owned and controlled by an individual or individuals, or such
126 applicant is an individual, who meets the criteria of subparagraphs (A)
127 and (B) of subdivision (48) of this section;

128 (23) "Extract" means the preparation, compounding, conversion or
129 processing of cannabis, either directly or indirectly by extraction or
130 independently by means of chemical synthesis, or by a combination of
131 extraction and chemical synthesis to produce a cannabis concentrate;

132 (24) "Financial interest" means any right to, ownership, an investment
133 or a compensation arrangement with another person, directly, through
134 business, investment or family. "Financial interest" does not include
135 ownership of investment securities in a publicly-held corporation that
136 is traded on a national exchange or over-the-counter market, provided
137 the investment securities held by such person and such person's spouse,
138 parent or child, in the aggregate, do not exceed one-half of one per cent
139 of the total number of shares issued by the corporation;

140 (25) "Food and beverage manufacturer" means a person that is
141 licensed to own and operate a place of business that acquires cannabis
142 and creates food and beverages;

143 (26) "Grow space" means the portion of a premises owned and
144 controlled by a producer, cultivator or micro-cultivator that is utilized
145 for the cultivation, growing or propagation of the cannabis plant, and
146 contains cannabis plants in an active stage of growth, measured starting
147 from the outermost wall of the room containing cannabis plants and
148 continuing around the outside of the room. "Grow space" does not
149 include space used to cure, process, store harvested cannabis or
150 manufacture cannabis once the cannabis has been harvested;

151 (27) "Historical conviction count for drug-related offenses" means, for
152 a given area, the number of convictions of residents of such area (A) for
153 violations of sections 21a-267, 21a-277, 21a-278, 21a-279 and 21a-279a,
154 and (B) who were arrested for such violations between January 1, 1982,
155 and December 31, 2020, inclusive, where such arrest was recorded in
156 databases maintained by the Department of Emergency Services and
157 Public Protection;

158 (28) "Historical conviction rate for drug-related offenses" means, for
159 a given area, the historical conviction count for drug-related offenses
160 divided by the population of such area, as determined by the five-year
161 estimates of the most recent American Community Survey conducted
162 by the United States Census Bureau;

163 (29) "Hybrid retailer" means a person that is licensed to purchase
164 cannabis and sell cannabis and medical marijuana products;

165 (30) "Key employee" means an employee with the following
166 management position or an equivalent title within a cannabis
167 establishment: (A) President or chief officer, who is the top ranking
168 individual at the cannabis establishment and is responsible for all staff
169 and overall direction of business operations; (B) financial manager, who
170 is the individual who reports to the president or chief officer and who is
171 generally responsible for oversight of the financial operations of the

172 cannabis establishment, including, but not limited to, revenue
173 generation, distributions, tax compliance and budget implementation;
174 or (C) compliance manager, who is the individual who reports to the
175 president or chief officer and who is generally responsible for ensuring
176 the cannabis establishment complies with all laws, regulations and
177 requirements related to the operation of the cannabis establishment;

178 (31) "Laboratory" means a laboratory located in the state that is
179 licensed by the department to provide analysis of cannabis that meets
180 the licensure requirements set forth in section 21a-246;

181 (32) "Laboratory employee" means an individual who is registered as
182 a laboratory employee pursuant to section 21a-408r;

183 (33) "Labor peace agreement" means an agreement between a
184 cannabis establishment and a bona fide labor organization under section
185 21a-421d pursuant to which the owners and management of the
186 cannabis establishment agree not to lock out employees and that
187 prohibits the bona fide labor organization from engaging in picketing,
188 work stoppages or boycotts against the cannabis establishment;

189 (34) "Manufacture" means to add or incorporate cannabis into other
190 products or ingredients or create a cannabis product;

191 (35) "Medical marijuana product" means cannabis that may be
192 exclusively sold to qualifying patients and caregivers by dispensary
193 facilities and hybrid retailers and which are designated by the
194 commissioner as reserved for sale to qualifying patients and caregivers
195 and published on the department's Internet web site;

196 (36) "Micro-cultivator" means a person licensed to engage in the
197 cultivation, growing and propagation of the cannabis plant at an
198 establishment containing not less than two thousand square feet and not
199 more than ten thousand square feet of grow space, prior to any
200 expansion authorized by the commissioner;

201 (37) "Municipality" means any town, city or borough, consolidated

202 town and city or consolidated town and borough;

203 (38) "Paraphernalia" means drug paraphernalia, as defined in section
204 21a-240;

205 (39) "Person" means an individual, partnership, limited liability
206 company, society, association, joint stock company, corporation, estate,
207 receiver, trustee, assignee, referee or any other legal entity and any other
208 person acting in a fiduciary or representative capacity, whether
209 appointed by a court or otherwise, and any combination thereof;

210 (40) "Producer" means a person that is licensed as a producer
211 pursuant to section 21a-408i and any regulations adopted thereunder;

212 (41) "Product manufacturer" means a person that is licensed to obtain
213 cannabis, extract and manufacture products exclusive to such license
214 type;

215 (42) "Product packager" means a person that is licensed to package
216 and label cannabis;

217 (43) "Qualifying patient" has the same meaning as provided in section
218 21a-408;

219 (44) "Research program" has the same meaning as provided in section
220 21a-408;

221 (45) "Retailer" means a person, excluding a dispensary facility and
222 hybrid retailer, that is licensed to purchase cannabis from producers,
223 cultivators, micro-cultivators, product manufacturers and food and
224 beverage manufacturers and to sell cannabis to consumers and research
225 programs;

226 (46) "Sale" or "sell" has the same meaning as provided in section 21a-
227 240;

228 (47) "Social Equity Council" or "council" means the council
229 established under section 21a-420d, as amended by this act;

230 (48) "Social equity applicant" means a person that has applied for a
231 license for a cannabis establishment, where such applicant is at least
232 sixty-five per cent owned and controlled by an individual or
233 individuals, or such applicant is an individual, who:

234 (A) Had an average household income of less than three hundred per
235 cent of the state median household income over the three tax years
236 immediately preceding such individual's application; and

237 (B) (i) Was a resident of a disproportionately impacted area for not
238 less than five of the ten years immediately preceding the date of such
239 application; or

240 (ii) Was a resident of a disproportionately impacted area for not less
241 than nine years prior to attaining the age of eighteen;

242 (49) "THC" has the same meaning as provided in section 21a-240;

243 (50) "Third-party lottery operator" means a person, or a constituent
244 unit of the state system of higher education, that conducts lotteries
245 pursuant to section 21a-420g, identifies the cannabis establishment
246 license applications for consideration without performing any review of
247 the applications that are identified for consideration, and that has no
248 direct or indirect oversight of or investment in a cannabis establishment
249 or a cannabis establishment applicant;

250 (51) "Transfer" means to transfer, change, give or otherwise dispose
251 of control over or interest in;

252 (52) "Transport" means to physically move from one place to another;

253 (53) "Transporter" means a person licensed to transport cannabis
254 between cannabis establishments, laboratories and research programs;
255 and

256 (54) "Unemployment rate" means, in a given area, the number of
257 people sixteen years of age or older who are in the civilian labor force
258 and unemployed divided by the number of people sixteen years of age

259 or older who are in the civilian labor force.

260 Sec. 2. (NEW) (*Effective July 1, 2022*) (a) Notwithstanding any
261 provision of the general statutes, no person shall gift, sell or transfer
262 cannabis to another person: (1) To induce, or in exchange for, any
263 donation for any purpose, including, but not limited to, any charitable
264 donation or any donation made to gain admission to any event; (2) at
265 any location, other than a dispensary facility, retailer or hybrid-retailer,
266 (A) where a consumer may purchase any item other than cannabis, a
267 cannabis product or services related to cannabis, and (B) that requires
268 consideration, including, but not limited to, membership in any club, in
269 order to gain admission to such location; or (3) as part of any giveaway,
270 including, but not limited to, any door prize, goodie bag or swag bag,
271 associated with attendance at any event.

272 (b) Any person who violates the provisions of subsection (a) of this
273 section shall, in addition to any other penalty provided by law, be fined
274 not more than ten thousand dollars or imprisoned not more than one
275 year, or both.

276 Sec. 3. Section 21a-420m of the 2022 supplement to the general
277 statutes is repealed and the following is substituted in lieu thereof
278 (*Effective from passage*):

279 (a) In order to pay a reduced license expansion authorization fee as
280 described in subsection (b) of section 21a-420l, a producer shall commit
281 to create two equity joint ventures to be approved by the Social Equity
282 Council under section 21a-420d, as amended by this act, and licensed by
283 the department under this section.

284 (b) The equity joint venture shall be in any cannabis establishment
285 licensed business, other than a cultivator license, provided the social
286 equity applicant shall own at least fifty per cent of such business.

287 (c) The producer or social equity applicant of an equity joint venture
288 shall submit an application to the Social Equity Council that may
289 include, but need not be limited to, evidence of business formation,

290 ownership allocation, terms of ownership and financing and proof of
291 social equity applicant involvement. The producer or social equity
292 applicant of an equity joint venture shall submit to the Social Equity
293 Council information including, but not limited to, the organizing
294 documents of the entity that outline the ownership stake of each backer,
295 initial backer investment and payout information to enable the council
296 to determine the terms of ownership.

297 (d) Upon obtaining the written approval of the Social Equity Council
298 for an equity joint venture, the producer or social equity applicant of the
299 equity joint venture shall apply for a license from the department in the
300 same form as required by all other licensees of the same license type,
301 except that such application shall not be subject to the lottery.

302 (e) A producer, including the backer of such producer, shall not
303 increase its ownership in an equity joint venture in excess of fifty per
304 cent during the seven-year period after a license is issued by the
305 department under this section.

306 (f) Equity joint ventures that share a common producer or producer
307 backer and that are retailers or hybrid retailers shall not be located
308 within twenty miles of another commonly owned equity joint venture.

309 (g) If a producer [~~had~~] has paid a reduced conversion fee, as
310 described in subsection (b) of section 21a-420l, and subsequently did not
311 create two equity joint ventures under this section that, not later than
312 fourteen months after the Department of Consumer Protection
313 approved the producer's license expansion application under section
314 21a-420l, each received a final license from the department, the producer
315 shall be liable for the full conversion fee of three million dollars
316 established in section 21a-420l minus such paid reduced conversion fee.

317 (h) No producer that receives from the Department of Consumer
318 Protection license expansion authorization under section 21a-420l shall
319 create more than two equity joint ventures, unless any additional equity
320 joint venture obtains, in conjunction with such producer, a provisional
321 license before the effective date of this section.

322 Sec. 4. Section 21a-420u of the 2022 supplement to the general statutes
323 is repealed and the following is substituted in lieu thereof (*Effective from*
324 *passage*):

325 (a) In order for a dispensary facility to convert its license to a hybrid-
326 retailer license, a dispensary facility shall have a workforce
327 development plan that has been approved by the Social Equity Council
328 under section 21a-420d, as amended by this act, and shall either pay the
329 fee of one million dollars established in section 21a-420e or, if such
330 dispensary facility has committed to create one equity joint venture to
331 be approved by the Social Equity Council for ownership purposes under
332 section 21a-420d, as amended by this act, and subsequent to obtaining
333 such approval, approved by the department for licensure under this
334 section, pay a reduced fee of five hundred thousand dollars.

335 (b) Any equity joint venture created under this section shall be
336 created for the development of a cannabis establishment business with
337 a social equity applicant that owns at least fifty per cent of such business
338 and where the dispensary facility owns at most fifty per cent of such
339 business.

340 (c) An equity joint venture applicant shall submit an application to
341 the Social Equity Council that may include, but need not be limited to,
342 evidence of business formation, ownership allocation, terms of
343 ownership and financing and proof of social equity applicant
344 involvement. The dispensary facility or social equity applicant of an
345 equity joint venture shall submit an application to the Social Equity
346 Council that may include, but need not be limited to, evidence of
347 business formation, ownership allocation, terms of ownership and
348 financing and proof of social equity applicant involvement. The
349 dispensary facility or social equity applicant of an equity joint venture
350 shall submit to the Social Equity Council information including, but not
351 limited to, the organizing documents of the entity that outline the
352 ownership stake of each backer, initial backer investment and payout
353 information to enable the council to determine the terms of ownership.

354 (d) Upon receipt of written approval of the equity joint venture by
355 the Social Equity Council, the dispensary facility or social equity
356 applicant of the equity joint venture shall apply for a license from the
357 department in the same form as required by all other licensees of the
358 same license type and subject to the same fees as required by all other
359 licensees of the same license type.

360 (e) A dispensary facility, including the backers of such dispensary
361 facility, shall not increase its ownership in an equity joint venture in
362 excess of fifty per cent during the seven-year period after a license is
363 issued by the department under this section.

364 (f) Equity joint ventures that are retailers or hybrid retailers that share
365 a common dispensary facility or dispensary facility backer owner shall
366 not be located within twenty miles of another commonly owned equity
367 joint venture.

368 (g) If a dispensary facility has paid the reduced conversion fee, in
369 accordance with subsection (a) of this section, and did not subsequently
370 create one equity joint venture under this section ~~[, the] that, not later~~
371 than fourteen months after the Department of Consumer Protection
372 approved the dispensary facility's license conversion application under
373 section 21a-420t, receives a final license from the department, the
374 dispensary facility shall be liable for the full conversion fee of one
375 million dollars ~~[,]~~ established ~~[under]~~ in section 21a-420e minus such
376 paid reduced conversion fee.

377 (h) No dispensary facility that receives from the Department of
378 Consumer Protection approval to convert the dispensary facility's
379 license to a hybrid-retailer license under section 21a-420t shall create
380 more than two equity joint ventures, unless any additional equity joint
381 venture obtains, in conjunction with such dispensary facility, a
382 provisional license before the effective date of this section.

383 Sec. 5. Subsection (k) of section 21a-420d of the 2022 supplement to
384 the general statutes is repealed and the following is substituted in lieu
385 thereof (*Effective from passage*):

386 (k) The council shall develop criteria for evaluating the ownership
387 and control of any equity joint venture created under section 21a-420m,
388 as amended by this act, or 21a-420u, as amended by this act, and shall
389 review and approve or deny in writing such equity joint venture prior
390 to such equity joint venture being licensed under section 21a-420m, as
391 amended by this act, or 21a-420u, as amended by this act. After
392 developing criteria for social equity plans as described in subdivision
393 (5) of subsection (h) of this section, the council shall review and approve
394 or deny in writing any such plan submitted by a cannabis establishment
395 as part of its final license application. The council shall not approve any
396 equity joint venture that shares the same social equity applicant with
397 another equity joint venture.

398 Sec. 6. Section 21a-421bb of the 2022 supplement to the general
399 statutes is repealed and the following is substituted in lieu thereof
400 (*Effective October 1, 2022*):

401 (a) [Cannabis] Except as provided in subsection (c) of this section,
402 cannabis establishments and any person advertising any cannabis or
403 services related to cannabis shall not:

404 (1) Advertise, including, but not limited to, through a business name
405 or logo, cannabis, cannabis paraphernalia or goods or services related to
406 cannabis in ways that target or are designed to appeal to individuals
407 under twenty-one years of age, including, but not limited to,
408 spokespersons or celebrities who appeal to individuals under the legal
409 age to purchase cannabis or cannabis products, depictions of a person
410 under twenty-five years of age consuming cannabis, or, the inclusion of
411 objects, such as toys, characters or cartoon characters suggesting the
412 presence of a person under twenty-one years of age, or any other
413 depiction designed in any manner to be appealing to a person under
414 twenty-one years of age;

415 (2) Engage in advertising by means of any billboard;

416 [(2)] (3) Engage in advertising by means of any television, radio,
417 Internet, mobile [applications] application, social media [,] or other

418 electronic communication, [billboard or other] outdoor signage [,] or
419 print publication unless the advertiser has reliable evidence that at least
420 ninety per cent of the audience for the [advertisement] advertising is
421 reasonably expected to be twenty-one years of age or older;

422 [(3)] (4) Engage in advertising or marketing directed toward location-
423 based devices, including, but not limited to, cellular phones, unless the
424 marketing is a mobile device application installed on the device by the
425 owner of the device who is twenty-one years of age or older and
426 includes a permanent and easy opt-out feature and warnings that the
427 use of cannabis is restricted to persons twenty-one years of age or older;

428 [(4)] (5) Advertise cannabis or cannabis products in a manner
429 claiming or implying, or permit any employee of the cannabis
430 establishment to claim or imply, that such products have curative or
431 therapeutic effects, or that any other medical claim is true, or allow any
432 employee to promote cannabis for a wellness purpose unless such
433 claims are substantiated as set forth in regulations adopted under
434 chapter 420f or verbally conveyed by a licensed pharmacist or other
435 licensed medical practitioner in the course of business in, or while
436 representing, a hybrid retail or dispensary facility;

437 [(5)] (6) Sponsor charitable, sports, musical, artistic, cultural, social or
438 other similar events or advertising at, or in connection with, such an
439 event unless the sponsor or advertiser has reliable evidence that (A) not
440 more than ten per cent of the in-person audience at the event is
441 reasonably expected to be under the legal age to purchase cannabis or
442 cannabis products, and (B) not more than ten per cent of the audience
443 that will watch, listen or participate in the event is expected to be under
444 the legal age to purchase cannabis products;

445 [(6)] (7) Advertise cannabis, cannabis products or cannabis
446 paraphernalia in any physical form visible to the public within five
447 hundred feet of an elementary or secondary school ground, recreation
448 center or facility, child care center, playground, public park or library;

449 [(7)] (8) Cultivate cannabis or manufacture cannabis products for

450 distribution outside of this state in violation of federal law, advertise in
451 any way that encourages the transportation of cannabis across state lines
452 or otherwise encourages illegal activity;

453 ~~[(8)]~~ (9) Except for dispensary facilities and hybrid retailers, exhibit
454 within or upon the outside of the facility used in the operation of a
455 cannabis establishment, or include in any advertisement, the word
456 "dispensary" or any variation of such term or any other words, displays
457 or symbols indicating that such store, shop or place of business is a
458 dispensary;

459 ~~[(9)]~~ (10) Exhibit within or upon the outside of the premises subject to
460 the cannabis establishment license, or include in any advertisement the
461 words "drug store", "pharmacy", "apothecary", "drug", "drugs" or
462 "medicine shop" or any combination of such terms or any other words,
463 displays or symbols indicating that such store, shop or place of business
464 is a pharmacy;

465 ~~[(10)]~~ (11) Advertise on or in public or private vehicles or at bus stops,
466 taxi stands, transportation waiting areas, train stations, airports or other
467 similar transportation venues including, but not limited to, vinyl-
468 wrapped vehicles or signs or logos on transportation vehicles not
469 owned by a cannabis establishment;

470 ~~[(11)]~~ (12) Display cannabis or cannabis products so as to be clearly
471 visible to a person from the exterior of the facility used in the operation
472 of a cannabis establishment, or display signs or other printed material
473 advertising any brand or any kind of cannabis or cannabis product on
474 the exterior of any facility used in the operation of a cannabis
475 establishment;

476 ~~[(12)]~~ (13) Utilize radio or loudspeaker, in a vehicle or in or outside of
477 a facility used in the operation of a cannabis establishment, for the
478 purposes of advertising the sale of cannabis or cannabis products; or

479 ~~[(13)]~~ (14) Operate any web site advertising or depicting cannabis,
480 cannabis products or cannabis paraphernalia unless such web site

481 verifies that the entrants or users are twenty-one years of age or older.

482 (b) [Any] Except as provided in subsection (c) of this section, any
483 advertisements from a cannabis establishment shall contain the
484 following warning: "Do not use cannabis if you are under twenty-one
485 years of age. Keep cannabis out of the reach of children." In a print or
486 visual medium, such warning shall be conspicuous, easily legible and
487 shall take up not less than ten per cent of the advertisement space. In an
488 audio medium, such warning shall be at the same speed as the rest of
489 the advertisement and be easily intelligible.

490 (c) Any outdoor signage, other than a billboard and including, but
491 not limited to, any monument sign, pylon sign or wayfinding sign, shall
492 be deemed to satisfy the audience requirement established in
493 subdivision (1) of subsection (a) of this section, and shall not be required
494 to contain the warning required under subsection (b) of this section, if
495 such outdoor signage:

496 (1) Contains only the name and logo of:

497 (A) A cannabis establishment; or

498 (B) Any business entity advertising (i) cannabis paraphernalia, or (ii)
499 goods or services related to a cannabis business;

500 (2) Is comprised of not more than three colors; and

501 (3) Is located:

502 (A) On the cannabis establishment's or such business entity's
503 premises, regardless of whether such cannabis establishment or
504 business entity leases or owns such premises; or

505 (B) On any commercial property occupied by multiple tenants
506 including such cannabis establishment or business entity.

507 [(c)] (d) The department shall not register, and may require revision
508 of, any submitted or registered cannabis brand name that:

509 (1) Is identical to, or confusingly similar to, the name of an existing
510 non-cannabis product;

511 (2) Is identical to, or confusingly similar to, the name of an unlawful
512 product or substance;

513 (3) Is confusingly similar to the name of a previously approved
514 cannabis brand name;

515 (4) Is obscene or indecent; and

516 (5) Is customarily associated with persons under the age of twenty-
517 one.

518 [(d)] (e) A violation of the provisions of subsection (a) or (b) of this
519 section shall be deemed to be an unfair or deceptive trade practice under
520 subsection (a) of section 42-110b.

521 Sec. 7. Section 21a-422f of the 2022 supplement to the general statutes
522 is repealed and the following is substituted in lieu thereof (*Effective from*
523 *passage*):

524 (a) As used in this section, "municipality" means any town, city or
525 borough, consolidated town and city or consolidated town and
526 borough, and a district establishing a zoning commission under section
527 7-326.

528 (b) Any municipality may, by amendment to such municipality's
529 zoning regulations or by local ordinance, (1) prohibit the establishment
530 of a cannabis establishment, (2) establish reasonable restrictions
531 regarding the hours and signage within the limits of such municipality,
532 or (3) establish restrictions on the proximity of cannabis establishments
533 to any of the establishments listed in subdivision (1) of subsection (a) of
534 section 30-46. The chief zoning official of a municipality shall report, in
535 writing, any zoning changes adopted by the municipality regarding
536 cannabis establishments pursuant to this subsection to the Secretary of
537 the Office of Policy and Management and to the department not later
538 than fourteen days after the adoption of such changes.

539 (c) Unless otherwise provided for by a municipality through its
540 zoning regulations or ordinances, a cannabis establishment shall be
541 zoned as if for any other similar use, other than a cannabis
542 establishment, would be zoned.

543 (d) Any restriction regarding hours, zoning and signage of a cannabis
544 establishment adopted by a municipality shall not apply to an existing
545 cannabis establishment located in such municipality if such cannabis
546 establishment does not convert to a different license type, for a period
547 of five years after the adoption of such prohibition or restriction.

548 [(e) Until June 30, 2024, no municipality shall grant zoning approval
549 for more retailers or micro-cultivators than a number that would allow
550 for one retailer and one micro-cultivator for every twenty-five thousand
551 residents of such municipality, as determined by the most recent
552 decennial census.]

553 [(f)] (e) On and after July 1, 2024, the Commissioner of Consumer
554 Protection may, in the discretion of the commissioner, post on the
555 Department of Consumer Protection's Internet web site a specific
556 number of residents such that no municipality shall grant zoning
557 approval for more retailers or micro-cultivators than would result in one
558 retailer and one micro-cultivator for every such specific number of
559 residents, as determined by the commissioner. Any such determination
560 shall be made to ensure reasonable access to cannabis by consumers.

561 [(g)] (f) For purposes of ensuring compliance with this section, a
562 special permit or other affirmative approval shall be required for any
563 retailer or micro-cultivator seeking to be located within a municipality.
564 A municipality shall not grant such special permit or approval for any
565 retailer or micro-cultivator applying for such special permit or approval
566 if that would result in an amount that (1) until June 30, 2024, exceeds the
567 density cap of one retailer and one micro-cultivator for every twenty-
568 five thousand residents, and (2) on and after July 1, 2024, exceeds any
569 density cap determined by the commissioner under subsection [(f)] (e)
570 of this section. When awarding final licenses for a retailer or micro-

571 cultivator, the Department of Consumer Protection may assume that, if
 572 an applicant for such final license has obtained zoning approval, the
 573 approval of a final license for such applicant shall not result in a
 574 violation of this section or any other municipal restrictions on the
 575 number or density of cannabis establishments.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2022</i>	21a-420
Sec. 2	<i>July 1, 2022</i>	New section
Sec. 3	<i>from passage</i>	21a-420m
Sec. 4	<i>from passage</i>	21a-420u
Sec. 5	<i>from passage</i>	21a-420d(k)
Sec. 6	<i>October 1, 2022</i>	21a-421bb
Sec. 7	<i>from passage</i>	21a-422f

Statement of Purpose:

To: (1) Impose additional limitations on the manner in which cannabis may be gifted, sold or transferred; (2) impose additional penalties for prohibited gifts, sales and transfers of cannabis; (3) specify that a producer (A) shall be liable for the remainder of the full conversion fee if the producer fails to create two equity joint ventures that receive a final license within a specified time frame, and (B) that receives license expansion authorization shall not create more than two equity joint ventures; (4) specify that a dispensary facility (A) shall be liable for the remainder of the full conversion fee if the dispensary facility fails to create two equity joint ventures that each receive a final license within a specified time frame, and (B) that converts its license to a hybrid-retailer license shall not create more than two equity joint ventures; (5) provide that the Social Equity Council shall not approve any equity joint venture that shares the same social equity applicant with another equity joint venture; (6) ban cannabis billboard advertisements; (7) modify certain provisions concerning advertisements by cannabis establishments and related businesses; and (8) eliminate a provision that prohibits a municipality from granting zoning approval for more retailers or micro-cultivators than a number that would allow for one retailer and one micro-cultivator for every twenty-five thousand residents of the municipality.

[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.]