



Substitute House Bill No. 6700

Public Act No. 23-166

AN ACT CONCERNING HEMP, THE ADULT-USE CANNABIS MARKET AND WEATHER DISASTER RELIEF.

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

Section 1. Section 21a-409 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2023*):

(a) As used in this section, "producer" has the same meaning as provided in section 21a-408 and "manufacture", "market", "cultivate", "hemp", "hemp products", [and] "manufacturer hemp products" and "producer hemp products" have the same meanings as provided in section 22-61l. Any producer licensed [under] pursuant to section 21a-408 shall manufacture, market, cultivate or store hemp and manufacturer hemp products in accordance with the provisions of this chapter and any regulations adopted [under] pursuant to this chapter. Producers may obtain hemp and manufacturer hemp products from a person authorized under the laws of this state or another state, territory or possession of the United States or another sovereign entity to possess and sell such hemp and manufacturer hemp products.

(b) Hemp or manufacturer hemp products purchased by producers from third parties shall be tracked as a separate batch throughout the manufacturing process in order to document the disposition of such

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hemp or manufacturer hemp products. Hemp or manufacturer hemp products obtained, manufactured, marketed, cultivated or stored by a producer shall be deemed marijuana and shall comply with the requirements for marijuana contained in the applicable provisions of the general statutes and any regulations adopted [under] pursuant to such provisions. Producers shall retain a copy of the certificate of analysis for purchased hemp or manufacturer hemp products and invoice and transport documents that evidence the quantity purchased and date received.

(c) (1) No hemp or producer hemp products shall be sold or distributed within a dispensary facility that is licensed [under] pursuant to this chapter.

(2) Notwithstanding subdivision (1) of this subsection, manufacturer hemp products may be sold within a dispensary facility that is licensed pursuant to this chapter, provided such manufacturer hemp products are:

(A) Stored separately from marijuana;

(B) Separated, by a physical separation, from marijuana in any display area;

(C) Displayed with signage approved by the department;

(D) Tested by a laboratory that meets the standards for accreditation and testing, and sampling methods, set forth for an independent testing laboratory in section 22-61m, which laboratory may be located outside of this state;

(E) Clearly labeled to distinguish the product as (i) a manufacturer hemp product, (ii) subject to different testing standards than cannabis or marijuana, and (iii) not cannabis or marijuana; and

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(F) Sold in accordance with this chapter, chapter 424 and any regulations adopted pursuant to said chapters.

Sec. 2. Section 21a-420r of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2023*):

(a) On and after July 1, 2021, the department may issue or renew a license for a person to be a retailer. No person may act as a retailer or represent that such person is a retailer unless such person has obtained a license from the department pursuant to this section.

(b) A retailer may obtain cannabis from a cultivator, micro-cultivator, producer, product packager, food and beverage manufacturer, product manufacturer or transporter or an undeliverable return from a delivery service. A retailer may sell, transport or transfer cannabis or cannabis products to a delivery service, laboratory or research program. A retailer may sell cannabis to a consumer or research program. A retailer may not conduct sales of medical marijuana products nor offer discounts or other inducements to qualifying patients or caregivers. A retailer shall not gift or transfer cannabis at no cost to a consumer as part of a commercial transaction.

(c) Retailers shall maintain a secure location, in a manner approved by the commissioner, at the licensee's premises where cannabis that is unable to be delivered by an employee or delivery service may be returned to the retailer. Such secure cannabis return location shall meet specifications set forth by the commissioner and published on the department's Internet web site or included in regulations adopted by the department.

(d) A retailer may deliver cannabis through a delivery service or by utilizing its own employees, subject to the provisions of subsection (b) of section 21a-420c.

(e) Manufacturer hemp products, as defined in section 22-61l, may be

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sold within a retailer facility, provided such manufacturer hemp products are:

- (1) Stored separately from cannabis and cannabis products;
- (2) Separated, by a physical separation, from cannabis and cannabis products in any display area;
- (3) Displayed with signage approved by the department;
- (4) Tested by a laboratory that meets the standards for accreditation and testing, and sampling methods, set forth for an independent testing laboratory in section 22-61m, which laboratory may be located outside of this state;
- (5) Clearly labeled to distinguish the product as (A) a manufacturer hemp product, (B) subject to different testing standards than cannabis, and (C) not cannabis or a cannabis product; and
- (6) Sold in accordance with this chapter, chapter 424 and any regulations adopted pursuant to said chapters.

Sec. 3. Section 21a-420s of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2023*):

(a) On and after July 1, 2021, the department may issue or renew a license for a hybrid retailer. No person may act as a hybrid retailer or represent that such person is a hybrid retailer unless such person has obtained a license from the department pursuant to this section.

(b) A hybrid retailer may obtain cannabis from a cultivator, micro-cultivator, producer, product packager, food and beverage manufacturer, product manufacturer or transporter. In addition to the activities authorized under section 21a-420t, a hybrid retailer may sell, transport or transfer cannabis to a delivery service, laboratory or research program. A hybrid retailer may sell cannabis products to a

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consumer or research program. A hybrid retailer shall not gift or transfer cannabis at no cost to a consumer, qualifying patient or caregiver as part of a commercial transaction.

(c) In addition to conducting general retail sales, a hybrid retailer may sell cannabis and medical marijuana products, to qualifying patients and caregivers. Any cannabis or medical marijuana products sold to qualifying patients and caregivers shall be dispensed by a licensed pharmacist and shall be recorded in the electronic prescription drug monitoring program, established pursuant to section 21a-254, in real-time or immediately upon completion of the transaction, unless not reasonably feasible for a specific transaction, but in no case longer than one hour after completion of the transaction. Only a licensed pharmacist or dispensary technician may upload or access data in the prescription drug monitoring program.

(d) A hybrid retailer shall maintain a licensed pharmacist on premises at all times when the hybrid retail location is open to the public or to qualifying patients and caregivers.

(e) The hybrid retailer location shall include a private consultation space for pharmacists to meet with qualifying patients and caregivers. Additionally, the hybrid retailer premises shall accommodate an expedited method of entry that allows for priority entrance into the premises for qualifying patients and caregivers.

(f) Hybrid retailers shall maintain a secure location, in a manner approved by the commissioner, at the licensee's premises where cannabis that is unable to be delivered may be returned to the hybrid retailer. Such secure cannabis return location shall meet specifications set forth by the commissioner and published on the department's Internet web site or included in regulations adopted by the department.

(g) Cannabis dispensed to a qualifying patient or caregiver that are

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unable to be delivered and are returned by the delivery service to the hybrid retailer shall be returned to the licensee inventory system and removed from the prescription drug monitoring program not later than forty-eight hours after receipt of the cannabis from the delivery service.

(h) A hybrid retailer may not convert its license to a retailer license. To obtain a retailer license, a hybrid retailer shall apply through the lottery application process. A hybrid retailer may convert to a dispensary facility if the hybrid retailer complies with all applicable provisions of chapter 420f, and upon written approval by the department.

(i) Manufacturer hemp products, as defined in section 22-61l, may be sold within a hybrid retailer facility, provided such manufacturer hemp products are:

(1) Stored separately from cannabis and cannabis products;

(2) Separated, by a physical separation, from cannabis and cannabis products in any display area;

(3) Displayed with signage approved by the department;

(4) Tested by a laboratory that meets the standards for accreditation and testing, and sampling methods, set forth for an independent testing laboratory in section 22-61m, which laboratory may be located outside of this state;

(5) Clearly labeled to distinguish the product as (A) a manufacturer hemp product, (B) subject to different testing standards than cannabis, and (C) not cannabis or a cannabis product; and

(6) Sold in accordance with this chapter, chapter 424 and any regulations adopted pursuant to said chapters.

Sec. 4. Section 22-61n of the general statutes is repealed and the

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following is substituted in lieu thereof (*Effective July 1, 2023*):

(a) As used in this section: ["producer", "cultivator", "micro-cultivator", "product manufacturer", "hybrid retailer" and "retailer" have the same meanings as provided in section 21a-420; and "hemp" and "hemp products" have the same meanings as provided in section 22-61l.]

(1) "Cultivator" has the same meaning as provided in section 21a-420;

(2) "Hemp" has the same meaning as provided in section 22-61l;

(3) "Hemp products" has the same meaning as provided in section 22-61l;

(4) "Micro-cultivator" has the same meaning as provided in section 21a-420;

(5) "Producer" has the same meaning as provided in section 21a-420;
and

(6) "Product manufacturer" has the same meaning as provided in section 21a-420.

(b) Any producer, cultivator, micro-cultivator and product manufacturer may manufacture, market, cultivate or store hemp and hemp products in accordance with the provisions of this chapter and any regulations adopted [under] pursuant to said chapter. [except that a] A producer, cultivator, micro-cultivator and product manufacturer [may obtain] that obtains hemp and hemp products shall only obtain such hemp and hemp products from a person authorized under the laws of this state or another state, territory or possession of the United States or another sovereign entity to possess and sell such hemp and hemp products.

(c) Hemp or hemp products purchased by a producer, cultivator, micro-cultivator or product manufacturer from a third party shall be

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tracked as a separate batch throughout the manufacturing process in order to document the disposition of such hemp or hemp products. Once hemp or hemp products are received by a producer, cultivator, micro-cultivator or product manufacturer, such hemp or hemp products shall be deemed cannabis and shall comply with the requirements for cannabis contained in the applicable provisions of the general statutes and any regulations adopted [under] pursuant to such provisions. A producer, cultivator, micro-cultivator and product manufacturer shall retain a copy of the certificate of analysis for purchased hemp or hemp products and invoice and transport documents that evidence the quantity purchased and date received.

[(d) No hemp or hemp products shall be sold or distributed within a dispensary facility that is licensed under chapter 420f or the business premises of a hybrid retailer or a retailer.]

Sec. 5. Section 21a-408h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2023*):

(a) No person may act as a dispensary or represent that such person is a licensed dispensary unless such person has obtained a license from the Commissioner of Consumer Protection pursuant to this section.

(b) No person may act as a dispensary facility or represent that such person is a licensed dispensary facility unless such person has obtained a license from the Commissioner of Consumer Protection pursuant to this section.

(c) The Commissioner of Consumer Protection shall determine the number of dispensary facilities appropriate to meet the needs of qualifying patients in this state and shall adopt regulations, in accordance with chapter 54, to provide for the licensure and standards for dispensary facilities in this state and specify the maximum number of dispensary facilities that may be licensed in this state. On and after

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the effective date of such regulations, the commissioner may license any person who applies for a license in accordance with such regulations, provided the commissioner deems such applicant qualified to acquire, possess, distribute and dispense marijuana pursuant to sections 21a-408 to 21a-408m, inclusive. At a minimum, such regulations shall:

(1) Indicate the maximum number of dispensary facilities that may be licensed in this state;

(2) Provide that no marijuana may be dispensed from, obtained from or transferred to a location outside of this state;

(3) Establish a licensing fee and renewal fee for each dispensary facility, provided such fees shall not be less than the amount necessary to cover the direct and indirect cost of licensing and regulating dispensary facilities pursuant to sections 21a-408 to 21a-408m, inclusive;

(4) Provide for renewal of such dispensary facility licenses at least every two years;

(5) Describe areas in this state where dispensary facilities may not be located, after considering the criteria for the location of retail liquor permit premises set forth in subsection (a) of section 30-46;

(6) Establish health, safety and security requirements for dispensary facilities, which may include, but need not be limited to: (A) The ability to maintain adequate control against the diversion, theft and loss of marijuana acquired or possessed by the dispensary facility, and (B) the ability to maintain the knowledge, understanding, judgment, procedures, security controls and ethics to ensure optimal safety and accuracy in the distributing, dispensing and use of palliative marijuana;

(7) Establish standards and procedures for revocation, suspension, summary suspension and nonrenewal of dispensary facility licenses, provided such standards and procedures are consistent with the

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provisions of subsection (c) of section 4-182; and

(8) Establish other licensing, renewal and operational standards deemed necessary by the commissioner.

(d) Any fees collected by the Department of Consumer Protection under this section shall be paid to the State Treasurer and credited to the General Fund.

[(e) On or before January 1, 2017, and annually thereafter, each dispensary facility shall report data to the Department of Consumer Protection relating to the types, mixtures and dosages of palliative marijuana dispensed by such dispensary facility. A report prepared pursuant to this subsection shall be in such form as may be prescribed by the Commissioner of Consumer Protection.]

Sec. 6. Subdivision (1) of subsection (c) of section 314 of public act 22-118 is amended to read as follows (*Effective from passage*):

(1) Grants-in-aid for farmland restoration, [and] climate resiliency and weather disaster relief, not exceeding \$7,000,000;

Sec. 7. (*Effective from passage*) Sections 41 and 45 of public act 23-79 shall take effect October 1, 2023.

Approved June 28, 2023