

Municipal and Zoning Implications of PA 21-1

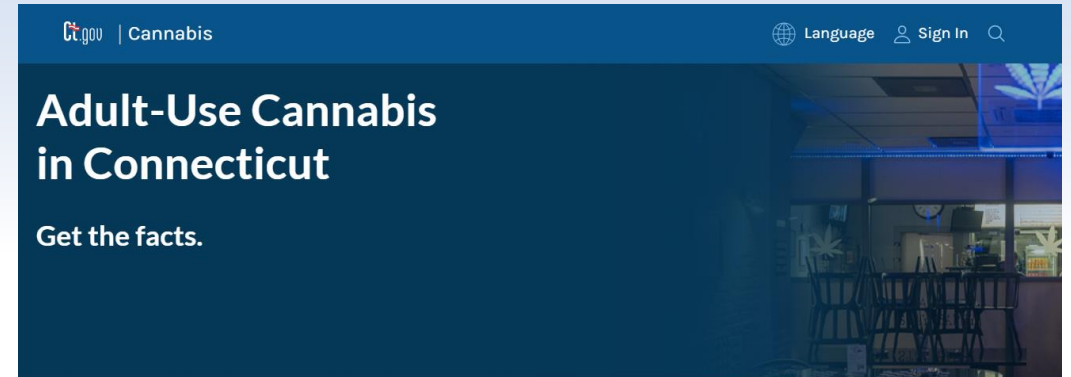
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CAZEO/CCAPA Legislative Wrap-Up II

July 29, 2021

Adult-use cannabis is now legal in Connecticut

On June 22, 2021, Governor Lamont signed into law *Public Act No. 21-1, An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis*.¹



Cannabis is legal in Connecticut.

Residents over the age of 21 can legally possess and consume marijuana. Get all the facts on the new law.

[LEARN MORE >](#)

www.ct.gov/cannabis

¹ Bill Summary: <https://cga.ct.gov/2021/BA/PDF/2021SB-01201-R02SS1-BA.PDF> | Bill Text: <https://cga.ct.gov/2021/ACT/PA/PDF/2021PA-00001-R00SB-01201SS1-PA.PDF>

Resources

Relevant sections of the Act for municipal officials are 83, 84, 126, and 148.

OTG and OPM are working with CCM, COST, CCAPA, CAZEO, the COGs, and other organizations on outreach and messaging.



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT
Intergovernmental Policy and Planning Division

SB 1201 – AN ACT CONCERNING RESPONSIBLE AND EQUITABLE
REGULATION OF ADULT-USE CANNABIS

www.ct.gov/cannabis

MUNICIPAL AUTHORITY - IMPACT OVERVIEW

Sec. 83 – effective July 1, 2021: Addresses various issues on municipalities' authority to regulate cannabis, such as (1) requiring them, upon petition of 10% of their voters, to hold a local referendum on whether to allow the recreational sale of marijuana or whether to allow certain types of cannabis businesses within the municipality; (2) barring them from prohibiting the delivery of cannabis by authorized persons; and (3) allowing them to charge retailers, hybrid retailers, and micro-cultivators for certain initial public safety expenses.

<https://portal.ct.gov/OPM/IGPP-MAIN/IGPP-Home-Page>

Overview of the legislation

Category	Change in law
Possession	Possession of specified amounts of cannabis among adults age 21 and over is legal.
Retail sales & cannabis revenue	Retail sales of cannabis aim to begin in Connecticut in the second half of 2022. The law enacts a tax rate structure on the retail sale of cannabis that includes a new source of revenue for municipalities.
Erases prior convictions	Certain cannabis-related convictions that occurred between January 1, 2000 and October 1, 2015 will be automatically erased; others can be erased through a simple petition process.
Equity in the cannabis market	The law creates an equitable marketplace under which at least half of all initial licenses are reserved for social equity applicants, targeting those communities that have been most negatively impacted by the so-called war on drugs (DIAs).
Equity in using new revenue	The law directs much of the new revenue from cannabis sales—an amount reaching approximately \$40 million annually once the market is mature—to DIAs for economic development in the cannabis industry and other industries.
Substance misuse programs	Portions of the revenue obtained from retail sales of cannabis will be directed to support substance misuse prevention, treatment, and recovery services
Other provisions	The law also makes progress in the areas of enforcement of safe driving, preventing underage use, advertising, safe products, employment, the medical marijuana program, and prohibits use of cannabis in state parks, state beaches, and on state waters

Regulation of cannabis

- Primary regulator for cannabis is DCP
 - Issuance of licenses/permits
 - Safety and types of products available for sale
- Social Equity Council is a new state body
 - Social equity applicants
 - New programs to support social equity applicants and DIAs
- Partnership with municipalities
 - Siting of establishments
 - Public consumption

Cannabis establishment license types

- Producer*
- Cultivator
- Micro-Cultivator
- Product Manufacturer
- Food and Beverage
Manufacturer
- Product Packager
- Dispensary Facility*
- Hybrid Retailer
- Retailer
- Delivery Service
- Transporter

* These license types currently exist in the state's medical marijuana program.

Key steps in licensing

- Applications accepted for lottery
- Lottery winners selected
- Review by DCP and/or SEC of lottery winners
- Provisional license provided
- Next 14 months: applicant secures siting, initiates construction, etc.
- Final license review by DCP

Market Timeline

Summer 2021

- SEC Establishes S.E. Criteria
- Medical Delivery Approved

Fall 2021

- Medical Licensee Conversions
- S.E. Cultivator Applications Accepted (3 month window)
- Lottery Applications Open (staggered by credential)

Winter 2021-2

- Lottery Applications Accepted (staggered by credential)
- Provisional License Review
- S.E Cultivators Licenses Awarded

Spring 2022

- Provisional License Review & Approval
- Issue Provisional Licenses
- S.E Cultivators Begin Operation

Summer 2022

- Provisional License Review & Approval
- Issue Provisional & Final Licenses
- Business Ramp Up

Fall 2022

- Issue Final Licenses
- Business Ramp Up
- Market Opens

Licenses and revenues

- There is no global cap on the number of any specific license-type.
- Until June 30, 2024, cap of 1:25,000 for # retailers and micro-cultivators in each town. Cap applies separately. Rounded up.
- Rough estimate: ~150-200 retailers, ~\$4M in annual revenue each. Results in ~\$120K in municipal tax revenue.

Zoning authorities

- Municipalities may, through zoning or ordinance:
 - Prohibit siting of cannabis establishments;
 - Reasonably restrict hours and signage; and
 - Restrict proximity to religious institutions, schools, charitable institutions, hospitals, veterans' homes, or certain military establishments
- The retailer and micro-cultivator caps will be enforced by towns through special permits

Public consumption

- The Act delegates responsibility for determining rules for public consumption to municipalities for “property owned by or under the control of [a] municipality”
 - Municipalities may enforce through fines
- Clean Indoor Air Act
- Prohibited on state lands, parks, and waters
- Smoked/vaped cannabis treated differently from ingested cannabis