



**Agency Legislative Proposal – 2023 Session**

**Document Name:**

<b>Document Name</b>	<b>DCP_1_Licensing and Enforcement.doc</b>
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**Naming Format:** AGENCY ACRONYM PROPOSAL NUMBER - TOPIC

*Please insert a copy of the fully drafted bill at the end of this document (required for review)*

<b>Legislative Liaison</b>	<b>Leslie O’Brien</b>
<b>Division Requesting This Proposal</b>	<b>Legal Division</b>
<b>Drafter</b>	<b>Julianne Avallone</b>

<b>Title of Proposal</b>	<b>An Act Concerning Department of Consumer Protection Licensing and Enforcement</b>
<b>Statutory Reference, if any</b>	20-417b, 20-417i, 20-419, 20-420, 20-420a, 20-421, 20-426, 20-427, 21a-4, 21a-11, 21a-101, 21a-104a, 21a-158, 21a-234, 16a-15, 16a-21, PA 22-88, 20-341, 42-179, 20-295b, 20-377s, 20-677, 20-679.
<b>Brief Summary and Statement of Purpose</b>	This proposal makes numerous changes to DCP statutes to update, streamline and address challenges the Department encounters when regulating various industries and implementing certain statutory requirements.

**SECTION-BY-SECTION SUMMARY**

*Summarize sections in groups where appropriate*



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**Section 1** amends subsection (e) of 20-417b to address a gap that was unintentionally created by PA 21-197. When the law was changed to move renewals from September 30<sup>th</sup> to March 31<sup>st</sup>, there was an oversight and the language in the Public Act did not contemplate how renewals would be processed between October 1, 2023 and March 31, 2024. The statute does not allow the Department to prorate the renewal fee for that shorter period of time. Rather than charge a six month fee and then require contractors to renew again in a few months, the Department requests a one time license period of 18 months for those renewing between October 1, 2023 and March 31, 2024.

**Sections 2 through 6** amend 20-419, 20-420, 20-420a, 20-421 and 20-426 to clarify the type of entity that may apply for a Home Improvement Contractor Registration and the information that must be provided upon application, and to streamline how registrants maintain, collect and report information to the Department so that it is consistent with other credentials issued by the Department.

**Section 7** amends 20-427 to update fine language and better align with current fines imposed in other areas of law overseen by DCP.

**Section 8** amends 21a-4 to create a standard for what amount of continuing education (CE) needs to be taken in order to reinstate credential holders so they don't just lapse in order to avoid taking CE.

**Section 9** amends 21a-11 to provides general subpoena power to the commissioner to improve investigatory action available to the Department. This general power will allow the department to more effectively and diligently investigate cases with alleged violations against consumers who are not covered by the powers granted by the CT Unfair Trade Practices Act and clarifies that open enforcement cases shall not be subject to disclosure under the Freedom of Information Act until the proceedings have been finalized by agreement or hearing to protect the integrity of investigations and settlement negotiations associated with open cases.

**Sections 10 and 11** amend 21a-101 to update state requirements to align with federal requirements regarding sulfiting agents in foods. Current state law is more restrictive and burdensome on businesses without providing any additional consumer benefit. The current language also conflicts with our current regulations, where the Federal Code language is adopted in section 21a-115-48.

**Section 12** amends 21a-234 to eliminate the credential for supply dealers, of which there are only seven in the state and overlaps almost entirely with the bedding manufacturer credential.



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**Section 13** amends 16a-15 to create an option for certain industries to advertise half gallon pricing or liter pricing for specialty fuels. Other states can allow either half gallon pricing or sale by liters (most fuel dispensing equipment can accommodate liter sales).

**Sections 14** amends 16a - 21 and 51-164n to address consumer complaints where propane tank servicers are disconnecting propane tanks but not removing them afterward. Removal was formerly required in regulations. New requirement proposed that once disconnected, the propane business is required to remove the disconnected tank within fifteen calendar days.

**Sections 15 – 19** amend sections 17, 19, 21, 22 and 28 of PA 22-88 to ensure sufficient background information is provided when a pre-review criminal histories are requested from prospective applicants of credentials.

**Section 20** amends 20-341 to create a penalty for unregistered occupational apprenticeship companies and registered occupational apprenticeship companies that hire employees who are unregistered to work as apprentices if they are not registered to do so.

**Section 21** Amends 20-295b to clarify that architects don't have to take continuing education for both architecture and interior design work.

**Sections 22 and 223** amend sections 20-677 and 20-679 to require more robust disclosure requirements for clients of homemaker companion agencies by requiring that: Prior to a homemaker companion entering the home of a client the HCA shall provide the full legal name of the homemaker companion to the client in writing; Prior to any change of rates impacting existing consumers, the HCA shall provide written notice of the rate change at least sixty days in advance; New owners must submit to a background check if they own more than a small percentage of an HCA business entity or if they will be engaged in the day to day operations in any way; and If an HCA intends to cease to doing business as an HCA, the registrant shall notify DCP and any existing clients of the HCA in writing at least 10 days in advance of such closure.

**BACKGROUND**

**Origin of Proposal**

**New Proposal**

**Resubmission**



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**If this is a resubmission, please share the prior bill number, the reason the bill did not move forward, and any changes made or conversations had since it was last proposed:**

*Please consider the following, if applicable:*

<b>Have there been changes in federal/state laws or regulations that make this legislation necessary?</b>	Sections 10 and 11 update state requirements to align with federal requirements regarding sulfiting agents in foods.
<b>Has this proposal or a similar proposal been implemented in other states? If yes, to what result?</b>	No.
<b>Have certain constituencies called for this proposal?</b>	No.

**INTERAGENCY IMPACT**

*List each affected agency. Copy the table as needed.*

**[ ] Check here if this proposal does NOT impact other agencies**

<b>1. Agency Name</b>	Section 20 would impact DOL. DCP is working with DOL on this language. Section 21 would also impact DMV. While DCP has worked with DMV to receive data in order to more
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	effectively manage the Lemon Law Program, the discussion of a more formal data sharing process mandated by statute has not yet been discussed but DCP will be reaching out to DMV this this week.
<b>Agency Contact (name, title)</b>	Marisa Morello, DOL Legislative Liaison Katherine Grady, DMV, Director of Legislative & Community Affairs
<b>Date Contacted</b>	DOL, 9/30/22 DMV, forwarded proposed language 10/1/22
<b>Status</b>	<input type="checkbox"/> <b>Approved</b> <input checked="" type="checkbox"/> <b>Talks Ongoing</b>
<b>Open Issues, if any</b>	

**FISCAL IMPACT**

*Include the section number(s) responsible for the fiscal impact and the anticipated impact*

**Check here if this proposal does NOT have a fiscal impact**

<b>State</b>	Section 1 - Without the changes in section 1, the state will lose renewal revenue from the renewal fees that aren't required for six months. Section 2 – potential for a reduced amount to be swept from the New Home Construction Guaranty Fund to the General Fund. Section 12 – elimination of the credential will result in a \$700 loss in annual revenue.
<b>Municipal (Include any municipal mandate that can be found within legislation)</b>	No.
<b>Federal</b>	No.



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<b>Additional notes</b>	

**MONITORING & EVALUATION PLAN**

*If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes*

**[ x ] Check here if this proposal does NOT lead to any measurable outcomes**

**ANYTHING ELSE WE SHOULD KNOW?**

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**INSERT FULLY DRAFTED BILL HERE**

**Section 1. Subsection (e) of section 20-417b of 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

(e) All certificates issued under the provisions of this chapter shall expire annually on the thirty-first day of March. New home construction contractors with active registrations expiring September 30, 2023 shall renew their registration on or before the renewal date for the period of October 1, 2023 to March 31, 2025 and shall pay an eighteen month prorated renewal fee of one hundred eighty dollars along with the eighteen month prorated fee of three hundred sixty dollars for the New Home Construction Guaranty Fund, and any applicable prorated fee due to the Home Improvement Guaranty Fund if the contractor engages in home improvement work. The fee for renewal of a certificate shall be the same as charged for the original application.



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### Section 2. Section 20-419 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

**Sec. 20-419. Definitions.** As used in this chapter, unless the context otherwise requires:

(1) “Business entity” means any partnership, association, limited liability company, limited liability partnership, or corporation.

(2) “Certificate” means a certificate of registration issued under section 20-422.

(3)[(2)] “Commissioner” means the Commissioner of Consumer Protection or any person designated by the commissioner to administer and enforce this chapter.

(4)[(3)] “Contractor” means any person who owns and operates a home improvement business or who undertakes, offers to undertake or agrees to perform any home improvement. “Contractor” does not include a person for whom the total price of all of his home improvement contracts with all of his customers does not exceed one thousand dollars during any period of twelve consecutive months.

(5)[(4)] “Home improvement” includes, but is not limited to, the repair, replacement, remodeling, alteration, conversion, modernization, improvement, rehabilitation or sandblasting of, or addition to any land or building or that portion thereof which is used or designed to be used as a private residence, dwelling place or residential rental property, or the construction, replacement, installation or improvement of driveways, swimming pools, porches, garages, roofs, siding, insulation, sunrooms, flooring, patios, landscaping, fences, doors and windows, waterproofing, water, fire or storm restoration or mold remediation in connection with such land or building or that portion thereof which is used or designed to be used as a private residence, dwelling place or residential rental property or the removal or replacement of a residential underground heating oil storage tank system, in which the total price for all work agreed upon between the contractor and owner or proposed or offered by the contractor exceeds two hundred dollars. “Home improvement” does not include: (A) The construction of a new home; (B) the sale of goods by a seller who neither arranges to perform nor performs, directly or indirectly, any work or labor in connection with the installation or application of the goods or materials; (C) the sale of goods or services furnished for commercial or business use or for resale, provided commercial or business use does not include use as residential rental property; (D) the sale of appliances, such as stoves, refrigerators, freezers, room air conditioners and others which are designed for and are easily removable from the premises without material alteration thereof; and (E) any work performed without compensation by the owner on his own private residence or residential rental property.

(6)[(5)] “Home improvement contract” means an agreement between a contractor and an owner for the performance of a home improvement.

(7)[(6)] “Owner” means a person who owns or resides in a private residence and includes any agent thereof, including, but not limited to, a condominium association. An owner of a private residence shall not be required to reside in such residence to be deemed an owner under this subdivision.

(8)[(7)] “Person” means an individual or a business entity, partnership, limited liability company or corporation].

(9)[(8)] “Private residence” means a single family dwelling, a multifamily dwelling consisting of not more than six units, or a unit, common element or limited common element in a condominium, as defined in section 47-68a, or in a common interest community, as defined in section 47-202, or any number of condominium units for which a condominium association acts as an agent for such unit owners.

(10)[(9)] “Salesman” means any individual who (A) negotiates or offers to negotiate a home improvement contract with an owner or (B) solicits or otherwise endeavors to procure by any means whatsoever, directly or indirectly, a home improvement contract from an owner on behalf of a contractor.



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(11)[(10)] “Residential rental property” means a single family dwelling, a multifamily dwelling consisting of not more than six units, or a unit, common element or limited common element in a condominium, as defined in section 47-68a, or in a common interest community, as defined in section 47-202, which is not owner-occupied.

(12)[(11)] “Residential underground heating oil storage tank system” means an underground storage tank system used with or without ancillary components in connection with real property composed of four or less residential units.

(13)[(12)] “Underground storage tank system” means an underground tank or combination of tanks, with any underground pipes or ancillary equipment or containment systems connected to such tank or tanks, used to contain an accumulation of petroleum, which volume is ten per cent or more beneath the surface of the ground.

### **Section 3. Section 20-420 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 20-420. Certificate of registration of contractors and salesperson required. Requirements for contractors performing radon mitigation, removal or replacement of residential underground heating oil tank storage systems and gas hearth product work. Application by retail establishment for certificate of registration as salesperson for its employees.** (a) No person shall hold himself or herself out to be a contractor or salesperson without first obtaining a certificate of registration from the commissioner as provided in this chapter, except (1) that an individual or partner, or officer or director of a corporation registered as a contractor shall not be required to obtain a salesperson's certificate, and (2) as provided in subsections (e) and (f) of this section. No certificate shall be given to any person who holds himself or herself out to be a contractor that performs radon mitigation unless such contractor provides evidence, satisfactory to the commissioner, that the contractor is certified as a radon mitigator by the National Radon Safety Board or the National Environmental Health Association. No certificate shall be given to any person who holds himself or herself out to be a contractor that performs removal or replacement of any residential underground heating oil storage tank system unless such contractor provides evidence, satisfactory to the commissioner, that the contractor (A) has completed a hazardous material training program approved by the Department of Energy and Environmental Protection, and (B) has presented evidence of liability insurance coverage of one million dollars.

(b) No contractor shall employ any salesman to procure business from an owner unless the salesman is registered under this chapter.

(c) No individual shall act as a home improvement salesman for an unregistered contractor.

(d) On and after July 1, 2008, a home improvement contractor shall not perform gas hearth product work, as defined in subdivision (22) of section 20-330, unless such home improvement contractor holds a limited contractor or journeyman gas hearth installer license pursuant to section 20-334f.

(e) A retail establishment, which is a business that operates from a fixed location where goods or services are offered for sale, may apply annually for a certificate of registration as a salesperson on behalf of its employees if it employs or otherwise compensates one or more salespersons whose solicitation, negotiation and completion of sales are conducted entirely at the retail establishment or virtually or by phone. The retail establishment shall: (1) Apply for such registration on a form prescribed by the commissioner, (2) maintain a list of all salespersons intended to be covered by the retailer's certificate of registration, and (3) pay a fee equal to the amount that would be due if each person were to apply individually for a certificate of





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registration, including the amount that would be due under the guaranty fund. The list of salespersons covered by the retailer's certificate of registration shall be made available to the department upon request. If any person covered by the retail establishment's salesperson certificate of registration conducts activity covered by the salesperson credential at a place other than the retail establishment or virtually or by phone, such person shall apply for an individual salesperson certificate of registration using the form prescribed by the commissioner for such registrations and shall pay the corresponding application fee.

(f) Certificates of registration for salespersons issued to retail establishments shall not be transferable or assignable, except a retail establishment that is a holder of a salesperson certificate may remove an existing or former employee currently listed on the certification of registration and replace such person with a new or existing employee employed as a salesperson. If the retail establishment adds or removes salespeople, there shall be no refund or supplemental payment. The fee shall be based on the number of salespeople at the time of each renewal.

(g) A contractor or salesperson shall maintain current application information with the department. A contractor or salesperson shall update, through the department's online licensing portal, any information provided to the department in the original application or renewal applications within thirty days of a change in such information, including, but not limited to, contact information, insurance information and criminal history of the applicant or owners of a contractor's business entity.

**Section 4. Section 20-420a of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 20-420a. Procedures for registration.** (a) No [corporation]business entity shall perform or offer to perform home improvements in this state unless such [corporation]business entity has been issued a certificate of registration by the commissioner. No such [corporation]business entity shall be relieved of responsibility for the conduct and acts of its agents, employees or officers by reason of its compliance with the provisions of this section, nor shall any individual contractor be relieved of responsibility for home improvements performed by reason of his employment or relationship with such [corporation]business entity.

(b) A [qualifying corporation] business entity desiring a certificate of registration shall apply to the commissioner, online, on a form provided by the commissioner. The application shall (1) state the name and address of such [corporation]business entity, the city or town and the street and number where such [corporation]business entity is to maintain its principal place of business in this state and the names and addresses of [officers]owners; [and] (2) contain a list of[statement that] one or more individuals who shall direct, supervise or perform home improvements for such [corporation]business entity [are registered home improvement contractors]; (3) require that each individual owner of the home improvement contractor report whether he or she has been found guilty or convicted as a result of an act which constitutes a felony under (a) the laws of this state at the time of application for such license, (b) federal law at the time of application for such license, or (c) the laws of another jurisdiction, and which, if committed within this state,



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would constitute a felony under the laws of this state; and (4) contain such other information as the commissioner may require.

(c) Any certificate issued by the commissioner pursuant to this section may be revoked or suspended, or have conditions placed upon the holder of the certificate by the commissioner after notice and hearing in accordance with the provisions of chapter 54 concerning contested cases, if it is shown that the holder of such certificate has not conformed to the requirements of this chapter, that the certificate was obtained through fraud or misrepresentation or that the owner of the business entity is convicted of a crime that would preclude the business entity from holding a registration pursuant to section 46a-80 of the Connecticut General Statutes.[contractor of record employed by or acting on behalf of such corporation has had his certificate of registration suspended or revoked by the commissioner]. The commissioner may refuse to issue or renew a certificate if any facts exist which would entitle the commissioner to suspend or revoke an existing certificate.

(d) Each such [corporation]business entity shall file with the commissioner upon application or renewal thereof a designation of an individual or individuals registered to perform home improvements in this state who shall direct or supervise the performance of home improvements by such business entity[corporation] in this state. [Such corporation shall notify the commissioner of any change in such designation within thirty days after such change becomes effective.]

(e) Each such [corporation]business entity shall confirm[file with the commissioner] upon application or renewal thereof [a certificate of]the applicant is in good standing with[issued by the office of] the Secretary of the State. Such corporation shall notify the commissioner of any change in [corporate] good standing within thirty days after such change becomes effective.

(f) Each business entity, and each person in charge, or having custody, of such documents, shall maintain a list of all of the business entity's employees and contractors, and associated employment documents, in an auditable format for the current calendar year and the three preceding taxable years. Upon request, such person shall make such documents immediately available for inspection and copying by the commissioner and shall produce copies of such documents to the commissioner or commissioner's authorized representative within two business days. Such documents shall be provided to the commissioner in electronic format, unless not commercially practical.

**Section 5. Section 20-421 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 20-421. Application for registration. Fees.** (a) Any person seeking a certificate of registration shall apply to the commissioner online, on a form provided by the commissioner. The application [shall] may include the applicant's name, residence address, business address, business telephone number, email address, a question as to whether the applicant has been found guilty or convicted as a result of an act which constitutes a felony under (1) the laws of this state at the time of application for such license, (2) federal law at the time of application for such license, or (c) the laws of another jurisdiction, and which, if



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committed within this state, would constitute a felony under the laws, proof that the applicant has obtained general liability insurance coverage in an amount not less than twenty thousand dollars, demonstrated by providing the policy number and business name of the insurance provider, and such other information as the commissioner may require.

(b) Each application for a certificate of registration as a home improvement contractor shall be accompanied by a fee of one hundred twenty dollars, except that no such application fee shall be required in any year during which such person has paid the registration fee required under section 20-417b or in any year in which such person's registration as a new home construction contractor is valid.

(c) Each application for a certificate of registration as a salesman shall be accompanied by a fee of one hundred twenty dollars.

(d) The application fee for a certificate of registration as a home improvement contractor acting solely as the contractor of record for a [corporation]business entity, shall be waived, provided the contractor of record shall use such registration for the sole purpose of directing, supervising or performing home improvements for such [corporation]business entity.

**Section 6. Section 20-426 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 20-426. Revocation, suspension or refusal to issue or renew registration; grounds.** (a) The commissioner may revoke, suspend or refuse to issue or renew any certificate of registration as a home improvement contractor or salesperson or place a registrant on probation or issue a letter of reprimand for: (1) Conduct of a character likely to mislead, deceive or defraud the public or the commissioner; (2) engaging in any untruthful or misleading advertising; (3) failing to reimburse the guaranty fund established pursuant to section 20-432 for any moneys paid to an owner pursuant to subsection (o) of section 20-432; (4) unfair or deceptive business practices; (4) subject to section 46a-80, if an applicant or owner of an applicant reports a felony conviction; or (5) violation of any of the provisions of the general statutes relating to home improvements or any regulation adopted pursuant to any of such provisions. The commissioner may refuse to issue or renew any certificate of registration as a home improvement contractor or salesperson of any person subject to the registration requirements of chapter 969.

**Section 7. Subsection (d) of section 20-427 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

(d) The commissioner may, after notice and hearing in accordance with the provisions of chapter 54, impose a civil penalty on any person who engages in or practices the work or occupation for which a certificate of registration is required by this chapter without having first obtained such a certificate of registration or who wilfully employs or supplies for employment a person who does not have such a certificate of registration or who wilfully and falsely pretends to qualify to engage in or practice such work or occupation, or who engages in or practices any of the work or occupations for which a certificate of registration is required by this chapter after the expiration of such person's certificate of registration or who violates any of the provisions of this chapter or the regulations adopted pursuant thereto. Such penalty shall be in an amount not more than [five hundred dollars for a first violation of this subsection, not more than seven hundred fifty dollars for a second violation of this subsection occurring not more than three years after a prior violation, not more than] one thousand five hundred dollars per violation[for a third or subsequent violation of this subsection occurring not more than three years after a prior violation and, in the case of radon mitigation work, such penalty shall be not less than two hundred fifty dollars]. Any civil



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penalty collected pursuant to this subsection shall be deposited in the consumer protection enforcement account established in section 21a-8a.

### **Section 8. Subsections (c) through (e) of section 21a-4 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

(c) The Commissioner of Consumer Protection may impose a [fine]late fee on any applicant who fails to renew a license, permit, certificate or registration not later than the expiration date of such license, permit, certificate or registration. The amount of the [fine]late fee shall be equal to ten per cent of the renewal fee but shall not be less than ten dollars or more than one hundred dollars.

(d) [Notwithstanding any other provision of the general statutes, each applicant whose license has lapsed for a period longer than the length of time allowing automatic reinstatement may apply for reinstatement to the appropriate board. Upon receipt of such application and payment of the fee, the department may, at its discretion, reinstate a lapsed license without examination, provided such application for reinstatement is accompanied by a notarized letter and supporting documentation attesting to the applicant's related work experience in their occupation or profession from the time he or she had let such license lapse. Such applicant, upon approval by the department, shall pay all back license and late fees in order for such license to be reinstated.] If an application is received no later than ninety days of the renewal date, such applicant shall pay the late fee specified in subsection (c) of this section but shall not be required to apply for reinstatement.

(e) When a license, permit, certification or registration has lapsed for a period of no longer than ninety days past the renewal date or the length of time [allowing automatic]specified in any other provision of the general statutes permitting reinstatement[, or the general statutes are silent as to the period of time during which reinstatement of the license, permit, certification or registration is permissible], an applicant may apply for reinstatement to the department. Upon receipt of such application and payment of the corresponding application fee, the department may, at its discretion, if application was made not later than three years after the date [allowing automatic reinstatement]the credential lapsed, reinstate the lapsed license, permit, certification or registration without examination. The applicant, prior to reinstatement by the department, shall [pay all back license and late fees, unless the applicant] attest[s] that he or she has not worked in the applicable occupation or profession in this state while the license, permit, certification or registration was lapsed[, in which case the applicant] shall pay the current year's renewal fee for reinstatement and shall take any required annual continuing education required for the prior credential year in addition to any continuing education requirement for the current credential period. If the applicant has worked in the applicable occupation or profession in this state while the license, permit, certification or registration was lapsed the applicant shall pay all license and late fees owed during the lapsed period and demonstrate completion of any required annual continuing education required for the prior credential year. If the license, permit, certification or registration lapse is three years or more, the applicant shall apply for a new license, permit, certification or registration. An applicant that formerly held a license, permit, certification or registration within the last three years prior to application shall not be eligible for a new license under the same applicant name, such applicant shall be required to renew or reinstate.

### **Section 9. Section 21a-11 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

(a) The Commissioner of Consumer Protection may, subject to the provisions of chapter 67, employ such agents and assistants as are necessary to enforce the provisions of the general statutes wherein said commissioner is empowered to carry out the duties and responsibilities assigned to him or his department. For the purpose of inquiring into any suspected violation of such provisions, the commissioner and his[



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deputy and assistants]or her authorized representative may subpoena witnesses and require the production of books, papers and documents pertinent to an investigation or inquiry to anyone involved in a matter under investigation and examination and shall have free access, at all reasonable hours, to all places and premises, homes and apartments of private families keeping no boarders excepted. The commissioner and his or her deputy or assistants shall have the authority to issue citations pursuant to section 51-164n for violations for the purpose of enforcing such provisions. Pending investigation and enforcement files of the department shall be exempt from disclosure under the Freedom of Information Act, as defined in section 1-200 of the general statutes, until such investigation or enforcement action has been finally adjudicated or otherwise settled or closed. The commissioner may delegate his or her authority to render a final decision in a contested case to a hearing officer employed by, or contracted with, the department.

(b) On the tender of the market price, the commissioner or his deputy may take from any person, firm or corporation samples of any article which he suspects is sold, offered for sale, kept with intent to sell, made or manufactured contrary to any provision of this chapter or related chapters under the jurisdiction of said commissioner. He may analyze such samples or have them analyzed by a state chemist or by an experiment station or by the laboratories of the Department of Public Health, and a sworn or affirmed certificate by such analyst shall be prima facie evidence of the ingredients and constituents of the samples analyzed. If such analysis shows that any such sample does not conform to the requirements of law, and gives the commissioner or his deputy reasonable grounds for believing that any provision of this chapter or related chapters under his jurisdiction has been violated, he shall cause such violator to be prosecuted. Any person who refuses the access provided for herein to the commissioner, his deputy or assistants, or who refuses to sell the samples provided for herein, shall be guilty of a class D misdemeanor. Evidence of violation of any provision of this section shall be prima facie evidence of wilful violation.

(c) The commissioner may, subject to the provisions of chapter 54, revoke, suspend, place conditions upon, deny or impose a fine not exceeding one thousand dollars per violation with regard to any license or registration issued by the department in the event that such licensee or registrant, including, but not limited to, an owner of any business entity holding such license or registration[, ] that owes moneys to any guaranty fund or account maintained or used by the department, including, but not limited to, the Home Improvement Guaranty Fund established pursuant to section 20-432, the New Home Construction Guaranty Fund established pursuant to section 20-417i, the Connecticut Health Club Guaranty Fund established pursuant to section 21a-226, the Real Estate Guaranty Fund established pursuant to section 20-324a and the privacy protection guaranty and enforcement account established pursuant to section 42-472a.

(d) In addition to any other action permitted under the general statutes, the commissioner may, upon a finding of a violation: (1) Revoke, place conditions upon or suspend a license, registration or certificate; (2) issue a letter of reprimand to the holder of a license, registration or certificate and send a copy of such letter to a complainant or to a state or local official; (3) place the holder of a license, registration or certificate on probationary status and require the holder to (A) report regularly to the commissioner on the matter which is the basis for probation, (B) limit the holder's practice to areas prescribed by the commissioner, or (C) continue or renew the holder's education until the holder of a license, registration or certificate has attained a satisfactory level of competence in any area which is the basis for probation; or (4) impose a fine not exceeding one thousand dollars per violation. The commissioner may discontinue, suspend or rescind any action taken under this subsection. If a license, registration or certificate is voluntarily surrendered or is not renewed, the commissioner shall not be prohibited from suspending, revoking or imposing other penalties permitted by law on any such license, registration or certificate.

**Section 10. Section 21a-101 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**



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### **Sec. 21a-101. (Formerly Sec. 19-221). Adulterated food. Regulations re alcohol-infused confections.** (a) A food shall be deemed to be adulterated:

(1) (A) If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but, if the substance is not an added substance, such food shall not be considered adulterated under this clause if the quantity of such substance in such food would not ordinarily render it injurious to health; (B) if it bears or contains any added poisonous or added deleterious substance which is unsafe within the meaning of section 21a-104; (C) if it consists in whole or in part of any diseased, contaminated, filthy, putrid or decomposed substance or if it is otherwise unfit for food; (D) if it has been produced, prepared, packed or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered diseased, unwholesome or injurious to health; (E) if it is in whole or in part the product of a diseased animal or of an animal which has died otherwise than by slaughter or which has been fed on the uncooked offal from a slaughterhouse; or (F) if its container is composed in whole or in part of any poisonous or deleterious substance which may render the contents injurious to health;

(2) (A) If any valuable constituent has been in whole or in part omitted or abstracted therefrom; (B) if any substance has been substituted wholly or in part therefor; (C) if damage or inferiority has been concealed in any manner; or (D) if any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than it is;

(3) If it bears or contains a color additive which is unsafe within the meaning of section 21a-104;

(4) If it is confectionery and it bears or contains any alcohol or nonnutritive article or substance except harmless coloring, harmless flavoring, harmless resinous glaze not in excess of four-tenths of one per cent, harmless natural gum or pectin; provided this subdivision shall not apply to any confectionery by reason of its containing less than one-half of one per cent by volume of alcohol derived solely from the use of flavoring extracts, or to any chewing gum by reason of its containing harmless nonnutritive masticatory substances, or any alcohol-infused confection subject to regulations adopted under subsection (b) of this section; and

(5) If such food is to be offered for sale at retail as a food product and a retail or wholesale establishment has added any sulfiting agent, other than incidental additives, including sulfur dioxide, sodium sulfite, sodium bisulfite, potassium bisulfite, sodium metabisulfite or potassium metabisulfite, separately or in combination, to such food.

### **Section 11. Section 21a-104a of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

Sec. 21a-104a. Sulfiting agents.

(a) For the purposes of this section:

(1) "Person" means any individual, partnership, firm, association, limited liability company or corporation;

(2) "Sulfiting agent" means any sulfur dioxide, sodium sulfite, sodium bisulfite, potassium bisulfite, sodium metabisulfite or potassium metabisulfite;



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(3) “Manufacturer” means any person, firm or corporation which produces or grows food and which packages such food for resale or distribution.

(b) No person who sells, offers for sale or distributes food, other than a manufacturer of food, shall add any sulfiting agent, other than incidental additives, to any food sold, offered for sale or distributed in this state.

(c) Incidental additives that are present in a food at insignificant levels and do not have any technical or functional effect in that food. For the purpose of this section, incidental additives shall have the same meaning as set forth in 21 CFR 101.100(a)(3).

(d) For the purposes of this section, any sulfiting agent that has been added to any food or to any ingredient in any food shall comply with the requirements in 21 CFR 101.100(a)(4).

[(c) Any retailer who displays, sells or offers for sale any bulk display of unpackaged food, including food displayed in any salad bar, which food contains any sulfiting agent, shall prominently display a sign which shall read as follows:

THIS PRODUCT CONTAINS A SULFITING AGENT. SULFITES MAY CAUSE AN ALLERGIC REACTION IN CERTAIN PERSONS, PARTICULARLY ASTHMATICS.

Each letter on such sign shall be not less than one-half inch in height and shall be of the same type, style and color, which color shall contrast clearly with the background of such sign.]

[(d)](e) Any manufacturer who adds a sulfiting agent to any food or to any ingredient in any food, which sulfiting agent is present in the finished food product, shall include such sulfiting agent as an ingredient of the food in the ingredient statement of the label attached to such food product. Such ingredient statement shall indicate the name of the sulfiting agent and the function of such sulfiting agent.

### **Section 12. Section 21a-234 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

(a) No person shall act as a manufacturer, supply dealer, importer, renovator or secondhand dealer without first completing an application and obtaining a numbered license from the commissioner. The license shall be conspicuously posted in the establishment of the person to whom the license is issued. A license shall be valid for one year.

(b) Any method of sterilization or sanitation used in connection with this chapter shall require the prior approval of the commissioner. Each person who wishes to sterilize or sanitize bedding or filling material shall complete an application and obtain a numbered permit from the commissioner. The permit must be conspicuously posted in the establishment of the person to whom the permit is issued. Each permit shall cost twenty-five dollars and shall be valid for one year.

(c) Manufacturers shall pay, prior to the issuance or reissuance of a license, a fee of one hundred dollars. The licensee may then operate as a manufacturer, supply dealer, renovator or secondhand dealer. [Supply dealers shall pay, prior to the issuance or reissuance of a license, a fee of one hundred dollars.] Renovators shall pay, prior to the issuance or reissuance of a license, a fee of fifty dollars. The licensee may then operate as a renovator and secondhand dealer. Secondhand dealers shall pay, prior to the issuance or reissuance of a license, a fee of fifty dollars. The licensee may then operate as a secondhand dealer. Importers shall pay, prior to the issuance or reissuance of a license, a fee of one hundred dollars.

### **Section 13. Section 16a-15 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**



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Sec. 16a-15. Display of signs on fuel pumps. Display of signs posting gas prices for public and members of retail membership organization. Statement of percentage and type of alcohol on certain documentation. Display of minimum cetane number for diesel fuel. Display of signs re payment by debit card if cash discount offered. (a) Each person shall publicly display and maintain on each pump or other dispensing device from which any gasoline or other product intended as a fuel for aircraft, motor boats or motor vehicles is sold by such person, such signs as the Commissioner of Consumer Protection, by regulation adopted pursuant to chapter 54, may require to inform the public of the octane rating and price of such gasoline or other product. Each person selling such gasoline or other product on both a full-serve and self-serve basis and displaying the price of such gasoline or other product at a location on the premises other than at a pump or other dispensing device shall include in such display both the full-serve and self-serve prices of such gasoline or other product, in such manner as the commissioner, by regulation, may require. All signs as to price shall be the per-gallon price and shall not be the price of less or more than one gallon. Notwithstanding the foregoing, specialty engine fuels that do not have ASTM or other national consensus standards applying to their quality or usability, including racing fuels and those intended for agricultural and other off-road applications, may post signs as to price with either the per-gallon or per liter price.

**Section 14. Section 16a-21 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

Sec. 16a-21(a)(1) No heating fuel dealer shall sell heating fuel or rent or lease a heating fuel tank without a written contract that contains all the terms and conditions for delivery of such heating fuel and the amount of fees, charges, surcharges or penalties allowed under this section and assessed to the consumer under such contract. No such contract shall contain any fees, charges, surcharges or penalties, except for those allowed pursuant to subsections (e), (f) and (g) of this section and for tank rental fees or liquidated damages for violation of the contract terms. No contract for the delivery of heating fuel under this subsection shall include a provision for liquidated damages for a consumer breach of such contract where the liquidated damages exceed the actual damages to the heating fuel dealer caused by such breach. No written contract period for heating fuel shall be for a term greater than thirty-six months. Each heating fuel dealer shall offer consumers the option to enter into a bona fide commercially reasonable contract for a term of eighteen months. A consumer and a heating fuel dealer may agree to enter into a bona fide commercially reasonable contract for a term of less than eighteen months. Longer fuel contract term lengths may be permitted for underground tank consumers, provided the fuel term agreements are concurrent with tank lease agreements as specified in subdivision (2) of this subsection. No provision in a contract that restricts a consumer's ability to utilize another propane fuel provider shall be valid or enforceable unless the consumer has initialed a clear and conspicuous statement in all capital letters of no less than twelve-point boldface type indicating that the consumer is aware of such restriction. A heating fuel dealer that owns a heating fuel tank or associated equipment located at a customer's residential premises that the heating fuel dealer has disconnected shall remove the tank and associated equipment from the customer's premises within fifteen days after such disconnection.

(2) If a tank is being leased or lent to a consumer, a contract for the tank rental or loan shall indicate in writing a description of the tank, initial installation charges, if any, the amount and timing of rental or loan payments, the manner in which the lessor will credit the lessee for any unused heating fuel and terms by which a lessee may terminate the contract. A lessor may enter into a separate contract with the lessee for additional services including, but not limited to, maintenance, repair and warranty of equipment, provided such contract complies with the provisions of this section. No contract for tanks installed above ground shall be for a term greater than thirty-six months. Each consumer shall be given the option to enter into a bona fide commercially reasonable contract for a term of eighteen months. A lessee and a lessor may agree





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to enter into a bona fide commercially reasonable contract for a term of less than eighteen months. No contract for a tank installed underground shall exceed five years.

(3) (A) If a tank installed underground is provided to a consumer, a contract for such tank shall contain a clause providing the consumer with the option to purchase the tank and associated equipment at a price not exceeding a commercially reasonable price at any time during the length of the contract. The purchase price for the tank shall be disclosed in the contract and shall not increase before the contract expires. Any waiver of liability or transfer of warranty shall be stated in the contract. No contract for such tank shall be valid or enforceable unless the consumer has initialed a clear and conspicuous statement in all capital letters of no less than twelve-point boldface type, indicating the consumer is aware of such option to purchase the tank and associated equipment. For existing contracts, whether oral or written, where the purchase option or purchase price is silent or unspecified, a contract addendum including the purchase option and a commercially reasonable price shall be mailed or delivered to the consumer not later than September 1, 2013. Such contract addendum shall contain a clause providing the lessee with the option of purchasing the tank and associated equipment at any time prior to September 1, 2018. Upon purchase of the tank and any associated equipment, any existing contract obligations pursuant to subdivisions (1) and (2) of this subsection shall terminate immediately, except for guaranteed price plans pursuant to chapter 296a.

(B) If a tank installed above ground is provided to a consumer, a contract for such tank shall contain a clause providing the consumer with the option to purchase a new tank and associated equipment at a price not exceeding a commercially reasonable price at any time during the length of the contract. The purchase price for the tank, associated equipment and associated installation charges shall be disclosed in the contract and not increase before the contract expires. Any waiver of liability or transfer of warranty shall be stated in the contract. No contract for such tank shall be valid or enforceable unless the consumer has initialed a clear and conspicuous statement in all capital letters of no less than twelve-point boldface type, indicating that the consumer is aware of such option to purchase a new tank and associated equipment. Upon purchase of the tank and any associated equipment, any existing contract obligations pursuant to subdivisions (1) and (2) of this subsection shall terminate immediately, except for guaranteed price plans pursuant to chapter 296a.

(4) A contract required by this section shall be in writing and shall comply with the plain language requirements of section 42-152, provided any fee, charge, surcharge or penalty disclosed in such contract shall be in twelve-point, boldface type of uniform font. Any fee, charge, surcharge or penalty shall not increase prior to the expiration of the contract.

(5) A written contract for the sale of heating fuel or lease of equipment that calls for an automatic renewal of the contract is not valid unless such contract complies with the provisions of this section, section 42-126b and chapter 296a.

(6) The requirement that contracts be in writing pursuant to this section shall not apply to any heating fuel delivery initiated by a consumer, payable on delivery or billed to the consumer with no future delivery commitment, where no fee, charge, surcharge or penalty is assessed, except for any fee, charge or surcharge authorized under subsection (g) of this section.

(7) The requirement that contracts be in writing pursuant to this section shall not apply to agreements that are solely automatic delivery where: (A) The consumer may terminate automatic delivery at any time and where no fee, charge, surcharge or penalty is assessed for termination, and (B) the dealer providing automatic delivery provides written notice to the consumer the dealer serves under automatic delivery of the method for the termination of automatic delivery, as specified in this subdivision. Such written notice shall be included with each invoice for products subject to automatic delivery. Notice from a consumer to a dealer requesting termination of automatic delivery may be delivered to the dealer by (i) a written request by the consumer delivered by certified mail to the dealer, (ii) electronic mail sent from the consumer to a valid electronic mail address of the dealer, or (iii) electronic facsimile by the consumer to be sent to a valid



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facsimile number at the dealer's place of business. The consumer shall give notice at least one day prior to the day upon which the consumer desires to terminate automatic delivery. The consumer shall not be responsible for payment of deliveries made by the dealer after such notice has been given, except for deliveries made within one business day after such notice has been given and which were scheduled for delivery by the dealer prior to such notice being given, provided consideration shall be given for weekend and holiday closings or extenuating circumstances not under the control of the dealer.

(b) If a consumer complaint is being mediated or investigated by the commissioner, the heating fuel dealer, if it owns the tank and has exclusive fill requirements, may not deny the consumer deliveries of heating fuel from October first to March thirty-first, inclusive, because of the existence of the mediation or investigation, provided the heating fuel dealer remains the exclusive supplier of heating fuel and the consumer pays cash for such fuel upon delivery.

(c) The requirement that contracts be in writing as set forth in this section may be satisfied pursuant to the provisions of: (1) The Connecticut Uniform Electronic Transactions Act, sections 1-266 to 1-286, inclusive, (2) sections 42a-7-101 to 42a-7-106, inclusive, or (3) the Electronic Signatures in Global and National Commerce Act, 15 USC 7001 et seq. Except as provided in subsection (d) of this section, verbal telephonic communications shall not satisfy the writing requirement of this section.

(d) The requirement that contracts be in writing pursuant to this section and section 16a-23n may be satisfied telephonically, only if a heating fuel dealer:

(1) Has provided to the consumer prior to any telephonic communication all terms and conditions of the contract, in writing, except for the contract duration, the unit price and the maximum number of units covered by the contract;

(2) Employs an interactive voice response system or similar technology that provides the consumer with the contract duration, the unit price and the maximum number of units covered by the contract;

(3) Retains for a period of not less than one year from the date of the expiration of the contract, in a readily retrievable format, a recording of the consumer affirmation to each such term and condition;

(4) Sends the consumer a letter confirming the consumer's agreement to such terms and conditions, with a written copy of the terms and conditions agreed to; and

(5) Retains a copy of each such letter.

(e) No heating fuel dealer shall deliver heating fuel without placing the unit price, clearly indicated as such, the total number of gallons or units sold and the amount of any fee, charge or surcharge allowed pursuant to this section in a conspicuous place on the delivery ticket given to the consumer or an agent of the consumer at the time of delivery. No heating fuel dealer shall bill or otherwise attempt to collect from any consumer of heating fuel an amount that exceeds the unit price multiplied by the total number of gallons or units stated on the delivery ticket, plus the amount of any fee, charge or surcharge allowed pursuant to this section and stated on the delivery ticket.

(f) No heating fuel dealer shall assess a fee, charge or surcharge on any delivery, including, but not limited to, any delivery under an automatic delivery agreement, initiated by the dealer to a consumer.

(g) No heating fuel dealer shall assess a fee, charge or surcharge on the price per gallon or total delivery charge for any heating fuel delivery initiated by a consumer, except when:

(1) The heating fuel delivery is less than one hundred gallons;

(2) The heating fuel delivery is made outside the normal service area of the dealer;

(3) The heating fuel delivery is made outside the normal business hours of the dealer; or



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(4) The dealer incurs extraordinary labor costs for the heating fuel delivery.

(h) Except for the underground tank addendum required pursuant to subdivision (3) of subsection (a) of this section, the provisions of this section shall not apply to existing customers of a heating fuel dealer on July 1, 2013, who have valid written contracts on said date. The provisions of this section shall apply as of the renewal or expiration dates of such contracts.

(i) A consumer shall have the right to cancel his or her relationship with a heating fuel dealer without penalty for an above-ground tank that is lent or leased if such relationship is based upon either an oral agreement or a course of dealing. No tank removal charge or forfeiture of unused heating fuel shall be permitted if a consumer cancels such relationship. The consumer shall be entitled to a refund of all unused heating fuel at the same price at which the consumer purchased such heating fuel.

(j) The Commissioner of Consumer Protection may adopt regulations pursuant to chapter 54 to: (1) Establish a consumer bill of rights regarding home heating dealers, (2) require heating fuel dealers to provide consumers with such consumer bill of rights prior to entering into a contract, and (3) permit home heating dealers to post such consumer bill of rights on their Internet web sites or record and play back such consumer bill of rights when consumers call the offices of such heating fuel dealers.

(k) A violation of the provisions of this section shall be an unfair trade practice under subsection (a) of section 42-110b.

(l) Any heating fuel dealer who violates any provision of this section shall be fined not more than five hundred dollars for the first offense, not more than seven hundred fifty dollars for a second offense occurring not more than three years after a prior offense and not more than one thousand five hundred dollars for a third or subsequent offense occurring not more than three years after a prior offense.

(m) A person that fails to comply with subdivision (a)(1) of this section shall be fined five hundred dollars in accordance with the provisions of section 51-164n.

### **Section 15. Section 17 of Public Act 22-88 is repealed and the following is substituted in lieu thereof (Effective from passage):**

Section 20-280e:

(b) (1) Any individual who has been convicted of any criminal offense may request, at any time, that the [board] Department of Consumer Protection determine whether such individual's criminal conviction disqualifies the individual from obtaining a certificate or license issued or conferred [by the board] pursuant to this chapter based on (A) the nature of the conviction and its relationship to the individual's ability to safely or competently perform the duties or responsibilities associated with such license, (B) information pertaining to the degree of rehabilitation of the individual, and (C) the time elapsed since the conviction or release of the individual.

(2) An individual making such request shall [include (A)] apply on a form and in a manner prescribed by the commissioner of the Department of Consumer Protection, which form shall require the applicant to (A) submit to a state and national criminal history records check conducted in accordance with section 29-17a of the general statutes, (B) provide details of the individual's criminal conviction, and [(B)] (C) make any payment required by the Department of Consumer Protection to cover the cost of running a criminal history check on the applicant [board]. The [board] Department may charge [a]an administrative processing fee of not more than fifteen dollars for each request made under this subsection. [The board may waive such fee.]



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(3) Not later than thirty days after receiving a complete request under this subsection, the [board] Department shall inform the individual making such request whether, based on the criminal record information submitted, such individual is disqualified from receiving or holding a license issued pursuant to this chapter.

(4) The [board] Department is not bound by a determination made under this section, if, upon further investigation, the [board] Department determines that the individual's criminal conviction differs from the information presented in the determination request.

### **Section 16. Section 19 of Public Act 22-88 is repealed and the following is substituted in lieu thereof (Effective from passage):**

Section 20-291:

(b) (1) Any individual who has been convicted of any criminal offense may request, at any time, that the [commissioner] Department of Consumer Protection determine whether such individual's criminal conviction disqualifies the individual from obtaining a certificate or license issued or conferred [commissioner] pursuant to this chapter based on (A) the nature of the conviction and its relationship to the individual's ability to safely or competently perform the duties or responsibilities associated with such license, (B) information pertaining to the degree of rehabilitation of the individual, and (C) the time elapsed since the conviction or release of the individual.

(2) An individual making such request shall [include (A)] apply on a form and in a manner prescribed by the commissioner of the Department of Consumer Protection, which form shall require the applicant to (A) submit to a state and national criminal history records check conducted in accordance with section 29-17a of the general statutes, (B) provide details of the individual's criminal conviction, and [(B)](C) make any payment required by the Department of Consumer Protection to cover the cost of running a background check on the applicant[board]. The [board] department may charge [a] an administrative processing fee of not more than fifteen dollars for each request made under this subsection. [The commissioner may waive such fee.]

(3) Not later than thirty days after receiving a complete request under this subsection, the [board] department shall inform the individual making such request whether, based on the criminal record information submitted, such individual is disqualified from receiving or holding a license issued pursuant to this chapter.

(4) The [board] department is not bound by a determination made under this section, if, upon further investigation, the [board] department determines that the individual's criminal conviction differs from the information presented in the determination request

### **Section 17. Section 21 of Public Act 22-88 is repealed and the following is substituted in lieu thereof (Effective from passage):**

Section 20-334:

(d) (1) Any individual who has been convicted of any criminal offense may request, at any time, that the [commissioner] Department of Consumer Protection determine whether such individual's criminal conviction disqualifies the individual from obtaining a license or certificate issued or conferred by the [commissioner] pursuant to this chapter based on (A) the nature of the conviction and its relationship to



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the individual's ability to safely or competently perform the duties or responsibilities associated with such license, (B) information pertaining to the degree of rehabilitation of the individual, and (C) the time elapsed since the conviction or release of the individual.

(2) An individual making such request shall [include (A)] apply on a form and in a manner prescribed by the commissioner of the Department of Consumer Protection, which form shall require the applicant to (A) submit to a state and national criminal history records check conducted in accordance with section 29-17a of the general statutes, (B) provide details of the individual's criminal conviction, and [(B)] (C) make any payment required by the Department of Consumer Protection to cover the cost of running a background check on the applicant [commissioner]. The [commissioner] department may charge [a] an administrative processing fee of not more than fifteen dollars for each request made under this subsection. [The commissioner may waive such fee].

(3) Not later than thirty days after receiving a complete request under this subsection, the [commissioner] department shall inform the individual making such request whether, based on the criminal record information submitted, such individual is disqualified from receiving or holding a license or certificate issued pursuant to this chapter.

(4) The [commissioner] department is not bound by a determination made under this section, if, upon further investigation, the [commissioner] department determines that the individual's criminal conviction differs from the information presented in the determination request.

### **Section 18. Section 22 of Public Act 22-88 is repealed and the following is substituted in lieu thereof (Effective from passage):**

Section 20-341gg:

(d) (1) Any individual who has been convicted of any criminal offense may request, at any time, that the [commissioner] Department of Consumer Protection determine whether such individual's criminal conviction disqualifies the individual from obtaining registration issued or conferred by the commissioner pursuant to this section based on (A) the nature of the conviction and its relationship to the individual's ability to safely or competently perform the duties or responsibilities associated with such license, (B) information pertaining to the degree of rehabilitation of the individual, and (C) the time elapsed since the conviction or release of the individual.

(2) An individual making such request shall [include (A)] apply on a form and in a manner prescribed by the commissioner of the Department of Consumer Protection, which form shall require the applicant to submit (A) to a state and national criminal history records check conducted in accordance with section 29-17a of the general statutes [details of the individual's criminal conviction], and (B) provide details of the individuals criminal conviction, and (C) [any] make any payment required by the [commissioner] Department to cover the cost of running a background check. The [commissioner] department may charge [a] an administrative processing fee of not more than fifteen dollars for each request made under this subsection. [The commissioner may waive such fee.]

(3) Not later than thirty days after receiving a complete request under this subsection, the [commissioner] department shall inform the individual making such request whether, based on the criminal record information submitted, such individual is disqualified from receiving or holding a registration issued pursuant to this section.

(4) The [commissioner] department is not bound by a determination made under this section, if, upon further investigation, the commissioner determines that the individual's criminal conviction differs from the information presented in the determination request.



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**Section 19. Section 28 of Public Act 22-88 is repealed and the following is substituted in lieu thereof (Effective from passage):**

Section 20-540:

(m) (1) Any individual who has been convicted of any criminal offense may request, at any time, that the [commissioner] Department of Consumer Protection determine whether such individual's criminal conviction disqualifies the individual from obtaining a license or certificate issued or conferred by the [commissioner] department pursuant to this section. An individual making such request shall [include (A)] apply on a form and in a manner prescribed by the commissioner of the Department of Consumer Protection, which form shall require the applicant to submit (A) to a state and national criminal history records check conducted in accordance with section 29-17a of the general statutes [details of the individual's criminal conviction], and (B) provide details of the individual's criminal conviction, and (C) [any] make any payment required by the [commissioner] Department to cover the cost of running a background check. The [commissioner] Department may charge [a] an administrative processing fee of not more than fifteen dollars for each request made under this subsection. [The commissioner may waive such fee].

(2) Not later than thirty days after receiving a request under this subsection, the [commissioner] Department shall inform the individual making such request whether, based on the criminal record information submitted, such individual is disqualified from receiving or holding a license or certificate issued pursuant to this section.

(3) The [commissioner] Department is not bound by a determination made under this section, if, upon further investigation, the commissioner determines that the individual's criminal conviction differs from the information presented in the determination request.

**Section 20. Section 20-341 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 20-341. Penalties for violations.** (a) Any person who wilfully engages in or practices the work or occupation for which a license is required by this chapter or chapter 399b without having first obtained an apprentice permit or a certificate and license for such work, as applicable, or who wilfully employs or supplies for employment a person who does not have a certificate and license for such work, or who wilfully and falsely pretends to qualify to engage in or practice such work or occupation, including, but not limited to, offering to perform such work in any print, electronic, television or radio advertising or listing when such person does not hold a license for such work as required by this chapter, or who wilfully engages in or practices any of the work or occupations for which a license is required by this chapter after the expiration of such person's license, shall be guilty of a class B misdemeanor, except that no criminal charges shall be instituted against such person pursuant to this subsection unless the work activity in question is reviewed by the Commissioner of Consumer Protection, or the commissioner's authorized agent, and the commissioner or such agent specifically determines, in writing, that such work activity requires a license and is not the subject of a bona fide dispute between persons engaged in any trade or craft, whether licensed or unlicensed. Notwithstanding the provisions of subsection (d) or (e) of section 53a-29 and subsection (d) of section 54-56e, if the court determines that such person cannot fully repay any victims of such person within the period of probation established in subsection (d) or (e) of section 53a-29 or subsection (d) of section 54-56e, the court may impose probation for a period of not more than five years. The penalty provided in this subsection shall be in addition to any other penalties and remedies available under this chapter or chapter 416.



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(b) The commissioner may order an unregistered person who advertises, offers, engages in or practices the work of an apprenticeship training program pursuant to section 31-22m *et seq.* of the general statutes for the purpose of providing experience for a journeyperson's license issued pursuant to this chapter without having first registering with the Department of Labor to immediately cease and desist such conduct that requires registration until properly registered and may impose fines not to exceed five thousand dollars per violation after a hearing conducted pursuant to Chapter 54 of the general statutes.

(c)The commissioner may order a person registered with the Department of Labor pursuant to section 31-22m *et seq.* of the general statutes to provide apprenticeship training for the purpose of providing experience for a journeyperson's license issued pursuant to this chapter, who employs a worker as an apprentice without verifying their proper registration as apprentice pursuant to this chapter, to immediately cease and desist such conduct that requires an apprenticeship registration until properly registered. The commissioner may impose fines not to exceed five thousand dollars per violation after a hearing conducted pursuant to Chapter 54 of the general statutes.

[(b)] (d) The appropriate examining board or the Commissioner of Consumer Protection may, after notice and hearing, impose a civil penalty for each violation on any person who (1) engages in or practices the work or occupation for which a license or apprentice registration certificate is required by this chapter, chapter 394, chapter 399b or chapter 482 without having first obtained such a license or certificate, or (2) wilfully employs or supplies for employment a person who does not have such a license or certificate or who wilfully and falsely pretends to qualify to engage in or practice such work or occupation, or (3) engages in or practices any of the work or occupations for which a license or certificate is required by this chapter, chapter 394, chapter 399b or chapter 482 after the expiration of the license or certificate, or (4) violates any of the provisions of this chapter, chapter 394, chapter 399b or chapter 482 or the regulations adopted pursuant thereto. Such penalty shall be in an amount not more than [one thousand dollars for a first violation of this subsection, not more than one thousand five hundred dollars for a second violation of this subsection and not more than] three thousand dollars for each violation of this subsection [occurring less than three years after a second or subsequent violation of this subsection], except that any individual employed as an apprentice but improperly registered shall not be penalized for a first offense.

[(c)] (e) If an examining board or the Commissioner of Consumer Protection imposes a civil penalty under the provisions of subsection (b) of this section as a result of a violation initially reported by, a municipal building official in accordance with subsection (c) of section 29-261, the commissioner shall, not less than sixty days after collecting such civil penalty, remit one-half of the amount collected to such municipality.

[(d)](f) A violation of any of the provisions of this chapter shall be deemed an unfair or deceptive trade practice under subsection (a) of section 42-110b.

[(e)](g) This section shall not apply to any person who (1) holds a license issued under this chapter, chapter 394, chapter 399b or chapter 482 and performs work that is incidentally, directly and immediately appropriate to the performance of such person's trade where such work commences at an outlet, receptacle or connection previously installed by a person holding the proper license, or (2) engages in work that does not require a license under this chapter, chapter 394, chapter 399b or chapter 482.

**Section 21. Section 20-295b of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**



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Sec. 20-295b. Holders of certificate re authority as licensed architects and to perform work of interior designer.

(a) Any person who, on October 1, 1969, holds a certificate of authority or renewal issued pursuant to sections 20-295 and 20-295a of the general statutes, revised to 1968, shall be entered on the roster of licensed architects and shall thereafter be authorized and entitled to practice architecture in accordance with the provisions of this chapter.

(b) An architect licensed in this state may perform the work of an interior designer, as prescribed in chapter 396a. A licensed architect shall not be required to comply with the continuing education provisions of section 20-377s of the general statutes provided such individual completes all continuing education requirements to maintain their license under Chapter 390 of the general statutes.

(c) An architect licensed in this state that elects to maintain a separate interior designer credential must comply with the continuing education requirements and pay the renewal fee set forth in section 20-377s of the general statutes.

### **Section 22. Section 20-677 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

Sec. 20-677. Display and advertisement of certificate of registration. Prohibitions. Penalties. Expiration. Renewal. (a) Each person obtaining a homemaker-companion agency certificate of registration shall: (1) Exhibit the agency's certificate of registration upon request by any interested party, (2) state in any advertisement the fact that the agency is registered, and (3) include the agency's registration number in any advertisement.

(b) No person shall: (1) Present or attempt to present, as such person's own, the certificate of another, (2) knowingly give false evidence of a material nature to the Commissioner of Consumer Protection for the purpose of procuring a certificate, (3) represent himself or herself falsely as, or impersonate, a registered homemaker-companion agency, (4) use or attempt to use a certificate which has expired or which has been suspended or revoked, (5) offer or provide homemaker or companion services without having a current certificate of registration under the provisions of sections 20-670 to 20-680, inclusive, or (6) represent in any manner that such person's registration constitutes an endorsement by the commissioner of the quality of services provided by such person.

(c) In addition to any other remedy provided for in sections 20-670 to 20-676, inclusive, any person who violates any provision of subsection (b) of this section shall be fined not more than one thousand dollars or imprisoned not more than six months, or both.

(d) Certificates issued to a homemaker-companion agency shall not be transferable or assignable. Prior to any sale or change in ownership of a homemaker companion agency, a new owner, or if the owner is a business entity, the individuals that own such business entity, shall submit to a state and national criminal history records check as required in section 20-672 of the general statutes, unless one of the following provisions is met:

(1) The individual owner owns less than a ten per cent share in a publicly listed or traded homemaker companion agency and will not engage in the day-to-day operations of or direct the management and policies of the homemaker companion agency;

(2) The individual owner owns less than a five per cent share in a homemaker companion agency that is not publicly listed or traded and will not engage in the day-to-day operations of or direct the management and policies of the homemaker companion agency; or





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(3) The commissioner waives the requirement for a new application.

(e) All certificates issued under the provisions of sections 20-670 to 20-680, inclusive, shall expire annually. The fee for renewal of a certificate shall be the same as the fee charged for an original application pursuant to section 20-672. Fees collected pursuant to the issuance of a certificate or renewal of a certificate shall be deposited in the General Fund.

(f) Failure to receive a notice of expiration of registration or a renewal application shall not exempt a homemaker-companion agency from the obligation to renew.

(g) At least ten days prior to ceasing all homemaker services in the state, a homemaker companion agency shall notify the department, in writing, of such impending termination of service and shall provide information on who to contact for more information.

(h) At least ten days prior to a homemaker companion agency unilaterally ceasing homemaker services for a consumer, a homemaker companion agency shall notify the client, in writing, of such impending termination of service and shall provide information on how to transition into alternate care, how any pre-paid services shall be reimbursed, and who to contact for more information.

**Section 23. Section 20-679 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 20-679. Written contracts or service plans. Requirements. Recovery of payment for work performed.** (a) Prior to an employee entering the home of a homemaker services client the homemaker-companion agency shall provide the full legal name of the employee to such client in writing. [(a)] (b) Not later than seven calendar days after the date on which a homemaker-companion agency commences providing homemaker services or companion services, such agency shall provide the person who receives the services, or the authorized representative of such person, with a written contract or service plan that prescribes the anticipated scope, type, frequency, duration and cost of the services provided by the agency. In addition, any contract or service plan provided by a homemaker-companion agency to a person receiving services shall also provide conspicuous notice, in boldface type (1) of the person's right to request changes to, or review of the contract or service plan, (2) that prior to any change of rates for homemaker services that will impact existing consumers, the homemaker-companion agency shall provide written notice of the rate change to the homemaker services client at least sixty days in advance, [(2)] (3) of the employees of such agency who, pursuant to section 20-678 are required to submit to a comprehensive background check, [(3)] (4) that upon the request of such person or an authorized representative of such person, such agency shall provide such person or representative of such person with written notice that a comprehensive background check, as required pursuant to section 20-678, was performed for all employees of such agency performing services for such person, [(4)] (5) that such agency's records are available for inspection or audit by the Department of Consumer Protection, [(5)] (6) that the agency is not able to guarantee the extent to which its services will be covered under any insurance plan, and [(6)] (7) that such contract or service plan may be cancelled at any time by the client if such contract or service plan does not contain a specific period of duration. No contract or service plan for the provision of homemaker or companion services shall be valid against the person who receives the services or the authorized representative of such person, unless the contract or service plan has been signed by a duly authorized representative of the homemaker-companion agency and the person who receives the services or the authorized representative of such person. No rate change for homemaker services that will impact existing consumers shall be valid against the person who receives the services unless, at least sixty days prior to the change of rates, the homemaker-companion provides written notice of the change to the consumer. The requirements of this section shall not apply to homemaker services or companion services provided under the Connecticut home-care program for the



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elderly administered by the Department of Social Services in accordance with section 17b-342. A written contract or service plan between a homemaker-companion agency and a person receiving services or the authorized representative of such person shall not be enforceable against such person receiving services or authorized representative unless such written contract or service plan contains all of the requirements of this section.

(b) Nothing in this section shall preclude a homemaker-companion agency that has complied with subdivisions (1) to ~~[(6)] (7)~~, inclusive, of subsection (a) of this section from the recovery of payment for work performed based on the reasonable value of services which were requested by the person receiving services, provided the court determines that it would be inequitable to deny such recovery.



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<b>Document Name</b>	<b>DCP_2_Liquor Control.doc</b>
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**Naming Format:** AGENCY ACRONYM PROPOSAL NUMBER - TOPIC

*Please insert a copy of the fully drafted bill at the end of this document (required for review)*

<b>Legislative Liaison</b>	<b>Leslie O’Brien</b>
<b>Division Requesting This Proposal</b>	<b>Liquor Control</b>
<b>Drafter</b>	<b>Caitlin Anderson</b>

<b>Title of Proposal</b>	<b>An Act Concerning the Regulation of Liquor</b>
<b>Statutory Reference, if any</b>	<b>Sections 30-16, 30-37o, 30-114, section 1 of PA 22-56, 30-55, 30-48, 30-39, 30-1, 30-16a, 30-25, 30-35, 30-37b, 30-37d, 30-37h, 30-39, 30-76a, and 30-16b.</b>
<b>Brief Summary and Statement of Purpose</b>	<b>To make various changes to the Liquor Control Act including updates to meet industry standards, streamlining temporary permits, adding provisions to ensure compliance of certain application and renewal requirements and the creation of permits for auctioning and shared manufacturing equipment.</b>

**SECTION-BY-SECTION SUMMARY**

*Summarize sections in groups where appropriate*



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**Sections 1 and 2** update CGS Sections 30-16 and 30-37o to allow hard alcohol to be sold at farmers markets under the same conditions currently afforded beer, wine, and cider.

**Section 3** amends CGS Section 30-114 to update the definition of “keg” to meet industry standards and capture a bulk of the kegs now utilized by the craft beer industry. The language also adds a beer keg identification requirement to breweries selling kegs directly to consumers for off-premise consumption to create parity with grocery and package stores.

**Section 4** amends subsection (g) of section 1 of PA 22-56 to fix a drafting error that unduly limits Connecticut beer manufacturers that hold shipper permits from full participation under a festival permit.

**Section 5** amends CGS section 30-55 to streamline enforcement procedures when on-premise liquor permittees fail to submit fire marshal approval as required with annual renewals.

**Section 6** amends CGS section 30-48 to ensure that liquor permittees are individuals connected to the operation of the premise and to avoid the “professional permittee” situation where someone unrelated to the day-to-day operation is the permittee.

**Sections 7 through 15:** amend 30-1, 30-16a, 30-25, 30-35, 30-37b, 30-37d, 30-37h, 30-39, and 30-76a to simplify filing requirements for non-profits, charitable organizations and temporary permits by creating one permit for all non-commercial entities. Clarify definitions for charitable organization and temporary permits. Increased number of days that an event can occur to twenty. Section 14 also adds a CUTPA violation in 30-39 for liquor consultants who file forged documents or otherwise engage in unfair trade practices in the purported representation of applicants for liquor permits.

**Section 16:** Creates a permit to allow private collectors of alcohol to auction bottles from their private collection through a licensed auctioneer.

**Sections 17 and 18:** Create language to codify the alternating proprietorship and contract manufacturing activities presently allowed by practice, and clarify that such activities are available to all producers, not only breweries.

**Section 19:** Removes the sunset provision for the sale of liquor for off-premise consumption under 30-16b(a).

**BACKGROUND**

**Origin of Proposal**

**New Proposal**

**Resubmission**



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**If this is a resubmission, please share the prior bill number, the reason the bill did not move forward, and any changes made or conversations had since it was last proposed:**

N/A

*Please consider the following, if applicable:*

<b>Have there been changes in federal/state laws or regulations that make this legislation necessary?</b>	No
<b>Has this proposal or a similar proposal been implemented in other states? If yes, to what result?</b>	Some of these proposals are allowed in other states. For example, other states allow for the auctioning of liquor by private collectors without any issues. Many of these proposals, however, build off Connecticut’s Liquor Control Act.
<b>Have certain constituencies called for this proposal?</b>	Some stakeholders have been consulted, but not all have at this point.

**INTERAGENCY IMPACT**

*List each affected agency. Copy the table as needed.*

**[x ] Check here if this proposal does NOT impact other agencies**

<b>1. Agency Name</b>	
<b>Agency Contact (name, title)</b>	



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**Document Name:**

<b>Date Contacted</b>	
<b>Status</b>	<input type="checkbox"/> <b>Approved</b> <input type="checkbox"/> <b>Talks Ongoing</b>
<b>Open Issues, if any</b>	

**FISCAL IMPACT**

*Include the section number(s) responsible for the fiscal impact and the anticipated impact*

**Check here if this proposal does NOT have a fiscal impact**

<b>State</b>	
<b>Municipal (Include any municipal mandate that can be found within legislation)</b>	
<b>Federal</b>	
<b>Additional notes</b>	

**MONITORING & EVALUATION PLAN**

*If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes*

**Check here if this proposal does NOT lead to any measurable outcomes**

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**ANYTHING ELSE WE SHOULD KNOW?**



**While DCP has reached out to some stakeholders about these proposals, should OTG/OPM sign off, we will have meetings with stakeholder associations before the beginning of the 2023 Legislative Session.**

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**INSERT FULLY DRAFTED BILL HERE**

**Section 1. Section 30-16 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 30-16. Manufacturer permit for spirits. Manufacturer permit for beer. Manufacturer permit for a farm winery. Manufacturer permit for wine, cider and mead.** (a)(1) As used in this subsection, “proof gallon” has the same meaning as provided in section 12-433. A manufacturer permit for spirits shall allow the manufacture of spirits and the storage, bottling and wholesale distribution and sale of spirits manufactured or bottled to permittees in this state and without the state as may be permitted by law; but no such permit shall be granted unless the place or the plan of the place of manufacture has received the approval of the Department of Consumer Protection. The holder of a manufacturer permit for spirits who produces less than fifty thousand proof gallons of spirits in a calendar year may sell at retail from the premises sealed bottles or other sealed containers of spirits manufactured on the premises for consumption off the premises, provided such holder shall not sell to any one consumer more than three liters of spirits per day nor more than five gallons of spirits in any two-month period. Retail sales by a holder of a manufacturer permit for spirits shall occur only on the days and times permitted under subsection (d) of section 30-91. A holder of a manufacturer permit for spirits, alone or in combination with any parent or subsidiary business or related or affiliated party, who sells more than ten thousand gallons of spirits in any calendar year may not sell spirits at wholesale to retail permittees within this state. Such permit shall also authorize the offering and tasting, on the premises of the permittee, of free samples of spirits distilled on the premises. Such free samples of spirits distilled on the premises may be offered for consumption in combination with a nonalcoholic beverage. Tastings shall not exceed two ounces per patron per day and shall not be allowed on such premises on Sunday before eleven o'clock a.m. and after eight o'clock p.m. and on any other day before ten o'clock a.m. and after eight o'clock p.m. No tastings shall be offered to or allowed to be consumed by any minor or intoxicated person. A holder of a manufacturer permit for spirits may apply for and shall receive an out-of-state shipper's permit for manufacturing plants and warehouse locations outside the state owned by such manufacturer or a subsidiary corporation thereof, at least eighty-five per cent of the voting stock of which is owned by such manufacturer, to bring into any of its plants or warehouses in the state spirits for reprocessing, repackaging, reshipment or sale either (1) within the state to wholesaler permittees not owned or controlled by such manufacturer, or (2) outside the state. The annual fee for a manufacturer permit for spirits shall be one thousand eight hundred fifty dollars.

(2) A holder of a manufacturer permit for spirits may sell and offer free tastings of spirits manufactured by such distiller at a farmers' market, as defined in section 22-6r, that is operated as a nonprofit enterprise or association, provided such farmers' market invites such holder to sell spirits at such farmers' market



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and such holder has a farmers' market sales permit issued by the Commissioner of Consumer Protection in accordance with the provisions of subsection (a) of section 30-37o.

(b)(1) A manufacturer permit for beer shall allow the manufacture of beer and the storage, bottling and wholesale distribution and sale of beer manufactured or bottled on the premises of the permittee to permittees in this state and without the state as may be permitted by law, but no such permit shall be granted unless the place or the plan of the place of manufacture has received the approval of the Department of Consumer Protection. A holder of a manufacturer permit for beer who sells beer brewed on such premises at wholesale to retail permittees within this state shall make such beer available to all holders of a package store permit issued pursuant to section 30-20 and to all holders of a grocery store beer permit held pursuant to said section in the geographical region in which the holder of the manufacturer permit for beer self distributes, subject to reasonable limitations, as determined by the Department of Consumer Protection. Such permit shall also allow (1) the retail sale of such beer to be consumed on the premises with or without the sale of food, (2) the selling at retail from the premises of sealed bottles or other sealed containers of beer brewed on such premises for consumption off the premises, and (3) the sale of sealed bottles or other sealed containers of beer brewed on such premises to the holder of a wholesaler permit issued pursuant to section 30-17, provided the holder of such permit produces at least five thousand gallons of beer on the premises annually. Such selling at retail from the premises of sealed bottles or other sealed containers shall comply with the provisions of subsection (d) of section 30-91 and shall permit not more than nine gallons of beer to be sold to any person on any day on which such sale is authorized under the provisions of subsection (d) of section 30-91. The annual fee for a manufacturer permit for beer shall be one thousand four hundred dollars.

(2) A holder of a manufacturer permit for beer may sell and offer free tastings of beer manufactured by such brewer at a farmers' market, as defined in section 22-6r, that is operated as a nonprofit enterprise or association, provided such farmers' market invites such holder to sell beer at such farmers' market and such holder has a farmers' market sales permit issued by the Commissioner of Consumer Protection in accordance with the provisions of subsection (a) of section 30-37o.

(c) (1) A manufacturer permit for a farm winery shall be in all respects the same as a manufacturer permit, except that the scope of operations of the holder shall be limited to wine and brandies distilled from grape products or other fruit products, including grappa and eau-de-vie. As used in this section, "farm winery" means any place or premises that is located on a farm in the state in which wine is manufactured and sold. (2) Such permit shall, at the single principal premises of the farm winery, authorize (A) the sale in bulk by the holder thereof from the premises where the products are manufactured pursuant to such permit; (B) as to a manufacturer who produces one hundred thousand gallons of wine or less per year, the sale and shipment by the holder thereof to a retailer of wine manufactured by the farm winery permittee in the original sealed containers of not more than fifteen gallons per container; (C) the sale and shipment by the holder thereof of wine manufactured by the farm winery permittee to persons outside the state; (D) the offering and tasting of free samples of such wine or brandy, dispensed out of bottles or containers having capacities of not more than two gallons per bottle or container, to visitors and prospective retail customers for consumption on the premises of the farm winery permittee; (E) the sale at retail from the premises of sealed bottles or other sealed containers of such wine or brandy for consumption off the premises; (F) the sale at retail from the premises of wine or brandy by the glass and bottle to visitors on the premises of the farm winery permittee for consumption on the premises; and (G) subject to the provisions of subdivision (3) of this subsection, the sale and delivery or shipment of wine manufactured by the permittee directly to a consumer in this state. Notwithstanding the provisions of subparagraphs (D), (E) and (F) of this subdivision, a town may, by ordinance or zoning regulation, prohibit any such offering, tasting or selling at retail at premises within such town for which a manufacturer permit for a farm winery has been issued.





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(3) A permittee, when selling and shipping wine directly to a consumer in this state, shall: (A) Ensure that the shipping labels on all containers of wine shipped directly to a consumer in this state conspicuously state the following: “CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY”; (B) obtain the signature of a person age twenty-one or older at the address prior to delivery, after requiring the signer to demonstrate that he or she is age twenty-one or older by providing a valid motor vehicle operator's license or a valid identity card described in section 1-1h; (C) not ship more than five gallons of wine in any two-month period to any person in this state; (D) pay, to the Department of Revenue Services, all sales taxes and alcoholic beverage taxes due under chapters 219 and 220 on sales of wine to consumers in this state, and file, with said department, all sales tax returns and alcoholic beverage tax returns relating to such sales; (E) report to the Department of Consumer Protection a separate and complete record of all sales and shipments to consumers in the state, on a ledger sheet or similar form which readily presents a chronological account of such permittee's dealings with each such consumer; (F) not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option pursuant to section 30-9; and (G) hold an in-state transporter's permit pursuant to section 30-19f or make any such shipment through the use of a person who holds such an in-state transporter's permit.

(4) No licensed farm winery may sell any such wine or brandy not manufactured by such winery, except a licensed farm winery may sell from the premises (A) wine manufactured by another farm winery located in this state, and (B) brandy manufactured from fruit harvested in this state and distilled off the premises in this state.

(5) The farm winery permittee shall grow on the premises of the farm winery or on property under the same ownership and control of said permittee or leased by the backer of a farm winery permit or by said permittee within the farm winery's principal state an average crop of fruit equal to not less than twenty-five per cent of the fruit used in the manufacture of the farm winery permittee's wine. An average crop shall be defined each year as the average yield of the farm winery permittee's two largest annual crops out of the preceding five years, except that during the first seven years from the date of issuance of a farm winery permit, an average crop shall be defined as three tons of grapes for each acre of vineyard farmed by the farm winery permittee. Such seven-year period shall not begin anew if the property for which the farm winery permit is held is transferred or sold during such seven-year period. In the event the farm winery consists of more than one property, the aggregate acreage of the farm winery shall not be less than five acres.

(6) A holder of a manufacturer permit for a farm winery, when advertising or offering wine for direct shipment to a consumer in this state via the Internet or any other on-line computer network, shall clearly and conspicuously state such liquor permit number in its advertising.

(7) A holder of a manufacturer permit for a farm winery may sell and offer free tastings of wine manufactured from such winery at a farmers' market, as defined in section 22-6r, that is operated as a nonprofit enterprise or association, provided such farmers' market invites such holder to sell wine at such farmers' market and such holder has a farmers' market wine sales permit issued by the Commissioner of Consumer Protection in accordance with the provisions of subsection (a) of section 30-37o.

(8) The annual fee for a manufacturer permit for a farm winery shall be three hundred dollars.

(d) (1) A manufacturer permit for wine, cider and mead shall allow the manufacture of wine, cider not exceeding six per cent alcohol by volume, apple wine not exceeding fifteen per cent alcohol by volume, apple brandy, eau-de-vie and mead and the storage, bottling and wholesale distribution and sale of wine, cider not exceeding six per cent alcohol by volume, apple wine not exceeding fifteen per cent alcohol by volume, apple brandy, eau-de-vie and mead manufactured or bottled by the permit holder to permittees in this state and without the state as may be permitted by law; but no such permit shall be granted unless the place or the plan of the place of manufacture has received the approval of the Department of Consumer Protection.



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(2) Such permit shall, at a single principal premises, authorize (A) the sale in bulk by the holder thereof from the premises where the products are manufactured pursuant to such permit; (B) as to a manufacturer who produces one hundred thousand gallons or less per year of products manufactured pursuant to such permit, the sale and shipment by the holder thereof to a retailer of such products manufactured by the permittee in the original sealed containers of not more than fifteen gallons per container; (C) the sale and shipment by the holder thereof of such products manufactured by the permittee to persons outside the state; (D) the offering and tasting of free samples of such products, dispensed out of bottles or containers having capacities of not more than two gallons per bottle or container, to visitors and prospective retail customers for consumption on the premises of the permittee; (E) subject to the provisions of subsection (d) of section 30-91, the sale at retail from the premises of sealed bottles or other sealed containers of such products for consumption off the premises; (F) the sale at retail from the premises of such products by the glass and bottle to visitors on the premises of the permittee for consumption on the premises; and (G) subject to the provisions of subdivision (3) of this subsection, the sale and delivery or shipment of such products manufactured by the permittee directly to a consumer in this state. Notwithstanding the provisions of subparagraphs (D), (E) and (F) of this subdivision, a town may, by ordinance or zoning regulation, prohibit any such offering, tasting or selling at retail at premises within such town for which a manufacturer permit has been issued.

(3) A permittee, when selling and shipping a product produced pursuant to this permit, directly to a consumer in this state, shall: (A) Ensure that the shipping labels on all containers of such products shipped directly to a consumer in this state conspicuously state the following: "CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY"; (B) obtain the signature of a person age twenty-one or older at the address prior to delivery, after requiring the signer to demonstrate that he or she is age twenty-one or older by providing a valid motor vehicle operator's license or a valid identity card described in section 1-1h; (C) not ship more than five gallons of product produced pursuant to this permit in any two-month period to any person in this state; (D) pay, to the Department of Revenue Services, all sales taxes and alcoholic beverage taxes due under chapters 219 and 220 on sales of products produced pursuant to this permit to consumers in this state, and file, with said department, all sales tax returns and alcoholic beverage tax returns relating to such sales; (E) report to the Department of Consumer Protection a separate and complete record of all sales and shipments to consumers in the state, on a ledger sheet or similar form which readily presents a chronological account of such permittee's dealings with each such consumer; (F) not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option pursuant to section 30-9; and (G) hold an in-state transporter's permit pursuant to section 30-19f or make any such shipment through the use of a person who holds such an in-state transporter's permit.

(4) No holder of a manufacturer permit for wine, cider and mead may sell any product not manufactured by such permit holder, except such permittee may sell from the premises (A) wine, cider not exceeding six per cent alcohol by volume, apple wine not exceeding fifteen per cent alcohol by volume, apple brandy and eau-de-vie and mead manufactured by another such permit holder located in this state, and (B) brandy manufactured from fruit harvested in this state and distilled off the premises in this state.

(5) A holder of a manufacturer permit for wine, cider and mead, when advertising or offering products for direct shipment to a consumer in this state via the Internet or any other on-line computer network, shall clearly and conspicuously state such liquor permit number in its advertising.

(6) A holder of a manufacturer permit for wine, cider and mead may sell and offer free tastings of products produced pursuant to such permit that are manufactured by such permit holder at a farmers' market, as defined in section 22-6r, that is operated as a nonprofit enterprise or association, provided such farmers' market invites such holder to sell such products at such farmers' market and such holder has a farmers' market sales permit issued by the Commissioner of Consumer Protection in accordance with the provisions of subsection (a) of section 30-37o.

(7) The annual fee for a manufacturer permit for wine, cider and mead shall be two hundred dollars.



**Section 2. Section 30-37o of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 30-37o. Farmers' market sales permit. Municipal prohibition of sale.** (a) The Commissioner of Consumer Protection shall issue a farmers' market sales permit to a holder of a manufacturer permit for spirits, holder of a manufacturer permit for a farm winery, the holder of a manufacturer permit for wine, cider and mead or the holder of a manufacturer permit for beer, upon submission of proof to the commissioner that such holder is in compliance with the applicable permit requirements of [subsection (b), (c) or (d) of] section 30-16. Such permit shall authorize the sale of products manufactured by such permittees during an unlimited number of appearances at a farmers' market at not more than ten farmers' market locations per year provided such holder: (1) Has an invitation from such farmers' market to sell such products at such farmers' market, (2) only sells such products by the bottle or sealed container at such farmers' markets, and (3) is present, or has an authorized representative present, at the time of sale of any such product from such permit holder at such farmers' market. Any such permit shall be valid for a period of one year from the date of issuance. The annual fee for such permit shall be two hundred fifty dollars. There shall be a one-hundred-dollar, nonrefundable filing fee for any such permit.

(b) Any town or municipality may, by ordinance or zoning regulation, prohibit the sale of such products by the holder of such permit at a farmers' market held in such town or municipality.

**Section 3. Section 30-114 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 30-114. Beer keg identification and receipt requirements.** Restrictions on keg deposit refunds. Grounds for permit revocation or suspension. (a) As used in this section, "keg" means any brewery-sealed individual container of beer having a liquid capacity of [six] four gallons or more.

(b) Any holder of a package store permit or a grocery store beer permit under section 30-20 or the holder of a manufacturer permit for beer under section 30-16 of the general statutes engaging in retail sales that sells kegs for consumption off the permit premises shall, at the time of sale, (1) place an identification tag on all kegs sold by the permittee, (2) require each purchaser of any such keg to sign a receipt for the keg, and (3) inform such purchaser that any deposit paid by the purchaser for the keg, if required, shall be forfeited if the keg is returned without the original identification tag intact and readable.

(c) (1) The identification tag required under subdivision (1) of subsection (b) of this section shall be in the form of a numbered label, prescribed and furnished by the department, that clearly identifies the seller of the keg. Such tags shall be fabricated and made attachable in such a manner as to make the tag easily removable by a beer manufacturer for the purpose of cleaning and reusing the keg.

(2) The receipt required under subdivision (2) of subsection (b) of this section shall be on a form prescribed and furnished by the department and shall include the name, address and signature of the purchaser of the keg and the purchaser's motor vehicle operator's license number or such other identifying information as the department may prescribe by regulation under section 30-6a. The permittee shall retain a copy of all such receipts on the permit premises for a period of six months. Such receipts shall be available for inspection and copying by the department or any authorized criminal justice agency.

(3) The information required under subdivision (3) of subsection (b) of this section may be given verbally to each purchaser of a keg or may be provided by means of a sign conspicuously posted at the point of



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sale in such form and containing such disclosures as the department may require by regulation under section 30-6a.

(4) The department may charge a reasonable fee for furnishing the forms required by subdivisions (1) and (2) of this subsection, not to exceed the actual cost of furnishing such forms.

(d) No holder of a package store permit or a grocery store beer permit under section 30-20 may refund any deposit upon the return of any keg that (1) does not have an identification tag required under subdivision (1) of subsection (b) of this section or (2) has an identification tag that has been defaced to the extent that the information contained on the tag cannot be read.

(e) The violation by any holder of a package store permit or a grocery store beer permit under section 30-20 of any provision of this section shall be cause for revocation or suspension of such permit under section 30-55.

### **Section 4. Subsection (g) of section 1 of Public Act 22-56 is repealed and the following is substituted in lieu thereof (Effective from passage):**

Section 1. (a) For the purposes of this section: (1) "Eligible manufacturer" means the holder of a manufacturer permit for (A) spirits issued under subsection (a) of section 30-16 of the general statutes, (B) beer issued under subsection (b) of section 30-16 of the general statutes, as amended by this act, (C) a farm winery issued under subsection (c) of section 30-16 of the general statutes, or (D) wine, cider and mead issued under subsection (d) of section 30-16 of the general statutes; and (2) "Festival sponsor" means an entity operating on a nonprofit basis in this state, including, but not limited to, (A) an association, or a subsidiary of an association, that promotes manufacturing and selling alcoholic liquor in this state, (B) a civic organization operating in this state, and (C) a municipality in this state.

(b) A festival permit shall allow a festival sponsor to organize and sponsor a festival in this state in accordance with the provisions of this section by inviting eligible manufacturers to participate in such festival. Each festival permit issued by the Commissioner of Consumer Protection under this section shall be effective for not more than four consecutive days, and shall allow the festival sponsor to hold the festival on the days and times permitted under subsection (j) of section 30-91 of the general statutes, as amended by this act. The fee for each festival permit shall be seventy-five dollars.

(c) The commissioner shall not issue a festival permit under this section unless the festival sponsor has received all approvals required under local fire and zoning regulations.

(d) The festival sponsor shall disclose to each person who purchases admission to the festival, at the time such person purchases such admission, any and all restrictions or limitations of such admission, including, but not limited to, the maximum number of glasses or other receptacles suitable to permit the consumption of alcoholic liquor such person is entitled to receive by virtue of purchasing such admission.

(e) Any municipality may, by ordinance or zoning regulation, prohibit festivals in such municipality.

(f) Any eligible manufacturer may participate in a festival organized and sponsored by a festival sponsor that invites such eligible manufacturer to participate in such festival.



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(g) Each participating eligible manufacturer may, during the festival and for the alcoholic liquor such participating eligible manufacturer has manufactured: (1) Offer to festival visitors free or paid samples or tastings of alcoholic liquor for consumption on the festival premises, in accordance with the provisions of section 30-16 of the general statutes, as amended by this act; [and (2) Unless such participating eligible manufacturer is the holder of an out-of-state shipper's permit for beer issued under section 30-19 of the general statutes:(A)] (2) Sell and directly ship to festival visitors, if allowed under section 30-16 of the general statutes, as amended by this act, alcoholic liquor that such participating eligible manufacturer sells to festival visitors at such festival; [(B)] (3) Sell, at retail, for consumption off the festival premises and in accordance with the provisions of section 30-16 of the general statutes, as amended by this act, bottles and other sealed containers of alcoholic liquor; and [(C)] (4) Sell, at retail, alcoholic liquor by the glass or receptacle for consumption on the festival premises, provided each such glass or receptacle is embossed or otherwise permanently labeled with the name and date of the festival.

(h) No participating eligible manufacturer may give, offer or sell to any person or entity any alcoholic liquor that such participating eligible manufacturer has not manufactured.

(i) A municipality may, by ordinance or zoning regulation, require festival sponsors to ensure that: (1) Restrooms, or enclosed portable toilets, are available either on or near the festival premises; and(2) Food is available to festival visitors for consumption on the festival premises during all operating hours, provided no such ordinance or zoning regulation shall require that food be purchased with an alcoholic beverage.

(j) Festival sponsors shall be exempt from the requirements to affix and maintain a placard, as provided in subdivision (3) of subsection (b) of section 30-39 of the general statutes, as amended by this act. The provisions of subsection (c) of section 30-39 of the general statutes, as amended by this act, shall not apply to festival permits.

### **Section 5. Section 30-55 of the supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 30-55. Revocation, suspension or placing conditions on permits. Fine. Hearing. Appeal to stay proceedings.** (a) The Department of Consumer Protection may, in its discretion, revoke, suspend or place conditions on any permit or provisional permit or impose a fine of not greater than one thousand dollars per violation, upon cause found after hearing, provided ten days' written notice of such hearing has been given to the permittee setting forth, with the particulars required in civil pleadings, the charges upon which such proposed revocation, suspension, condition or fine is predicated. Any appeal from such order of revocation, suspension, condition or fine shall be taken in accordance with the provisions of section 4-183.

(b) The surrender of a permit or provisional permit for cancellation or the expiration of a permit shall not prevent the department from suspending or revoking any such permit pursuant to the provisions of this section.

(c) In the event that a permittee fails to submit a fire marshal certificate to the department in a manner prescribed by the commissioner within forty-five days from the beginning date of a renewed permit, the department may summarily suspend the permit pursuant to section 4-182 until such time as a satisfactory fire marshal certificate is received by the department and written notice lifting the summary suspension is sent to such permittee.



**Section 6. Section 30-48 of the supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 30-48. Limitations of permits; exceptions. Loans. Period of credit. Resolution of credit disputes.** (a) No backer or permittee of one permit class shall be a backer or permittee of any other permit class except in the case of cafe permits issued pursuant to subsection (d), (j) or (k) of section 30-22a and except that: (1) A backer of a hotel or restaurant permit may be a backer of both such classes; (2) a holder or backer of a restaurant permit or a cafe permit issued pursuant to subsection (a) of section 30-22a may be a holder or backer of any other or all of such classes; (3) a holder or backer of a restaurant permit may be a holder or backer of a cafe permit issued pursuant to subsection (f) of section 30-22a; (4) a backer of a restaurant permit may be a backer of a coliseum permit when such restaurant is within a coliseum; (5) a backer of a hotel permit may be a backer of a coliseum permit; (6) a backer of a grocery store beer permit may be (A) a backer of a package store permit if such was the case on or before May 1, 1996, and (B) a backer of a restaurant permit, provided the restaurant permit premises do not abut or share the same space as the grocery store beer permit premises; (7) a backer of a cafe permit issued pursuant to subsection (m) of section 30-22a, may be a backer of a nonprofit theater permit; (8) a backer of a nonprofit theater permit may be a holder or backer of a hotel permit or a coliseum permit; (9) a backer of a concession permit may be a backer of a coliseum permit; (10) a holder of an out-of-state winery shipper's permit for wine may be a holder of an in-state transporter's permit or an out-of-state entity wine festival permit issued pursuant to section 30-37m, or of both such permits; (11) a holder of an out-of-state shipper's permit for alcoholic liquor other than beer may be a holder of an in-state transporter's permit; (12) a holder of a manufacturer permit for a farm winery or the holder of a manufacturer permit for wine, cider and mead may be a holder of an in-state transporter's permit, a wine festival permit issued pursuant to section 30-37l, a farmers' market sales permit issued pursuant to subsection (a) of section 30-37o, an off-site farm winery sales and tasting permit issued pursuant to section 30-16a or of any combination of such permits; (13) a holder of a manufacturer permit for beer may be a holder of a farmers' market sales permit issued pursuant to section 30-37o; (14) the holder of a manufacturer permit for spirits, a manufacturer permit for beer, a manufacturer permit for a farm winery or a manufacturer permit for wine, cider and mead may be a holder of a Connecticut craft cafe permit, a restaurant permit or a restaurant permit for wine and beer; and (15) the holder of a restaurant permit or a cafe permit may be the holder of a seasonal outdoor open-air permit issued pursuant to section 30-22e. Any person may be a permittee of more than one permit. No holder of a manufacturer permit for a brew pub and no spouse or child of such holder may be a holder or backer of more than three restaurant permits or cafe permits.

(b) No permittee or backer thereof and no employee or agent of such permittee or backer shall borrow money or receive credit in any form for a period in excess of thirty days, directly or indirectly, from any manufacturer permittee, or backer thereof, or from any wholesaler permittee, or backer thereof, of alcoholic liquor or from any member of the family of such manufacturer permittee or backer thereof or from any stockholder in a corporation manufacturing or wholesaling such liquor, and no manufacturer permittee or backer thereof or wholesaler permittee or backer thereof or member of the family of either of such permittees or of any such backer, and no stockholder of a corporation manufacturing or wholesaling such liquor shall lend money or otherwise extend credit, directly or indirectly, to any such permittee or backer thereof or to the



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employee or agent of any such permittee or backer. A wholesaler permittee or backer, or a manufacturer permittee or backer, that has not received payment in full from a retailer permittee or backer within thirty days after the date such credit was extended to such retailer or backer or to an employee or agent of any such retailer or backer, shall give a written notice of obligation to such retailer within the five days following the expiration of the thirty-day period of credit. The notice of obligation shall state: The amount due; the date credit was extended; the date the thirty-day period ended, and that the retailer is in violation of this section. A retailer who disputes the accuracy of the “notice of obligation” shall, within the ten days following the expiration of the thirty-day period of credit, give a written response to notice of obligation to the department and give a copy to the wholesaler or manufacturer who sent the notice. The response shall state the retailer's basis for dispute and the amount, if any, admitted to be owed for more than thirty days; the copy forwarded to the wholesaler or manufacturer shall be accompanied by the amount admitted to be due, if any, and such payment shall be made and received without prejudice to the rights of either party in any civil action. Upon receipt of the retailer's response, the chairman of the commission or such chairman's designee shall conduct an informal hearing with the parties being given equal opportunity to appear and be heard. If the chairman or such chairman's designee determines that the notice of obligation is accurate, the department shall forthwith issue an order directing the wholesaler or manufacturer to promptly give all manufacturers and wholesalers engaged in the business of selling alcoholic liquor to retailers in this state, a “notice of delinquency”. The notice of delinquency shall identify the delinquent retailer, and state the amount due and the date of the expiration of the thirty-day credit period. No wholesaler or manufacturer receiving a notice of delinquency shall extend credit by the sale of alcoholic liquor or otherwise to such delinquent retailer until after the manufacturer or wholesaler has received a “notice of satisfaction” from the sender of the notice of delinquency. If the chairman or such chairman's designee determines that the notice of obligation is inaccurate, the department shall forthwith issue an order prohibiting a notice of delinquency. The party for whom the determination by the chairman or such chairman's designee was adverse, shall promptly pay to the department a part of the cost of the proceedings as determined by the chairman or such chairman's designee, which shall not be less than fifty dollars. The department may suspend or revoke the permit of any permittee who, in bad faith, gives an incorrect notice of obligation, an incorrect response to notice of obligation, or an unauthorized notice of delinquency. If the department does not receive a response to the notice of obligation within such ten-day period, the delinquency shall be deemed to be admitted and the wholesaler or manufacturer who sent the notice of obligation shall, within the three days following the expiration of such ten-day period, give a notice of delinquency to the department and to all wholesalers and manufacturers engaged in the business of selling alcoholic liquor to retailers in this state. A notice of delinquency identifying a retailer who does not file a response within such ten-day period shall have the same effect as a notice of delinquency given by order of the chairman or such chairman's designee. A wholesaler permittee or manufacturer permittee that has given a notice of delinquency and that receives full payment for the credit extended, shall, within three days after the date of full payment, give a notice of satisfaction to the department and to all wholesalers and manufacturers to whom a notice of delinquency was sent. The prohibition against extension of credit to such retailer shall be void upon such full payment. The department may revoke or suspend any permit for a violation of this section. An appeal from an order of revocation or suspension issued in accordance with this section may be taken in accordance with section 30-60.



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(c) If there is a proposed change or change in ownership of a retail permit premises, no application for a permit shall be approved until the applicant files with the department an affidavit executed by the seller of the retail permit premises stating that all obligations of the predecessor permittee for the purchase of alcoholic liquor at such permit premises have been paid or that such applicant did not receive direct or indirect consideration from the predecessor permittee. The commissioner may waive the requirement of such seller's affidavit upon finding that (1) the predecessor permittee abandoned the premises prior to the filing of the application, and (2) such permittee did not receive any consideration, direct or indirect, for such permittee's abandonment. For the purposes of this subsection, “consideration” means the receipt of legal tender or goods or services for the purchase of alcoholic liquor remaining on the premises of the predecessor permittee, for which bills remain unpaid.

(d) A permittee may file a designation of an authorized agent with the department to issue or receive all notices or documents provided for in this section. The permittee shall be responsible for the issuance or receipt of such notices or documents by the agent.

(e) The period of credit permitted under this section shall be calculated as the time elapsing between the date of receipt of the alcoholic liquors by the purchaser and the date of full legal discharge of the purchaser through the payment of cash or its equivalent from all indebtedness arising from the transaction except that, if the last day for payment falls on a Saturday, Sunday or legal holiday, the last day for payment shall then be the next business day.

(f) A permittee shall be either a member partner, or shareholder of the backer, an employee of the backer, or an officer or director of a backer. For purposes of this this subsection, “employee” means an individual (1) whose manner and means of work performance are subject to the right of control of, or are controlled by, the backer, and (2) whose compensation is reported or required to be reported on a W-2 form issued or caused to be issued by the backer.

**Section 7. Section 30-1 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):**

**Sec. 30-1. Definitions. For the interpretation of this chapter, unless the context indicates a different meaning:**

(1) “Airline” means any United States airline carrier, holding a certificate of public convenience and necessity from the Civil Aeronautics Board under Section 401 of the Federal Aviation Act of 1958, as amended, or any foreign flag carrier, holding a permit under Section 402 of such act.

(2) “Alcohol” means the product of distillation of any fermented liquid, rectified either once or more often, whatever may be the origin thereof, and includes synthetic ethyl alcohol which is considered nonpotable.

(3) “Alcoholic liquor” or “alcoholic beverage” includes the four varieties of liquor defined in subdivisions (2), (5), (18) and (19) of this section (alcohol, beer, spirits and wine) and every liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed by a human being for beverage purposes. Any liquid or solid containing more than one of the four varieties so defined is considered as belonging to that variety which has the higher percentage of alcohol, according to the





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following order: Alcohol, spirits, wine and beer, except as provided in subdivision (19) of this section. The provisions of this chapter shall not apply to any liquid or solid containing less than one-half of one per cent of alcohol by volume.

(4) “Backer” means, except in cases where the permittee is himself the proprietor, the proprietor of any business or club, incorporated or unincorporated, engaged in the manufacture or sale of alcoholic liquor, in which business a permittee is associated, whether as employee, agent or part owner.

(5) “Beer” means any beverage obtained by the alcoholic fermentation of an infusion or decoction of barley, malt and hops in drinking water.

(6) (A) “Case price” means the price of a container of cardboard, wood or other material, containing units of the same size and class of alcoholic liquor, and (B) a case of alcoholic liquor, other than beer, cordials, cocktails, wines and prepared mixed drinks, shall be in the number and quantity, or fewer, with the permission of the Commissioner of Consumer Protection, of units or bottles as follows: (i) Six one thousand seven hundred fifty milliliter bottles; (ii) twelve one liter bottles; (iii) twelve seven hundred fifty milliliter bottles; (iv) twenty-four three hundred seventy-five milliliter bottles; (v) forty-eight two hundred milliliter bottles; (vi) sixty one hundred milliliter bottles; or (vii) one hundred twenty fifty milliliter bottles, except a case of fifty milliliter bottles may be in a number and quantity as originally configured, packaged and sold by the manufacturer or out-of-state shipper prior to shipment, provided such number of bottles does not exceed two hundred. The commissioner shall not authorize fewer numbers or quantities of units or bottles as specified in this subdivision for any one person or entity more than eight times in any calendar year. For the purposes of this subdivision, “class” has the same meaning as defined in 27 CFR 5.22 for spirits, as defined in 27 CFR 4.21 for wine, and as defined in 27 CFR 7.24 for beer.

[(7) “Charitable organization” means any nonprofit organization organized for charitable purposes to which has been issued a ruling by the Internal Revenue Service classifying it as an exempt organization under Section 501(c)(3) of the Internal Revenue Code.]

[(8)] (7) “Club” has the same meaning as provided in section 30-22aa.

[(9)] (8) “Coliseum” means a coliseum, as defined in section 30-33a.

[(10)] (9) “Commission” means the Liquor Control Commission.

[(11)] (10) “Department” means the Department of Consumer Protection.

[(12)] (11) “Mead” means fermented honey, with or without adjunct ingredients or additions, regardless of alcohol content, regardless of process, and regardless of being sparkling, carbonated or still.

[(13)] (12) “Minor” means any person under twenty-one years of age.

(13) “Non-commercial entity” means an entity that is a charitable organization, nonprofit organization, academic institution, government organization, or similar entity not primarily directed toward monetary compensation or commercial advantage.

(14) “Person” means natural person including partners but shall not include corporations, limited liability companies, joint stock companies or other associations of natural persons.



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(15) “Proprietor” includes all owners of businesses or clubs, included in subdivision (4) of this section, whether such owners are individuals, partners, joint stock companies, fiduciaries, stockholders of corporations or otherwise, but does not include persons or corporations who are merely creditors of such businesses or clubs, whether as note holders, bond holders, landlords or franchisors.

(16) “Dining room” means a room or rooms in premises operating under a hotel permit, hotel beer permit, restaurant permit, restaurant permit for beer or wine or cafe permit, where meals are customarily served, within the room or rooms, to any member of the public who has means of payment and proper demeanor.

(17) “Restaurant” means a restaurant, as defined in section 30-22.

(18) “Spirits” means any beverage that contains alcohol obtained by distillation mixed with drinkable water and other substances in solution, including brandy, rum, whiskey and gin.

(19) “Wine” means any alcoholic beverage obtained by the fermentation of the natural sugar content of fruits, such as grapes or apples or other agricultural products, containing sugar, including fortified wines such as port, sherry and champagne.

(20) “Nonprofit public television corporation” means a nonprofit public television corporation, as defined in section 30-37d.

(21) “Nonprofit club” has the same meaning as provided in section 30-22aa.

### **Section 8. Section 30-16a of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):**

**Sec. 30-16a. Off-site farm winery sales and wine, cider and mead tasting permit.** (a) The Commissioner of Consumer Protection shall issue an off-site farm winery sales and wine, cider and mead tasting permit to a holder of a manufacturer permit for a farm winery or to a holder of a manufacturer permit for wine, cider and mead upon the holder's submission of proof to the commissioner that the holder is in compliance with the requirements of subsection (c) or (d) of section 30-16. An off-site farm winery sales and wine, cider and mead tasting permit shall authorize the sale and offering of free samples of products manufactured by such permittees during a total of not more than seven events or functions per year [held pursuant to a temporary liquor permit issued pursuant to section 30-35, a charitable organization permit issued pursuant to section 30-37b or a nonprofit corporation permit issued pursuant to section 30-37h,] at locations outside the permit holder's permit premises, provided such holder: (1) Notifies the Department of Consumer Protection, on a form prescribed by the Commissioner of Consumer Protection, not less than five business days prior to the date of the event or function, of the date, hours and location of each event or function, (2) sells only wine, cider and mead by the bottle at the event or function, and (3) is present, or has an authorized representative present, at the time of the sale of any such bottles or the offering of a free sample of such products from the permit holder at the event or function. An off-site farm winery sales and wine, cider and mead tasting permit shall be valid for a period of one year from the date of issuance. The annual fee for such permit shall be two hundred fifty dollars. There shall be a one-hundred-dollar nonrefundable filing fee for any such permit.

(b) Any town or municipality may, by ordinance or zoning regulation, prohibit the sale or offering of free samples by the holder of an off-site farm winery sales and wine, cider and mead tasting permit at an event or function held in such town or municipality.



**Section 9. Section 30-25 of the supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):**

**Sec. 30-25. Special club permit for picnics.** [(a) A special club permit shall allow the sale of alcoholic liquor by the drink at retail to be consumed at the grounds of an outdoor picnic conducted by a club or golf country club. Such permits shall be issued only to holders of club or golf country club permits and shall be issued on a daily basis subject to the hours of sale in section 30-91, and shall be the same as provided therein for clubs and golf country clubs. The exception that applies to railroad and boat permits in section 30-48 shall apply to such a special club permit. No such club or golf country club shall be granted more than four such special club permits during any one calendar year.

(b) The Department of Consumer Protection shall have full discretion in the issuance of such special club permits as to suitability of place and may make any regulations with respect thereto.

(c) The fee for such a special club permit shall be fifty dollars per day.] Repealed.

**Section 10. Section 30-35 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):**

**Sec. 30-35. Temporary ~~liquor~~ permit for ~~non-commercial entities~~ outings, picnics or social gatherings.** (a) A [temporary beer permit shall allow the sale of beer and a] temporary liquor permit for non-commercial entities shall allow the sale of [alcoholic liquor] beer, wine or liquor at any fund raising event, outing, picnic or social gathering conducted by a bona fide [noncommercial organization] non-commercial entity, club, or golf country club which organization shall be the backer of the permittee under such permit. A temporary liquor permit shall also allow the retail sale of beer, wine, or liquor at an in-person or online auction, provided the auction is held as part of a fund-raising event to benefit the tax-exempt activities of the nonprofit entity. The profits from the sale or auction of [such beer or] alcoholic liquor shall be one-hundred percent retained by the organization conducting such fund raiser, auction, outing, picnic or social gathering and no portion of such profits shall be paid, directly or indirectly, to any individual or other corporation. No for-profit business entity may back a temporary liquor permit for non-commercial entities. Such permit shall be issued subject to the approval of the Department of Consumer Protection and shall be effective only for specified dates and times limited by the department. The combined total of the fund raiser, auction, outings, picnics or social gatherings, for which a [temporary beer permit or] temporary liquor permit for non-commercial entities is issued pursuant to this section, shall not exceed twelve in any calendar year and the approved dates and times for each such outing, auction, picnic or social gathering shall be displayed on such permit. Such permit shall be issued subject to the hours of sale in section 30-91 of the general statutes and the combined total of days for which such permit shall be issued shall not exceed [twelve] twenty days in any calendar year. The organization shall display the permit and days for which permit is issued next to the entrance to the event. The fee [for a temporary beer permit shall be thirty dollars per day and for a temporary liquor permit] for a temporary liquor permit for non-commercial entities shall be fifty dollars per day.

(b) The holder of manufacturer permit issued pursuant to section 30-16 of the general statutes may donate any alcoholic beverage product it manufactures to the holder of a temporary liquor permit for non-commercial entities. The holder of wholesaler permit issued pursuant to section 30-17 of the general statutes may donate any alcoholic beverage product for which it holds distribution rights to the holder of a temporary liquor permit for non-commercial entities. The holder of a package store permit issued pursuant to section 30-20 of the general statutes may donate any alcoholic beverage product to the holder of a temporary liquor permit for non-commercial entities.



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**Section 11. Section 30-37b of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):**

**Sec. 30-37b. Charitable organization permit.** [A charitable organization permit shall allow the retail sale of alcoholic liquor by the drink to be consumed on the premises owned or leased by the organization. Such permit shall be issued subject to the hours of sale in section 30-91 and the combined total of days for which such permit shall be issued shall not exceed twelve days in any calendar year. The dates for which such permit is issued shall be displayed on such permit. The fee for a charitable organization permit shall be fifty dollars.] Repealed.

**Section 12. Section 30-37d of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):**

**Sec. 30-37d. Nonprofit public television corporation permit.** [(a) A nonprofit public television corporation permit shall allow the retail sale of beer and wine at auction, provided the auction is held as part of a fund-raising event to benefit the tax-exempt activities of the nonprofit public television corporation. Each permit shall allow the sale of wine at a single auction only. A maximum of three such permits may be issued to one nonprofit public television corporation in any calendar year. The fee for a nonprofit public television corporation permit shall be fifty dollars for each permit.

(b) "Nonprofit public television corporation" means a television broadcasting corporation organized for nonprofit, literary and educational purposes to which has been issued a ruling by the Internal Revenue Service classifying it as an exempt organization under Section 501(c)(3) of the Internal Revenue Code.] Repealed.

**Section 13. Section 30-37h of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):**

**Sec. 30-37h. Nonprofit corporation permit.** [A nonprofit corporation permit shall allow the retail sale of wine at auction, provided the auction is held as part of a fund-raising event to benefit the tax-exempt activities of the nonprofit corporation. Each permit shall allow the sale of wine at a maximum of twelve such auctions in any calendar year, except as provided in section 30-37d. The fee for a nonprofit corporation permit shall be twenty-five dollars.] Repealed.

**Section 14. Section 30-39 of the supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):**

**Sec. 30-39. Applications for permits, renewals. Fees. Publication, remonstrance, hearing.** (a) For the purposes of this section, the "filing date" of an application means the date upon which the department, after approving the application for processing, mails or otherwise delivers to the applicant a placard containing such date.

(b) (1) Any person desiring a liquor permit or a renewal of such a permit shall make an affirmed application therefor to the Department of Consumer Protection upon forms to be furnished by the department, showing the name and address of the applicant and of the applicant's backer, if any, the location of the club or place of business which is to be operated under such permit and a financial statement setting forth all elements and details of any business transactions connected with the



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application. Such application shall include a detailed description of the type of live entertainment that is to be provided. A club or place of business shall be exempt from providing such detailed description if the club or place of business (A) was issued a liquor permit prior to October 1, 1993, and (B) has not altered the type of entertainment provided. The application shall also indicate any crimes of which the applicant or the applicant's backer may have been convicted. Applicants shall submit documents sufficient to establish that state and local building, fire and zoning requirements and local ordinances concerning hours and days of sale will be met, except that local building and zoning requirements and local ordinances concerning hours and days of sale shall not apply to a cafe permit issued pursuant to subsection (d) of section 30-22a. The State Fire Marshal or the marshal's certified designee shall be responsible for approving compliance with the State Fire Code at Bradley International Airport. Any person desiring a permit provided for in section 30-33b shall file a copy of such person's license with such application if such license was issued by the Department of Consumer Protection. The department may, at its discretion, conduct an investigation to determine whether a permit shall be issued to an applicant.

(2) The applicant shall pay to the department a nonrefundable application fee, which fee shall be in addition to the fees prescribed in this chapter for the permit sought. An application fee shall not be charged for an application to renew a permit. The application fee shall be in the amount of ten dollars for the filing of each application for a permit by a charitable organization, including a nonprofit public television corporation, a nonprofit golf tournament permit, a temporary permit or a special club permit; and for all other permits in the amount of one hundred dollars for the filing of an initial application. Any permit issued shall be valid only for the purposes and activities described in the application.

(3) The applicant, immediately after filing an application, shall give notice thereof, with the name and residence of the permittee, the type of permit applied for and the location of the place of business for which such permit is to be issued and the type of live entertainment to be provided, all in a form prescribed by the department, by publishing the same in a newspaper having a circulation in the town in which the place of business to be operated under such permit is to be located, at least once a week for two successive weeks, the first publication to be not more than seven days after the filing date of the application and the last publication not more than fourteen days after the filing date of the application. The applicant shall affix, and maintain in a legible condition upon the outer door of the building wherein such place of business is to be located and clearly visible from the public highway, the placard provided by the department, not later than the day following the receipt of the placard by the applicant. If such outer door of such premises is so far from the public highway that such placard is not clearly visible as provided, the department shall direct a suitable method to notify the public of such application. When an application is filed for any type of permit for a building that has not been constructed, such applicant shall erect and maintain in a legible condition a sign not less than six feet by four feet upon the site where such place of business is to be located, instead of such placard upon the outer door of the building. The sign shall set forth the type of permit applied for and the name of the proposed permittee, shall be clearly visible from the public highway and shall be so erected not later than the day following the receipt of the placard. Such applicant shall make a return to the department, under oath, of compliance with the foregoing requirements, in such form as the department may determine, but the department may require any additional proof of such compliance. Upon receipt of evidence of such compliance, the department may hold a hearing as to the suitability of the proposed location. The provisions of this subdivision shall not apply to applications for (A) airline permits, (B) [charitable organization permits, (C)] temporary liquor permits, [(D)] (C) special club permits, [(E)] (D) concession permits, [(F)] (E) military permits, [(G)] (F) cafe permits issued pursuant to subsection (j) or (k) of section 30-22a, [(H)] (G) warehouse permits, [(I)] (H) brokers' permits, [(J)] (I) out-of-state shippers' permits for alcoholic liquor and out-of-state shippers' permits for beer, [(K)] (J) coliseum permits, [(L)] (K) nonprofit golf tournament permits, [(M)] (L) nonprofit public television permits, [(N)] (M) Connecticut craft cafe permits by permittees



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who held a manufacturer permit for a brew pub or a manufacturer permit for a beer and brew pub prior to July 1, 2020, and [(O)] [N] renewals of any such permits. The provisions of this subdivision regarding publication and placard display shall also be required of any applicant who seeks to amend the type of entertainment either upon filing of a renewal application or upon requesting permission of the department in a form that requires the approval of the municipal zoning official.

(4) In any case in which a permit has been issued to a partnership, if one or more of the partners dies or retires, the remaining partner or partners need not file a new application for the unexpired portion of the current permit, and no additional fee for such unexpired portion shall be required. Notice of any such change shall be given to the department and the permit shall be endorsed to show correct ownership. When any partnership changes by reason of the addition of one or more persons, a new application with new fees shall be required.

(c) Any ten persons who are at least eighteen years of age, and are residents of the town within which the business for which the permit or renewal thereof has been applied for, is intended to be operated, or, in the case of a manufacturer's or a wholesaler's permit, any ten persons who are at least eighteen years of age and are residents of the state, may file with the department, within three weeks from the last date of publication of notice made pursuant to subdivision (3) of subsection (b) of this section for an initial permit, and in the case of renewal of an existing permit, at least twenty-one days before the renewal date of such permit, a remonstrance containing any objection to the suitability of such applicant or proposed place of business, provided any such issue is not controlled by local zoning. Upon the filing of such remonstrance, the department, upon written application, shall hold a hearing and shall give such notice as it deems reasonable of the time and place at least five days before such hearing is had. The remonstrants shall designate one or more agents for service, who shall serve as the recipient or recipients of all notices issued by the department. At any time prior to the issuance of a decision by the department, a remonstrance may be withdrawn by the remonstrants or by such agent or agents acting on behalf of such remonstrants and the department may cancel the hearing or withdraw the case. The decision of the department on such application shall be final with respect to the remonstrance.

(d) No new permit shall be issued until the foregoing provisions of subsections (a) and (b) of this section have been complied with. If no new permit is issued within twelve months of the filing date, as defined in subsection (a) of this section, the application may, in the discretion of the department, be deemed withdrawn and shall then be returned to the applicant. Six months' or seasonal permits may be renewed, provided the renewal application and fee shall be filed at least twenty-one days before the reopening of the business, there is no change in the permittee, ownership or type of permit, and the permittee or backer did not receive a rebate of the permit fee with respect to the permit issued for the previous year.

(e) The department may renew a permit that has expired if the applicant pays to the department a nonrefundable late fee pursuant to subsection (c) of section 21a-4, which fee shall be in addition to the fees prescribed in this chapter for the permit applied for. The provisions of this subsection shall not apply to one-day permits, to any permit which is the subject of administrative or court proceedings, or where otherwise provided by law.

(f) No person assisting an applicant, backer, or permittee with the submission of an application for a liquor permit shall submit or cause to be submitted any false statement in connection with the application, nor engage in conduct that delays or impedes the department's ability to process an application. A violation of this section shall be deemed an unfair or deceptive trade practice under subsection (a) of section 42-110b. The Commissioner of Consumer Protection may impose a civil penalty in an amount



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not to exceed one thousand dollars per violation for any violation of this section after a hearing pursuant to Chapter 54 of the general statutes and may require restitution to the applicant, backer or permittee. Payments of such civil penalty shall be deposited into the consumer protection enforcement account established in section 21a-8a of the general statutes.

**Section 15. Section 30-76a of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):**

**Sec. 30-76a. Sales to persons holding ~~a temporary liquor permit for non-commercial entities~~ ~~†temporary or charitable organization permits†~~.** A wholesaler permittee shall not sell alcoholic liquor to any persons holding a temporary liquor permit for non-commercial entities [outings, auction, picnics or special gatherings, or a charitable organization permit, including a nonprofit public television corporation permit but not including] or a temporary permit issued for the purpose of a nonprofit golf tournament [permit]. Holders of said permits shall purchase alcoholic liquor only from permittees holding package store permits. The provisions of this section shall not apply to the sale of beer in kegs or to donations.

**Section 16. (NEW) (Effective October 1, 2023): Temporary auction permit.**

- a. A temporary auction permit shall allow the sale of beer, wine, or liquor obtained from an individual collector through an auction run by an auctioneer. The auction may be conducted in-person or virtually, and may include alcoholic liquor obtained from more than one individual collector. For purposes of this section, an “individual collector” shall mean any person who is not a permittee, backer, an employee of the backer, or an officer or director of a backer of any other permit issued pursuant to chapter 545 of the general statutes, and “auctioneer” shall mean any person that regularly provides professional services auctioning items for sale and does not hold any other permit issued pursuant to chapter 545 of the general statutes.
- b. To obtain a temporary auction permit, an auctioneer shall apply in a form and manner prescribed by the department no later than sixty days prior to the date of the auction. The applicant for the temporary auction permit shall also serve as the backer. Each permit shall allow the sale of alcoholic liquor at a single auction only. A temporary auction permit shall not be effective for more than three consecutive days and a maximum of four such permits may be issued to a single backer in any calendar year. An auction may only occur during the hours a package store is permitted to sell alcoholic liquors under section 30-91 of the general statutes. The fee for a temporary auction permit shall be one hundred and seventy-five dollars per day.
- c. The auctioneer shall obtain all alcoholic liquor subject to auction from an individual collector. The auctioneer shall only accept alcoholic liquor that was lawfully acquired by the individual collector and that bears the in-tact seal from the manufacturer. The individual collector may sell or consign the alcoholic liquor to the auctioneer. All unsold consigned alcoholic liquor must be returned to the individual collector within ten calendar days from the conclusion of the auction.
- d. All alcoholic liquor sold under a temporary auction permit is exempt from the requirements of sections 30-63 and 30-68m of the general statutes. No alcohol sold under a



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temporary auction permit may be resold, offered for sale, or otherwise used in a permit premise by any permittee or backer licensed pursuant to chapter 545.

e. A holder of a temporary auction permit may offer free samples of any alcoholic liquor to be sold at auction for tasting, and must notify the department, in a manner specified by the department, ~~alert~~ the department of any tastings not less than thirty days prior to the date of the auction. Any tasting shall be conducted only during the hours a package store is permitted to sell alcoholic liquors under section 30-91 of the general statutes. No tasting shall be offered from more than ten uncorked or open cans or bottles at any one time, nor to any minor or intoxicated person. Any town or municipality may, by ordinance or zoning regulation, prohibit the offering of free samples by the holder of a temporary auction permit at an event or function held in such town or municipality.

f. The temporary auction permit shall allow for the delivery and shipment of any item sold at an auction directly to the consumer who purchased the item. Any shipment to a consumer outside of this state is subject to all applicable laws of the jurisdiction in which such consumer outside of this state is located. When shipping an item directly to a consumer in this state, the holder of a temporary auction permit shall: (A) Ensure that the shipping labels on all containers of such items conspicuously state the following: “CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY”; (B) obtain the signature of a person age twenty-one or older at the address prior to delivery, after requiring the signer to demonstrate that he or she is age twenty-one or older by providing a valid motor vehicle operator's license or a valid identity card described in section 1-1h; (C) not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option pursuant to section 30-9 of the general statutes; and (D) make any such shipment through the use of a person who holds an in-state transporter's permit.

The department may implement regulations in accordance with chapter 54 as necessary to carry out the intent of the section.

### **Section 17. (NEW) (Effective from passage): Alternating Proprietorships.**

(a) As used in this section:

- (1) “Alternating proprietorship agreement” means a written agreement in which two or more manufacturers alternate using the same physical premise of a brewery, distillery, or winery to produce their own alcoholic beverages.
- (2) “Host manufacturer” means the holder of a permit issued pursuant to section 30-16 of the general statutes that agrees to rent or share its premise with a tenant manufacturer under an alternating proprietorship agreement.
- (3) “Manufacturer” means the holder of a permit issued pursuant to section 30-16 of the general statutes and may include host manufacturers and tenant manufacturers.





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- (4) “Tenant manufacturer” means a manufacturer that is renting or sharing part or all a premise from a host manufacturer under an alternating proprietorship agreement.
- (5) “TTB” means the federal Alcohol and Tobacco Tax and Trade Bureau.
- (b) Alternating proprietorship agreements shall be allowed subject to the following conditions:
- (1) Each manufacturer shall be deemed to have exclusive possession and control over those portions of the premise which it is actively using to produce, store, blend, or age its own alcoholic beverages.
  - (2) Each manufacturer shall hold title separately to all ingredients, raw materials, and packaging supplies used to manufacture and bottle its own alcoholic beverages. Each manufacturer shall hold title separately to its own alcoholic beverages until removal from the premise, including during production, bottling, blending, and storage. Such ingredients, materials, supplies, and alcoholic beverages shall be conspicuously labeled to identify the manufacturer in possession. Nothing in this subsection shall prohibit a tenant manufacturer from purchasing ingredients, raw materials, or supplies from a host manufacturer prior to beginning production.
  - (3) During production, each manufacturer’s alcoholic beverages must be separate and identifiable from the products of other manufacturers at all stages, including storage. Each manufacturer is accountable for any risks or loss of alcoholic beverages during its own production. A tenant manufacturer shall not return any portion of its production to a host manufacturer.
  - (4) Each manufacturer shall maintain control and responsibility over the respective alcoholic beverages it produces, including formula development, production quantity, and quality control standards, and ensure the independence of its brands, trademarks, marketing, product registrations, and sales. Nothing in this subsection shall preclude a tenant manufacturer from paying a host manufacturer for its employees’ services to assist in any aspect of its operation.
  - (5) Each manufacturer shall keep separate records of their production, sales, and any other record required by law. Each manufacturer shall file separate production, licensing, and sales reports with federal and state authorities as required by law. Each manufacturer shall individually pay tax, at the rate of tax applicable to it, upon removal of their product from the premise or as otherwise required by law.
  - (6) Each manufacturer shall be licensed, approved, or qualified by the TTB as required by federal law. Each manufacturer is responsible for obtaining its own federal Certificates of Label Approval and brand registrations with the Department of Consumer Protection. Each manufacturer must label all products it produced at the shared premise with its own name and the address of the shared premise.



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(7) No manufacturer engaged in an alternating proprietorship agreement with another manufacturer may share common ownership unless each manufacturer is producing a different class of alcoholic beverage.

(8) Nothing in this subsection shall prohibit two or more manufacturers from equally sharing the ownership or use of a single premise. Nothing in this subsection shall prohibit an out-of-state manufacturer from entering into an alternating proprietorship arrangement with a host manufacturer, provided the out-of-state manufacturer applies for a permit issued pursuant to section 30-16 of the general statutes.

(c) The department may promulgate regulations in accordance with chapter 54 as necessary to carry out the intent of the section.

### **Section 18. (NEW) (Effective from passage) Contract Manufacturing.**

(a) As used in this section:

(1) “Contracting party” means a manufacturer licensed under section 30-16 of the general statutes, wholesaler licensed under section 30-17 of the general statutes, or an out-of-state shipper licensed under section 30-18 of the general statutes who owns the alcoholic beverage recipe being produced under a contract manufacturing agreement.

(2) “Contract manufacturing agreement” means a written agreement in which a primary manufacturer agrees to brew, distill, blend, or ferment an alcoholic beverage on behalf of a contracting party.

(3) “Primary manufacturer” means the manufacturer conducting the brewing, distilling, blending, or fermenting on behalf of a contracting party at its own premise pursuant to a contract manufacturing agreement.

(4) “TTB” shall mean the federal Alcohol and Tobacco Tax and Trade Bureau.

(b) Contract manufacturing agreements shall be allowed subject to the following conditions:

(1) The primary manufacturer shall maintain exclusive possession and control over the entirety of premise at all times and bear sole responsibility for the producing, bottling, blending, storing, or aging of the contracting party’s alcoholic beverages. The contracting party is prohibited from engaging in any production, bottling, blending, or storage activities on the premise of the primary manufacturer. The primary manufacturer shall label all contract manufactured alcoholic beverages with its own name and address.

(2) The primary manufacturer shall maintain title to all ingredients, supplies, and machinery used to produce the contracting party’s alcoholic beverage during the



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production process. The primary manufacturer shall maintain title over the produced alcoholic beverages until removed from the premise.

(3) The primary manufacturer shall maintain all appropriate production records for the contracting party's product. The primary manufacturer shall obtain any necessary federal Certificates of Label Approval and register the brand with the Department of Consumer Protection.

(4) The primary manufacturer shall pay all required taxes at its designated rate upon removal of the alcoholic beverage from the premise or bonded area. As part of the contract manufacturing agreement, the host manufacturer may require the contracting party to reimburse the amount of taxes paid on its products.

(5) The primary manufacturer shall make available to the Department of Consumer Protection, upon inspection or request, an up-to-date listing and copies of all contract manufacturing agreements and production records. All agreements and production records shall be produced in electronic format, unless commercially impractical to produce such documents in electronic format.

(6) A "custom crush" arrangement shall be a special type of contract manufacturing agreement under which a primary manufacturer holding a winery permit produces wine for the benefit of the contracting party using grapes or fruit provided by the contracting party.

(c) The department may promulgate regulations in accordance with chapter 54 as necessary to carry out the intent of the section.

**Section 19. Section 30-16b of the supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):**

**Sec. 30-16b. Authorization to sell alcoholic liquor for off-premises consumption. Sale with food. Delivery. Hours. Limits for order.** (a) [From June 4, 2021, until three years after June 4, 2021,] [t]The holder of a permit issued pursuant to section 30-16, 30-21 or 30-22, or subsection (a), (g), (h) or (i) of section 30-22a may sell for off-premises consumption sealed containers of all such alcoholic liquor such permit holder is allowed to sell for on-premises consumption, subject to the requirements of this section and consistent with all local ordinances for the town in which the premises are located.

(b) Any alcoholic liquor sold for off-premises consumption pursuant to this section shall be accompanied by food prepared on the permit premises for off-premises consumption.



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(c) Alcoholic liquor sold for off-premises consumption pursuant to this section may be sold in a container other than the manufacturer's original sealed container, unless sold by a permittee under section 30-16. All such alcoholic liquor sold for off-premises consumption shall be given to a consumer in a securely sealed container that prevents consumption without the removal of a tamper-evident lid, cap or seal. A securely sealed container does not include a container with a lid with sipping holes or openings for straws. Each securely sealed container shall be placed in a bag by the permittee's agent or employee prior to removal from the permit premises.

(d) If a permittee is delivering alcoholic liquor and food, such delivery shall be made only by a direct employee of the permittee and not by a third-party vendor or entity, unless such third-party vendor or entity holds an in-state transporter's permit.

(e) The sale of alcoholic liquor for off-premises consumption pursuant to this section shall (1) be conducted only during the hours a package store is permitted to sell alcoholic liquor under the provisions of subsection (d) of section 30-91, and (2) if sold by a permittee under section 30-21 or 30-22, comply with all applicable requirements of said sections and the limits imposed under subsection (g) of this section.

(f) A sealed container of alcoholic liquor sold pursuant to this section shall not be deemed an open container, provided the sealed container is unopened, the seal has not been tampered with, and the contents of the sealed container have not been partially removed.

(g) The sale of alcoholic liquor for off-premises consumption pursuant to this section by a permittee under section 30-21 or 30-22 shall comply with the following limits for any one order, per customer: (1) One hundred ninety-six ounces, for beer, (2) one liter, for spirits, and (3) one and one-half liters, for wine.

(h) The provisions of this section shall not apply to the retail sale of any alcoholic liquor manufactured by a manufacturer permittee under section 30-16 on its permit premises for off-premises consumption, which shall be subject to the requirements of said section, including, but not limited to, the volume limits and hours of sale set forth in said section.



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<b>Document Name</b>	<b>DCP_3_Drug Control.doc</b>
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**Naming Format:** AGENCY ACRONYM PROPOSAL NUMBER - TOPIC

*Please insert a copy of the fully drafted bill at the end of this document (required for review)*

<b>Legislative Liaison</b>	<b>Leslie O’Brien</b>
<b>Division Requesting This Proposal</b>	<b>Drug Control</b>
<b>Drafter</b>	<b>Rodrck Marriott</b>

<b>Title of Proposal</b>	<b>An Act Concerning the Regulation of Pharmacy</b>
<b>Statutory Reference, if any</b>	<b>New language to incorporated into the Pharmacy Practice Act (Chapter 400j), CGS Sections 21a-286, 20-579, 20-617a, 21a-93, 20-613, and 20-623.</b>
<b>Brief Summary and Statement of Purpose</b>	<b>To make various revisions and additions to the Pharmacy, Drug Control and Food and Drug Statues.</b>

**SECTION-BY-SECTION SUMMARY**

*Summarize sections in groups where appropriate*

<p><b>Sections 1 through 3</b> new language to create a registration for practitioners and their agents who dispense medication to ensure proper dispensing controls when prescribers are dispensing their prescriptions.</p> <p><b>Section 4</b> new language to allow for pharmacists to prescribe or refill medical devices used in combination with prescribed medications. Certain medications are prescribed with a medical device for administration, e.g. Insulin with a syringe for diabetes treatment; bronchodilators with a nebulizer for asthma treatment. Occasionally, a required medical device is not</p>
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included in a prescription or renewal, preventing patients from taking their prescribed medication. The proposed language ensures patient access to medical devices necessary to self-administer their medications. Additionally, it reduces systemic burden on pharmacists and prescribers by avoiding unnecessary repetition of the prescription process.

**Section 5** new language to allow pharmacists to prescribe oral and transdermal contraception.

**Section 6** exempts professionals in the pharmacy field from automatic discipline in Connecticut if discipline issued in another state for termination of pregnancy is solely based on termination of pregnancy under temporal conditions placed in legislation by another state.

**Section 7** amends Dependency-Producing Drugs (Chapter 420b) to allow secure naloxone boxes to be placed in public locations to utilize in emergencies.

**Section 8** revises Pharmacy Practice Act (20-579) to include unsafe conditions and inadequate staffing as grounds for enforcement action against pharmacy licenses for policies or lack of control that creates safety concerns in the practice of pharmacy rather than holding the pharmacy manager or individual pharmacist accountable.

**Section 9** amends Pharmacy Practice Act (20-617a) to exempt the addition of a flavoring additive from certain compounding sections of the United States Pharmacopeia (USP). One of the most common applications of such flavoring agents is in oral children's medication. While it is common for retail pharmacies to add flavoring agents at the patient's request, it is uncommon for retail pharmacies to compound other drugs that fall under the USP guidelines for compounded sterile preparations. The proposed language would allow flavoring agents already approved for use to continue being used in the course of retail pharmacy, without extensive and costly renovation to every retail pharmacy. This allows patients to continue receiving their preferred form of medication.

**Sections 10 and 11** Currently there are prescribers conducting sterile and non-sterile compounding services that are not in accordance state and federal health and safety standards for pharmaceutical professionals. State statutes, however, do not require prescribers to comply with these state and federal health and safety standards. This has become an issue at private infusion centers where high-risk patients are receiving care in suboptimal conditions. This proposed language amends both the 21a-93 (the Uniform Food, Drug and Cosmetic Act) and 20-613 (the Pharmacy Practices Act) to clarify that all health professionals must comply with the same standard when compounding drugs in the state.

**Section 12** amends 20-623 to allow for the sale of nonlegend medications in a vending machine. The goal is to improve access to these medications, including emergency contraceptives, in locations where a full retail location is not practical or when a retail location is not opened for business. It was recently noted that Connecticut is one of very few states that prohibits this method of sale.



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**BACKGROUND**

**Origin of Proposal**

**New Proposal**

**Resubmission**

**If this is a resubmission, please share the prior bill number, the reason the bill did not move forward, and any changes made or conversations had since it was last proposed:**

*Please consider the following, if applicable:*

<b>Have there been changes in federal/state laws or regulations that make this legislation necessary?</b>	<b>No.</b>
<b>Has this proposal or a similar proposal been implemented in other states? If yes, to what result?</b>	<b>Several sections of this proposal have been implemented in other states: The new registration created in sections 1-3 also exist in Oregon; At least 21 states allow for pharmacists to prescribe oral contraception as is proposed in section 5; Section 8, which would hold pharmacies accountable for lack of, or poor, safety policies is language replicated from Vermont statutes; and as noted in a recent news story, Connecticut is one of very few state that prohibits the dispensation of non-legend drug through vending machines as section 12 would allow.</b>
<b>Have certain constituencies called for this proposal?</b>	<b>Proponents of drug overdose prevention have called for access to naloxone from “boxes” as is proposed in section 7.</b>

**INTERAGENCY IMPACT**

*List each affected agency. Copy the table as needed.*



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**Document Name:**

Check here if this proposal does NOT impact other agencies

<b>1. Agency Name</b>	
<b>Agency Contact (name, title)</b>	
<b>Date Contacted</b>	
<b>Status</b>	<input type="checkbox"/> Approved <input type="checkbox"/> Talks Ongoing
<b>Open Issues, if any</b>	

**FISCAL IMPACT**

*Include the section number(s) responsible for the fiscal impact and the anticipated impact*

Check here if this proposal does NOT have a fiscal impact

<b>State</b>	<b>The creation of the registration in sections 1 – 3 will require approximately 60 hours of overtime for IT and program management, however, those costs will be absorbed by new the registration fee.</b>
<b>Municipal (Include any municipal mandate that can be found within legislation)</b>	<b>No.</b>
<b>Federal</b>	<b>No.</b>
<b>Additional notes</b>	<b>Prescribing practitioners might express concerns sections 1-3 as well as other sections of this bill. Should these proposals receive OTG/OPM sign off, DCP will work with those stakeholders.</b>

**MONITORING & EVALUATION PLAN**

*If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes*





[ ] Check here if this proposal does NOT lead to any measurable outcomes

While it will be difficult to track measurable outcomes for most of these sections, certainly sections 4-6 and 9 could allow for some method of tracking.

ANYTHING ELSE WE SHOULD KNOW?

[Empty box for additional information]

INSERT FULLY DRAFTED BILL HERE

Section 1 (New) (Effective January 1, 2024):

Dispensing group practice registration.

- (1) "Centralized dispensing practitioner" means a prescribing practitioner designated by a dispensing group practice as the individual authorized to dispense legend drugs and legend devices on behalf of other prescribing practitioners in the dispensing group practice.
(2) "Department" means the Department of Consumer Protection.
(3) "Dispense" has the same meaning as defined in section 20-571 of the general statutes.
(4) "Dispensing assistant" means an individual registered with the department who is employed by a dispensing group practice and overseen by the centralized dispensing practitioner or a pharmacist employed by the dispensing group practice.
(5) "Dispensing group practice" means a group practice, as defined in section 19a-486i of the general statutes, that centralizes the dispensing of legend drugs or devices prescribed by prescribing practitioners employed by or affiliated with the group practice through a centralized dispensing practitioner or pharmacist.
(6) "Legend device" has the same meaning as defined in section 20-571 of the general statutes.
(7) "Legend drug" has the same meaning as defined in section 20-571 of the general statutes.
(8) "Pharmacist" has the same meaning as defined in section 20-571 of the general statutes.
(9) "Prescribing practitioner" has the same meaning as defined in section 20-571 of the general statutes.
(10) "Prescription" has the same meaning as defined in section 20-635 of the general statutes.



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(11) “Professional samples” has the same meaning as defined in section 20-14c of the general statutes;

(12) “Seventy-two hour supply” means a quantity of legend drugs or devices that does not exceed the dosage amount necessary for a time period of seventy-two hours as determined by the directions for use.

### **Section 2 (New) (Effective January 1, 2024):**

(a) Every dispensing group practice that dispenses or proposes to engage in dispensing more than a seventy-two hour supply of a legend drug or legend device, other than professional samples within this state shall (1) obtain and maintain an active dispensing group practice registration issued by the department, (2) register for access to the electronic prescription drug monitoring program established pursuant to section 21a-254 of the general statutes, and (3) comply with all reporting and usage requirements for the electronic prescription drug monitoring program set forth in section 21a-254 of the general statutes.

(b) Prior to dispensing any legend drug or legend device in this state, a dispensing group practice shall obtain a dispensing group practice registration from the department. The application for a dispensing group practice registration shall be made in a form and a manner prescribed by the Commissioner of Consumer Protection shall be accompanied by an initial application fee, and biannual renewal fee, of two hundred dollars, and shall designate a centralized dispensing practitioner or pharmacist employed by the dispensing group practice.

(c) An application for a dispensing assistant registration pursuant to this chapter shall be made on a form and in a manner prescribed by the department and shall be accompanied by a fee of one hundred dollars for registration, which shall be renewable on a biannual basis for one hundred dollars.

(c) Individual prescribing practitioners employed by or affiliated with a dispensing group practice may engage in the dispensing of prescriptions without utilizing the centralized dispensing practitioner or pharmacist employed by the dispensing group practice.

(e) A dispensing group practice may employ a pharmacist for the purpose of dispensing without requiring the premises from which the dispensing group practice operates to be licensed as a pharmacy under section 20-594 of the general statutes. The pharmacist shall report directly to a prescribing practitioner within the dispensing group practice. The pharmacist may supervise dispensing assistants. A pharmacist shall be permitted to perform in-process and final checks without an additional verification by the practitioner in charge. A licensed pharmacist working in a dispensing group practice location is permitted to perform any component of the practice of pharmacy.

(f) A dispensing assistant is permitted to perform the duties of a pharmacy technician as defined in section 20-598a of the general statutes under the supervision of the practitioner in charge, or pharmacist employed by the dispensing group practice. A dispensing assistant shall be subject to the same responsibilities and liabilities set forth in Chapter 400j of the general statutes pertaining to pharmacy technicians.



**Section 3 (New) (Effective January 1, 2024):**

Prohibited Acts.

(a) The following acts and the causing thereof shall be prohibited:

(1) a centralized dispensing practitioner or pharmacist employed by the dispensing group practice shall not dispense or order the dispensing of a legend drug, legend device, or controlled substance for an individual who is not being treated by a practitioner within that dispensing group practice;

(2) a dispensing group practice shall not accept or dispense a prescription from a prescribing practitioner outside of the dispensing group practice;

(3) a group practice shall not exhibit within or upon the outside of the premises occupied by such group practice, or include in any advertisement for such group practice, the words “drug store”, “pharmacy”, “apothecary”, “medicine shop” or any combination of such terms or any other words, displays or symbols indicating that such group practice or place of business is a pharmacy.

(b) Any violation of this chapter, Chapter 400j of the general statutes, or regulations promulgated thereunder relating to the dispensing of drugs resulting from the actions of a dispensing assistant, centralized dispensing practitioner or pharmacist employed by or acting as an agent of a dispensing group practice shall constitute a cause for enforcement action against the registration of the dispensing group practice. The commissioner may refuse the issuance or renewal of a registration issued pursuant to this section, and may revoke, suspend or place conditions on a registration issued pursuant to this section, and may assess a civil penalty of up to one thousand dollars per violation for any violation of this chapter, Chapter 400j of the general statutes, or regulations promulgated under Chapter 400j by a dispensing group practice, dispensing assistant, centralized dispensing practitioner or pharmacist.

**Section 4 (New) (Effective Upon Passage):**

Prescribing Medical Devices.

A pharmacist, as defined in section 20-571 of the general statutes, may authorize a prescription or a refill for a prescription medical device approved by the Food and Drug Administration if the medical device is approved for use in combination with a medication prescribed by a prescribing practitioner, as defined in section 20-571 of the general statutes. The pharmacist shall identify the patient’s current prescribing practitioner issuing the prescription for the medication associated with such device and shall notify the prescribing practitioner in writing that the medical device was prescribed by the pharmacist within seventy-two hours of dispensing.

**Section 5 (New) (Effective upon passage):**

Pharmacist prescribing of oral and transdermal contraception; Exemption from discipline

(a) As used in this section:



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(1) “Emergency contraceptive” means a drug or combination of drugs approved by the federal Food and Drug Administration to prevent pregnancy as soon as possible following unprotected intercourse or a known or suspected contraceptive failure.

(2) “Hormonal contraceptive” means a drug composed of a hormone or combination of hormones that is approved by the federal Food and Drug Administration to prevent pregnancy, including, but not limited to, a hormonal contraceptive patch, an intravaginal hormonal contraceptive, and an oral hormonal contraceptive.

(3) “Pharmacist” has the same meaning as defined in section 20-571 of the general statutes.

(4) “Pharmacy technician” has the same meaning as defined in section 20-571 of the general statutes.

(5) “Prescribe” means to order or designate a remedy or any preparation of a legend drug, as defined in section 20-571, for a specific patient.

(b) A person who is licensed as pharmacist pursuant to chapter 400j and is certified in accordance with this section may prescribe, in good faith, a hormonal contraceptive or emergency contraceptive subject to the following conditions:

(1) A pharmacist may only prescribe a hormonal contraceptive and emergency contraceptive if they have completed an Accreditation Council for Pharmacy Education (ACPE) accredited educational training program related to the prescribing of hormonal contraceptives and emergency contraception by a pharmacist. Such educational training program shall at minimum address appropriate medical screening of the patient, contraindications, drug interactions, treatment strategies and modifications, and when to refer patients to a medical provider.

(2) A pharmacist shall review the most current version of the United States Medical Eligibility Criteria for Contraceptive Use as adopted by the Centers for Disease Control and Prevention, or successor document, prior to the prescribing of any hormonal contraceptive and if the pharmacist deviates from the guidance, the pharmacist shall document the rationale for such deviation in writing.

(3) Prior to the issuance of a prescription, the pharmacist shall complete a screening document, available on the Department of Consumer Protection’s internet website, to be used as the prescription upon the initiation of hormonal contraceptive or emergency contraceptive at the pharmacy and at least annually for any returning patient. Nothing in this subdivision shall prevent a pharmacist, in their professional discretion, from permitting the issuance of a prescription and subsequent dispensation of up to twelve months of hormonal contraception or requiring more frequent screenings.

(4) If a pharmacist determines that prescribing of a hormonal contraceptive or emergency contraceptive is clinically appropriate the pharmacist shall counsel the patient about what to monitor and when to seek additional medical attention. The pharmacist shall notify any practitioner that the patient identifies as their primary care provider. If the patient does not identify a practitioner as their primary care provider, the patient may be provided with the documentation maintained by the pharmacist. The pharmacist shall provide a document outlining age-appropriate health screenings that are consistent with the recommendations from the Center for Disease Control.



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(c) A pharmacy technician may assist a pharmacist in the prescribing of emergency contraceptives and hormonal contraceptives including providing the screening documentation, taking and recording blood pressure, and documenting past medical history, if that technician has received training as set forth in subsection (b) of this section upon the issuance of any new prescription or at the pharmacist request.

(d) If a pharmacist has a moral or ethical concern with the issuance of a prescription for hormonal contraceptives or emergency contraceptives, such pharmacist shall provide the patient with a list of the closest geographically proximate pharmacies that may provide a prescription to the patient for hormonal contraceptives or emergency contraceptives.

(e) The pharmacy shall maintain a record of the screening documents for at least three years and the screening documents shall be readily available for inspection by the Department of Consumer Protection.

(f) The Commissioner of Consumer Protection may adopt regulations, in accordance with chapter 54, concerning the prescribing of emergency contraceptives and hormonal contraceptives.

### **Section 6 (New) (Effective upon passage):**

(a) A pharmacist, licensed pursuant to Chapter 400j, employed by a pharmacy licensed pursuant to Chapter 400j that has been approved to dispense medication for the termination of a pregnancy shall provide a list of the closest geographically proximate pharmacies to patients seeking such medication when the pharmacy is out of stock or if the pharmacist on duty has a moral or ethical concern with the dispensation of such medication.

(b) A pharmacist who is or has been licensed in another state or jurisdiction shall not be subject to automatic reciprocal discipline for a disciplinary action in another jurisdiction, provided the discipline was based solely on the termination of pregnancy under conditions which would not violate the general statutes.

### **Section 7. Section 21a-286 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

Sec. 21a-286. Agreements for distribution and administration of opioid antagonists.

Regulations. (a) For purposes of this section:

(1) "Host agency" means a law enforcement agency, emergency medical service provider, government agency, or community health organization.

(2) "Opioid antagonist" has the same meaning as defined in section 17a-714a of the general statutes.

[(2)](3) "Prescribing practitioner" has the same meaning as defined in section 20-14c of the general statutes.

[(3)](4) "Pharmacist" has the same meaning as defined in section 20-609a of the general statutes.



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(5) “Secure box” means a container that: (i) is securely affixed in a public location (ii) can be accessed by individuals for public use (iii) is temperature controlled or stored in an environment with temperature controls, (iv) tamper-resistant, (v) is equipped with an alarm capable of detecting and transmitting a signal when accessed by individuals, and (vi) unless commercially impracticable, is equipped with an alarm capable of alerting first responders when accessed by individuals.

(6) “Secured machine” means: (i) a device that restricts access to individuals participating in a syringe service program, pursuant to 21a-65 of the general statutes, by utilizing a designated access number, personalized magnetic strip card or any technology that identifies an individual for the purpose of providing access, and (ii) registered with the Department of Consumer Protection in a form and manner provided by the Commissioner.

(b) A prescribing practitioner or a pharmacist certified to prescribe naloxone pursuant to section 20-633c may enter into an agreement with a host agency[law enforcement agency, emergency medical service provider, government agency or community health organization] related to the distribution and administration of an opioid antagonist for the reversal of an opioid overdose. The prescribing practitioner or pharmacist shall provide training to persons who will distribute or administer the opioid antagonist pursuant to the terms of the agreement. Persons other than the prescribing practitioner or pharmacist shall receive training in the distribution or administration of opioid antagonists prior to distributing or administering an opioid antagonist. The agreement shall address the storage, handling, labeling, recalls and recordkeeping of opioid antagonists by the host agency that[law enforcement agency, emergency medical service provider, government agency or community health organization which] is party to the agreement.

(c) A prescribing practitioner or pharmacist certified to prescribe naloxone pursuant to section 20-633c of the general statutes may enter into an agreement to provide naloxone or permit a host agency to allow for the placement of an opioid agonist, to be administered orally or intranasally, in a secure box. The agreement between the prescribing practitioner or pharmacist certified to prescribe naloxone and the host agency shall address the environmental controls required to store the opioid antagonist selected, the replenishment of the opioid antagonist, a process for monitoring the expiration date of the opioid antagonist, signs identifying the presence of the opioid antagonist, directions for use in language(s) for the community that the secure box is being located. The secure box shall contain only the amount of opioid antagonist necessary to serve the community where it is placed. If the box is unable to be maintained by the host agency or supplies are unavailable, the secure box and any signs shall be removed by the host agency as soon as practicable, but no later than five days after notice of inability to maintain the secure box or its supplies. Nothing in this section shall prevent the opioid antagonist from being placed in a container with an automated external defibrillator or other products used for the treatment of a medical emergency.

(d) A prescribing practitioner or pharmacist certified to prescribe naloxone pursuant to section 20-633c of the general statutes may enter into an agreement to permit a registered syringe service



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program established pursuant to section 19a-124 of the general statutes, which may include an opioid antagonist in a secured machine. The agreement between the prescribing practitioner or pharmacist certified to prescribe naloxone and the registered syringe service program shall include, but not be limited to, directions on environmental controls required to store the opioid antagonist selected, a process for the replenishment of the opioid antagonist, a process for monitoring the expiration date of the opioid antagonist and disposal of the expired opioid antagonist, signs identifying the presence of an opioid antagonist, and directions for use in language(s) that are appropriate for the community where the secure box is located.

[(c)](e) A prescribing practitioner or pharmacist who enters into an agreement pursuant to subsections (b) through (d) of this section shall not be liable for damages in a civil action or subject to administrative or criminal prosecution for the administration or dispensing of an opioid antagonist by such law enforcement agency, emergency medical service provider, government agency or community health organization.

[(d)](f) The Commissioner of Consumer Protection may adopt regulations, in accordance with the provisions of chapter 54, to implement the provisions of this section.

### **Section 8. Section 20-579 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

Sec. 20-579. (Formerly Sec. 20-175). Causes for suspension, revocation, refusal to issue or renew or the placing of conditions on licenses, temporary permits and registrations and for assessment of civil penalty. (a) The commission may refuse to authorize the issuance of a temporary permit to practice pharmacy, may refuse to authorize the issuance or renewal of a license to practice pharmacy, a license to operate a pharmacy or a registration of a pharmacy intern or pharmacy technician, and may revoke, suspend or place conditions on a license or temporary permit to practice pharmacy, a license to operate a pharmacy, or a registration of a pharmacy intern or a pharmacy technician, and may assess a civil penalty of up to one thousand dollars per violation of any provision of this chapter or take other action permitted in subdivision (7) of section 21a-7 if the applicant or holder of the license, temporary permit or registration: (1) Has violated a statute or regulation relating to drugs, devices or the practice of pharmacy of this state, any state of the United States, the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or insular possession subject to the jurisdiction of the United States or a foreign jurisdiction; (2) has been convicted of violating any criminal statute relating to drugs, devices or the practice of pharmacy of this state, any state of the United States, the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or insular possession subject to the jurisdiction of the United States or a foreign jurisdiction; (3) has been disciplined by, or is the subject of pending disciplinary action or an unresolved complaint before, the duly authorized pharmacy disciplinary agency of any state of the United States, the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or insular possession subject to the jurisdiction of the United States or a foreign jurisdiction; (4) has been refused a license or registration or renewal of a license or registration by any state of the United States, the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or insular possession subject to the jurisdiction of the United States or a foreign jurisdiction based on grounds that are similar to grounds on which



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Connecticut could refuse to issue or renew such a license or registration; (5) has illegally possessed, diverted, sold or dispensed drugs or devices; (6) abuses or excessively uses drugs, including alcohol; (7) has made false, misleading or deceptive representations to the public or the commission; (8) has maintained exclusive telephone lines to, has maintained exclusive electronic communication with, or has exclusive access to computers located in offices of prescribing practitioners, nursing homes, clinics, hospitals or other health care facilities; (9) has substituted drugs or devices except as permitted in section 20-619; (10) has accepted, for return to regular stock, any drug already dispensed in good faith or delivered from a pharmacy, and exposed to possible and uncontrolled contamination or substitution; (11) has split fees for professional services, including a discount or rebate, with a prescribing practitioner or an administrator or owner of a nursing home, hospital or other health care facility; (12) has entered into an agreement with a prescribing practitioner or an administrator or owner of a nursing home, hospital or other health care facility for the compounding or dispensing of secret formula or coded prescriptions; (13) has performed or been a party to a fraudulent or deceitful practice or transaction; (14) has presented to the commission a diploma, license or certificate illegally or fraudulently obtained, or obtained from a college or school of pharmacy not approved by the commission; (15) has performed incompetent or negligent work; (16) has falsified a continuing education document submitted to the commission or department or a certificate retained in accordance with the provisions of subsection (d) of section 20-600; (17) has permitted a person not licensed to practice pharmacy in this state to practice pharmacy in violation of section 20-605, to use a pharmacist license or pharmacy display document in violation of section 20-608, or to use words, displays or symbols in violation of section 20-609; (18) has failed to maintain the entire pharmacy premises, its components and contents in a clean, orderly and sanitary condition; (19) has failed to demonstrate adherence to applicable provisions of United States Pharmacopeia, Chapter 797, Pharmaceutical Compounding - Sterile Preparations, as amended from time to time; or (20) has failed to demonstrate adherence to applicable provisions of United States Pharmacopeia, Chapter 795, Pharmaceutical Compounding – Nonsterile Preparations, as amended from time to time.

(b) The commission may refuse to authorize the issuance or renewal of a license to operate a pharmacy and may revoke, suspend or place conditions on a license to operate a pharmacy and may assess a civil penalty of up to one thousand dollars per violation of any provision of this chapter or take other action permitted in subdivision (7) of section 21a-7 of the general statutes if the applicant or holder of the license : (1) Implements policies, procedures, systems, or processes that result in deviation from the safe practice of pharmacy; (2) prevents or delay patient access to prescribed drugs or other pharmacy services unreasonably or without adequate notice and opportunity to transfer services to avoid such delay; (3) allows pharmacy conditions that inhibit the safe and competent practice of pharmacy by pharmacists or other pharmacy staff, or create unreasonable risk to patient care; or (4) fails to provide adequate resources, including staffing, to pharmacists in such a manner as to inhibit a pharmacist’s ability to perform all duties required under state and federal law.

~~[(b)]~~ (c) The commission may refuse to authorize the issuance of a temporary permit to practice pharmacy, may refuse to authorize the issuance or renewal of a license to practice pharmacy, a license to operate a pharmacy or a registration of a pharmacy intern or pharmacy technician, and may revoke, suspend or place conditions on a license or temporary permit to practice pharmacy,





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a license to operate a pharmacy, or a registration of a pharmacy intern or a pharmacy technician, or take other action permitted in subdivision (7) of section 21a-7 if the commission determines that the applicant or holder of the license, temporary permit or registration has a condition including, but not limited to, physical illness or loss of skill or deterioration due to the aging process, emotional disorder or mental illness, abuse or excessive use of drugs or alcohol that would interfere with the practice of pharmacy, operation of a pharmacy or activities as a pharmacy intern or pharmacy technician, provided the commission may not, in taking action against a license, temporary permit or registration holder on the basis of such a condition, violate the provisions of section 46a-73 or 42 USC Section 12132 of the federal Americans with Disabilities Act.

### **Section 9. Section 20-617a of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

**Sec. 20-617a. Flavoring agent added to prescription product.** (a) For purposes of this section, “flavoring agent” means an additive used in food or drugs

when such additive: (1) Is used in accordance with good manufacturing practice principles and in the minimum quantity required to produce its intended effect, (2) consists of one or more ingredients generally recognized as safe in food and drugs, has been previously sanctioned for use in food and drugs by the state or the federal government, meets United States Pharmacopeia standards or is an additive permitted for direct addition to food for human consumption pursuant to 21 CFR 172, (3) is inert and produces no effect other than the instillation or modification of flavor, and (4) is not greater than five per cent of the total weight of the product.

(b) A flavoring agent may be added to a prescription product by: (1) A pharmacist upon the request of the prescribing practitioner, patient for whom the prescription is ordered or such patient's agent, or (2) a pharmacist acting on behalf of a hospital, as defined in section 19a-490.

(c) Notwithstanding section 20-633b and any regulations promulgated thereunder, the addition of a flavoring agent in accordance with this section shall be exempt from the requirements of the United States Pharmacopeia, Chapter 795, Pharmaceutical Compounding – Nonsterile Preparations and United States Pharmacopeia, Chapter 800, Hazardous Drugs.

### **Section 10. Section 21a-93 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

Sec. 21a-93. Prohibited acts.

The following acts and the causing thereof shall be prohibited: (a) The sale in intrastate commerce of any food, drug, device or cosmetic that is adulterated or misbranded; (b) the adulteration or misbranding of any food, drug, device or cosmetic in intrastate commerce; (c) the



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receipt in intrastate commerce of any food, drug, device or cosmetic that is adulterated or misbranded, and the sale thereof in such commerce for pay or otherwise; (d) the introduction or delivery for introduction into intrastate commerce of (1) any food in violation of section 21a-103 or (2) any new drug in violation of section 21a-110; (e) the dissemination within this state, in any manner or by any means or through any medium, of any false advertisement; (f) the refusal to permit (1) entry and the taking of a sample or specimen or the making of an investigation as authorized by section 21a-116, or (2) access to or copying of any record as authorized by section 21a-117; (g) the refusal to permit entry or inspection as authorized by section 21a-118; (h) the giving of a guaranty or undertaking in intrastate commerce, referred to in subsection (c) of section 21a-95, that is false; (i) the forging, counterfeiting, simulating or falsely representing, or, without proper authority, using, any mark, stamp, tag, label or other identification device authorized or required by regulations promulgated under the provisions of this chapter or of the federal act; (j) the alteration, mutilation, destruction, obliteration or removal of the whole or any part of the labeling of a food, drug, device or cosmetic, or the doing of any other act with respect to a food, drug, device or cosmetic, or the labeling or advertisement thereof, which results in a violation of this chapter; (k) the using in interstate commerce, in the labeling or advertisement of any drug, of any representation or suggestion that an application with respect to such drug is effective under Section 355 of the federal act or under section 21a-110, or that such drug complies with the provisions of either such section; (l) the violation of any provision of section 21a-108; (m) in the case of a prescription drug distributed or offered for sale in this state, the failure of the manufacturer, packer or distributor thereof to maintain for transmittal, or to transmit, to any practitioner licensed by applicable state law to administer such drug who makes written request for information as to such drug, true and correct copies of all printed matter which is required to be included in any package in which that drug is distributed or sold, or such other printed matter as is approved by the commissioner or under the federal act. Nothing in this subsection shall be construed to exempt any person from any labeling requirement imposed by or under other provisions of this chapter unless specifically exempted under the federal act, as effective on April 26, 1974; (n) the using by any person to his own advantage, or revealing, other than to the commissioner or his duly authorized agents or to the courts when relevant in any judicial proceeding under this chapter, of any information acquired under authority of this chapter concerning any method, process, substance or any other subject which as a trade secret is entitled to protection; (o) (1) placing or causing to be placed upon any drug or device or upon the container of any drug or device, with intent to defraud, the trademark, trade name or other identifying mark, imprint or device of another or any likeness thereof; or (2) selling, dispensing, disposing of or causing to be sold, dispensed or disposed of or concealing or keeping in possession, control or custody, with intent to sell, dispense or dispose of, any drug, device or any container thereof transported, received or held for transportation in commerce, with knowledge that the trademark, trade name or other identifying mark, imprint or device of another or any likeness thereof has been placed thereon in a manner prohibited by subdivision (1) hereof; or (3) making, selling, disposing



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of or causing to be made, sold or disposed of or keeping in possession, control or custody, or concealing, with intent to defraud, any punch, die, plate, stone or other thing designed to print, imprint or reproduce the trademark, trade name or other identifying mark, imprint or device of another or any likeness thereof upon any drug, device or container thereof[.]; (p) failing to adhere to applicable provisions of United States Pharmacopeia, Chapter 797, Pharmaceutical Compounding - Sterile Preparations, as amended from time to time in connection with the compounding or preparation of sterile drugs; or (q) failing to adhere to applicable provisions of United States Pharmacopeia, Chapter 795, Pharmaceutical Compounding – Nonsterile Preparations, as amended from time to time in connection with the compounding or preparation of sterile drugs.

### **Section 11. Section 20-613 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

Sec. 20-613. Dispensing of drug or legend device pursuant to prescription only; exceptions. Emergency dispensing of drug or device in care-giving, correctional or juvenile training institutions; regulations. Pharmacy technicians. Prescribing practitioner authorized to dispense own prescription, when.

(a) Except as provided in subsections (b) and (d) of this section, a drug or a legend device may be dispensed pursuant to a prescription only in a pharmacy or institutional pharmacy by a pharmacist or by a pharmacy intern when acting under the direct supervision of a pharmacist, or by an individual holding a temporary permit.

(b) In care-giving institutions and correctional or juvenile training institutions in emergency situations when the pharmacist is not available for the dispensing of drugs or devices from the institutional pharmacy, the prescription shall be reviewed by the nursing supervisor or a physician before administration of the drug or device and recorded with the pharmacist in its original form or a copy thereof. After the required review in such emergency situations, the person authorized by the institution may dispense drugs and devices from the institutional pharmacy pursuant to regulations adopted by the commissioner, with the advice and assistance of the commission, in accordance with chapter 54.

(c) A pharmacy technician in a pharmacy or an institutional pharmacy may assist, under the direct supervision of a pharmacist, in the dispensing of drugs and devices. A person whose license to practice pharmacy is under suspension or revocation shall not act as a pharmacy technician.

(d) Nothing in sections 20-570 to 20-630, inclusive, shall prevent a prescribing practitioner from dispensing the prescribing practitioner's own prescriptions to the prescribing practitioner's own patients when authorized within the scope of the prescribing practitioner's own practice and when done in compliance with sections 20-14c to 20-14g, inclusive and, if compounding, in compliance with the applicable provisions of United States Pharmacopeia, Chapter 797, Pharmaceutical Compounding - Sterile Preparations, or United States Pharmacopeia, Chapter 795, Pharmaceutical Compounding – Nonsterile Preparations.



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**Section 12.** Section 20-623 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

**Sec. 20-623. Sale of nonlegend drugs. Labels, packaging and contents. Penalty:** (a) No nonlegend drug may be sold at retail except at a pharmacy, [or at] a store that has obtained from the commission or the department a permit to sell nonlegend drugs, or in a vending machine owned and operated by a business that has obtained a permit from the department for each of its individual vending machines offering non-legend drugs for sale. All persons that are not licensed as a pharmacy shall apply to the department to obtain a permit to sell non-legend drugs in a form and manner prescribed by the commissioner. Nonlegend drugs shall be labeled and packaged in accordance with state and federal law.

(b) A vending machine offering nonlegend drugs may also contain nonlegend devices. Each vending machine offering nonlegend drugs or nonlegend devices shall be individually registered with the department. An application for a vending machine offering nonlegend drugs and nonlegend devices shall designate an individual who will be responsible for the proper maintenance of the vending machine.

(c) The registrant and the designated individual responsible for maintenance shall ensure that the vending machine offering nonlegend drugs and nonlegend devices (1) maintains the proper temperature and humidity for the nonlegend drugs as required by the original manufacturer, (2) only contains nonlegend drugs and nonlegend devices that remain in the original container provided by the manufacturer, (3) only offers nonlegend drugs and nonlegend devices that are not expired or adulterated, (4) the nonlegend drugs and nonlegend devices are not part of a recall and if a product is part of a recall it is promptly removed from the vending machine; (5) contains only nonlegend drugs and nonlegend devices, sundries and other nonperishable items, (6) has a clear and conspicuous written statement on the vending machine listing the name, address, and toll-free contact number of the owner and operator of the machine, (7) has a clear and conspicuous statement on the vending machine advising the consumer to check the expiration date of the product before using the product (8) contains the message “Drug tampering or expired product? Notify the Department of Consumer Protection Drug Control by calling (Department of Consumer Protection, telephone number authorized pursuant to section 21a-2 of the general statutes)” on the vending machine in a size and location that is prominently visible to the consumer, (9) does not sell any nonlegend drugs or nonlegend devices that require age verification, quantity limits, or have any restrictions on their sale by state or federal law, and (10) does not contain nonlegend drugs in packaging containing more than a five-day supply of medication based on the manufacturer’s directions for use.

[(b)] (c) Any person who violates any provision of this section shall be fined up to one thousand dollars per violation [not less than one hundred dollars nor more than five hundred dollars].



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**Document Name:**

<b>Document Name</b>	<b>DCP_4_Cannabis Control.doc</b>
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**Naming Format:** AGENCY ACRONYM PROPOSAL NUMBER - TOPIC

*Please insert a copy of the fully drafted bill at the end of this document (required for review)*

<b>Legislative Liaison</b>	<b>Leslie O’Brien</b>
<b>Division Requesting This Proposal</b>	<b>Drug Control</b>
<b>Drafter</b>	<b>Cannabis Legal Team</b>

<b>Title of Proposal</b>	<b>An Act Concerning the Regulation of Cannabis</b>
<b>Statutory Reference, if any</b>	<b>Sections 21a-420e, 21a-420u(d) of the 2022 supplement to the general statutes, subsections 9 and 10 of 21a-408, Subsections 31 and 32 of 21a-420, 21a-420e, 21a-408r, 21a-408b, Sections 5 – 7 of P.A. 22-103, 21a-421bb and 21a-421p, 21a-420g.</b>
<b>Brief Summary and Statement of Purpose</b>	<b>To make clean-up and clarifying changes to the Responsible and Equitable Regulation of Adult-Use Cannabis Act (RERACA).</b>

**SECTION-BY-SECTION SUMMARY**

*Summarize sections in groups where appropriate*



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**Section 1** amends 21a-420e to provide for licensure through the lottery process for medical dispensary facilities and producers and clarifies disclosable information.

**Section 2** amends subsection (d) of section 7 of PA 22-103 to clarify that all equity joint ventures (EJVs) are exempt from the lottery process.

**Section 3** amends subsections 9 and 10 of section 21a-408 to change the term “laboratory” and revise the definition so that cannabis testing laboratories are distinguishable from controlled substance testing laboratories and to correct the definition of “laboratory employee” to reflect new cannabis testing laboratory terminology.

**Section 4** amends subsections 31 and 32 of section 1 of PA 22-103 to change the term “laboratory” and revise the definition so that cannabis testing laboratories are distinguishable from controlled substance testing laboratories and to correct the definition of “laboratory employee” to reflect new cannabis testing laboratory terminology.

**Section 5** amends 21a-420e to include a licensing fee for cannabis testing laboratories.

**Section 6** amends 21a-408r to make conforming changes to clarify that laboratories in this section are cannabis testing laboratories and to allow for the Commissioner to establish procedures for cannabis testing laboratories to accept cannabis samples from consumers and qualifying patients for testing.

**Section 7** amends 21a-408b to expand permitted caretakers to eliminate the exclusion of people with certain criminal convictions and to allow spouses and grandparents to serve as caretakers for one another.

**Sections 8 through 10** amend sections 5 through 7 of P.A. 22-103 to add language that clarifies the 20-mile restriction, which is already applicable to producer and dispensary EJVs, also applies to DIA cultivator EJVs, and also clarifies that the restriction only applies to commonly owned EJVs that are retailers or hybrid retailers (no other license types).

**Section 11** amends section 8 of P.A. 22-103 to permit entities providing cannabis related services such as certifying physicians and lawyers to advertise their services. To exempt signage on the cannabis establishment from the advertising distance requirement.

**Section 12** amends 21a-420g to make several clarifying and technical changes regarding the dual (social equity and general) lottery system, to allow a general lottery applicant to remove a backer that would otherwise disqualify the applicant from licensure and to clarify applicant recourse in the judicial system.

## BACKGROUND



**Agency Legislative Proposal – 2023 Session**

**Document Name:**

**Origin of Proposal**

**New Proposal**

**Resubmission**

**If this is a resubmission, please share the prior bill number, the reason the bill did not move forward, and any changes made or conversations had since it was last proposed:**

*Please consider the following, if applicable:*

<b>Have there been changes in federal/state laws or regulations that make this legislation necessary?</b>	<b>No.</b>
<b>Has this proposal or a similar proposal been implemented in other states? If yes, to what result?</b>	<b>No.</b>
<b>Have certain constituencies called for this proposal?</b>	<b>No.</b>

**INTERAGENCY IMPACT**

*List each affected agency. Copy the table as needed.*

**Check here if this proposal does NOT impact other agencies**

<b>1. Agency Name</b>	<b>Social Equity Council</b>
<b>Agency Contact (name, title)</b>	<b>Kristina Diamond</b>



**Agency Legislative Proposal – 2023 Session**

**Document Name:**

<b>Date Contacted</b>	<b>Discussions regarding</b>
<b>Status</b>	<input type="checkbox"/> <b>Approved</b> <input checked="" type="checkbox"/> <b>Talks Ongoing</b>
<b>Open Issues, if any</b>	<b>Section 12 of this proposal amends CGA section 21a-420g which involves both DCP and the SEC.</b>

**FISCAL IMPACT**

*Include the section number(s) responsible for the fiscal impact and the anticipated impact*

**Check here if this proposal does NOT have a fiscal impact**

<b>State</b>	<b>This proposal will generate minimal additional revenue by creating a new licensing fee for cannabis laboratories.</b>
<b>Municipal (Include any municipal mandate that can be found within legislation)</b>	
<b>Federal</b>	
<b>Additional notes</b>	

**MONITORING & EVALUATION PLAN**

*If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes*

**Check here if this proposal does NOT lead to any measurable outcomes**

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**ANYTHING ELSE WE SHOULD KNOW?**





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**INSERT FULLY DRAFTED BILL HERE**

**Section 1. Section 21a-420e of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

(a) Not later than thirty days after the date that the Social Equity Council identifies the criteria and the necessary supporting documentation for social equity applicants and posts such information on its Internet web site, the department may accept applications for the following cannabis establishment license types: (1) Retailer, (2) hybrid retailer, (3) cultivator, (4) micro-cultivator, (5) product manufacturer, (6) food and beverage manufacturer, (7) product packager, (8) delivery service, [and] (9) transporter, (10) dispensary facility, and (11) producer. Each application for licensure shall require the applicant to indicate whether the applicant wants to be considered for treatment as a social equity applicant.

(b) On and after July 1, 2021, the department may accept applications from any dispensary facility to convert its license to a hybrid-retailer license and any producer for expanded authorization to engage in the adult use cannabis market under its license issued pursuant to section 21a-408i.

(c) Except as provided in subsection (e) of this section, the following fees shall be paid by each applicant:

(1) For a retailer license, the fee to enter the lottery shall be five hundred dollars, the fee to receive a provisional license shall be five thousand dollars and the fee to receive a final license or a renewal of a final license shall be twenty-five thousand dollars.

(2) For a hybrid retailer license, the fee to enter the lottery shall be five hundred dollars, the fee to receive a provisional license shall be five thousand dollars and the fee to receive a final license or a renewal of a final license shall be twenty-five thousand dollars.

(3) For a cultivator license, the fee to enter the lottery shall be one thousand dollars, the fee to receive a provisional license shall be twenty-five thousand dollars and the fee to receive a final license or a renewal of a final license shall be seventy-five thousand dollars.

(4) For a micro-cultivator license, the fee to enter the lottery shall be two hundred fifty dollars, the fee to receive a provisional license shall be five hundred dollars and the fee to receive a final license or a renewal of a final license shall be one thousand dollars.

(5) For a product manufacturer license, the fee to enter the lottery shall be seven hundred fifty dollars, the fee to receive a provisional license shall be five thousand dollars and the fee to receive a final license or a renewal of a final license shall be twenty-five thousand dollars.



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(6) For a food and beverage manufacturer license, the fee to enter the lottery shall be two hundred fifty dollars, the fee to receive a provisional license shall be one thousand dollars and the fee to receive a final license or a renewal of a final license shall be five thousand dollars.

(7) For a product packager license, the fee to enter the lottery shall be five hundred dollars, the fee to receive a provisional license shall be five thousand dollars and the fee to receive a final license or a renewal of a final license shall be twenty-five thousand dollars.

(8) For a delivery service or transporter license, the fee to enter the lottery shall be two hundred fifty dollars, the fee to receive a provisional license shall be one thousand dollars and the fee to receive a final license or a renewal of a final license shall be five thousand dollars.

(9) For an initial or renewal of a backer license, the fee shall be one hundred dollars.

(10) For an initial or renewal of a key employee license, the fee shall be one hundred dollars.

(11) For an initial or renewal of a registration of an employee who is not a key employee, the fee shall be fifty dollars.

(12) The license conversion fee for a dispensary facility to become a hybrid retailer shall be one million dollars, except as provided in section 21a-420u.

(13) The license conversion fee for a producer to engage in the adult use cannabis market shall be three million dollars, except as provided in section 21a-420l.

(d) For any dispensary facility that has become a hybrid retailer, the renewal fee shall be the same as the fee for a hybrid retailer set forth in subdivision (2) of subsection (c) of this section. For any producer, the renewal fee shall be the same as set forth in section 21a-408i. A social equity applicant shall pay fifty per cent of the amount of any of the fees specified in subsection (c) of this section for the first three renewal cycles of the applicable cannabis establishment license applied for, and the full amount thereafter, provided in the case of the fees set forth in subdivisions (12) and (13) of subsection (c) of this section, a social equity applicant shall pay the full amount of the fee.

(e) For the fiscal year ending June 30, 2023, and thereafter, fees collected by the department under this section shall be paid to the State Treasurer and credited to the General Fund, except that the fees collected under subdivisions (12) and (13) of subsection (c) of this section shall be deposited in the Social Equity and Innovation Fund established under section 21a-420f.

(f) For each license type:

(1) Applicants shall apply on a form and in a manner prescribed by the commissioner, which form shall include a method for the applicant to request consideration as a social equity applicant; and

(2) The department shall post on its Internet web site the application period, which shall specify the first and last date that the department will accept applications for that license type. The first date that the department shall accept applications shall be no sooner than thirty days after the date the Social Equity Council posts the criteria and supporting documentation necessary to qualify for consideration as a social equity applicant as set forth in section 21a-420g. Only complete license applications received by the department during the application period shall be considered.

(g) (1) No officer or employee, including any former officer or former employee, of the state or of any other person who has or had access to the applications submitted to the department pursuant to this section, may disclose such applications, including any information reported thereon and submitted therewith, except as provided in this subsection.



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(2) The commissioner may disclose the following:

1. Applicant name;
2. License type applied for;
3. Social equity designation;
4. Address of applicant;
5. Names, email and telephone number of owners;
6. Ownership percentages for social equity applicants;
7. Primary business contact name and address;
8. Application number;
9. Date of application;
10. Applicant formation information including type of business, date of formation, place of formation, and Connecticut Secretary of the State registration number; and
11. All associated cannabis business entities listed on the application.

(3) In addition to the information set forth in subdivision (2), the commissioner may, in his or her sole discretion, disclose personal information or financial documents associated with the submission of a cannabis license application to:

(A) Any federal, state or local government agency in carrying out its functions or to any individual or entity acting on behalf of any such agency;

(B) A college or university conducting research or assisting the State with the application review process, which entity shall agree to not disclose any personally identifying information or confidential business information and will deidentify any information received prior to releasing any studies, reports, surveys or similar documents;

(C) An applicant or an owner of an applicant to confirm the accuracy of personal information submitted by the individual or applicant;

(D) An officer of the court in connection with any civil, criminal, administrative or arbitral proceeding in any court or government agency or before any self-regulatory body, including the service of process, an investigation in anticipation of litigation, the execution or enforcement of



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judgments and orders, or pursuant to an order of any court provided the requesting party is a party in interest to such proceeding; and

(E) A state marshal, for use in the performance of duties under the provisions of section 6-38a.

(4) Any information disclosed pursuant to subdivision (3) of this subsection shall remain confidential and not be further disseminated in a manner that may identify any individual referenced in and related to the disclosed personal information or financial document, unless otherwise mandated by law.

**Section 2. Subsection (d) of section 7 of Public Act 22-103 is repealed and the following is substituted in lieu thereof (Effective from passage):**

(d) Upon receipt of written approval of the equity joint venture by the Social Equity Council, the equity joint venture applicant shall apply for a license from the department in the same form as required by all other licensees of the same license type and subject to the same fees as required by all other licensees of the same license type, except that such application shall not be subject to the lottery.

**Section 3. Subsections 9 and 10 of section 21a-408 of the 2022 supplement to the general statutes are repealed and the following is substituted in lieu thereof (Effective from passage):**

(9) "Cannabis Testing Laboratory" means a laboratory located in the state that is licensed by the department to provide analysis of [marijuana] cannabis and that meets the licensure requirements set forth in this act and the regulations and policies and procedures promulgated hereunder [section 21a-246, as amended by this act];

(10) "laboratory employee" means a person who is registered as a laboratory employee pursuant to section 21a-408r and who is employed at a cannabis testing laboratory;

**Section 4. Subsections 31 and 32 of section 1 of Public Act 22-103 are repealed and the following is substituted in lieu thereof (Effective from passage):**

(31) "Cannabis Testing Laboratory" means a laboratory located in the state that is licensed by the department to provide analysis of cannabis that meets the licensure requirements set forth in this act and the regulations and policies and procedures promulgated hereunder [section 21a-246, as amended by this act];

(32) "Laboratory employee" means an individual who is registered as a laboratory employee pursuant to section 21a-408r of the general statutes and who is employed at a cannabis testing laboratory;



**Section 5. Section 21a-420e of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

Sec. 21a-420e. Timeline for initial applications for licensure. Fees for licenses. (a) Not later than thirty days after the date that the Social Equity Council identifies the criteria and the necessary supporting documentation for social equity applicants and posts such information on its Internet web site, the department may accept applications for the following cannabis establishment license types: (1) Retailer, (2) hybrid retailer, (3) cultivator, (4) micro-cultivator, (5) product manufacturer, (6) food and beverage manufacturer, (7) product packager, (8) delivery service, and (9) transporter. Each application for licensure shall require the applicant to indicate whether the applicant wants to be considered for treatment as a social equity applicant.

(b) On and after July 1, 2021, the department may accept applications from any dispensary facility to convert its license to a hybrid-retailer license and any producer for expanded authorization to engage in the adult use cannabis market under its license issued pursuant to section 21a-408i of the general statutes.

(c) Except as provided in subsection (e) of this section, the following fees shall be paid by each applicant: (1) For a retailer license, the fee to enter the lottery shall be five hundred dollars, the fee to receive a provisional license shall be five thousand dollars and the fee to receive a final license or a renewal of a final license shall be twenty-five thousand dollars. (2) For a hybrid retailer license, the fee to enter the lottery shall be five hundred dollars, the fee to receive a provisional license shall be five thousand dollars and the fee to receive a final license or a renewal of a final license shall be twenty-five thousand dollars. (3) For a cultivator license, the fee to enter the lottery shall be one thousand dollars, the fee to receive a provisional license shall be twenty-five thousand dollars and the fee to receive a final license or a renewal of a final license shall be seventy-five thousand dollars. (4) For a micro-cultivator license, the fee to enter the lottery shall be two hundred fifty dollars, the fee to receive a provisional license shall be five hundred dollars and the fee to receive a final license or a renewal of a final license shall be one thousand dollars. (5) For a product manufacturer license, the fee to enter the lottery shall be seven hundred fifty dollars, the fee to receive a provisional license shall be five thousand dollars and the fee to receive a final license or a renewal of a final license shall be twenty-five thousand dollars. (6) For a food and beverage manufacturer license, the fee to enter the lottery shall be two hundred fifty dollars, the fee to receive a provisional license shall be one thousand dollars and the fee to receive a final license or a renewal of a final license shall be five thousand dollars. (7) For a product packager license, the fee to enter the lottery shall be five hundred dollars, the fee to receive a provisional license shall be five thousand dollars and the fee to receive a final license or a renewal of a final license shall be twenty-five thousand dollars. (8) For a delivery service or transporter license, the fee to enter the lottery shall be two hundred fifty dollars, the fee to receive a provisional license shall be one thousand dollars and the fee to receive a final license or a renewal of a final license shall be five thousand dollars. (9) For an initial or renewal of a backer license, the fee shall be one hundred dollars. (10) For an initial or renewal of a key employee license, the fee shall be one hundred dollars. (11) For an initial or renewal of a registration of an employee who is not a key employee, the fee shall be fifty dollars. (12) The license conversion fee for a dispensary facility to become a hybrid retailer shall be one million dollars, except as provided in section 145 of this act. (13) The license conversion fee for a producer to engage in the adult use cannabis market shall be three million dollars, except as provided in section 26 of this act.



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(d) For any dispensary facility that has become a hybrid retailer, the renewal fee shall be the same as the fee for a hybrid retailer set forth in subdivision (2) of subsection (c) of this section. For any producer, the renewal fee shall be the same as set forth in section 21a-408i of the general statutes. A social equity applicant shall pay fifty per cent of the amount of any of the fees specified in subsection (c) of this section for the first three renewal cycles of the applicable cannabis establishment license applied for, and the full amount thereafter, provided in the case of the fees set forth in subdivisions (12) and (13) of subsection (c) of this section, a social equity applicant shall pay the full amount of the fee.

(e) For any cannabis testing laboratory, the fee to receive a provisional license shall be five hundred dollars and the fee to receive a final license or renewal of a final license shall be one thousand dollars.

[(e)] (f) For the fiscal year ending June 30, 2023, and thereafter, fees collected by the department under this section shall be paid to the State Treasurer and credited to the General Fund, except that the fees collected under subdivisions (12) and (13) of subsection (c) of this section shall be deposited in the Social Equity and Innovation Fund established under section 128 of this act.

[(f)] (g) For each license type: (1) Applicants shall apply on a form and in a manner prescribed by the commissioner, which form shall include a method for the applicant to request consideration as a social equity applicant; and (2) The department shall post on its Internet web site the application period, which shall specify the first and last date that the department will accept applications for that license type. The first date that the department shall accept applications shall be no sooner than thirty days after the date the Social Equity Council posts the criteria and supporting documentation necessary to qualify for consideration as a social equity applicant as set forth in section 35 of this act. Only complete license applications received by the department during the application period shall be considered.

### **Section 6. Section 21a-408r of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):**

(a) No person may act as a cannabis testing laboratory or represent that such person is a cannabis testing laboratory unless such person has (1) obtained a license from the Commissioner of Consumer Protection pursuant to this section, or (2) (A) been granted approval by the Commissioner of Consumer Protection as of October 1, 2021, and (B) submitted an application to the Commissioner of Consumer Protection for licensure pursuant to this section in a form and manner prescribed by the commissioner. Such person may continue to act as a cannabis testing laboratory until such application for licensure under this section is approved or denied by the Commissioner of Consumer Protection.

(b) Except as provided in subsection (c) of this section, no person may act as a cannabis testing laboratory employee or represent that such person is a laboratory employee unless such person has obtained a registration from the Commissioner of Consumer Protection pursuant to this section.

(c) Prior to the effective date of regulations adopted under this section, the Commissioner of Consumer Protection may issue a temporary certificate of registration to a laboratory employee. The commissioner shall prescribe the standards, procedures and fees for obtaining a temporary certificate of registration as a laboratory employee.

(d) The Commissioner of Consumer Protection shall adopt regulations, in accordance with chapter 54, to (1) provide for the licensure or registration of cannabis testing laboratories and laboratory



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employees, (2) establish standards and procedures for the revocation, suspension, summary suspension and nonrenewal of cannabis testing laboratory licenses and laboratory employee registrations, provided such standards and procedures are consistent with the provisions of subsection (c) of section 4-182, (3) establish a license or registration renewal fee for each licensed cannabis testing laboratory and registered laboratory employee, provided the aggregate amount of such license, registration and renewal fees shall not be less than the amount necessary to cover the direct and indirect cost of licensing, registering and regulating cannabis testing laboratories and laboratory employees in accordance with the provisions of this chapter, (4) establish procedures by which cannabis testing laboratories shall accept cannabis samples from consumers and qualifying patients for testing, and [(4)] (5) establish other licensing, registration, renewal and operational standards deemed necessary by the commissioner.

(e) 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.

### **Section 7. Section 21a-408b of the general statutes are repealed and the following is substituted in lieu thereof (Effective from passage):**

(a) No person may serve as a caregiver for a qualifying patient [(1)] unless such qualifying patient has a valid registration certificate from the Department of Consumer Protection pursuant to subsection (a) of section 21a-408d[, and (2) if such person has been convicted of a violation of any law pertaining to the illegal manufacture, sale or distribution of a controlled substance]. A caregiver may not be responsible for the care of more than one qualifying patient at any time, except that a caregiver may be responsible for the care of more than one qualifying patient if the caregiver and each qualifying patient have a parental, grandparental, spousal, guardianship, conservatorship or sibling relationship.

### **Section 8. Section 5 of Public Act 22-103 is repealed and the following is substituted in lieu thereof (Effective from passage):**

(a) A cultivator licensed under section 21a-420o of the general statutes may create not more than two equity joint ventures to be approved by the Social Equity Council under section 21a-420d of the general statutes, as amended by this act, and licensed by the department under this section. The equity joint venture shall be in any cannabis establishment licensed business, other than a cultivator license.

(b) The equity joint venture applicant shall submit an application to the Social Equity Council that may include, but need not be limited to, evidence of business formation, ownership allocation, terms of ownership and financing and proof of social equity status. The equity joint venture applicant shall submit to the Social Equity Council information including, but not limited to, the organizing documents of the entity that outline the ownership stake of each backer, initial backer investment and payout information to enable the council to determine the terms of ownership.

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



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(d) A cultivator licensed under section 21a-420o of the general statutes, including the backer of such cultivator, shall not increase its ownership in an equity joint venture in excess of fifty per cent during the seven-year period after a license is issued by the department under this section.

(e) Equity joint ventures that are retailers or hybrid retailers that share a common cultivator or cultivator backer shall not be located within twenty miles of each other [another commonly owned equity joint venture].

(f) An equity joint venture applicant shall pay fifty per cent of the amount of any applicable fee specified in subsection (c) of section 21a-420e of the general statutes for the first three renewal cycles of the applicable cannabis establishment license applied for, and shall pay the full amount of such fee thereafter.

### **Section 9. Section 6 of Public Act 22-103 (Effective from passage):**

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

(b) The equity joint venture shall be in any cannabis establishment licensed business, other than a cultivator license, provided such equity joint venture is at least fifty per cent owned and controlled by an individual or individuals who meet, or the equity joint venture applicant is an individual who meets, the criteria established in subparagraphs (A) and (B) of subdivision (48) of section 21a-420, as amended by this act.

(c) The equity joint venture applicant shall submit an application to the Social Equity Council that may include, but need not be limited to, evidence of business formation, ownership allocation, terms of ownership and financing and proof of social equity status. The equity joint venture applicant shall submit to the Social Equity Council information including, but not limited to, the organizing documents of the entity that outline the ownership stake of each backer, initial backer investment and payout information to enable the council to determine the terms of ownership.

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

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

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

(g) If a producer has paid a reduced conversion fee, as described in subsection (b) of section 21a-420l, and subsequently did not create two equity joint ventures under this section that, not later than fourteen months after the Department of Consumer Protection approved the producer's license expansion application under section 21a-420l, each received a final license from the





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department, the producer shall be liable for the full conversion fee of three million dollars established in section 21a-420l minus such paid reduced conversion fee.

(h) No producer that receives license expansion authorization under section 21a-420l shall create more than two equity joint ventures. No such producer shall apply for, or create, any additional equity joint venture if, on the effective date of this section, such producer has created at least two equity joint ventures that have each received a provisional license.

(i) An equity joint venture applicant shall pay fifty per cent of the amount of any applicable fee specified in subsection (c) of section 21a-420e for the first three renewal cycles of the applicable cannabis establishment license applied for, and shall pay the full amount of such fee thereafter.

### **Section 10. Section 7 of Public Act 22-103 is repealed and the following is substituted in lieu thereof (Effective from passage):**

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

(b) Any equity joint venture created under this section shall be created for the development of a cannabis establishment, other than a cultivator, provided such equity joint venture is at least fifty per cent owned and controlled by an individual or individuals who meet, or the equity joint venture applicant is an individual who meets, the criteria established in subparagraphs (A) and (B) of subdivision (48) of section 21a-420, as amended by this act.

(c) An equity joint venture applicant shall submit an application to the Social Equity Council that may include, but need not be limited to, evidence of business formation, ownership allocation, terms of ownership and financing and proof of social equity status. The equity joint venture applicant shall submit to the Social Equity Council information including, but not limited to, the organizing documents of the entity that outline the ownership stake of each backer, initial backer investment and payout information to enable the council to determine the terms of ownership.

(d) Upon receipt of written approval of the equity joint venture by the Social Equity Council, the equity joint venture applicant shall apply for a license from the department in the same form as required by all other licensees of the same license type and subject to the same fees as required by all other licensees of the same license type.

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

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

(g) If a dispensary facility has paid the reduced conversion fee, in accordance with subsection (a) of this section, and did not subsequently create one equity joint venture under this section that, not later than fourteen months after the Department of Consumer Protection approved the



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dispensary facility's license conversion application under section 21a-420t, receives a final license from the department, the dispensary facility shall be liable for the full conversion fee of one million dollars established in section 21a-420e minus such paid reduced conversion fee.

(h) No dispensary facility that receives approval to convert the dispensary facility's license to a hybrid-retailer license under section 21a-420t shall create more than two equity joint ventures. No such dispensary facility shall apply for, or create, any additional equity joint venture if, on the effective date of this section, such dispensary facility has created at least two equity joint ventures that have each received a provisional license.

(i) An equity joint venture applicant shall pay fifty per cent of the amount of any applicable fee specified in subsection (c) of section 21a-420e for the first three renewal cycles of the applicable cannabis establishment license applied for, and shall pay the full amount of such fee thereafter.

### **Section 11. Section 8 of Public Act 22-103 is repealed and the following is substituted in lieu thereof (Effective from passage):**

(a) No person, other than the holder of a cannabis establishment license issued [by this state] pursuant to Chapter 420h or a person who provides professional services related to the purchase, sale or use of cannabis, shall advertise any cannabis or services related to cannabis in this state.

(b) Except as provided in subsection (d) of this section, cannabis establishments shall not:

(1) Advertise, including, but not limited to, through a business name or logo, cannabis, cannabis paraphernalia or goods or services related to cannabis:

(A) In ways that target or are designed to appeal to individuals under twenty-one years of age, including, but not limited to, spokespersons or celebrities who appeal to individuals under the legal age to purchase cannabis or cannabis products, depictions of a person under twenty-five years of age consuming cannabis, or, the inclusion of objects, such as toys, characters or cartoon characters, suggesting the presence of a person under twenty-one years of age, or any other depiction designed in any manner to be appealing to a person under twenty-one years of age; or

(B) By using any image, or any other visual representation, of the cannabis plant or any part of the cannabis plant, including, but not limited to, the leaf of the cannabis plant;

(2) Engage in any advertising by means of [an electronic or illuminated] billboard between the hours of six o'clock a.m. and eleven o'clock p.m.;

(3) Engage in advertising by means of any television, radio, Internet, mobile application, social media or other electronic communication, billboard or other outdoor signage, or print publication unless the cannabis establishment has reliable evidence that at least ninety per cent of the audience for the advertisement is reasonably expected to be twenty-one years of age or older;

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

(5) Advertise cannabis or cannabis products in a manner claiming or implying, or permit any employee of the cannabis establishment to claim or imply, that such products have curative or therapeutic effects, or that any other medical claim is true, or allow any employee to promote cannabis for a wellness purpose unless such claims are substantiated as set forth in regulations adopted under chapter 420f or verbally conveyed by a licensed pharmacist or other licensed



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medical practitioner in the course of business in, or while representing, a hybrid retail or dispensary facility;

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

(7) Advertise cannabis, cannabis products or cannabis paraphernalia in any physical form visible to the public within one thousand five hundred feet of an elementary or secondary school ground or a house of worship, recreation center or facility, child care center, playground, public park or library;

(8) Cultivate cannabis or manufacture cannabis products for distribution outside of this state in violation of federal law, advertise in any way that encourages the transportation of cannabis across state lines or otherwise encourages illegal activity;

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

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

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

(12) Display cannabis, or cannabis products or any image, or any other visual representation, of the cannabis plant or any part of the cannabis plant, including, but not limited to, the leaf of the cannabis plant, so as to be clearly visible to a person from the exterior of the facility used in the operation of a cannabis establishment, or display signs or other printed material advertising any brand or any kind of cannabis or cannabis product, or including any image, or any other visual representation, of the cannabis plant or any part of the cannabis plant, including, but not limited to, the leaf of the cannabis plant, on the exterior of any facility used in the operation of a cannabis establishment;

(13) Utilize radio or loudspeaker, in a vehicle or in or outside of a facility used in the operation of a cannabis establishment, for the purposes of advertising the sale of cannabis or cannabis products; or

(14) Operate any web site advertising or depicting cannabis, cannabis products or cannabis paraphernalia unless such web site verifies that the entrants or users are twenty-one years of age or older.

(c) Except as provided in subsection (d) of this section, any advertisements from a cannabis establishment shall contain the following warning: "Do not use cannabis if you are under twenty-one years of age. Keep cannabis out of the reach of children." In a print or visual medium, such warning shall be conspicuous, easily legible and shall take up not less than ten per cent of the



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advertisement space. In an audio medium, such warning shall be at the same speed as the rest of the advertisement and be easily intelligible.

(d) Any outdoor signage, including, but not limited to, any monument sign, pylon sign or wayfinding sign, shall be deemed to satisfy the audience requirement established in subdivision (3) of subsection (b) of this section, shall be exempt from the distance restrictions set forth in subdivision (7) of subsection (b) of this section and shall not be required to contain the warning required under subsection (c) of this section, if such outdoor signage:

(1) Contains only the name and logo of the cannabis establishment;

(2) Does not include any image, or any other visual representation, of the cannabis plant or any part of the cannabis plant, including, but not limited to, the leaf of the cannabis plant;

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

(4) Is located:

(A) On the cannabis establishment's premises, regardless of whether such cannabis establishment leases or owns such premises; or

(B) On any commercial property occupied by multiple tenants including such cannabis establishment.

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

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

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

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

(4) Is obscene or indecent; and

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

(f) A violation of the provisions of subsections (a) to (c), inclusive, of this section shall be deemed to be an unfair or deceptive trade practice under subsection (a) of section 42-110b.

Section 12. section 21a-420g of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) The Social Equity Council shall review the ownership information and any other information necessary to confirm that an applicant qualifies as a social equity applicant for all cannabis establishment license type applications submitted to the department and designated by the applicant as a social equity applicant. The Social Equity Council shall prescribe the documentation necessary for applicants to submit to establish that the ownership, residency and income requirements for social equity applicants are met. On or before September 1, 2021, the Social Equity Council shall post such necessary documentation requirements on its Internet web site to inform applicants of such requirements prior to the start of the application period.

(b) Except as provided in section 21a-420o, prior to the first date that the department begins accepting applications for a license type, the department shall determine the maximum number of applications that shall be considered for such license type and post such information on its Internet web site. Fifty per cent of the maximum number of applications that shall be considered for each license type (1) shall be selected through a social equity lottery for such license type, and (2) shall be reserved by the department for social equity applicants. If, upon the close of the application period for a license type, the department receives more applications than the



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maximum number to be considered in total or to be reserved for social equity applicants as set forth in subsection (b) of this section, a third-party lottery operator shall conduct a lottery to identify applications for review by the department and the Social Equity Council.

(c) (1) The third-party lottery operator shall: (A) Not be provided any application received after the close of the application period; (B) Give equal weight to every complete application submitted during the application period; and (C) Conduct multiple, separate geographic lotteries if required by the department. (2) For purposes of the lottery, the third-party lottery operator shall: (A) Conduct an independent social equity lottery and general lottery for each license type [and a separate lottery for social equity applicants of each license type] that results in each application being randomly ranked starting with one and continuing sequentially; and (B) Rank all applications in each lottery numerically according to the order in which they were drawn, including those that exceed the number to be considered, and identify for the department all applications to be considered[, which shall consist of the applications ranked numerically one to the maximum number set forth in accordance with subsection (b) of this section].

(d) (1) Upon receipt of an application for social equity consideration or, in the case where a social equity lottery is conducted, after such lottery applicants are selected, the department shall provide to the Social Equity Council the documentation received by the department during the application process that is required under subsection (a) of this section. No identifying information beyond what is necessary to establish social equity status shall be provided to the Social Equity Council. The Social Equity Council shall review the social equity applications to be considered as identified by the third-party lottery operator to determine whether the applicant meets the criteria for a social equity applicant. If the Social Equity Council determines that an applicant does not qualify as a social equity applicant, the application shall not be reviewed further for purposes of receiving a license designated for social equity applicants. The application shall be entered into the [other] general lottery for [the] that license type and may be reviewed further if selected through such lottery, provided the applicant pays the additional amount necessary to pay the full fee for entry into such lottery within five business days of being notified by the Social Equity Council that it does not qualify as a social equity applicant. Not later than thirty days after the Social Equity Council notifies an applicant of its determination that the applicant does not meet the criteria for a social equity applicant [is notified of a denial of a license application under this subsection], the applicant may appeal the determination made by the Social Equity Council [such denial] to the Superior Court [in accordance with section 4-183 of the general statutes].

(2) Upon determination by the Social Equity Council that an application selected through the lottery process does not qualify for consideration as a social equity applicant, the department shall request that the third-party lottery operator identify the next-ranked application in the [applicable] social equity lottery. This process may continue until the Social Equity Council has identified for further consideration the number of applications set forth on the department's web site pursuant to subsection (b) of this section or until [the lottery indicates that] there are no [further] remaining social equity applications to be considered.



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(3) For each license type, the Social Equity Council shall identify for the department the social equity applications that qualify as social equity applicants and that should be reviewed by the department for purposes of awarding a provisional license.

(4) Any application entered [subject] into, but not selected through, the social equity lottery [process] shall not be reviewed as a social equity application, but shall be entered into the general lottery for [the] that [remaining applications for the] license type.

(5) After receiving the list of selected social equity applications [from] reviewed and approved by the Social Equity Council, the department shall notify the third-party lottery operator, which shall then conduct [an] the independent general lottery for all remaining applicants for each license type, rank all general lottery applications numerically including those that exceed the number to be considered, and identify for the department all of the selected applications to be reviewed. The number of applications to be reviewed by the department shall consist of the applications ranked numerically one through the maximum number [set forth in accordance with subsection (b) of this section, provided that if fewer social equity applicants are identified pursuant to subdivision (3) of this subsection, the maximum number shall be the number] necessary to ensure that fifty per cent of the applications for each license type identified through the lottery process are [social equity applicants] selected from the social equity lottery and approved by the Social Equity Council.

(6) The numerical rankings created by the third-party lottery operator shall be confidential and shall not be subject to disclosure under the Freedom of Information Act, as defined in section 1-200 of the general statutes.

(e) The department shall review each application to be considered, as identified by the third-party lottery operator or Social Equity Council, as applicable, to confirm it is complete and to determine whether any application: (1) Includes a backer with a disqualifying conviction; (2) [includes a backer that would result in common ownership in violation of] exceeds the cap set forth in section 40 of this act; or (3) has a backer who individually or in connection with a cannabis business in another state or country has an administrative finding or judicial decision that may substantively compromise the integrity of the cannabis program, as determined by the department, or that precludes its participation in this state's cannabis program. For the purposes of this subsection (e), an application shall be deemed incomplete unless all backers associated with the applicant have completed their background check submission within thirty days of notification from the department that such applicant has been selected for review by the department.

(f) No additional backers may be added to a cannabis establishment application between the time of lottery entry, or any initial application for a license, and when a final license is awarded to the cannabis establishment, except, if a backer of an applicant or provisional licensee dies, the applicant or provisional licensee may apply to the commissioner to replace the deceased backer, provided if such applicant is a social equity applicant, the Social Equity Council shall review ownership to ensure such replacement would not cause the applicant to no longer qualify as a social equity applicant. Backers may be removed from a cannabis establishment application selected through the general lottery at any time upon notification to the department.

(g) If an applicant [or a single backer of an applicant] is disqualified on the basis of any of the criteria set forth in subsection (e) of this section, the entire application shall be denied, and such



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denial shall be a final decision of the department[, provided backers of the applicant entity named in the lottery application submission may be removed prior to submission of a final license application unless such removal would result in a social equity applicant no longer qualifying as a social equity applicant. If ] unless the applicant removes [any] all backers that would cause such denial [the applicant to be denied based on subsection (e) of this section], within thirty days of the denial notice from the department, provided that any change to a social equity applicant shall be reviewed and approved by the Social Equity Council prior to review by the department.[then the applicant entity shall not be denied due to such backer's prior involvement if such backer is removed within thirty days of notice by the department of the disqualification of a backer]. Not later than thirty days after [service of] notice [upon the] by the department [applicant] of a denial, the applicant may appeal such denial to the Superior Court [in accordance with section 4-183 of the general statutes].

(h) For each application denied pursuant to subsection (e) of this section, the department may, within its discretion, request that the third-party lottery operator identify the next-ranked application in the applicable lottery. If the applicant that was denied was a social equity applicant, the next ranked social equity applicant shall first be reviewed by the Social Equity Council to confirm that the applicant qualifies as a social equity applicant prior to being further reviewed by the department. This process may continue until the department has identified for further consideration the number of applications equivalent to the maximum number set forth on its Internet web site pursuant to subsection (b) of this section. If the number of applications remaining is less than the maximum number posted on the department's Internet web site, the department shall award fewer licenses. To the extent the denials result in less than fifty per cent of applicants being social equity applicants, the department shall continue to review and issue provisional and final licenses for the remaining applications, but shall reopen the application period only for social equity applicants.

(i) All applicants selected in the lottery and not denied shall be provided a provisional license application, which shall be submitted in a form and manner prescribed by the commissioner. Lottery [A] applicants shall have sixty days from the date they receive their provisional application to complete the application. The right to apply for a provisional license is nontransferable. Upon receiving a provisional application from an applicant, the department shall review the application for completeness and to confirm that all information provided is acceptable and in compliance with this section and any regulations adopted under this section. If a provisional application does not meet the standards set forth in this section, the applicant shall not be provided a provisional license. A provisional license issued to a lottery applicant shall expire after fourteen months and shall not be renewed. Upon granting a provisional license, the department shall notify the applicant of the project labor agreement requirements of section 103 of this act. A provisional licensee may apply for a final license of the license type for which the licensee applied during the initial application period. A provisional license shall be nontransferable. If the provisional application does not meet the standards set forth in this section or is not completed within sixty days, the applicant shall not receive a provisional license. The decision of the department not to award a provisional license shall be final and may be appealed in accordance with section 4-183 of the general statutes. Nothing in this section shall prevent a provisional applicant from submitting an application for a future lottery.

(j) Final license applications shall be submitted on a form and in a manner approved by the commissioner and shall include, but not be limited to, the information set forth in this section, as



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well as evidence of the following: (1) A contract with an entity providing an approved electronic tracking system as set forth in section 56 of this act; (2) A right to occupy the location at which the cannabis establishment operation will be located; (3) Any necessary local zoning approval for the cannabis establishment operation; (4) A labor peace agreement complying with section 102 of this act has been entered into between the cannabis establishment and a bona fide labor organization, as defined in section 102 of this act; (5) A certification by the applicant that a project labor agreement complying with section 103 of this act will be entered into by the cannabis establishment prior to construction of any facility to be used in the operation of a cannabis establishment; (6) A social equity plan approved by the Social Equity Council; (7) A workforce development plan approved by the Social Equity Council; (8) Written policies for preventing diversion and misuse of cannabis and sales to underage persons; and (9) All other security requirements set forth by the department based on the specific license type.

(k) At any point prior to the expiration of the provisional license, the department may award a provisional licensee a final license for the license type for which the licensee applied. Prior to receiving final license approval, a provisional licensee shall not possess, distribute, manufacture, sell or transfer cannabis. The department may conduct site inspections prior to issuing a final license.

(l) At any time after receiving a final license, a cannabis establishment may begin operations, provided all other requirements for opening a business in compliance with the laws of this state are complete and all employees have been registered and all key employees and backers have been licensed, with the department.





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<b>Document Name</b>	<b>DCP_5_Gaming.doc</b>
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**Naming Format:** AGENCY ACRONYM PROPOSAL NUMBER - TOPIC

*Please insert a copy of the fully drafted bill at the end of this document (required for review)*

<b>Legislative Liaison</b>	<b>Leslie O’Brien</b>
<b>Division Requesting This Proposal</b>	<b>Gaming</b>
<b>Drafter</b>	<b>Kristofer Gilman</b>

<b>Title of Proposal</b>	<b>An Act Concerning the Regulation of Gaming</b>
<b>Statutory Reference, if any</b>	Revisions to Chapter 229b, Licensing and Regulation of Online Casino Gaming, Sports Wagering, Fantasy Contests, Keno and Online Sale of Lottery Tickets, sections 12-850, 12-852, 12-859, 12-860, 12-862, 12-869, new language to be included in Chapter, and 29-18c.
<b>Brief Summary and Statement of Purpose</b>	These proposed sections will revise the new sports wagering and online gaming laws as this new industry evolves.

**SECTION-BY-SECTION SUMMARY**

*Summarize sections in groups where appropriate*

<p><b>Section 1</b> amends the definition of “Sporting Event” in section 12-850 to eliminate the ambiguity as to whether all participants in a professional sport need to be compensated in excess of actual expenses. Some professional sporting events do not compensate participants in this manner. For example, in certain professional golf tournaments players who do not make the cut may not receive compensation for their participation. In one tournament only</p>
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the top 65 out of 144 players received money from the purse. This proposed change would resolve this ambiguity.

**Sections 2 and 6** amend the section on background checks for key employees to clarify which specific categories of key employees require finger-print based background checks in order to facilitate obtaining background checks from the FBI.

**Sections 3 through 9** add a category of licensing for live gaming employees who handle consumables or are game presenters. Currently, the law only has two levels of licensing: key employees and occupational employees. The individuals who work in the live gaming studios do not meet the definition of key employees but they have the ability to influence live gaming. The department believes that these employees should be subject to a higher level of licensing similar to employees in the physical casinos. Additionally, the wording of occupational employee license is specifically focused on employees involved in deployment of code or other online aspects of online gaming.

**Section 10** Currently, the special policemen for DCP have the power to make an arrest at an off-track betting location for a violation, but if a similar violation occurs at a facility that is for retail sports wagering, they do not have any authority to make an arrest. As some of the retail sports wagering facilities are, or are planned to be, located in the same facility that off-track betting is located the current situation is that the special policemen are only able to enforce the violation if it is in relation to the OTB but not the sports wagering. This change is to address that discrepancy.

**BACKGROUND**

**Origin of Proposal**

**New Proposal**

**Resubmission**

**If this is a resubmission, please share the prior bill number, the reason the bill did not move forward, and any changes made or conversations had since it was last proposed:**

*Please consider the following, if applicable:*



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<b>Have there been changes in federal/state laws or regulations that make this legislation necessary?</b>	No.
<b>Has this proposal or a similar proposal been implemented in other states? If yes, to what result?</b>	No.
<b>Have certain constituencies called for this proposal?</b>	No.

**INTERAGENCY IMPACT**

*List each affected agency. Copy the table as needed.*

**[ x ] Check here if this proposal does NOT impact other agencies**

<b>1. Agency Name</b>	<b>DESPP</b>
<b>Agency Contact (name, title)</b>	Scott Devico
<b>Date Contacted</b>	Have not yet contacted, but will do as an FYI regarding section 10.
<b>Status</b>	<input type="checkbox"/> <b>Approved</b> <input type="checkbox"/> <b>Talks Ongoing</b>
<b>Open Issues, if any</b>	Section 11 would amend a section within the DESPP statutes (29-18c), however, it is really a DCP statute that shouldn't have an impact on DESPP.



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**FISCAL IMPACT**

*Include the section number(s) responsible for the fiscal impact and the anticipated impact*

**[ ] Check here if this proposal does NOT have a fiscal impact**

<b>State</b>	Sections 2-8 would require some programming to create these new credentials, it is estimated less than 60 hours of overtime for IT and program management. This one-time cost, however, would be absorbed by the new fee for the credential.
<b>Municipal (Include any municipal mandate that can be found within legislation)</b>	No.
<b>Federal</b>	No.
<b>Additional notes</b>	DCP has not yet consulted with gaming stakeholders about these proposals but will do so if OTG/OPM sign off on these proposals.

**MONITORING & EVALUATION PLAN**

*If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes*

**[ x ] Check here if this proposal does NOT lead to any measurable outcomes**

**ANYTHING ELSE WE SHOULD KNOW?**



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**INSERT FULLY DRAFTED BILL HERE**

Section 1. Subsection 27 of section 12-850 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(27) “Sporting event” means any (A) sporting or athletic event at which two or more persons participate, individually or on a team, and may be eligible to receive compensation in excess of actual expenses for such participation in such sporting or athletic event;

Section 2. Subsection 12 of section 12-850 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(12) “Key employee” means an individual with the following position or an equivalent title associated with a master wagering licensee or a licensed online gaming service provider, online gaming operator or sports wagering retailer: (A) President or chief officer, who is the top ranking individual of the licensee and is responsible for all staff and the overall direction of business operations; (B) financial manager, who is the individual who reports to the president or chief officer who is generally responsible for oversight of the financial operations of the licensee, including, but not limited to, revenue generation, distributions, tax compliance and budget implementation; [or] (C) compliance manager, who is the individual that reports to the president or chief officer and who is generally responsible for ensuring the licensee complies with all laws, regulations and requirements related to the operation of the licensee; (D) chief information officer, who is the individual generally responsible for establishing policies or procedures on, or making management decisions related to, information systems; and (E) chief data security officer who is the individual generally responsible for establishing policies or procedures on, or making management decisions related to, technical systems. “Key employee” includes an individual (i) who [exercises control over technical systems] is responsible for establishing the policies or procedures on, or making management decisions related to, wagering structures or outcomes for a gaming entity licensee; or (ii) who has an ownership interest, provided the interest held by such individual and such individual's spouse, parent and child, in the aggregate, is five per cent or more of the total ownership or interest rights in the licensee[; or (iii) who, in the judgment of the commissioner, exercises sufficient control in, or over, a licensee as to require licensure]. Tribal membership in and of itself shall not constitute ownership for purposes of this subdivision;

Section 3. (New) (Effective upon passage):

(XX) “Consumables” means non-durable items including but not limited to dice, playing cards and roulette balls used in live online casino games.



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(XX) “Handling consumables” means physical contact with or supervisory oversight over the acceptance, inventory, storage, or destruction of consumables, as well as being responsible for card inspection, counting, and shuffling.

(XX) “Live game employee” means an employee of a master wagering licensee, online gaming operator, or online gaming service provider that is operating live games who is responsible for handling consumables or for presenting live casino games in a live online casino authorized under the act;

Section 4. (NEW) (Effective upon passage):

Live game employee license.

(a) A live game employee, other than an individual who currently holds a key employee license, who will be directly or substantially involved in the operation of live internet games in a manner impacting the integrity of such games, shall obtain a live game employee license prior to commencing such employment. A live game employee shall be deemed to be directly or substantially involved in the operation of live internet games if such employee: (1) is responsible for handling consumables, (2) is responsible for presenting live internet games, or (3) is the manager of live game employees.

(b) A live game employee shall apply for a live game employee license on a form and in a manner prescribed by the commissioner. Such form shall require the applicant to: (A) Submit to a finger-print based state and national criminal history records check conducted in accordance with section 29-17a of the general statutes, which may include a financial history check if requested by the commissioner, to determine the character and fitness of the applicant for the license, (B) provide information related to other business affiliations, and (C) provide or allow the department to obtain such other information as the department determines is consistent with the requirements of this section to determine the fitness of the applicant to hold a license.

(2) In place of the criminal history records check described in subparagraph (A) of subdivision (1) of this subsection, the commissioner may accept from a live game employee applicant the submission of a third-party local and national criminal background check that includes a multistate and multijurisdictional criminal record locator or other similar commercial nationwide database with validation, and other such background screening as the commissioner may require. Any such third-party criminal background check shall be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act and accredited by the Professional Background Screening Association.

(c) A live game employee license shall be renewed ~~annually~~ every two years. The initial license application fee for a live game employee licensee shall be ~~one-two~~ hundred dollars and the ~~biannual~~ renewal fee shall be ~~fifty-one hundred~~ dollars. The initial license application fee shall be waived for any live game employee who holds an active occupational gaming license issued by the department and a live game employee shall not be required to obtain an occupational license. The licensee shall be responsible for the payment of any fees incurred for the criminal background check associated with the annual renewal of the applicant’s license.



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(d) The department shall transfer any licensing fee collected pursuant to subsection (a) of this section for a live game employee of the holder of a master wagering license under section 12-852, or of an online gaming operator or an online gaming service provider that is affiliated with such a holder of a master wagering license, to the State Sports Wagering and Online Gaming Regulatory Fund established under section 12-869 of the general statutes.

Section 5. Section 12-852 of the 2022 supplement to the general statutes is repealed and the following substituted in lieu thereof (Effective upon passage):

(a) The commissioner may issue a master wagering license to the Mashantucket Pequot Tribe, or an instrumentality or an affiliate wholly-owned by said tribe, and a master wagering license to the Mohegan Tribe of Indians of Connecticut, or an instrumentality or an affiliate wholly-owned by said tribe, and each master wagering license shall permit the licensee to operate one skin for online sports wagering within the state, operate one skin for online casino gaming within the state and operate fantasy contests within the state, pursuant to the provisions of sections 12-855 to 12-871, inclusive, as applicable, provided:

(1) Pursuant to section 12-851, (A) amendments to the Mashantucket Pequot procedures and to the Mashantucket Pequot memorandum of understanding with the Mashantucket Pequot Tribe, or a new compact with the Mashantucket Pequot Tribe, and (B) amendments to the Mohegan compact and to the Mohegan memorandum of understanding with the Mohegan Tribe of Indians of Connecticut, or a new compact with, the Mohegan Tribe of Indians of Connecticut, are effective;

(2) The governing bodies of the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of Connecticut each enact a resolution providing that (A) such tribe waives the defense of sovereign immunity with respect to any action against such tribe as a master wagering licensee, and against an instrumentality of or affiliate wholly-owned by such tribe that is acting on behalf of such tribe as a master wagering licensee, to compel compliance with the provisions of sections 12-850 to 12-871, inclusive, and, as applicable, sections 12-578f, 12-586f, 12-586g, 12-806c, 52-553, 52-554, 53-278a and 53-278g and the regulations promulgated by the state pursuant to said sections, applicable to the operation of online casino gaming, online sports wagering and fantasy contests outside of the reservation lands of the tribe; (B) if such tribe as master wagering licensee, or such tribe's instrumentality or wholly-owned affiliate that is acting on behalf of such tribe as master wagering licensee, fails to pay any fees or taxes due to the state under sections 12-850 to 12-871, inclusive, or, as applicable, sections 12-578f, 12-586f, 12-586g, 12-806c, 17a-713, 52-553, 52-554, 53-278a or 53-278g, the tribe waives the defense of sovereign immunity with respect to any action by the state against such tribe as master wagering licensee, or against an instrumentality of or affiliate wholly-owned by such tribe acting on behalf of such tribe as master wagering licensee, to permit the collection of such fees or taxes against such master wagering licensee from the operation of online casino gaming, online sports wagering and fantasy contests, as applicable, outside the reservation lands of the tribe; and (C) the venue for such action or claim shall be in the judicial district of Hartford; and



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(3) The commissioner has determined that the requirements to issue a master wagering license to the Connecticut Lottery Corporation under section 12-853 have been met.

(b) The holder of a master wagering license issued under subsection (a) of this section may not operate online sports wagering, online casino gaming or fantasy contests until the regulations, including, but not limited to, emergency regulations, adopted by the commissioner pursuant to section 12-865 are effective.

(c) (1) A master wagering license issued pursuant to subsection (a) of this section shall expire (A) upon the expiration of any new compact or amendment, or renewal thereof, entered into pursuant to section 12-851, (B) if the tribe holding such license operates E-bingo machines at a casino on the tribe's reservation in this state at any time during the ten-year initial term of any amendment or new compact, as described in subdivision (3) of subsection (a) of section 12-851, or (C) if the holder of such master wagering license ceases to be a tribe, or an instrumentality of or an affiliate wholly-owned by a tribe.

(2) Upon the expiration of a master wagering license pursuant to subdivision (1) of this subsection, all other licenses associated with the expired master wagering license, including licenses for an online gaming operator or online service provider, and all corresponding key employee, live game employee, or occupational employee licenses, shall expire without the need for any further action by the department.

(d) The holder of a master wagering license issued under subsection (a) of this section may enter into an agreement with an online gaming operator for the provision of services for a skin authorized pursuant to this section or for fantasy contests, provided such online gaming operator is licensed by the department under section 12-857.

Section 6. Subsections (c) and (d) of 12-859 of the 2022 supplement to the general statutes are repealed and the following is substituted in lieu thereof (Effective upon passage):

(c) (1) A key employee shall apply for a license on a form and in a manner prescribed by the commissioner. Such form [may] shall require the applicant to: (A) Submit to a fingerprint-based state and national criminal history records check conducted in accordance with section 29-17a, which may include a financial history check if requested by the commissioner, to determine the character and fitness of the applicant for the license, (B) provide information related to other business affiliations, and (C) provide or allow the department to obtain such other information as the department determines is consistent with the requirements of this section in order to determine the fitness of the applicant to hold a license.

(2) In place of the criminal history records check described in subparagraph (A) of subdivision (1) of this subsection, the commissioner may accept from an applicant for an initial key employee license the submission of a third-party local and national criminal background check that includes a multistate and multijurisdictional criminal record locator or other similar commercial nation-wide database with validation, and other such background screening as the





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commissioner may require. Any such third-party criminal background check shall be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act and accredited by the Professional Background Screening Association.

(d) A key employee license shall be renewed annually. The initial license application fee for a key employee licensee shall be two hundred dollars and the annual renewal fee shall be two hundred dollars. The initial application fee shall be waived for a key employee who holds an active live game employee or occupational gaming license issued by the department. A licensee who holds a key employee license shall not be required to obtain a live game employee or occupational employee license.

Section 7. Section 12-860 of the supplement to the general statutes is repealed and the following substituted in lieu thereof (Effective upon passage):

Sec. 12-860. Key employee, live game employee, or occupational employee and sovereign immunity. Any individual who is a key employee, a live game employee, or an occupational employee of a master wagering licensee described in section 12-852 or of an online gaming operator or online gaming service provider that is an Indian tribe or an instrumentality of or affiliate wholly-owned by an Indian tribe shall not be permitted to raise sovereign immunity as a defense to any action to enforce applicable provisions of sections 12-850 to 12-871, inclusive, or, as applicable, sections 12-578f, 12-586f, 12-586g, 12-806c, 52-553, 52-554, 53-278a or 53-278g and regulations adopted under said sections against such individual in his or her capacity as a key, live game, or occupational employee to the extent that such action may be brought against a key, live game, or occupational employee under any provision of the general statutes or the regulations of Connecticut state agencies.

Section 8. Section 12-862 of the supplement to the general statutes is repealed and the following substituted in lieu thereof (Effective upon passage):

Sec. 12-862. Action by commissioner against licensee. (a) For sufficient cause found pursuant to subsection (b) of this section, the commissioner may suspend or revoke a license issued pursuant to section 12-852 or 12-853 or sections 12-855 to 12-859, inclusive, issue fines of not more than twenty-five thousand dollars per violation, accept an offer in compromise or refuse to grant or renew a license issued pursuant to section 12-852 or 12-853 or sections 12-855 to 12-859, inclusive, place the holder of a license issued pursuant to section 12-852 or 12-853 or sections 12-855 to 12-859, inclusive, on probation, place conditions on such license or take other actions permitted by the general statutes or the regulations of Connecticut state agencies.

(b) Any of the following may constitute sufficient cause for such action by the commissioner, including, but not limited to:

(1) Furnishing of false or fraudulent information in any license application or failure to comply with representations made in any application;

(2) A civil judgment against, or criminal conviction of, a licensee or key employee of an applicant or licensee;



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- (3) Discipline by, or a pending disciplinary action or an unresolved complaint against, an owner, key employee or applicant regarding any professional license or registration of any federal, state or local government;
  - (4) Denial, suspension or revocation of a license or registration, or the denial of a renewal of a license or registration, by any federal, state or local government or a foreign jurisdiction;
  - (5) False, misleading or deceptive representations to the public or the department;
  - (6) Involvement in a fraudulent or deceitful practice or transaction;
  - (7) Performance of negligent work that involves a substantial monetary loss or a significant lack of sound judgment;
  - (8) Permitting another person to use the licensee's license;
  - (9) Failure to properly license key employees, live game employees or occupational employees;
  - ~~(10)~~, or failure]Failure to notify the department of a change in key employees or owners;
  - ~~(10)~~(11) An adverse administrative decision or delinquency assessment against the licensee from the Department of Revenue Services;
  - ~~(11)~~(12) Failure to cooperate or give information to the department, local law enforcement authorities or any other enforcement agency upon any matter related to the licensee's credential or gaming operations; or
  - ~~(12)~~(13) Failure to comply with any provision of sections 12-850 to 12-871, inclusive, corresponding regulations or any other provision of the general statutes that has an impact on the integrity of gaming in this state, including, but not limited to, failure of an online gaming operator who contracts with the Connecticut Lottery Corporation to abide by the conditions for operation set forth in subparagraph (B), (C) or (E) of subdivision (2) of subsection (a) of section 12-853.
- (c) Upon refusal to issue or renew a license, the commissioner shall notify the applicant of the denial and of the applicant's right to request a hearing not later than ten days after the date of receipt of the notice of denial. If the applicant requests a hearing within such ten-day period, the commissioner shall give notice of the grounds for the commissioner's refusal and shall conduct a hearing concerning such refusal in accordance with the provisions of chapter 54 concerning contested cases. If the commissioner's denial of a license is sustained after such hearing, an applicant shall not apply for a new license issued pursuant to section 12-852 or 12-853 or sections 12-855 to 12-859, inclusive, for a period of at least one year after the date on which such denial was sustained.
- (d) No person whose license has been revoked under this section may apply for another license issued pursuant to section 12-852 or 12-853 or sections 12-855 to 12-859, inclusive, for a period of at least one year after the date of such revocation.
- (e) The voluntary surrender or failure to renew a license or registration shall not prevent the commissioner from suspending or revoking such license or registration or imposing other penalties permitted by this section.

Section 9. Section 12-869 of the supplement to the general statutes is repealed and the following substituted in lieu thereof (Effective upon passage):

Sec. 12-869. Assessment of costs to regulate online sports wagering or online casino gaming. State Sports Wagering and Online Gaming Regulatory Fund. (a)(1) At the commencement of operating online sports wagering or online casino gaming pursuant to section 12-852 in any



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fiscal year, and on or before September thirtieth in each fiscal year thereafter that such wagering and gaming is conducted, the commissioner shall estimate and assess, after consultation with each holder of a master wagering license under section 12-852, the reasonable and necessary costs that will be incurred by the department to regulate the operation of such wagering or gaming under sections 12-852 and 12-855 to 12-865, inclusive, by each such licensee, (A) in the next fiscal year; and (B) in the case of the initial fiscal year of operating such wagering and gaming, in the current fiscal year.

(2) The estimated costs under subdivision (1) of this subsection shall not exceed the estimate of expenditure requirements transmitted by the commissioner pursuant to section 4-77. The assessment for any fiscal year shall be: (A) Reduced pro rata by the amount of any surplus from the assessment of the prior fiscal year, which shall be maintained in accordance with subsection (d) of this section, or (B) increased pro rata by the amount of any deficit from the assessment of the prior fiscal year.

(3) The assessment under subdivision (1) of this subsection for the holder of a master wagering license issued under section 3 of this act shall be reduced by the amount of any licensing fees paid to the department for a license for an online gaming operator, an online gaming service provider and any corresponding key employee, live gaming employee, and occupational employee affiliated with such holder of a master wagering license during the prior fiscal year.

(b) Each holder of a master wagering license under section 12-852 shall pay to the commissioner the amount assessed to such licensee pursuant to subsection (a) of this section not later than the date specified by the commissioner for payment, provided such date is not less than thirty days from the date of such assessment and no payment shall be due prior to the commencement of wagering and gaming operations by such licensee. The commissioner shall remit to the State Treasurer all funds received pursuant to this section.

(c) (1) There is established a fund to be known as the “State Sports Wagering and Online Gaming Regulatory Fund”. The fund shall contain any moneys required or permitted to be deposited in the fund, including licensing fees transferred by the department under the provisions of sections 12-855 and 12-857 to 12-859, inclusive, and shall be held by the Treasurer separate and apart from all other moneys, funds and accounts. Any balance remaining in said fund at the end of any fiscal year shall be carried forward in said fund for the fiscal year next succeeding. Moneys in the fund shall be expended by the Treasurer for the purposes of paying the costs incurred by the department to regulate online sports wagering and online casino gaming authorized under section 12-852.

(2) The Treasurer shall deposit all funds received pursuant to subsection (b) of this section in the State Sports Wagering and Online Gaming Regulatory Fund.

(d) On or before September thirtieth, annually, the Comptroller shall calculate the actual reasonable and necessary costs incurred by the department to regulate such online sports wagering and online casino gaming authorized under section 12-852 during the prior fiscal year. The Treasurer shall set aside amounts received pursuant to subsection (b) of this section in



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excess of such actual costs. Such excess amounts shall be considered a surplus for the purposes of subsection (a) of this section.

(e) If the holder of a master wagering license under section 12-852 is aggrieved by an assessment under the provisions of this section, the licensee may request a hearing before the commissioner not later than thirty days after such assessment. The commissioner shall hold such hearing in accordance with the provisions of chapter 54 not later than thirty days after receiving such request, and the decision of the commissioner may be appealed in accordance with the provisions of section 4-183.

Section 10. Section 29-18c of the general statutes is repealed and the following substituted in lieu thereof (Effective upon passage):

Sec. 29-18c. Special policemen for Department of Consumer Protection. Special policemen for Department of Consumer Protection. The Commissioner of Emergency Services and Public Protection may appoint not more than four persons employed as investigators in the security unit of the Department of Consumer Protection, upon the nomination of the Commissioner of Consumer Protection, to act as special policemen in said unit. Such appointees shall serve at the pleasure of the Commissioner of Emergency Services and Public Protection. During such tenure, they shall have all the powers conferred on state policemen while investigating or making arrests for any offense arising from the operation of any off-track betting system, retail sports wagering, or the conduct of any lottery game. Such special policemen shall be certified under the provisions of sections 7-294a to 7-294e, inclusive.



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**Naming Format:** AGENCY ACRONYM PROPOSAL NUMBER - TOPIC

*Please insert a copy of the fully drafted bill at the end of this document (required for review)*

<b>Legislative Liaison</b>	<b>Leslie O’Brien</b>
<b>Division Requesting This Proposal</b>	<b>Legal Division</b>
<b>Drafter</b>	<b>Julianne Avallone</b>

<b>Title of Proposal</b>	<b>An Act Concerning Department of Consumer Protection Real Estate Licensing and Enforcement</b>
<b>Statutory Reference, if any</b>	<b>Chapter 392</b>
<b>Brief Summary and Statement of Purpose</b>	<b>To make various revisions and additions to Chapter 392, Real Estate Brokers and Salespersons, including updates that are in line with industry standards, make clarifications through technical changes, creation of a limited leasing license to improve enforcement, streamline the real estate course approval by creating a school/ course registration</b>

**SECTION-BY-SECTION SUMMARY**

*Summarize sections in groups where appropriate*



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**Section 1** amends section 20-311 to place all definitions into one section, adds clarifying language and creates new definitions to the following sections: 20-311(2)-(4), (8), (9), (11), (14), (16), (18)-(20), (23), (25), and (27)-(30).

**Section 2 and 3** amends sections 20-311b and 20-312 to add language consistent with the changes to the definitions; creates section 20-312(d) to be consistent with the industry practice of paying compensation to a business entity wholly owned by a licensee

**Section 4 and 5** amends sections 20-312a, 20-312b to add language consistent with the changes to the definitions

**Section 6** creates section 20-312c, associate brokers, to be consistent with the industry practice permitting a broker, classified as an associate broker, to work for another broker without the same obligations required of a broker. In effect they are acting as a salesperson while working for another broker. They may return to a regular broker classification with notice to the department.

**Section 7** creates section 20-312d, representation agreement, to require a representation agreement and authorizes the commissioner to make regulation for this provision

**Section 8** amends section 20-314 to add language consistent with the changes to the definitions; to allow for reinstatement up to 3 years after license expiration with certain attestations, continuing education requirements, and payment of any fees; to allow 30-day limitation to request a hearing if license denied; creates a leasing agent credential including fees and continuing education requirements

**Section 9** amends section 20-314a to add language consistent with the changes to the definitions and adds clarifying language regarding when an electronic course may be denied

**Section 10** creates section 20-314c to create a registration for schools offering pre-licensure and continuing education courses with criteria including registration expiration, fees, and instructor qualifications

**Section 11** creates section 20-314d to create a course approval requirement for schools offering pre-licensure and continuing education courses including, fees, method of course instruction (live, electronic), expiration of courses, cancelation and refund policy

**Section 12, 13, 14, 15, 16** amend sections 20-316, 20-217, 20-319, 20-319a and 20-320 to add language consistent with the changes to the definitions; section 20-319 creates fees for failure to satisfy the continuing education requirement; section 20-319a clarifies when a team registration must be updated when a team moves to a new responsible broker



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**Section 17, 18, 19, 20, 21** amend sections 20-320a, 20-320b, 20-324a, 20-324b, and 20-324e to add language consistent with the changes to the definitions

**Section 22** creates section 20-324j, activities of leasing agents, to define what real estate activities a leasing agent is permitted to engage in and under whose affiliation or employment

**Section 23, 24, 25, 26, 27** amend sections 20-325, 20-325a, 20-325b, 20-325c, 20-325d to add language consistent with the changes to the definitions

**Section 28** amends section 20-325f to prohibit subagency to be consistent with the industry practice

**Section 29, 30** amend sections 20-325h and 20-325l to add language consistent with the changes to the definitions; 20-325l creates language to permit compensation to out-of-state real estate licensees for referring prospective parties to Connecticut licensees which is consistent with industry practice

**Section 31** amends section 20-325m to add language about leasing agents to be consistent with the changes to the definitions and creation of this credential

**Section 32, 33, 34, 35** make technical changes to sections 20-327c, 20-327f, 20-327g and 20-327h

**Section 36** creates section 20-327i, non-English language transaction, to require the parties to sign an acknowledgment form when a language interpreter or translator is used to conduct the real estate transaction

**Section 37** makes technical changes to section 20-328

**Section 38** amends section 20-329a to add language consistent with the changes to the definitions

**Section 39** makes technical changes to section 20-329a

**Section 40** repeals section 20-329i

**Section 41** creates section 20-329hh, death and disability of a broker, to permit the transition of a brokerage business or the wrapping up of such business in the event of the death or incapacity of a broker through the appointment of a custodial broker



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**BACKGROUND**

**Origin of Proposal**             **New Proposal**                             **Resubmission**

**If this is a resubmission, please share the prior bill number, the reason the bill did not move forward, and any changes made or conversations had since it was last proposed:**

*Please consider the following, if applicable:*

<b>Have there been changes in federal/state laws or regulations that make this legislation necessary?</b>	No
<b>Has this proposal or a similar proposal been implemented in other states? If yes, to what result?</b>	No
<b>Have certain constituencies called for this proposal?</b>	DCP has been working with the Real Estate Commission and the Connecticut Association of Realtors on much of this language.





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**INTERAGENCY IMPACT**

*List each affected agency. Copy the table as needed.*

**[ x ] Check here if this proposal does NOT impact other agencies**

<b>1. Agency Name</b>	
<b>Agency Contact (name, title)</b>	
<b>Date Contacted</b>	
<b>Status</b>	<input type="checkbox"/> Approved <input type="checkbox"/> Talks Ongoing
<b>Open Issues, if any</b>	

**FISCAL IMPACT**

*Include the section number(s) responsible for the fiscal impact and the anticipated impact*

**[ x ] Check here if this proposal does NOT have a fiscal impact**

<b>State</b>	
<b>Municipal (Include any municipal mandate that can be found within legislation)</b>	
<b>Federal</b>	
<b>Additional notes</b>	



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[Empty box for document name]

**MONITORING & EVALUATION PLAN**

*If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes*

**[ x ] Check here if this proposal does NOT lead to any measurable outcomes**

[Empty box for monitoring and evaluation plan details]

**ANYTHING ELSE WE SHOULD KNOW?**

[Empty box for anything else we should know]

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**INSERT FULLY DRAFTED BILL HERE**

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

Section 1. *(Effective April 1, 2024)* Section 20-311 of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-311. Definitions.

As used in this chapter, unless [the context ]otherwise stated:[requires:]

(1) “Advertising” means disseminating, publishing or causing to be posted by means of any: print media, including, but not limited to, outdoor signage and periodicals; audio or video broadcast, streaming or other electronic dissemination; or written or photographic material disseminated or posted via online, telephonic notification, email or other electronic means. “Advertising” does not include: Stockholder communications such as annual reports and interim financial reports, proxy materials, registration



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statements, securities prospectuses, applications for listing securities on stock exchanges, and the like; prospectuses, property reports, offering statements or other documents required to be delivered to prospective purchasers by an agency of any other state or the federal government; all communications addressed to and relating to the account of any persons who have previously executed a contract for the purchase of the subdivider's lands except where directed to the sale of additional lands; or press releases or other communications delivered to media outlets for general information or public relations purposes, provided no charge is made by such media outlets for the publication or use of any part of such communications.

(2) "Affiliated" means to have a working relationship with a real estate licensee by means of employment or as an independent contractor therewith.

(3) "Associate broker" means a real estate broker who is affiliated with a responsible broker as an independent contractor or employed by a responsible broker and has authority to engage in the real estate business on behalf of that responsible broker.

(4) "Business entity" means any partnership, association, limited liability company, limited liability partnership, or corporation;

(5)[(1)] "Commercial real estate transaction" means any transaction involving the sale, exchange, lease or sublease of real property other than real property containing any building or structure occupied or intended to be occupied by not more than four families or a single building lot to be used for family or household purposes;

(6)[(2)] "Commission," when used as a proper noun, means the Connecticut Real Estate Commission appointed under the provisions of section 20-311a;

(7) "Confidential information" means facts concerning a person's assets, liabilities, income, expenses, motivations to purchase, rent or sell real property and previous offers received or made to purchase or lease real property which are not authorized by the client, a matter of general knowledge, part of a public record or file to which access is authorized pursuant to section 1-210 of the general statutes or otherwise subject to



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disclosure under any other provision of the general statutes or the Regulations of Connecticut State Agencies.

(8) “Custodial broker” means an individual real estate broker who is temporarily appointed for the sole purposes of (a) concluding any real estate business matters of a broker who is dead or incapacitated, (b) transitioning such matters to a broker who is alive and not incapacitated, or (c) assisting in transitioning the dead or incapacitated broker’s ownership interest in a business entity engaged in the real estate business to satisfy the requirements of section 20-312 of the general statutes.

(9) “Department” means the Department of Consumer Protection.

(10)[(3)] “Designated agency” means the appointment by a real estate broker of one or more brokers or salespersons affiliated with or employed by the real estate broker to solely represent a buyer or tenant as a designated buyer’s agent and appoint another to represent a seller or landlord as a designated seller’s agent in a transaction;

(11) “Designated broker” means an individual real estate broker who is named by a real estate broker business entity as responsible for such business entity’s engagement in the real estate business in the state of Connecticut.

(12)[(4)] “Designated buyer agent” means a real estate licensee, other than a leasing agent, [broker or salesperson] designated by the real estate broker with whom they are [the broker or salesperson is] affiliated with or employed by to solely represent a named buyer or tenant client of the real estate broker during the term of a buyer representation agreement or authorization;

(13)[(5)] “Designated seller agent” means a real estate licensee, other than a leasing agent, [ broker or salesperson] designated by the real estate broker with whom [the]they are [broker or salesperson is] affiliated with or employed by to solely represent a named seller or landlord client of the real estate broker during the term of a listing agreement or authorization;

(14) “Development owner” means the real property owner of record of a multi-unit development offered for lease, or upon written approval of the



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commissioner, the parent company of such real property owner that holds 100 per cent of the ownership rights in the real property owner.

(15) “Engage[(6) “Engaging] in the real estate business” means to, while acting for another and for a fee, commission or other valuable consideration, engage in, negotiate for, offer to, or attempt to either list[ the listing] for sale, sell, exchange, buy, or rent[selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of,] an estate or interest in real estate or to resell [a resale of ]a mobile manufactured home, as defined in subdivision (1) of section 21-64;[, or collecting upon a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of real estate;]

(16) “Incapacity” means a physical or mental incapacity which prevents a person from substantially satisfying their duties and responsibilities as a real estate licensee.

(17) “Influence residential real estate appraisals” includes, but is not limited to, refusal or intentional failure to refer a homebuyer, or encouraging other real estate licensees not to refer a homebuyer, to a mortgage broker, as defined in section 36a-760, or a lender, as defined in section 36a-760, based solely on the fact that the mortgage broker or lender uses an appraiser who has provided an appraisal reflecting a fair market value estimate that was less than the sale contract price.

(18) “Leasing Agent” means any individual who acts as an agent for a principal for a fee, commission, or other valuable consideration, and engages in leasing or renting activity, including collecting security deposits, or offers or attempts to negotiate a rental of, or collects or offers or attempts to collect rent for the use of real estate.

(19) “Multi-unit development” means a residential property with a minimum of fifty units leased or available for lease.

(20) “Negotiate” means acting, whether directly or indirectly, as an intermediary by facilitating or participating in communications between parties related to the parties’ interests in a real estate or mobile manufactured home transaction.

(21) “Nonmaterial fact concerning real property” means a fact, set of facts, or circumstances surrounding real estate which includes, but is not limited



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to: (1) The fact that an occupant of real property is or has been infected with a disease on the list of reportable diseases, emergency illnesses and health conditions issued by the Commissioner of Public Health pursuant to section 19a-2a of the general statutes; or (2) the fact that the property was at any time suspected to have been the site of a death or felony.

(22)[(7)] “Person” means any individual or business entity, partnership, association, limited liability company, or corporation];

(23) “Promotional note” means a promissory note secured by a trust deed executed on unimproved real property, or executed after construction of an improvement of the property but before the first sale of the property as so improved, or executed as a means of financing the first purchase of the property as so improved, and which is subordinate or which by its terms may become subordinate to any other trust deed on the property, but does not include a note which was executed in excess of three years prior to being offered for sale or a note secured by a first trust deed on real property in a subdivision, which evidences a bona fide loan made in connection with the financing of the usual costs of the development of a residential, commercial, or industrial building or buildings on the property under a written agreement providing for the disbursement of the loan funds as costs are incurred or in relation to the progress of the work and providing for title insurance insuring the priority of the security as against mechanic’s liens or for the final disbursement of at least ten per cent of the loan funds after the expiration of the period for the filing of mechanic’s liens.

(24) “Prospective party” means a person that communicates with a real estate licensee in contemplation of potential representation by the real estate licensee in a real estate transaction.

(25)[(8)] “Real estate broker” or “broker” means (A) any person[, partnership, association, limited liability company or corporation] which engages in the real estate business [acts for another person or entity and for a fee, commission or other valuable consideration, lists for sale, sells, exchanges, buys or rents, or offers or attempts to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate, or a resale of a mobile manufactured home, as defined in subdivision (1) of section 21-64, or collects or offers or attempts to collect rent for the use of



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real estate,] and (B) any person[, partnership, association, limited liability company or corporation] employed by or on behalf of the owner or owners of lots or other parcels of real estate, at a stated salary, upon commission, upon a salary and commission basis or otherwise to sell such real estate, or any parts thereof, in lots or other parcels, and who sells or exchanges, or offers, attempts or agrees to negotiate the sale or exchange of, any such lot or parcel of real estate;

(26) “Real estate licensee” means a licensed leasing agent, real estate broker, or real estate salesperson.

(27)[(9)] “Real estate salesperson” or “salesperson” means an individual [a person] affiliated with a responsible[any real estate] broker[ as an independent contractor or employed by a real estate broker], excluding employees whose principal occupation is clerical work, janitors, or custodians engaged principally in that occupation, to:

(A) engage in the real estate business[list for sale, sell or offer for sale, to buy or offer to buy or to negotiate the purchase or sale or exchange of real estate, or to offer for resale, a mobile manufactured home, as defined in subdivision (1) of section 21-64, or to lease or rent or offer to lease, rent or place for rent any real estate, or to collect or offer or attempt to collect rent for the use of real estate] for or on behalf of such responsible[real estate] broker;[, or who offers, sells or attempts to sell the real estate or mobile manufactured homes of a licensed broker,] or

(B) If acting for another as a designated seller agent or designated buyer agent, engage in the real estate business; [lists for sale, sells, exchanges, buys or rents, or offers or attempts to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate, or a resale of a mobile manufactured home, as defined in subsection (a) of section 21-64, or collects or offers or attempts to collect rent for the use of real estate, but does not include employees of any real estate broker whose principal occupation is clerical work in an office, or janitors or custodians engaged principally in that occupation;]



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(28) “Real estate transaction” means any transaction in which real property is legally transferred to another person or in which a lease agreement is executed between a landlord and a tenant.

(29) “Residential real property” means one to four-family residential real estate located in this state, including cooperatives and condominiums where the total number of units in the cooperative or condominium does not exceed four, and any individual unit within a multi-unit development.

(30) “Responsible broker” means the real estate broker responsible for the exercise of control and supervision of real estate licensees and teams.

(31) “School” means a person that offers pre-licensing or continuing education courses approved pursuant to this chapter.

(32)~~[(10)]~~ “Team” means any combination~~[a group]~~ of at least two licensed real estate brokers, designated brokers, or real estate salespersons who are affiliated with the same responsible~~[sponsoring real estate]~~ broker and engage in advertising as a group using a team name; and

(33)~~[(11)]~~ “Team name” means the name used to refer to a team in team advertisements.

Section 2. (*Effective April 1, 2024*) Section 20-311b of the general statutes is repealed and the following is substituted in lieu thereof:

Sec. 20-311b. Duties of commission.

(a) Within thirty days after the appointment of the members of the commission, the commission shall meet in the city of Hartford for the purpose of organizing by selecting such officers other than a chairperson as the commission may deem necessary and appropriate. A majority of the members of the commission shall constitute a quorum for the exercise of the powers or authority conferred upon it.

~~(b)~~~~[(1)]~~ The commission shall authorize the Department of Consumer Protection to issue licenses to real estate licensees.~~[brokers and real estate salespersons.]~~





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(c)[(2)] The commission shall administer the provisions of this chapter as to licensure and issuance, renewal, suspension or revocation of licenses concerning the real estate business.

(d)[(c)] The commission shall be provided with the necessary office space in Hartford by the Commissioner of Administrative Services. The place of business of the commission and all files, records and property of the commission shall at all times be and remain at such office, except that inactive files shall be stored at a location designated by the commission.

(e)[(d)] The commission shall hold meetings and hearings in Hartford, in space provided by the Commissioner of Administrative Services, or at such places outside of Hartford as shall be determined by the chairman of the commission. The commission shall meet at least once in each three-month period and may meet more often at the call of its chairman. The chairman of the commission shall call a meeting of the commission whenever requested to do so by a majority of the members of the commission.

(f)[(e)] The commission shall vote on all matters requiring a decision and votes shall be recorded in the commission's minutes.

Section 3. (*Effective April 1, 2024*) Section 20-312 of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-312. License required. Imposition of fine.

(a) No person shall act as a real estate licensee[broker or real estate salesperson] without a license issued by the commission or the Commissioner of Consumer Protection, unless exempt under this chapter. The Commissioner of Consumer Protection may enter into any contract for the purpose of administratively processing the renewal of licenses on behalf of the commission.

(b) The practice of engaging in the real estate business, or the offer to engage in the real estate[practice real estate brokerage] business in this state by [individual licensed] real estate licensees, other than leasing agents, [brokers or real estate salespersons] as a business entity[corporation, limited liability company, partnership or limited liability partnership,] is permitted, provided each of the following conditions is met:



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(1) a material part of the business [of which ]includes engaging in the real estate business;[brokerage, is permitted, provided]

(2)[(1)] the business entity's personnel [of such corporation, limited liability company, partnership or limited liability partnership] who engage in the real estate [brokerage ]business are either licensed or exempt from licensure as real estate licensees under this chapter other than leasing agents;[ as real estate brokers or real estate salespersons, and the real estate brokers whose ownership, control, membership or partnership interest is credited toward the requirements of subdivision (3) of this subsection, are licensed or exempt from licensure under this chapter,]

(3)[(2)] the business entity[corporation, limited liability company, partnership or limited liability partnership] has been issued a real estate broker license [by the commission ]as [provided]set forth in this section;

(4) the business entity[ and] has paid the license or renewal fee required for a real estate broker's license as set forth in section 20-314 of the general statutes;[, as amended by this act,] and

(5) the business entity is [(3) except for ]a publicly traded corporation or, for a business entity that is not a publicly traded corporation, one of the following sets of conditions are met:

(i)[(A)] the business entity is a stock corporation and[with respect to a corporation other than a nonstock corporation,] one or more real estate brokers, who are either licensed or exempt from licensure under this chapter, owns or controls[own or control] fifty-one per cent or more of the total issued shares of the corporation[.];

(ii)[(B) with respect to] the business entity is a nonstock corporation[.], and one or more real estate brokers, who are either licensed or exempt from licensure under this chapter, constitutes[constitute] at least fifty-one per cent of the members of the nonstock corporation[.];



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(iii)[ (C) with respect to] the business entity is a limited liability company[, ] and one or more real estate brokers, who are either licensed or exempt from licensure under this chapter, owns or controls[own or control] at least fifty-one per cent of the interest in the limited liability company, as defined in section 34-243a[, ]of the general statutes; or

(iv)[(D) with respect to] the business entity is a partnership or limited liability partnership and the[, one or more real estate brokers’] partnership interest, as defined in section 34-301 of the general statutes, of one or more real estate brokers who are either licensed or exempt from licensure as real estate licensees under this chapter, constitutes at least fifty-one per cent of the total partnership interest. [No such corporation, limited liability company, partnership or limited liability partnership shall be relieved of responsibility for the conduct or acts of its agents, employees or officers by reason of its compliance with this section, nor shall any individual practicing real estate brokerage be relieved of responsibility for real estate services performed by reason of the individual’s employment or relationship with such corporation, limited liability company, partnership or limited liability partnership. The Real Estate Commission may refuse to authorize the issuance or renewal of a license if any facts exist that would entitle the commission to suspend or revoke an existing license.]

(c) A business entity[corporation, limited liability company, partnership or limited liability partnership] desiring a real estate broker license shall file with the commission or the commissioner an application on such forms and in such manner as prescribed by the Department.[of Consumer Protection.] Each such business entity[corporation, limited liability company, partnership or limited liability partnership] shall file with the commission the identity and contact information of at least one designated broker on a form and in a manner as prescribed by the Department.[a designation of at least one individual licensed or qualified to be licensed as a real estate broker in this state who shall be in charge of the real estate brokerage business of such corporation, limited liability company,



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partnership or limited liability partnership in this state.] Such business entity[corporation, limited liability company, partnership or limited liability partnership] shall notify the commission of any change in the identity or contact information of its designated broker[such designation] not later than thirty days after such change becomes effective.

(d) Compensation resulting from a real estate transaction paid to a real estate licensee may be directed, at such licensee’s request, to a business entity wholly owned by such licensee.

(e)[(d)] The Real Estate Commission may impose a fine of not more than five[one] thousand dollars per violation on any person[corporation, limited liability company, partnership or limited liability partnership] that engages in the real estate business, including leasing or rental activity, without a license required by this section. Any such imposition of a fine by the commission shall be a proposed final decision and submitted to the commissioner in accordance with the provisions of subsection (b) of section 21a-7.

(f) Each[(e)]

(1)

(A) Except as provided in subdivision (2) of this subsection, each] team shall register, on a form and in a manner prescribed by the commissioner, with the Department of Consumer Protection. Each initial registration shall be valid for a period of one year and be subject to renewal for additional one-year periods. Each team shall pay to the department an initial registration fee of five hundred sixty-five dollars when the team files its initial registration, and a registration renewal fee of three hundred seventy-five dollars when the team files each registration renewal, pursuant to this subparagraph. Each team shall include in each registration form that the team files with the department pursuant to this subparagraph:

(1)[(i)] The team’s team name, which shall:

(A)[(I)] Include the full name of at least one licensed real estate broker or real estate salesperson who is part of the team or be



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immediately followed by “at/of” followed by the full name of the team’s responsible[sponsoring real estate] broker[”];

(B)[(II)] Not include the name of any individual who is not a licensed real estate broker or real estate salesperson; and

(C)[(III)] With the exception of “team”, not include any abbreviation, term or phrase, including, but not limited to, “associates”, “company”, “corporation”, “group”, “LLC”, “real estate” or “realty”, that implies that the team is a business entity;

(2)[(ii)] The name of, and contact information for, the team’s responsible[sponsoring real estate] broker, who shall serve as the team’s primary contact, ensure that the team complies with all applicable laws and regulations concerning team advertisements and ensure that the team timely files accurate registration forms and registration updates with the department pursuant to this subdivision; and

(3)[(iii)] The name and contact information for each real estate broker or real estate salesperson who is part of the team.

(g)[(B)] A team shall send notice to the department disclosing any change to the information contained in the team’s registration form. The team shall send such notice to the department, on a form and in a manner prescribed by the commissioner, not later than twelve days after the date of such change. A team may transfer its registration from one responsible broker to another, without applying for a new team registration, only if all members of the team transfer to such new responsible broker and both the originating and new responsible brokers agree to such transfer.

(h)[(C)] Each team shall comply with all advertising requirements and standards that apply to real estate brokers, and shall include the name of the team’s responsible[sponsoring real estate] broker at a prominent location in all of the team’s advertisements.

(i)[(2)] The commissioner may, in the commissioner’s discretion, engage the services of such third parties that the commissioner deems necessary to assist the commissioner in implementing the provisions of subsections (e) through (g) of this section, [subdivision (1) of this subsection,] provided



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no expenditure of state funds shall be made to cover the cost of hiring a consultant to make programmatic changes to the licensing system.

Section 4. (*Effective April 1, 2024*) Section 20-312a of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-312a. Liability of brokers for leasing agents and salespersons affiliated as independent contractors.

In any action brought by a third party against a real estate salesperson or leasing agent affiliated with a real estate broker as an independent contractor, such broker shall be liable to the same extent as if such affiliate had been employed as a real estate salesperson or leasing agent by such broker.

Section 5. (*Effective April 1, 2024*) Section 20-312b of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-312b. Licensed real estate licensee~~[broker or real estate salesperson]~~ not deemed “employee” under section 31-275.

A ~~[licensed]~~ real estate licensee~~[broker or real estate salesperson]~~ shall not be considered an employee under the provisions of section 31-275 if substantially all of the remuneration for the services performed by such real estate licensee~~[broker or salesperson,]~~ whether paid in cash or otherwise, is directly related to sales or other output rather than to the number of hours worked, and such services are performed by the real estate licensee~~[broker or salesperson]~~ pursuant to a written contract that contains the following provisions:

- (1) The real estate licensee~~[broker or salesperson,]~~ for purposes of workers’ compensation, is engaged as an independent contractor associated with the person for whom services are performed;
- (2) The real estate licensee~~[broker or salesperson]~~ shall be paid a commission based on their~~[his]~~ gross sales or leases, if any, without deduction for taxes, which commission shall be directly related to sales, leases, or other output;



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- (3) The real estate licensee[broker or salesperson] shall not receive any remuneration related to the number of hours worked and shall not be treated as an employee with respect to such services for purposes of workers' compensation;
- (4) The real estate licensee [broker or salesperson] shall be permitted to work any hours they choose:[he chooses;]
- (5) The real estate licensee [broker or salesperson] shall be permitted to work out of their[his] own home or the office of the person for whom services are performed;
- (6) The real estate licensee [broker or salesperson] shall be free to engage in outside employment;
- (7) The person for whom the services are performed may provide office facilities and supplies for the use of the real estate licensee, [broker or salesperson,] but the real estate licensee[broker or salesperson] shall otherwise pay [their]his own expenses, including, but not limited to, automobile, travel and entertainment expenses; and
- (8) The contract may be terminated by either party at any time upon notice given to the other party to the contract.

Section 6. (NEW) (*Effective April 1, 2024*):

Sec. 20-312c. Associate brokers.

- (a) An associate broker shall not engage in the real estate business without consent and knowledge of their responsible broker.
- (b) A responsible broker shall be responsible for the actions of their associate broker to the same extent as though the associate broker were a salesperson affiliated with the responsible broker.
- (c) In the event of the termination of an associate broker's affiliation with a responsible broker, the associate broker shall notify the department of the termination within fourteen calendar days following the termination, or upon their affiliation as an associate broker with a new responsible broker, whichever occurs first.



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(d) Associate brokers shall comply with all advertising requirements and standards that apply to real estate brokers and shall include the name of their responsible broker at a prominent location in all the associate broker's advertisements.

Section 7. (NEW) (*Effective April 1, 2024*):

Sec. 20-312d. Representation Agreements.

(a) A real estate licensee shall have a written representation agreement with any person they represent in the business of real estate.

(b) The Commissioner of Consumer Protection shall adopt such regulations, in accordance with chapter 54, as the commissioner deems necessary to carry out the provisions of this section.

Section 8. (*Effective April 1, 2024*) Section 20-314 of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-314. License qualifications. Examinations. Renewals. Fees.  
Reinstatement. Hearings.

(a) Licenses shall be granted under this chapter only to persons who bear a good reputation for honesty, truthfulness and fair dealing and who are competent to transact the business of a leasing agent, real estate broker or real estate salesperson in such manner as to safeguard the interests of the public.

(b) Each application for a license or for a renewal thereof shall be made in writing, on such forms and in such manner as is prescribed by the Department of Consumer Protection [and accompanied by such evidence in support of such application as is prescribed by the commission. The commission may require such information with regard to an applicant as the commission deems desirable, with due regard to the paramount interests of the public, as to the honesty, truthfulness, integrity and competency of the applicant and, where the applicant is a corporation, association or partnership, as to the honesty, truthfulness, integrity and competency of the officers of such corporation or the members of such association or partnership].





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(c) In order to determine the competency of any applicant for a real estate licensee's ~~[real estate broker's license or a real estate salesperson's]~~ license the commission or Commissioner of Consumer Protection shall, on payment of an application fee of one hundred twenty dollars by an applicant for a real estate broker's license or an application fee of eighty dollars by an applicant for a leasing agent's or real estate salesperson's license, subject such applicant to personal written examination as to the applicant's competency to act as a leasing agent, real estate broker or real estate salesperson, as the case may be. Such examinations shall be prepared by the Department of Consumer Protection or by a national testing service designated by the Commissioner of Consumer Protection and shall be administered to applicants by the Department of Consumer Protection or by such testing service at such times and places as the commissioner may deem necessary. The commission or Commissioner of Consumer Protection may waive the uniform portion of the written examination requirement in the case of an applicant who has taken the national testing service examination in another state within two years from the date of application and has received a score deemed satisfactory by the commission or Commissioner of Consumer Protection. The Commissioner of Consumer Protection shall adopt regulations, in accordance with chapter 54, establishing passing scores for examinations. In addition to such application fee, applicants taking the examination administered by a national testing service shall be required to pay directly to such testing service an examination fee covering the cost of such examination. Each payment of such application fee shall entitle the applicant to take such examination within the one-year period from the date of payment.

(d)

(1)

~~[(A) Each applicant applying for a real estate broker's license on or after July 1, 2016, but before January 1, 2022, shall, before being admitted to such examination, prove to the satisfaction of the commission or the Commissioner of Consumer Protection that the applicant (i) (I) has been actively engaged for at least two years as a licensed real estate salesperson under the supervision of a responsible licensed real estate] broker licensed in this state, (II)~~



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has successfully completed a course approved by the commission or commissioner in real estate principles and practices of at least sixty classroom hours of study, (III) has successfully completed a course approved by the commission or commissioner in real estate legal compliance consisting of at least fifteen classroom hours of study, (IV) has successfully completed a course approved by the commission or commissioner in real estate brokerage principles and practices consisting of at least fifteen classroom hours, and (V) has successfully completed two elective courses, each consisting of fifteen classroom hours of study, as prescribed by the commission or commissioner, or (ii) has equivalent experience or education as determined by the commission or commissioner.]

[(B)] Each applicant [applying for a real estate broker's license on or after January 1, 2022,] shall, before being admitted to such examination, prove to the satisfaction of the commission or the Commissioner of Consumer Protection that the applicant (i) (I) has been actively engaged as a licensed real estate salesperson under the supervision of a responsible broker, who is licensed in this state, [licensed real estate broker in this state] for at least one thousand five hundred hours during the three years immediately preceding the date on which such applicant filed such applicant's application, and such responsible[supervising licensed real estate] broker, or such responsible[supervising licensed real estate] broker's authorized representative, has certified the accuracy of a record of such applicant's active engagement on a form provided by such applicant to such responsible[supervising licensed real estate] broker or authorized representative, (II) has successfully completed a course approved by the commission or commissioner in real estate principles and practices of at least sixty classroom hours of study, (III) has successfully completed a course approved by the commission or commissioner in real estate legal compliance consisting of at least fifteen classroom hours of study, (IV) has successfully completed a course approved by the commission or commissioner in real estate brokerage principles and practices consisting of at least fifteen classroom hours, (V) has successfully completed two elective courses, each consisting of fifteen



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classroom hours of study, as prescribed by the commission or commissioner, and (VI) has represented a seller, buyer, lessor or lessee in at least four real estate transactions that closed during the three years immediately preceding the date on which such applicant filed such applicant's application, or (ii) has equivalent experience or education as determined by the commission or commissioner. Each responsible[supervising licensed real estate] broker, or authorized representative of such responsible[supervising licensed real estate] broker, shall certify the accuracy or inaccuracy of a record provided by an applicant to such responsible[supervising licensed real estate] broker or authorized representative under subparagraph (B)(i)(I) of this subdivision not later than ninety days after such applicant provides such record to such responsible[supervising licensed real estate] broker or authorized representative.

(2) The commission or the Commissioner of Consumer Protection shall waive the elective courses under subparagraph (A)(i)(V) or (B)(i)(V) of subdivision (1) of this subsection if the applicant has successfully completed at least twenty real estate transactions within five years immediately preceding the date of application. [As used in this subdivision, "real estate transaction" means any transaction in which real property is legally transferred to another party or in which a lease agreement is executed between a landlord and a tenant.]

(3) Each applicant for a real estate salesperson's license shall, before being admitted to such examination, prove to the satisfaction of the commission or the Commissioner of Consumer Protection that the applicant (A) has successfully completed a course approved by the commission or commissioner in real estate principles and practices consisting of at least sixty classroom hours of study, or (B) has equivalent experience or education as determined by the commission or commissioner.

(4) Each applicant for a leasing agent license shall, before being admitted to such examination, prove to the satisfaction of the commission or the Commissioner of Consumer Protection that the applicant (A) has successfully completed a course or courses approved by the commission or commissioner in real estate leasing, including training on fair housing



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laws, landlord tenant law, and security deposit management, consisting of at least twenty classroom hours of study, or (B) has equivalent experience or education as determined by the commission or commissioner.

[(5) Upon completion of subdivisions (1) or (2) of subsection (d) of this section, a broker may also be classified as an “associate broker” or a “designated broker” as defined in section 20-311 of the general statutes.

(e) The provisions of subsections (c) and (d) of this section shall not apply to any renewal of a real estate broker’s license, or a real estate salesperson’s license issued prior to October 1, 1973.

(f) All licenses issued under the provisions of this chapter shall expire biannually. At the time of application for a real estate broker’s license, there shall be paid to the Department,~~[commission,]~~ for each individual applicant and for each proposed active member or officer of a business entity,~~[firm, partnership, association or corporation,]~~ the sum of ~~[five hundred sixty-five]~~one thousand one hundred and thirty dollars, and for the biannual renewal thereof, the sum of ~~[three hundred seventy-five]~~seven hundred fifty dollars, except that for licenses expiring on March 31, 2022, a prorated renewal fee shall be charged to reflect the fact that the March 2022, renewal shall expire on November 30, 2023. At the time of application for a real estate salesperson’s or leasing agent’s license, there shall be paid to the Department~~[commission~~ two hundred eighty-five]~~]~~five hundred seventy dollars and for the biannual renewal thereof the sum of ~~[two hundred eighty-five dollars]~~five hundred seventy. ~~[Three]~~Six dollars of each such biannual renewal fee shall be payable to the Real Estate Guaranty Fund established pursuant to section 20-324a. A real estate broker’s license issued to any business entity~~[partnership, association or corporation]~~ shall entitle the ~~[individual ]~~designated broker,~~[in the application, as provided in section 20-312]~~ upon compliance with the terms of this chapter, but without the payment of any further fee, to perform all of the acts of a real estate broker under this chapter on behalf of such business entity.~~[partnership, association or corporation.]~~ Any license which expires and is not renewed within ninety days after the date of expiration ~~[pursuant to this subsection]~~ may, in its discretion, be reinstated by the commission ~~[, if, not later than two]~~ or the Department up to three years after the date of expiration, provided the former licensee shall (i) attest that he or she has not worked in the applicable occupation or profession in this state while the license, permit, certification or registration was lapsed, (ii) pay the current year’s renewal fee for reinstatement, and (iii) shall take any required continuing



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education required for the prior credential year. If the applicant has worked in the applicable occupation or profession in this state while the license lapsed the applicant shall pay all license and late fees owed during the lapsed period, and demonstrate completion of any required continuing education required for the prior credential year. Late fees shall be assessed as follows, [pays to the commission] for each real estate broker's license the sum of three hundred seventy-five dollars and for each real estate salesperson's or leasing agent's license the sum of two hundred eighty-five dollars for each year or fraction thereof from the date of expiration of the previous license to the date of payment for reinstatement. [, except that] If the license lapse is three years or longer, the applicant shall apply for a new license. Notwithstanding the foregoing, any real estate licensee whose license expired after such licensee entered military service shall be reinstated without payment of any fee if an application for reinstatement is filed with the commission or the Department within three[two] years after the date of expiration and the licensee provides evidence of completion of at least six hours of continuing education courses, including the mandatory continuing education course, within the calendar year prior to reinstatement. Any such reinstated broker's license shall expire on the next succeeding November thirtieth, except that any broker's license that is reinstated before March 31, 2022, shall expire on March 31, 2022. Any such reinstated real estate salesperson's license shall expire on the next succeeding May thirty-first.

(g) Upon refusal to issue or renew a license under this section, the department shall notify the applicant of the denial and of the applicant's right to request a hearing within thirty days from the date of receipt of the notice of denial. If the applicant requests a hearing within such time, the Commissioner shall give notice of the grounds for its refusal and shall conduct a hearing concerning the refusal in accordance with the provisions of chapter 54 concerning contested cases. If the Commissioner's denial of a license is sustained after such a hearing, an applicant may make a new application not less than one year after the date on which such denial was sustained. [(g) Any person whose application has been filed as provided in this section and who is refused a license shall be given notice and afforded an opportunity for hearing as provided in the regulations adopted by the Commissioner of Consumer Protection.]

Section 9. (*Effective April 1, 2024*) Section 20-314a of the general statutes is repealed and the following substituted in lieu thereof:



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Sec. 20-314a. Regulations concerning approval of schools, courses and advertising. Exemption from experience requirement for certain applicants.

(a) The Commissioner of Consumer Protection, with the advice and assistance of the commission, may adopt regulations, in accordance with chapter 54, relating to the approval of schools offering pre-licensure and continuing education courses, [in real estate principles and practice and related subjects,]the content of such courses and the advertising to the public of the services of such schools. Such regulations shall not require [(1)] approval of instructors at such schools, [ or (2) a course to be conducted in a classroom location approved for such use by a local fire marshal provided the course is conducted in a hotel, restaurant or other public building or a place of public assembly, as defined in section 19-13-B105 of the regulations of Connecticut state agencies.] No school that offers a course in current real estate practices and licensing laws may be disapproved solely because its courses are offered or taught by electronic means, and no course may be disapproved solely because it is offered or taught by electronic means, where such course complies with the requirements of section 20-314d of the General Statutes.

(b) The commission or the Department may exempt any applicant for a real estate broker's license from the requirements concerning experience under the provisions of subsection (d) of section 20-314, if the commission or Department determines that such applicant is unable to meet such requirements solely because such applicant has been subjected to discrimination based on race, creed or color, which discrimination interfered with such applicant's ability to meet such requirements.

Section 10. (NEW) (*Effective April 1, 2024*):

Sec. 20-314c. School registration.

(a) A school shall register with the department in a form and manner prescribed by the commissioner prior to offering any pre-licensure or continuing education course. Such form shall include: (1) an attestation that all courses offered by the school comply with the requirements of section 20-314d of the General Statutes; and (2) an attestation that all instructors teaching courses at the school are qualified pursuant to subpart (c) of this subsection and section 20-314d of the General Statutes.



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A school shall not offer any pre-licensure or continuing education courses without an active registration with the department.

(b) Each school registration shall expire biennially. The initial registration fee and renewal fee for such registration shall be one hundred dollars.

(c) A school shall not permit an instructor to teach a course approved under this chapter ~~unless the school has determined that the instructor possesses one of the following qualifications who does not have:~~

(1) Five years of experience as a practicing real estate licensee;

(2) Expertise or a professional designation from an institute or society in the field the proposed instructor wishes to teach, or

(3) Experience in teaching a course in a formal education program or attendance at an accredited college or university extension instructors' seminar. For collegiate level courses in degree programs, the instructor should have teaching experience plus a master's degree in an appropriate field or such other combination of qualifications as the commission may approve.

(d) A school shall not offer any course that does not comply with the requirements of section 20-314d of the general statutes.

Section 11. (NEW) (*Effective April 1, 2024*):

Sec. 20-314d. Course requirements and approval.

(a) A school shall register with the department each course offered in a form and manner prescribed by the commissioner prior to offering such course. The fee to register each course shall be fifty dollars. Course registration applications shall include:

(1) an outline of the course content that details the total length of the course offered and the amount of time spent on each subject within the course;

(2) the names and contact information of the course's instructors;

(3) a copy of the certificate issued to students upon course completion;



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(4) the cancellation and refund policy available to students;

(5) an attestation by the school that the course meets all the requirements of this section, section 20-314a, and all regulations adopted under this chapter; and

(6) if the course is taught in person, the location of the course.

(b) Notwithstanding subsection (a) (3) of this section, a school that offers more than one course may submit a template course completion certificate to the department for consideration. If the template course completion certificate is approved, the school may use such template to issue all course completion certificates and shall not be required to submit a copy of such certificate to the department with the course registration.

(c) A pre-licensure or continuing education course shall not qualify towards the pre-licensing or continuing education requirements unless it has been approved by the department.

(d) A pre-licensure course shall not be approved by the department unless the method of instruction is in person or via electronic means utilizing a live-online format. For courses offered in a live-online format, such courses shall utilize technology that allows audio communication between the instructor and student in real time and

~~(e) A school offering pre-licensure education courses under this section shall ensure that students cannot complete the course in less time than specified in the course application for registration.~~

~~(fe) A school offering continuing education courses under this section shall ensure that students cannot complete the course in less time than specified in the course application for registration. For courses offered by electronic means, this requirement may be met by:~~

~~(1) offering a live online course format using telecommunications technology that allows audio communication between the instructor and student in real time; or~~

~~(2) using technology that prohibits a student from completing the course in less than the pre-determined course time.~~





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(gf) A school that offers pre-licensure or continuing education courses under this section via electronic means that does not allow for audio communication between the instructor and student in real time shall require the course contain periodic interactive assessments during the course to confirm a student’s level of engagement and comprehension.

(hg) Registration under this chapter for continuing education courses shall expire every five years.

Section 12. (Effective April 1, 2024) Section 20-316 of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-316. Grounds for refusal of license.

(a) The commission or Commissioner of Consumer Protection shall not deny a license under this chapter to any applicant who has been convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud or other like offense or offenses, or to any association or partnership of which such person is a member, or to any corporation of which such person is an officer or in which as a stockholder such person has or exercises a controlling interest either directly or indirectly, except in accordance with the provisions of section 46a-80.

(b) No license under this chapter shall be issued by the Department of Consumer Protection to any applicant (1) whose application for a license as a real estate licensee[broker or real estate salesperson] has, within one year prior to the date of their[his] application under this chapter, been rejected in this state, in any other state or in the District of Columbia or (2) whose license as a real estate licensee[broker or real estate salesperson] has, within one year prior to the date of their[his] application under this chapter, been revoked in this state, in any other state or in the District of Columbia.

(c) No license as a real estate licensee[broker or real estate salesperson] shall be issued under this chapter to any person who has not attained the age of eighteen years.



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(d) The provisions of this section shall apply to any applicant for a license under this chapter, whether or not such applicant was engaged in the real estate business in this state on July 1, 1953, and whenever the applicant's application is filed.

Section 13. (*Effective April 1, 2024*) Section 20-317 of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-317. Persons licensed in another state as a real estate licensee. [broker or salesperson.] Requirements for Connecticut license. [Consent to suits and actions.]

(a) A person licensed in another state to engage in the real estate business [as a real estate broker or salesperson] may become a real estate licensee[broker or real estate salesperson] in this state by conforming to all of the provisions of this chapter. The commission or Commissioner of Consumer Protection shall recognize a current, valid license issued to a currently practicing, competent real estate professional engaging in the real estate business[broker or real estate salesperson] by another state as satisfactorily qualifying the applicant[broker or salesperson] for a license as a real estate licensee[broker or real estate salesperson] under this chapter, provided (1) the laws of the state in which they are[the broker or salesperson is] licensed require that applicants for licenses as real estate licensees [brokers and real estate salespersons] establish their competency by written examinations, [ and allow licenses to be issued to residents of the state of Connecticut, licensed under this chapter, without examination,] (2) the licensure requirements of such state are substantially similar to or higher than those of this state, and (3) the real estate licensee[broker or salesperson] has no disciplinary proceeding or unresolved complaint pending against them[the broker or salesperson]. If the applicant is licensed in a state that does not have such requirements, such applicant shall be required to pass the Connecticut portion of the real estate examination.

(b) Applicants that hold a real estate credential in another state may apply for licensure as set forth in section 21a-11b of the general statutes. [Every applicant licensed in another state shall file an irrevocable consent that suits and actions may be commenced against such applicant in the proper



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court in any judicial district of the state in which a cause of action may arise or in which the plaintiff may reside, by the service of any process or pleading, authorized by the laws of this state, on the chairperson of the commission, such consent stipulating and agreeing that such service of such process or pleading shall be taken and held in all courts to be as valid and binding as if service had been made upon such applicant in the state of Connecticut. If any process or pleadings under this chapter are served upon the chairperson, it shall be by duplicate copies, one of which shall be filed in the office of the commission, and the other immediately forwarded by registered or certified mail, to the applicant against whom such process or pleadings are directed, at the last-known address of such applicant as shown by the records of the department. No default in any such proceedings or action shall be taken unless it appears by affidavit of the chairperson of the commission that a copy of the process or pleading was mailed to the defendant as required by this subsection, and no judgment by default shall be taken in any such action or proceeding within twenty days after the date of mailing of such process or pleading to the out-of-state defendant.】

Section 14. (*Effective April 1, 2024*) Section 20-319 of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-319. Renewal. Continuing education requirements. Regulations.

(a) The commission shall authorize the Department of Consumer Protection to issue a[n] biannual renewal license to any applicant who possesses the qualifications specified in and otherwise has complied with the provisions of this chapter and any regulation adopted under this chapter. The commission shall authorize said department to issue an biannual renewal of a real estate broker’s license to any business entity licensed pursuant to subsection (b) of section 20-312, provided such business entity: (1) Was so licensed as of September 30, 2005, notwithstanding the fact such business entity does not meet the requirements for publicly traded corporations required by subdivision (3) of subsection (b) of section 20-312, or (2) changes its designated real estate broker pursuant to subsection (c) of section 20-312.

(b) There are[is] hereby established [an ]biannual renewal licenses[license] to be issued by the Department of Consumer



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Protection.] Persons licensed in accordance with the provisions of this chapter as real estate licensees shall fulfill a continuing education requirement. Applicants for [an] biannual renewal license for real estate licensees[brokers or real estate salespersons] shall, in addition to the other requirements imposed by the provisions of this chapter, [in any even-numbered year,] submit proof of compliance with the continuing education requirements of this subsection to the commission or Department. Each real estate licensee shall pay [an] a biannual [~~four~~eight]-dollar continuing education processing fee to cover administrative costs associated with the review and auditing of continuing education submissions. The continuing education requirement for real estate licensees other than leasing agents may be satisfied by successful completion of any of the following during the two-year period preceding such renewal: (1) A course or courses, approved by the commission or Department, of continuing education in current real estate practices and licensing laws, including, but not limited to, practices and laws concerning common interest communities, consisting of not less than twelve hours of classroom study; or (2) a written examination prepared and administered by either the Department,[ of Consumer Protection,] or by a national testing service approved by the department, which demonstrates a knowledge of current real estate practices and licensing laws; or (3) equivalent continuing educational experience or study as determined by regulations adopted pursuant to subsection (d) of this section. An applicant for examination under subdivision (2) of this subsection shall pay the required examination fee to the national testing service, if administered by such testing service, or to the Department,[ of Consumer Protection,] if administered thereby.[by the department.] Leasing agents shall be required to complete at least four hours of continuing education within the biannual period that begins and ends three months prior to the renewal date, at least one hour of such continuing education shall be on the topic of fair housing law.

(c) If the commission or Department refuses to grant a[n] biannual renewal license, the licensee or applicant, upon written notice received as provided for in this chapter, may have recourse to any of the remedies provided by sections 20-314 and 20-322.



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(d) The Commissioner of Consumer Protection, in consultation with the commission, shall adopt regulations, in accordance with chapter 54, [concerning the approval of schools, institutions or organizations offering courses in current real estate practices and licensing laws, including, but not limited to, practices and laws concerning common interest communities, and the content of such courses. Such regulations] related to continuing education requirements, which shall include, but not be limited to: (1) Specifications for meeting equivalent continuing educational experience or study; (2) exceptions from continuous education requirements for reasons of health or instances of individual hardship. [No school, institution or organization that offers a course in current real estate practices and licensing laws may be disapproved solely because its courses are offered or taught by electronic means, and no course may be disapproved solely because it is offered or taught by electronic means.]

(e) The Department shall charge the following fees for failure to satisfy the continuing education requirements provided in subsection (b) of this section within the two-year period prescribed:

(1) Three hundred fifteen dollars for reporting on a renewal application that any of the minimum continuing education requirements, as prescribed by regulations adopted under this section, was completed up to two months following the end of the period; and

(2) Six hundred twenty-five dollars for reporting on a renewal application that any of the minimum continuing education requirements, as prescribed by regulations adopted under this section, was completed for more than two months **after** and up to four months following the end of the period.

Section 15. (Effective April 1, 2024) Section 20-319a of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-319a. Change of [salesperson's employment or ]affiliation by associate broker, leasing agent, real estate salesperson, or team. Fees.

(a) Any licensed real estate salesperson, associate broker, or leasing agent who transfers their[his employment from one broker to another or



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his] affiliation with a broker or property owner [as an independent contractor] shall register such transfer with, and pay a registration fee of twenty-five dollars to, the Department.~~[commission.]~~

(b) A fee of twenty-five dollars shall be paid to the Department~~[commission]~~ for the issuance of a license certification.

(c) A fee of twenty-five dollars shall be paid to the Department~~[ of Consumer Protection]~~ for any change made to, or transfer of, a team's registration after the team files an initial registration with the department pursuant to ~~[subdivision (1) of ]~~subsection (e) of section 20-312~~], as amended by this act.]~~

(d) Whenever a team transfers to a new responsible broker, the new responsible broker must electronically update the team's registration information with the department within fourteen calendar days.

Section 16. *(Effective April 1, 2024)* Section 20-320 of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-320. Suspension or revocation of licenses. Fines.

(a) The Department~~[ of Consumer Protection]~~ may~~],~~ upon the request of the commission or upon the verified complaint in writing of any person, if such complaint, or such complaint together with evidence, documentary or otherwise, presented in connection with such complaint, shall make out a prima facie case,~~]~~ investigate the actions of any ~~[real estate broker or real estate salesperson or any]~~person who engages in the real estate business or offers real estate courses~~[assumes to act in any of such capacities]~~ within this state. The commission or Department may temporarily suspend or permanently revoke any license, certification, or registration issued under the provisions of this chapter and, in addition to or in lieu of such suspension or revocation, may, in its discretion, impose a fine of not more than five~~[two]~~ thousand dollars per violation at any time when, after proceedings as provided in section 20-321, the commission or department finds that the licensee has by false or fraudulent misrepresentation obtained a license or that the licensee is guilty of any of the following: (1) Making any material misrepresentation; (2) making any false promise of a character likely to influence, persuade or induce; (3) acting as an agent for



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more than one party in a transaction without the knowledge of all parties for whom the licensee acts; (4) representing or attempting to represent a real estate broker other than the licensee's [employer] affiliated or responsible broker, [the broker with whom the licensee is affiliated,] without the express knowledge and consent of the licensee's employer or responsible[affiliated] broker; (5) failing, within a reasonable time, to account for or remit any moneys coming into the licensee's possession which belong to others; (6) entering into an exclusive listing contract or buyer agency contract which contains a fixed termination date if such contract also provides for an automatic continuation of the period of such contract beyond such date; (7) failing to deliver immediately a copy of any instrument to any party or parties executing the instrument, where such instrument has been prepared by the licensee or under the licensee's supervision and where such instrument relates to the employment of the licensee or to any matters pertaining to the consummation of a lease, or the purchase, sale or exchange of real property or any other type of real estate transaction in which the licensee may participate as a real estate licensee; [broker or a salesperson;] (8) conviction in a court of competent jurisdiction of forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or other like offense or offenses, provided suspension or revocation under this subdivision shall be subject to the provisions of *section 46a-80*; (9) collecting compensation in advance of services to be performed and failing, upon demand of the person paying the compensation or the commission, to render an accounting of the use of such money; (10) commingling funds of others with the licensee's own, or failing to keep funds of others in an escrow or trustee account; (11) any act or conduct which constitutes dishonest, fraudulent or improper dealings; (12) failing to provide the disclosures required by section 20-325c; (13) a violation of any provision of this chapter or any regulation adopted under this chapter. [Any such suspension or revocation of a license or imposition of a fine by the commission shall be a proposed final decision and submitted to the commissioner in accordance with the provisions of subsection (b) of section 21a-7. ]Any fine collected pursuant to this section shall be deposited in the Real Estate Guaranty Fund established pursuant to section 20-324a.



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(b) No person shall be relieved of responsibility for the conduct or actions of their agents, employees, or officers by reason of the person's compliance with this chapter. Nor shall any person engaging in real estate business be relieved of responsibility of their own conduct or acts by reason of their employment by, or association with, any person licensed under this chapter.

Section 17. (*Effective April 1, 2024*) Section 20-320a of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-320a. Paid referral of any buyer of real property to an attorney, mortgage broker or lender prohibited. [Suspension or revocation of license. Fines.]

[(a) ]No real estate licensee, [broker or real estate salesperson,] no person affiliated with such licensee, [broker or salesperson,] and no person engaging in the real estate business may receive a fee, commission or other form of referral fee for the referral of any buyer of real property to (1) an attorney-at-law admitted to practice in this state or any person affiliated with such attorney or (2) any mortgage broker, any lender, as defined in subdivision (5) of section 49-31d, or any person affiliated with such mortgage broker or lender.

[(b) The Department of Consumer Protection may, upon the request of the commission or upon the verified complaint in writing of any person, if such complaint, or such complaint together with evidence, documentary or otherwise, presented in connection with such complaint, shall make out a prima facie case, investigate the actions of any real estate broker or real estate salesperson or any person who assumes to act in any of such capacities within this state. The commission may temporarily suspend or permanently revoke any license issued under the provisions of this chapter, and, in addition to or in lieu of such suspension or revocation, may, in its discretion, impose a fine of not more than one thousand dollars for the first offense at any time when, after proceedings as provided in section 20-321, the commission finds that the licensee is guilty of violating any of the provisions of subsection (a) of this section. Any such suspension or revocation of a license or imposition of a fine by the commission shall be a proposed final decision and submitted to the





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commissioner in accordance with the provisions of subsection (b) of section 21a-7.]

Section 18. (*Effective April 1, 2024*) Section 20-320b of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-320b. Prohibition against influencing real estate appraisals. Violation, penalty.

(a) A real estate licensee who is[broker, or real estate salesperson] licensed under this chapter shall not influence residential real estate appraisals. [For the purposes of this section, “influence residential real estate appraisals” includes, but is not limited to, refusal or intentional failure to refer a homebuyer, or encouraging other real estate brokers or real estate salespersons not to refer a homebuyer, to a mortgage broker, as defined in section 36a-760, or a lender, as defined in section 36a-760, based solely on the fact that the mortgage broker or lender uses an appraiser who has provided an appraisal reflecting a fair market value estimate that was less than the sale contract price.]

(b) Violations of subsection (a) of this section shall be subject to the actions and penalties set forth in section 20-320.

Section 19. (*Effective April 1, 2024*) Section 20-324a of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-324a. Real Estate Guaranty Fund.

The commission shall establish and maintain a Real Estate Guaranty Fund from which, subject to the provisions of sections 20-324a to 20-324j, inclusive, any person aggrieved by any action of a real estate licensee, [broker or real estate salesperson,] duly licensed in this state under section 20-312, by reason of the embezzlement of money or property, or money or property unlawfully obtained from any person by false pretenses, artifice or forgery or by reason of any fraud, misrepresentation or deceit by or on the part of any such real estate licensee [broker or real estate salesperson] or the unlicensed employee of any such real estate broker, may recover, upon approval by the commission of an application brought pursuant to the provisions of section 20-324e compensation in an amount not exceeding in the aggregate the sum of twenty-five thousand



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dollars in connection with any one real estate transaction or claim, regardless of the number of persons aggrieved or parcels of real estate involved in such real estate transaction or claim.

Section 20. (*Effective April 1, 2024*) Section 20-324b of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-324b. Fee payable to fund.

All[Any person who receives a] real estate licensees[broker's or real estate salesperson's license under this chapter for the first time] shall, upon receiving a license under this chapter, pay an additional one-time fee of twenty dollars in addition to all other fees payable, which additional fee shall be credited to the Real Estate Guaranty Fund. The Real Estate Guaranty Fund shall also be credited as provided in sections 20-314 and 20-320.

Section 21. (*Effective April 1, 2024*) Section 20-324e of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-324e. Procedure.

(a) When any aggrieved person commences any action for a judgment which may result in collection from the Real Estate Guaranty Fund, the aggrieved person shall notify the commission or department in writing to this effect at the time of the commencement of such action. Such written notice shall toll the time for making application to the commission pursuant to section 20-324d. The commission or department shall have the right to enter an appearance, intervene in or defend any such action and may waive the required written notice for good cause shown.

(b) When any aggrieved person recovers a valid judgment in the Superior Court against any real estate licensee[broker or real estate salesperson] or the unlicensed employee of any such real estate broker for loss or damages sustained by reason of the embezzlement of money or property, or money or property unlawfully obtained from any person by false pretenses, artifice or forgery or by reason of any fraud, misrepresentation or deceit by or on the part of such real estate licensee [broker or salesperson] or the unlicensed employee of any such real estate broker, such aggrieved person may upon the final determination of, or expiration



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of time for appeal in connection with, any judgment, apply to the commission for an order directing payment out of the Real Estate Guaranty Fund of the amount unpaid upon the judgment, subject to the limitations stated in section 20-324a and the limitations specified in this section.

(c) The commission shall proceed upon such application in a summary manner, and, upon the hearing thereof, the aggrieved person shall be required to show: (1) They are[He is] not a spouse of the debtor or the personal representative of such spouse; (2) they have[he has] complied with all the requirements of this section; (3) they have[he has] obtained a judgment as provided in subsection (b) of this section, stating the amount thereof and the amount owing thereon at the date of the application; (4) they have[he has] caused to be issued a writ of execution upon the judgment and the officer executing the same has made a return showing that no personal or real property of the judgment debtor liable to be levied upon in satisfaction of the judgment could be found, or that the amount realized on the sale of them or of such of them as were found, under the execution, was insufficient to satisfy the judgment, stating the amount so realized and the balance remaining due on the judgment after application thereon of the amount realized; (5) they have[he has] made all reasonable searches and inquiries to ascertain whether the judgment debtor possesses real or personal property or other assets, liable to be sold or applied in satisfaction of the judgment; (6) that by such search they have[he has] discovered no personal or real property or other assets liable to be sold or applied, or that they have[he has] discovered certain of them, describing them, owned by the judgment debtor and liable to be so applied, and that he has taken all necessary action and proceedings for the realization thereof, and that the amount thereby realized was insufficient to satisfy the judgment, stating the amount so realized and the balance remaining due on the judgment after application of the amount realized.

(d) Whenever the aggrieved person satisfies the commission that it is not practicable to comply with one or more of the requirements enumerated in subdivisions (4), (5) and (6) of subsection (c) of this section and that the aggrieved person has taken all reasonable steps to collect the amount of



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the judgment or the unsatisfied part thereof and has been unable to collect the same, the commission may in its discretion waive such requirements.

(e) The commission shall order payment from the Real Estate Guaranty Fund of any sum it shall find to be payable upon the claim, pursuant to the provisions of and in accordance with the limitations contained in this section and section 20-324a, if the commission is satisfied, upon the hearing, of the truth of all matters required to be shown by the aggrieved person by subsection (c) of this section and that the aggrieved person has fully pursued and exhausted all remedies available to them[him] for recovering the amount awarded by the judgment of the court.

(f) If the commission pays from the Real Estate Guaranty Fund any amount in settlement of a claim or toward satisfaction of a judgment against a [licensed ]real estate licensee[broker or real estate salesperson] pursuant to an order under subsection (e) of this section, such licensee[broker or salesperson] shall not be eligible to receive a new license until they have[he has] repaid in full, plus interest at a rate to be determined by the commission and which shall reflect current market rates, the amount paid from the fund on his or her account. A discharge in bankruptcy shall not relieve a person from the penalties and disabilities provided in this subsection.

(g) If, at any time, the money deposited in the Real Estate Guaranty Fund is insufficient to satisfy any duly authorized claim or portion thereof, the commission shall, when sufficient money has been deposited in the fund, satisfy such unpaid claims or portions thereof, in the order that such claims or portions thereof were originally filed, plus accumulated interest at the rate of four per cent a year.

Section 22. (*Effective April 1, 2024*) Section 20-324j of the general statutes is repealed and the following substituted in lieu thereof.

Sec. 20-324j. Licensed activity of Leasing Agents.[Appeal of commission decision, order or regulation.]

(a) Leasing agents shall not engage in the real estate business except for the lease or rental of real property solely utilized for residential occupancy. A licensed broker or salesperson shall not be required to obtain a leasing



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agent license in order to perform leasing activities. Leasing agents shall not engage in activity that requires a broker or salesperson’s license, including, but not limited to, selling, offering for sale, negotiating for sale, listing or showing for sale, entering into lease-to-own agreements, or referring for sale or lease of commercial real estate. Leasing agents shall either be (1) affiliated with a responsible broker, or (2) employed by a development owner. A leasing agent shall not offer leasing services for any persons that are not a development owner or a broker. If a leasing agent is not employed by or affiliated with a responsible broker, such leasing agent shall not engage in the real estate business related to any property other than for the owner of record a multi-unit development that employs such leasing agent. If employed by a development owner to provide leasing services, the leasing agent shall obtain a written contract with each such development owner to demonstrate the employment or contractual relationship prior to engaging in leasing activity at the property. Such contracts between a leasing agent and the development owner shall be made available to the department and produced by the leasing agent in electronic form upon request by the department.

(b) In the event of the termination of a leasing agent’s affiliation with a responsible broker or development owner, the leasing agent shall notify the department of the termination within fourteen calendar days following the termination, or upon their affiliation as a leasing agent with a new responsible broker or development owner, whichever occurs first.

[Any person aggrieved by any decision, order or regulation of the commission under sections 20-324a to 20-324i, inclusive, may appeal in accordance with the provisions of section 20-322.]

Section 23. (*Effective April 1, 2024*) Section 20-325 of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-325. Engaging in business without license.

Any person who engages in the real estate business [of a real estate broker or real estate salesperson] without obtaining a license as provided in this chapter shall be fined not more than one thousand dollars or imprisoned not more than six months or both, and shall be ineligible to obtain a license for one year from the date of conviction of such offense,



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except that the commission or Commissioner of Consumer Protection may grant a license to such person within such one-year period upon application and after a hearing on such application.

Section 24. (*Effective April 1, 2024*) Section 20-325a of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-325a. Actions to recover commissions arising out of real estate transactions. Real estate broker's lien for real property. Claim for lien. Provisions re commercial real estate transactions.

(a) Except for individuals seeking to recover compensation contracted for pursuant to section 20-325l of the general statutes, no[No] person who is not licensed under the provisions of this chapter, and who was not so licensed at the time the person performed the acts or rendered the services for which recovery is sought, shall commence or bring any action in any court of this state, after October 1, 1971, to recover any commission, compensation or other payment with respect to any act done or service rendered by the person, the doing or rendering of which is prohibited under the provisions of this chapter except by persons duly licensed under this chapter.

(b) No person, licensed under the provisions of this chapter, shall commence or bring any action with respect to any acts done or services rendered after October 1, 1995, as set forth in subsection (a), unless the acts or services were rendered pursuant to a contract or authorization from the person for whom the acts were done or services rendered. To satisfy the requirements of this subsection any contract or authorization shall: (1) Be in writing, (2) contain the names and addresses of the real estate broker performing the services and the name of the person or persons for whom the acts were done or services rendered, (3) show the date on which such contract was entered into or such authorization given, (4) contain the conditions of such contract or authorization, (5) be signed by the real estate broker or the real estate broker's authorized agent, (6) if such contract or authorization pertains to any real property, include the following statement: "THE REAL ESTATE BROKER MAY BE ENTITLED TO CERTAIN LIEN RIGHTS PURSUANT TO SECTION 20-325a OF THE CONNECTICUT GENERAL STATUTES", and (7) be signed by the person



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or persons for whom the acts were done or services rendered or by an agent authorized to act on behalf of such person or persons, pursuant to a written document executed in the manner provided for conveyances in section 47-5, except, if the acts to be done or services rendered involve a listing contract for the sale of land containing any building or structure occupied or intended to be occupied by no more than four families, the listing contract shall be signed by the owner of the real estate or by an agent authorized to act on behalf of such owner pursuant to a written document executed in the manner provided for conveyances in section 47-5.

(c) Notwithstanding the provisions of subsection (b) of this section, no person licensed under the provisions of this chapter shall commence or bring any action with respect to any acts done or services rendered after October 1, 2000, in a commercial real estate transaction, unless the acts or services were rendered pursuant to (1) a contract or authorization meeting the requirements of subsection (b) of this section, or (2) a memorandum, letter or other writing stating for whom the licensee will act or has acted, signed by the party for whom the licensee will act or has acted in the commercial real estate transaction, the duration of the authorization and the amount of any compensation payable to the licensee, provided (A) the licensee provides written notice to the party, substantially similar to the following: "THE REAL ESTATE BROKER MAY BE ENTITLED TO CERTAIN LIEN RIGHTS PURSUANT TO SECTION 20-325a OF THE CONNECTICUT GENERAL STATUTES", and (B) the notice is provided at or before the execution of the contract, authorization, memorandum, letter or other writing, and may be made part of the contract, authorization, memorandum, letter or other writing.

(d) Nothing in subsection (a) of this section, subdivisions (2) to (7), inclusive, of subsection (b) of this section or subsection (c) of this section shall prevent any licensee from recovering any commission, compensation or other payment with respect to any acts done or services rendered, if it would be inequitable to deny such recovery and the licensee (1) has substantially complied with subdivisions (2) to (7), inclusive, of subsection (b) of this section or (2) with respect to a commercial real estate transaction, has substantially complied with subdivisions (2) to (6),



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inclusive, of subsection (b) of this section or subdivision (2) of subsection (c) of this section.

(e) A licensed real estate broker who has performed acts or rendered services relating to real property upon terms provided for in a written contract or agreement between the broker and the owner or buyer for whom such acts were done or services rendered shall have a lien upon such real property. The lien shall be in the amount of the compensation agreed upon by the broker and the owner or buyer for whom such acts were performed or services rendered.

(f) Except as provided in subsections (g), (h) and (i) of this section, the lien provided for in this section shall not attach until the broker is entitled to compensation, without any contingencies, other than closing or transfer of title, under the terms set forth in the written listing or buyer representation contract and the broker has recorded the claim for lien prior to the actual conveyance or lease of such real property with the town clerk of the town where such property is located.

(g) Except as provided in subsection (h) of this section, when a broker is entitled to compensation in installments, a portion of which is due only after the conveyance or lease of the real property, any claim for lien for those payments due after the conveyance or lease may be recorded at any time subsequent to the conveyance or lease of the real property and prior to the date on which the payment is due but shall only be effective as a claim for lien against the real property to the extent moneys are still owed to the transferor or lessor by the transferee or lessee. A single claim for lien recorded prior to conveyance or lease of the real property claiming all moneys due under an installment payment agreement shall not be valid or enforceable as it pertains to payments due after the conveyance or lease. The lien shall attach as of the recording of the claim for lien.

(h) In the case of a lease for real property where the broker's compensation will not be paid in installments, the claim for lien must be recorded no later than thirty days after the tenant takes possession of the leased premises unless written notice of the intended signing of the lease is delivered to the broker entitled to claim a lien by registered or certified mail, return receipt requested, or by personal service, at least ten days





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prior to the date of the intended signing of the lease for the real property in which case the claim for lien must be recorded before the date indicated for the signing of the lease in the notice delivered to the broker. The lien shall attach as of the recording of the claim for lien.

(i) If a broker's written contract for payment is with a prospective buyer, then the lien shall attach only after the prospective buyer accepts the conveyance or lease of the real property and the claim for lien is recorded by the broker with the town clerk of the town in which the property is located. Any claim for lien shall be filed by the broker no later than thirty days after the conveyance or the tenant takes possession of the real property.

(j) The broker shall serve a copy of the claim for lien on the owner of the real property. Service shall be made by mailing a copy of the claim for lien by registered or certified mail, return receipt requested, or by personal service upon the owner by any indifferent person, state marshal or other proper officer, by leaving with such owner or at the owner's usual place of abode a true and attested copy thereof. A copy of the claim for lien may be served at the same time as the notice required by subsection (r) of this section. The broker's lien shall be void and unenforceable if recording does not occur within the time period and in the manner required by this section.

(k)

(1) A broker may bring suit to enforce a claim for lien in the superior court in the judicial district where the real property is located by filing a complaint and sworn affidavit that the claim for lien has been recorded in accordance with this section.

(2) A person claiming a lien shall, unless the claim is based upon an option to purchase the real property, within one year after recording the claim for lien, commence foreclosure by filing a complaint. Failure to commence foreclosure within one year after recording the lien shall extinguish the lien. No subsequent claim for lien may be given for the same claim nor may that claim be asserted in any proceedings under this section.



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(3) A person claiming a lien based upon an option to purchase real property shall, within six months after the conveyance or lease of the real property under the exercise of the option to purchase, commence foreclosure by filing a complaint and a sworn affidavit that the claim for lien has been recorded in accordance with this section. Failure to commence foreclosure within six months after the conveyance or lease shall extinguish the claim for lien. No subsequent claim for lien may be given for the same claim nor may that claim be asserted in any proceedings under this section.

(4) The plaintiff shall issue summons and provide service as in actions to foreclose a mortgage. When any defendant resides out of the state or is temporarily located out of the state, or on inquiry cannot be found, or is concealed within this state so that process cannot be served on that defendant, the plaintiff shall cause a notice to be given to that defendant, or cause a copy of the complaint to be served upon that defendant, in the manner and upon the same conditions as in actions to foreclose a mortgage. Except as otherwise provided in this section, all liens claimed under this section shall be foreclosed in the manner in which mortgage foreclosures are conducted.

(l) The claim for lien shall state the name of the claimant, the name of the owner, a description of the real property upon which the lien is being claimed, the amount for which the lien is claimed, and the real estate license number of the broker. The claim for lien shall contain a sworn statement by the signatory that the information contained in the notice is true and accurate to the knowledge of the signatory. The claim for lien shall be signed by the broker or the real estate broker's authorized agent.

(m) Whenever a claim for lien has been recorded with the town clerk and a condition occurs that would preclude the broker from receiving compensation under the terms of the broker's written contract or agreement, the broker shall provide within thirty days of demand to the owner of record a written release or satisfaction of the lien.

(n) Upon written demand of the owner or the owner's authorized agent, served on the broker claiming the lien requiring suit to be commenced to



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enforce the lien, a suit shall be commenced within forty-five days thereafter or the claim for lien shall be extinguished. Service of any such written demand shall be by registered or certified mail, return receipt requested, or by personal service upon the broker by any indifferent person, state marshal or other proper officer, by leaving with such broker or at the broker's usual place of abode a true and attested copy thereof.

(o) Whenever a claim for lien has been recorded with the town clerk and is paid, or where there is failure to foreclose to enforce the lien within the time provided by this section, the broker shall acknowledge satisfaction or release the claim for lien, in writing, on written demand of the owner within thirty days after payment or expiration of the time in which to commence foreclosure on the lien.

(p) Except as otherwise provided in this section, whenever a claim for lien has been recorded with the town clerk that would prevent the closing of a conveyance or lease, an escrow account shall be established from the proceeds of the conveyance or lease in the amount of the compensation agreed upon by the parties. Upon the establishment of the escrow account the broker shall immediately release the claim for lien. The establishment of an escrow account, as provided for in this section, shall not be the sole cause for the owner to refuse to complete the conveyance or lease. The moneys shall be held in escrow by the attorney for the lessor in the case of a lease for real property, and by the attorney for the owner in the case of the actual conveyance or lease of such real property, until the parties' rights to the escrowed moneys have been determined by the written contract or agreement of the parties, a determination by the Superior Court, or some other process which may be agreed to by the parties. When there are sufficient funds in the amount of the claimed lien, there shall be a release of the claim for lien which would allow completion of the conveyance or lease on such terms as are acceptable to the parties involved in the conveyance or lease. If the proceeds from the conveyance or lease are insufficient to release all liens claimed against the real property, including the broker's claim for lien, then the parties are not required to establish the escrow account under this section.

(q) The provisions of subsections (a) and (b) of this section shall not apply to any (1) person excepted from the provisions of this chapter by section



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20-329 with respect to any acts performed by the person which are included in such exception; or (2) real estate broker or real estate salesperson who has provided services to the federal government, any political subdivision thereof, or any corporation, institution or quasi-governmental agency chartered by the federal government.

(r) No broker is entitled to claim any lien under this section unless (1) after the broker is entitled to compensation, without contingencies other than closing or transfer of title, under the terms set forth in the written contract and not later than three days prior to the later of the date of the conveyance or lease as set forth in the real estate sales contract or lease or the actual date of the conveyance or the date when the tenant takes possession, the broker gives written notice of the claim for lien to the owner of the real property and to the prospective buyer or tenant that the broker is entitled to compensation under the terms set forth in the written contract and intends to claim a lien on the real property, or (2) the broker is unable to give written notice pursuant to subdivision (1) of this subsection because the identity of the prospective buyer or tenant cannot be ascertained by the broker after due diligence and reasonable effort. The notice shall be served upon the owner and upon the prospective buyer or tenant by any indifferent person, state marshal or other proper officer, by leaving with such owner and prospective buyer or at their usual places of abode a true and attested copy thereof. When there are two or more owners, or two or more prospective buyers, the notice shall be served on each owner and on each prospective buyer unless the identity of the prospective buyer cannot be ascertained by the broker after due diligence and reasonable effort.

Section 25. (*Effective April 1, 2024*) Section 20-325b of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-325b. Certain real estate agreements to contain notice regarding commissions. Requirements.

(a) Each written agreement which fixes the compensation to be paid to a real estate broker for the sale, lease or purchase of real property shall contain the following statement in not less than ten point boldface type or in a manner which otherwise stands out significantly from the text



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immediately preceding any provision of such agreement relating to compensation of the broker:

“NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER.”

(b) Each written agreement which fixes the compensation to be paid to a leasing agent for the lease of real property shall contain the following statement in not less than ten point boldface type or in a manner which otherwise stands out significantly from the text immediately preceding any provision of such agreement relating to compensation of the leasing agent:

“NOTICE: THE AMOUNT OR RATE OF LEASING AGENT COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH LEASING AGENT INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE LEASING AGENT.”

Section 26. (*Effective April 1, 2024*) Section 20-325c of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-325c. Real estate broker or salesperson acting as mortgage broker.

(a) [ As used in this section “residential real property” means one to four-family residential real estate located in this state.

(b) [ Notwithstanding any provision of the general statutes to the contrary, no real estate licensee other than leasing agents, [broker or real estate salesperson,] and no person affiliated therewith, [with such broker or salesperson,] who receives a fee, commission or other valuable consideration for the sale of residential real property, may receive a fee, commission or other valuable consideration for negotiating, soliciting, arranging, placing or finding a first mortgage loan for the buyer in connection with the same sale unless disclosure is made in accordance with the provisions of subsection (b) [(c)] of this section. Any fee, commission or other valuable consideration received by such broker or salesperson for negotiating, soliciting, arranging, placing or finding a first



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mortgage loan shall (1) be related to the services actually performed, as determined by the Banking Commissioner by regulations adopted pursuant to chapter 54, (2) not be imposed for the referral of the buyer to the mortgage lender by such broker or salesperson, and (3) be paid directly to the broker or salesperson by the buyer rather than from the mortgage loan proceeds at the time of closing.

(b)[(c)]

Any disclosure made pursuant to subsection (a)[(b)] of this section shall be made to and acknowledged by the buyer prior to the time the buyer signs a contract with the real estate broker or salesperson for mortgage brokering services. Such disclosure shall include the following notice printed in at least ten-point boldface capital letters:

I UNDERSTAND THAT THE REAL ESTATE BROKER OR SALESPERSON IN THIS TRANSACTION HAS OFFERED TO ASSIST ME IN FINDING A MORTGAGE LOAN. ADDITIONALLY, I UNDERSTAND THAT THIS REAL ESTATE BROKER OR SALESPERSON DOES NOT REPRESENT ANY PARTICULAR MORTGAGE LENDER AND WILL ATTEMPT TO OBTAIN THE BEST TERMS AVAILABLE WITHIN THE MORTGAGE LOAN MARKET FOR MY SPECIFIC HOME FINANCING NEEDS. IF THE REAL ESTATE BROKER OR SALESPERSON DOES NOT FULFILL HIS FIDUCIARY OBLIGATION I MAY FILE A COMPLAINT WITH THE DEPARTMENT OF BANKING. I ALSO UNDERSTAND THAT I MAY ATTEMPT TO FIND A MORTGAGE LOAN TO FINANCE THE PURCHASE OF MY HOME WITHOUT THE ASSISTANCE OF THE REAL ESTATE BROKER OR SALESPERSON IN WHICH CASE I WILL NOT BE OBLIGATED TO PAY A FEE TO THE REAL ESTATE BROKER OR SALESPERSON.

(c)[(d)] No mortgage lender may refuse to close a mortgage loan secured by residential real property because the buyer has not paid a fee, commission or other valuable consideration to a real estate broker or salesperson for negotiating, soliciting, arranging, placing or finding the first mortgage loan.



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Section 27. (*Effective April 1, 2024*) Section 20-325d of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-325d. [Disclosure of representation.] Disclosures. Regulations.

(a) [On and after January 1, 2018,] ~~a~~ A real estate licensee [broker or real estate salesperson] licensed under this chapter who represents a seller, lessor, prospective purchaser or lessee in a real estate transaction shall disclose, in writing, the identity of his or her client to any party to the transaction who is not represented by another real estate licensee [broker or real estate salesperson licensed under this chapter]. The real estate licensee [broker or real estate salesperson] shall make the disclosure required under this section: (1) If the transaction concerns residential real property, [as defined in section 20-325c, ] (A) at the beginning of the first personal meeting concerning the prospective purchaser's or lessee's specific needs in the transaction, or (B) at the beginning of the first personal meeting with the seller or lessor concerning the seller's or lessor's real property; or (2) if the transaction is a commercial real estate transaction[, as defined in section 20-311,] before the prospective purchaser or lessee signs the purchase contract or lease. Such disclosure shall be signed by a prospective purchaser or lessee and attached to any offer or agreement to purchase or lease signed by a prospective purchaser or lessee.

(b) In addition to the disclosures required in subsection (a) of this section, a real estate licensee shall disclose to a prospective party: (1) the types of agency relationships available; (2) the notice regarding fair housing and discrimination described in section 20-327h of the general statutes; and (3) that the prospective party should not share confidential information with the real estate licensee until the parties enter into a written representation agreement.

(c) The Commissioner of Consumer Protection shall adopt such regulations, in accordance with chapter 54, as the commissioner deems necessary to carry out the provisions of this section.

Section 28. (*Effective April 1, 2024*) Section 20-325f of the general statutes is repealed and the following substituted in lieu thereof:



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Sec. 20-325f. Broker subagency prohibited. [Written consent of client required. Vicarious liability of principal.]

No real estate broker shall make any unilateral offer of subagency or agree to compensate, appoint, employ, cooperate with or otherwise affiliate with a subagent for the sale or purchase of real property. [without the informed written consent of the person whom the real estate broker represents. Such written consent shall contain the name and real estate license number of the real estate broker to be appointed as the subagent and shall contain a statement notifying the person whom the real estate broker represents that the law imposes vicarious liability on the principal for the acts of the subagent.]

Section 29. (*Effective April 1, 2024*) Section 20-325h of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-325h. Prohibitions on use or disclosure of confidential information.

[(a)] No real estate licensee shall: (1) Reveal confidential information concerning a prospective party or a person whom the real estate licensee represented either as an agent, designated buyer agent or a designated seller agent; (2) use confidential information concerning that person to the person's disadvantage; or (3) use confidential information concerning that person for the real estate licensee's [broker's or real estate salesperson's] advantage or the advantage of a third party, except as required by legal process, as necessary to defend the real estate licensee [broker or real estate salesperson] from allegations of wrongful or negligent conduct, or as necessary to prevent the commission of a crime.

[(b) As used in this section, "confidential information" means facts concerning a person's assets, liabilities, income, expenses, motivations to purchase, rent or sell real property and previous offers received or made to purchase or lease real property which are not authorized by the client, a matter of general knowledge, part of a public record or file to which access is authorized pursuant to section 1-210 or otherwise subject to disclosure under any other provision of the general statutes or any regulation of Connecticut state agencies.]





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Section 30. (*Effective April 1, 2024*) Section 20-325l of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-325l. Cooperation with out-of-state brokers and salespersons regarding commercial real estate transactions in this state.

(a) [As used in this section: (1) “Licensed broker” means a person licensed under this chapter as a real estate broker, (2) “licensed salesperson” means a person licensed under this chapter as a real estate salesperson, (3) “out-of-state broker” means a person licensed in another state as a real estate broker who is not licensed as a real estate broker under this chapter, (4) “out-of-state salesperson” means a person licensed in another state as a real estate salesperson who is not licensed as a real estate salesperson under this chapter, (5) “person” means a person, as defined in section 20-311, and (6) “advertising” means advertising, as defined in section 20-329a.

(b) ]An out-of-state broker may perform acts with respect to a commercial real estate transaction that require a license under this chapter, provided the out-of-state broker: [complies with the laws of this state with respect to the transaction and:]

(1) Works in cooperation with a licensed broker, whether in a cobrokerage, referral or other cooperative agreement or arrangement;

(2) Enters into a written agreement with a licensed broker that includes the terms of cooperation and any compensation to be paid by the licensed broker and a statement that the out-of-state broker and the out-of-state broker’s agents will comply with the laws of this state;

(3) Provides the licensed broker a copy of the out-of-state broker’s license or other proof of licensure from the jurisdictions where the out-of-state broker maintains a license as a real estate broker; [and]

(4) Deposits all escrow funds, security deposits, and other money received pursuant to the commercial real estate transaction to be held as provided in section 20-324k unless the agreement required in subdivision (2) of this subsection specifies otherwise; [otherwise.]

(5) complies with the laws of this state with respect to the transaction; and



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(6) is licensed in as a real estate broker in a state other than Connecticut.

~~(b)~~~~(c)~~ An out-of-state salesperson may perform acts with respect to a commercial real estate transaction that require a license as a real estate salesperson under this chapter, provided the out-of-state salesperson complies with the laws of this state with respect to the transaction and:

(1) Works under the direct supervision of an out-of-state broker who meets the requirements set forth in subdivisions~~[subdivision]~~ (1), (5), and (6) of subsection ~~(a)~~~~(b)~~ of this section; ~~[and]~~

(2) Provides the licensed broker who is working in cooperation with the out-of-state broker a copy of the out-of-state salesperson's license or other proof of licensure from the jurisdictions where the out-of-state salesperson maintains a license as a real estate salesperson.

~~(c)~~~~(d)~~ Any out-of-state broker or out-of-state salesperson, licensed in a state that has no distinction between a real estate broker license and a real estate salesperson license, shall be subject to the requirements of subsection ~~(a)~~~~(b)~~ of this section with regard to any commercial real estate transaction in this state.

~~(d)~~~~(e)~~ Each out-of-state broker or out-of-state salesperson that advertises for sale commercial real estate pursuant to this section shall include in any advertising material the name of the licensed broker with whom the out-of-state broker has a written agreement pursuant to subdivision (2) of subsection ~~(a)~~~~(b)~~ of this section. Nothing in this section shall permit an out-of-state broker or out-of-state salesperson to accompany a prospective buyer at the site of commercial real estate pursuant to a real estate transaction in this state.

(e) Out-of-state real estate licensees, other than leasing agents, may receive compensation for referring prospective parties to real estate licensees within this state.

Section 31. (*Effective April 1, 2024*) Section 20-325m of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-325m. Real estate brokers and leasing agents to retain certain real estate transaction records.



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Any real estate broker licensed under the provisions of this chapter who engages in the real estate business, as defined in section 20-311, shall retain the following records for a period of not less than seven years after any real estate transaction closes, all funds held in escrow for such transaction are disbursed or the listing agreement or buyer or tenant representation agreement expires, whichever occurs later: (1) All purchase contracts, leases, options, written offers or counteroffers drafted by such broker or on behalf of such broker; (2) the listing agreement or buyer or tenant representation agreement, any extensions of or amendments to such agreements and any disclosures or agreements required pursuant to sections 20-325a to 20-325l, inclusive; and (3) all canceled checks, unused checks, checkbooks and bank statements for any escrow or trust account maintained pursuant to section 20-324k. Leasing agents shall retain copies of any employment agreements or contracts with development owners for a period of seven years. Such records shall[may] be retained in [any format,] electronic format unless commercially impractical. The real estate broker shall produce all required documents to the department upon request. If electronic retention is impractical, the broker shall retain a hardcopy and shall be[or otherwise,] capable of producing an accurate copy [in paper format] of the original document.

Section 32. (*Effective April 1, 2024*) Section 20-327c of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-327c. Credit due purchaser at closing if report not furnished.

(a) On or after January 1, 1996, every agreement to purchase residential real estate, for which a written residential condition report is, or written residential condition reports are, required pursuant to section 20-327b, shall include a requirement that the seller credit the purchaser with the sum of five hundred dollars at closing should the seller fail to furnish the written residential condition report or reports as required by sections 20-327b to 20-327e, inclusive.

(b)[

(1)] No seller who credits a purchaser pursuant to subsection (a) of this section shall, by reason of such credit, be excused from



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disclosing to the purchaser any defect in the residential real estate if such defect:

(1)[(A)] Is subject to disclosure pursuant to section 20-327b;

(2)[(B)] Is within the seller's actual knowledge of such residential real estate; and

(3)[(C)] Significantly impairs (A)[(i)] the value of such residential real estate, (B)[(ii)] the health or safety of future occupants of such residential real estate, or (C)[(iii)] the useful life of such residential real estate.

(c)[(2)] A purchaser may, without limiting any other remedies available to the purchaser, bring a civil action in the judicial district in which the residential real estate is located to recover actual damages from a seller who fails to disclose any defect described in subsection (b) of this section[subdivision (1) of this subsection] to such purchaser.

Section 33. (*Effective April 1, 2024*) Section 20-327f of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-327f. Notice re existence of hazardous waste facilities. Liability not imposed by section. Seller and licensee not required to participate in compiling list of facilities.

(a) With respect to a contract for the sale of a[ one-to-four family] residential real property, if the seller provides written notice to the purchaser, prior to, or upon, entering into the contract, of the availability of the lists of hazardous waste facilities pursuant to section 22a-134f, the seller and any real estate licensee shall be deemed to have fully satisfied any duty to disclose the presence of all hazardous waste facilities, as defined in section 22a-134f even if: (1) The list required to be submitted pursuant to section 22a-134f has not been submitted, (2) the list has not been received or made available as required in section 22a-134f, or (3) there is an error, omission or inaccuracy in the list.

(b) With respect to a contract for the sale of a[ one-to-four family] residential real property, if the seller provides written notice to the purchaser, prior to, or upon, entering into the contract, of the availability of information concerning environmental matters from the federal



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Environmental Protection Agency, the National Response Center, the Department of Defense and third-party providers, the seller and any real estate licensee shall be deemed to have fully satisfied any duty to disclose environmental matters concerning properties other than the property that is the subject of the contract.

(c) Nothing in this section shall be construed to impose liability on a seller or real estate licensee for failing to disclose the existence of hazardous waste facilities, as defined in section 22a-134f or information concerning environmental matters as specified in subsection (b) of this section.

(d) No seller or real estate licensee shall be required to compile, or contribute to the compilation of, in whole or in part, the list required pursuant to section 22a-134f.

Section 34. (*Effective April 1, 2024*) Section 20-327g of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-327g. Notice of list of properties upon which hunting or shooting sports regularly take place. Liability not imposed by section.

(a) With respect to a contract for the sale of a [one-to-four family] residential real property, if the seller provides written notice to the purchaser, prior to, or upon, entering into the contract, that a list of local properties upon which hunting or shooting sports regularly take place may be available at the office of the town clerk, the seller and any real estate licensee shall be deemed to have fully satisfied any duty to disclose the presence of local properties upon which hunting or shooting sports regularly take place, even if (1) the list is not available at the office of the town clerk, or (2) there is an error, omission or inaccuracy in the list.

(b) Nothing in this section shall be construed to impose liability on a seller or real estate licensee for failing to disclose the existence of properties upon which hunting or shooting sports regularly take place.

(c) No seller or real estate licensee shall be required to compile, or contribute to the compilation of, in whole or in part, the list of properties upon which hunting or shooting sports regularly take place.



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Section 35. (*Effective April 1, 2024*) Section 20-327h of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-327h. Notice re housing discrimination and fair housing laws.

(a) On or before July 1, 2016, the Commission on Human Rights and Opportunities shall create a one-page disclosure form, written in plain language and in an easily readable and understandable format, containing information on housing discrimination and federal and state fair housing laws, and make such disclosure form available to the public on the Internet web site for the Commission on Human Rights and Opportunities. Said commission shall review and update this disclosure form as necessary.

(b) Commencing sixty days after the date on which the Commission on Human Rights and Opportunities makes a disclosure form available pursuant to subsection (a) of this section, each person who offers a residential property [containing two or more units] in the state for sale, exchange or for lease with option to buy shall attach a photocopy, duplicate original, facsimile transmission or other exact reproduction or duplicate of such disclosure form, signed by the prospective purchaser, to any purchase agreement, option or lease containing a purchase option, at the time of execution of such agreement, option or lease[at the time of closing].

(c) Failure on the part of the person who offers the property for sale, exchange or lease with option to buy to attach the disclosure form required by subsection (b) of this section shall not void an otherwise valid purchase agreement, option or lease containing a purchase option.

Section 36. (NEW) (*Effective April 1, 2024*):

Sec. 20-327i. Non-English language transaction.

(a) If (i) a real estate licensee engages in the real estate business and (ii) the buyer or renter of real estate used an interpreter other than the real estate licensee (or an employee thereof) in conducting the transaction or negotiations, the real estate licensee must have the buyer and the interpreter sign forms containing the following language:



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I, (name of buyer), used (name of interpreter) to act as my interpreter during this real estate transaction or these negotiations. The obligations of this contract or other written agreement were explained to me in my native language by the interpreter. I understand the contract or other written agreement.

(signature of buyer)

(relationship of interpreter to buyer)

I, (name of interpreter), acted as interpreter during this real estate transaction or these negotiations. The obligations of the contract or other written agreement were explained to (name of buyer) in their native language. I understand the contract or other written agreement.

(signature of interpreter)

(relationship of interpreter to buyer)

(b) If (i) a real estate licensee engages in the real estate business and (ii) the real estate licensee acted as the buyer or renter’s interpreter in conducting the transaction or negotiations, the real estate licensee must have the buyer sign the following form in the buyer or renter’s native language (except as provided in subsection (c) of this section):

This real estate transaction or these negotiations were conducted in (language), which is my native language. I voluntarily choose to have the Real Estate (Broker/Salesperson/Leasing Agent) act as my interpreter during the negotiations. The obligations of the contract or other written agreement were explained to me in my native language. I understand the contract or other written agreement.

(c) If a language that cannot be written is used in the transaction or negotiations related to engagement in the real estate business, then the form set forth in subsection (b) of this section shall be in the English language.

Section 37. (*Effective April 1, 2024*) Section 20-328 of the general statutes is repealed and the following substituted in lieu thereof:



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**Sec. 20-328. Regulations.**

The Commissioner of Consumer Protection, with advice and assistance from the commission, may adopt regulations, in accordance with chapter 54, relating to the form and manner of filing applications for licenses under this chapter and the manner in which licensed real estate licensees[brokers and licensed real estate salespersons] shall conduct the real estate business.

Section 38. (*Effective April 1, 2024*) Section 20-329 of the general statutes is repealed and the following substituted in lieu thereof:

**Sec. 20-329. Exceptions concerning the licensure of real estate licensees. [brokers and salespersons.]**

The provisions of this chapter concerning the licensure of real estate licensees[brokers and real estate salespersons] shall not apply to: (1) Any person who as owner or lessor performs any of the acts enumerated in section 20-311, with reference to property owned, leased or sought to be acquired or leased by the person, or to the person's regular employees who are employed as on-site residential superintendents or custodians, with respect to the property so owned or leased or sought to be acquired or leased when such acts are performed in the regular course of, or incident to, the management of such property and the investment therein; (2) any person acting as attorney-in-fact under a duly executed power of attorney from the owner authorizing the final consummation by performance of any contract for the sale, leasing or exchange of real estate, or to service rendered by any attorney-at-law in the performance of the attorney-at-law's duties as such attorney-at-law; (3) a receiver, trustee in bankruptcy, administrator, executor or other fiduciary, while acting as such, or any person selling real estate under order of any court, or to a trustee acting under a trust agreement, deed of trust or will, or the regular salaried employees thereof; (4) witnesses in court as to the values of real estate; (5) persons in the employ of the federal or state government or any political subdivision thereof while acting in the course of such employment; (6) any employee of any nonprofit housing corporation that (A) has been certified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and





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manages a housing project, or (B) manages a housing project assisted in whole or in part by the federal government pursuant to Section 8 of The United States Housing Act of 1937, as amended from time to time, while such employee is performing duties in the regular course of, or incidental to, the management of such housing project; (7) any person licensed to maintain or operate a mobile manufactured home park under chapter 412 who performs any of the acts enumerated in section 20-311, with reference to lots or mobile manufactured homes within the park or to the person's employees with respect to lots or mobile manufactured homes within such park when such acts are performed in the regular course of, or incidental to, the management of such property and the investment therein; (8) persons licensed as sellers of mobile manufactured homes under section 21-67; or (9) any person or such person's regular employee who, as owner, lessor, licensor, manager, representative or agent manages, leases, or licenses space on or in a tower, building or other structure for (A) "personal wireless services facilities" or facilities for "private mobile service" as those terms are defined in 47 USC 332, which facilities shall be unattended, and the installation and maintenance of related devices authorized by the Federal Communications Commission, and ancillary equipment used to operate such devices and equipment shelters therefor, in an area not to exceed three hundred sixty square feet for any one service established by the Federal Communications Commission in 47 CFR, as amended from time to time, by a provider of any such service, and (B) any right appropriate to access such facilities and connect or use utilities in connection with such facilities.

Section 39. (*Effective April 1, 2024*) Section 20-329a of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-329a. Advertising and sale in this state of property in another state:  
Definitions.

As used in sections 20-329a-329n, inclusive:

- (1) "Disposition" or "dispose of" means any sale, exchange, lease, assignment, award by lottery or other transaction designed to convey an interest in a subdivision or parcel, lot, or unit in a subdivision when undertaken for gain or profit;



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(2) “Offer” means every inducement, solicitation or attempt to bring about a disposition;

(3) “Person” means an individual, firm, company, association, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership, unincorporated association or organization, two or more of any of the foregoing having a joint or common interest, or any other legal or commercial entity;

(4) “Broker” means a resident real estate broker duly licensed under this chapter;

(5) “Salesperson” means any person duly licensed as a real estate salesperson under this chapter;

(6) “Purchaser” means a person who acquires an interest in any lot, parcel or unit in a subdivision;

(7) “Subdivision” means any improved or unimproved land or tract of land located outside this state which is divided or proposed to be divided into five or more lots, parcels, units, or interests for the purpose of disposition, at any time as part of a common promotional plan. Any land which is under common ownership or which is controlled by a single developer or a group of developers acting in concert, is contiguous in area, and is designated or advertised as a common unit or known by a common name, shall be presumed, without regard to the number of lots, parcels, units or interests covered by each individual offering, to be part of a common promotional plan; and

[(8) “Advertising” means publishing or causing to be published: (A) By means of any newspaper or periodical; (B) by means of any radio or television broadcast; (C) by means of any written or printed or photographic matter produced by any duplicating process producing ten copies or more, any information offering for sale or for the purpose of causing or inducing any other person to purchase or to acquire an interest in the title to subdivided lands, including the land sales contract to be used and any photographs or drawings or artist’s representations of physical conditions or



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facilities on the property existing or to exist; or (D) by means of any material used in connection with the disposition or offer of subdivided lands by radio, television, telephone or any other electronic means. “Advertising” does not include: Stockholder communications such as annual reports and interim financial reports, proxy materials, registration statements, securities prospectuses, applications for listing securities on stock exchanges, and the like; prospectuses, property reports, offering statements or other documents required to be delivered to prospective purchasers by an agency of any other state or the federal government; all communications addressed to and relating to the account of any persons who have previously executed a contract for the purchase of the subdivider’s lands except where directed to the sale of additional lands; or press releases or other communications delivered to newspapers or other periodicals for general information or public relations purposes, provided no charge is made by such newspapers or other periodicals for the publication or use of any part of such communications.]

Section 40. (*Effective April 1, 2024*) Section 20-329i of the general statutes is repealed:

[Sec. 20-329i. Penalty.

Any broker or salesperson who violates any provision of section 20-329a to 20-329m, inclusive, shall, in addition to any other penalty imposed by said sections, and subject to the provisions of section 20-321, have his real estate broker’s or real estate salesperson’s license suspended or revoked by the department for such time as in the circumstances the department considers justified.]

Section 41. (*Effective April 1, 2024*) Section 20-329hh of the general statutes is repealed and the following substituted in lieu thereof:

Sec. 20-329hh. Death or Incapacity of a Broker. Custodial Brokers.

(a) In the event of the death or incapacity of a broker, the executor of such broker’s estate or other person legally authorized to act on the broker’s behalf in financial transactions may, on a form and in a manner prescribed



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by the department, appoint a custodial broker for a period no longer than one hundred and eighty days.

(b) The department may grant an extension of a custodial broker's appointment term in its discretion upon receipt of an application alleging hardship on a form prescribed by the department.

(c) Custodial brokers shall act to preserve the financial interests of the incapacitated broker or the deceased broker's estate from whom they are appointed.

(d) No broker acting in the capacity of a custodial broker who is appointed to conclude the business of a broker that is not a business entity shall negotiate the purchase, sale, or lease of any real property unless:

(1) the prospective purchaser, seller, lessor, or lessee of the real estate has a preexisting buyer agreement, listing agreement, or leasing agreement with the deceased or incapacitated broker; and

(2) the prospective purchaser or lessor has executed a contract or paid a deposit to the seller or lessee to reserve a right to purchase or lease real property from the seller or lessor.

(e) No business entity may engage in the real estate business while its designated broker is either dead or incapacitated, except with a custodial broker appointed for the death or incapacity of that designated broker.

(g) A business entity for which a custodial broker is serving as a designated broker shall be permitted to engage in the real estate business to the same extent as if the designated broker was not a custodial broker.

(h) No real estate salesperson, leasing agent, or member of any team may engage in the real estate business while their responsible broker is either dead or incapacitated, except with a custodial broker appointed for that responsible broker.



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**Naming Format:** AGENCY ACRONYM PROPOSAL NUMBER - TOPIC

*Please insert a copy of the fully drafted bill at the end of this document (required for review)*

<b>Legislative Liaison</b>	<b>Leslie O’Brien</b>
<b>Division Requesting This Proposal</b>	<b>Legal and Drug Control</b>
<b>Drafter</b>	<b>Lila McKinley</b>

<b>Title of Proposal</b>	<b>An Act Concerning Recommended Technical Revisions to Title 21a</b>
<b>Statutory Reference, if any</b>	<b>CGS Sections 21a-420 and 21a-421b</b>
<b>Brief Summary and Statement of Purpose</b>	<b>This language amends the criminal history and background check language in the Responsible and Equitable Regulation of Adult-Use Cannabis Act (RERACA) to incorporate feedback from the Department of Emergency Services and Public Protection (DESPP) and the Federal Bureau of Investigation (FBI). If adopted, this language will narrow the criminal history and background check language so that applicants under RERACA can utilize the FBI Background Check system.</b>

**SECTION-BY-SECTION SUMMARY**

*Summarize sections in groups where appropriate*

<b>Section 1 amends CGS Sec. 21a-420 (30) to narrow the definition of “Key Employee.” Section 2 amends CGS Sec. 21a-421b to narrow who is required to undergo a background check.</b>
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**Agency Legislative Proposal – 2023 Session**

**Document Name:**

**BACKGROUND**

**Origin of Proposal**

**New Proposal**

**Resubmission**

**If this is a resubmission, please share the prior bill number, the reason the bill did not move forward, and any changes made or conversations had since it was last proposed:**

*Please consider the following, if applicable:*

<b>Have there been changes in federal/state laws or regulations that make this legislation necessary?</b>	<b>Not exactly, but the FBI will not allow for applicants in RERACA to utilize their background check system without this language.</b>
<b>Has this proposal or a similar proposal been implemented in other states? If yes, to what result?</b>	
<b>Have certain constituencies called for this proposal?</b>	

**INTERAGENCY IMPACT**

*List each affected agency. Copy the table as needed.*

**Check here if this proposal does NOT impact other agencies**



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**Document Name:**

<b>1. Agency Name</b>	<b>DESPP</b>
<b>Agency Contact (name, title)</b>	<b>Scott Devico, Versie Jones</b>
<b>Date Contacted</b>	<b>Throughout 2022</b>
<b>Status</b>	<input checked="" type="checkbox"/> <b>Approved</b> <input type="checkbox"/> <b>Talks Ongoing</b>
<b>Open Issues, if any</b>	

**FISCAL IMPACT**

*Include the section number(s) responsible for the fiscal impact and the anticipated impact*

**Check here if this proposal does NOT have a fiscal impact**

<b>State</b>	
<b>Municipal (Include any municipal mandate that can be found within legislation)</b>	
<b>Federal</b>	
<b>Additional notes</b>	

**MONITORING & EVALUATION PLAN**

*If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes*

**Check here if this proposal does NOT lead to any measurable outcomes**



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**ANYTHING ELSE WE SHOULD KNOW?**

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**INSERT FULLY DRAFTED BILL HERE**

**Statutory Citation: Conn. Gen. Stat. 21a-420 as amended by Public Act 22-103**

**Summary of Purpose: To update statutory language surrounding criminal background checks to secure FBI approval.**

**Language to be Amended:**

As used in RERACA, unless the context otherwise requires:

(1) "Responsible and Equitable Regulation of Adult-Use Cannabis Act" or "RERACA" means this section, sections 2-56j, 7-294kk, 7-294ll, 12-330ll to 12-330nn, inclusive, 14-227p, 21a-278b, 21a-278c, 21a-279c, 21a-279d, 21a-420a to 21a-420i, inclusive, 21a-420l to 21a-421r, inclusive, 21a-421aa to 21a-421ff, inclusive, 21a-421aaa to 21a-421ggg, inclusive, 21a-422 to 21a-422c, inclusive, 21a-422e to 21a-422g, inclusive, 21a-422j to 21a-422s, inclusive, 22-61n, 23-4b, 47a-9a, 53-247a, 53a-213a, 53a-213b, 54-33p, 54-56q, 54-56r, 54-125k and 54-142u, sections 23, 60, 63 to 65, inclusive, 124, 144 and 165 of public act 21-1 of the June special session and the amendments in public act 21-1 of the June special session to sections 7-148, 10-221, 12-30a, 12-35b, 12-412, 12-650, 12-704d, 14-44k, 14- 111e, 14-227a to 14-227c, inclusive, 14-227j, 15-140q, 15-140r, 18-100h, 19a-342, 19a-342a, 21a-267, 21a-277, 21a-279, 21a-279a, 21a-408 to 21a408f, inclusive, as amended by this act, 21a-408h to 21a-408p, inclusive, 21a-408r to 21a-408v, inclusive, 30-89a, 31-40q, 32-39, 46b-120, 51-164n, as amended by this act, 53-394, 53a-39c, 54-1m, 54-33g, 54-41b, 54-56e, 54-56g, 54-56i, 54-56k, 54-56n, 54-63d, 54-66a, [and] 54-142e, section 2 of this act and section 5 of this act;

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

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





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- (4) "Cannabis establishment" means a producer, dispensary facility, cultivator, micro-cultivator, retailer, hybrid retailer, food and beverage manufacturer, product manufacturer, product packager, delivery service or transporter;
- (5) "Cannabis flower" means the flower, including abnormal and immature flowers, of a plant of the genus cannabis that has been harvested, dried and cured, and prior to any processing whereby the flower material is transformed into a cannabis product. "Cannabis flower" does not include (A) the leaves or stem of such plant, or (B) hemp, as defined in section 22-611;
- (6) "Cannabis trim" means all parts, including abnormal or immature parts, of a plant of the genus cannabis, other than cannabis flower, that have been harvested, dried and cured, and prior to any processing whereby the plant material is transformed into a cannabis product. "Cannabis trim" does not include hemp, as defined in section 22-611;
- (7) "Cannabis product" means cannabis that is in the form of a cannabis concentrate or a product that contains cannabis, which may be combined with other ingredients, and is intended for use or consumption. "Cannabis product" does not include the raw cannabis plant;
- (8) "Cannabis concentrate" means any form of concentration, including, but not limited to, extracts, oils, tinctures, shatter and waxes, that is extracted from cannabis;
- (9) "Cannabis-type substances" have the same meaning as "marijuana", as defined in section 21a-240;
- (10) "Commissioner" means the Commissioner of Consumer Protection and includes any designee of the commissioner;
- (11) "Consumer" means an individual who is twenty-one years of age or older;
- (12) "Cultivation" has the same meaning as provided in section 21a-408, as amended by this act;
- (13) "Cultivator" means a person that is licensed to engage in the cultivation, growing and propagation of the cannabis plant at an establishment with not less than fifteen thousand square feet of grow space;
- (14) "Delivery service" means a person that is licensed to deliver cannabis from (A) micro-cultivators, retailers and hybrid retailers to consumers and research program subjects, and (B) hybrid retailers and dispensary facilities to qualifying patients, caregivers and research program subjects, as defined in section 21a-408, as amended by this act, or to hospices or other inpatient care facilities licensed by the Department of Public Health pursuant to chapter 368v that have a protocol for the handling and distribution of cannabis that has been approved by the department, or a combination thereof;
- (15) "Department" means the Department of Consumer Protection;
- (16) "Dispensary facility" means a place of business where cannabis may be dispensed, sold or distributed in accordance with chapter 420f and any regulations adopted thereunder, to qualifying patients and caregivers, and to which the department has issued a dispensary facility license under chapter 420f and any regulations adopted thereunder;
- (17) "Disproportionately impacted area" means a United States census tract in the state that has, as determined by the Social Equity Council under section 21a-420d, as amended by this act, (A) a historical conviction rate for drug-related offenses greater than one-tenth, or (B) an unemployment rate greater than ten per cent;
- (18) "Disqualifying conviction" means a conviction within the last ten years which has not been the subject of an absolute pardon under the provisions of section 54-130a, or an equivalent pardon process under the laws of another state or the federal government, for an offense under (A) section 53a-276, 53a-277 or 53a-278; (B) section 53a-291, 53a-292 or 53a-293; (C) section



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53a-215; (D) section 53a-138 or 53a-139; (E) section 53a-142a; (F) sections 53a-147 to 53a-162, inclusive; (G) sections 53a-125c to 53a-125f, inclusive; (H) section 53a-129b, 53a-129c or 53a-129d; (I) subsection (b) of section 12-737; (J) section 53a-48 or 53a-49, if the offense which is attempted or is an object of the conspiracy is an offense under the statutes listed in subparagraphs (A) to (I), inclusive, of this subdivision; or (K) the law of any other state or of the federal government, if the offense on which such conviction is based is defined by elements that substantially include the elements of an offense under the statutes listed in subparagraphs (A) to (J), inclusive, of this subdivision;

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

(20) "Employee" means any person who is not a backer, but is a member of the board of a company with an ownership interest in a cannabis establishment, and any person employed by a cannabis establishment or who otherwise has access to such establishment or the vehicles used to transport cannabis, including, but not limited to, an independent contractor who has routine access to the premises of such establishment or to the cannabis handled by such establishment;

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

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

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

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

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

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



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- (27) "Historical conviction count for drug-related offenses" means, for a given area, the number of convictions of residents of such area (A) for violations of sections 21a-267, 21a-277, 21a-278, 21a-279 and 21a-279a, and (B) who were arrested for such violations between January 1, 1982, and December 31, 2020, inclusive, where such arrest was recorded in databases maintained by the Department of Emergency Services and Public Protection;
- (28) "Historical conviction rate for drug-related offenses" means, for a given area, the historical conviction count for drug-related offenses divided by the population of such area, as determined by the five-year estimates of the most recent American Community Survey conducted by the United States Census Bureau;
- (29) "Hybrid retailer" means a person that is licensed to purchase cannabis and sell cannabis and medical marijuana products;
- (30) Key employee" means an employee with the following management position or an equivalent title within a cannabis establishment: (A) President or chief officer, who is the top ranking individual at the cannabis establishment and is responsible for all staff and overall direction of business operations; (B) financial manager, who is the individual who reports to the president or chief officer and who is [generally] responsible for oversight of the financial operations of the cannabis establishment, [including, but not limited to,] which financial operations include one or more of the following: revenue [generation] and expense management, distributions, tax compliance, [and] budget development, or budget management and implementation; or (C) compliance manager, who is the individual who reports to the president or chief officer and who is generally responsible for ensuring the cannabis establishment complies with all laws, regulations and requirements related to the operation of the cannabis establishment;
- (31) "Laboratory" means a laboratory located in the state that is licensed by the department to provide analysis of cannabis that meets the licensure requirements set forth in section 21a-246, as amended by this act;
- (32) "Laboratory employee" means an individual who is registered as a laboratory employee pursuant to section 21a-408r;
- (33) "Labor peace agreement" means an agreement between a cannabis establishment and a bona fide labor organization under section 21a-421d pursuant to which the owners and management of the cannabis establishment agree not to lock out employees and that prohibits the bona fide labor organization from engaging in picketing, work stoppages or boycotts against the cannabis establishment;
- (34) "Manufacture" means to add or incorporate cannabis into other products or ingredients or create a cannabis product;
- (35) "Medical marijuana product" means cannabis that may be exclusively sold to qualifying patients and caregivers by dispensary facilities and hybrid retailers and which are designated by the commissioner as reserved for sale to qualifying patients and caregivers and published on the department's Internet web site;
- (36) "Micro-cultivator" means a person licensed to engage in the cultivation, growing and propagation of the cannabis plant at an establishment containing not less than two thousand square feet and not more than ten thousand square feet of grow space, prior to any expansion authorized by the commissioner;
- (37) "Municipality" means any town, city or borough, consolidated town and city or consolidated town and borough;



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- (38) "Paraphernalia" means drug paraphernalia, as defined in section 21a-240;
- (39) "Person" means an individual, partnership, limited liability company, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other legal entity and any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination thereof;
- (40) "Producer" means a person that is licensed as a producer pursuant to section 21a-408i and any regulations adopted thereunder;
- (41) "Product manufacturer" means a person that is licensed to obtain cannabis, extract and manufacture products exclusive to such license type;
- (42) "Product packager" means a person that is licensed to package and label cannabis;
- (43) "Qualifying patient" has the same meaning as provided in section 21a-408, as amended by this act;
- (44) "Research program" has the same meaning as provided in section 21a-408, as amended by this act;
- (45) "Retailer" means a person, excluding a dispensary facility and hybrid retailer, that is licensed to purchase cannabis from producers, cultivators, micro-cultivators, product manufacturers and food and beverage manufacturers and to sell cannabis to consumers and research programs;
- (46) "Sale" or "sell" has the same meaning as provided in section 21a-240;
- (47) "Social Equity Council" or "council" means the council established under section 21a-420d, as amended by this act;
- (48) "Social equity applicant" means a person that has applied for a license for a cannabis establishment, where such applicant is at least sixty-five per cent owned and controlled by an individual or individuals, or such applicant is an individual, who:
- (A) Had an average household income of less than three hundred per cent of the state median household income over the three tax years immediately preceding such individual's application; and
- (B) (i) Was a resident of a disproportionately impacted area for not less than five of the ten years immediately preceding the date of such application; or
- (ii) Was a resident of a disproportionately impacted area for not less than nine years prior to attaining the age of eighteen;
- (49) "THC" has the same meaning as provided in section 21a-240;
- (50) "Third-party lottery operator" means a person, or a constituent unit of the state system of higher education, that conducts lotteries pursuant to section 21a-420g, identifies the cannabis establishment license applications for consideration without performing any review of the applications that are identified for consideration, and that has no direct or indirect oversight of or investment in a cannabis establishment or a cannabis establishment applicant;
- (51) "Transfer" means to transfer, change, give or otherwise dispose of control over or interest in;
- (52) "Transport" means to physically move from one place to another;
- (53) "Transporter" means a person licensed to transport cannabis between cannabis establishments, laboratories and research programs; and
- (54) "Unemployment rate" means, in a given area, the number of people sixteen years of age or older who are in the civilian labor force and unemployed divided by the number of people sixteen years of age or older who are in the civilian labor force.



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**Subject Matter: Adult Use Cannabis**

**Statutory Citation: Conn. Gen. Stat. 21a-421b**

**Summary of Purpose: To update the statutory language surrounding criminal background checks to secure FBI approval.**

Language to be Amended: **Sec. 21a-421b. Criminal history records checks required for licensure. Fees.** (a) [On and after July 1, 2021, t]The commissioner shall require [all individuals listed on an application for a cannabis establishment license, laboratory or research program license, or key employee license to submit to] a fingerprint-based state and national criminal history records check,[s before such license is issued. The criminal history records checks required pursuant to this subsection shall be] conducted in accordance with section 29-17a of the general statutes, for each owner, manager and key employee of an applicant. [Upon renewal, t]The commissioner may require [all individuals listed on an application for a cannabis establishment license, laboratory or research program license, or key employee license to be fingerprinted and] owners, managers and key employees to submit to a state and national criminal history records check conducted in accordance with section 29-17a of the general statutes [before such] prior to issuing a [renewal] license renewal [is issued].

(b) A key employee, manager or owner shall be denied a license in the event his or her background check reveals a disqualifying conviction.

(c) For the purpose of this section, the following definitions apply:

“Applicant” means an entity applying for a new license or the renewal of a license for a cannabis establishment or laboratory.

“Entity” means a corporation, company, partnership, sole proprietor, trust, association or organization.

“Executive managerial control” means, in the case of an individual, the power or authority to direct or influence the direction or operation of an applicant through board membership, voting power, agreement or contract.

“Manager” means an individual that is not a key employee and has (1) an ownership interest, and (2) executive managerial control of an applicant.

“Owner” means an individual that has an ownership interest in the applicant in excess of five per cent.

“Ownership interest” means the possession of equity in the capital, stock, assets, or profits of the applicant.

[(b)] (d) The department shall charge the applicant a fee equal to the amount charged to the department to conduct a state and national criminal history records check of the applicant.