



Agency Legislative Proposal – 2023 Session

Document Name:

Document Name	2023 Social Equity Council Legislative Proposal
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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)

Legislative Liaison	Kristina Diamond 860-513-8481 kristina.diamond@ct.gov
Division Requesting This Proposal	Social Equity Council
Drafter	Kristina Diamond

Title of Proposal	An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis
Statutory Reference, if any	21a-420 21a-420d 21a-420l
Brief Summary and Statement of Purpose	The Social Equity Council recommends several changes to the Responsible and Equitable Regulation of Adult-Use Cannabis Act (RERACA) to improve social equity programs. The changes would refine the process for the identification and utilization of Disproportionally Impacted Areas within RERACA and also clarify the definition of ownership and control.

SECTION-BY-SECTION SUMMARY

Summarize sections in groups where appropriate



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Section 1 amends Section 21a-420 to update the definition of “disproportionately impacted area”, “equity joint venture” and “social equity applicant”.

Section 2 amends Section 21a-420d to refine the current Disproportionately Impacted Areas definition and determination processes to reflect the initial intent of the legislation more accurately.

Section 3 amends Section 21a-420l to clarify the definition of “control” for social equity partners.

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:

Have there been changes in federal/state laws or regulations that make this legislation necessary?	
Has this proposal or a similar proposal been implemented in other states? If yes, to what result?	
Have certain constituencies	



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called for this proposal?	
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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

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

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

State	
Municipal (Include any municipal mandate that can be found within legislation)	
Federal	



Additional notes	
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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-420 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):

...

(17) "Disproportionately impacted area" means a United States census tract in the state that **[has, as determined by] has been identified by** the Social Equity Council under **subsection (i) of** section 21a-420d **[, (A) a historical conviction rate for drug-related offenses greater than one-tenth, or (B) an unemployment rate greater than ten per cent];**

...

(22) "Equity joint venture" means a business entity that is **controlled and** 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;

...



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(48) "Social equity applicant" means a person that has applied for a license for a cannabis establishment, where such applicant is controlled and 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;

...

(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.]** "Control" means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a cannabis establishment, whether through the ownership of voting securities, by contract or otherwise.

Sec. 2. Subsection (i) of section 21a-420d is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):

(i) (1) Not later than August 1, [2021, and annually thereafter] 2023, the council shall use the poverty rate data from the most recent five-year United States Census Bureau American Community Survey estimates [or any successor data] , population data from the most recent decennial census and conviction information from databases managed by the Department of Emergency Services and Public Protection to determine [one or more] all United States census tracts in the state that are [a] disproportionately impacted [area] areas and shall publish a list of such tracts on the council's Internet web site. The council shall compute the list of disproportionately impacted areas in the following manner:

(A) No census tract with a poverty rate less than the statewide poverty rate shall be a disproportionately impacted area.

(B) The remaining census tracts shall be ranked in descending order of historical conviction rate.

(C) Census tracts shall be added to the list of disproportionately impacted areas until adding the next census tract would cause the total population of the disproportionately impacted areas to exceed twenty-five per cent of the state population.

(2) The council may also develop other metrics to determine relative disproportionate impact of the War on Drugs on the disproportionately impacted areas, and the council may use any such metrics in administering programs or making budgetary recommendations. Any such metrics shall be published on the council's Internet website. For the purposes of this subdivision, "War on Drugs" means the



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[efforts by municipal, state and federal governments of the United States since June 17, 1971 to combat drug use and sales through the increased criminalization, enforcement and incarceration of individuals for drug-related activities.](#)

Sec. 3. Subsection (d) of section 21a-420l is repealed and the following is substituted in lieu thereof (*Effective July 1, 2023*):

(d) For purposes of this section, "social equity partner" means a person that is [controlled by and](#) at least sixty-five per cent owned **[and controlled]** by an individual or individuals, or such applicant is an individual, who:

(1) 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

(2) (A) 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

(B) Was a resident of a disproportionately impacted area for not less than nine years prior to attaining the age of eighteen.