



Agency Legislative Proposal

2026 Session

General Information

Agency	Social Equity Council
Proposal Name	SEC 2026 Legislative Proposal
Legislative Liaison	Kristina Diamond
Division Requesting Proposal	N/A
Drafter	Kristina Diamond, Chief Operating Officer Mariedy Collazo-Cruz, Legal Director

Overview

Brief Summary of Proposal

The Social Equity Council recommends changes to the Responsible and Equitable Regulation of Adult-Use Cannabis Act (RERACA) to improve social equity programs.

What problem is this proposal looking to solve?

Section 1: During the 2024 legislative session, the Legislature enacted a requirement for the Council's executive director to submit monthly reports on the status of social equity and workforce development plans to the Black and Puerto Rican Caucus (BPRC). This directive was designed to ensure ongoing oversight and transparency regarding the progress of social equity initiatives. Since the implementation of the reporting requirement, Council staff have effectively addressed the backlog of social equity plans, significantly improving the timelines and efficiency of plan approvals. Additionally, the number of new social equity plans submitted to the Council has decreased in recent months. This reduction is attributed to the fact that the majority of cannabis establishments are now fully operational, and most eligible entities have already submitted and received approval for their social equity plans. As a result of the decreased volume of new submissions and the resolution of previous backlogs, the status of social equity and workforce development plans has remained largely unchanged over the past several months. Consequently, the Council's monthly BPRC reports have contained similar information, reflecting the static nature of plan activity. Given the current circumstances, the Council believes transitioning from monthly to quarterly reporting will enhance the value and substance of updates provided to the

BPRC. Section 2: Subject to limited circumstances, current legislation prevents applicants from adding backers to cannabis establishment applications between the time of lottery entry, or any initial application for a license, and when a final license is awarded to the cannabis establishment. As the market evolves and business relationships change or multi-state operators leave the Connecticut market, social equity individuals (SEI) may find themselves unable to finalize the application process without the financial support from additional backers. Amending 21a-420g(g) would create an opportunity for SEI to continue their business venture by adding new backers when the initial backers leave the company.

How does the proposal solve the problem?

Section 1: Quarterly reports will allow the Council to compile more meaningful data, capture any significant changes or developments, and present a more comprehensive overview of ongoing social equity and workforce development efforts. This approach will ensure that the BPRC receives timely and relevant information, while reducing redundancy in reporting. Section 2: Subject to certain conditions, the proposal would allow backers to be added to cannabis establishment application between the initial application period and when a final license is awarded to the cannabis establishment.

Section by section summary:

Section #(s)	Section Summary
1	Amends 21a-420d(o) and 21a-420(p) to remove the requirement of the executive director to submit monthly reports to the Black and Puerto Rican Caucus and instead requires the reports to be submitted quarterly.
2	Amends 21a-420g(g) to allow the addition of backers to a cannabis establishment application between the period of an initial application for a license is filed and when a final license is awarded to the cannabis establishment.

Statutory Reference: CGS 21a-420d(o) and 21a-420d(p); 21a-420g(g)

Background

New Proposal Resubmission

Bill #(s)	Reason bill(s) did not move forward
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Have there been any changes in federal laws or regulations that make this legislation necessary?

No

Have there been any changes in state laws or regulations that make this legislation necessary?

No

Has this proposal or a similar proposal been implemented in other states?

No

Have certain constituencies called for this proposal?

Yes Applicants and establishments considered Social Equity Individuals under RERACA

Interagency Impact

Check here if this proposal does NOT impact other agencies

Agency	Dept. of Consumer Protection	
Contact	Lila McKinley, Kathleen Coss, Samantha Allard	
Date Contacted	9/11/2025	
Status	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Unresolved
Open Issues		

Fiscal Impact

No Fiscal Impact

Budget Option Submitted

Include the section number(s) which have a fiscal impact and the anticipated impact:

State

No

Municipal

No

Federal

No

Other Information

If there is any additional information we should know, please detail below: N/A

Legislative Language

Insert fully drafted bill below. Please use standard legislative drafting considerations, as published by LCO [here](#).

Section 1. Section 21a-420d(o) and 21a-420(p) of the general statutes are repealed and the following is substituted in lieu thereof (Effective upon passage):

(o) Not later than July 1, 2024, and quarterly thereafter, the Social Equity Council shall prepare and submit a report, in accordance with the provisions of section 11-4a to the Governor, the speaker of the House of Representatives, the president pro tempore of the Senate, the majority leader of the House of Representatives, the majority leader of the Senate, the minority leader of the House of Representatives, the minority leader of the Senate, the Black and Puerto Rican Caucus, and the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and consumer protection. The report shall include, but need not be limited to:

(1) The fiscal-year-to-date expenditures of the council, which expenditures shall disclose, at a minimum: (A) All expenditures made for personal services and the fringe benefit costs associated therewith; (B) all expenditures made for consultants retained for the purpose of reviewing applications for social equity applicant status; (C) all expenditures made to provide businesses with access to capital and the number of businesses that received access to such capital; (D) all expenditures made to provide technical assistance for the start-up and operation of businesses and the number of businesses that received such assistance; (E) all expenditures made to fund workforce education, the number of persons served by the workforce education programs supported by such expenditures and the number of persons successfully placed in relevant professional roles after completing such workforce education programs; (F) all expenditures made to fund community investment grants, the amounts, grantees and purposes of such grants and, if any of such grants were made to a grant maker, the amounts, grantees and purposes of any subgrants made by such grant maker; (G) all expenditures made for promotional or branding items and which promotional or branding items were purchased; (H) all expenditures made for advertising or marketing campaigns; (I) all expenditures made to advertising or marketing firms; (J) all expenditures made for sponsorships; (K) all expenditures made for other community outreach; (L) all expenditures made for travel; and (M) all other expenditures not described in subparagraphs (A) to (L), inclusive, of this subdivision; and

(2) The status of the council's performance of the council's responsibilities in the licensing process under RERACA, including, but not limited to: (A) The number of applications for social equity applicant status, social equity plans and workforce development plans pending before the council, categorized into the number of applications, social equity plans and workforce development plans pending before the council for (i) less than thirty days, (ii) at least thirty days but less than sixty days, (iii) at least sixty days but less than ninety days, and (iv) at least ninety days; (B) the number of applications for social equity applicant status, social equity plans and workforce development plans approved during the then current fiscal year, broken down by license type; and (C) the number of applications for social equity applicant status, social equity plans and workforce development plans denied during the then current fiscal year, broken down by license type.

~~[(p)Not later than July 1, 2024, and monthly thereafter, the executive director of the council shall prepare and submit a report, in accordance with the provisions of section 11-4a, to the council and the Black and Puerto Rican Caucus of the General Assembly. The report shall include, but need not be limited to:~~

- (1) The expenditures the council plans to make during the month immediately following submission of such report, which expenditures shall disclose, at a minimum: (A) All expenditures the council plans to make for consultants retained for the purpose of reviewing applications for social equity applicant status; (B) all expenditures the council plans to make to fund community investment grants, the amounts, grantees and purposes of such grants and, if any of such grants are to be made to a grant maker, the amounts, grantees and purposes of any subgrants to be made by such grant maker; (C) all expenditures the council plans to make for promotional or branding items, for advertising or marketing campaigns, to advertising or marketing firms and for sponsorships; (D) all expenditures the council plans to make for community outreach; and (E) all expenditures the council plans to make for travel; and
- (2) The status of the council's performance of the council's responsibilities in the licensing process under RERACA, including, but not limited to, the following information for the date of such report: (A) The number of applications for social equity applicant status that are pending before the council and the date each such application was submitted, broken down by license type, municipality, assembly district and senate district; (B) the number of social equity plans that are pending before the council and the date each such social equity plan was

submitted, broken down by license type; and (C) the number of workforce development plans that are pending before the council and the date each such workforce development plan was submitted, broken down by license type].

Section 2. Section 21a-420g(g) of the general statutes is repealed and the following is substituted in lieu thereof (Effective upon passage):

(g) Section 2. Section 21a-420g(g) of the general statutes is repealed and the following is substituted in lieu thereof (Effective upon passage):

(g) 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[,]:

(1) if a backer of an applicant or provisional licensee dies, the applicant or provisional licensee may apply to the commissioner, in a form and manner prescribed by the commissioner, to replace the deceased backer, provided if such applicant or provisional licensee is a social equity applicant, the Social Equity Council shall review ownership to ensure such replacement would not disqualify the applicant or provisional licensee [cause the applicant to no longer qualify] as a social equity applicant; and

(2) an applicant or provisional licensee that is a social equity applicant may apply to the commissioner, in a form and manner prescribed by the commissioner, for a one time replacement of an original backer, provided the backer to be replaced is not an individual who satisfies the criteria set forth in section 21a-420(51)(A) and (B). [the applicant or provisional licensee may apply to the commissioner to replace the original backer.]

A backer may be removed from a cannabis establishment application selected through the general lottery at any time upon notice to the department.