

CANNABIS

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The Connecticut Department of Consumer Protection Updates Policies and Procedures for Adult-Use Cannabis

Effective September 15, 2024, the Connecticut Department of Consumer Protection (DCP) has announced a series of updates to its cannabis policies and procedures. These changes, spanning everything from lab testing to licensing and security requirements, reflect evolving industry practices and aim to align medical marijuana and adult-use cannabis regulations and streamline operations while enhancing safety and regulatory compliance. Below is a summary of the most impactful changes and their implications for cannabis businesses.

1. Laboratory Testing: Modernized Standards for Solvents and Re-Testing

One of the most critical updates pertains to laboratory testing protocols. DCP has revised the prohibition on all solvents, introducing a table of allowable solvents with clear action limits. This adjustment brings Connecticut's regulations in line with industry standards, providing more clarity for manufacturers.

- **Preliminary Testing:** Establishments can now perform preliminary testing before obtaining a certificate of analysis (COA), which reduces delays in product releases. This change is expected to facilitate faster turnaround times and supply chain movement.
- **Re-Testing Rules:** The need for dual lab testing has been eliminated, simplifying compliance and clarifying remediation procedures.

2. Delivery and Transportation: Expanded Options

DCP's revisions to delivery and transportation regulations offer greater flexibility for businesses. Notably, delivery licensees are now permitted to use personal vehicles, provided that cannabis is stored securely, out-of-sight and not easily accessible. Cannabis need not be stored in the trunk of the vehicle so long as it is secure. In addition, co-delivery of cannabis with hemp products and infused beverages is now permitted, offering a broader range of delivery services and potential for increased revenue.

3. Cannabis Establishment Security

The new regulations bring considerable updates to security procedures for cannabis businesses.

- **Security Protocols:** Significant changes include the removal of the requirement for "mantraps" as part of minimum-security measures. Retailers are no longer required to maintain closed doorways during operation hours or have separate rooms for verifying consumer age, streamlining security protocols and facilitating more efficient customer service.
- **Product Display:** A major shift in consumer interaction involves the new ability for retailers to open and display packaged cannabis, allowing customers to view and smell products before purchasing. Previously,

regulations required cannabis to remain in its original child-resistant, tamper-resistant, and light-resistant packaging, meaning consumers could not inspect the product beyond the sealed container. However, the new regulations permit retailers to open packaging for display purposes, as long as the product is transferred to a locked and secure display case. There are strict limits that apply to the display of cannabis products: no more than one pound of raw cannabis or its equivalent may be displayed at any time. The display container must prevent diversion, loss, adulteration, or unauthorized use, and must ensure that customers cannot touch or taste the product. Products on display must have a “FOR DISPLAY ONLY” sticker and cannot be displayed past their expiration date. Additionally, displayed cannabis cannot be sold and must be disposed of according to regulatory procedures. DCP Guidance and FAQs on the new product display policies will be forthcoming.

- **Video Systems:** Businesses are now required to upgrade to modern, high-definition video recording systems, ensuring that security measures keep pace with technological advancements.

4. White Labeling

Businesses now have more flexibility in how they present their company logos on packaging without needing separate “Doing Business As” (DBA) registrations, and can also use sub-brand logos for different product lines, as long as they comply with the new definition of “logo” under the regulations. A logo is defined as a symbol or design: (A) adopted by a cannabis establishment, for purposes of identification; (B) is present across the marketing media of the cannabis establishment, including on the website of the cannabis establishment listed on a cannabis label, and (C) that complies with the restrictions set forth in subsections (b) and (e)(1)-(5) of section 21a-421bb(b) of the Connecticut General Statutes. These changes facilitate a manufacturer’s ability to “white label” products for multiple brands so long as the cannabis establishment associates the logo with their business.

5. Clarification of Policies Concerning Outdoor Grows and Receipt of Hemp Products

- **Outdoor Grows:** The new policies and procedures clarify that outdoor grows may include non-contiguous areas, provided that each unique area be delineated by an identifiable boundary so as to enable determination of total grow space. Prior versions of the law and regulations made clear that indoor grows may contain multiple grow rooms that are non-contiguous.
- **Hemp Products:** The policies and procedures also clarify that hemp products are deemed cannabis once received by a cannabis establishment, except hemp oil that is obtained solely to manufacture Infused Beverages.

6. Cannabis Waste Disposal

The new guidelines are more economically and environmentally sound. For example, fan leaves, stalks, and root balls from routine pruning can be disposed of without further DCP action as long as they are rendered unusable.

7. Advertising and Marketing Restrictions

DCP has incorporated advertising restrictions pertaining to medical marijuana into the current policies and procedures, and clarified that statements made pertaining to medical marijuana products can only encourage use for debilitating medical conditions, and not for any other purpose.



8. Confidentiality and Data Protection

With enhanced measures for protecting patient and research subject information, cannabis businesses and research programs must now comply with stricter disclosure rules, preventing the disclosure of any individually identifying information, with limited exceptions.

9. Product and Pharmacist Changes

Lozenges are now officially classified as edible products, unless packaged in child-resistant packaging. Additionally, licensed pharmacists at dispensaries must be available for private consultations upon request.

10. Dispensing Errors and Quality Assurance

To ensure accountability, dispensary facilities and hybrid retailers must notify DCP about any dispensing errors. Clear signage and new receipt requirements ensure that patients and caregivers are aware of procedures for reporting errors, with licensed pharmacists responsible for maintaining quality assurance records.

Questions or Assistance

Licensees with questions about the above policies and procedures, or seeking information about policies and procedures not discussed in this alert, including those regarding employee training, delivery and disposal of cannabis, should contact Sarah Westby at swestby@goodwin.com or Ian Leon at ileon@goodwin.com. For more information on Shipman's cannabis practice, visit <https://www.shipmangoodwin.com/services/industries/cannabis.html>.

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