



ADULT-USE CANNABIS LICENSING REPORT

April 1, 2024 through June 30, 2024

Respectfully Submitted on July 29, 2024

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Department of Consumer Protection Adult-Use Cannabis Licensing Report April 1, 2024 – June 30, 2024

Background

Pursuant to Section 20 of [Public Act 23-79](#), during the period beginning October 1, 2023, and ending October 1, 2026, the Department of Consumer Protection shall, not later than the first day of January, April, July and October, submit a report, in accordance with section 11-4a of the general statutes, to the Governor and the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection. Each report shall contain the following:

1. For the quarter ending on the last day of the month immediately preceding the date on which the department submits such report:
 - a. the number of applicants that were selected from the lottery, broken down by license type;
 - b. the number of provisional licenses that the department issued pursuant to RERACA, broken down by license type;
 - c. the number of final licenses that the department issued pursuant to RERACA, broken down by license type, town and county; and,
 - d. the mechanism by which the department issued each license pursuant to RERACA, including, but not limited to, by way of the lottery, to equity joint ventures and to cultivators located in disproportionately impacted areas;
2. the department's good faith estimate regarding any anticipated increase in the number of cannabis establishments during the next calendar year; and,
3. any other information the department, in the department's discretion, may deem appropriate.

[Public Act 21-1, An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis](#)
Public Act 21-1, An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis, also known as RERACA, legalized adult-use cannabis in Connecticut creating nine new license types for cannabis establishments: cultivator, micro-cultivator, retailer, hybrid retailer, product manufacturer, food and beverage manufacturer, product packager, delivery service and transporter.

LICENSE TYPES

All medical marijuana and adult-use cannabis license types are categorized into five broad categories: growing, manufacturing, sales, delivery and transportation, and individual licenses and registrations.

Growing

- [Cultivator](#) – Grows cannabis for medical and adult-use. At least 15,000 square feet of grow space is required for this license type.
- [Micro-cultivator](#) – Grows cannabis for medical and adult-use. Between 2,000 and 10,000 square feet of grow space, prior to any expansion authorized by the commissioner. May apply for an expansion of grow space in increments of 5,000 square feet per year.

- [Producer](#) – Grows cannabis for medicinal use with an option convert their license to expand activities to participate in the adult-use market. All four producers have converted their license to expand into the adult-use market.

Intermediate

- [Product Manufacturer](#) – Performs cannabis extraction, chemical synthesis and permitted manufacturing activities. Section 23 of [Public Act 23-79](#) allows product manufacturers, that meet all licensing requirements outlined in Section 35 of the public act and submit a \$5,000 fee, to also perform activities related to food and beverage manufacturing.
- [Food and Beverage Manufacturer](#) – Incorporates cannabis into food or beverage intended for human consumption. Section 23 of [Public Act 23-79](#) allows food and beverage manufacturers, that meet all licensing requirements outlined in Section 34 of the public act and submit a \$25,000 fee, to also perform activities related to product manufacturing.
- [Product Packager](#) – Labels and packages cannabis in compliance with state statutes, regulations and policies. Section 10 of [Public Act 24-76](#) allows product packagers, that meet all licensing requirements in Section 18 of the public act and submit a \$30,000 fee and application, to also perform activities related to product manufacturing. The renewal fee for the expanded authorization to perform activities related to product manufacturing is \$25,000.

Testing

- [Cannabis Testing Laboratory](#) – Section 16 of [Public Act 23-79](#) created a new license type for “cannabis testing laboratory”. Cannabis testing laboratories analyze cannabis from licensed establishments for sale in the adult-use cannabis and medical marijuana markets.

Sales

- [Retailer](#) – Sells cannabis only to consumers for adult-use.
- [Hybrid Retailer](#) – Sells cannabis to consumers for adult-use and to qualifying patients and caregivers for medical use.
- [Dispensary Facility](#) – Sells cannabis only to qualifying patients and caregivers for medical use. Existing dispensary facilities may apply to convert their license to a hybrid retail license to allow for the sale of both adult-use and medical marijuana. Fifteen of the original 18 dispensary facilities have converted to hybrid retailers.

Delivery and Transportation

- [Delivery Service](#) – Delivers cannabis from cannabis establishments to consumers, qualifying patients and caregivers, as applicable. Pursuant to Section 7 of Public Act 24-76, effective July 1, 2024 cannabis and cannabis products can only be delivered to consumers, patients or caregivers by a licensed delivery service. Delivery by micro-cultivators, dispensary facilities, hybrid retailers and retailers by their own employees is no longer permitted.
- [Transporter](#) – Delivers cannabis between cannabis establishments, laboratories and research programs.

Individual Licenses and Registrations

- [Backer](#) – Has a direct or indirect financial interest in a cannabis establishment, and owns 5% or more of a cannabis establishment, in the aggregate with their spouse, parent or child, or participates directly or indirectly in the control, management or operation of the cannabis establishment.

- [Key Employee](#) – Employees with specific managerial positions or an equivalent title within a cannabis establishment.
- [Employee](#) – Any person employed by a cannabis establishment or who otherwise has access to such establishment, and board members of a company with an ownership interest in a cannabis establishment.

LICENSING PATHWAYS

RERACA provided for a number of pathways for licensure for cannabis establishments, some of which do not require the applicant to enter into a lottery.

Non-Lottery Pathways

Cannabis Testing Laboratories

Section 16 of [Public Act 23-79](#) created a new license type for “cannabis testing laboratory”. Cannabis testing laboratories analyze cannabis from licensed establishments for sale in the adult-use cannabis and medical marijuana markets.

Cannabis testing laboratories are not subject to a lottery. To apply, applicants must submit a(n):

- Online application;
- List of names, titles and addresses of members of the company, firm, corporation, partnership or sole proprietorship;
- List of names, addresses and telephone numbers of persons handling drugs at the laboratory;
- Copy of contract with approved seed-to-sale tracking system; and,
- \$500 provisional license fee.

Approved cannabis testing laboratories must apply for and maintain ISO Certification and are subject to a \$1,000 final license fee and an annual \$1,000 renewal fee.

Conversion

Conversion from Medical Marijuana to Adult-Use Cannabis

Existing medical marijuana producers and dispensary facilities have the opportunity to enter into the adult-use cannabis market by converting their existing medical marijuana license.

Producers were able to apply for conversion to expand their existing producer license to include adult-use cannabis activities ([CGS Sec. 21a-420l](#)). The following items were required as part of the conversion application:

- License expansion/conversion application;
- Medical cannabis preservation plan;
- \$3 million conversion fee OR \$1.5 million if participates in at least two Equity Joint Ventures;
- Workforce development plan approved by the Social Equity Council; and,
- \$500k contribution to Social Equity Council OR evidence of Social Equity Partner.

Dispensary facilities are able apply to convert their existing license to a hybrid retailer license to allow for the sale of medical marijuana to qualifying patients and caregivers as well as adult-use cannabis to consumers aged 21 and older ([CGS Sec. 21a-420t](#)). The following items are required as part of the conversion application:

- License conversion application;
- Medical cannabis preservation plan;
- \$1 million conversion fee OR \$500k if participates in at least one Equity Joint Venture; and,

- Workforce development plan approved by the Social Equity Council

Conversion from Micro-cultivator to Cultivator

A licensed micro-cultivator in good standing may apply to expand its grow space by 5,000 square feet annually. Pursuant to Section 21a-420p(c) of the general statutes, a micro-cultivator that wishes to expand beyond 25,000 square feet may convert to a cultivator license without being subject to the lottery. A micro-cultivator that maintains its license and meets all application and licensure requirements for a cultivator license, including payment of the cultivator license fee established under section 21a-420e, shall be granted a cultivator license.

Cultivator

Pursuant to Connecticut General Statutes [Section 21a-420o](#), or Section 149 of [Public Act 21-1 \(June Special Session\)](#), for a 3-month period a Social Equity Applicant had the ability to apply for a provisional Cultivator License for a Cultivation facility located in a Disproportionately Impacted Area (DIA) without participating in the lottery. Cultivators licensed under this provision of the law are commonly referred to as DIA Cultivators.

The Department accepted applications for such cultivators from February 3, 2022 through May 3, 2022. The applicant was required to submit:

- Initial license application; and,
- Documentation demonstrating the applicant meets the criteria for a Social Equity Applicant (to be reviewed and verified by the Social Equity Council).

Once reviewed and determined by the Social Equity Council as meeting the criteria for a Social Equity Applicant, applicants were approved to apply for a provisional license and required to submit:

- Provisional license application;
- National criminal history background check; and,
- Payment of \$3 million fee to be deposited in the Social Equity and Innovation Fund.

DIA Cultivators were not subject to the lottery but were required to be approved by the Social Equity Council to apply for a provisional license. Pursuant to Section 13 of [Public Act 24-76](#), applicants approved to apply for a provisional license for a cultivator pursuant to Section 21a-420o of the general statutes have until December 31, 2025 to submit their provisional application. There is no expiration date for provisional licenses issued pursuant to [Section 21a-420o](#) of the general statutes.

Additionally, Section 13 of Public Act 24-76 allows a cultivator licensed under Section 21a-420o to be located in a:

- Disproportionately Impacted Area;
- On any reservation, as defined in section 47-63, of the Schaghticoke, Paucatuck Eastern Pequot or Golden Hill Paugussett indigenous tribe recognized by this state provided such reservation includes at least ten acres of contiguous land and such land comprised part of such reservation on July 1, 2024;
- On any parcel of land owned by an indigenous tribe recognized by this state that is at least 10 acres of contiguous land and in a municipality that, prior to July 1, 2024, contained any portion of a Disproportionately Impacted Area; or,
- For an exclusively outdoor grow, a municipality containing any portion of a disproportionately impacted area provided:

- Such an outdoor grow is conducted on land that such municipality has approved for agricultural or farming uses; and,
- All cultivation complies with state law and the Department’s policies and procedures related to outdoor cultivation.

Section 5 of [Public Act 24-76](#) added a pathway for social equity applicants who applied for a cultivator license in a disproportionately impacted area to withdraw their application as a cultivator and apply as a micro-cultivator. Eligible applicants must have:

- Applied for a cultivator license pursuant to [Section 21a-420o](#) of the general statutes;
- Been verified as a social equity applicant; and,
- Not submitted a provisional license application for a cultivator.

Between July 1, 2024 and March 31, 2025, micro-cultivators applying under this provision of the law must submit:

- Written statement indicating their wish to withdraw their application under Section 21a-420o of the general statutes;
- Completed micro-cultivator license application;
- Documentation demonstrating the applicant meets the criteria for a Social Equity Applicant (to be reviewed and verified by the Social Equity Council);
- Written statement disclosing whether any change occurred in the ownership or control of the social equity applicant after the Social Equity Council verified that the applicant met the criteria for a social equity applicant pursuant to Section 21a-420o of the general statutes; and,
- \$500,000 application fee.

Micro-cultivator licenses issued under Section 5 of Public Act 24-76 are not required to be located in a DIA. The Department has notified all eligible applicants and will be holding an informational session on how eligible applicants can submit an application under this provision.

Equity Joint Venture (EJV)

An Equity Joint Venture ([CGS Sec. 21a-420u](#)) is a business entity, partnering with a licensed producer, cultivator licensed pursuant to [Section 21a-420o](#) of the general statutes, or dispensary facility that is at least 50 percent owned and controlled by an individual or individuals who:

- Had an average household income of less than 300 percent of, or three times, the state median household income over the last 3 tax years;

AND, either

- Was a resident of a disproportionately impacted area for at least 5 of the past 10 years; OR
- Was a resident of a disproportionately impacted area for at least 9 years before the age of 18.

An Equity Joint Venture (EJV) may be in any cannabis establishment licensed business, other than a cultivator license. EJVs are not subject to the lottery, but must be approved by the Social Equity Council to apply for a provisional license. Producers, dispensary facilities and cultivators licensed under [Section 21a-420o](#) of the general statutes may each create a maximum of two Equity Joint Ventures. Dispensary facilities and producers converting

their license to include adult-use production and sales that create Equity Joint Ventures also qualify for a reduced licensed conversion fee:

- Dispensary facilities must create one Equity Joint Venture to qualify for the reduced license fee.
- Producers must create two Equity Joint Ventures to qualify for the reduced license fee.

If a producer or dispensary facility has paid a reduced conversion fee, they have 14 months from the time their conversion application has been approved to create the Equity Joint Venture(s). If the required Equity Joint Venture(s) have not been issued a final license by the Department within 14 months of the conversion application approval, the licensee will be liable for the *full amount of the conversion fee*. There is no time window for license applications for Equity Joint Ventures. Provisional licenses issued on or before June 30, 2023 expire 24 months after date of issuance (Sec. 25(j), [PA 23-79](#)). Provisional licenses issued on or after July 1, 2023 expire 14 months after date of issuance. Note: The 14-month time limitation for Equity Joint Ventures created by converting producers and dispensaries facilities is only applicable to the liability for conversion fees and does not apply to the Equity Joint Venture's provisional license if issued on or before June 30, 2023. Should a producer or dispensary facility fail to be issued a final license for the required Equity Joint Venture(s) within the 14 months following their license conversion and the producer or dispensary facility are determined to be liable for the full amount of the conversion fee, the Equity Joint Venture's provisional license is not impacted and will remain valid and expire based on the aforementioned licensing provisions.

Social Equity Partner

A Social Equity Partner ([CGS Sec. 21a-420l](#)) is a business entity, partnering with a licensed producer that is at least 65 percent owned and controlled by an individual or individuals who:

- Had an average household income of less than 300 percent of, or three times, the state median household income over the last 3 tax years;

AND, either

- Was a resident of a disproportionately impacted area for at least 5 of the past 10 years; OR
- Was a resident of a disproportionately impacted area for at least 9 years before the age of 18.

The producers must provide the Social Equity Partner:

- 5% grow space;
- Mentorship and all overhead costs for not less than 5 years; and,
- 100% of profits of the social equity business.

Social Equity Council Micro-Cultivator

Section [21a-420d\(l\)](#) of the general statutes requires the Social Equity Council to develop a program to assist social equity applicants to open not more than two micro-cultivators. Licensed producers shall provide mentorship to such social equity applicants. The Social Equity Council shall, with the department, determine a system to select social equity applicants to participate in such program without participating in a lottery or request for proposals.

Lottery

The Department has the authority to select applicants for licensure for adult-use cannabis establishments through a lottery. The lottery pathway allows for applicants who are not already in the cannabis industry or connected to the industry to apply for a lottery for the opportunity to apply for a provisional adult-use cannabis establishment license.

- The Department determines which license types the lotteries will be conducted for and how many licenses will be available through the lottery.
- Two lotteries are conducted for each license type, Social Equity Lottery and General Lottery.
- At least half of the applications approved for provisional licensing through the lottery must be social equity applicants selected in the Social Equity Lottery.
- Applicants not selected in the Social Equity Lottery are automatically entered into the General Lottery. If a social equity applicant is selected in the General Lottery, they are treated as a General Lottery applicant and are not subject to review by the Social Equity Council. Such applicants must pay full provisional, final and renewal licensing fees.

Applicants may only submit one application per application period for each license type. Eligible social equity applicants may submit one application in both the social equity lottery round as well as the general lottery round. If the Department determines that an applicant has submitted more than one application in either the social equity or general lottery round, all applications submitted by such applicant for that round will be disqualified. Lottery fees are non-refundable, including fees for disqualified applications. (Section 25 of [Public Act 23-79](#)) The Department will implement and enforce the one application per applicant per lottery limit for lotteries held in 2024.

Licensing Fees

License Type	Non-Social Equity Fees			Social Equity Fees*		
	Lottery	Provisional	Final or Renewal	Lottery	Provisional	Final or Renewal
Cultivator	\$1,000	\$25,000	\$75,000	\$500	\$12,500	\$37,500
Micro-cultivator	\$250	\$500	\$1,000	\$125	\$250	\$500
Retailer	\$500	\$5,000	\$25,000	\$250	\$2,500	\$12,500
Product Manufacturer	\$750	\$5,000	\$25,000	\$375	\$2,500	\$12,500
Food and Beverage Manufacturer	\$250	\$1,000	\$5,000	\$125	\$500	\$2,500
Delivery/Transport	\$250	\$1,000	\$5,000	\$125	\$500	\$2,500
Product Packager	\$500	\$5,000	\$25,000	\$250	\$2,500	\$12,500
Hybrid Retailer	\$500	\$5,000	\$25,000	\$250	\$2,500	\$12,500

**Applicants verified as Social Equity Applicants selected in the Social Equity Lottery or approved as an Equity Joint Venture are subject to half of any applicable fee specified in [section 21a-420e\(c\)](#) of the general statutes for the first three renewal cycles and shall pay the full amount of such fee thereafter.*

Fees for Expanded Authorized Activities

License Type	Non-Social Equity Fees		Social Equity Fees*	
	Expansion	Renewal	Expansion	Renewal
Product Manufacturer to Food and Beverage Manufacturer	\$5,000	\$5,000	\$2,500	\$2,500
Food and Beverage Manufacturer to Product Manufacturer	\$25,000	\$25,000	\$12,500	\$12,500
Product Packager to Product Manufacturer	\$30,000	\$25,000	\$15,000	\$12,500

*Applicants verified as Social Equity Applicants selected in the Social Equity Lottery or approved as an Equity Joint Venture are subject to half of any applicable fee specified in [section 21a-420e\(c\)](#) of the general statutes for the first three renewal cycles and shall pay the full amount of such fee thereafter.

LICENSING PROCESS

Three-Step License Application Process — 1. Initial → 2. Provisional → 3. Final

The license process generally consists of three steps: initial license application, provisional license, and final license.

Figure 1: Licensing Process



1. INITIAL LICENSE APPLICATION – The initial license application, which is the first step in the licensing application process, is submitted when:
 - Entering into a lottery drawing (applications selected in the Social Equity Lottery require approval by the Social Equity Council);
 - Applying as an Equity Joint Venture (requires approval by the Social Equity Council);
 - Applying as a Social Equity Partner (requires approval by the Social Equity Council); or,
 - Applying as a DIA Cultivator (one-time 90-day opportunity which required approval by the Social Equity Council).

An initial license application fee, or lottery fee, is only required for lottery applications. No other licensing pathway requires an initial license application fee.

An applicant submitting an initial license application will be prompted by the Department to complete background checks and apply for a provisional license if it is:

- Selected in the General Lottery;

- A Social Equity Lottery Applicant selected in the Social Equity Lottery and approved by the Social Equity Council as meeting all social equity criteria; or,
 - An Equity Joint Venture, Social Equity Partner or DIA Cultivator approved by the Social Equity Council as meeting all social equity criteria.
2. **PROVISIONAL LICENSE** – Applicants who have been approved and have successfully completed a background check or applicants who are applying for a cannabis testing laboratory license may apply for a provisional license. An online application and application fee is required to apply for a provisional license. The provisional license does not allow an adult-use cannabis establishment to commence operations. The provisional license holder must meet all final licensing requirements and be issued a final license before the provisional license expires. Provisional licenses cannot be renewed, reissued or extended. Provisional licenses issued on or before June 30, 2023 expire 24 months after date of issuance (Sec. 25(j), [PA 23-79](#)). Provisional licenses issued on or after July 1, 2023 expire 14 months after date of issuance. The provisional license expiration does not apply to cultivators issued a provisional license under [Section 21a-420o](#).

After an applicant is awarded a provisional license, a Drug Control Agent is assigned to communicate with the representative designated by the licensee regarding the physical facility. Applicants that do not yet have a location identified or do not respond to the Drug Control Agent are categorized as “No inspection completed”. For applicants that have a facility, blueprint drafts, and are preparing for construction, a Drug Control Agent will perform a “0% inspection”, or an initial walkthrough of the physical location. The Drug Control Agent then performs inspections in increments of 25% of completion to assist the registrant in compliance, identify issues early on so they may be rectified and ensure the physical location meets all state and local requirements as well as the Department’s policies and procedures.

Figure 2: Workflow of Inspections of Physical Locations



3. **FINAL LICENSE** – After a provisional license has been issued, the applicant has 14 months to meet all final licensing requirements and be awarded a final license (24 months for provisional licenses issued on or before June 30, 2023 per Sec. 25(j) of [PA 23-79](#)). DIA cultivators do not have an expiration date for their provisional license.

To receive a final license, the applicant must:

- Submit the final license application and fee;
- Submit all required documents;
- Meet all licensing requirements; and,
- Successfully complete a final inspection by the Department.

Once a final license has been issued, the licensee may begin to operate and commence licensed activities.

CANNABIS LICENSES ISSUED PURSUANT TO RERACA

The Department has included information for all cannabis licensing activities since the passage of RERACA as well as licensing information for the preceding quarter from April 1, 2024 through June 30, 2024.

CANNABIS LICENSING ACTIVITIES TO DATE

License Conversion

All four licensed producers have converted their license to expand their activities so they may participate in the adult-use cannabis market. Of the four producers that converted their license to participate in the adult-use cannabis market, one did not fulfill their obligation to create at least two Equity Joint Ventures within 14 months of their license conversion. As such, the producer is subject to paying the \$1.5 million balance of the full conversion fee. A notice that the balance of the full conversion fee was due was sent to the licensee by the Department in March. The remaining three producers have met their requirement to create two Equity Joint Ventures within 14 months of their license conversion and are not required to pay the balance of the full conversion fee.

To date, sixteen of the eighteen pre-RERACA licensed dispensary facilities have converted to hybrid retailers allowing them to offer and sell cannabis and cannabis products to qualifying patients and caregivers as well as adult-use cannabis to consumers aged 21 and older. Two dispensary facilities have not converted to hybrid retailers and currently only offer medical marijuana products to qualifying patients and caregivers.

Of the sixteen dispensary facilities that have converted their license to a hybrid retailer to allow for the sales of cannabis products to both adult-use consumers and medical marijuana patients and caregivers, three have not fulfilled their obligation to create an Equity Joint Venture within 14 months of their license conversion. As such, the converted hybrid retailers are subject to paying the \$500,000 balance of the full conversion fee. Notices apprising the respective licensees that the balance of the full conversion fee is due, were sent to the respective licensees by the Department in March, April and June. All other dispensary facilities that have converted to hybrid retailers have either met the requirement to create an Equity Joint Venture within 14 months of their license conversion or are still within the 14-month period to create an Equity Joint Venture as required.

DIA Cultivator

The Social Equity Council approved 16 DIA Cultivator applications. Ten additional applicants were remanded and approved to apply for a provisional cultivator license by the Social Equity Council, for a total of 26 applicants approved to apply for a provisional cultivator license. Of the 26 applicants, 13 have applied for a provisional license, one of which a final license has been awarded.

Social Equity Partner

The Department has not received any applications for a Social Equity Partner as described in [Section 21a-420/](#) of the general statutes. As all of the producers have converted to the adult-use market, the Department does not anticipate receiving applications for a Social Equity Partner.

Social Equity Council Micro-Cultivator

The Department has not received any applications for a Social Equity Micro-Cultivator described in Section [21a-420d\(l\)](#) of the general statutes.

Lottery

The Department began accepting lottery applications for a 90-day period in February of 2022, thirty days after the Social Equity Council posted the criteria and the necessary supporting documentation for social equity applicants on their website as required by [Section 21a-420e\(f\)\(2\)](#) of the general statutes. Lottery applications were accepted for eight license types beginning on February 3, 2022 with the last round of applications closing on June 22, 2023. There were a total of 56 licensing opportunities across the eight license types with half of the licensing opportunities designated for social equity applicants through the Social Equity Lottery. Application windows were opened for the following license opportunities on the following dates during Round 1 of the lottery:

Table 1: Round 1 Lottery Application Window Dates and Licenses Available Via Lottery

License Type	Application Window Start	Application Window End	Social Equity Lottery	General Lottery
Retailer	February 3, 2022	May 4, 2022	6	6
Micro-cultivator	February 10, 2022	May 11, 2022	2	2
Delivery Service	February 17, 2022	May 18, 2022	5	5
Hybrid Retailer	February 24, 2022	May 25, 2022	2	2
Food and Beverage Manufacturer	March 3, 2022	June 1, 2022	5	5
Product Manufacturer	March 10, 2022	June 8, 2022	3	3
Product Packager	March 17, 2022	June 15, 2022	3	3
Transporter	March 24, 2022	June 22, 2022	2	2
Total Licenses Available Via Lottery:			28	28

During the first round of the lottery, the Department received over 37,000 applications for entry into the lotteries for the different license types. Adult-use Cannabis Retailer received the most applications with 15,468 lottery applications, more than half of which were entered into the Social Equity Lottery. The product packager (462) and transporter (489) license types received the least number of lottery applications.

The following table demonstrates the number of applications received in Round 1 of the lottery:

Table 2: Number of Lottery Applications Received by License Type in Round 1 of the Lottery

License Type	Social Equity Lottery	General Lottery	Total Lottery Entries
ACDS: ADULT-USE CANNABIS DELIVERY SERVICE	937	259	1,196
ACFB: ADULT-USE CANNABIS FOOD AND BEVERAGE MANUFACTURER	1,008	949	1,957
ACME: ADULT-USE CANNABIS MICRO-CULTIVATOR	5,527	2,935	8,462

ACPM: ADULT-USE CANNABIS PRODUCT MANUFACTURER	431	423	854
ACPP: ADULT-USE CANNABIS PRODUCT PACKAGER	108	354	462
ACRE: ADULT-USE CANNABIS RETAILER	8,260	7,208	15,468
ACTP: ADULT-USE CANNABIS TRANSPORTER	165	324	489
AMHF: ADULT-USE CANNABIS MEDICAL HYBRID RETAILER	6,839	1,275	8,114
Total Lottery Applications Received			37,002

Applications Selected and Licenses Issued in Round 1

A total of 61 applicants were selected through the Social Equity and General Lotteries. Of the 61, five were reconsidered or remanded by the Social Equity Council, resulting in additional lottery selections exceeding the number of licensing opportunities initially available in the retailer, delivery service, food and beverage manufacturer, product manufacturer and product packager license types. Of the applicants selected in the lottery, one food and beverage manufacturer applicant selected in the general lottery did not submit the required provisional license application and fee and was not awarded a provisional license.

The following number of applicants were selected in the first round of lotteries:

Table 3: Applicants Selected in Round 1 of the Lottery

License Type	Social Equity Lottery	General Lottery
Retailer*	7 ¹	6
Micro-cultivator	2	2
Delivery Service	6 ²	5
Hybrid Retailer	2	2
Food and Beverage Manufacturer	6 ³	5 ⁴
Product Manufacturer	4 ⁵	3
Product Packager	4 ⁶	3
Transporter	2	2
TOTAL	33 Applicants Selected in the Social Equity Lottery	28 Applicants Selected in the General Lottery

¹ One application was reconsidered/remanded by the SEC and approved by the SEC to proceed for a provisional license for adult-use cannabis retailer.

² One application was reconsidered/remanded by the SEC and approved by the SEC to proceed for a provisional license for delivery service.

³ One application was reconsidered/remanded by the SEC and approved by the SEC to proceed for a provisional license for food and beverage manufacturer.

⁴ One application selected in the general lottery to proceed for a provisional license for food and beverage manufacturer did not submit the required application and fee within the 60 days and was not awarded a provisional license.

⁵ One application was reconsidered/remanded by the SEC and approved by the SEC to proceed for a provisional license for product manufacturer.

⁶ One application was reconsidered/remanded by the SEC and approved by the SEC to proceed for a provisional license for product packager.

Provisional Licenses Issued Pursuant to RERACA

Pursuant to RERACA, the Department has issued 119 provisional licenses to cannabis establishments. Thirty-three of the provisional licenses issued were to applicants selected in the Social Equity Lottery. Twenty-seven of the provisional licenses were issued to applicants selected in the General Lottery, nine of which were applicants who applied and were not selected in the Social Equity Lottery but were selected in the General Lottery. Forty-six of the provisional licenses issued were to cannabis establishments applying as Equity Joint Ventures and 13 of the provisional licenses were issued to DIA Cultivators pursuant to Section 21a-420o of the general statutes. The following provisional licenses by license type and licensing mechanism were issued pursuant to RERACA in 2022 through June 30, 2024:

Table 4: Provisional Licenses Issued Pursuant to RERACA to Date

License Type	Social Equity Lottery	General Lottery	Equity Joint Venture	Section 21a-420o (DIA Cultivator)	Testing Laboratory
Cultivator	--	--	--	13	--
Retailer	7	6	28	--	--
Micro-cultivator	2	2	2	--	--
Delivery Service	6	5	2	--	--
Hybrid Retailer	2	2	14	--	--
Food and Beverage Manufacturer	6	4	--	--	--
Product Manufacturer	4	3	--	--	--
Product Packager	4	3	--	--	--
Testing Laboratory	--	--	--	--	--
Transporter	2	2		--	--
TOTAL	33 Provisional Licenses Issued in the Social Equity Lottery	27 Provisional Licenses issued in the General Lottery	46 Provisional Licenses Issued to Equity Joint Ventures	13 Provisional Licenses Issued to Cultivators Pursuant to Section 21a-420o	0 Provisional License Issued to a Cannabis Testing Laboratory

Final Licenses Issued Pursuant to RERACA by Town and County

Since the passage of RERACA, the Department issued 57 final licenses to cannabis establishments through June 30, 2024. The establishments are located in 38 towns: Branford, Bridgeport (2), Bristol (3), Colchester, Danbury (2), Derby, Groton, Hartford (3), Killingly, Manchester (3), Meriden (2), Middletown, Montville (2), Morris, Naugatuck, New Britain, New Haven (2), New London, Newington (2), Norwalk (2), Norwich, Old Saybrook, Orange, Plainfield, Portland, Rocky Hill (2), Simsbury, Stamford (3), Sterling, Tolland, Torrington (3), Vernon, Watertown, West Hartford (2), West Haven, Westbrook, Willington, Windham. All eight Connecticut counties have cannabis establishments that were awarded a final license. Of the final licenses issued, one was issued pursuant to Section 21a-420o, five

were issued to applicants selected in the Social Equity Lottery, five were issued to applicants selected in the General Lottery, 20 were issued to medical marijuana establishments converting their license to participate in the adult-use cannabis market, and 25 were issued to Equity Joint Ventures.

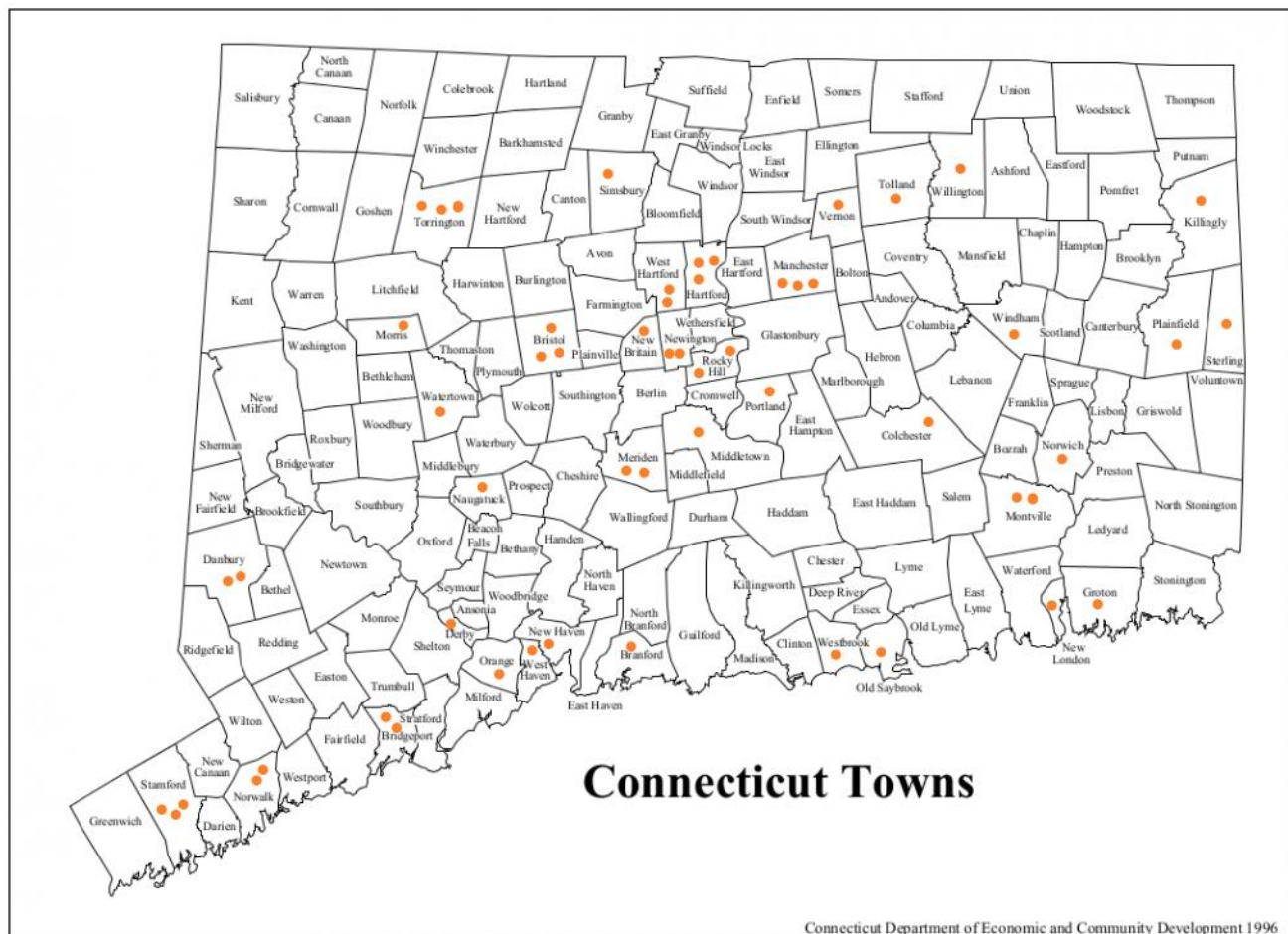
Table 5: Final Licenses Issued by Town and County to Date

License Type	Final Licenses Issued	Town	County	Licensing Mechanism
Cultivator	1	Morris	Litchfield	Section 21a-420o
Expanded Producer	4	Rocky Hill, Simsbury, Watertown, West Haven	Hartford (2), Litchfield, New Haven	Conversion (4)
Retailer	16	Colchester, Danbury, Hartford (2), Killingly, Manchester, Middletown, New Haven, New London, Norwalk (2), Old Saybrook, Tolland, Torrington, West Hartford, Willington	Fairfield (3), Hartford (4), Litchfield, Middlesex (2), New Haven, New London (2), Tolland (2), Windham	Equity Joint Venture (15), General Lottery
Micro-cultivator	3	Manchester, New Britain, Portland	Hartford (2), Middlesex	Equity Joint Venture (2), Social Equity Lottery
Delivery Service	5	Colchester, Derby, Montville, Stamford, Torrington	Fairfield, Litchfield, New Haven, New London (2)	Equity Joint Venture (2), General Lottery, Social Equity Lottery (2)
Hybrid Retailer	23	Branford, Bridgeport, Bristol (2), Danbury, Groton, Hartford, Manchester, Meriden (2), Montville, Naugatuck, New Haven, Newington (2), Norwich, Orange, Stamford (2), Torrington, Vernon, West Hartford, Windham	Fairfield (4), Hartford (7), Litchfield, New Haven (6), New London (3), Tolland, Windham	Conversion (16), Equity Joint Venture (6), Social Equity Lottery
Food and Beverage Manufacturer	3	Bristol, Sterling, Westbrook	Hartford, New London, Windham	General Lottery (2), Social Equity Lottery
Product Manufacturer	0	--	--	--
Product Packager	0	--	--	--
Testing Laboratory	1	Rocky Hill	Hartford	Laboratory Application
Transporter	1	Bridgeport	Fairfield	General Lottery
TOTAL	57 Final Licenses	38 Towns	8 Counties	Section 21a-420o, Laboratory Application, Conversion (20),

				Equity Joint Venture (25), General Lottery (5), Social Equity Lottery (5)
--	--	--	--	---

The following map demonstrates the distribution of final licenses issued to cannabis establishments pursuant to RERACA throughout the state.

Figure 3: Map of Final Licenses Issued to Cannabis Establishments Pursuant to RERACA as of 6/30/2024



CANNABIS LICENSING ACTIVITIES FOR APRIL 1, 2024 THROUGH JUNE 30, 2024

As required by Section 20 of Public Act 23-79, below are the Department’s licensing activities for the preceding quarter from April 1, 2024 through June 30, 2024.

Lottery

No lotteries have been conducted in 2024.

Provisional Licenses Issued Pursuant to RERACA

There were four provisional licenses awarded from April 1, 2024 through June 30, 2024. The provisional licenses were awarded to a DIA cultivator issued pursuant to Section 21a-420o of the general statutes and three retailers applying as Equity Joint Ventures.

Table 6: Provisional Licenses Issued Pursuant to RERACA for April 1, 2024 through June 30, 2024

License Type	Social Equity Lottery	General Lottery	Equity Joint Venture	Section 21a-420o (DIA Cultivator)
Cultivator	--	--	--	1
Expanded Producer	--	--	--	--
Retailer	--	--	3	--
Micro-cultivator	--	--	--	--
Delivery Service	-	--	--	--
Hybrid Retailer	--	--	--	--
Food and Beverage Manufacturer	--	--	--	--
Product Manufacturer	--	--	--	--
Product Packager	--	--	--	--
Testing Laboratory	--	--	--	--
Transporter	--	--	--	--
TOTAL	0 Provisional Licenses Issued in the Social Equity Lottery	0 Provisional Licenses issued in the General Lottery	3 Provisional Licenses Issued to Equity Joint Ventures	1 Provisional License Issued to Cultivator Pursuant to Section 21a-420o

Final Licenses Issued Pursuant to RERACA by Town and County

The Department issued nine final licenses in the preceding quarter. The licensed establishments are located in the following nine municipalities: Bridgeport (6/4/2024), Bristol (6/12/2024), Hartford (4/4/2024), Manchester (4/23/2024), Naugatuck (4/24/2024), New Britain (4/4/2024), New Haven (4/30/2024), Norwalk (4/15/2024) and Torrington (5/31/2024). Six of the final licenses were issued to Equity Joint Ventures, two to applicants selected in the General Lottery, and one to an applicant selected in the Social Equity Lottery.

Table 7: Final Licenses Issued by Town and County from April 1, 2024 through June 30, 2024

License Type	Final Licenses Issued	Town	County	Licensing Mechanism
Cultivator	--	--	--	--
Expanded Producer	--	--	--	--
Retailer	4	Hartford, New Haven, Norwalk, Torrington	Hartford, Fairfield, Litchfield, New Haven	Equity Joint Venture (3), General Lottery
Micro-cultivator	2	Manchester, New Britain	Hartford (2)	Equity Joint Venture, Social Equity Lottery
Delivery Service	--	--	--	--

Hybrid Retailer	2	Bristol, Naugatuck	Hartford, New Haven	Equity Joint Venture (2)
Food and Beverage Manufacturer	--	--	--	--
Product Manufacturer	--	--	--	--
Product Packager	--	--	--	--
Testing Laboratory	--	--	--	--
Transporter	1	Bridgeport	Fairfield	General Lottery
TOTAL	9 Final	9 Towns	4 Counties	Equity Joint Venture (6), General Lottery (2), Social Equity Lottery

ESTIMATED INCREASE IN CANNABIS ESTABLISHMENTS FOR 2024

Provisional Licenses

There are currently 83 provisional licenses for cannabis establishments in the state. Once all final licensing requirements have been met by the provisional license holder, a final license will be issued and the establishment may commence operations. Below are the existing provisional licenses by license type and expiration period.

Table 8: Current Provisional Licenses for Cannabis Establishments

License Type	2024 Expiration Date	2025 Expiration Date	No Expiration Date	Total
Cultivator	--	--	12	12
Micro-Cultivator	2	1	--	3
Hybrid Retailer	--	11	--	11
Retailer	15	10	--	25
Product Packager	2	5	--	7
Product Manufacturer	1	6	--	7
Food and Beverage Manufacturer	1	6	--	7
Delivery Service	1	7	--	8
Testing Laboratory	--	--	--	--
Transporter	--	3	--	3
Total	22	49	12	83

Social Equity Council Micro-Cultivators

Additionally, [Section 21a-420d\(l\)](#) of the general statutes allows the Social Equity Council to select social equity applicants to participate in a program to establish two micro-cultivators without participating in a lottery or request for proposals. At this time, the Department has not received notice that applicants have been selected for this program. This allows for a potential of two micro-cultivators in addition to the five who currently hold provisional licenses with the Department.

Equity Joint Ventures

Licensed dispensary facilities (18), producers (4) and DIA cultivators (13) are able to create two cannabis establishments as Equity Joint Ventures. Out of the potential 70 Equity Joint Ventures that can be created, 46

provisional or final licenses have been issued to Equity Joint Ventures. This leaves a potential for an additional 23 Equity Joint Ventures. There is no deadline for licensed dispensary facilities, producers or DIA cultivators to create Equity Joint Ventures.

DIA Cultivators

A total of 26 applicants have been approved to apply for a provisional cultivator license. While 13 of these applicants have been awarded either a provisional or final license, there still remain 13 applicants that have yet to apply. Under Section 13 of Public Act 24-76, applicants approved to apply for a provisional cultivator license must apply for a provisional license no later than December 31, 2025. Provisional licenses issued to DIA cultivators do not have an expiration date. This leaves a potential for 13 provisional licenses to be issued for cultivators, each of which may also potentially create up to two cannabis establishments through Equity Joint Ventures, for a potential of 26 additional Equity Joint Ventures based solely on the DIA cultivators who have yet to submit their provisional license application.

While Section 13 of Public Act 24-76 requires a provisional license for a cultivator license under Section 21a-420o must be issued no later than December 31, 2025, it also expands the options for where cultivators under this provision may be located. In addition to Disproportionately Impacted Areas, Section 13 of Public Act 24-76 also allows for cultivators licensed under Section 21a-420o to be located in a:

- Disproportionately Impacted Area;
- On any reservation, as defined in section 47-63, of the Schaghticoke, Paucatuck Eastern Pequot or Golden Hill Paugussett indigenous tribe recognized by this state provided such reservation includes at least ten acres of contiguous land and such land comprised part of such reservation on July 1, 2024;
- On any parcel of land owned by an indigenous tribe recognized by this state that is at least 10 acres of contiguous land and in a municipality that, prior to July 1, 2024, contained any portion of a Disproportionately Impacted Area; or,
- For an exclusively outdoor grow, a municipality containing any portion of a disproportionately impacted area provided:
 - Such an outdoor grow is conducted on land that such municipality has approved for agricultural or farming uses; and,
 - All cultivation complies with the Department's policies and procedures related to outdoor cultivation.

This expansion of potential locations is significant as it allows greater opportunity for the remaining 13 cultivators to identify suitable locations for their cultivation operations.

Section 5 of [Public Act 24-76](#) allows for a social equity applicant who has submitted an application for a cultivator pursuant to [Section 21a-420o](#) of the general statutes, has been verified as a social equity applicant, and has not been awarded a provisional cultivator license to, between July 1, 2024 and March 31, 2025, withdraw their application as a cultivator and apply for a micro-cultivator license. The application fee under this section is \$500,000. A micro-cultivator issued under this provision of the law may create one equity joint venture upon award of a final license, after having commenced cultivation activities, and upon payment of a \$500,000 conversion fee, which is in addition to the \$500,000 application fee. Should DIA cultivator applicants choose to pursue this pathway to a micro-cultivator license, it will decrease the number of potential Equity Joint Ventures. However, this new

provision significantly reduces the financial barrier for entry into the market by reducing the application and the required size of grow space. Reducing the grow space requirement also increases the number of potential spaces where the establishment may operate, as there are more spaces under 15,000 square feet available, especially in disproportionately impacted areas.

Lottery

The Department continues to regularly evaluate the number of existing licensees as well as the state's inventory of cannabis and cannabis products to determine which license types a lottery should be opened for to ensure potential new licensing opportunities are sustainable and can be supported by the market.

Considerations

Legislative Changes

Section 5 of Public Act 24-76 added a pathway for social equity applicants who applied for a cultivator license pursuant to [Section 21a-420o](#) of the general statutes, who has been verified as a social equity applicant and who has not submitted a provisional license application for a cultivator to withdraw their application as a cultivator and apply as a micro-cultivator. This opportunity is available to 13 applicants who have been approved but have yet to apply for a provisional cultivator license. The 13 applicants can either:

- Continue on their path as a cultivator and pay \$3 million by December 31, 2025 for a provisional license, or
- Withdraw their cultivator application and pay the \$500,000 application fee to apply for a micro-cultivator license no later than March 31, 2025.

This significant decrease in the application fee has the potential to result in a number of applicants taking advantage of the opportunity to enter the market and may result in an increase in the number of micro-cultivator licenses.

Pursuant to Section 7 of Public Act 24-76, effective July 1, 2024 cannabis and cannabis products can only be delivered to consumers, patients or caregivers by a licensed delivery service. Cannabis establishments that are permitted to sell directly to consumers and/or patients and caregivers, such as dispensary facilities, hybrid retailers, retailers and micro-cultivators are no longer permitted to use their own employees to deliver cannabis and cannabis products to consumers, patients or caregivers and are required to use a licensed delivery service.

Effective July 1, 2024, product packagers may seek authorization to expand their authorized activities to include the authorized activities of a product manufacturer under Section 10 of Public Act 24-76. Product packagers must meet all requirements outlined in Section 18 of Public Act 24-76 and pay an application fee of \$30,000. A renewal fee of \$25,000 is due annually. This potentially increases the number of establishments that can manufacture cannabis products, ultimately increasing product supply.

Zoning

Section 148(b) of Public Act 21-1 of the June 2021 Special Legislative Session required municipalities report to the Department and to the Office of Policy Management any zoning changes adopted by the municipality regarding cannabis establishments. Of the 169 municipalities in Connecticut, 93 have reported zoning changes regarding cannabis establishments to the Department. Of those zoning changes reported, 41 have approved some form of cannabis establishment within their jurisdiction, 31 have reported a moratorium and 21 have reported that

cannabis establishments are prohibited in their municipality. Seventy-six municipalities have not reported zoning changes regarding cannabis establishments to the Department.

As previously mentioned, cannabis establishments currently hold final licenses in 35 towns across the state. Of those towns, cannabis establishments are in 19 municipalities that have reported a zoning change that cannabis establishments have been approved, 5 are in municipalities reporting a moratorium, and 13 are in towns that have not reported a zoning change to the Department.

While municipalities have the authority to determine how many cannabis establishments may operate within their jurisdiction and one municipality may have multiple cannabis establishments, it's important to note that only 22 towns that have reported that cannabis establishments have been approved by the municipality do not currently have a cannabis establishment. This is significant as there are currently 83 cannabis establishments that hold provisional licenses that must find viable locations for their final license within municipalities that will approve zoning for their establishment.

Table 9: List of Towns Reporting Cannabis Zoning Changes Regarding Cannabis Establishments

Towns Reporting Cannabis Zoning Changes Regarding Cannabis Establishments	
Approved	Ansonia, Ashford, Beacon Falls, Bloomfield, Branford, Bridgeport, Bristol, Brooklyn, Canton, Columbia, Danbury, East Hampton, East Hartford, East Lyme, East Windsor, Enfield, Franklin, Groton, Hartford, Manchester, Meriden, Middletown, Morris, Naugatuck, New Britain, Newington, North Stonington, Norwich, Plainville, South Windsor, Stafford, Suffield, Thompson, Tolland, Torrington, Vernon, Waterbury, West Hartford, West Haven, Willington, Windham
Moratorium	Berlin, Bethany, Chester, Colchester, Cornwall, Durham, Ellington, Essex, Goshen, Granby, Griswold, Guilford, Harwinton, Hebron, Litchfield, Marlborough, Old Saybrook, Orange, Plainfield, Preston, Putnam, Ridgefield, Rocky Hill, Simsbury, Southbury, Thomaston, Trumbull, Warren, Waterford, Windsor Locks, Woodstock
Prohibited	Avon, Bethel, Bethlehem, Bridgewater, Burlington, Clinton, Glastonbury, Greenwich, Madison, Middlefield, New Canaan, Newtown, Old Lyme, Prospect, Sharon, Southington, Weston, Westport, Wilton, Wolcott, Woodbury
No Change Reported	Andover, Barkhamsted, Bolton, Bozrah, Brookfield, Canaan, Canterbury, Chaplin, Cheshire, Colebrook, Coventry, Cromwell, Darien, Deep River, Derby, East Granby, East Haddam, East Haven, Eastford, Easton, Fairfield, Farmington, Haddam, Hamden, Hampton, Hartland, Kent, Killingly, Killingworth, Lebanon, Ledyard, Lisbon, Lyme, Mansfield, Middlebury, Milford, Monroe, Montville, New Fairfield, New Hartford, New Haven, New London, New Milford, Norfolk, North Branford, North Canaan, North Haven, Norwalk, Oxford, Plymouth, Pomfret, Portland, Redding, Roxbury, Salem, Salisbury, Scotland, Seymour, Shelton, Sherman, Somers, Sprague, Stamford, Sterling, Stonington, Stratford, Union, Voluntown, Wallingford, Washington, Watertown, Westbrook, Wethersfield, Winchester, Windsor, Woodbridge

Figure 4: Map of Towns Reporting Zoning Changes Regarding Cannabis Establishments as of 6/30/2024

A map of Connecticut divided into municipalities, color-coded by their stance on gun ownership. The legend indicates three categories: Approved (green), Moratorium (yellow), and Prohibited (red). Municipalities labeled include Torrington, Tolland, Putnam, Hartford, Manchester, Bristol, Willimantic, Plainfield, New Britain, Middletown, Norwich, Waterbury, Meriden, Danbury, New Milford, Shelton, New Haven, Guilford, New London, Bridgeport, Stamford, and Milford. Some municipalities are colored grey, indicating they are not included in the data set.