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18-November 2021

To: Waterford Planning and Zoning Commission, RTM Moderator and Majority and Minority leaders

Cc: Board of Selectmen

From: Waterford Economic Development Commission

Subject: Cannabis Policy Recommendations

In reference to Public Act 21-1, AN ACT CONCERNING RESPONSIBLE AND EQUITABLE REGULATION OF ADULT-USE CANNABIS, Waterford Economic Development Commission (EDC) recommends the following;

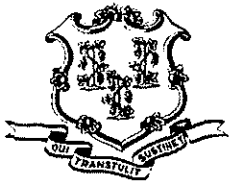
- **EDC supports permitting of both a retailer and a micro-cultivator in Waterford.** If these are not permitted in Waterford, their corresponding tax and fee revenues will simply flow to neighboring towns.
- **EDC recommends using existing ordinances and regulations regarding package stores and liquor permitting as a blueprint** for permitting activities on-premises, signage, hours of operation, and proximity restrictions with regard to certain protected locations within the municipality.
- **EDC suggests Cross Road and Route 85 as possible retail zones to keep cannabis retail** distant from schools, while providing maximal revenue-driving traffic from I-95, I-395, and local roads.
- **EDC recommends a comprehensive ordinance to prohibit individuals from smoking and vaping** on public streets, sidewalks, parks and properties, including tobacco, e-cigarettes, and cannabis, punishable by a \$50 fine.
- **EDC does *not* recommend a fine for restaurants** that allow smoking or vaping in outdoor areas, so long as such locations are not patio or sidewalk seating that encroaches on municipal property as outlined in the public smoking and vaping ordinance recommended above.

Attachment: OPM Guidance on Public Act 21-1

Sincerely,

Dan Radin, Chair

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# STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

*Intergovernmental Policy and Planning Division*

## **SB 1201 - AN ACT CONCERNING RESPONSIBLE AND EQUITABLE REGULATION OF ADULT-USE CANNABIS**

**[www.ct.gov/cannabis](http://www.ct.gov/cannabis)**

### **MUNICIPAL AUTHORITY - IMPACT OVERVIEW**

**Sec. 83 – effective July 1, 2021:** Addresses various issues on municipalities' authority to regulate cannabis, such as (1) requiring them, upon petition of 10% of their voters, to hold a local referendum on whether to allow the recreational sale of marijuana or whether to allow certain types of cannabis businesses within the municipality; (2) barring them from prohibiting the delivery of cannabis by authorized persons; and (3) allowing them to charge retailers, hybrid retailers, and micro-cultivators for certain initial public safety expenses.

**Local Referendum:** A municipality must hold a referendum on whether to allow certain cannabis sales if at least 10% of its electors' petition for such a vote at least 60 days before a regular election.

Specifically, these votes may determine whether to allow (1) the sale of adult-use marijuana in the municipality or (2) the sale of adult-use marijuana in one or more of the cannabis establishment license types.

The ballot designations are as follows: "Shall the sale of recreational marijuana be allowed in .... (Name of municipality)?" or "Shall the sale of cannabis under (Specified license or Licenses) be allowed in .... (Name of municipality)?" or "Shall the sale of recreational marijuana be prohibited (No Licenses) in .... (Name of municipality)?"

The referendum and ballot designations conform to existing procedures. The results take effect on the first Monday of the month after the election and stay in effect until another vote is taken. The bill allows a vote to occur at a special election, following existing procedures, if at least one year has passed since the previous vote. Existing laws on absentee voting at referenda apply to these votes. These referenda do not affect any class of cannabis establishments already allowed in a municipality and do not affect any class of cannabis establishments that do not sell adult-use cannabis, including a medical dispensary and establishments that grow cannabis products.

**Delivery and Transport:** Municipalities cannot prohibit the delivery of cannabis to (1) consumers or (2) qualifying medical marijuana patients or their caregivers, if the delivery is made by someone authorized to do so under the bill (e.g., delivery services). It also bars municipalities from prohibiting the transport of cannabis to, from, or through the municipality by anyone licensed or registered to do so.

**Ban on Certain Actions and Local Host Agreements:** The bill prohibits municipalities or local officials from conditioning any official action on, or accepting any donations from, any cannabis establishment or applicants for cannabis establishment licenses in the municipality. The bill also bars municipalities from negotiating or entering into a local host agreement with a cannabis establishment or license applicant.

**Charge for Initial Public Safety Costs:** The bill allows municipalities, for the first 30 days after cannabis retailers or hybrid retailers open, to charge them up to \$50,000 for any necessary and reasonable municipal costs for public safety services related to the opening (such as for directing traffic).

**Sec. 84 - effective October 1, 2021:** Allows municipalities to prohibit consumption of cannabis in public areas and to establish fines for use of cannabis in such areas.

**Existing law in place through September 30, 2021 -** Allows a municipality to regulate, on any property owned by the municipality, any activity deemed to be deleterious to public health, including the lighting or carrying of a lighted cigarette, cigar, pipe or similar device. This provides sufficient authority to regulate the consumption of cannabis of any form in the interim.

**Regulation of Smoking and Cannabis Use:** Existing law allows municipalities to regulate activities deemed harmful to public health, including tobacco smoking, on municipally-owned property. The bill broadens this to include property that a municipality controls but does not own. For the purposes of this section, property that a municipality controls includes, but not limited to, sidewalks, parks, beaches, municipal land and buildings, etc. It specifies that this regulatory authority applies to (1) smoked or vaped tobacco or cannabis, and (2) other types of cannabis use or consumption.

For municipalities with more than 50,000 people, if they regulate the public use cannabis, the regulations must designate a location in the municipality where public consumption is allowed. This section does not require that such municipalities provide for a location where any or all forms of cannabis can be consumed, but only some forms of cannabis can be consumed. The most common forms of cannabis consumption are smoking, vaping, and edibles. Through regulations, municipalities may set fines for violations by individuals regarding outdoor consumption of cannabis of up to \$50.

Municipalities are permitted to ban cannabis smoking and vaping at outdoor sections of restaurants. Through regulations, municipalities may set fines for violations of up to \$1,000 for businesses who allow cannabis smoking or vaping contrary to the regulation of the municipality.

**Sec. 126 - effective July 1, 2021:** Imposes a 3% municipal sales tax on the sale of cannabis that applies in addition to the state's 6.35% sales tax and the state cannabis tax established under the bill; specifies the purposes for which municipalities may use the tax revenue. The 3% municipal sales tax will be administered through DRS, though each municipality will be responsible for collecting the appropriate amounts as identified by DRS.

**Municipal Designee:** The bill requires each municipality in which a cannabis retailer, hybrid retailer or micro-cultivator is located to submit to the DRS commissioner, at least annually, the name and contact information of the individual designated by the municipality to receive notifications regarding the tax. The DRS commissioner must notify these designated individuals of the tax amount reported due from each cannabis retailer, hybrid retailer and micro-cultivator located in their respective. Such municipalities are then responsible for collecting the tax payments from each payor.

**Municipal Uses of Funds:** The amounts remitted become a part of the municipality's general revenue and may only be used for the following purposes:

1. streetscape improvements and other neighborhood developments in communities where cannabis retailers, hybrid retailers or micro-cultivators are located;
2. education programs or youth employment and training programs in the municipality;
3. services for individuals living in the municipality who were released from DOC custody, probation, or parole;
4. mental health or addiction services;
5. youth service bureaus and municipal juvenile review boards; and
6. community civic engagement efforts.

**Sec. 148 - effective July 1, 2021:** Authorizes municipalities to enact certain zoning regulations or ordinances for cannabis establishments; temporarily prohibits municipalities from granting zoning approval for more retailers or micro-cultivators than a number that would allow for one of each for every 25,000 residents; and allows the DCP commissioner to set a population-based cap for number of retailers or micro-cultivators in the future.

**General Zoning Authority and Restrictions:** Allows municipalities to amend their zoning regulations or local ordinances to take the following actions regarding cannabis establishments:

1. prohibit them from opening;
2. reasonably restrict their hours and signage; or
3. restrict their proximity to religious institutions, schools, charitable institutions, hospitals, veterans' homes, or certain military establishments.

Municipal chief zoning officials are required to report these zoning changes to the OPM Secretary and DCP. They must report in writing within 14 days after adopting the change.

**Affirmative Zoning Approval for Retailers and Micro-Cultivators:** Until June 30, 2024, municipalities are prohibited from granting zoning approval for more retailers or micro-cultivators than a number that would allow for one retailer and one micro-cultivator for every 25,000 municipal residents, as determined by the most recent decennial census. Beginning July 1, 2024, the DCP commissioner may post on the department's web site a specific number of residents such that no municipality shall grant zoning approval for more retailers or micro-cultivators than would result in one retailer and one micro-cultivator for every such specific number of residents, as determined by the commissioner.

In order to ensure compliance, the bill requires a special permit or other affirmative approval for any retailer or micro-cultivator seeking to be located within a municipality. A municipality must not grant the special permit or approval for any applicant if an approval would result in exceeding the density cap set by the bill or DCP Commissioner. The purpose of the special permit or other affirmative approval is not to require a public meeting or any other steps or procedures than would otherwise be required under a municipality's zoning ordinance, but rather to ensure that no more retailers or micro-cultivators are granted zoning approval than the number allowable under the legislation.