

ORDINANCE # 135
Chapter 20 Cannabis

Sec. 1-1. Purpose.

The purpose and intent of this chapter is as follows; (1) to impose limitations upon the consumption of cannabis and cannabis products in public and quasi-public places; (2) to create the "Borough of Naugatuck Cannabis Account," a special fund account funded by municipal tax revenues due to retail sales of cannabis; and (3) to establish the policies and procedures of the Borough of Naugatuck Cannabis Account.

Sec. 1-2. Definitions.

For purposes of this chapter, the following terms have the meanings indicated:

Cannabis.

Marijuana, as defined in section 21a-240 of the Connecticut General Statutes, as the same may be amended.

Cannabis Establishment.

A producer, dispensary facility, cultivator, micro-cultivator, retailer, hybrid retailer, food and beverage manufacturer, product manufacturer, product packager, delivery service, or transporter.

Cannabis Product.

Cannabis that is in the form of a cannabis concentrate or a product that contains cannabis, which may be combined with other ingredients, and is intended for use or consumption. "cannabis product" does not include the raw cannabis plant.

Cultivation.

Includes planting, propagating, cultivating, growing, and harvesting.

Cultivator.

A person that is licensed to engage in the cultivation, growing, and propagation of the cannabis plant at an establishment with not less than fifteen thousand square feet of grow space.

Delivery Service.

A person that is licensed by the State of Connecticut to deliver cannabis from (1) micro-cultivators, retailers, and hybrid retailers to consumers and research program subjects, and (2) hybrid retailers and dispensary facilities to qualifying patients, caregivers, and research program subjects.

Dispensary Facility.

A place of business where cannabis may be dispensed, sold, or distributed to qualifying patients and caregivers, and to which the Connecticut Department of Consumer Protection has issued a dispensary facility license.

Food and Beverage Manufacturer.

A person that is licensed to own and operate a place of business that acquires cannabis and creates food and beverages.

Hybrid Retailer.

A person that is licensed to purchase cannabis and sell cannabis and medical marijuana products.

Micro-cultivator.

A person licensed to engage in the cultivation, growing and propagation of the cannabis plant at an establishment containing not less than two thousand square feet and not more than ten thousand square feet of grow space.

Person.

An individual, partnership, limited liability company, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other legal entity and any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination thereof.

Producer.

A person that is licensed as a producer by the State of Connecticut.

Product Manufacturer.

A person that is licensed by the State of Connecticut to obtain cannabis, extract and manufacture products exclusive to such license type.

Product Packager.

A person that is licensed by the State of Connecticut to package and label.

Retailer.

A person, excluding a dispensary facility or hybrid retailer, that is licensed by the State of Connecticut to purchase cannabis from producers, cultivators, micro-cultivators, product manufacturers, and food and beverage manufacturers and to sell cannabis to consumers and research programs

Transporter.

A person licensed by the State of Connecticut to transport cannabis between cannabis establishments, laboratories and research programs.

Sec. 1-3. Cannabis Establishments.

- A. There shall be no more than two retailers in the Borough of Naugatuck.
- B. For up to thirty days after the opening of a cannabis establishment in the borough, the borough may charge such cannabis establishment for any necessary and reasonable costs incurred by the borough for the provision of public safety services in relation to such opening, including, but not limited to, public safety costs incurred to direct traffic, in an aggregate amount not to exceed fifty thousand dollars.

Sec. 1-4. Cannabis Consumption Restrictions.

- A. Except as otherwise set forth in this chapter, the consumption of cannabis and cannabis products shall not occur in any form on land owned or controlled by the

borough including, but not limited to, all sidewalks, parks, beaches, and municipal-owned land or buildings.

- B The consumption of cannabis and cannabis products shall not occur at any outdoor dining establishment.
- C. The Mayor and Board of Burgesses may designate a place or places within the borough wherein public consumption of cannabis and cannabis products through smoking, vaping, or the consumption of edibles is permitted. The designated place or places shall contain visible multilingual signage that clearly delineates the hours during which such consumption is permitted.

Sec. 1-5. Enforcement; Fines/Citation; Hearing; Appeals.

Any person violating any provision of this chapter may be subject to the following penalties:

- (1) If it is determined that an individual has consumed cannabis and/or cannabis products outdoors where consumption is not permitted by this chapter, such individual shall be subject to a fine/citation of \$50 for each violation.
- (2) If it is determined that a person permits the outdoor consumption of cannabis and/or cannabis products in violation of this chapter, such person shall be subject to a fine/citation of \$250 for each violation.
- (3) Any aggrieved person may file an appeal to the Superior Court for the Judicial District of Waterbury.

Sec. 1-6. Reporting Requirements.

The chief of police or their designee shall, on an annual basis or as otherwise requested by the Board of Mayor and Burgesses or the mayor, prepare and deliver a written report to the Board of Mayor and Burgesses and the mayor concerning the number of violations issued pursuant to this chapter. This written report shall include, but not be limited to, information concerning the geography and demographics of the violations issued and such other information as requested by the Board of Mayor and Burgesses or the mayor.

Sec. 1-7. Establishment of the Borough of Naugatuck Cannabis Account.

- A. The borough does hereby create the Borough Cannabis Account, a special fund account to be used exclusively for the purposes as delineated in C.G.S. 12-330mm(b)(5), as the same may be amended, which as of the effective date of this chapter consist of the following: streetscape improvements and other neighborhood developments in communities where cannabis retailers, hybrid retailers or micro-cultivators are located; education programs or youth employment and training programs in the borough; services for individuals living in the borough who were released from Department of Corrections custody, probation, or parole; mental health or addiction services; youth service bureaus and municipal juvenile review boards; and community civic engagement efforts.
- B. The continuation of the Borough of Naugatuck Cannabis Account shall be perpetual notwithstanding that from time to time said account may be unfunded.

Funds in the Borough Cannabis Account shall not lapse at the end of the borough's fiscal year.

Sec. 1-8. Borough of Naugatuck Cannabis Account Collection; Sources of Funding; Investments; Limitations on use of Funds.

- A. The controller of the borough or a designee shall be designated as the borough official who shall receive notifications from the Connecticut Department of Revenue Services ("DRS") Commissioner regarding the municipal tax amount reported due from each cannabis retailer, hybrid retailer and micro-cultivator located in the borough from the sale of cannabis and/or cannabis products.
- B. The controller or a designee shall submit or resubmit their name and contact information to the DRS as required by law.
- C. The controller or a designee shall act in accordance with C.G.S. 12-330mm(b)(4), as the same may be amended, and is the individual responsible with regards to the invoicing and receipt of sums owed to the borough from each cannabis retailer, hybrid retailer, and micro-cultivator located in the borough from the sale of cannabis and/or cannabis products.
- D. The Borough of Naugatuck Cannabis Account shall consist of the following: (1) all sums received by the borough from municipal taxes owed by each cannabis retailer, hybrid retailer, and micro-cultivator from the sale of cannabis and/or cannabis products; (2) all gifts and grants from any source, public or private, made to the borough and designated for this account; and (3) all investment income earned by this account.
- E. All or any part of the monies in the Borough Cannabis Account may be invested in any manner in which public funds may be lawfully invested.
- F. All of the monies in the Borough of Naugatuck Cannabis Account shall at all times be subject to withdrawal for use as provided in this chapter. No sums contained in the Borough of Naugatuck Cannabis Account, including interest and dividends earned, shall be transferred to any other account within the borough budget or used for any purpose not provided for in this chapter.

Sec. 1-9. Expenditures from Borough of Naugatuck Cannabis Account; Administration.

- A. The controller or a designee shall prepare, adopt, and publish on the borough's website the Borough of Naugatuck Cannabis Account Expenditure Guidelines ("Guidelines"), establishing the process, procedures, guidelines, rules, and requirements for application submission pursuant to this Section 1-9, and the mode, manner and means by which Borough of Naugatuck Cannabis Account funds may be used by any applicant. The Guidelines shall be approved by the Board of Mayor and Burgesses from time to time and, in any event, no less frequently than once every 24 months. No application for Borough of Naugatuck Account funds shall be accepted or funds held in the Borough of Naugatuck Cannabis Account designated for a particular use or expenditure until the

Guidelines have been approved by the Board of Mayor and Burgesses published on the borough's website.

- B. Pursuant to the Guidelines, the controller or a designee shall, subject to the approval of the Board of Mayor and Burgesses and the availability of funds in the Borough of Naugatuck Cannabis Account, periodically, and at least annually, solicit applications for such funds from interested persons. Provided the applications received in connection with such solicitation conform with the Guidelines and this chapter, the controller shall forward a summary of such applications to the Board of Mayor and Burgesses, a recommendation for final action. The Board of Mayor and Burgesses shall have the discretion to deny, in whole, but not in part, such recommendation.
- C. No expenditure of funds from the Borough of Naugatuck Cannabis Account shall be approved except in accordance with the Guidelines or made except in accordance with the provisions of this chapter.
- D. No expenditure of funds from the Borough of Naugatuck Cannabis Account shall be in excess of the available balance in the fund.
- E. No officer or employee of the borough, or any member of their immediate family, may receive a financial benefit from or have a direct or indirect personal or financial conflict of interest in any person that receives funds from the Borough of Naugatuck Cannabis Account.

Sec. 1-10. Borough of Naugatuck Cannabis Account Reporting.

The controller or a designee shall, on an annual basis or as otherwise requested by the Board of Mayor and Burgesses, prepare and deliver a written report to the Board of Mayor and Burgesses of the amount in the Borough of Naugatuck Cannabis Account and deposits and expenditures therefrom.

This ordinance shall be effective upon publication.