Commerce and Consumer Affairs
February 15, 2023
2023-0543h
08/07

Amendment to HB 639-FN-A

Amend RSA 126-A:98, I-III as inserted by section 3 of the bill by replacing it with the following:

I. The commissioner of the department of health and human services, in coordination with the governor's commission on alcohol and other drugs under RSA 12-J shall administer the substance abuse prevention and recovery fund established in RSA 318-F:25.

II. Funds shall be deposited into the substance abuse prevention and recovery fund as established by 318-F:25 to be distributed by the commissioner of the department of health and human services in coordination with the governor's commission on alcohol and other drugs under RSA 12-J. Funds may be awarded to a qualifying governmental entity or program for an approved use. All funds shall be nonlapsing and continually appropriated for the purposes of this section.

III. The commissioner of the department of health and human services, in coordination with the governor's commission on alcohol and other drugs per RSA 12-J, shall continue to make distributions from the trust fund.

Amend RSA 318-F as inserted by section 7 of the bill by replacing it with the following:

CHAPTER 318-F

REGULATION OF CANNABIS

318-F:1 Definitions. In this chapter:

I. “Alternative treatment center” means an entity as defined in RSA 126-X:1, I.

II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including cannabis concentrate. "Cannabis" shall not include hemp, fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product.

III. "Cannabis accessories" or “cannabis paraphernalia” means any equipment, products, or materials of any kind that are intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.

IV. "Cannabis accessory retailer" means an entity licensed to sell cannabis accessories and paraphernalia

V. "Cannabis cultivation facility" or "cultivation facility" means an entity registered to cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis concentrates, tinctures, extracts, or other cannabis products.

VI. "Cannabis establishment" means a cannabis cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, a retail cannabis store, a cannabis transporter, or any other type of cannabis business authorized and licensed by the commission.

VII. "Cannabis product manufacturing facility" or "product manufacturing facility" means an entity licensed to purchase cannabis, to manufacture, prepare, and package cannabis products, and sell cannabis and cannabis products to other cannabis product manufacturing facilities, to alternative treatment centers, and to retail cannabis stores, but not to consumers.

VIII. "Cannabis products" means any product that contains cannabis, including cannabis extracts, concentrated cannabis products, and products that contain cannabis and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures. This term shall not include cannabis in its plant or flower form.

VII. "Cannabis testing facility" or "testing facility" means an entity licensed to test cannabis for potency and contaminants.

VIII. "Cannabis transporter" means an entity licensed to transport cannabis between cannabis establishments.

IX. "Commission" means the liquor and cannabis commission.

X. "Consumer" means a person 21 years of age or older who purchases cannabis or cannabis products for personal use by a person 21 years of age or older, but not for resale. "Consumer" does not include a qualifying patient or designated caregiver purchasing cannabis from an alternative treatment center pursuant to RSA 126-X.

XI. "Department" means the department of health and human services.

XII. "Documentation" means all records, in any form, including electronic records.

XIII. "Dual use certificate" means a license allowing an alternative treatment center licensed to operate pursuant to RSA 126-X to co-locate with and operate a retail cannabis store, cannabis cultivation facility, cannabis product manufacturing facility, cannabis transporter, or any combination of those licenses. A dual use certificate is required in addition to registration as an alternative treatment center and the registration required pursuant to this chapter for each type of cannabis establishment operated by the alternative treatment center.

XIV. "Immature cannabis plant" means a cannabis plant that has not flowered and that does not have buds that may be observed by visual examination.

XV. "Inflation" means the 12-month percentage change in the consumer price index for all urban consumers, northeast region as published by the Bureau of Labor Statistics, United States Department of Labor.

XVI. "Mature cannabis plant" means a cannabis plant that has flowered and has buds that may be observed by visual examination.

XVII. "Municipality" means a city, town, or an unincorporated place.

XVIII. "Possession limit" means:

(a) Four ounces of cannabis in plant form; and

(b) Twenty grams of concentrated cannabis products, which includes hashish and pre-filled cartridges of cannabis extracts intended for vaporization;

(c) Cannabis products other than concentrated cannabis products containing no more than 2,000 milligrams of THC;

This paragraph shall not apply to the possession limits set forth in RSA 126-X:2.

XIX. "Public place" means any place to which the general public has access.

XX. "Premises" means and includes all parts of the contiguous real estate occupied by a licensee over which the licensee has direct or indirect control or interest and which the licensee uses in the operation of the licensed business, and which have been approved by the commission as proper places in which to exercise the licensee's privilege.

XXI. "Retail cannabis store" or "retail store" means an entity licensed to purchase cannabis from cannabis cultivation facilities, to purchase cannabis and cannabis products from cannabis product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis products or cannabis accessories or cannabis paraphernalia to consumers.

XXII. "Resident" means a natural person who:

(a) Is domiciled in New Hampshire; and

(b) Maintains a place of abode in New Hampshire, unless the individual was homeless and residing in New Hampshire for at least 51 percent of the time.

318-F:2 Personal Use of Cannabis.

I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person 21 years of age or older, shall not be illegal under New Hampshire law or the law of any political subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:

(a) Possessing, consuming, using, displaying, obtaining, purchasing, processing, producing, or transporting an amount of cannabis that does not exceed the possession limit, except that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product manufacturer may perform extractions using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol.

(b) Transferring an amount of cannabis that does not exceed the possession limit to a person who is 21 years of age or older without remuneration. For purposes of this paragraph, a

transfer is for remuneration if cannabis is given away contemporaneously with another transaction between the same parties, if a gift of cannabis is offered or advertised in conjunction with an offer for sale of goods, services, or admission to an event, or if the gift of cannabis is contingent upon a separate transaction for goods, services, or the price of admission to an event.

(c) Transferring cannabis, including cannabis products, to a cannabis testing facility.

(d) Controlling property where the acts described under this section occur.

(e) Assisting another person who is 21 years of age or older in any of the acts described under this section.

II. No law enforcement officer employed by an agency that receives state or local government funds shall expend any state or local resources, including the officer's time, to effect any arrest or seizure of cannabis, or conduct any investigation, on the sole basis of activity the officer believes to constitute a violation of federal law if the officer has reason to believe that such activity is in compliance with this chapter, nor shall any such officer expend any state or local resources, including the officer's time, to provide any information or logistical support related to such activity to any federal law enforcement authority or prosecuting entity.

318-F:3 Smoking or Vaping Cannabis in Public Prohibited; Penalty. No person shall smoke or vape cannabis in a public place where the smoking or vaporizing of tobacco products is prohibited. Any person who violates this section shall be guilty of a violation and may be fined not more than $50.

318-F:4 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty.

I. No person shall consume, smoke, or vaporize cannabis while driving or attempting to drive a motor vehicle on a way, or while operating or attempting to operate an off-highway recreational vehicle, snowmobile, boat, vessel, aircraft, or other motorized device used for transportation.

II. No person shall smoke or vaporize cannabis while the person is a passenger in a motor vehicle that is being driven on a way.

III. Any person who violates this section shall be guilty of a violation and shall be subject to a fine not to exceed $150. In addition, any person who violates paragraph I of this section may have his or her driver's license, if a resident, or driving privilege, if a nonresident, suspended for up to 60 days for a first offense and up to one year for a subsequent offense.

IV. In this section, "way" shall have the same meaning as in RSA 265-A:44.

V. A person may not be convicted of both a violation of this section and a violation of RSA 265-A:1 based on the same incident.

318-F:5 Odor and Personal Possession of Cannabis Not Grounds for a Search.

I. Except as provided in paragraph II of this section, the odor of cannabis or burnt cannabis, or the possession of a quantity of cannabis that the officer does not have probable cause to believe exceeds the possession limit of cannabis, shall not constitute in part or in whole probable cause or

reasonable suspicion and shall not be used as a basis to support any stop or search of a person or motor vehicle.

II. Nothing in this section prevents a law enforcement official from conducting a test for impairment based in part on the odor of recently burnt cannabis if the law enforcement official would otherwise be permitted to do so under New Hampshire law.

318-F:6 Enforcement Authority.

I. The commission shall have the primary responsibility for enforcing this chapter. Local, county, and state law enforcement officers shall also have jurisdiction to enforce this chapter. Such authority may be delegated to agents working under their authority.

II. The commission shall have the authority to interpret statutes and administrative rules as they relate to this chapter.

III. The commission may transfer funds within and among all accounting units within the commission's operating budget and to create accounting units and expenditure classes as required and as the commissioner deems necessary and appropriate to address present or projected budget deficits, or to respond to changes in federal law, regulations, or programs, and otherwise as necessary for the efficient management of the liquor commission and cannabis funds. The provisions of this section shall not be subject to RSA 9:16-a, RSA 9:17-a, and RSA 9:17-c.

IV. The commission may pay staff members working on both liquor and cannabis matters increased wages until 18 months after the first retail cannabis establishment license is issued. A 10 percent stipend shall be established for commission staff based on their salary, when engaged in the development and all administrative aspects of the program.

318-F:7 Regulation of Cannabis.

I. Not later than one year after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of cannabis cultivation facilities and for the issuance of dual use certificates. Not later than 15 months after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of all other cannabis establishments and on the manufacture and sale of cannabis accessories. The rules shall include the following:

(a) Procedures for the application for, issuance, transfer, approval, denial, renewal, suspension, and revocation of a registration for cannabis establishments, including procedures to hear complaints and impose penalties if alternative treatment centers with dual use certificates fail to provide an adequate supply and variety of therapeutic cannabis and cannabis products for qualifying patients.

(b) A fee schedule of reasonable application, registration, and annual renewal fees, provided:

(1) That the non-refundable portion of application fees shall not exceed $1,000, with this upper limit adjusted annually for inflation; and

(2) That cultivation facility licensing fees be tiered based on the size of the facilities.

(c) Qualifications for licensure that are directly and demonstrably related to the operation of a cannabis establishment and which may not disqualify applicants solely for cannabis offenses prior to the effective date of this chapter.

(d) Criteria for selection among applicants when there are more qualified applicants than there are number of registrations available in a particular municipality.

(e) Regulations to create at least 2-4 tiers of cultivation facilities, based on the size of the facility or the number of plants cultivated and providing:

(1) That outdoor cultivation facilities shall be allowed to cultivate 3 times the square footage of canopy as indoor cultivation facilities of the same tier;

(2) That security regulations and licensing fees shall vary based on the size of the cultivation facility and that regulatory burdens shall be no more onerous than is reasonably necessary; and

(3) That cultivation facilities may move up to a higher tier at least once per year if they meet the security requirements and pay the associated fee, except that the commission may suspend this provision in the event of an oversupply.

(f) Record keeping requirements for cannabis establishments, including requirements for implementation and compliance with the tracking system.

(g) Requirements for the transportation of cannabis and cannabis products between cannabis establishments, including documentation that shall accompany any cannabis being transported.

(h) A schedule of fines as are authorized in this chapter for violations of statutory requirements, provided that, not later than 18 months after the effective date of this chapter the commission shall report to the chairpersons of the house and senate ways and means committees its proposal for a fine schedule and for legislation needed to implement the schedule.

(i) Procedures for hearings on penalties to include but not limited to administrative fines, suspensions, and revocations of licenses.

(j) Reasonable security requirements for each type of cannabis establishment, which may be varied based on the size of the cannabis establishment.

(k) Health and safety rules, including but not limited to the packaging and preparing of cannabis products, restricting the use of pesticides and other chemicals during cultivation and processing that may be dangerous to cannabis consumers, and sanitation requirements;

(l) Restrictions on the advertising, signage, marketing, and display of cannabis and cannabis products, including but not limited to:

(1) A prohibition on mass-market campaigns that have a likelihood of reaching minors;

(2) A prohibition on marketing to minors, including marketing specifically related to social media;

(3) A prohibition on cannabis products that are named, packaged, marketed, or designed in a way that mimics or is likely to cause confusion with commercially available, trademarked non-cannabis products, including relating to their logos, the sound of the product or brand, packaging, taste, appearance, and commercial impression;

(4) A prohibition on giveaways of cannabis, cannabis products, or cannabis accessories, including samples;

(5) A prohibition on billboard advertising, sound trucks, or outdoor internally illuminated screen displays consistent with alcohol advertising prohibitions in RSA 179:31; and

(6) A requirement for any advertising to include a standard, recognizable symbol that a product contains cannabis or THC.

(m) Restrictions on where a cannabis establishment may be located, consistent with the provisions of this chapter.

(n) Restrictions on the hours of sale when a retail cannabis store may sell cannabis and cannabis products, provided the regulations shall not allow retail stores to begin sales before 6:00 a.m. or to sell cannabis or cannabis products after 11:45 p.m.

(o) Packaging, product manufacturing, and labeling requirements for cannabis and cannabis products, including:

(1) Mandating the disclosure of the THC content of each product;

(2) Requirements to ensure cannabis products and their packaging are not designed to appeal to or be attractive to minors, including providing that they cannot be in the shape of cartoons, toys, animals, or people; and

(3) Establishing the maximum amount of THC that may be included in each cannabis product serving as 20 milligrams, except that the commission may change this amount through rulemaking;

(4) Prohibiting flavors and designs of cannabis-infused beverages, oils, and edibles that resemble or imitate candy flavors that are marketed to minors;

(5) Warnings, including but not limited to, those described in RSA 318F:16;

(6) A requirement for any label, an for certain products where appropriate, to include a standard, recognizable symbol that a product contains cannabis or THC; and

(7) Potency limits for cannabis products.

(p) Health and safety rules and standards for the cultivation of cannabis and manufacture of cannabis products, including:

(1) Prohibitions on additives to products that are toxic, misleading to consumers, or designed to make the product more appealing to children;

(2) Safety standards regulating the manufacture of cannabis extracts and concentrated cannabis products; and

(3) A prohibition on the inclusion of nicotine and other additives to cannabis products that are designed to make the product more addictive or more intoxicating.

(q) Standards for the operation of testing laboratories, including requirements for equipment and qualifications for personnel.

(r) Requirements for the testing of cannabis and cannabis products, including:

(1) Requirements to ensure at a minimum that cannabis and cannabis products sold for human consumption do not contain contaminants that are injurious to health and to ensure correct labeling;

(2) That testing shall include, but not be limited to, analysis for residual solvents, poisons, or toxins; harmful chemicals; dangerous molds or mildew; filth; dangerous herbicides, pesticides, and fungicides, heavy metals, and harmful microbials, such as E. coli or salmonella;

(3) Threshold levels for each contaminant listed in subparagraph (2);

(4) Providing that in the event that test results indicate the presence of quantities of any substance determined to be injurious to health, such cannabis or cannabis products shall be immediately quarantined and immediate notification to the commission shall be made. The contaminated product shall be documented and properly destroyed;

(5) That testing shall also verify THC and other cannabis potency representations for correct labeling;

(6) That the commission shall determine an acceptable variance for potency representations and procedures to address potency misrepresentations;

(7) That the commission shall determine the protocols and frequency of cannabis testing by a cannabis testing facility.

(8) Allowances for remediation of cannabis and cannabis products whose test results are in excess of established thresholds; and

(9) Minimum testing requirements for an effective cannabis and cannabis product quality assurance program for cannabis cultivation facilities and cannabis product manufacturing facilities.

(s) Reasonable health and safety restrictions on cannabis accessories that may be manufactured or sold in New Hampshire, including a prohibition on any vaporization device that includes toxic or addictive additives. The commission may prohibit types of vaporizers that are particularly likely to be utilized by minors without detection, but may not completely ban or unreasonably restrict the manufacture or sale of vaporization devices.

(t) Training and continuing education required or recommended for licensees, which shall include training on checking photo identification and for false identification.

(u) Requirements that cannabis retail stores stock cannabis products, including flower, with low and moderate amounts of THC and that they be at least as prominently displayed as high potency products.

II.(a) In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a retail cannabis store with personal information other than government-issued identification to determine the consumer's age, and a retail cannabis store shall not be required to acquire and record personal information about consumers.

(b) In order to ensure that individual privacy is protected, no cannabis establishment may record or store a consumer's name, address, purchases, or contact information unless the consumer consents in writing. No cannabis establishment may make granting permission for the collection or storage of such information a condition of a consumer purchasing cannabis from the establishment.

III. Not later than 18 months after the effective date of this chapter, the commission, in consultation with the department, shall develop an informational handout, which retail stores shall make available to all consumers, and which shall include information detailed in RSA 318-F:14.

IV. The commission shall require all cannabis establishments to utilize an inventory tracking system, including use of a universal product code, for tracking the transfer of cannabis and cannabis products between licensed cannabis establishments and the sale of cannabis and cannabis products to consumers. The system shall ensure an accurate accounting of the production, processing, and sale of cannabis and cannabis products and shall enable separate tracking of cannabis flowers, immature cannabis plants, and other parts of cannabis sold from cannabis cultivation facilities. The system shall allow for the tracking of lab testing results for all cannabis and shall be capable of swiftly identifying all products involved in a product recall. The commission may develop and maintain a system that satisfies the requirements of this section, or it may select a vendor to develop and maintain a system.

V. No later than 24 months after the effective date of this chapter, and every year thereafter, the commission shall reevaluate the fines and penalties established in RSA 318-F, and shall report in writing on its findings and recommendations to the chairpersons of the house and senate ways and means committees.

VI. The commission may regulate synthetic cannabinoids and intoxicating products derived from hemp.

VII. No later than 36 months after the effective date of this section, the commission shall make written recommendations to the general court regarding the regulation of hemp including:

(a) What hemp products the commission would regulate;

(b) How the products would be regulated, including whether registration would be required and whether hemp processors and manufacturers should be licensed and regulated by the commission;

(c) Any registration fees or other charges that would be assessed on hemp products and license fees assessed on hemp processors and manufacturers; and

(d) The resources required to regulate hemp processors, product manufacturers, hemp products, and the retail sale of intoxicating hemp products.

VIII. A prohibition on the manufacturing and sale of cannabis alcoholic beverages.

318-F:8 Dual Use Certificates.

I. No later than 18 months after the effective date of this chapter, the commission, after consulting with the department of health and human services and the therapeutic cannabis medical oversight board and holding at least one public hearing, shall develop regulations allowing alternative treatment centers registered to operate pursuant to RSA 126-X to apply for a dual use certificate.

II. A separate dual use certificate is required for each alternative treatment center dispensing location.

III. The commission shall levy a $10,000 application fee each dual use certificate.

IV.(a) The commission shall grant or deny any application for a dual use certificate within 90 days.

(b) The commission shall levy a $90,000 fee for each dual use certificate. The license shall not expire unless it is revoked.

V. The regulations for a dual use certificate shall include, but are not limited to:

(a) Providing for separation of cannabis sales to qualifying patients and consumers, such as by requiring separate counters;

(b) Requiring dual-use cannabis establishments to prioritize therapeutic cannabis access;

(c) Requiring dual-use cannabis establishments to maintain or increase the diversity of therapeutic cannabis products available for qualifying patients;

(d) Requiring dual-use cannabis establishments to avoid raising prices for qualifying patients beyond the rate of inflation, for at least 2 years after dual use licensure;

(e) A requirement that in the event of crowding, inadequate parking, or similar issues limiting therapeutic cannabis access, the dual-use cannabis establishment shall take measures to prioritize therapeutic cannabis access, such as setting aside certain business hours when the establishment will only serve qualifying patients and their designated caregivers; and

(f) Providing for the suspension of sales of cannabis to adult-use consumers in the event of a product shortage.

VI.(a) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers shall meet the requirements of RSA 126-X:8 and rules issued pursuant to chapter RSA 126-X.

(b) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers may have higher THC per serving than is permitted by rules governing cannabis establishment that are issued pursuant to RSA 318-F:10.

VII. Cannabis stores affiliated with alternative treatment centers holding dual use certificates may sell cannabis grown and processed by those alternative treatment centers to consumers provided they comply with rules issued pursuant to this section and RSA 318-F:10.

318-F:9 Transition of Therapeutic Cannabis Program.

I. No later than 20 months after the effective date of this chapter, the commission, jointly with the department of health and human services, shall make a recommendation to the health and human services oversight committee whether to transfer the department's therapeutic cannabis program to the commission.

II. The proposal shall include a plan to allow cannabis retail stores to obtain a therapeutic cannabis endorsement that would allow them to serve qualifying patients without imposing the excise tax in RSA 318-F:23.

318-F:10 Licensure Procedures for Cannabis Establishments.

I. Each application for a license to operate a cannabis establishment shall be submitted to the commission.

II. Each application shall include both the fee established by the commission and a $500 fee for the municipality to review the application, except that the municipal fee shall be $75 in the case of the smallest tier of cultivation facilities.

III. The commission shall:

(a) Immediately forward a copy of each application and the municipal fee to the municipality in which the applicant desires to operate the cannabis establishment; and

(b) Issue a registration to the applicant within 90 days after receipt of an application unless:

(1) The commission finds the applicant is not in compliance with the requirements of this chapter or rules adopted under this chapter;

(2) The commission is notified by the relevant municipality that the applicant is not in compliance with an ordinance adopted pursuant to this chapter and in effect at the time of application; or

(3) More qualified applicants have applied than the number of registrations available in the municipality, and the applicant was not selected.

(d) Accept and process applications on an ongoing basis.

IV. Each registration applies to a single parcel of real property. Any additional address requires a separate application and registration.

V. A renewal application may be submitted up to 90 days prior to the expiration of the cannabis establishment's registration. The renewal application shall be granted within 30 days of

its submission unless the applicant has not paid the fee, the cannabis establishment's registration is suspended or revoked, or the cannabis establishment has a pattern of violations of this chapter, the rules issued pursuant to it, or municipal regulations.

VI.(a) An applicant shall not be rejected on the basis that the applicant has not purchased or leased the property where the cannabis establishment would be located. However, the applicant may be required to specify the municipality in which it intends to operate.

(b) The commission shall provide conditional approval for applicants that have not yet purchased or leased the property where the cannabis establishment would be located, or who require additional work on the business.

(c) Once the applicant provides the commission with a completed, supplemental application that identifies the property where the cannabis establishment is to be located, the commission shall forward the information to the local regulatory authority and approve or reject the final application within 45 days.

VII. Nothing in this chapter shall prevents a person or entity from holding multiple types of cannabis licenses and from co-locating the businesses. However, no cannabis cultivation facility, cannabis product manufacturing facility, retail cannabis store, or cannabis accessory retailer, shall have a direct or indirect interest in any cannabis testing facility.

318-F:11 Enactment of Municipal Ordinances.

I. A municipality may enact an ordinance prohibiting or limiting the number and type of cannabis establishments that may be permitted within the municipality and regulating the time, place, and manner of operation of a cannabis establishment, which is permitted within the municipality. A locality's prohibition on cannabis establishments may not prohibit transportation through the locality or deliveries within the locality by cannabis establishments located in other jurisdictions.

II. A municipality may enact an ordinance specifying the entity within the municipality that shall be responsible for reviewing applications submitted for a registration to operate a cannabis establishment within the municipality. The entity designated by the municipality shall be responsible for indicating whether the application is in compliance with municipal ordinances.

III. A municipality may not negotiate or enter into an agreement with a cannabis establishment or a cannabis establishment applicant requiring that the cannabis establishment or applicant provide money, donations, in–kind contributions, services, or anything of value to the locality.

318-F:12 Residency Required.

I. Except as provided in this section, any person applying for a cannabis establishment registration shall be a resident, or shall have at least one director, officer, or partner who is a New Hampshire resident.

II. This section shall not apply to an applicant for a testing facility registration.

318-F:13 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a registration, if the establishment would be located within 1,000 feet of the property line of a pre-existing public or private pre-school, elementary, or secondary school.

318-F:14 Informational Materials and Warning Labels.

I. The commission, in consultation with the department, shall design at least 2 versions of informational handout, one of which is specific to high potency products.

II. A retail cannabis store shall include an informational handout designed by the commission in consultation with the department with all cannabis and cannabis products sold to consumers, and shall include the high potency version in all cannabis concentrates and other high potency sales. The informational handouts shall include scientifically accurate information, including:

(a) Advice about the potential risks of cannabis, and, in the case of the high potency handout, risks specific to high potency products, including:

(1) The risks of driving under the influence of cannabis, and the fact that doing so is illegal;

(2) Any adverse effects unique to adolescents or young adults, including effects related to the developing mind;

(3) Potential adverse events and other risks, including related to mental health; and

(4) Risks of using cannabis during pregnancy or breastfeeding. This may be identical to that required under RSA 126-X:8, XVI(c)(7).

(b) Information about methods for administering cannabis;

(c) How long cannabis may impair a person after it is ingested in each manner; and

(d) How to recognize problematic usage of cannabis and how to obtain appropriate services or treatment;

(e) Information regarding safe storage and disposal of cannabis and paraphernalia to prevent accidental poisonings, including the contact information for the Northern New England Poison Control Center. This may be identical to that required under RSA 126-X:8, XVI(c)(8); and

(f) Unless federal statutory law or case law has changed and such a warning is no longer accurate, a disclosure that:

(1) Cannabis is illegal under U.S. federal law, and

(2) Under the United States government's 1986 Gun Control Act, any 'unlawful' user of a controlled substance is prohibited from purchasing or owning a gun.

III. The commission may require retail stores to display informational posters in conspicuous locations about the risks of cannabis use, including regarding risks during pregnancy and breastfeeding and risks of cannabis use in adolescents or by younger adults. The posters shall be scientifically accurate.

IV. All cannabis and cannabis products sold by a retail cannabis store shall include warning labels that provide the following information: "Warning: This product has intoxicating effects. For use by adults 21 and older. Keep out of reach of children." The department may require a standard, recognizable symbol on all cannabis packaging to signify that THC or other cannabinoids are included in the product.

V. All cannabis products sold by retail cannabis stores shall include:

(a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed by up to 2 hours," unless the commission determines that a different time frame should be specified.

(b) A disclosure of ingredients and possible allergens.

(c) A nutritional fact panel.

(d) Opaque, child-resistant packaging, which shall be designed or constructed to be significantly difficult for children under 5 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. section 1700.20.

318-F:15 Lawful Operation of Cannabis-Related Facilities. If undertaken by a person 21 years of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for seizure or forfeiture of assets under New Hampshire law:

I. Possessing, displaying, or transporting cannabis or cannabis products; obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility; or sale, delivery, or distribution of cannabis or cannabis products to an adult who is 21 years of age or older or to retail cannabis stores or alternative treatment centers, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a retail cannabis store or is acting in his or her capacity as an owner, employee, or agent of a licensed retail cannabis store.

II. Cultivating, harvesting, processing, packaging, transporting, displaying, or possessing cannabis; obtaining or purchasing cannabis seeds or seedlings or immature cannabis plants from any adult 21 years of age or older; delivering or transferring cannabis to a cannabis testing facility; selling or transferring cannabis that has not been processed into extracts, concentrates, or other preparations to a cannabis cultivation facility, a cannabis product manufacturing facility, or a retail cannabis store or alternative treatment center; or obtaining or purchasing cannabis from a cannabis cultivation facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis cultivation facility.

III. Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing

facility; selling cannabis or cannabis products to a retail cannabis store, alternative treatment center, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a cannabis product manufacturing facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a cannabis product manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis product manufacturing facility.

IV. Possessing, obtaining, cultivating, processing, storing, transporting, receiving, or displaying cannabis or cannabis products if the person or business entity has obtained a current, valid registration to operate a cannabis testing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis testing facility.

V. Engaging in any activities involving cannabis or cannabis products if the person or business entity conducting the activities has obtained a current, valid license to operate a cannabis establishment or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis establishment, and the activities are within the scope of activities allowed by the commission for that type of cannabis establishment.

VI. Possessing, obtaining, cultivating, processing, storing, transporting, or receiving cannabis obtained from a cannabis establishment or transporting, delivering, or transferring cannabis to a cannabis establishment if the person or business entity has obtained a current, valid license to operate a cannabis transporter or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis transporter.

VII. Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; or obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility if the person or business entity conducting the activities described in this paragraph possesses a valid license to operate an alternative treatment center or is acting in his or her capacity as an owner, employee, or agent of a licensed alternative treatment center.

VIII. Leasing or otherwise allowing the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with this chapter.

IX. Selling, offering for sale, transferring, transporting, or delivering cannabis to establishments licensed to process or sell cannabis under the laws of other states if the person or business entity has obtained a current, valid license to operate a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility.

318-F:16 Proof of Purchaser's Identity.

I. For the purposes of this chapter, any person or entity making the sale of cannabis or cannabis accessories to any purchaser whose age is in question may accept any official documentation listed in RSA 179:8 as proof that the purchaser is 21 years of age or older.

II. The establishment of all of the following facts by a retail cannabis store or an agent or employee of a retail store making a sale of cannabis or cannabis accessories to a person under the age of 21 shall constitute an affirmative defense to any prosecution for such sale:

(a) That the person presented what an ordinary and prudent person would believe to be valid documentation of a type listed in RSA 179:8.

(b) That the sale was made in good faith relying upon such documentation and appearance in the reasonable belief that the person was 21 years of age or older. No identification scanning or collection of personally identifiable information shall be required under this section.

318-F:17 Driving; Minors; and Control of Property.

I. Nothing in this chapter shall be construed to permit driving or operating under the influence of drugs or liquor pursuant to RSA 265-A, nor shall this section prevent the state from enacting and imposing penalties for driving under the influence of or while impaired by cannabis.

II. Nothing in this chapter shall be construed to permit the transfer of cannabis, with or without remuneration, to a person under the age of 21, or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume cannabis.

III. Nothing in this chapter shall prohibit a state or county correctional facility from prohibiting the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of cannabis on or in the correctional facility's property.

IV.(a) Except as provided in this section, this chapter does not require any person, corporation, or any other entity that occupies, owns, or controls a property to allow the consumption, cultivation, display, sale, or transfer of cannabis on or in that property.

(b) In the case of the rental of a residential dwelling, a landlord shall not prohibit the possession of cannabis or the consumption of cannabis by non-smoked means unless:

(1) The tenant is a roomer who is not leasing the entire residential dwelling;

(2) The residence is incidental to the provision of educational, counseling, religious, or similar service;

(3) The residence is a transitional housing facility; or

(4) Failing to prohibit cannabis possession or consumption would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(c) This chapter shall not prevent a landlord from prohibiting cannabis smoking or cannabis cultivation.

(d) An adult who is 21 or older may use cannabis on privately owned real property only with permission of the property owner or, in the case of leased or rented property, with the

permission of the tenant in possession of the property, except that a tenant shall not allow a person to smoke cannabis on rented property if smoking on the property violates the lease or the lessor's rental policies that apply to all tenants at the property. However, a tenant may permit an adult who is 21 or older to use cannabis on leased property by ingestion or inhalation through vaporization even if smoking is prohibited by the lease or rental policies. For purposes of this chapter, vaporization shall mean the inhalation of cannabis without the combustion of the cannabis.

318-F:18 Enforcement of Contracts. Contracts related to the operation of a cannabis establishment licensed pursuant to this chapter shall be enforceable. No contract entered into by a licensed cannabis establishment or its employees or agents as permitted pursuant to a valid license, or by those who allow property to be used by an establishment, its employees, or its agents as permitted pursuant to a valid license, shall be unenforceable on the basis that cultivating, obtaining, manufacturing, distributing, dispensing, transporting, selling, possessing, or using cannabis is prohibited by federal law.

318-F:19 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.

I. Except as provided in this section, a holder of a professional or occupational license may not be subject to professional discipline for:

(a) Providing advice or services related to cannabis establishments or applications to operate cannabis establishments on the basis that cannabis is illegal under federal law; or

(b) Engaging in activities allowed by this chapter.

II. An applicant for a professional or occupational license may not be denied a license based on:

(a) Previous employment related to cannabis establishments operating in accordance with state law;

(b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors, or

(c) Engaging in activities allowed by this chapter.

III. Except as provided in this section, neither the state nor any of its political subdivisions may impose any penalty or deny any benefit or entitlement for conduct permitted under this chapter or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older.

IV. Except as provided in this section, neither the state nor any of its political subdivisions may deny a driver's license, a professional license, housing assistance, social services, or other benefits based on cannabis use or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older.

V. A person shall not be denied custody of or visitation with a minor for acting in accordance with this chapter, unless the person's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated.

VI. Except as provided in this section, neither the state nor any of its political subdivisions may discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person in employment or contracting, if the discrimination is based upon either of the following:

(a) Engaging in activities allowed by this chapter;

(b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors; or

(c) Testing positive for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of the individual's body.

VII.(a) This section does not prevent an employer from disciplining an employee or contractor for ingesting cannabis in the workplace or for working while impaired by cannabis.

(b) The protections provided by this section do not apply to the extent that they conflict with a governmental employer's obligations under federal law or regulations or to the extent that they would disqualify the entity from a monetary or licensing-related benefit under federal law or regulations.

(c) This section does not authorize any person to engage in, and does not prevent the imposition of any civil, criminal, disciplinary, or other penalties, including discipline or termination by a governmental employer, any task while under the influence of cannabis, when doing so would constitute negligence or professional malpractice.

VIII. For the purposes of medical care, including organ and tissue transplants, the use of cannabis does not constitute the use of an illicit substance or otherwise disqualify a person from needed medical care and may only be considered with respect to evidence-based clinical criteria.

IX. Notwithstanding any other provision of law, unless there is a specific finding that the individual's use, cultivation, or possession of cannabis could create a danger to the individual or another person, it shall not be a violation of conditions of parole, probation, or pre-trial release to:

(a) Engage in conduct allowed by this chapter; or

(b) Test positive for cannabis, tetrahydrocannabinol, or any other cannabinoid or metabolite of cannabis.

X. This section does not authorize any person to engage in, and does not prevent the imposition of any penalties for engaging in, the following conduct:

(a) Undertaking any task under the influence of cannabis, when doing so would constitute negligence or professional malpractice.

(b) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, train, or motorboat while under the influence of cannabis.

318-F:20 Data Collection Related to Cannabis Legalization and Regulation.

I. No later than 6 months after the effective date of this chapter and every 2 years thereafter, the department of safety, information and analysis center, drug monitoring initiative,

shall produce and publish a report that includes baseline data and the most current data regarding health and welfare outcomes since cannabis became legal and regulated for adults' use, including but not limited to high school graduation rates; youth and adult rates of alcohol, cannabis, and illegal drug use; rates of maladaptive use of cannabis; rates of alcohol abuse; opiate use and abuse rates; the number and type of youth and adult convictions for cannabis offenses; and the rates of individuals needing but not receiving substance abuse treatment. The report shall also include information on treatment and prevention services provided, education campaigns undertaken, and funding allocated under RSA 318-F:21.

II. No later than 6 months after the effective date of this chapter, and again 18 months after the effective date of this chapter, the Judicial Branch shall produce and publish a report that includes the number of cases dismissed pursuant to RSA 651:5-e.

318-F:21 Cannabis Fund Established.

I. There is established a nonlapsing fund to be known as the cannabis fund. The fund shall be kept distinct and separate from all other funds in the state treasury, and the moneys credited to the fund shall be held distinct and separate from all other funds over which the state treasurer has control. Moneys in the fund shall be deposited with any financial institution as defined in RSA 383-A:2-201(a)(27-a), with a branch in the state. Moneys credited to the fund shall include deposits into the fund by the commission pursuant to this chapter and deposits into the fund by the commissioner of the department of revenue administration pursuant to RSA 77-H.

II. For the biennium ending June 30, 2025, and every biennium thereafter, the commission shall include the cost of administration of this chapter in the commission's efficiency expenditure request pursuant to RSA 9:4.

III. For the biennium ending June 30, 2025, the sum of $2,000,000 is hereby appropriated to the cannabis commission for the cost of administration of this chapter. Said sum shall be a charge against the fund.

IV. The commission shall credit all fees and civil penalties imposed under this chapter and all other related moneys received from public or private sources to the fund.

V. After deducting appropriations charged to the fund for the cost of administration of this chapter and RSA 77-H, the remaining funds shall be appropriated and distributed on a quarterly basis as follows:

(a) The sum of $100,000 annually to the department of safety, information and analysis center, drug monitoring initiative, for data collection and reporting related to the health impacts of cannabis prohibition and cannabis regulation; and

(b) Of the remaining funds:

(1)(A) Eighty percent shall be disbursed to the department of administrative services to be credited to the New Hampshire retirement system to offset the retirement system's unfunded accrued liability. Upon certification by the commissioner of the department of administrative

services that the retirement system has no remaining unfunded accrued liability, this disbursement of funds shall cease.

(B) Upon certification by the commissioner of the department of administrative services that the retirement system has no remaining unfunded accrued liability, 80 percent shall be disbursed to the education trust fund established in RSA 198:39. The comptroller shall notify the commissioner of the department of revenue administration of the amount of the transfer. For the purpose of setting the education tax rate under RSA 76:3, the amount of revenue required to be collected pursuant to RSA 76:3 shall be reduced by the amount transferred to the education trust fund as required in this subparagraph, and the commissioner shall set the rate at a level sufficient to generate the reduced amount. This rate shall be effective for the following fiscal year.

(2) Ten percent shall be allocated to the substance abuse prevention and recovery fund established by RSA 318-F:22.

(3) Five percent for broad-based aid to municipalities with at least one operational cannabis retail store during the time period in which the revenues were collected, with the amount of allocation to each municipality determined based on the percent of tax revenue collected from retail stores located in the municipality; and

(4) Five percent, not to exceed $1 million, to public safety agencies, including police, fire, and rescue agencies, for the hiring and training of additional drug recognition experts, for advanced roadside impaired driving enforcement training, and to assist in responding to drug overdose incidents.

318-F:22 Substance Abuse Prevention and Recovery Fund Established. There is hereby established in the state treasury the substance abuse prevention and recovery fund that shall be kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA 318-F:21 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the commissioner of the department of health and human services for the purposes and in the manner set forth in RSA 126-A:98.

318-F:23 Tax Imposed.

I. A tax on the monthly total gross revenue of licensed cannabis cultivation facilities is imposed at the rate of 15 percent.

II. Each licensed cannabis cultivation facility shall pay 100 percent of the assessment in paragraph I for the assessment period no later than the fifteenth day of the month following the assessment period.

III. If a licensed cannabis cultivation facility does not pay the monthly tax as required under this section, a fine of 10 percent of the tax owed shall be applied to the payment and collected by the commission from the licensee.

IV. The commission shall adopt rules under RSA 541-A relative to tax rates and procedures for licensed cannabis cultivation facilities that also hold a cannabis product manufacturing facility license or retail cannabis store license.

Amend the bill by replacing all after section 14 with the following:

15 New Section; Sentences; Annulment of Certain Arrests and Convictions for Cannabis. Amend RSA 651 by inserting after section 5-b the following new section:

651:5-c Certain Crimes Not to be Pursued; Dismissal.

I. As used in this section:

(a) "Cannabis" means "cannabis" as defined in RSA 318-F:1, II.

(b) "Possession limit" means "possession limit" as defined in RSA 318-F:1, XVIII.

II.(a) Except to the extent required to dismiss, withdraw, or terminate the charge, no prosecutor shall pursue any charge based on crimes or offenses pending with a court that occurred prior to the effective date of RSA 318-F, involving a person 21 years of age or older knowingly or purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or constructively, or having under his or her control, no more than the possession limit of cannabis where the offense occurred before the effective date of RSA 318-F.

(b) The existence of convictions in other counts within the same case that are not eligible for dismissal pursuant to this section or other applicable laws shall not prevent any conviction otherwise eligible for dismissal under this section from being dismissed pursuant to this section.

III. On the first day of the fifth month next following the effective date of RSA 318-F, any guilty verdict, plea, placement in a diversionary program, or other entry of guilt on a matter that was entered prior to that effective date, but the judgment of conviction or final disposition on the matter was not entered prior to that date, and the guilty verdict, plea, placement in a diversionary program, or other entry of guilt solely involved one or more crimes or offenses involving a person 21 years of age or older knowingly or purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or constructively, or having under his or her control, no more than the possession limit of cannabis, shall be vacated by operation of law. The judicial branch, in consultation with the attorney general, may take any administrative action as may be necessary to vacate the guilty verdict, plea, placement in a diversionary program, or other entry of guilt.

16 Assessment; Education Tax. Amend RSA 76:3 to read as follows:

76:3 Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the commissioner of the department of revenue administration shall set the education tax rate at a level sufficient to generate revenue of $363,000,000, ***less any amount credited to the education trust fund pursuant to RSA 318-F:25,*** when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate

shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section.

17 Use of Cannabis for Therapeutic Purposes; Definition of Alternative Treatment Center. Amend RSA 126-X:1, I to read as follows:

I. "Alternative treatment center" means a ***domestic business corporation organized under RSA 293-A, a domestic limited liability company organized under RSA 304-C, or a*** not-for-profit [~~entity~~] ***voluntary corporation organized under RSA 292 that is*** registered under RSA 126-X:7 that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, sells, supplies, and dispenses cannabis, and related supplies and educational materials, to qualifying patients, designated caregivers, other alternative treatment centers, and visiting qualifying patients.

18 Use of Cannabis for Therapeutic Purposes; Departmental Administration. Amend RSA 126-X:7, IV(a)(4) to read as follows:

(4) The name, address, and date of birth of each principal officer and board member of the alternative treatment center. The board of ***directors, or board of managers as applicable,*** for the [~~nonprofit~~] ***alternative treatment center*** shall include at least one physician, advance practice registered nurse, or pharmacist licensed to practice in New Hampshire and at least one patient qualified to register as a qualifying patient. The majority of board members***, or managers as applicable,*** shall be New Hampshire residents. A medical professional listed in this subparagraph may be a member of the alternative treatment center board ***or directors, or managers as applicable,*** but shall not maintain an ownership interest in the center.

19 Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements. Amend RSA 126-X:8, I to read as follows:

I. An alternative treatment center shall be operated on a ***for profit or*** not-for-profit basis for the benefit of its patients. An alternative treatment center need not be recognized as a tax-exempt organization by the Internal Revenue Service.

20 New Paragraphs; Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements. Amend RSA 126-X:8 by inserting after paragraph XVIII the following new paragraphs:

XIX. Except as otherwise provided in this chapter, an alternative treatment center shall be subject to RSA 293-A if organized as a domestic business corporation, RSA 304-C if organized as a domestic limited liability company, and RSA 292 if organized as a voluntary corporation.

XX. An alternative treatment center organized as a voluntary corporation under RSA 292 may, on or before December 31, 2024, convert from a voluntary corporation under RSA 292 to either a domestic business corporation organized under RSA 293-A or a limited liability company organized under RSA 304-C in any of the following ways:

(a) By adopting a plan of entity conversion in accordance with RSA 293-A or RSA 304-C, as applicable, that includes a provision prohibiting the sale of memberships or shares to a foreign

corporation for a period of 3 years, provided that each such conversion shall be authorized by a vote of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by unanimous written consent.

(b) By adopting a plan of merger in accordance with RSA 293-A that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic business corporation shall be the surviving entity, provided that, such merger shall be authorized by a vote of 2/3 of the members of the board of directors of the alternative treatment center at a meeting duly called for the purpose or by unanimous written consent.

(c) By adopting a plan of merger in accordance with RSA 304-C that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic limited liability company shall be the surviving entity, provided that, such merger shall be authorized by a vote of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by unanimous written consent.

XXI. Articles of entity conversion or articles of merger, as applicable, shall be signed and submitted to the secretary of state pursuant to RSA 293-A or RSA 304-C, as applicable, and the secretary of state shall approve all such filings submitted pursuant to this section.

XXII. The secretary of state shall certify such articles of entity conversion or articles of merger and shall provide them to the department. Upon receipt, the department shall update the existing licenses held by the converted or merged alternative treatment center.

XXIII. For the purposes of converting or merging an alternative treatment center pursuant to this section, notwithstanding any provision in the articles of agreement or alternative treatment center license applications to the contrary, the members of an alternative treatment center's board of directors may determine that a plan of entity conversion or merger is consistent with its corporate charter, and such voluntary corporation may surrender its articles of agreement in connection with the plan of entity conversion or merger.

XXIV.(a) Any alternative treatment center choosing to convert or merge pursuant to this section shall obtain an independent fair market valuation of its total assets as of June 30, 2024. The valuation of the total assets of such alternative treatment center, if positive, shall be distributed to one or more charitable organizations solely for charitable purposes. The director of charitable trusts shall receive a copy of the valuation and may file any objection relating thereto with the court within 60 days. Except as set forth in this section and notwithstanding any other law to the contrary, no portion of the assets of such alternative treatment center after the conversion or merger, as applicable, shall be deemed to be charitable assets.

(b) Any alternative treatment center choosing to convert or merge pursuant to this section shall submit a copy of the plan of conversion or merger to the director of charitable trusts. The director may file an objection relating to the plan with the court within 60 days.

(c) Any alternative treatment center that has converted or merged pursuant to this section shall, on December 31, 2024 and thereafter for 2 years, annually file a letter with the director of charitable trusts certifying compliance with the requirements of RSA 126-X:8, XX.

21 Voluntary Corporations; Change of Name. Amend RSA 292:7 to read as follows:

292:7 Change of Name; Amending Articles.

I. Any corporation now or hereafter organized or registered in accordance with the provisions of this chapter, and any existing corporation which may have been so organized or registered, may change its name, increase or decrease its capital stock or membership certificates, merge with or acquire any other corporation formed pursuant to this chapter, or amend its articles of agreement, by a majority vote of such corporation's board of directors or trustees, at a meeting duly called for that purpose, and by recording a certified copy of such vote in the office of the secretary of state and in the office of the clerk of the town or city in this state which is its principal place of business. In the case of a foreign nonprofit corporation registered in New Hampshire, a copy of the amendment or plan of merger, certified by the proper officer of the state of incorporation, shall be filed with the secretary of state, together with the fee provided in RSA 292:5. The surviving corporation in a merger shall continue to have all the authority and powers vested in the merging corporations, including any powers previously conferred upon them by the legislature.

II. An alternative treatment center registered pursuant to RSA 126-X and organized under this chapter may, pursuant to RSA 126-X:8, XX, convert to either a domestic corporation organized under RSA 293-A or a limited liability company organized under to RSA 304-C, and may merge with a domestic business corporation organized under RSA 293-A or a limited liability company organized under RSA 304-C.

22 New Subparagraph; New Hampshire Business Corporations Act; Entity Conversion Authorized. Amend RSA 293-A:9.50 by inserting after subparagraph (f) the following new subparagraph:

(g) Alternative treatment centers registered pursuant to RSA 126-X and organized pursuant to RSA 292 may become a domestic corporation pursuant to a plan of conversion in accordance with RSA 126-X:8, XX and this subdivision. The alternative treatment center shall be deemed to be a domestic unincorporated entity for purposes of applying RSA 293-A:9.50 through RSA 293-A:9.56, except that approval of the conversion shall be as outlined in RSA 126-X:8, XX.

23 Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149, I to read as follows:

I. Any other business entity, ***including alternative treatment centers pursuant to RSA 126-X:8, XX,*** may make a statutory conversion of its business organization form to the limited liability company business organization form under this act by complying with the requirements of this section and with applicable law governing the other business entity. ***Approval of a***

conversion of an alternative treatment center pursuant to this paragraph shall be as outlined in RSA 126-X:8, XX.

24 New Paragraph; Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149 by inserting after paragraph VIII the following new paragraph:

IX. In the case of the conversion of an alternative treatment center registered under RSA 126-X and organized pursuant to RSA 292, such conversion shall be approved by the board of directors in accordance with RSA 126-X:8, XX.

25 Liquor Investigation; Training. Amend RSA 176:9 to read as follows:

I. The commission may, subject to rules adopted by the director of personnel, employ and dismiss liquor investigators. Liquor investigators shall, under the direction of the commission, investigate any or all matters arising under this title ***and under RSA 318-F.***

II. Any new liquor investigator employed by the commission under this section after August 13, 1985, shall, within 6 months of employment, satisfactorily complete a preparatory police training program as provided by RSA 106-L:6, unless he or she has already completed such a program.

III. The commissioner, deputy commissioner, assistant, or liquor investigator may enter any place where liquor, beverages, tobacco products, e-cigarettes, ***or cannabis*** are sold, [~~or~~] manufactured, ***or cultivated*** at any time, and may examine any license or permit issued or purported to have been issued under the terms of this title. They shall make complaints for violations of this title.

26 Liquor Commission; Assistants and Employees. Amend RSA 176:7 to read as follows:

176:7 Assistants and Employees.

I. The state liquor commission may employ such assistants as are, in its opinion, necessary for the proper transaction of its business, and fix their compensation, subject to the rules of the director of personnel. It may secure any necessary technical or professional assistance.

II. The commission may select and retain market consultants through a competitive bidding process approved by the governor and the executive council. Any such contract with a third-party agent shall be for consulting services relating to marketing and regulation of cannabis for purposes of cultivation, manufacturing, testing, and retail sale.

27 Prosecutions. Amend RSA 179:59 to read as follows:

179:59 Prosecutions. The commission shall appoint liquor investigators whose primary function shall be the proper prosecution of this title ***and RSA 318-F.*** The liquor investigators shall have statewide jurisdiction, with reference to enforcement of all laws either in cooperation with, or independently of, the officers of any county or town. The commission shall have the primary responsibility for the enforcement of all liquor and beverage laws ***and cannabis laws*** upon premises where liquor, [~~and~~] beverages, ***and cannabis*** are lawfully sold, stored, distributed, or manufactured ***or cultivated.*** Any person violating the provisions of any law may be prosecuted by

the commission or any of its investigators as provided in this section, or by county or city attorneys, or by sheriffs or their deputies, or by police officials of towns.

28 New Paragraph; Commission to Sell. Amend RSA 176:11 by inserting after paragraph II the following new paragraph:

III. In the event that the commission determines New Hampshire cannabis revenues are being diverted by actions taken by persons holding any type of cannabis license, the commission may take such marketing or merchandising action, or both, as it deems necessary, including sanctions against the competing entities.

29 New Paragraph; Retail Tobacco License. Amend RSA 178:19-a by inserting after paragraph V the following new paragraph:

VI. A retail tobacco license is authorized to sell cannabis accessories and cannabis paraphernalia as defined in RSA 318-F.

30 Liquor Commission; Commission. Amend RSA 176:1 to read as follows:

176:1 Commission. There shall be a state liquor ***and cannabis*** commission under the executive direction of a liquor ***and cannabis*** commissioner, who shall also be known as the chairman of the liquor ***and cannabis*** commission, appointed by the governor with the consent of the council. The commissioner shall have significant business management experience and shall complete a criminal history records check prior to confirmation by the council. The liquor ***and cannabis*** commissioner shall hold office for a term of 4 years. If a vacancy shall occur, it shall be filled for the remainder of the term. The commissioner may be removed by the governor and council for cause.

31 New Paragraph; Rulemaking; Liquor and Cannabis Commission. Amend RSA 176:14 by inserting after paragraph IX the following new paragraph:

IX-a. Cannabis licenses, including:

(a) Procedures for the application for, issuance, transfer, denial, renewal, suspension, and revocation of a license for cannabis establishments.

(b) License operations for each cannabis license type.

(c) Collection of additional fees as required by statute.

32 Name Change; Liquor and Cannabis Commission. Amend the following RSAs by replacing "liquor commission" with "liquor and cannabis commission": 6:12, I(b)(285); 6:12-j, V(b)(2); 9:11, II(b)(5); 9-C:7, II; 12-J:1, III(a)(4); 12-O:18, II; 21:33-a, III(a); 21-G:6-b, IV(c); 21-I:18, I(b); 21-J:14, 5(d)(9); 21-P:64, I(a)(6); 78:7; 78:16, II; 78:23, 94:1-a; the introductory paragraph of 100-A:1, VII(a); 106-L:6, XVII; 110-B:28, VI; the introductory paragraph of 126-AA:3, VI; 126-K:2, II; 167:7-b, II(a); 175:1, XXIV; the chapter heading of RSA Chapter 176; 176:2; 176:2-a; the introductory paragraph of 176:3; 176:7; 176:16; 176:17; 176:18; 176-A:1, III-IV; 177:1; 177:1-a; the introductory paragraph 177:3; 177:13; 178:11, V; 178:12-a, XIV; 178:13, XIII; 178:22, V(h)(12); 178:27; 178:27-a; the introductory paragraph of 178:27-b, V; 179:21; 179:33, IV; 179:38; 179:56, III(b); 180:1, II; 279:1, XVI; 284:21-h, II(a); and 663:5.

33 Appropriations.

I. The sum of $100,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the department of safety, information and analysis center, drug monitoring initiative, for the purpose of collecting baseline data to be used in the reports required pursuant to RSA 318-F:20. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

II. The sum of $2,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the liquor and cannabis commission established in RSA 318-F:8 for deposit into the cannabis fund established in RSA 318-F:21 for the administration of RSA 318-F. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

III. The sum of $4,600,000 for the fiscal year ending June 30, 2024 is appropriated to the liquor and cannabis commission for the cost of administration of RSA 318-F. The governor is authorized to draw a warrant for said sum from any money in the treasury not otherwise appropriated.

34 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use with cannabis, is repealed.

35 Effective Date.

I. RSA 318-F:15, IX, as inserted by section 7 of this act, shall take effect upon certification by the attorney general of New Hampshire to the director of the office of legislative services and the secretary of state that the conduct allowed by that paragraph has become legal under the United States Code.

II. The remainder of this act shall take effect upon its passage.

HB 639-FN-A - AS INTRODUCED

2023 SESSION

23-0528
04/10

HOUSE BILL ***639-FN-A***

AN ACT relative to the legalization and regulation of cannabis and making appropriations therefor.

SPONSORS: Rep. Osborne, Rock. 2; Rep. Layon, Rock. 13; Rep. Wilhelm, Hills. 40; Rep. C. McGuire, Merr. 27; Rep. DiLorenzo, Rock. 10; Rep. Berry, Hills. 39; Rep. McWilliams, Merr. 30; Rep. Wallace, Rock. 8; Sen. Whitley, Dist 15; Sen. Murphy, Dist 16; Sen. Fenton, Dist 10

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill establishes procedures for the legalization, regulation, and taxation of cannabis; the licensing and regulation of cannabis establishments; and makes appropriations therefor.

- -

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

23-0528
04/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to the legalization and regulation of cannabis and making appropriations therefor.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Purpose and Findings. The general court hereby finds that:

I. In the interest of allowing law enforcement to focus on violent and property crimes, generating revenue for education, prevention, treatment, and recovery related to the use of both legal and illegal drugs and for other public purposes, and advancing individual freedom, the people of the state of New Hampshire find and declare that the use of cannabis by a person 21 years of age or older should be legal and subject to reasonable regulation and taxation.

II. In the interest of the health and public safety of our citizenry, the people of the state of New Hampshire further find and declare that cannabis should be regulated in a manner similar to alcohol so that:

(a) Individuals will have to show proof of age before purchasing cannabis.

(b) Selling, distributing, or transferring cannabis to minors and other individuals under the age of 21 shall remain illegal.

(c) Driving under the influence of cannabis shall remain illegal.

(d) Moving cannabis production and sales from the underground, sometimes dangerous, illicit market to legal, taxpaying businesses allows for appropriate regulations and control.

(e) Cannabis sold in this state will be tested, labeled, and subject to additional regulations to ensure that consumers are informed and protected and to protect the environment.

(f) Some of the tax revenue generated from legal cannabis sales will be used to support programs for education, prevention, treatment, and recovery related to the use of both legal and illegal drugs.

2 New Subparagraphs; Application of Receipts; Cannabis Fund. Amend RSA 6:12, I(b) by inserting after subparagraph (387) the following new subparagraphs:

(388) Moneys deposited in the cannabis fund established in RSA 318-F:24.

(389) Moneys in the substance abuse prevention and recovery fund established by RSA 318-F:25.

3 New Subdivision; Substance Abuse Prevention and Recovery Funds. Amend RSA 126-A by inserting after section 97 the following new subdivision:

Substance Abuse Prevention and Recovery Funds

126-A:98 Substance Abuse Prevention and Recovery Funds; Management and Distribution of Funds.

I. The commissioner of the department of health and human services, shall administer the substance abuse prevention and recovery fund established in RSA 318-F:25.

II. Funds shall be deposited into the substance abuse prevention and recovery fund as established by 318-F:25 to be distributed by the commissioner of the department of health and human services. Funds may be awarded to a qualifying governmental entity or program for an approved use. All funds shall be nonlapsing and continually appropriated for the purposes of this section.

III. The commissioner of the department of health and human services shall continue to make distributions from the trust fund.

IV. The department of health and human services shall adopt rules pursuant to RSA 541-A necessary to implement this section. Such rules shall include funding qualifications, application procedures, time-lines for receiving, reviewing, and acting upon application requests, and reporting requirements.

V. Allocations shall be used for one or more of the following:

(a) Evidence-based, voluntary programs for substance abuse-related education, prevention, treatment, and recovery.

(b) Mental health treatment, with a focus on dual-diagnosis of both mental health and substance misuse disorders.

(c) Funding and training to foster an informed, adequately paid behavioral health workforce.

(d) Scientifically and medically accurate public education campaigns educating youth and adults about the health and safety risks of alcohol, tobacco, cannabis, and other substances, including education campaigns separately targeting youth and adults that provide medically and scientifically accurate information about the health and safety risks posed by cannabis use, including driving under the influence of cannabis.

VI. No later than 18 months after the effective date of this section, and every 2 years thereafter, the commissioner of the department of health and human services shall submit an annual report to the governor and fiscal committee of the general court detailing the activities of the administration of the substance abuse prevention and recovery trust fund, the amount distributed in the past year, the amount remaining in the trust fund, a summary of how funds were used in the past year, and any recommendations for future legislation.

4 Alcoholic Beverages; Statement From Purchaser as to Age. Amend RSA 179:8, I(d) to read as follows:

(d) A valid passport [~~from~~] ***issued by the United States or by*** a country with whom the United States maintains diplomatic relations.

5 Controlled Drug Act; Drug Forfeiture Fund. Amend RSA 318-B:17-c, I to read as follows:

I. There is hereby established [~~within the office of the state treasurer~~] a special revolving fund to be designated as the drug forfeiture fund. This fund shall be administered by the attorney general and may be used to pay the costs of local, county and state drug related investigations, ***costs of collection of baseline data related to marijuana regulation,*** as well as drug control law enforcement programs within New Hampshire. The fund may also be used to pay extraordinary costs of local, county and state drug prosecutions and trial expenses.

6 Model Drug Dealer Liability Act; Definition of Illegal Drug. Amend RSA 318-C:4, I to read as follows:

I. "Illegal drug" means any drug which is a schedule I-IV drug under RSA 318-B***, the possession, use, manufacture, sale, or transportation of which is not otherwise authorized by law***.

7 New Chapter; Regulation of Cannabis. Amend RSA by inserting after chapter 318-E the following new chapter:

CHAPTER 318-F

REGULATION OF CANNABIS

318-F:1 Definitions. In this chapter:

I. “Alternative treatment center” means an entity as defined in RSA 126-X:1, I.

II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including cannabis concentrate. "Cannabis" shall not include hemp, fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product.

III. "Cannabis accessories" or “cannabis paraphernalia” means any equipment, products, or materials of any kind that are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.

IV. "Cannabis cultivation facility" or “cultivation facility” means an entity registered to cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis concentrates, tinctures, extracts, or other cannabis products.

V. "Cannabis establishment" means a cannabis cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, a retail cannabis store, a cannabis transporter, or any other type of cannabis business authorized and registered by the commission.

VI. "Cannabis product manufacturing facility" or “product manufacturing facility" means an entity registered to purchase cannabis, to manufacture, prepare, and package cannabis products, and sell cannabis and cannabis products to other cannabis product manufacturing facilities, to alternative treatment centers, and to retail cannabis stores, but not to consumers.

VII. "Cannabis products" means concentrated cannabis products and cannabis products that are comprised of cannabis and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

VIII. "Cannabis testing facility" or “testing facility” means an entity registered to test cannabis for potency and contaminants.

IX. “Cannabis transporter” means an entity registered to transport cannabis between cannabis establishments.

X. "Commission" means the cannabis commission established in RSA 318-F:8.

XI. "Consumer" means a person 21 years of age or older who purchases cannabis or cannabis products for personal use by a person 21 years of age or older, but not for resale. "Consumer" does not include a qualifying patient or designated caregiver purchasing cannabis from an alternative treatment center pursuant to RSA 126-X.

XII. "Department" means the department of health and human services.

XII-a. "Documentation" means all records, in any form, including electronic records.

XIII. "Dual use certificate" means a license allowing an alternative treatment center registered to operate pursuant to RSA 126-X to co-locate with and operate a retail cannabis store, cannabis cultivation facility, cannabis product manufacturing facility, cannabis transporter, or any combination of those licenses. A dual use certificate is required in addition to registration as an alternative treatment center and the registration required pursuant to this chapter for each type of cannabis establishment operated by the alternative treatment center.

XIV. “Immature cannabis plant” means a cannabis plant that has not flowered and that does not have buds that may be observed by visual examination.

XV. “Inflation” means the 12-month percentage change in the consumer price index for all urban consumers, northeast region as published by the Bureau of Labor Statistics, United States Department of Labor.

XVI. “Mature cannabis plant” means a cannabis plant that has flowered and has buds that may be observed by visual examination.

XVII. “Municipality" means a city, town, or an unincorporated place.

XVIII. “Possession limit” means:

(a) Four ounces of cannabis in plant form;

(b) Twenty grams of concentrated cannabis, which includes hashish and pre-filled cartridges of cannabis extracts intended for vaporization;

(c) Cannabis products other than concentrated cannabis containing no more than 2,000 milligrams of THC;

(d) Six cannabis plants, no more than 3 of which may be mature; and provided that no more than 12 plants, and no more than 6 mature plants, may be cultivated at any single dwelling unit or other secure facility regardless of the number of adults over the age of 21; and

(e) Any additional cannabis produced by the person's cannabis plants, provided that any amount of cannabis in excess of four ounces of cannabis, 10 grams of concentrated cannabis, and cannabis products containing no more than 2,000 milligrams of THC shall be possessed in the same secure facility where the plants were cultivated.

This paragraph shall not apply to the possession limits set forth in RSA 126-X:2.

XIX. "Public place" means any place to which the general public has access.

XX. "Retail cannabis store" or "retail store" means an entity registered to purchase cannabis from cannabis cultivation facilities, to purchase cannabis and cannabis products from cannabis product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis products to consumers.

XXI. "Resident" means a natural person who:

(a) Is domiciled in New Hampshire; and

(b) Maintains a place of abode in New Hampshire, unless the individual was homeless and residing in New Hampshire for at least 51 percent of the time.

318-F:2 Personal Use of Cannabis.

I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person 21 years of age or older, shall not be illegal under New Hampshire law or the law of any political subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:

(a) Possessing, consuming, using, displaying, growing, obtaining, purchasing, processing, producing, or transporting an amount of cannabis that does not exceed the possession limit, except that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product manufacturer may perform extractions using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol.

(b) Transporting no more than 6 cannabis plants, including no more than 3 mature plants.

(c) Transferring an amount of cannabis that does not exceed the possession limit to a person who is 21 years of age or older without remuneration. For purposes of this section, a transfer is for remuneration if cannabis is given away contemporaneously with another transaction between the same parties, if a gift of cannabis is offered or advertised in conjunction with an offer for sale of goods, services, or admission to an event, or if the gift of cannabis is contingent upon a separate transaction for goods, services, or the price of admission to an event.

(d) Transferring or selling cannabis seeds or up to 6 immature cannabis plants or seedlings to cannabis cultivation facilities.

(e) Transferring cannabis, including cannabis products, to a cannabis testing facility.

(f) Controlling property where the acts described under this section occur.

(g) Assisting another person who is 21 years of age or older in any of the acts described under this section.

II. No law enforcement officer employed by an agency that receives state or local government funds shall expend any state or local resources, including the officer's time, to effect any arrest or seizure of cannabis, or conduct any investigation, on the sole basis of activity the officer believes to constitute a violation of federal law if the officer has reason to believe that such activity is in compliance with this chapter, nor shall any such officer expend any state or local resources, including the officer's time, to provide any information or logistical support related to such activity to any federal law enforcement authority or prosecuting entity.

318-F:3 Restrictions on Personal Cultivation; Penalty.

I. Except as allowed under RSA 126-X, no person who is 21 years of age or older shall cultivate cannabis plants except as provided in this section.

II. Cannabis plants shall not be cultivated in a location where the plants are subject to view from public property or from another person's private property without the use of binoculars, aircraft, or other optical aids.

III. A person who cultivates cannabis shall take reasonable precautions to ensure the plants are secure from access by a person under 21 years of age. Cultivating cannabis in an enclosed, locked space to which unauthorized persons do not have access, or other similar security precautions, shall be prima facie evidence of reasonable precautions.

IV. Cannabis cultivation shall only occur on property the cultivator legally owns, leases, or controls, or with the consent of the person who legally owns, leases, or controls the property.

V. Any person who violates this section shall be guilty of a violation and may be fined not more than $500 for a first offense and not more than $1,000 for a second or subsequent offense.

318-F:4 Smoking Cannabis in Public Prohibited; Penalty. No person shall smoke cannabis in a public place. Any person who violates this section shall be guilty of a violation and may be fined not more than $50.

318-F:5 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty.

I. No person shall consume, smoke, or vaporize cannabis while driving or attempting to drive a motor vehicle on a way, or while operating or attempting to operate an off-highway recreational vehicle, snowmobile, boat, vessel, aircraft, or other motorized device used for transportation.

II. No person shall smoke or vaporize cannabis while the person is a passenger in a motor vehicle that is being driven on a way.

III. Any person who violates this section shall be guilty of a violation and shall be subject to a fine not to exceed $150. In addition, any person who violates paragraph I of this section may have his or her driver's license, if a resident, or driving privilege, if a nonresident, suspended for up to 60 days for a first offense and up to one year for a subsequent offense.

IV. In this section, "way" shall have the same meaning as in RSA 265-A:44.

V. A person may not be convicted of both a violation of this section and a violation of RSA 265-A:1 based on the same incident.

318-F:6 Cannabis Accessories Authorized.

I. Except as provided by this section, it shall not be illegal under New Hampshire law or be a basis for seizure or forfeiture of assets under New Hampshire law for a person 21 years of age or older to manufacture, possess, or purchase cannabis accessories, or to distribute or sell cannabis accessories to a person who is 21 years of age or older.

II. Except as provided by this section, a person who is 21 years of age or older, or a business entity, may manufacture, possess, obtain, and purchase cannabis paraphernalia, and may distribute, deliver, or sell cannabis paraphernalia to a person who is 21 years of age or older.

III. No person or entity shall manufacture, distribute, or sell cannabis accessories that violate reasonable regulations enacted by the cannabis commission. Any person or entity that violates this paragraph shall be guilty of a violation for a first offense and subject to a fine of up to $1,000 and forfeiture of the cannabis accessories. A person shall be guilty of a class A misdemeanor for a second or subsequent offense and shall forfeit the cannabis accessories.

318-F:7 Odor and Personal Possession of Cannabis Not Grounds for a Search.

I. Except as provided in paragraph II of this section, the odor of cannabis or burnt cannabis, or the possession of a quantity of cannabis that the officer does not have probable cause to believe exceeds the possession limit of cannabis, shall not constitute in part or in whole probable cause or reasonable suspicion and shall not be used as a basis to support any stop or search of a person or motor vehicle.

II. Nothing in this section prevents a law enforcement official from conducting a test for impairment based in part on the odor of recently burnt cannabis if the law enforcement official would otherwise be permitted to do so under New Hampshire law.

318-F:8 Cannabis Commission.

I. There is hereby established a cannabis commission, which shall have regulatory and licensing authority over cannabis establishments. The commission shall consist of the chairperson of the commission, 2 commissioners, and staff.

II. No later than 30 days after the effective date of this chapter, the governor shall nominate the chairperson of the commission and the commissioners, who shall be confirmed with the advice and consent of the executive council following a public hearing before the executive council. Vacancies shall be filled in like manner for the unexpired term.

(a) The chairperson of the commission shall serve a term of 6 years.

(b) Commissioners shall each serve a term of 4 years.

(c) The chairperson of the commission and commissioners shall be appointed based on their ability and commitment to fully implement the provisions of this chapter.

(1) The chairperson must have demonstrated expertise in overseeing a regulated industry.

(2) At least one commissioner or the chairperson shall have a background in public health.

(3) At least one commissioner or the chairperson shall have a background in cannabis regulation or in the production and distribution of cannabis.

(4) The governor shall seek to ensure at least one commissioner or the chairperson also has a background in financing small and minority-owned businesses.

(5) The governor shall seek to ensure at least one commissioner or the chairperson also has a background in civil rights or social justice.

(6) No person shall be appointed chairperson of the commission or a commissioner if the person is opposed to making cannabis legal and regulated for adults 21 and older at the time of the passage of this chapter.

(d) The chairperson shall be a full-time unclassified employee and shall engage in no other gainful employment during his or her term.

(e) The annual salary of the commission chairperson shall be as specified in RSA 94:1-a and shall be established by the joint committee on employee classification pursuant to the procedure set forth in RSA 14:14-c and RSA 94:1-d. The chairperson shall receive his or her reasonable expenses while traveling in the performance of his or her duties, provided that the chairperson shall not be allowed as expenses travel between his or her place of residence and the commission chairperson's office in Concord, nor shall the commission chairperson be allowed board or lodging while in Concord.

(f) Except as provided in this section, each commissioner shall be paid $300 a day, or $150 per half-day, plus mileage at the state employee rate while engaged in his or her official duties. These rates shall be adjusted annually to account for inflation or deflation based on the consumer price index.

III.(a) The chairperson of the commission shall be appointed and commissioned as such and shall be the administrative head of the commission.

(b) The commission shall meet at least once per month for the 12 months after the effective date of this section and at least once every 3 months thereafter.

(c) The chairperson of the commission shall lead the administration of the commission and oversee the licensing and regulation of cannabis, with guidance from the commissioners.

(d) The commission may hire and terminate such staff necessary to carry out the purpose of the commission and to fix their compensation, subject to the rules of the director of personnel. The commission may authorize expenditures that are reasonably necessary for the administration of this chapter and may secure any necessary technical or professional assistance.

IV.(a) The commission may, subject to rules adopted by the director of personnel, employ and dismiss cannabis control investigators. Cannabis control investigators shall, under the direction of the commission, investigate any or all matters arising under this chapter.

(b) Any cannabis control investigator employed by the commission shall, within 6 months of employment, satisfactorily complete a police training program as provided by RSA 106-L:6, unless he or she has already completed such a program.

(c) The chairperson of the commission, commissioner, staff, or cannabis control investigator may enter any cannabis establishment, at any time, and may examine any registration issued or purported to have been issued under the terms of this chapter.

V. The chairperson of the commission and commissioners shall not have any interest, directly or indirectly, in any business under the jurisdiction of the commission or any other cannabis business.

VI. The governor and council may remove a chairperson of the commission or a commissioner for neglect of duty, misconduct, or malfeasance in office, after providing the individual with a written statement of the charges and an opportunity to be heard.

VII. No member of the commission shall render any professional service for any cannabis establishment in this state, or any affiliate thereof, or act as attorney or render professional service against any such cannabis establishment or affiliate; nor shall he or she be a member of a firm which renders any such service; nor shall he or she directly or indirectly be a party to any contract with any such cannabis establishment. This prohibition shall remain in force for 12 months following membership on the commission.

VIII. In addition to any other type of behavior or activity of a chairperson of the commission or commissioner that is proscribed by law, a chairperson of the commission or commissioner shall conduct himself or herself in accordance with a code of ethics that shall include, but not be limited to, the following elements:

(a) Avoidance of impropriety and the appearance of impropriety in all of his or her activities;

(b) Performance of his or her duties impartially and diligently;

(c) Avoidance of all ex parte communications concerning a case pending before the commission;

(d) Abstention from public comment about a matter pending before the commission and require similar abstention on the part of commission personnel;

(e) Require staff and personnel, subject to commission direction, to observe the standards of fidelity and diligence that apply to the chairperson of the commission and commissioners;

(f) Initiate appropriate disciplinary measures against commission personnel for unprofessional conduct;

(g) Disqualify himself or herself from proceedings in which his or her impartiality might be reasonably questioned;

(h) Inform himself or herself about personal and fiduciary interests and make a reasonable effort to inform himself or herself about the personal financial interests of his or her spouse and minor children;

(i) Regulate his or her extracurricular activities to minimize the risk of conflict with his or her official duties;

(j) Refrain from solicitation of funds for any political purpose, nor shall they be listed as an officer, director, or trustee of such organizations; and

(k) Refrain from financial or business dealings that would tend to reflect adversely on his or her impartiality.

IX. The chairperson of the commission or a commissioner may speak, write, or lecture concerning the regulatory process in New Hampshire but shall be reimbursed only for actual expenses incurred therein.

X. No chairperson of the commission or commissioner shall accept any employment with any cannabis establishment regulated by the commission until one year after he or she shall become separated from the commission.

XI. The commission shall be provided with suitable offices in the city of Concord and shall adopt a proper seal.

XII. The commission shall be provided with an office in which its records, documents, and books shall be kept, and with a suitable room in which it may hold hearings.

XIII. The commission may confer and cooperate with any other state or local agency in any matter relating to its duties.

318-F:9 Cannabis Advisory Board.

I. There shall be a cannabis advisory board to study and make recommendations consistent with the purpose and findings of this chapter on the regulation of cannabis and cannabis products in New Hampshire.

II. No later than 90 days after the effective date of this chapter, the governor shall nominate members of the advisory board, who shall be confirmed with the advice and consent of the executive council. The board shall consist of 13 members, and shall consist of: one expert in cannabis cultivation, one expert in cannabis retailing, one expert in cannabis product manufacturing, one expert in cannabis testing, one board member or officer of an alternative treatment center, one

registered medical cannabis patient, one individual who represents cannabis consumers, 2 experts in public health, one expert in law enforcement, one expert in social welfare or criminal justice, one expert in financing small cannabis businesses; and one attorney with experience providing legal services to cannabis businesses, cannabis consumers or medical cannabis patients. No more than one advisory board member may work for or hold a financial or equitable interest in a business that sells, grows, or manufactures cannabis in a jurisdiction outside of New Hampshire.

III. Members of the board shall serve terms of 2 years. Members of the board shall serve without compensation but shall be reimbursed for their expenses actually and necessarily incurred in the discharge of their official duties, including mileage at the state employee rate for attendance to meetings and other official functions.

IV. The board shall meet at the discretion of the commission, but shall meet no less frequently than once every 2 months for the first 9 months after the effective date of this section.

V. A majority of the members of the board present and voting shall constitute a quorum.

VI. The cannabis advisory board shall:

(a) Advise the commission on regulations to ensure the thorough and efficient implementation of this chapter.

(b) Advise the commission on what additional types of cannabis establishments, if any, the commission should register, including on-site consumption facilities, along with recommendations on their licensure and regulation.

(c) Consider all matters submitted to it by the commission.

(d) Hold a hearing to solicit public input no less frequently than once every 6 months, including input on the availability of reasonably priced therapeutic cannabis at alternative treatment centers with dual use certificates.

(e) Advise the commission spending and recommend any modifications to ensure the thorough and efficient implementation of this chapter.

(f) Make recommendations for changes to the law and regulations, including:

(1) Changes that are necessary or advisable once federal law allows interstate cannabis sales;

(2) Whether the personal possession, cultivation, and purchase limits should be modified or eliminated; and

(3) Whether to alter or abolish the commission.

318-F:10 Regulation of Cannabis.

I. Not later than one year after the effective date of this section, the commission shall adopt rules, pursuant to RSA 541-A, for the registration and regulation of cannabis cultivation facilities and for the issuance of dual use certificates. Not later than 15 months after the effective date of this section, the commission shall adopt rules, pursuant to RSA 541-A, for the registration and regulation

of all other cannabis establishments and on the manufacture and sale of cannabis accessories. The rules shall include the following:

(a) Procedures for the issuance, transfer, denial, renewal, suspension, and revocation of a registration for cannabis establishments, including procedures to hear complaints and impose penalties if alternative treatment centers with dual use certificates fail to provide an adequate supply and variety of therapeutic cannabis and cannabis products for qualifying patients.

(b) A schedule of reasonable application, registration, and annual renewals, provided:

(1) That the non-refundable portion of application fees shall not exceed $1,000, with this upper limit adjusted annually for inflation;

(2) The application, registration, and annual renewal fees for the smallest tier of cultivation facilities may not exceed $250;

(3) All other registration and annual renewal fees shall not exceed $10,000; and

(4) That cultivation facility licensing fees be tiered based on the size of the facilities, with a maximum fee of $7,500 for all but the largest tier of cultivation facilities.

(c) Qualifications for registration that are directly and demonstrably related to the operation of a cannabis establishment and which may not disqualify applicants solely for cannabis offenses prior to the effective date of this chapter.

(d) Regulations to create at least 3 tiers of cultivation facilities, based on the size of the facility or the number of plants cultivated and providing:

(1) That outdoor cultivation facilities shall be allowed to cultivate 3 times the square footage of canopy as indoor cultivation facilities of the same tier;

(2) That security regulations and licensing fees shall vary based on the size of the cultivation facility and that regulatory burdens shall be no more onerous than is reasonably necessary; and

(3) That cultivation facilities may move up to a higher tier at least once per year if they meet the security requirements and pay the associated fee, except that the commission may suspend this provision in the event of an oversupply.

(e) Record keeping requirements for cannabis establishments, including requirements for implementation and compliance with the tracking system required by RSA 318-F:10, IV.

(f) Requirements for the transportation of cannabis between cannabis establishments, including documentation that shall accompany any cannabis being transported by cannabis cultivation facilities.

(g) Procedures for the delivery of cannabis to consumers, including documentation that shall accompany any cannabis being transported to consumers.

(h) A schedule of civil fines as are authorized in this chapter for violations of chapter requirements, provided that, not later than 18 months after the effective date of this chapter the

commission shall report to the chairpersons of the house and senate ways and means committees its proposal for a fine schedule and for legislation needed to implement the schedule.

(i) Procedures for hearings on civil fines and suspensions and revocations of a cannabis establishment registration.

(j) Reasonable security requirements for each type of cannabis establishment, which may be varied based on the size of the cannabis establishment.

(k) Health and safety rules, including regarding the packaging and preparing of cannabis and restricting the use of pesticides that may be dangerous to cannabis consumers;

(l) Restrictions on the advertising, signage, marketing, and display of cannabis, including but not limited to:

(1) A prohibition on mass-market campaigns that have a high likelihood of reaching minors,

(2) Restrictions to prevent cannabis from being marketed to minors,

(3) A prohibition on cannabis products that are named, packaged, marketed, or designed in a way that mimics or is likely to cause confusion with commercially available, trademarked non-cannabis products, including relating to their logos, the sound of the product or brand, packaging, taste, appearance, and commercial impression, and

(4) A prohibition on giveaways of cannabis, cannabis products, or cannabis accessories.

(m) The department may require that any advertising for cannabis or cannabis products include a standard, recognizable symbol.

(n) Restrictions on where a cannabis cultivation facility may be located, consistent with the provisions of this chapter.

(o) Restrictions on the hours of sale when a retail cannabis store may sell cannabis and cannabis products, provided the regulations shall not allow retail stores to begin sales before 6:00 a.m. or to sell cannabis or cannabis products after 11:45 p.m.

(p) Packaging, product manufacturing, and labeling requirements for cannabis and cannabis products, including:

(1) Mandating the disclosure of the THC content of each product;

(2) Requirements to ensure cannabis products and their packaging are not designed to appeal to or be attractive to minors, including providing that they cannot be in the shape of cartoons, toys, animals, or people; and

(3) Establishing the maximum amount of THC that may be included in each serving; and

(4) Prohibiting flavors and designs of cannabis-infused beverages, oils, and edibles that resemble or imitate candy flavors that are marketed to minors.

(q) Health and safety rules and standards for the manufacture of cannabis products, including:

(1) Restrictions or prohibitions on additives to products that are toxic, misleading to consumers, or designed to make the product more appealing to children;

(2) Safety standards regulating the manufacture of cannabis extracts and concentrates; and

(3) A prohibition on the inclusion of nicotine and other additives to products that are designed to make the product more addictive.

(r) Standards for the operation of testing laboratories, including requirements for equipment and qualifications for personnel.

(s) Requirements for the testing of cannabis, including:

(1) Requirements to ensure at a minimum that products sold for human consumption do not contain contaminants that are injurious to health and to ensure correct labeling;

(2) That testing shall include, but not be limited to, analysis for residual solvents, poisons, or toxins; harmful chemicals; dangerous molds or mildew; filth; dangerous pesticides and harmful microbials, such as E. coli or salmonella;

(3) Providing that in the event that test results indicate the presence of quantities of any substance determined to be injurious to health, such products shall be immediately quarantined and immediate notification to the commission shall be made. The adulterated product shall be documented and properly destroyed;

(4) That testing shall also verify THC potency representations for correct labeling;

(5) That the commission shall determine an acceptable variance for potency representations and procedures to address potency misrepresentations; and

(6) That the commission shall determine the protocols and frequency of cannabis testing by a cannabis testing facility.

(t) Reasonable health and safety restrictions on cannabis accessories that may be manufactured or sold in New Hampshire, including a prohibition on any vaporization device that includes toxic or addictive additives. The commission may prohibit types of vaporizers that are particularly likely to be utilized by minors without detection, but may not completely ban or unreasonably restrict the manufacture or sale of vaporization devices.

(u) Training and continuing education required or recommended for licensees, which shall include training on checking photo identification and for false identification.

(v) Requirements that cannabis retail stores stock cannabis products, including flower, with low and moderate amounts of THC and that they be at least as prominently displayed as high potency products.

II.(a) In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a retail cannabis store with personal information other than

government-issued identification to determine the consumer's age, and a retail cannabis store shall not be required to acquire and record personal information about consumers.

(b) In order to ensure that individual privacy is protected, no cannabis establishment may record or store a consumer's name, address, purchases, or contact information unless the consumer consents in writing. No cannabis establishment may make granting permission for the collection or storage of the above information a condition of a consumer purchasing cannabis from the establishment.

III. Not later than 15 months after the effective date of this chapter, the commission, in consultation with the department, shall develop an informational handout, which retail stores shall make available to all consumers, and which shall include information detailed in RSA 318-F:17.

IV. The commission shall require all cannabis establishments to utilize an inventory tracking system, including use of a universal product code, for tracking the transfer of cannabis and cannabis products between licensed cannabis establishments and the sale of cannabis and cannabis products to consumers. The system shall ensure an accurate accounting of the production, processing, and sale of cannabis and cannabis products and shall enable separate tracking of cannabis flowers, immature cannabis plants, and other parts of cannabis sold from cannabis cultivation facilities. The system shall allow for the tracking of lab testing results for all cannabis and shall be capable of swiftly identifying all products involved in a product recall. The commission may develop and maintain a system that satisfies the requirements of this section, or it may select a vendor to develop and maintain a system.

V. No later than 15 months after the effective date of this chapter, and every year thereafter, the commission shall reevaluate the fines and penalties established in RSA 318-F, and shall report in writing on its findings and recommendations to the chairpersons of the house and senate ways and means committees.

VI. The commission may regulate synthetic cannabinoids and intoxicating products derived from hemp.

VII. No later than 18 months after the effective date of this section, after receiving input from the advisory board, the commission shall make written recommendations to the general court regarding the regulation of hemp including:

(a) What hemp products the commission would regulate;

(b) How the products would be regulated, including whether registration would be required and whether hemp processors and manufacturers should be licensed and regulated by the commission;

(c) Any registration fees or other charges that would be assessed on hemp products and license fees assessed on hemp processors and manufacturers; and

(d) The resources required to regulate hemp processors, product manufacturers, hemp products, and the retail sale of intoxicating hemp products.

318-F:11 Dual Use Certificates.

I. No later than one year after the effective date of this chapter, the commission, after consulting with the department of health and human services and the therapeutic cannabis medical oversight board and holding at least one public hearing, shall develop regulations allowing alternative treatment centers registered to operate pursuant to RSA 126-X to apply for a dual use certificate.

II. A separate dual use certificate is required for each alternative treatment center dispensing location.

III. The commission shall levy a $10,000 application fee each dual use certificate.

IV.(a) The commission shall grant or deny any application for a dual use certificate within 90 days.

(b) The commission shall levy a $90,000 fee for each dual use certificate. The license shall not expire unless it is revoked.

V. The regulations for a dual use certificate shall include, but are not limited to:

(a) Providing for separation of cannabis sales to qualifying patients and consumers, such as by requiring separate counters;

(b) Requiring dual-use cannabis establishments to prioritize therapeutic cannabis access;

(c) Requiring dual-use cannabis establishments to maintain or increase the diversity of therapeutic cannabis products available for qualifying patients;

(d) Requiring dual-use cannabis establishments to avoid raising prices for qualifying patients beyond the rate of inflation, for at least 2 years after dual use licensure;

(e) A requirement that in the event of crowding, inadequate parking, or similar issues limiting therapeutic cannabis access, the dual-use cannabis establishment shall take measures to prioritize therapeutic cannabis access, such as setting aside certain business hours when the establishment will only serve qualifying patients and their designated caregivers; and

(f) Providing for the suspension of sales of cannabis to adult-use consumers in the event of a product shortage.

VI.(a) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers shall meet the requirements of RSA 126-X:8 and rules issued pursuant to chapter RSA 126-X.

(b) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers may have higher THC per serving than is permitted by rules governing cannabis establishment that are issued pursuant to RSA 318-F:10.

VII. Cannabis stores affiliated with alternative treatment centers holding dual use certificates may sell cannabis grown and processed by those alternative treatment centers to consumers provided they comply with rules issued pursuant to this section and RSA 318-F:10.

318-F:12 Transition of Therapeutic Cannabis Program.

I. No later than 20 months after the effective date of this chapter, the commission, jointly with the department of health and human services, shall develop a proposal to move the therapeutic cannabis program to the commission. The chairperson of the commission shall deliver the proposal to the house of representatives health, human services and elderly affairs and the New Hampshire senate health and human services committee.

II. The proposal shall include a plan to allow cannabis retail stores to obtain a therapeutic cannabis endorsement that would allow them to serve qualifying patients without imposing the meals, cannabis, and rooms tax.

318-F:13 Registration Procedures for Cannabis Establishments.

I. Each application for a registration to operate a cannabis establishment shall be submitted to the commission.

II. Each application shall include both the fee established by the commission and a $500 fee for the municipality to review the application, except that the municipal fee shall be $75 in the case of the smallest tier of cultivation facilities.

III. The commission shall:

(a) Accept and process applications beginning no later than 14 months after the effective date of this chapter for cannabis cultivation facilities, beginning no later than 17 months after the effective date of this chapter for cannabis product manufacturing facilities, cannabis transporters, and cannabis testing facilities, and beginning no later than 18 months after the effective date of this chapter for retail cannabis stores;

(b) Immediately forward a copy of each application and the municipal fee to the municipality in which the applicant desires to operate the cannabis establishment; and

(c) Issue a registration to the applicant within 90 days after receipt of an application unless:

(1) The commission finds the applicant is not in compliance with the requirements of this chapter or rules adopted under this chapter;

(2) The commission is notified by the relevant municipality that the applicant is not in compliance with an ordinance adopted pursuant to this chapter and in effect at the time of application; or

(3) More qualified applicants have applied than the number of registrations available in the municipality, and the applicant was not selected.

(d) Accept and process applications on an ongoing basis.

IV. Each registration applies to a single parcel of real property. Any additional address requires a separate application and registration.

V. A renewal application may be submitted up to 90 days prior to the expiration of the cannabis establishment's registration. The renewal application shall be granted within 30 days of

its submission unless the applicant has not paid the fee, the cannabis establishment's registration is suspended or revoked, or the cannabis establishment has a pattern of violations of this law, the rules issued pursuant to it, or municipal regulations.

VI.(a) An applicant shall not be rejected on the basis that the applicant has not purchased or leased the property where the cannabis establishment would be located. However, the applicant may be required to specify the municipality in which it intends to operate.

(b) The commission shall provide conditional approval for applicants that have not yet purchased or leased the property where the cannabis establishment would be located, or who require additional work on the business.

(c) Once the applicant provides the commission with a completed, supplemental application that identifies the property where the cannabis establishment is to be located, the commission shall forward the information to the local regulatory authority and approve or reject the final application within 45 days.

VII. Nothing in this chapter shall prevents a person or entity from holding multiple types of cannabis registration and from co-locating the businesses.

318-F:14 Enactment of Municipal Ordinances.

I. A municipality may enact an ordinance prohibiting or limiting the number and type of cannabis establishments that may be permitted within the municipality and regulating the time, place, and manner of operation of a cannabis establishment, which is permitted within the municipality. A locality's prohibition on cannabis establishments may not prohibit transportation through the locality or deliveries within the locality by cannabis establishments located in other jurisdictions.

II. A municipality may enact an ordinance specifying the entity within the municipality that shall be responsible for reviewing applications submitted for a registration to operate a cannabis establishment within the municipality. The entity designated by the municipality shall be responsible for indicating whether the application is in compliance with municipal ordinances.

III. A municipality may not negotiate or enter into an agreement with a cannabis establishment or a cannabis establishment applicant requiring that the cannabis establishment or applicant provide money, donations, in–kind contributions, services, or anything of value to the locality.

318-F:15 Residency Required.

I. Except as provided in this section, any person applying for a cannabis establishment registration shall be a resident, or shall have at least one director, officer, or partner who is a New Hampshire resident.

II. This section shall not apply to an applicant for a testing facility registration.

318-F:16 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a registration, if the establishment would be

located within 1,000 feet of the property line of a pre-existing public or private elementary or secondary school, unless the municipality where the establishment seeks to operate has established a smaller distance limitation.

318-F:17 Informational Materials and Warning Labels.

I. The commission, in consultation with the department, shall design at least 2 versions of informational handout, one of which is specific to high potency products.

II. A retail cannabis store shall include an informational handout designed by the commission in consultation with the department with all cannabis and cannabis products sold to consumers, and shall include the high potency version in all cannabis concentrates and other high potency sales. The informational handouts shall include scientifically accurate information, including:

(a) Advice about the potential risks of cannabis, and, in the case of the high potency handout, risks specific to high potency products, including:

(1) The risks of driving under the influence of cannabis, and the fact that doing so is illegal;

(2) Any adverse effects unique to adolescents or young adults, including effects related to the developing mind;

(3) Potential adverse events and other risks, including related to mental health; and

(4) Risks of using cannabis during pregnancy or breastfeeding. This may be identical to that required under RSA 126-X:8, XVI(c)(7).

(b) Information about methods for administering cannabis;

(c) How long cannabis may impair a person after it is ingested in each manner; and

(d) How to recognize problematic usage of cannabis and how to obtain appropriate services or treatment;

(e) Information regarding safe storage and disposal of cannabis and paraphernalia to prevent accidental poisonings, including the contact information for the Northern New England Poison Control Center. This may be identical to that required under RSA 126-X:8, XVI(c)(8); and

(f) Unless federal statutory law or case law has changed and such a warning is no longer accurate, a disclosure that:

(1) Cannabis is illegal under U.S. federal law, and

(2) Under the United States government's 1986 Gun Control Act, any 'unlawful' user of a controlled substance is prohibited from purchasing or owning a gun.

III. The commission may require retail stores to display informational posters in conspicuous locations about the risks of cannabis use, including regarding risks during pregnancy and breastfeeding and risks of cannabis use in adolescents or by younger adults. The posters shall be scientifically accurate.

IV. All cannabis and cannabis products sold by a retail cannabis store shall include warning labels that provide the following information: "Warning: This product has intoxicating effects. For use by adults 21 and older. Keep out of reach of children." The department may require a standard, recognizable symbol on all cannabis packaging to signify that THC or other cannabinoids are included in the product.

V. All cannabis products sold by retail cannabis stores shall include:

(a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed by up to 2 hours," unless the department determines that a different time frame should be specified.

(b) A disclosure of ingredients and possible allergens.

(c) A nutritional fact panel.

(d) Opaque, child-resistant packaging, which shall be designed or constructed to be significantly difficult for children under 5 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. section 1700.20.

318-F:18 Lawful Operation of Cannabis-Related Facilities. If undertaken by a person 21 years of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for seizure or forfeiture of assets under New Hampshire law:

I. Possessing, displaying, or transporting cannabis or cannabis products; obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility; or sale, delivery, or distribution of cannabis or cannabis products to an adult who is 21 years of age or older or to retail cannabis stores or alternative treatment centers, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a retail cannabis store or is acting in his or her capacity as an owner, employee, or agent of a registered retail cannabis store.

II. Cultivating, harvesting, processing, packaging, transporting, displaying, or possessing cannabis; obtaining or purchasing cannabis seeds or seedlings or immature cannabis plants from any adult 21 years of age or older; delivering or transferring cannabis to a cannabis testing facility; selling or transferring cannabis that has not been processed into extracts, concentrates, or other preparations to a cannabis cultivation facility, a cannabis product manufacturing facility, or a retail cannabis store or alternative treatment center; or obtaining or purchasing cannabis from a cannabis cultivation facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis cultivation facility.

III. Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing

facility; selling cannabis or cannabis products to a retail cannabis store, alternative treatment center, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a cannabis product manufacturing facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a cannabis product manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis product manufacturing facility.

IV. Possessing, obtaining, cultivating, processing, storing, transporting, receiving, or displaying cannabis or cannabis products if the person or business entity has obtained a current, valid registration to operate a cannabis testing facility or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis testing facility.

V. Engaging in any activities involving cannabis or cannabis products if the person or business entity conducting the activities has obtained a current, valid registration to operate a cannabis establishment or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis establishment, and the activities are within the scope of activities allowed by the commission for that type of cannabis establishment.

VI. Possessing, obtaining, cultivating, processing, storing, transporting, or receiving cannabis obtained from a cannabis establishment or transporting, delivering, or transferring cannabis to a cannabis establishment if the person or business entity has obtained a current, valid registration to operate a cannabis transporter or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis transporter.

VII. Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; or obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility if the person or business entity conducting the activities described in this paragraph possesses a valid registration to operate an alternative treatment center or is acting in his or her capacity as an owner, employee, or agent of a registered alternative treatment center.

VIII. Leasing or otherwise allowing the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with this chapter.

IX. Selling, offering for sale, transferring, transporting, or delivering cannabis to establishments licensed to process or sell cannabis under the laws of other states if the person or business entity has obtained a current, valid registration to operate a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility.

318-F:19 Proof of Purchaser's Identity.

I. For the purposes of this chapter, any person or entity making the sale of cannabis or cannabis accessories to any purchaser whose age is in question may accept any official documentation listed in RSA 179:8 as proof that the purchaser is 21 years of age or older.

II. The establishment of all of the following facts by a retail cannabis store or an agent or employee of a retail store making a sale of cannabis or cannabis accessories to a person under the age of 21 shall constitute an affirmative defense to any prosecution for such sale:

(a) That the person presented what an ordinary and prudent person would believe to be valid documentation of a type listed in RSA 179:8.

(b) That the sale was made in good faith relying upon such documentation and appearance in the reasonable belief that the person was 21 years of age or older. No identification scanning or collection of personally identifiable information shall be required under this section.

318-F:20 Driving; Minors; and Control of Property.

I. Nothing in this chapter shall be construed to permit driving or operating under the influence of drugs or liquor pursuant to RSA 265-A, nor shall this section prevent the state from enacting and imposing penalties for driving under the influence of or while impaired by cannabis.

II. Nothing in this chapter shall be construed to permit the transfer of cannabis, with or without remuneration, to a person under the age of 21, or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume cannabis.

III. Nothing in this chapter shall prohibit a state or county correctional facility from prohibiting the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of cannabis on or in the correctional facility's property.

IV.(a) Except as provided in this section, this chapter does not require any person, corporation, or any other entity that occupies, owns, or controls a property to allow the consumption, cultivation, display, sale, or transfer of cannabis on or in that property.

(b) In the case of the rental of a residential dwelling, a landlord shall not prohibit the possession of cannabis or the consumption of cannabis by non-smoked means unless:

(1) The tenant is a roomer who is not leasing the entire residential dwelling;

(2) The residence is incidental to the provision of educational, counseling, religious, or similar service;

(3) The residence is a transitional housing facility; or

(4) Failing to prohibit cannabis possession or consumption would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(c) This chapter shall not prevent a landlord from prohibiting cannabis smoking or cannabis cultivation.

(d) An adult who is 21 or older may use cannabis on privately owned real property only with permission of the property owner or, in the case of leased or rented property, with the

permission of the tenant in possession of the property, except that a tenant shall not allow a person to smoke cannabis on rented property if smoking on the property violates the lease or the lessor's rental policies that apply to all tenants at the property. However, a tenant may permit an adult who is 21 or older to use cannabis on leased property by ingestion or inhalation through vaporization even if smoking is prohibited by the lease or rental policies. For purposes of this chapter, vaporization shall mean the inhalation of cannabis without the combustion of the cannabis.

318-F:21 Enforcement of Contracts. Contracts related to the operation of a cannabis establishment registered pursuant to this chapter shall be enforceable. No contract entered into by a registered cannabis establishment or its employees or agents as permitted pursuant to a valid registration, or by those who allow property to be used by an establishment, its employees, or its agents as permitted pursuant to a valid registration, shall be unenforceable on the basis that cultivating, obtaining, manufacturing, distributing, dispensing, transporting, selling, possessing, or using cannabis is prohibited by federal law.

318-F:22 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.

I. Except as provided in this section, a holder of a professional or occupational license may not be subject to professional discipline for:

(a) Providing advice or services related to cannabis establishments or applications to operate cannabis establishments on the basis that cannabis is illegal under federal law; or

(b) Engaging in activities allowed by this chapter.

II. An applicant for a professional or occupational license may not be denied a license based on:

(a) Previous employment related to cannabis establishments operating in accordance with state law;

(b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors, or

(c) Engaging in activities allowed by this chapter.

III. Except as provided in this section, neither the state nor any of its political subdivisions may impose any penalty or deny any benefit or entitlement for conduct permitted under this chapter or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older.

IV. Except as provided in this section, neither the state nor any of its political subdivisions may deny a driver’s license, a professional license, housing assistance, social services, or other benefits based on cannabis use or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older.

V. A person shall not be denied custody of or visitation with a minor for acting in accordance with this chapter, unless the person’s behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated.

VI. Except as provided in this section, neither the state nor any of its political subdivisions may discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person in employment or contracting, if the discrimination is based upon either of the following:

(a) Engaging in activities allowed by this chapter;

(b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors; or

(c) Testing positive for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of the individual's body.

VII.(a) This section does not prevent an employer from disciplining an employee or contractor for ingesting cannabis in the workplace or for working while impaired by cannabis.

(b) The protections provided by this section do not apply to the extent that they conflict with a governmental employer's obligations under federal law or regulations or to the extent that they would disqualify the entity from a monetary or licensing-related benefit under federal law or regulations.

(c) This section does not authorize any person to engage in, and does not prevent the imposition of any civil, criminal, disciplinary, or other penalties, including discipline or termination by a governmental employer, any task while under the influence of cannabis, when doing so would constitute negligence or professional malpractice.

VIII. For the purposes of medical care, including organ and tissue transplants, the use of cannabis does not constitute the use of an illicit substance or otherwise disqualify a person from needed medical care and may only be considered with respect to evidence-based clinical criteria.

IX. Notwithstanding any other provision of law, unless there is a specific finding that the individual's use, cultivation, or possession of cannabis could create a danger to the individual or another person, it shall not be a violation of conditions of parole, probation, or pre-trial release to:

(a) Engage in conduct allowed by this chapter; or

(b) Test positive for cannabis, tetrahydrocannabinol, or any other cannabinoid or metabolite of cannabis.

X. This section does not authorize any person to engage in, and does not prevent the imposition of any penalties for engaging in, the following conduct:

(a) Undertaking any task under the influence of cannabis, when doing so would constitute negligence or professional malpractice.

(b) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, train, or motorboat while under the influence of cannabis.

318-F:23 Data Collection Related to Cannabis Legalization and Regulation.

I. No later than 6 months after the effective date of this chapter and every 2 years thereafter, the department of safety, information and analysis center, drug monitoring initiative,

shall produce and publish a report that includes baseline data and the most current data regarding health and welfare outcomes since cannabis became legal and regulated for adults' use, including but not limited to high school graduation rates; youth and adult rates of alcohol, cannabis, and illegal drug use; rates of maladaptive use of cannabis; rates of alcohol abuse; opiate use and abuse rates; the number and type of youth and adult convictions for cannabis offenses; and the rates of individuals needing but not receiving substance abuse treatment. The report shall also include information on treatment and prevention services provided, education campaigns undertaken, and funding allocated under RSA 318-F:24.

II. No later than 6 months after the effective date of this chapter, and again 18 months after the effective date of this chapter, and every 2 years thereafter, the Judicial Branch shall produce and publish a report that includes the number of cases automatically annulled pursuant to each RSA 651:5-b and 651:5-c; the number of petitions for re-sentencing pursuant to RSA 651:5-d, and their disposition; and the number of cases dismissed pursuant to RSA 651:5-e.

318-F:24 Cannabis Fund Established.

I. There is established a nonlapsing fund to be known as the cannabis fund. The fund shall be kept distinct and separate from all other funds in the state treasury, and the moneys credited to the fund shall be held distinct and separate from all other funds over which the state treasurer has control. Moneys in the fund shall be deposited with any financial institution as defined in RSA 383-A:2-201(a)(27-a), with a branch in the state. Moneys credited to the fund shall include deposits into the fund by the commission pursuant to this chapter and deposits into the fund by the commissioner of the department of revenue administration pursuant to RSA 77-H.

II. For the biennium ending June 30, 2025, and every biennium thereafter, the commission shall include the cost of administration of this chapter in the commission's efficiency expenditure request pursuant to RSA 9:4. The cost of administration of this chapter shall include direct costs incurred by the department of safety and courts for the annulment of cannabis offenses as provided for in 651:5, II-a (3)(a)-(b). Appropriations for such costs shall be a charge against the fund.

III. For the biennium ending June 30, 2025, the sum of $2,000,000 is hereby appropriated to the cannabis commission for the cost of administration of this chapter. Said sum shall be a charge against the fund.

IV. The commission shall credit all fees and civil penalties imposed under this chapter and all other related moneys received from public or private sources to the fund.

V. After deducting appropriations charged to the fund for the cost of administration of this chapter and RSA 77-H, including the costs of cannabis annulment provided in 651:5, II-a(3)(a)-(b), the remaining funds shall be appropriated and distributed on a quarterly basis as follows:

(a) The sum of $100,000 annually to the department of safety, information and analysis center, drug monitoring initiative, for data collection and reporting related to the health impacts of cannabis prohibition and cannabis regulation; and

(b) Of the remaining funds:

(1)(A) Eighty percent shall be disbursed to the department of administrative services to be credited to the New Hampshire retirement system to offset the retirement system's unfunded accrued liability. Upon certification by the commissioner of the department of administrative services that the retirement system has no remaining unfunded accrued liability, this disbursement of funds shall cease.

(B) Upon certification by the commissioner of the department of administrative services that the retirement system has no remaining unfunded accrued liability, 80 percent shall be disbursed to the education trust fund established in RSA 198:39. The comptroller shall notify the commissioner of the department of revenue administration of the amount of the transfer. For the purpose of setting the education tax rate under RSA 76:3, the amount of revenue required to be collected pursuant to RSA 76:3 shall be reduced by the amount transferred to the education trust fund as required in this subparagraph, and the commissioner shall set the rate at a level sufficient to generate the reduced amount. This rate shall be effective for the following fiscal year.

(2) Ten percent shall be allocated to the substance abuse prevention and recovery fund established by RSA 318-F:25.

(3) Five percent for broad-based aid to municipalities with at least one operational cannabis retail store during the time period in which the revenues were collected, with the amount of allocation to each municipality determined based on the percent of tax revenue collected from retail stores located in the municipality; and

(4) Five percent, not to exceed $1 million, to public safety agencies, including police, fire, and rescue agencies, for the hiring and training of additional drug recognition experts, for advanced roadside impaired driving enforcement training, and to assist in responding to drug overdose incidents.

318-F:25 Substance Abuse Prevention and Recovery Fund Established. There is hereby established in the state treasury the substance abuse prevention and recovery fund that shall be kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA 318-F:24 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the commissioner of the department of health and human services for the purposes and in the manner set forth in RSA 126-A:98.

8 Controlled Drug Act; Definitions. Amend the introductory paragraph in RSA 318-B:1, X-a(k) to read as follows:

(k) Objects used or intended for use or customarily intended for use in ingesting, inhaling, or otherwise introducing [~~marijuana,~~] cocaine[~~, hashish, or hashish oil~~] into the human body, such as:

9 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, I to read as follows:

I. Any person who manufactures, sells, prescribes, administers, or transports or possesses with intent to sell, dispense, or compound any controlled drug, controlled drug analog or any preparation containing a controlled drug, except as authorized in this chapter ***or as otherwise authorized by law***; or manufactures, sells, or transports or possesses with intent to sell, dispense, compound, package or repackage (1) any substance which he ***or she*** represents to be a controlled drug, or controlled drug analog, or (2) any preparation containing a substance which he ***or she*** represents to be a controlled drug, or controlled drug analog, shall be sentenced as follows, except as otherwise provided in this section:

10 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, II to read as follows:

II. Any person who knowingly or purposely obtains, purchases, transports, or possesses actually or constructively, or has under his control, any controlled drug or controlled drug analog, or any preparation containing a controlled drug or controlled drug analog, except as authorized in this chapter ***or as otherwise authorized by law***, shall be sentenced as follows, except as otherwise provided in this section:

11 Controlled Drug Act; Penalties. Amend RSA 318-B:26, II(c)-(e) to read as follows:

(c) In the case of more than 3/4 ounce of marijuana or more than 5 grams of hashish, including any adulterants or dilutants[~~,~~] ***is possessed by a person who is under 21 years of age, or, in the case of an amount exceeding the possession limit defined in RSA 318-F:1 possessed by a person who is 21 years of age or older, except if possessed by a person authorized pursuant to RSA 126-X,*** the person shall be guilty of a misdemeanor. [~~In the case of marijuana-infused products possessed by persons under the age of 21 or marijuana-infused products as defined in RSA 318-B:2-c, other than a personal-use amount of a regulated marijuana-infused product as defined in RSA 318-B:2-c, I(b), that are possessed by a person 21 years of age or older, the person shall be guilty of a misdemeanor.~~]

(d) In the case of 3/4 ounce or less of marijuana or 5 grams or less of hashish, including any adulterants or dilutants, ***that is possessed by a person who is under 21 years of age,*** the person shall be guilty of a violation pursuant to RSA 318-B:2-c. [~~In the case of a person 21 years of age or older who possesses a personal-use amount of a regulated marijuana-infused product as defined in RSA 318-B:2-c, I(b), the person shall be guilty of a violation pursuant to RSA 318-B:2-c.~~]

(e) In the case of a residual amount of a controlled [~~substance,~~] ***drug, other than marijuana*** [~~as defined in RSA 318-B:1, XXIX-a~~], a person shall be guilty of a misdemeanor if the person is not part of a service syringe program under RSA 318-B:43.

12 Controlled Drug Act; Penalties. Amend RSA 318-B:26, III(a) to read as follows:

(a) [~~Except as provided in RSA 318-B:2-c,~~] Controls any premises or vehicle where he or she knows a controlled drug or its analog***, other than marijuana,*** is illegally kept or deposited;

13 Personal Possession of Marijuana. Amend RSA 318-B:2-c to read as follows:

318-B:2-c [~~Personal~~] Possession of Marijuana ***by a Person Under 21 Years of Age***.

[~~I.~~] In this section:

[~~(a)~~] ***I.*** "Marijuana" includes the leaves, stems, flowers, and seeds of all species of the plant genus cannabis, but shall not include the resin extracted from any part of such plant and every compound, manufacture, salt, derivative, mixture, or preparation from such resin including hashish, and further, shall not include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, fiber, oil or cake, or the sterilized seed of such plant which is incapable of germination.

[~~(b) "Personal-use amount of a regulated marijuana-infused product" means one or more products that is comprised of marijuana, marijuana extracts, or resins and other ingredients and is intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures, which was obtained from a state where marijuana sales to adults are legal and regulated under state law, and which is in its original, child-resistant, labeled packaging when it is being stored, and which contains a total of no more than 300 milligrams of tetrahydrocannabinol.~~]

II. Except as provided in RSA 126-X, any person ***under 21 years of age*** who knowingly possesses 3/4 of an ounce or less of marijuana, including adulterants or dilutants, shall be guilty of a violation, and subject to the penalties provided in paragraph V.

III. Except as provided in RSA 126-X, any person ***under 21 years of age*** who knowingly possesses 5 grams or less of hashish, including adulterants or dilutants, shall be guilty of a violation, and subject to the penalties provided in paragraph V.

IV. [~~Except as provided in RSA 126-X, any person 21 years of age or older possessing a personal-use amount of a regulated marijuana-infused product shall be guilty of a violation, and subject to the penalties provided in paragraph V. Persons 18 years of age or older and under 21 years of age who knowingly possess marijuana-infused products shall be guilty of a misdemeanor.~~

~~V.~~](a) Except as provided in this paragraph, any person 18 years of age or older who is convicted of violating paragraph II or III[~~, or any person 21 years of age or older who is convicted of violating paragraph IV~~] shall be subject to a fine of $100 for a first or second offense under this paragraph, or a fine of up to $300 for any subsequent offense within any 3-year period; however, any person convicted based upon a complaint which alleged that the person had 3 or more prior convictions for violations of paragraph II[~~,~~] ***or*** III[~~ or IV~~], or under reasonably equivalent offenses in an out-of-state jurisdiction since the effective date of this paragraph, within a 3-year period preceding the fourth offense shall be guilty of a class B misdemeanor. The offender shall forfeit the marijuana[~~, regulated marijuana-infused products,~~] or hashish to the state. A court shall waive the

fine for a single conviction within a 3-year period upon proof that person has completed a substance abuse assessment by a licensed drug and alcohol counselor within 60 days of the conviction. A person who intends to seek an assessment in lieu of the fine shall notify the court, which shall schedule the matter for review after 180 days. Should proof of completion of an assessment be filed by or before that time, the court shall vacate the fine without a hearing unless requested by a party.

(b) Any person under 18 years of age who is convicted of violating paragraph II or III shall forfeit the marijuana or hashish and shall be subject to a delinquency petition under RSA 169-B:6.

[~~VI.~~] ***V.***(a) Except as provided in this section, no person shall be subject to arrest for a violation of paragraph II[~~,~~] ***or*** III[~~, or IV~~] and shall be released provided the law enforcement officer does not have lawful grounds for arrest for a different offense.

(b) Nothing in this chapter shall be construed to prohibit a law enforcement agency from investigating or charging a person for a violation of RSA 265-A.

(c) Nothing in this chapter shall be construed as forbidding any police officer from taking into custody any minor who is found violating paragraph II[~~,~~] ***or*** III[~~, or IV~~].

(d) Any person ***under 21 years of age who is*** in possession of an identification card, license, or other form of identification issued by the state or any state, country, city, or town, or any college or university, who fails to produce the same upon request of a police officer or who refuses to truthfully provide his or her name, address, and date of birth to a police officer who has informed the person that he or she has been found to be in possession of what appears to the officer to be 3/4 of an ounce or less of marijuana[~~, a personal-use amount of a regulated marijuana-infused product,~~] or 5 grams or less of hashish, may be arrested for a violation of paragraph II[~~,~~] ***or*** III[~~, or IV~~].

[~~VII.~~] ***VI.*** All fines imposed pursuant to this section shall be deposited into the alcohol abuse prevention and treatment fund established in RSA 176-A:1 and utilized for evidence-informed substance abuse prevention programs.

[~~VIII.~~] ***VII.***(a) No record that includes personally identifiable information resulting from a violation of this section shall be made accessible to the public, federal agencies, or agencies from other states or countries.

(b) Every state, county, or local law enforcement agency that collects and reports data for the Federal Bureau of Investigation Uniform Crime Reporting Program shall collect data on the number of violations of paragraph II[~~,~~] ***or*** III[~~, or IV~~]. The data collected pursuant to this paragraph shall be available to the public. A law enforcement agency may update the data annually and may make this data available on the agency's public Internet website.

14 Alcohol or Drug Impairment; Possession of Drugs. Amend RSA 265-A:43 to read as follows:

265-A:43 Possession of Drugs. Any person who drives on any way a vehicle while knowingly having in his or her possession or in any part of the vehicle a controlled drug or controlled drug analog in violation of the provisions of RSA 318-B shall be guilty of a misdemeanor, and his or her

license shall be revoked or his or her right to drive denied for a period of 60 days and at the discretion of the court for a period not to exceed 2 years. This section shall not apply to the possession of marijuana or hashish as provided in RSA 318-B:2-c[~~, or a personal-use amount of a regulated marijuana-infused product as defined in RSA 318-B:2-c, I(b)~~].

15 Annulment of Arrests and Convictions for Marijuana Possession. RSA 651:5-b is repealed and reenacted to read as follows:

651:5-b Annulment of Arrests and Convictions for Marijuana Possession.

I. As used in this section:

(a) "Cannabis" or "marijuana" means "cannabis" as defined in RSA 318-F:1, II.

(b) "Possession limit" means "possession limit" as defined in RSA 318-F:1, XVIII.

(c) "Cannabis-related offense" means any of the following:

(1) Any offense under RSA 318-B involving cannabis or paraphernalia intended for cannabis; and

(2) Any other offense that would not have been an offense were it not for the illegality of cannabis.

II. Any person who was arrested or convicted for knowingly or purposely obtaining, purchasing, transporting, manufacturing, or possessing, actually or constructively, or having under his or her control, no more than the possession limit 3/4 of an ounce of marijuana or less where the offense occurred before the effective date of RSA 318-F may, at any time, petition the court in which the person was convicted or arrested to annul the arrest record, court record, or both. The petition shall state that the amount of marijuana was no more than the possession limit. The petitioner shall furnish a copy of the petition to the office of the prosecutor of the underlying offense. The prosecutor may object within 10 days of receiving a copy of the petition and request a hearing. If the prosecutor does not object within 10 days, the court shall grant the petition for annulment. If the prosecutor timely objects, the court shall hold a hearing. In a hearing on the petition for annulment, the prosecutor shall be required to prove beyond a reasonable doubt that the petitioner knowingly or purposely obtained, purchased, transported, or possessed, actually or constructively, or had under his or her control, marijuana in an amount exceeding the possession limit. At the close of the hearing, the court shall grant the petition unless the prosecutor has proven that the amount of marijuana exceeded the possession limit. If the petition is granted, and an order of annulment is entered, the provisions of RSA 651:5, X-XI shall apply to the petitioner.

III.(a) Any person who was arrested or convicted for any cannabis-related offense may, at any time, petition the court in which the person was convicted or arrested to annul the arrest record, court record, or both, when the petitioner has completed the sentence. The petition shall state that the arrest or conviction was for a cannabis-related offense.

(b) The petitioner shall furnish a copy of the petition to the office of the prosecutor of the underlying offense. The prosecutor may object within 14 days of receiving a copy of the petition and

request a hearing. If the prosecutor does not object within 14 days, the court shall grant the petition for annulment.

(c) If the prosecutor timely objects, the court shall hold a hearing. In a hearing on the petition for annulment, the prosecutor shall be required to prove by clear and convincing evidence that:

(1) The offense is not eligible for annulment under this section because it was not a cannabis-related offense;

(2) The offense is not eligible for annulment under this section because the petitioner has not completed the sentence; or

(3) Annulment would not be in the interests of justice.

(d) The court shall grant the petition unless the prosecutor has proven that:

(1) The offense is not eligible for annulment under this section because it was not a cannabis-related offense;

(2) The offense is not eligible for annulment under this section because the petitioner has not completed the sentence; or

(3) Annulment would not be in the interests of justice.

(e) There shall be a presumption that granting the petition would be in the interests of justice due to the legalization of cannabis for adults and the unequal enforcement of cannabis laws. The presumption may be overcome by evidence that the annulment would not be in the interests of justice, including in instances where the offense was recent and involved:

(1) An adult distributing cannabis to minor or using a minor to sell cannabis; or

(2) A conviction under RSA 318-B:2-e for negligently storing marijuana-infused products, causing a minor to access them.

IV. If the petition is granted, and an order of annulment is entered, the provisions of RSA 651:5, X-XI shall apply to the petitioner.

V. All fees shall be waived and the judicial branch shall receive compensation for actual costs from the cannabis fund. In years prior to the time when sales of cannabis generate sufficient funds to cover these costs, the judicial branch shall receive compensation from the general fund.

16 New Sections; Sentences; Annulment of Certain Arrests and Convictions for Cannabis. Amend RSA 651 by inserting after section 5-b the following new sections:

651:5-c Annulment of Certain Arrests and Convictions for Cannabis.

I. All convictions and arrests for misdemeanor or violation level offenses for possession of cannabis shall be automatically annulled. Within 6 months of the effective date of this section, the department of safety shall remove any such qualified convictions from its records and notify the court from which the case originated, which shall place an order of annulment in the court file and thereafter process the file in the same manner as any other annulled case. Any person who believes themselves to be eligible for automatic annulment may request that the department of safety

examine his or her conviction to determine whether it should be annulled. Should the department of safety fail to annul a qualified conviction, any person so aggrieved may petition the court without fee for further review of eligibility. The judicial branch and department of safety shall determine the actual costs of processing such annulments and be reimbursed from cannabis fund. In years prior to the time when sales of cannabis generate sufficient funds to cover these costs, they shall receive compensation from the general fund.

II. Eligible annulments of convictions and civil adjudications pursuant to this section shall be granted notwithstanding the existence of outstanding court-imposed or court-related fees, fines, costs, assessments, or charges.

651:5-d Re-Sentencing for Cannabis Sentences.

I. As used in this section:

(a) "Cannabis" means "cannabis" as defined in RSA 318-F:1, II.

(b) "Cannabis-related offense" means any of the following:

(1) Any offense under RSA 318-B involving cannabis or paraphernalia intended for cannabis; and

(2) Any other offense that would not have been an offense were it not for the illegality of cannabis.

II.(a) No later than 90 days after the effective date of this section, the department of corrections and the superintendent of each county house of correction shall conduct a search to determine all individuals serving a period of incarceration or supervision for a violation of RSA 318-B involving cannabis or paraphernalia intended for cannabis, or any other cannabis-related offense and notify the court in which each person was convicted and the judicial branch, administrative office of the courts.

(b) Any person who was convicted of any cannabis-related offense who has not completed the sentence may, at any time, petition the court in which the person was convicted for re-sentencing.

(c) The court in which the person was convicted shall furnish a copy of the petition to the office of the prosecutor of the underlying offense. The prosecutor may object within 14 days of receiving a copy of the petition and request a hearing. If the prosecutor does not object within 14 days, the court shall grant the petition and re-sentence the person to the portion of the sentence the individual has already completed.

(d) If the prosecutor timely objects, the court shall hold a hearing. In a hearing on the petition for re-sentencing, the prosecutor shall be required to prove by clear and convincing evidence that:

(1) The offense is not eligible for re-sentencing under this section because it was not a cannabis-related offense;

(2) Re-sentencing would not be in the interests of justice; and

(3) Re-sentencing would be in the interests of justice, but that the appropriate sentence is something other than the portion of the sentence the individual has already completed.

(e) The court shall grant the petition and re-sentence the individual to any sentence they have already completed unless the prosecutor has proven that:

(1) The offense is not eligible for re-sentencing under this section because it was not a cannabis-related offense;

(2) Re-sentencing would not be in the interests of justice; or

(3) Re-sentencing would be in the interests of justice, but that the appropriate sentence is something other than the portion of the sentence the individual has already completed.

(f) There shall be a presumption that granting the petition would be in the interests of justice due to the legalization of cannabis for adults and the unequal enforcement of cannabis laws. The presumption may be overcome, including in instances where the prosecutor proves by clear and convincing evidence that re-sentencing would not be in the interests of justice because:

(1) Additional, more serious charges unrelated to cannabis were dismissed as part of a plea deal; or

(2) The offense involved distribution of marijuana to minor, using a minor to distribute marijuana, or a violation of RSA 318:B-2-e for negligently storing marijuana-infused products, causing a minor to access them.

(g) The court may find that re-sentencing is in the interests of justice, but that a complete reduction in the sentence is not in the interests of justice. In those instances, the court shall re-sentence the individual to the lowest sentence that is in the interests of justice, in light of legalization of cannabis and disparities in arrests and sentencing.

(h) A court may not increase any aspect of a sentence in response to a re-sentencing petition filed pursuant this section.

(i) Any person eligible for re-sentencing for cannabis sentences pursuant to this section may file a petition for the assistance of counsel without charge; however, if such person was found to be indigent at his original sentencing, shall be entitled to assistance of counsel without charge for the hearing on modification of his sentence without the filing of such petition. No fee shall be charged for filing a petition under this section.

(j) The judicial branch shall receive compensation for actual costs of this section from the cannabis fund. In years prior to the time when sales of cannabis generate sufficient funds to cover these costs, the judicial branch shall receive compensation from the general fund.

651:5-e Certain Crimes Not to be Pursued; Dismissal.

I. As used in this section:

(a) "Cannabis" means "cannabis" as defined in RSA 318-F:1, II.

(b) "Possession limit" means "possession limit" as defined in RSA 318-F:1, XVIII.

II.(a) Except to the extent required to dismiss, withdraw, or terminate the charge, no prosecutor shall pursue any charge based on crimes or offenses pending with a court that occurred prior to the effective date of RSA 318-F, involving a person 21 years of age or older knowingly or purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or constructively, or having under his or her control, no more than the possession limit of cannabis where the offense occurred before the effective date of RSA 318-F.

(b) The existence of convictions in other counts within the same case that are not eligible for dismissal pursuant to this section or other applicable laws shall not prevent any conviction otherwise eligible for dismissal under this section from being dismissed pursuant to this section.

III. On the first day of the fifth month next following the effective date of RSA 318-F, any guilty verdict, plea, placement in a diversionary program, or other entry of guilt on a matter that was entered prior to that effective date, but the judgment of conviction or final disposition on the matter was not entered prior to that date, and the guilty verdict, plea, placement in a diversionary program, or other entry of guilt solely involved one or more crimes or offenses involving a person 21 years of age or older knowingly or purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or constructively, or having under his or her control, no more than the possession limit of cannabis, shall be vacated by operation of law. The judicial branch, in consultation with the attorney general, may take any administrative action as may be necessary to vacate the guilty verdict, plea, placement in a diversionary program, or other entry of guilt.

17 New Paragraph; Business Profits Tax; Additions and Deductions. Amend RSA 77-A:4 by inserting after paragraph XIX the following new paragraph:

XX. A deduction from gross business profits of an amount equal to all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on a trade or business as a cannabis establishment as defined by RSA 318-F:1 or an alternative treatment center as defined by RSA 126-X:1, including reasonable allowance for salaries or other compensation for personal services actually rendered, notwithstanding any federal tax law to the contrary.

18 Tax on Meals and Rooms; Chapter Title Amended. Amend RSA 78-A:1 to read as follows:

78-A:1 Title. This chapter may be known and cited as the "Meals and Rooms Tax Law." ***Alternatively, this chapter may be known and cited as the "Meals, Rooms, and Cannabis Tax Law."***

19 New Paragraphs; Tax on Meals and Rooms; Definitions. Amend RSA 78-A:3 by inserting after paragraph I the following new paragraphs:

I-a. "Cannabis" means "cannabis" as defined in RSA 318-F:1, II.

I-b. "Cannabis establishment" means "cannabis establishment" as defined in RSA 318-F:1, V.

20 Tax on Meals and Rooms; Definitions. Amend RSA 78-A:3 XIII to read as follows:

XIII. "Operator" means any person operating a hotel, ***operating a cannabis establishment,*** charging for a taxable meal, or receiving gross rental receipts, whether as owner or proprietor or lessee, or otherwise. The term operator shall include a rental facilitator and a room facilitator.

21 New Paragraph; Tax on Meals and Rooms; Definitions. Amend RSA 78-A:3 by inserting after paragraph XXV the following new paragraph:

XXVI. "Taxable sales of cannabis" means any sale of cannabis, including any sale of concentrated cannabis and cannabis products, which is subject to a tax under RSA 78-A:6-e. In any case where a cannabis establishment gives away cannabis contemporaneously with another transaction between the same parties, and in any case where a gift of cannabis is contingent upon a separate transaction, the price paid for the related or contemporaneous transaction shall be considered a taxable sale of cannabis.

22 Tax on Meals and Rooms; License Required; Cannabis Establishments. Amend RSA 78-A:4 to read as follows:

78-A:4 Meals and Rentals Licenses Required; Penalty.

I. Each operator shall register with the department the name and address of each place of business within the state where it operates a hotel, sells taxable meals, or rents motor vehicles. The operator shall complete a registration, upon receipt of which the department shall issue a meals and rentals license for each place in such form as it determines, attesting that the registration has been made, provided that a license shall not be issued or renewed if the operator owes unpaid taxes, interest, or penalties from any tax administered by the department. A license may be denied if the commissioner has reason to believe that the registration is filed by a person as a subterfuge for the real person in interest whose license has been previously been revoked, suspended, or not renewed for cause. Licenses shall expire on June 30 in each odd-numbered year, unless the business ceases operation, a change in ownership occurs, or the license is revoked or suspended by the department prior to expiration of the license.

I-a. ***Each cannabis retail store, or other cannabis establishment that is registered pursuant to 318-F:13 to sell directly to consumers, shall register with the department the name and address of each place of business within the state where it operates a cannabis establishment that is licensed to sell directly to consumers. The operator shall complete a registration, upon receipt of which the department shall issue a cannabis sales license for each place in such form as it determines, attesting that the registration has been made, provided that a license shall not be issued or renewed if the operator owes unpaid taxes, interest, or penalties from any tax administered by the department. A license may be denied if the commissioner has reason to believe that the registration is filed by a person as a subterfuge for the real person in interest whose license has been previously been revoked, suspended, or not renewed for cause. Licenses shall expire on June 30 in each odd-***

numbered year, unless the business ceases operation, a change in ownership occurs, or the license is revoked or suspended by the department prior to expiration of the license.

I-b. [~~The~~] ***Each*** license ***issued pursuant to this section*** shall be conspicuously posted in a public area upon the premises to which it relates. Violation of the posting requirement in this paragraph may result in a warning from the department that the operator's license may be revoked, suspended, or denied. The warning shall include notification to the operator of his or her obligation to obtain a meals [~~and~~]**,** rooms***, and cannabis*** license and pay the meals [~~and~~]**,** rooms***, and cannabis*** tax under this chapter. Subsequent violations of the provisions of this section may constitute sufficient cause for revocation, suspension, or denial of license.

II. [Repealed.]

III. No person shall engage in serving taxable meals, renting rooms, [~~or~~] renting motor vehicles***, or taxable sales of cannabis,*** without first obtaining the license required by this section. The license is nonassignable and cannot be transferred. Any person who fails to register or obtain a license as provided in this section shall be subject to the penalty provisions of RSA 21-J:39.

IV. Licenses, operator information displayed on licenses, and license dispositions, such as issuance, renewal, suspension, and revocation, shall be public records.

23 Tax on Meals and Rooms. Amend the introductory paragraph in RSA 78-A:6, II to read as follows:

II. A tax is imposed on taxable meals***, and on taxable sales of cannabis,*** based upon the charge therefor as follows:

24 Tax on Meals and Rooms; Exceptions to Tax. Amend the introductory paragraph in RSA 78-A:6-a, I to read as follows:

I. Gratuity charges added to the charge for a taxable meal***, taxable cannabis,*** or taxable room shall not be taxed under this chapter if:

25 New Section; Tax on Meals and Rooms; Therapeutic Cannabis Sales. Amend by inserting after section 78-A:6-d the following new section:

78-A:6-e Therapeutic Cannabis Sales.

I. Sales of cannabis, including sales of concentrated cannabis and cannabis products, from cannabis establishments shall be taxable under this chapter, except as provided in this section.

II. Sales of therapeutic cannabis to registered qualifying patients, directly or via their designated caregivers, shall not be taxable cannabis sales provided:

(a) The sales were made by alternative treatment centers registered pursuant to RSA 126-X:1;

(b) Each registered qualifying patient shall not purchase more than a total of the following amounts of untaxed cannabis in a 10-day period:

(1) Two ounces of usable cannabis; or

(2) The equivalent amount of cannabis products or concentrates, as determined by the department of health and human services.

26 Tax on Meals and Rooms; Collection of Tax. Amend RSA 78-A:7, I(a)-(b) to read as follows:

I.(a) The operator shall either state the amount of the tax to each occupant, purchaser of a meal, ***or cannabis,*** or renter, or state that the tax is included in the price of the occupancy, meal, or gross rental receipts received. If the amount of the tax is not separately stated, the purchaser's or occupant's contract or receipt shall include the following language ***for meals or rooms***:
"The tax on meals and rooms is included for the costs of meals and lodging only." ***If the amount of the tax is not separately stated on the purchaser's receipt for cannabis, the following language shall be included, "The tax on cannabis is included for the costs of cannabis only."***

(b) The operator shall demand and collect the tax from the occupant, purchaser, or renter. The occupant, purchaser, or renter shall pay the tax to the operator. If the tax is included in the price of the meal, occupancy, ***cannabis,*** or gross rental receipts received, upon request the operator shall state to the purchaser, occupant, or renter the amount of the tax.

27 Tax on Meals and Rooms; Disposition of Revenue. Amend the introductory paragraph in RSA 78-A:26, I to read as follows:

I. Beginning on July 1, 1995, and for each fiscal year thereafter, the department shall pay over all revenue, except revenues identified in paragraphs II [~~and~~]***,*** III***, and V*** of this section, collected under this chapter to the state treasurer. On or before September 15 of each year, the department shall determine the cost of administration of this chapter for the fiscal year ending on the preceding June 30, and it shall notify the state treasurer of these costs by a report certified by them as to correctness. After deducting the cost of administration of the chapter from the total income, the state treasurer shall distribute the net income as follows:

28 New Paragraph; Tax on Meals and Rooms; Disposition of Revenue; Sales of Taxable Cannabis. Amend RSA 78-A:26 by inserting after paragraph IV the following new paragraph:

V. All revenue collected from the sales of taxable cannabis shall be deposited in the cannabis fund and distributed pursuant to RSA 318-F:24.

29 Assessment; Education Tax. Amend RSA 76:3 to read as follows:

76:3 Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the commissioner of the department of revenue administration shall set the education tax rate at a level sufficient to generate revenue of $363,000,000***, less any amount credited to the education trust fund pursuant to RSA 318-F:25,*** when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section.

30 Use of Cannabis for Therapeutic Purposes; Definition of Alternative Treatment Center. Amend RSA 126-X:1, I to read as follows:

I. "Alternative treatment center" means a ***domestic business corporation organized under RSA 293-A, a domestic limited liability company organized under RSA 304-C, or a*** not-for-profit [~~entity~~] ***voluntary corporation organized under RSA 292 that is*** registered under RSA 126-X:7 that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, sells, supplies, and dispenses cannabis, and related supplies and educational materials, to qualifying patients, designated caregivers, other alternative treatment centers, and visiting qualifying patients.

31 Use of Cannabis for Therapeutic Purposes; Departmental Administration. Amend RSA 126-X:7, IV(a)(4) to read as follows:

(4) The name, address, and date of birth of each principal officer and board member of the alternative treatment center. The board of ***directors, or board of managers as applicable,*** for the [~~nonprofit~~] ***alternative treatment center*** shall include at least one physician, advance practice registered nurse, or pharmacist licensed to practice in New Hampshire and at least one patient qualified to register as a qualifying patient. The majority of board members***, or managers as applicable,*** shall be New Hampshire residents. A medical professional listed in this subparagraph may be a member of the alternative treatment center board ***or directors, or managers as applicable,*** but shall not maintain an ownership interest in the center.

32 Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements. Amend RSA 126-X:8, I to read as follows:

I. An alternative treatment center shall be operated on a ***for profit or*** not-for-profit basis for the benefit of its patients. An alternative treatment center need not be recognized as a tax-exempt organization by the Internal Revenue Service.

33 New Paragraphs; Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements. Amend RSA 126-X:8 by inserting after paragraph XVIII the following new paragraphs:

XIX. Except as otherwise provided in this chapter, an alternative treatment center shall be subject to RSA 293-A if organized as a domestic business corporation, RSA 304-C if organized as a domestic limited liability company, and RSA 292 if organized as a voluntary corporation.

XX. An alternative treatment center organized as a voluntary corporation under RSA 292 may, on or before December 31, 2024, convert from a voluntary corporation under RSA 292 to either a domestic business corporation organized under RSA 293-A or a limited liability company organized under RSA 304-C in any of the following ways:

(a) By adopting a plan of entity conversion in accordance with RSA 293-A or RSA 304-C, as applicable, that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, provided that each such conversion shall be authorized by a vote

of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by unanimous written consent.

(b) By adopting a plan of merger in accordance with RSA 293-A that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic business corporation shall be the surviving entity, provided that, such merger shall be authorized by a vote of 2/3 of the members of the board of directors of the alternative treatment center at a meeting duly called for the purpose or by unanimous written consent.

(c) By adopting a plan of merger in accordance with RSA 304-C that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic limited liability company shall be the surviving entity, provided that, such merger shall be authorized by a vote of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by unanimous written consent.

XXI. Articles of entity conversion or articles of merger, as applicable, shall be signed and submitted to the secretary of state pursuant to RSA 293-A or RSA 304-C, as applicable, and the secretary of state shall approve all such filings submitted pursuant to this section.

XXII. The secretary of state shall certify such articles of entity conversion or articles of merger and shall provide them to the department. Upon receipt, the department shall update the existing licenses held by the converted or merged alternative treatment center.

XXIII. For the purposes of converting or merging an alternative treatment center pursuant to this section, notwithstanding any provision in the articles of agreement or alternative treatment center license applications to the contrary, the members of an alternative treatment center's board of directors may determine that a plan of entity conversion or merger is consistent with its corporate charter, and such voluntary corporation may surrender its articles of agreement in connection with the plan of entity conversion or merger.

XXIV.(a) Any alternative treatment center choosing to convert or merge pursuant to this section shall obtain an independent fair market valuation of its total assets as of June 30, 2024. The valuation of the total assets of such alternative treatment center, if positive, shall be distributed to one or more charitable organizations solely for charitable purposes. The director of charitable trusts shall receive a copy of the valuation and may file any objection relating thereto with the court within 60 days. Except as set forth in this section and notwithstanding any other law to the contrary, no portion of the assets of such alternative treatment center after the conversion or merger, as applicable, shall be deemed to be charitable assets.

(b) Any alternative treatment center choosing to convert or merge pursuant to this section shall submit a copy of the plan of conversion or merger to the director of charitable trusts. The director may file an objection relating to the plan with the court within 60 days.

(c) Any alternative treatment center that has converted or merged pursuant to this section shall, on December 31, 2024 and thereafter for 2 years, annually file a letter with the director of charitable trusts certifying compliance with the requirements of RSA 126-X:8, XX.

34 Voluntary Corporations; Change of Name. Amend RSA 292:7 to read as follows:

292:7 Change of Name; Amending Articles.

I. Any corporation now or hereafter organized or registered in accordance with the provisions of this chapter, and any existing corporation which may have been so organized or registered, may change its name, increase or decrease its capital stock or membership certificates, merge with or acquire any other corporation formed pursuant to this chapter, or amend its articles of agreement, by a majority vote of such corporation's board of directors or trustees, at a meeting duly called for that purpose, and by recording a certified copy of such vote in the office of the secretary of state and in the office of the clerk of the town or city in this state which is its principal place of business. In the case of a foreign nonprofit corporation registered in New Hampshire, a copy of the amendment or plan of merger, certified by the proper officer of the state of incorporation, shall be filed with the secretary of state, together with the fee provided in RSA 292:5. The surviving corporation in a merger shall continue to have all the authority and powers vested in the merging corporations, including any powers previously conferred upon them by the legislature.

II. An alternative treatment center registered pursuant to RSA 126-X and organized under this chapter may, pursuant to RSA 126-X:8, XX, convert to either a domestic corporation organized under RSA 293-A or a limited liability company organized under to RSA 304-C, and may merge with a domestic business corporation organized under RSA 293-A or a limited liability company organized under RSA 304-C.

35 New Subparagraph; New Hampshire Business Corporations Act; Entity Conversion Authorized. Amend RSA 293-A:9.50 by inserting after subparagraph (f) the following new subparagraph:

(g) Alternative treatment centers registered pursuant to RSA 126-X and organized pursuant to RSA 292 may become a domestic corporation pursuant to a plan of conversion in accordance with RSA 126-X:8, XX and this subdivision. The alternative treatment center shall be deemed to be a domestic unincorporated entity for purposes of applying RSA 293-A:9.50 through RSA 293-A:9.56, except that approval of the conversion shall be as outlined in RSA 126-X:8, XX.

36 Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149, I to read as follows:

I. Any other business entity***, including alternative treatment centers pursuant to RSA 126-X:8, XX,*** may make a statutory conversion of its business organization form to the limited liability company business organization form under this act by complying with the requirements of this section and with applicable law governing the other business entity. ***Approval of a***

conversion of an alternative treatment center pursuant to this paragraph shall be as outlined in RSA 126-X:8, XX.

37 New Paragraph; Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149 by inserting after paragraph VIII the following new paragraph:

IX. In the case of the conversion of an alternative treatment center registered under RSA 126-X and organized pursuant to RSA 292, such conversion shall be approved by the board of directors in accordance with RSA 126-X:8, XX.

38 Appropriations.

I. The sum of $100,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the department of safety, information and analysis center, drug monitoring initiative, for the purpose of collecting baseline data to be used in the reports required pursuant to RSA 318-F:24. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

II. The sum of $2,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the cannabis commission established in RSA 318-F:8 for deposit into the cannabis fund established in RSA 318-F:24 for the administration of RSA 318-F. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

39 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use with cannabis, is repealed.

40 Effective Date.

I. RSA 318-F:18, XI, as inserted by section 7 of this act, shall take effect upon certification by the attorney general of New Hampshire to the director of the office of legislative services and the secretary of state that the conduct allowed by that paragraph has become legal under the United States Code.

II. Section 38 of this act shall take effect June 30, 2025.

III. The remainder of this act shall take effect upon its passage.

LBA
23-0528
Revised 1/25/23

HB 639-FN-A- FISCAL NOTE
AS INTRODUCED

AN ACT relative to the legalization and regulation of cannabis and making appropriations therefor.

FISCAL IMPACT: [X] State [X] County [X] Local [ ] None

	Estimated Increase / (Decrease)			
STATE:	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**
Appropriation	$0	$0	$0	$0
Revenue	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	[X] General [ ] Education [ ] Highway [X] Other - Drug Forfeiture Fund, Cannabis Fund, Substance Abuse Prevention and Recovery Fund and Education Trust Fund			

COUNTY:

Revenue	$0	$0	$0	$0
Expenditures	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

LOCAL:

Revenue	$0	$0	$0	$0
Expenditures	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

This bill establishes procedures for the legalization, regulation, and taxation of cannabis; the licensing and regulation of cannabis establishments; and makes appropriations therefor.

The Department of Administrative Services (DAS) states the bill appears to assign administrative responsibility of the regulation of cannabis to the Department of Health and Human services (Ch. 318-F:1,Definitions: XII. Department). However, it is unclear to DAS if the legislation, as written, intends for the "Cannabis Commission" to be a stand-alone state agency, or to be administratively attached to the Department of Health and Human Services. Section 318-F:8, III, (d) indicates "the commission may hire and terminate staff necessary to carry out the purpose of the commission and to fix their compensation, subject to the rules of the director of personnel". DAS suggests the proposed legislation explicitly define the state agency that will

be assigned administrative responsibility for human resource and financial functions of the commission.

The Department of Corrections states the bill would have some indeterminable impact on the number of parole violations associated with the use of cannabis that may cause a decrease in violation rates. This bill would also have an indeterminable impact on the number of individuals that would have their sentences annulled for prior convictions under RSA 318-B.

The Department of Health and Human Services indicates this bill would have an indeterminable impact on state revenues and expenditures due to the potential variability of sales revenue and unknowns around potential increase in consumption, treatment utilization, prevention needs, and associated costs. The Department's Bureau of Drug and Alcohol Services states there is considerable uncertainty about the impact that legalizing cannabis in New Hampshire would have on public budgets. The uncertainty is due to unknowns around potential increases in consumption, treatment utilization, prevention needs, and all associated costs. The Department reports the science is currently unsettled on the causal effects of cannabis on psychoses, schizophrenia, and drugged driving. The Department is unable to determine if these areas would be impacted and create additional costs. Evidence supporting the treatment needs for cannabis use disorder, however, is documented, and it is assumed that treatment costs would increase with cannabis legalization, although such costs are also indeterminable. The Department indicates the Cannabis Commission could receive revenue of up to $700,000 in FY 2025 from the issuance of dual-use certificates to the seven currently registered alternative treatment center dispensary locations ($10,000 application fee and $90,000 certificate fee). Issuance of a dual-use certificate would allow taxable sales of cannabis to adult consumers by alternative treatment centers. The Department assumes it would need an additional Program Specialist IV position starting in FY 2026 at cost of approximately $93,000 for salary and benefits. The position would be responsible for:

- Coordination and management of the new Substance Abuse Prevention and Recovery Fund.
- Planning the development and modification of programs, policies and procedures.
- Managing and evaluating the work product of state and local programs providing services.

The Department of Justice indicates section 15 of the bill provides for the annulment of arrests /convictions for marijuana possession and other cannabis-related offenses; however, it creates a process similar to the current annulment statute where the convicted person has to file a petition which the prosecutor may object to. If the prosecutor objects, then the court will hold a hearing. Because this section creates a new basis for annulment, it would impact the Department to the

extent defendants on prior cannabis-related cases prosecuted by the Department choose to file for annulment. This would require the Department to review the case and potentially object and participate in a hearing. Section 16 of the bill provides for resentencing of offenders who are currently incarcerated or supervised for cannabis-related offenses. Any person who was convicted of a cannabis-related offense and who has not completed the sentence can petition for resentencing; the prosecutor then has an opportunity to object, and if the prosecutor objects the court will hold a hearing. It is unclear how many individuals prosecuted by the Department for cannabis-related offenses have not completed their sentence. To the extent any person files a petition for resentencing, the fiscal impact on the Department would be the resources needed to review the case and potentially object and participate in a hearing. The Department states it is not possible to estimate the additional resources needed to respond to the new requirements of this bill.

The Department of Revenue Administration indicates the fiscal impact of this bill is indeterminable. The Department does not have information on the amount of cannabis products that would be sold or the selling price. The Department has calculated an estimate of the potential tax that may be collected from the taxable sale of cannabis, using the data available from Massachusetts and Maine. The calculated estimate is based on 2020 US Census population demographics data, the adult-use marijuana sales reported by Massachusetts and Maine for calendar year 2022, and other demographic data collected through the Internet. The Department estimated the possible New Hampshire tax revenue should the taxable sale cannabis trend for New Hampshire mirror either Massachusetts or Maine. Due to the limitation in available demographic data, the estimates had to assume that Massachusetts' and Maine's population make-up did not change since the US Census of April 1, 2020. The Department also assumed the price of the cannabis to be sold in New Hampshire would mirror the price of the products sold in Massachusetts and Maine in each respective scenario. Based on the analysis, if New Hampshire's sales were to mirror Massachusetts sales, the calculated tax revenue at 8.5% would be $24 million, if New Hampshire's sales matched Maine's sales, the calculated tax revenue at 8.5% would be $12.2 million.

In addition, under this bill cannabis establishments and alternative treatment centers conducting business activity in the state would be subject to the Business Profits Tax (BPT) and Business Enterprise Tax (BET). These businesses will increase the state revenue for business taxes. At the same time, section 17 of the bill allows the business organization to deduct all ordinary and necessary expenses in the carrying on a trade or business as a cannabis establishment or an alternative treatment center. A deduction is also allowed for a reasonable allowance for salaries or other compensation for personal services rendered. The Department cannot predict the amount or effect of the deduction of ordinary and necessary business expenses

paid or incurred by a cannabis establishment or an alternative treatment center on BPT revenues. However, as a deduction, it would likely decrease revenues.

Regarding impact on the education tax, the Department is unable to know the available funds that will remain in the cannabis fund after deducting the amounts outlined in the bill. However, any amount remaining that is deposited into the Education Trust Fund that would go towards the collection of the SWEPT of $363 million would likely decrease revenues, relative to the tax to be collected by the municipalities to fund the SWEPT.

The Department indicates in order to administer the provisions of this bill it would need to add five additional positions listed below with the associated total costs for salary, benefits, equipment and operating expenses.

Position	FY2023	FY2024	FY2025	FY2026
Administrative Secretary (LG14)	$0	$68,000	$66,000	$67,000
Administrator III (LG31)	$0	$109,000	$110,000	$114,000
Tax Auditor IV (LG 29)	$0	$103,000	$102,000	$106,000
Tax Auditor IV (LG 29)	$0	$103,000	$102,000	$106,000
Attorney I (LG 30)	$0	$106,000	$106,000	$110,000
Total	$0	$489,000	$486,000	$503,000

The Department of Safety indicates the fiscal impact of this bill is indeterminable as it is impossible to predict criminal activities related to cannabis legalization. Based on information from impact reports provided by High Intensity Drug Trafficking Areas (HIDTA) program in the states of Illinois and Colorado where marijuana is legal, the Department has provided the following information and assumptions:

- Due to the nature of THC metabolization, especially for chronic users, there is no national standard for determining impairment by drivers using marijuana.
- Marijuana use in both states has increased significantly since its legalization including among minors.
- The average THC level in marijuana products has risen from 3 percent to 23 percent in smokable marijuana and from 56 percent to 99 percent for other forms (waxes, oils, and edibles)
- Despite legalization, marijuana trafficking and black market marijuana continue to be enforcement challenges in both states.
- Traffic deaths involving drivers who tested positive for marijuana and incidents of driving under the influence have increased.
- Treatment for marijuana use in Colorado has decreased and suicide incidents in which toxicology results were positive for marijuana have increased.

The Department states while they cannot predict the financial impact to New Hampshire, the Department assumes, based on the experiences from Illinois and Colorado, the financial impact due to the increased enforcement issues could be significant. In addition, the Department assumes, the enforcement issues may increase in crimes such as robbery, burglary, and theft. These enforcement issues will impact local and state law enforcement and lead to a need for increases in manpower and training.

The New Hampshire Municipal Association indicates this bill would increase local expenditures and local revenue by indeterminable amounts. Based on review of limited research available relative to changes in policing related to cannabis legalization in any forms by other states, the Association identified the potential fiscal impacts listed below.

- Greater access to cannabis may increase youth access and driving while under the influence incidents, leading to a shift in law enforcement focus and a need for additional training in detection, such as Drug Recognition Expert (DRE) training. These shifts may increase law enforcement costs, particularly in the field of specialized training for detection of impairment by cannabis.
- There may be reduced law enforcement costs associated with drug detection and prosecution for simple possession cases, freeing up funds for other uses.
- Border states where cannabis is illegal, and which border states where some amount of cannabis is legal, have experienced additional incidents related to driving while under the influence, particularly in counties near the border. As New Hampshire is bordered on all sides by legalized states it is likely that some additional enforcement costs are already being borne by municipal police departments.
- Most research funded by National Institute of Justice grants shows that legalization has minimal, if any, effects on violent crime.
- Generally, research in states that have legalized cannabis has shown more patients presenting in the emergency department with physical or psychological symptoms resultant from using marijuana or commercial cannabis products. While no research appears to exist relative to the number of patients arriving via ambulance, it stands to reason that some portion of patients do utilize ambulance services to arrive at emergency departments. Additionally, there may be some number of users who call for emergency medical assistance that are not transported for treatment to the emergency department. Based on the information available, municipalities should expect some increase in costs associated with EMS, if limited legalization increases the incidence of individuals utilizing cannabis.

Regarding revenue, the Municipal Association is not able to provide an estimate of the revenue generated by the bill, but reports Vermont, which recently legalized both cannabis and cannabis

products (i.e. edibles) estimated between $40-$65 million in business profits, whereas Maine saw approximately $58 million in profit on $266 million in sales in 2020. It is possible that different approaches to marketing and businesses decisions relative to profit margins may result in state revenues that are significantly higher or lower than those provided above. Currently, 100% of the New Hampshire Retirement System's unfunded accrued liability sits on public employers, with municipalities seeing approximately 70% of their yearly employer contributions going toward the unfunded accrued liability. This bill contains language that provides funds from the cannabis fund to offset the Retirement System's unfunded accrued liability.

This bill contains penalties that may have an impact on the New Hampshire judicial and correctional systems. There is no method to determine how many fewer charges would be brought as a result of the changes contained in this bill to determine the fiscal impact on expenditures. However, the entities impacted have provided the potential costs associated with these penalties below.

Judicial Branch	FY 2023	FY 2024 through 12/31/23	FY 2024 (Starting 1/1/24 with repeal of Felonies First)
Violation and Misdemeanor Level Offense	$119	$122	$122
Routine Criminal Case	$644	$657	$779
Appeals	Varies	Varies	Varies

Judicial Council	FY 2023	FY 2024
Public Defender Program	Has contract with State to provide services.	Has contract with State to provide services.
Contract Attorney - Felony	$825/Case $105 administrative fee $200 incarceration fee (If applicable)	$825/Case $105 administrative fee $200 incarceration fee (If applicable)
Contract Attorney – Misdemeanor	$300/Case $70 administrative fee $100 incarceration fee (If applicable)	$300/Case $70 administrative fee $100 incarceration fee (If applicable)
Assigned Counsel - Felony. Travel time to court does not count toward the cap.	$90/Hour up to $5,500	$90/Hour up to $5,500
Assigned Counsel- Misdemeanor. Travel time to court does not count toward the cap.	$90/Hour up to $2,000	$90/Hour up to $2,000
Assigned Counsel - Supreme Court Appeal	$125/Hour up to $10,000	$125/Hour up to $10,000
It should be noted that a person needs to be found indigent and have the potential of being incarcerated to be eligible for indigent defense services. Historically, approximately 85% of the indigent defense caseload has been handled by the public defender program, with the remaining cases going to contract attorneys (14%) or assigned		

counsel (1%). Beginning in March of 2021, the public defender program has had to close intake of new cases due to excessive caseloads. Due to these closures, the contract and assigned counsel program have had to absorb significantly more cases. The system is experiencing significant delays in appointing counsel and the costs of representation have increased due to travel time and multiple appointments.

Department of Corrections	FY 2023	FY 2024
FY 2022 Average Cost of Incarcerating an Individual	$64,223	$64,223
FY 2022 Annual Marginal Cost of a General Population Inmate	$6,123	$6,123
FY 2022 Average Cost of Supervising an Individual on Parole/Probation	$688	$688
The Department notes any increase in the incarcerated population will have a direct impact on overtime costs given the Department's history of challenges associated with recruitment. In addition, the NH State Prison for Men has a degrading infrastructure which will only be exacerbated if an increase in the incarcerated population were to occur.		

NH Association of Counties	FY 2023	FY 2024
County Prosecution Costs	Indeterminable	Indeterminable
Estimated Average Daily Cost of Incarcerating an Individual	$105 to $125	$105 to $125

It is assumed that any fiscal impact would occur after FY 2023. This bill does not establish or authorize new positions.

AGENCIES CONTACTED:

Departments of Administrative Services, Corrections, Health and Human Services, Justice, Revenue Administration, and Judicial Branch, Judicial Council, New Hampshire Municipal Association and New Hampshire Association of Counties

REGULAR CALENDAR

February 15, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on Commerce and Consumer Affairs to which was referred HB 639-FN-A,

AN ACT relative to the legalization and regulation of cannabis and making appropriations therefor. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. John Hunt

FOR THE MAJORITY OF THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

MAJORITY
COMMITTEE REPORT

Committee:	**Commerce and Consumer Affairs**
Bill Number:	**HB 639-FN-A**
Title:	**relative to the legalization and regulation of cannabis and making appropriations therefor.**
Date:	**February 15, 2023**
Consent Calendar:	**REGULAR**
Recommendation:	**OUGHT TO PASS WITH AMENDMENT 2023-0543h**

STATEMENT OF INTENT

This bill legalizes the possession and use of cannabis for persons 21 years of age and older. As introduced, the bill would have created a Marijuana Commission and an advisory board with marijuana-interested parties. As amended, the bill now authorizes the liquor commission to regulate and administer the cultivation, manufacture, and retail sale of cannabis statewide, and makes an appropriation therefor. The bill maintains the Alternative Treatment Centers (ATC's) currently registered to dispense therapeutic cannabis as a separate entity to manufacture, cultivate, or transport cannabis to their NH Health and Human Services-regulated retail locations. The bill allows them to also deliver to the new retail locations and potentially have the Liquor Commission take over for Health and Human Services in future regulation of the ATC's. This legislation authorizes a municipality to enact an ordinance prohibiting or limiting the number and type of cannabis establishments that may be permitted within the municipality and regulating the time, place, and manner of operation of a cannabis establishment permitted within the municipality. This bill also establishes the Cannabis Control Fund just like the Liquor Fund, which requires funds to be distributed to the Department of Health and Human Services Bureau of Drug and Alcohol Services. The majority of the funds will be for education tax relief, but some of the funds will go to public safety agency training purposes and children's behavioral health services. Funds will also be used for an appropriation to the Department of Health and Human Services to create public media and social media campaigns to address some of the risks of cannabis use. The Commerce Committee amendment eliminates the "Advisory Board" and vests oversight fully in the NH Liquor Commission. The "Advisory Board" was deemed duplicative as the NH Liquor Commission has adequate experience and skill and the general competencies to safely administer public safety interests under this bill and creating a new commission would be redundant and unnecessary. In keeping with NH traditions of local control and free markets, this bill does not impose top down limits, such as picking winners and losers on retail outlets or manufacturing facilities but allows significant local input in the permitting and licensing of facilities within municipalities. Taxation in this bill is limited to a tax of 15% strictly at the cultivation level. There is no retail taxation with this bill. Taxing by wholesale value rather than weight, like other states, allows the Commission to audit and ensure compliance – similar to taxation for liquor and beer. Currently, because of lack of federal laws, all cannabis sold in NH will be grown in NH. The benefit of this legislation is to ensure the safety of cannabis in New Hampshire without forcing New Hampshire citizens to travel to our neighboring states and to create the opportunity for new business to be created in New Hampshire who will pay Business Profit Tax.

Original: House Clerk
Cc: Committee Bill File

Vote 17-3.

Rep. John Hunt
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Commerce and Consumer Affairs

HB 639-FN-A, relative to the legalization and regulation of cannabis and making appropriations therefor. **MAJORITY: OUGHT TO PASS WITH AMENDMENT. MINORITY: INEXPEDIENT TO LEGISLATE.**

Rep. John Hunt for the **Majority** of Commerce and Consumer Affairs. This bill legalizes the possession and use of cannabis for persons 21 years of age and older. As introduced, the bill would have created a Marijuana Commission and an advisory board with marijuana-interested parties. As amended, the bill now authorizes the liquor commission to regulate and administer the cultivation, manufacture, and retail sale of cannabis statewide, and makes an appropriation therefor. The bill maintains the Alternative Treatment Centers (ATC's) currently registered to dispense therapeutic cannabis as a separate entity to manufacture, cultivate, or transport cannabis to their NH Health and Human Services-regulated retail locations. The bill allows them to also deliver to the new retail locations and potentially have the Liquor Commission take over for Health and Human Services in future regulation of the ATC's. This legislation authorizes a municipality to enact an ordinance prohibiting or limiting the number and type of cannabis establishments that may be permitted within the municipality and regulating the time, place, and manner of operation of a cannabis establishment permitted within the municipality. This bill also establishes the Cannabis Control Fund just like the Liquor Fund, which requires funds to be distributed to the Department of Health and Human Services Bureau of Drug and Alcohol Services. The majority of the funds will be for education tax relief, but some of the funds will go to public safety agency training purposes and children's behavioral health services. Funds will also be used for an appropriation to the Department of Health and Human Services to create public media and social media campaigns to address some of the risks of cannabis use. The Commerce Committee amendment eliminates the "Advisory Board" and vests oversight fully in the NH Liquor Commission. The "Advisory Board" was deemed duplicative as the NH Liquor Commission has adequate experience and skill and the general competencies to safely administer public safety interests under this bill and creating a new commission would be redundant and unnecessary. In keeping with NH traditions of local control and free markets, this bill does not impose top down limits, such as picking winners and losers on retail outlets or manufacturing facilities but allows significant local input in the permitting and licensing of facilities within municipalities. Taxation in this bill is limited to a tax of 15% strictly at the cultivation level. There is no retail taxation with this bill. Taxing by wholesale value rather than weight, like other states, allows the Commission to audit and ensure compliance – similar to taxation for liquor and beer. Currently, because of lack of federal laws, all cannabis sold in NH will be grown in NH. The benefit of this legislation is to ensure the safety of cannabis in New Hampshire without forcing New Hampshire citizens to travel to our neighboring states and to create the opportunity for new business to be created in New Hampshire who will pay Business Profit Tax.

Vote 17-3.

Original: House Clerk

Cc: Committee Bill File

REGULAR CALENDAR

February 15, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on Commerce and Consumer Affairs to which was referred HB 639-FN-A,

AN ACT relative to the legalization and regulation of cannabis and making appropriations therefor. Having considered the same, and being unable to agree with the Majority, report with the following resolution: RESOLVED, that it is INEXPEDIENT TO LEGISLATE.

Rep. Lilli Walsh

FOR THE MINORITY OF THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

MINORITY
COMMITTEE REPORT

Committee:	**Commerce and Consumer Affairs**
Bill Number:	**HB 639-FN-A**
Title:	**relative to the legalization and regulation of cannabis and making appropriations therefor.**
Date:	**February 15, 2023**
Consent Calendar:	**REGULAR**
Recommendation:	**INEXPEDIENT TO LEGISLATE**

STATEMENT OF INTENT

The committee heard testimony from State Representatives, NH law enforcement, and students to the effect that there are innumerable negative factors relating to the legalization of cannabis. This bill would go against federal law and has the potential of creating red flag laws for gun owners. The US 1986 Gun Control Act prohibits any "unlawful" user of a controlled substance (i.e. cannabis) from purchasing or owning a gun. For law enforcement purposes, there is no accepted roadside test or level of THC in the blood to determine impairment. NH law enforcement testified they are not prepared or equipped to handle increased cannabis related collisions and fatalities. Newly released data shows that 2022 was the worst year for overdose deaths in New Hampshire since 2017. Critically, legalization will send the absolute wrong message to our teens, where in our NH schools we heard cannabis use is already a huge problem. Every state that has legalized cannabis has "bought" coveted tax receipts at the tragic "cost" of ever growing personal and social ramifications. Recent evidence from California reveals that the black market is unaffected by legalization. The deleterious consequences and toll on human lives far outweigh the purported benefits of legalization.

Rep. Lilli Walsh
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Commerce and Consumer Affairs
HB 639-FN-A, relative to the legalization and regulation of cannabis and making appropriations therefor. **INEXPEDIENT TO LEGISLATE.**
Rep. Lilli Walsh for the **Minority** of Commerce and Consumer Affairs. The committee heard testimony from State Representatives, NH law enforcement, and students to the effect that there are innumerable negative factors relating to the legalization of cannabis. This bill would go against federal law and has the potential of creating red flag laws for gun owners. The US 1986 Gun Control Act prohibits any "unlawful" user of a controlled substance (i.e. cannabis) from purchasing or owning a gun. For law enforcement purposes, there is no accepted roadside test or level of THC in the blood to determine impairment. NH law enforcement testified they are not prepared or equipped to handle increased cannabis related collisions and fatalities. Newly released data shows that 2022 was the worst year for overdose deaths in New Hampshire since 2017. Critically, legalization will send the absolute wrong message to our teens, where in our NH schools we heard cannabis use is already a huge problem. Every state that has legalized cannabis has "bought" coveted tax receipts at the tragic "cost" of ever growing personal and social ramifications. Recent evidence from California reveals that the black market is unaffected by legalization. The deleterious consequences and toll on human lives far outweigh the purported benefits of legalization.

Original: House Clerk
Cc: Committee Bill File

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill #: HB639-FN-A Date: 1/25/23

Committee: Commerce

**** Please Print All Information ****

Name	Address	Phone	Representing	Pro	Con
~~Rep Michael Harrell~~					
Rep Linda Foulds	Bedford		self		X
Christine Seibert (co-sponsor)			HHS D-21 & self	✓	

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill #: HB639-FN-A Date: 1/25/23

Committee: Commerce

**** Please Print All Information ****

Name	Address	Phone	Representing	Pro	Con
Pamela Bakes	388 Deerfield rd Candia NH	603 785 3670	Pamela		✓
Rep Michael Cahill	Newmarket NH	603 380 1736			✓
Chris Maidment			AFP NH	X	
Alicia Preston			Scott Enterprises	✓	
Kelli Newman			Scott Enterprises	X	
Elizabeth Sargent			NH Assoc of Chiefs of Police		X
Dan Goodman	AAA Northern New England				X
Rep Josh Yokela			Rock 32	X	
Rep Emily Phillips			Rock 7	✓	
William Bright	NH State Police				✓
Timothy Egan (FRMR Rep)	NHCANN			✓	
Rep Tim Cahill					X

House Remote Testify

Commerce and Consumer Affairs Committee Testify List for Bill HB639 on 2023-01-25

Support: 94 Oppose: 23 Neutral: 1 Total to Testify: 0

Export to Excel

Name	City, State Email Address	Title	Representing	Position	Testifying	Non-Germane	Signed Up
Craig, Kevin	Lancaster, NH kbcraig@gmail.com	A Member of the Public	Myself	Support	No	No	1/18/2023 6:29 PM
McMahon, Carok	Wolfeboro, NH cmcmahon166@gmail.com	A Member of the Public	Myself	Support	No	No	1/18/2023 6:52 PM
Best, Rolf	Salem, NH vice_alpines.0f@icloud.com	A Member of the Public	Myself	Support	No	No	1/18/2023 8:19 PM
Ward, Joseph	Concord, NH special26turtle@icloud.com	A Member of the Public	Myself	Support	No	No	1/18/2023 11:19 PM
Watkins, Dan	Derry, NH dan.j.watkins@gmail.com	A Member of the Public	Myself	Support	No	No	1/19/2023 6:19 AM
Harris, Danielle	Farmington, NH danielle7124@gmail.com	A Member of the Public	Myself	Support	No	No	1/19/2023 10:38 AM
Kennett, Larry	Canaan, NH larrykennett@gmail.com	A Member of the Public	Myself	Support	No	No	1/19/2023 11:00 AM
Withey, Royce	Rochester, NH royce_w@yahoo.com	A Member of the Public	Myself	Support	No	No	1/19/2023 11:17 AM
Tarver, Jeremy	Jaffrey, NH millingman33@gmail.com	A Member of the Public	Myself	Support	No	No	1/20/2023 8:01 AM
Patten, Cortney	Laconia, NH lildizzy6983@yahoo.com	A Member of the Public	Myself	Support	No	No	1/20/2023 8:16 AM
Baer, Aaron	Laconia, NH abaer34@yahoo.com	A Member of the Public	Myself	Support	No	No	1/20/2023 8:18 AM
Munroe, James	Rochester, NH jmsmunroe1989@gmail.com	A Member of the Public	Myself	Support	No	No	1/20/2023 11:25 AM
Zamot, Michael	Andover, NH michael@zamot.io	A Member of the Public	Myself	Support	No	No	1/20/2023 1:35 PM

Homer, Brian	Stratford, NH BPNAHXOMEP@GMAIL.COM	A Member of the Public	Myself	Support	No	No	1/20/2023 4:45 PM
Newman, Arnold	Marlborough, NH mallard202@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/20/2023 5:45 PM
Castrucci, Dianne	Laconia, NH castrucci.dianne@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/21/2023 8:42 AM
King, Jordan	Milford, NH Jordan.king@outlook.com	A Member of the Public	Myself	Support	No	No	1/21/2023 8:49 AM
Eltringham, Daniel	Dover, NH daneltringham@gmail.com	A Member of the Public	Myself	Support	No	No	1/21/2023 10:08 AM
Montminy, Sandra	Portsmouth, NH s-l-robinson@hotmail.com	A Member of the Public	Myself	Support	No	No	1/21/2023 11:25 AM
Christilles, James	Londonderry, NH dbrx6@hotmail.com	A Member of the Public	Myself	Support	No	No	1/21/2023 12:03 PM
Boutin, Michael	Merrimack, NH MIKE@GPVAPOR.COM	A Member of the Public	Myself	Support	No	No	1/21/2023 2:37 PM
Smith, Hayden	Hanover, NH hasmith1520@gmail.com	A Member of the Public	Myself	Support	No	No	1/21/2023 5:54 PM
Haddad, Ericka	Nashua, NH erickajo@gmail.com	A Member of the Public	Myself	Support	No	No	1/21/2023 6:49 PM
Clark, Howard	Peterborough, NH howie.clark@gmail.com	A Member of the Public	Myself	Support	No	No	1/21/2023 8:29 PM
Bernitz, Steven	Greenland, NH sbernitz@me.com	A Member of the Public	Myself	Support	No	No	1/21/2023 9:08 PM
Ebner, Joseph	Plymouth, NH jebner@spearehospital.com	A Member of the Public	Myself	Oppose	No	No	1/22/2023 5:35 AM
Demers, Haley	Portsmouth, NH hmdemers@comcast.net	A Member of the Public	Myself	Support	No	No	1/22/2023 11:36 AM
Bauer, Dorothy	Antrim, NH dottiebauer@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/22/2023 11:37 AM
Pauer, Eric	Brookline, NH secretary@BrooklineGOP.org	A Member of the Public	Myself	Oppose	No	No	1/22/2023 2:12 PM
Applewhite, Jordan	Brooksville, NH jordan.applewhite@gmail.com	A Member of the Public	Myself	Support	No	No	1/22/2023 2:14 PM
Coon, Kate	Peterborough, NH kate2coon@gmail.com	A Member of the Public	Myself	Support	No	No	1/22/2023 8:20 PM

Creem, Jeffrey	Nashua, NH jeff@thecreems.com	A Member of the Public	Myself	Support	No	No	1/22/2023 10:30 PM
Cobb, Don	Hopkinton, NH banditt1960@hotmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 2:24 AM
Alberga, Jacob	Dover, NH ja1188@wildcats.unh.edu	A Member of the Public	Myself	Support	No	No	1/23/2023 7:57 AM
Weston, Joyce	Plymouth, NH jweston14@roadrunner.com	A Member of the Public	Myself	Support	No	No	1/23/2023 8:57 AM
Garland, Ann	Lebanon, NH annhgarland@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 9:50 AM
Kasten, Sayles	Dover, NH sayleskasten@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 10:37 AM
Sajeev, Narayan	Nashua, NH narayansajeev1@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 10:44 AM
Schriedel, Justus	Portsmouth, NH justusschriedel@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 10:54 AM
Le Doux, Julie	Hollis, NH jbizzbuzz@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/23/2023 11:06 AM
Johnson, Vivian	HOLLIS, NH vmj33@outlook.com	A Member of the Public	Myself	Oppose	No	No	1/23/2023 11:16 AM
Medeiros, Jesse	Plainfield, NH bgtrck458@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 11:23 AM
Cordelli, Glenn	Tuftonboro, NH Glenn.cordelli@leg.state.nh.us	An Elected Official	Myself	Oppose	No	No	1/23/2023 11:56 AM
Blum, Keenan	Hancock, NH keenan.blum@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 12:30 PM
Kaw-uh, Bryce	Manchester, NH bryce.kawuh@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 12:33 PM
Smith, Deryn	Lebanon, NH deryn.p.smith@hitchcock.org	A Member of the Public	Myself	Oppose	No	No	1/23/2023 12:36 PM
Stark, Ann	Holderness, NH annjohnsonstark@yahoo.com	A Member of the Public	Myself	Oppose	No	No	1/23/2023 12:40 PM
Greyes, Natch	Concord, NH ngreyes@nhmunicipal.org	A Lobbyist	New Hampshire Municipal Association	Oppose	No	No	1/23/2023 12:54 PM
Cote, Lois	Manchester, NH, NH lcote06@outlook.com	A Member of the Public	Myself	Oppose	No	No	1/23/2023 12:56 PM

Donaldson, Marcia	Hollis, NH wsource2239@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 1:01 PM
Karney, Stephen	Amherst, NH stephenakarney@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 1:10 PM
Constantian, Mark	Hollis, NH mbconstantian@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/23/2023 1:43 PM
Ward, Ruth	STODDARD, NH, NH ruthward@myfairpoint.net	An Elected Official	Myself	Oppose	No	No	1/23/2023 1:52 PM
Woodward, Sharon	Hollis, NH sharcw@charter.net	A Member of the Public	Myself	Oppose	No	No	1/23/2023 2:01 PM
Davis, Jonathan	Exeter, NH jonathan@nhyouthmovement.org	A Member of the Public	Myself	Support	No	No	1/23/2023 2:10 PM
Hinckley, Cheryl	Hollis, NH clockmanswife@yahoo.com	A Member of the Public	Myself	Oppose	No	No	1/23/2023 2:29 PM
Meuse, David	Portsmouth, NH David.Meuse@leg.state.nh.us	An Elected Official	Rockingham 37	Support	No	No	1/23/2023 2:38 PM
Weiner, Stephanie	Lancaster, NH sjweiner03@hotmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 3:40 PM
Kremer, Ben	Newmarket, NH bckremer1@sbcglobal.net	A Member of the Public	Myself	Support	No	No	1/23/2023 4:53 PM
Connelly, Teagan	Plymouth, NH teagansheax@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2023 4:55 PM
Levesque, Stephanie	Hudson, NH stephanielevesque@comcast.net	A Member of the Public	Myself	Support	No	No	1/23/2023 5:06 PM
Hamer, Heidi	Manchester, NH heidi.hamer@leg.state.nh.us	An Elected Official	Myself	Support	No	No	1/23/2023 7:15 PM
Hamer, Gary	Manchester, NH grhamer@aol.com	An Elected Official	Myself	Support	No	No	1/23/2023 7:16 PM
Weiner, David	Lancaster, NH dwein11364@yahoo.com	A Member of the Public	Myself	Support	No	No	1/24/2023 8:00 AM
Caplan, Tony	Henniker, NH anthonycaplan1@gmail.com	An Elected Official	Myself	Support	No	No	1/24/2023 8:22 AM
Barton, Jack	Grantham, NH thebartons91125@myfairpoint.net	A Member of the Public	Myself	Support	No	No	1/24/2023 10:38 AM
WITKOWSKI, WARREN	SALISBURY, NH SKI1@TDS.NET	A Member of the Public	Myself	Oppose	No	No	1/24/2023 11:16 AM

Grady, Virginia	Hollis, NH gubbie44flu@duck.com	A Member of the Public	Myself	Oppose	No	No	1/24/2023 11:53 AM
Adcock, Danielle	Manchester, NH danadcock18@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 11:59 AM
GRIER, CYBELE	rye, NH cybelegrier@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 1:25 PM
Haas, Daniel	Lebanon, NH dihaas24601@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 1:36 PM
LeClerc, Daniel	Amherst, NH djl91862@gmail.com	An Elected Official	Myself	Support	No	No	1/24/2023 1:45 PM
Polttila, Klaus	Hancock, NH klaus@primeatc.com	A Member of the Public	Myself	Support	No	No	1/24/2023 1:54 PM
BALDWIN, HEATHER	Thornton, NH hpbaldwin48@gmail.com	An Elected Official	Myself	Support	No	No	1/24/2023 2:26 PM
Cabrera, Rho	Manchester, NH rho@nhyoutmovement.org	A Member of the Public	Myself	Support	No	No	1/24/2023 2:46 PM
Van Wickler, Richard	Keene, NH sarick1978@gmail.com	A Member of the Public	Law Enforcement Action Partnership (LEAP)	Support	No	No	1/24/2023 3:09 PM
Giorlando, Cheryl	Weare, NH ladyche@att.net	A Member of the Public	Myself	Support	No	No	1/24/2023 3:27 PM
Riddle, James	Hillsborough, NH jimriddle56@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 3:33 PM
Steuerwald, Carissa	Portsmouth, NH logicalunderpants@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 3:36 PM
LaMontagne, Jessica	Dover, NH finnlamontagne@gmail.com	An Elected Official	Myself	Support	No	No	1/24/2023 4:01 PM
O'Keefe, Karen	Washington, DC karen@mpp.org	A Lobbyist	Myself	Support	No	No	1/24/2023 4:02 PM
Fezzie, Rachel	Hollis, NH rachelfez@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/24/2023 4:16 PM
Laker-Phelps, Gail	Chichester, NH lpsart@tds.net	A Member of the Public	Myself	Support	No	No	1/24/2023 4:39 PM
House, Alice	Durham, NH ahouse2112@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 4:58 PM
Laird, Lenny	Hanover, NH jelena7200@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 5:01 PM

Brackett, JB	Manchester, NH jb.brackett7@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 5:11 PM
Scott, Archer	Plymouth, NH arcsco5@gmail.com	A Member of the Public	Myself	Support	No	Yes	1/24/2023 5:12 PM
Murray, Grace	Amherst, NH graceelysemurray@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 5:12 PM
Abramson, Quincy	Dover, NH quincyleah@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 5:13 PM
Brown, Morgan	Littleton, NH mkb1242@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 5:13 PM
McKeown, Susan	MANCHESTER, NH swmckeown48@yahoo.com	A Member of the Public	Myself	Oppose	No	No	1/24/2023 5:21 PM
Fernandez, Alexandra	Manchester, NH alexfernandez11@me.com	A Member of the Public	Myself	Support	No	No	1/24/2023 5:51 PM
Hebert, Tyler	Swanzey, NH Tylerhebo@icloud.com	A Member of the Public	Myself	Support	No	No	1/24/2023 6:11 PM
Thomas, Wendy	Merrimack, NH wethomas@gmail.com	An Elected Official	Town of Merrimack	Support	No	No	1/24/2023 6:57 PM
mock, john	glen, NH john.mock@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 7:04 PM
Savage, Matthew	New Ipswich, NH matthew.savage.4@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 7:12 PM
MacLeod, Tyler	Dover, NH tyleramacleod@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 7:14 PM
Fuentes, Sebastian	Thornton, NH sebastian@radnh.org	A Member of the Public	Rights & Democracy NH	Support	No	No	1/24/2023 7:24 PM
Frisch, Lisa	Hampton, NH Lisa.a.Frisch@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 7:33 PM
Caruso, Joseph	Hampton, NH joenunziocaruso@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 7:35 PM
Symanowicz, Maryann	Portsmouth, NH maryannsymanowicz@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/24/2023 7:55 PM
Bennett, Muriel	Epping, NH mcb1094@unh.edu	A Member of the Public	Myself	Support	No	No	1/24/2023 7:59 PM
Caruso, Gianna	Hampton, NH gianna_caruso@yahoo.com	A Member of the Public	Myself	Support	No	No	1/24/2023 8:06 PM

McQueen, Danielle	Laconia, NH Harleyrosebudinc@gmail.com	A Lobbyist	Myself	Neutral	No	No	1/24/2023 8:08 PM
Cilley Foisy, Michelle	Temple, NH michelle.cilley@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 8:34 PM
Homola, Susan	Hollis, NH suehomola@icloud.com	A Member of the Public	Myself	Oppose	No	No	1/24/2023 9:29 PM
AXELMAN, ELLIOT	Hooksett, NH alu.axelman@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 9:54 PM
Arnold, Neil	Marlborough, NH krisarn@myfairpoint.net	A Member of the Public	Myself	Support	No	No	1/24/2023 10:12 PM
Goudin, Mallory	Newmarket, NH mallorygoudin@gmail.com	A Member of the Public	Myself	Support	No	No	1/24/2023 10:24 PM
Larson, Ruth	Alton, NH ruthlarson@msn.com	A Member of the Public	Myself	Support	No	No	1/24/2023 10:39 PM
Merrick, Debra	Atkinson, NH fjmerrick@gmail.com	A Member of the Public	Myself	Support	No	No	1/25/2023 6:19 AM
Ames, Sarah	Moultonborough, NH quarab58@gmail.com	A Member of the Public	Myself	Support	No	No	1/25/2023 6:40 AM
McEachern, Peter	Manchester, NH pdishes4444@yahoo.com	A Member of the Public	Myself	Support	No	Yes	1/25/2023 8:46 AM
Termini, Marcella	Manchester, NH marcellatermini@gmail.com	A Member of the Public	Myself	Support	No	No	1/25/2023 8:48 AM
Fenton (SD 10), Senator Donovan	Keene, NH donovan.fenton@leg.state.nh.us	An Elected Official	Myself	Support	No	No	1/25/2023 8:50 AM
Roberts, Sarah	Meredith, NH sarahroberts.nh@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/25/2023 9:12 AM
Slattery, Brinck	Manchester, NH brinck.slattery@gmail.com	A Member of the Public	Myself	Support	No	No	1/25/2023 9:14 AM
Saltzman, Michael	Manchester, NH saltzman_mike@yahoo.com	A Member of the Public	Myself	Support	No	No	1/25/2023 9:16 AM

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 639-FN-A

BILL TITLE: **relative to the legalization and regulation of cannabis and making appropriations therefor.**

DATE: **January 25, 2023**

LOB ROOM: **302-304** **Time Public Hearing Called to Order:** **1:35 p.m.**

Time Adjourned: **4:10 p.m.**

Committee Members: Reps. Hunt, Ammon, Beaulieu, Osborne, Potucek, Terry, Post, Cole, Porcelli, Thackston, L. Walsh, Burroughs, Herbert, McAleer, Vincent, Filiault, Gibbs, Spier and J. Sullivan

Bill Sponsors:

Rep. Osborne	**Rep. Layon**	**Rep. Wilhelm**
Rep. C. McGuire	**Rep. DiLorenzo**	**Rep. Berry**
Rep. McWilliams	**Rep. Wallace**	**Sen. Whitley**
Sen. Murphy	**Sen. Fenton**	

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep Osborne Introduced

Senator Whitley and Sen Fulton - Co-sponsor - Support
- 74% support legalization
- The data comes from UNH

Rep Mat Wilhelm - Supports
- Collateral harm due to enforcement actions regarding Cannabis possession
- Returning funds to the employment, retirement system of state and city employees

*Susan Homola
- She will send her written testimony via email

Question - What about the black market?
What is going on in Oklahoma - Cartels are going to form in Oklahoma to purchase marijuana?

*Tim Egan - Supports
- We are losing revenue
- Vermont 1st year had 22 million income
- Good for states economy
- We are a pro business state
- An advisory board will be established
- A professional board overseeing the cannabis industry
- Is a current member of the NH Cannabis Advisory Board currently

*John Bryfouski - Chief Bedford Police Dept - Opposes
- Representing NH Chief of Police
- It is all about safety and not money

Rep Boehm - Opposes

- Black market will still exist

*Richard Van Wickler - Former Police Officer - Supports
- Represents Law Enforcement Action Partnerships
- We need cannabis reform
- This is responsible legislation

*Michael Holt and Jenny Higgins - DHHS
- Funding for adult use program
- Limiting the number of cannabis licenses for one individual company

*Matt Simon - Supports

Beth Scaer - Opposes
- Family has had issues with cannabis
- Psychosis induced by pot

*Frank Knaack - ACLU of NH Policy Director
- This is a racial justice issue
- Arrests for black individuals is 46 higher than white individuals
- 2.6 million spend on marijuana arrests in NH last year

Liz Barbour - Opposes

Paul Toomey - Former member of the State Commission on Cannabis Legislation
- Criminal defense lawyer
- Supports the bill
- Potency levels should be looked into for gummies

*Robert Dunn - Roman Catholic Diocese of Manchester - Opposes

*Nathaniel Gurien - NH Cannabis Party
- The economy will boom if we legalize marijuana

Kaylee McGlynn - The Coalition for the Youth - Opposes
- Told her story about marijuana in her schools

*Brett Scott - Haven Management Group - Supports

Randall Kelley and Bristol Kelley
- Alcohol vs Marijuana

Ross Connolly - Americans for Prosperity
- Island of prohibition
- Regulate the market is good
- Reduces black market sales

Dr Joseph Hannon - Supports
- Prohibition does not work, it is evil
- Liquor sales vs. Cannabis sales

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on HB 639-FN-A

BILL TITLE: relative to the legalization and regulation of cannabis and making appropriations therefor.

DATE: February 15, 2023

Subcommittee Members: Reps. Hunt, Ammon, Thackston, Herbert, McAleer and Filiault

Comments and Recommendations:

MOTIONS: **OUGHT TO PASS WITH AMENDMENT**

Moved by Rep. Potucek	Seconded by Rep. Burroughs	AM Vote: 6-1
Amendment # 2023-0530h		
Moved by Rep. Potucek	Seconded by Rep. Burroughs	Vote: 6-1

Respectfully submitted,

Rep. John Hunt
Subcommittee Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on HB 639-FN-A

BILL TITLE: relative to the legalization and regulation of cannabis and making appropriations therefor.

DATE: February 1, 2023

Subcommittee Members: Reps. Hunt, Beaulieu, Osborne, Potucek, L. Walsh, Burroughs, Vincent and J. Sullivan

Comments and Recommendations:

Respectfully submitted,

Rep. John Hunt
Subcommittee Chairman

Brett Scott
Cannabis Haven
Smokers Haven
12 Chenell Dr
Concord, NH 03301
603-817-1588
Brett@HavenManagementGroup.com

Cannabis Legalization

My name is Brett Scott, and I am a lifelong resident of New Hampshire and own several businesses including the Concord, New Hampshire based Smokers Haven and Maine based Cannabis Haven. Between the two businesses we employ over 140 people and have 17 locations in various divisions including tobacco, medical retail cannabis, adult use retail cannabis, and cultivation.

I support cannabis legalization in New Hampshire. I have a robust understanding of the cannabis regulatory programs for both adult use and medical use in Maine, as well as several other states, and am well versed in the pros and cons of both program structures.

It would be incredible for New Hampshire to be a supplier for the demand that other states are currently fulfilling and bring that business back here. New Hampshire has a long process ahead, and a lot of details to figure out for cannabis legalization, but I would appreciate any opportunity to be involved to help make legalization a reality in New Hampshire.

I am based out of Concord and happy to assist in any way possible as an operator in the cannabis industry.

Thank you,

Brett Scott

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
THERAPEUTIC CANNABIS PROGRAM

Lori A. Weaver
Interim Commissioner

Patricia M. Tilley
Director

29 HAZEN DRIVE, CONCORD, NH 03301
603-271-9333 1-800-852-3345 Ext. 9333
TDD Access: 1-800-735-2964
email: TCP@dhhs.nh.gov

January 25, 2023

HB 639-FN, relative to the legalization and regulation of cannabis and making appropriations therefor
House Commerce and Consumer Affairs Committee

Representatives Hunt, Ammon, and Members of the Committee:

The Department of Health and Human Services (Department) does not take a position on HB 639, but would like to provide information to the committee relative to certain public health related matters associated with this bill.

Issues of Concern

- The bill establishes a Substance Abuse and Recovery Fund to be administered by the Department for disbursement of cannabis sales revenue for approved public health and behavioral health uses. However:
  - There is no appropriation for additional Department staff needed to administer disbursement from this fund;
  - There is no clear timeframe for disbursement of "remaining funds" to this fund;
  - There is no separate appropriation to the Department for a preliminary public media and social media campaign about the risks of cannabis use prior to the roll-out of the adult-use program; and
  - There is no language that would explicitly prevent such funds from being used for another purpose.
- The bill does not set a limit on the number of licenses allowed to be held by a single entity, across various types of cannabis establishments. Such limits are considered an important safeguard against large corporate interests from dominating the cannabis industry in New Hampshire.
- The bill does not require that cannabis testing laboratories be "independent." The bill would allow a testing laboratory to be owned and operated by the same entity that cultivates, manufactures, or sells retail cannabis, thus creating the potential for a conflict of interest between the testing lab and the products they are testing.

Recommendations for Improvement

- The duties of the Cannabis Advisory Board could be expanded to require the Board to exercise its expertise. For example, from a public health perspective, the Board could be required to consider and make recommendations on such things as potency, serving size, advertising restrictions, and testing requirements.
- The proposal to transfer the Therapeutic Cannabis Program from DHHS to the newly formed Cannabis Commission, would be better made to the Health and Human Services Oversight Committee, established under RSA 126-A:13, rather than to House and Senate policy committees.
- There is no explicit exemption from taxation for therapeutic cannabis patients when purchasing cannabis from a retail cannabis store under the proposed "endorsement" model, nor is there a clear method for enforcing the limit on untaxed cannabis for this population. A simpler, more straightforward approach would be to exempt from taxation any sale of cannabis to any qualifying patient, or their caregiver, regardless of the source of the sale, either the ATC or the retail cannabis store under the endorsement model.

- The opportunity for a NH licensed Alternative Treatment Center (ATC) to undergo a for-profit conversion is established as a one-time opportunity. Removing the December 31, 2024 deadline for this action would provide more flexibility for this proposal.
- There is a prohibition on certain types of solvent extraction, but there is no penalty for violation of the prohibition.
- There is no prohibition on, or penalty for, vaping cannabis in public.
- Definitions of "cannabis products" and "possession limit" are unclear when read together and should be clarified, including the applicability of limits to therapeutic cannabis patients.
- The terms "registration" and "licensure" are used interchangeably throughout the bill. Using "licensure" consistently would be a clearer approach.
- Instances of "regulations" would be clearer if replaced with "rules."
- Rulemaking is missing for the Commission to develop criteria for selection among applicants when there are more qualified applicants than there are number of licenses available in a particular municipality.
- The grants of rulemaking authority could be more consistent, clear, and complete; for example:
    - Use "cannabis and cannabis products" consistently.
    - Simplify the overly complicated fine schedule process.
    - Require use of a universal symbol that indicates a product contains THC; rather than leaving this for a later policy decision.
    - Align Cannabis Commission rulemaking and municipality responsibilities with regard to the location of cannabis establishments and their hours of operation.
    - Establish that the Cannabis Advisory Board shall be consulted on certain rulemaking topics, like potency, serving size, and advertising restrictions.

Department staff are available to work with the bill's sponsors and with Committee members on improvements to this proposed legislation.

Respectfully submitted,

Michael Holt, Administrator
Therapeutic Cannabis Program
Division of Public Health Services
NH Department of Health and Human Services
29 Hazen Drive
Concord, NH 03301
(603) 271-9234
michael.holt@dhhs.nh.gov

Jenny O'Higgins, Senior Policy Analyst
Division for Behavioral Health
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
Office: (603) 271-9447
Cell: 603-406-4178
Jennifer.ohiggins@dhhs.nh.gov

PRIME
ALTERNATIVE TREATMENT CENTERS

Testimony for the House Commerce and Consumer Affairs Committee in Support of HB 639

January 25, 2023

Dear Chairman Hunt, Vice Chair Ammon, and Committee Members,

My name is Matt Simon, and I serve as Director of Public and Government Relations for Prime Alternative Treatment Centers of New Hampshire. Thank you for the opportunity to speak in favor of this legislation, which we believe is very thoughtful and well-crafted.

Established in 2016, Prime is one of the not-for-profit alternative treatment centers (ATCs) that is licensed to provide therapeutic cannabis to registered patients in compliance with RSA 126-X. We have approximately 55 staff members, and we operate a production facility in Peterborough and dispensaries in Merrimack and Chichester. Our ATC has only had one focus up to this point, and that is serving registered patients here in New Hampshire.

Prior to taking this job in July 2021, I spent a decade working with a national non-profit organization called the Marijuana Policy Project. This experience provided me with opportunities to help enact cannabis policy reforms in other states, most notably Vermont and Massachusetts, and to monitor the results, which have overall been very encouraging. I have been an advocate on this issue in New Hampshire since 2007, when I founded a now-defunct organization called the New Hampshire Coalition for Common Sense Marijuana Policy, and for the last 15 years I have been encouraging our state to live up to its motto on this issue and stop punishing patients and adults for cannabis possession.

When I first got involved, my focus was on ending arrests and criminal prosecutions. At the time, there were nearly a million cannabis arrests in the United States each year, and thousands each year in New Hampshire. We've made substantial progress on that front, but adults in New Hampshire are still being fined and arrested for possession in substantial numbers (remember, possession of over ¾ ounce is still a criminal offense). The most important feature of HB 639 is that it would eliminate fines and arrests for adults possessing cannabis for personal use.

Judging from public opinion polls, this simple criminal justice reform is long overdue.

But there is much more to HB 639, because cannabis legalization is about much more than expanding personal freedom for adults. New Hampshire has a one-time opportunity to replace illicit cannabis markets with reasonably regulated markets, and I have come to realize over the years that this is an awesome responsibility. If we strike the right balance between personal freedom and sensible regulation, as some other states have done, we have an opportunity to

achieve several important policy goals. Most importantly, we have an opportunity to foster a culture of responsible use around adult-use cannabis in New Hampshire.

If, on the other hand, we make poor choices when enacting a regulatory system, these problems will be difficult to fix after the policy has been enacted.

Overall, Prime ATC believes HB 639 is the best cannabis legalization bill that has ever been introduced in New Hampshire. This bill reflects an understanding of lessons that have been learned from other states, and we believe it would work well if implemented. Here are four questions and answers regarding this bill that we think are particularly important for your consideration:

(1) Does the bill take a thoughtful approach to therapeutic cannabis, prioritizing the ongoing needs and interests of patients? **Yes.**

As an ATC serving therapeutic cannabis patients, our primary concern with any legalization bill is how it would impact the existing Therapeutic Cannabis Program (TCP) and the needs of patients. This bill would create a slow, deliberate process for integrating the TCP with the adult-use program under the new Cannabis Commission, and it includes important protections to ensure that ATCs continue prioritizing patients if they transition to serve the adult-use market.

In addition to establishing an adult-use market, HB 639 envisions a pathway by which adult-use businesses could seek a "therapeutic cannabis certification" and serve registered patients tax-free if they meet certain standards established by regulators. If enacted, this plan would result in increased options and more widespread availability of therapeutic cannabis for patients.

The bill would also serve patients' interest by legalizing home cultivation for adults 21 and older. Patients have been seeking this right in New Hampshire for many years, and we believe it's a right that should be recognized for both patients and adults – especially in a state that proudly calls itself the "Live Free or Die" state. Every other New England state has now legalized home cultivation for patients and adults 21 and older.

(2) Would the legislation create a broad distribution of economic opportunities? **Yes.***

At Prime ATC, our hope is that New Hampshire will create a cannabis market that all Granite Staters – including policymakers, consumers, and patients – can be proud of. This is an area where we feel it is important to learn from other states, and for the most part, we believe HB 639 is successful on this front.

The bill includes relatively low barriers to entry and does not limit the number of licenses statewide. These features are important to ensure that small businesses will have a chance to compete in New Hampshire's cannabis market. However, we believe the bill can and should be further improved to prevent a few large companies from dominating. More on that in just a moment.

(3) Does the bill repair damage caused by the war on cannabis, such as including provisions to annul past criminal records? **Yes.**

When cannabis becomes legal for adults, there will still be thousands of Granite Staters with criminal records for past cannabis offenses. HB 639 would automatically annul past misdemeanor and violation-level offenses, and it would create a sentence-review process for other cannabis convictions. We strongly support these provisions. If businesses and the state itself are going to benefit economically from legalization, we think it would be unfair for some individuals and families to be held back economically because of a past criminal record.

(4) Does the bill create a sensible, transparent regulatory process to protect consumers and minimize any potential negative impacts? **Yes.***

In other states, successful cannabis policies have generally resulted from thoughtful deliberation, including substantial public discussion. A stand-alone Cannabis Commission advised by an independent advisory board seems like the best approach to ensure that the interests of patients, consumers, and others are contemplated.

At this point, we would like to note, for the record, that we did support the provisions that were removed from the bill prior to its introduction, and we hope those provisions will be considered by the committee.

In particular, we feel strongly that testing labs must be kept financially independent from other types of cannabis businesses. Consumers need to feel confident in the integrity of New Hampshire's testing regime, and we believe independent lab testing is an essential feature of responsible cannabis regulation.

We also feel strongly, as mentioned above in (3), that the bill should include a limit on the number of licenses that are available to each cannabis business, at least for a certain period of time. This is the most effective way to keep "Big Marijuana" from dominating the New Hampshire cannabis market. The coalition that drafted HB 639 agreed to a limit of three licenses of each type for each business, mirroring the policy in Massachusetts, and we believe this is reasonable. (In Vermont, legislators were so interested in limiting corporate dominance that they limited each business to one license of each type.)

Finally, we would be more than happy to review any proposed amendments and offer our perspective as the committee deliberates. We agree with the overwhelming majority of Granite Staters that cannabis should be legal for adults, and we would like to work with you and other policymakers, contributing the knowledge and experience Prime ATC has gained in the last six and a half years to this process.

On behalf of our staff, managers, and directors at Prime ATC, I thank you very much for your time and consideration. If we can assist you in any way, please don't hesitate to let us know. You can reach me at matt.simon@primeatc.com.

Sincerely,

Matt Simon
Director of Public and Government Relations
Prime Alternative Treatment Centers of New Hampshire

PRIME
ALTERNATIVE TREATMENT CENTERS

DIOCESE OF MANCHESTER

January 24, 2023

The Honorable John Hunt, Chair
And Members of the House Commerce Committee
Legislative Office Building
Concord, New Hampshire 03301

Re: HB 639 (Legalization of Marijuana)

Dear Mr. Chair and Members of the Committee:

As Director of the Office of Public Policy of the Roman Catholic Diocese of Manchester, and on behalf of Bishop Peter Libasci, I write to respectfully register our **opposition to HB 639, which legalizes marijuana.** (We take no position with respect to the sections of the bill that only concern the corporate form of alternative treatment centers.)

The Catholic Church considers that, although the Church and the political community are autonomous from one another, they can and should work together cooperatively to advance the good of all, since both entities, under different titles, are devoted to the personal and social vocation of the same people. It is in that vein that we offer these comments on HB 639.

Over the years, the Diocese of Manchester has consistently opposed proposals to legalize the recreational use of marijuana because, in our view, the common good would be harmed by the passage of this type of legislation. The principle of the common good is not just a religious concept, of course; as you know, Part 1 Article 1 of the New Hampshire Constitution states that government is "instituted for the general good", and Part 1 Article 3 expressly recognizes that "the protection of others" is a foundational purpose of society. We hope that you will look at this legislation in the light of those provisions.

Our state continues to struggle with a substance misuse crisis that has cost the lives of thousands of people and devastated the lives and health of countless more of our neighbors. Catholic ministries around the state are seeing the effects of this first-hand. With that perspective in mind, we urge you not to pass a bill that would legalize yet another drug that potentially harms those who are most in need of our protection and that would be the cause of unnecessary financial costs to the State of New Hampshire, local governments, and New Hampshire families.

153 ASH STREET, MANCHESTER, NH 03104 (603) 669-3100 FAX (603) 669-0377 WWW.CATHOLICNH.ORG

DIOCESE OF MANCHESTER

As you review this legislation, we respectfully ask you to consider the following essential questions:

1. Will the passage of this law protect our youth and improve family life?
2. Will the passage of this law improve the public health?
3. Will the passage of this law improve communities?
4. Will the passage of this law make people better workers and strengthen our business workforce?

In our view, the answer to all these questions is decidedly "no". Therefore, we think that any revenues that might come to the State from the enactment of this sort of legislation are sure to be outweighed by the financial costs -and even more, the social costs – of the measure. Accordingly, we respectfully ask you to protect the common good by voting to recommend ITL on HB 639.

Thank you for your kind consideration of our views.

Very truly yours,

Robert E. Dunn, Jr., Esq.
Director, Office of Public Policy

153 ASH STREET, MANCHESTER, NH 03104 (603) 669-3100 FAX (603) 669-0377 WWW.CATHOLICNH.ORG

ACLU New Hampshire

Frank Knaack
Policy Director
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603.545.0433

Support HB 639 - End New Hampshire's Unnecessary and Harmful War on Marijuana

HB 639 would allow adults (over age of 21) to possess up to four ounces of marijuana and permit home cultivation, state-licensed private cultivation and retail sales. The bill also includes health and safety regulations and automatic annulments for past misdemeanor and violation marijuana possession convictions. It would apply the existing 8.5% meals and rooms tax to marijuana and allocates this revenue to New Hampshire's retirement system, then education (which may result in property tax relief). It would also allocate funds to substance use prevention and treatment and to public safety agencies to detect impaired drivers.

Under current law, adults in possession of up to 3/4 ounce of marijuana face fines ranging from $100 to $1,200, depending in the number of offenses within a three-year period.[i] Adults in possession of marijuana under this limit can still face arrest and a criminal charge (Class B Misdemeanor) for their fourth violation within a three-year period.[ii] In addition, for adults in possession of more than 3/4 ounce of marijuana, they can be charged with a misdemeanor and face up to one year in jail and a fine of $2,000 or less.[iii]

A marijuana possession arrest can ruin lives. Sold to the public in the name of public safety, New Hampshire's marijuana laws needlessly ensnare over a thousand people -- disproportionately Black people -- in its criminal justice system every year. These arrests are not just an unnecessary burden on New Hampshire residents and the judicial system, but also negatively affect access to employment, housing, and child custody, among others, for the person arrested. These collateral harms can last for decades, even after someone has served their time or paid any required fines. It is past time to end New Hampshire's unnecessary and harmful war on marijuana.

New Hampshire's war on marijuana is a monumental waste of tax dollars. For each of the 1,120 marijuana arrests in 2021,[iv] our tax dollars had to pay for a judge, a clerk, law enforcement officers, prosecutor, and others to process the case. According to an economic analysis published in 2013, the 2,769 marijuana possession arrests in 2010 cost New Hampshire taxpayers $6,526,364 that year.[v] Despite New Hampshire's decriminalization of marijuana possession in 2017,[vi] law enforcement still arrested 1,120 people in 2021 for marijuana possession,[vii] meaning New Hampshire taxpayers may still be paying close to $2.6 million each year to enforce marijuana possession laws. Lawmakers should stop wasting tax dollars on this failed war.

New Hampshire's war on marijuana is enforced with a staggering racial bias.[viii] In 2020 Black people were 4.8 times more likely to be arrested for marijuana possession when compared with whites,[ix] despite both groups using marijuana at roughly the same rate.[x] And, this disparity is on the rise, up from 2.6 times more likely to be arrested in 2010 – a 46 percent increase.[xi] The racial bias in enforcement is even more pronounced with the city police departments in Manchester and Concord, where the disparities are 13.9 times and 5.8 times respectively.[xii] The discriminatory enforcement of New Hampshire's marijuana laws means that Black people are more likely to face the immediate harms of a marijuana arrest and charge, including potential incarceration, as well as the collateral consequences, including the loss of jobs, housing, financial aid eligibility, and child custody.

The vast majority of Granite Staters support marijuana legalization. Seventy-four percent of Granite Staters support marijuana legalization, including majorities of Democrats, Independents, and Republicans.[xiii] And, support for marijuana legalization has greatly increased since 2013, when it was just

49 percent.[xiv] It is past time for New Hampshire lawmakers to listen to the people and legalize marijuana possession by adults.

Opponents of marijuana legalization rely on fear-based rhetoric divorced from reality. Marijuana legalization opponents argue that marijuana legalization leads to increased youth use, crime, and traffic fatalities. They also argue that marijuana is a gateway drug that is partially responsible for the opioid epidemic. The data from legalization states do not support these claims. Multiple studies have found no increase in youth use in states that have legalized marijuana.[xv] Legalization has also not substantially affected crime rates,[xvi] and, according to a multi-year study of Colorado and Washington, may have improved crime clearance rates.[xvii] Fortunately, it also appears that marijuana legalization has had "little or no effect" on traffic accidents and fatalities.[xviii] Finally, evidence suggests that marijuana legalization is connected with a reduction in opioid related deaths.[xix] New Hampshire lawmakers have the benefit of years of data from legalization states to distinguish myth from reality.

Support HB 639 – The war on marijuana does not make us safe, wastes taxpayer dollars, and ruins lives.

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[i] NH Rev Stat § 318-B:2-c.
[ii] NH Rev Stat § 318-B:2-c(V)(a).
[iii] NH Rev Stat § 318-B:26(II)(c).
[iv] Federal Bureau of Investigation, Crime Data Explorer, Arrests in New Hampshire by Offense, Drug Possession – Marijuana, 2021, *available at* https://crime-data-explorer.app.cloud.gov/pages/explorer/crime/arrest.
[v] ACLU, *The War on Marijuana in Black and White*, p. 164, *available at* https://www.aclu.org/report/report-war-marijuana-black-and-white.
[vi] NH Rev Stat § 318-B:2-c (2017).
[vii] 1,120 marijuana possession arrests in 2021 and 2,769 marijuana possession arrests in 2010. *See*, Federal Bureau of Investigation, Crime Data Explorer, Arrests in New Hampshire by Offense, Drug Possession – Marijuana, 2021, *available* https://crime-data-explorer.app.cloud.gov/pages/explorer/crime/arrest & ACLU, *The War on Marijuana in Black and White*, p. 127, *available at* https://www.aclu.org/report/report-war-marijuana-black-and-white.
[viii] Note: Racial disparity numbers on this sheet are based on 2020 data provided to the FBI because only a very limited number of New Hampshire law enforcement agencies provided race disparity data in 2021. This is a very serious problem that the NH Legislature must address.
[ix] New Hampshire arrested 1,494 people for marijuana possession in 2020. 1,332 arrests of white people and 125 arrests of Black people. *See*, Federal Bureau of Investigation, Crime Data Explorer, Arrests in New Hampshire by Offense, Drug Possession – Marijuana, 2020, *available at* https://crime-data-explorer.app.cloud.gov/pages/explorer/crime/arrest & U.S. Census Bureau, QuickFacts, New Hampshire, *available at* https://www.census.gov/quickfacts/fact/table/manchestercitynewhampshire,concordcitynewhampshire/PST045221.
[x] Fred Dews, *Charts of the week: Marijuana use by race, Islamist rule in Middle East, climate adaptation savings*, Brookings, Aug. 11, 2017, *available at* https://www.brookings.edu/blog/brookings-now/2017/08/11/charts-of-the-week-marijuana-use-by-race/.
[xi] ACLU, *The War on Marijuana in Black and White*, p. 127, *available at* https://www.aclu.org/report/report-war-marijuana-black-and-white.
[xii] Manchester Police Department arrested 26 people for marijuana possession in 2020. 13 arrests of white people and 13 arrests of Black people. *See*, Federal Bureau of Investigation, Crime Data Explorer, Arrests in New Hampshire by Offense, Drug Possession – Marijuana, 2020, Manchester Police, *available at* https://crime-data-explorer.app.cloud.gov/pages/explorer/crime/arrest. U.S. Census Bureau, QuickFacts, Manchester city, New Hampshire, *available at* https://www.census.gov/quickfacts/fact/table/manchestercitynewhampshire,concordcitynewhampshire/PST045221;Concord Police Department arrested 33 people for marijuana possession in 2020. 26 arrests of white people and 6 arrests of Black people. Concord's population is 43,976. White people comprise percent of the population and Black people comprise percent of the population. *See*, Federal Bureau of Investigation, Crime Data Explorer, Arrests in New Hampshire by Offense, Drug Possession – Marijuana, 2020, Concord Police, available at

https://crime-data-explorer.app.cloud.gov/pages/explorer/crime/arrest. U.S. Census Bureau, QuickFacts, Concord city, New Hampshire, *available at* https://www.census.gov/quickfacts/concordcitynewhampshire.

[xiii] University of New Hampshire, The Survey Center, *Bipartisan Support for NH Marijuana Legislation; Most Consider Legislature's Redistricting Maps Unfair*, Feb. 25, 2022, *available at* https://scholars.unh.edu/cgi/viewcontent.cgi?article=1688&context=survey_center_polls.

[xiv] *Id.*

[xv] *See, e.g.* Anderson, Mark D., et al.. *Association of Marijuana Laws With Teen Marijuana Use New Estimates From the Youth Risk Behavior Surveys*, Journal of the American Medical Association, July 2019 (Recreational marijuana laws were associated with an 8% decrease in the odds of marijuana use and a 9% decrease in the odds of frequent marijuana use.); Healthy Kids Colorado Survey (HKCS) data, *available at* https://marijuanahealthinfo.colorado.gov/health-data/healthy-kids-colorado-survey-hkcs-data; Marijuana Policy Project, Teen Marijuana Use Does Not Increase Following Marijuana Policy Reforms, *available at* https://www.mpp.org/issues/legalization/teen-marijuana-use-does-not-increase/.

[xvi] Angela Dills, et. al., *The Effect of State Marijuana Legalizations: 2021 Update*, CATO Institute, Feb. 2, 2021, *available at* https://www.cato.org/sites/cato.org/files/2021-01/PA908.pdf; Greg Rosalsky, *The Data On Legalizing Weed*, Planet Money/NPR, Mar. 16, 2021, *available at* https://www.npr.org/sections/money/2021/03/16/976265525/the-data-on-legalizing-weed.

[xvii] David A. Makin, et. al., *Marijuana Legalization and Crime Clearance Rates: Testing Proponent Assertions in Colorado and Washington State*, National Institute of Justice, 2019, *available at* https://nij.ojp.gov/library/publications/marijuana-legalization-and-crime-clearance-rates-testing-proponent-assertions.

[xviii] Greg Rosalsky, *The Data On Legalizing Weed*, Planet Money/NPR, Mar. 16, 2021, *available at* https://www.npr.org/sections/money/2021/03/16/976265525/the-data-on-legalizing-weed; Angela Dills, et. al., *The Effect of State Marijuana Legalizations: 2021 Update*, CATO Institute, Feb. 2, 2021, *available at* https://www.cato.org/sites/cato.org/files/2021-01/PA908.pdf; & Benjamin Hansen, et. al., *Early Evidence on Recreational Marijuana Legalization and Traffic Fatalities*, Mar. 2018, *available at* https://www.nber.org/papers/w24417?utm_source=npr_newsletter&utm_medium=email&utm_content=20210311&utm_term=5237211&utm_campaign=money&utm_id=7043805&orgid=305&utm_att1=money.

[xix] Greta Hsu & Balázs Kovács, *Association between county level cannabis dispensary counts and opioid related mortality rates in the United States: panel data study*, BMJ, Jan. 27, 2021, *available at* https://www.bmj.com/content/372/bmj.m4957; Greg Rosalsky, *The Data On Legalizing Weed*, Planet Money/NPR, Mar. 16, 2021, *available at* https://www.npr.org/sections/money/2021/03/16/976265525/the-data-on-legalizing-weed.

LEGALIZATION AND REGULATION OF CANNABIS

HOUSE COMMERCE AND CONSUMER AFFIARS COMMITTEE

HB 639-FN-A—LEGALIZATION AND REGULATION OF CANNABIS

January 25, 2023

CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I. **Opposition**: The NH Association of Chiefs of Police are in opposition to HB 639 because it would legalize and commercialize the use of an addictive substance based on the following facts resulting in EXCESSIVE COSTS to the citizens of NH -SEE ALSO FISCAL NOTES ATTACHED BY NH DEPARTMENT OF SAFETY:

ANNUAL INCREASE IN TOTAL COST OF CANNABIS COMMERCIALIZATION IN NH

$88 MILLION

1. **Public Health Risk:** Countless peer reviewed studies by acclaimed medical, behavioral and other research scientists have proven that chronic use of cannabis is harmful to humans and especially youth both from a medical perspective as well as behavioral health.
    - **FACT-Medical and Psychiatric and Behavioral Therapists OPPOSE legalization**: The NH Medical Society, American Academy of Pediatrics (NH), Catholic Medical Center, NH Community Behavioral Health Association, NH Public Health Association and the NH Nurses Association and others OPPOSE legalization of cannabis. Who do you trust more, your medical and behavioral professional or a corporation funded program to promote the sale of cannabis?
    - **FACT-Health risks directly associated with cannabis use:** January 2023 – Bedford, NH: Two juveniles transported for medical treatment after consuming cannabis infused edibles; Bedford Police report increase numbers of medical treatment responses in 2022 directly attributable to cannabis use; Scientific-peer reviewed fact-based studies prove cannabis use by youth affects neurological development.
    - **FACT -Cognitive Disorders Associated with Cannabis Use:** Research found an association between the use of cannabinoids containing THC (the active ingredient in marijuana) and thinking and perception disorders in people over 50. [American Medical Assoc.]
    - **FACT-Cannabis use during pregnancy is HARMFUL**: Edited by Tracy Bale, University of Maryland School of Medicine, Baltimore, MD, and accepted by Editorial Board Member September 27, 2021 (received for review March 30, 2021)
    - **FACT-Cannabis use leads to behavioral disorders:** Journal of Public Health 2019: Evidence for an association between cannabis and psychosis has been documented in

literature in many forms including experimental studies, epidemiological data, and case series. The association has implications for psychotic outcomes ranging from mild to severe and occurring over minutes to years.

- **FACT-Cannabis is Addictive:** "When people use cannabis regularly – such as daily or nearly daily – parts of the brain become reliant on cannabinoids, the psychoactive chemicals in cannabis. Symptoms can include irritability, depressed mood, decreased appetite, sleep difficulties, a desire or craving to use cannabis, restlessness, anxiety, increased aggression, headaches, shakiness, nausea, increased anger, strange dreams, stomach pain and sweating." See https://news.yahoo.com/weed-withdrawal-more-half-people-200735378.html and https://onlinelibrary.wiley.com/doi/10.1111/add.15370
- **FACT-Cannabis is associated with increased child abuse**: Texas: Marijuana was the substance most identified as actively being used by the perpetrator (85 cases) in child abuse and neglect-related **fatalities**.
- **FACT-Cannabis use associated with Suicide**: 236 suicides in Colorado with marijuana present, representing a 125 percent increase. All told, marijuana was present in 29 percent of all suicides where toxicology was performed, a 107 percent increase.

2. **Highway Safety:** In every state where cannabis has been legalized the number of collisions and fatalities directly related to operating a motor vehicle while impaired have increased.
   - **FACT – Crashes Involving Cannabis Increased Last Year in Colorado –** News post dated January 23, 2023, The Denver Post reports, "According to the Colorado Department of Transportation, an estimated 745 people died in traffic crashes" in that state last year. During a Monday news conference, Colorado State Patrol Chief Matthew Packard said, ". . . crashes involving cannabis increased 51% in Colorado" in 2022.
   - **FACT – Legalization of Cannabis Leads to Increased Highway Death:** Colorado: News post dated September 10, 2021: "(Alexandria, VA) - Today, a new Colorado report **marijuana-impaired driving is continuing to have a catastrophic impact on Colorado. Since legalization, traffic deaths in which drivers tested positive for marijuana increased 138 percent** while all Colorado traffic deaths increased 29 percent.
   - **FACT – Cannabis use leads to increased collisions:** Department of Community Health and Epidemiology, Dalhousie University, Halifax, Nova Scotia, Canada; "Acute cannabis consumption is associated with an increased risk of a motor vehicle crash, especially for fatal collisions." NH has NO per se limit for cannabis to prove impaired driving in NH. In Bedford NH two (2) fatal collisions occurred with the at fault operator having significant quantity of THC in their blood yet we could not charge them with DUI.
   - **FACT-Cannabis use leads to More Collisions:** January 14, 2020-Source: McLean Hospital Summary: Researchers have discovered that Cannabis users had more accidents, drove at higher speeds, and drove through more red lights than non-users.
   - **FACT – Legalization led to more fatal crashed in Washington State:** The share of drivers who, after a fatal crash, tested positive for active THC – the drug's main psychoactive ingredient – has **doubled since the state legalized marijuana** in December 2012.
   - **FACT – Legalization in VT leads to increased impaired driving arrests**: Vermont Sees Doubled Arrests For Driving While High The AP (12/25, Rathke) reports, "In the first year

that recreational marijuana was legal in Vermont, the number of drivers arrested by state police for impaired driving who had THC in their systems **more than doubled.**

- **FACT – Legalization leads to increased DUI in Canada:** Quebec pot arrests behind the wheel up 54% since legalization Montreal Gazette Publishing date: OCT 17, 2019 **Sûreté du Québec says cannabis is the most commonly detected drug in its traffic stops**. One year after the legalization of recreational use of cannabis in Canada, the black market for the drug — as well as its use behind the wheel — continues to keep Quebec police forces busy."
- **FACT – NH does not have the capacity to handle the increase in DUI resulting from legalization as proposed in this bill**.
- **FACT – MASS Trooper Killed by Driver high on Marijuana:** Trooper Thomas Clardy the 44-year-old state trooper who died on March 16, 2016, when his cruiser was struck by an impaired driver on the Massachusetts Turnpike in Charlton. Prosecutors said the driver who struck Clardy's cruiser, David Njuguna, was speeding and high on marijuana at the time of the crash."
- **FACT – NH HAS NO THRESHOLD LIMIT IN LAW PERTAINING TO THC THAT WOULD ALLOW FOR ENFORCEMENT OF DUI FOR IMPAIRMENT BY MARIJUANA IN NH-States that commercialized marijuana passed laws that established per se limits on the amount of marijuana for operators of motor vehicles-we have no such law in NH and HB 1598 DOES NOT ADDRESS THIS ISSUE.**

3. **Increased Addiction and Disorder:** In every state where the use of cannabis has been legalized it has led to an **increase in cannabis use by youth and adults** and it has led to a corresponding increase in treatment for chronic marijuana use disorder and related behavioral disorders associated with chronic use of cannabis.

- **FACT-Legalization of Cannabis leads to increased use by adolescents:** The 2020 release of the National Survey on Drug Use and Health — the gold standard of youth use data — found **double-digit increases in past-year marijuana use amongst 12–17-year-olds in several legal states in California, Nevada, and Oregon since 2017**. Oregon: UP 15.4% Nevada: UP 17.4% California: UP 14.5% Furthermore, the NSDUH data also shows us that **the rate of past-month and past-year marijuana use among 12-17-year-olds in states where marijuana is legal is 8% higher than in states where the substance remains illegal**.
- **FACT-States that legalized cannabis see increased cannabis use disorder:** NSDUH data from 2008 to 2016 found the prevalence **of past-year Cannabis Use Disorder among those 12-17 saw a 25% greater increase in states where marijuana was "legalized"** versus states where it remained illegal.
- **FACT- Cannabis Vaping Results in Increased Risk for Adolescents:** JAMA Pediatrics. 2022;176(1):42-51. doi:10.1001/jamapediatrics.2021.4102 Findings lifetime prevalence of cannabis vaping doubled from 2013 to 2020 (6.1% to 13.6%), past 12-month use doubled from 2017 to 2020 (7.2% to 13.2%), and the 30-day prevalence of cannabis vaping increased 7-fold from 2013 to 2020 (1.6% to 8.4%).
- **FACT-Cannabis use amongst 8th, 10th and 12th graders EXCEEDS ALCOHOL USE**
- **FACT – 28NOV2022: (Alexandria, VA) ---** A comprehensive study based on two national, large datasets by **Temple University** researchers showed that **youth marijuana use increases after recreational legalization**. The **study will be published in the Addictive Behaviors journal in March 2023. The study found** that, after legalization:

- 1. Adolescent and young adult past-month cannabis use prevalence increased;
- 2. Among adolescents and young adults, the association of lower perception of risk of harm with higher cannabis use prevalence was strengthened;
- 3. Among young adults, an association of higher cannabis use prevalence with lower Cannabis Use Disorder treatment admissions emerged.

Unlike other studies which have shown mixed results on adolescent use patterns, this one looked at all legal states and utilized two major, long-standing datasets. Previous studies would look at less comprehensive state surveys where localities with high drug use rates could simply opt out of the analysis. This study has no opt-out since it is based on nationally representative surveys of users and treatment facilities. Marijuana use was on a decades-long decline thanks to the concerted work of prevention efforts, but the **legalization and commercialization of marijuana is threatening to erase those public health gains; young people are beginning to use new forms of today's super high potency marijuana**, such as vapes and concentrates, that are significantly linked to serious harms to mental health and higher rates of addiction.

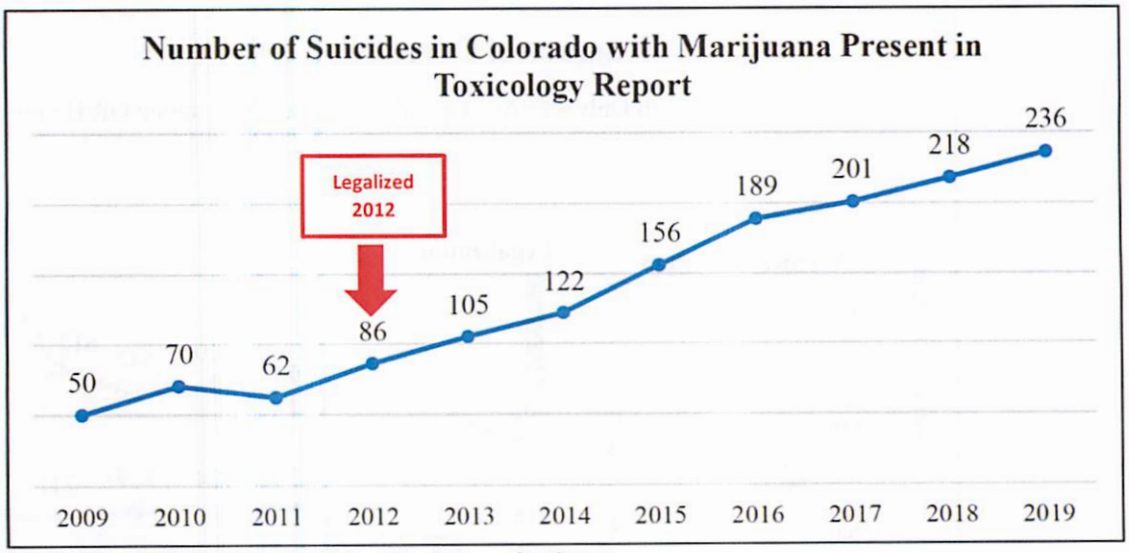
4. **Health Care Costs**: Legalization of cannabis will inevitably lead to **increased health care costs** for NH residents due to treatment for chronic use disorder and treatment for injury and harm directly associated with cannabis use that ELIMINATES ANY PROFITS FROM CANNABIS COMMERCIALIZATION.
   - **FACT-Legalization of cannabis led to increased exposures in Colorado:** Calls to the poison control center due to marijuana exposures continue to rise in Colorado, with 318 total calls in 2020 versus 125 in 2013, a 154 percent increase. Of these calls, 69 percent were for youths aged 0-18. Such calls totaled 221 in 2020, representing a 240 percent increase since 2013; 2023: Increase number of poisoning of children due to edibles, marketed and targeted at youth.
   - **FACT 19NOV2022: Study of Impact of Cannabis Legalization in Colorado:** "There was a positive association between the number of cannabis dispensaries and rates of psychosis ED visits across all counties in Colorado...our findings suggest there is a potential impact on the mental health of the local population that is observed after cannabis legalization."
     - **FACT – 14JAN2023 Manchester Union Leader**: "Last year, the Northern New England Poison Center handled 62 cases of New Hampshire residents sickened after exposure to cannabis. Nineteen involved children under 6, and most of them had consumed cannabis edibles. Karen Simone, director of the Northern New England Poison Center, said the number of accidental ingestion cases among little kids has gone up as the cannabis industry has moved from illegal to medicinal to recreational use. The center handles calls 24/7 for New Hampshire, Maine and Vermont."
   - **FACT-Cannabis leads to increased healthcare costs:** Canada: According to the Canadian Substance Use Costs and Harms study, cannabis accounted for 7 percent of the cost of substance use in Canada in 2014: $2.8 billion out of $38.4 billion. This figure includes costs associated with health care for those with health conditions related to cannabis use (such as cannabis dependence, injury from driving accidents due to cannabis impairment and lung cancer) as well as lost productivity due to these health conditions.

- **FACT-Increased health issues result in required healthcare and related costs:** Adverse Health Effects: Marijuana use is linked to several adverse health outcomes, including addiction, impaired cognition, pulmonary effects, mental illness, and other problems all of which require healthcare. Approximately one in ten adult users of marijuana develops addiction, and this number is higher among adolescents. [Note: Annu Rev Med. Author manuscript; available in PMC 2016 Jun 9. Published in final edited form as: Annu Rev Med. 2016; 67: 453–466. Published online 2015 Oct 19. doi: 10.1146/annurev-med-050214-013454]
    - **FACT Hudson Institute 28JUN2021:** " All of the states that accompanied Colorado on the path toward legalization have now emerged as the states with the highest percentage of youth users, well above the national average."
    - **FACT Hudson Institute 28JUN2021:** In Colorado for teens, marijuana is the most common drug found in toxicology of those who die by suicide. The percentage of incidents of suicide in which toxicology results were positive for marijuana increased to 23 percent in 2018, compared to 14 percent in 2014 (note that these figures are prior to the pandemic)."
    - **FACT – 29NOV2022 Health:** "Journal of the **American Medical Association**, suggests cannabis is no better at relieving pain than a placebo."
- **FACT-Legalization leads to increased addiction disorder requiring medical attention** and treatment; additional poison-control and emergency department visits and increased collisions and traffic fatalities all resulting in healthcare cost increase.
    - **FACT Hudson Institute 28JUN2021:** "Workplace drug-testing company QUEST Diagnostics recently reported, positive tests for marijuana are 30 percent higher in Colorado than the national average."
    - **FACT Hudson Institute 28JUN2021:** "Poison control centers (which) report that adverse marijuana-only exposures have more than quadrupled since legalization (Colorado)."
    - **FACT CNN 26JUL2022:** "Higher concentrations of tetrahydrocannabinol or THC -- the part of the marijuana plant that makes you high -- are causing more people to become addicted in many parts of the world, a new review of studies found. Compared with people who use lower-potency products (typically 5 to 10 milligrams per gram of THC), those who use higher-potency cannabis are more likely to experience addiction and mental health outcomes, according to the study published Monday in the journal Lancet Psychiatry."

5. **Cost of Regulation:** There is **NO STATE that legalized the use and possession of cannabis that has been able to pay for it** and there is NO evidence that NH will be any different.
    - **FACT – 05DEC2022:** Colorado expecting a $100 million shortfall in cannabis tax revenue for 2022; Colorado marijuana industry is going through the largest downturn that we've ever seen," said Truman Bradley, executive director of the Wheat Ridge-based Marijuana Industry Group. "Our industry is going through big time layoffs. Thousands of people have lost their jobs and small business owners are going under. Unfortunately, I expect that to continue into the coming year."
6. **Illicit Market:** In EVERY state where the possession and use of cannabis was legalized the illicit growing, sale and distribution of cannabis has proliferated.

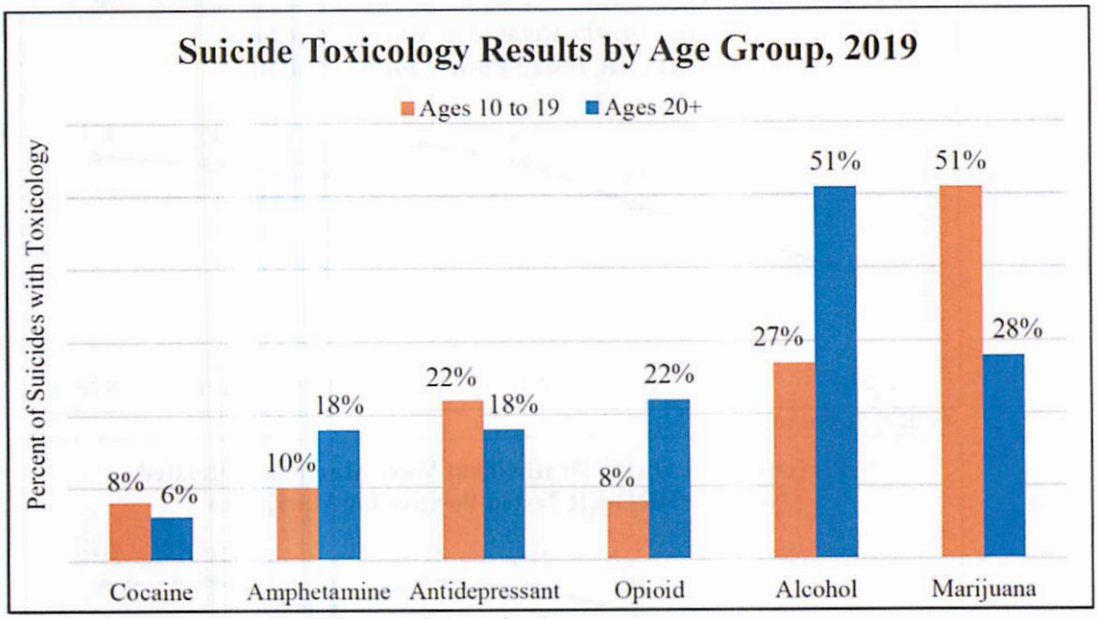
- **FACT -Illicit marijuana markets proliferate in every state where its legal:** (AP) In the **five years since California voters approved a broad legal marketplace for marijuana, thousands of greenhouses have sprouted across the state**. United Cannabis Business Association, a Los Angeles-based trade group. "No one is making money anywhere in the (legal) supply chain,"
- **FACT – Awash in illegal cannabis farms, Oregon plans millions for relief** By ANDREW SELSKY (Associated Press) SALEM, Ore. Dec. 16, 2021 3 p.m. The **Oregon Legislature has dedicated $25 million to combat the proliferation of illegal marijuana farms in Oregon**.
- **FACT Legal cannabis dispensaries are targets for criminals:** Oakland cannabis business hit twice in back-to-back burglaries and closer to home a Maine dispensary was burglarized; and, PORTLAND (WGME) – Portland police are investigating after a medical marijuana delivery driver was allegedly robbed at gun point in a parking lot.
- **FACT – Illicit cannabis in Oregon results in calls for National Guard:** SALEM, Ore. (AP) —A **southern Oregon county declared a state of emergency amid a sharp increase in illegal cannabis farms**, police raided a site that had about **2 tons of processed marijuana** and 17,500 pot plants. **Jackson County Commissioners asked Gov. Kate Brown to send in the Oregon National Guard "to assist, as able, in the enforcement of laws related to the production of cannabis."**
- **FACT – Illicit cannabis shops flood NYC: January 19, 2023: Fox News: According to the NYPD, more than 1,300 illegal marijuana stores are selling pot without a license.**
- **FACT – OK 13JAN2023: "Legal Cannabis Industry Is 'Bleeding To Death' In Oklahoma, Gov Suspects Thousands Of Illicit Operators;** The Oklahoma Bureau of Narcotics and Dangerous Drugs (OBN) suspects there are around 2,000 potentially illegal medical marijuana licenses in the state."
- **FACT – 13NOV2022 Boston Globe:** "As recreational marijuana prices plummet in Massachusetts, medical sales slump."

7. **Disproportionate Effect on Disadvantaged Communities:** The harmful effects associated with the sale and distribution of a product scientifically proven to be harmful to humans has consistently had a disproportionately negative consequence in disadvantaged communities.
8. **Law Enforcement:** The legalization of the possession and use of cannabis in NH by the state will lead to the requirement for law enforcement to address the illicit market in order to keep the state's legal market economically viable. In effect, this is the Volstead Act in reverse by making **NH law enforcement modern day prohibition police**. NH law enforcement doesn't have the capacity or funding to adequately address the public safety challenges we currently face let alone divert resources to what will become a failed attempt to control the illicit market for cannabis that will eviscerate the state's program.
9. **Public Sentiment:** According to a national Emerson College poll, **62% of registered voters do not support legalizing marijuana when presented with other, non-legalization policy options**. This new poll, conducted by Emerson College, found that the **majority of voters support other non-legalization marijuana policies** (prohibition, decriminalization, or medical legalization) while **only 38% believe the country should move to legalize and commercialize marijuana** for production, recreational use, and sales, like in stores.

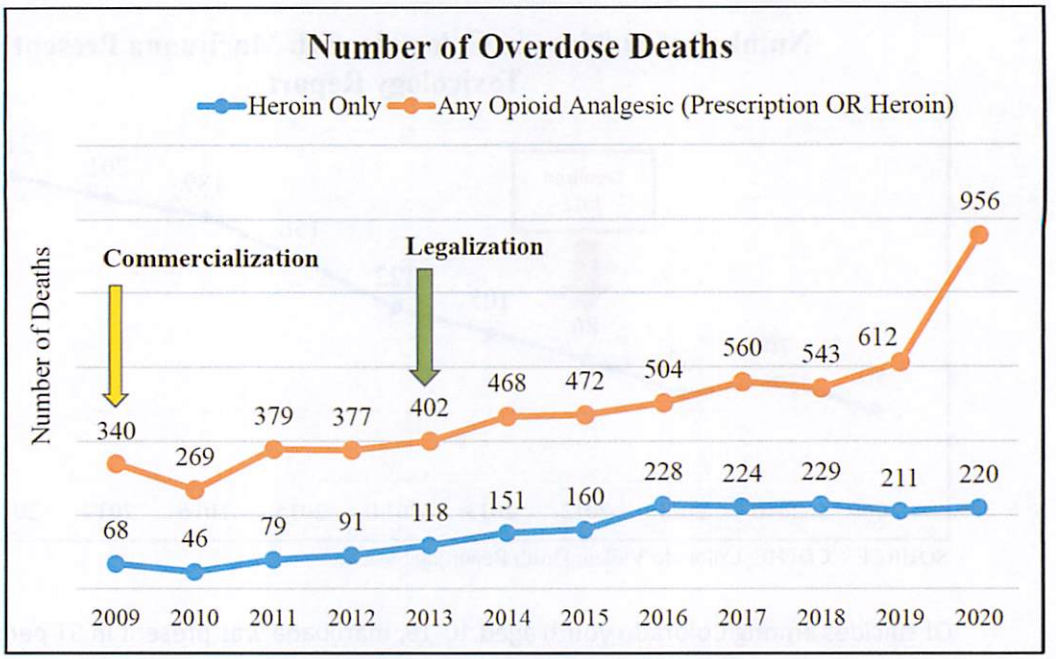


SOURCE: CDPHE, Colorado Violent Death Reporting System

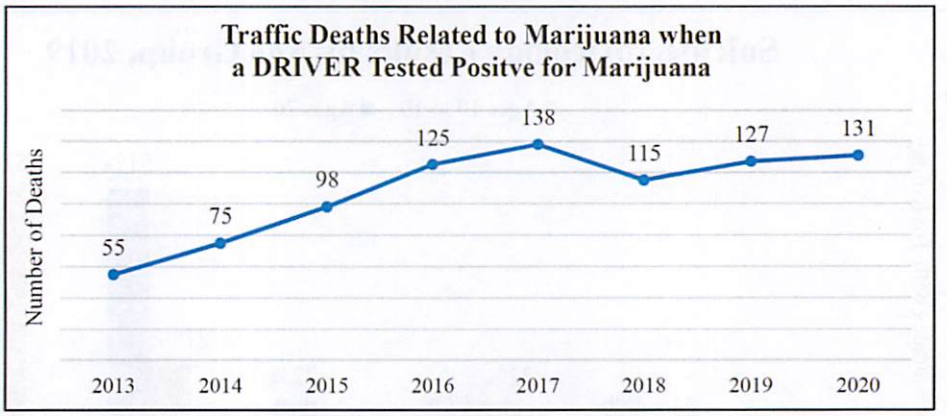
Of suicides among Colorado youth aged 10-19, marijuana was present in 51 percent of toxicology reports.



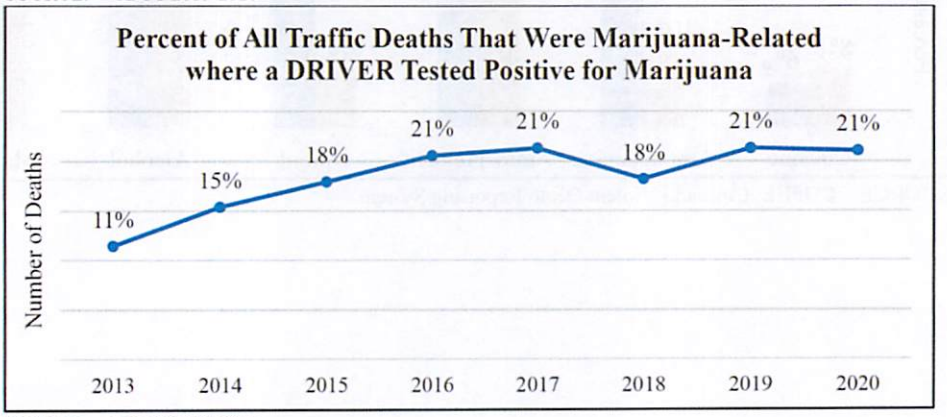
SOURCE: CDPHE, Colorado Violent Death Reporting System



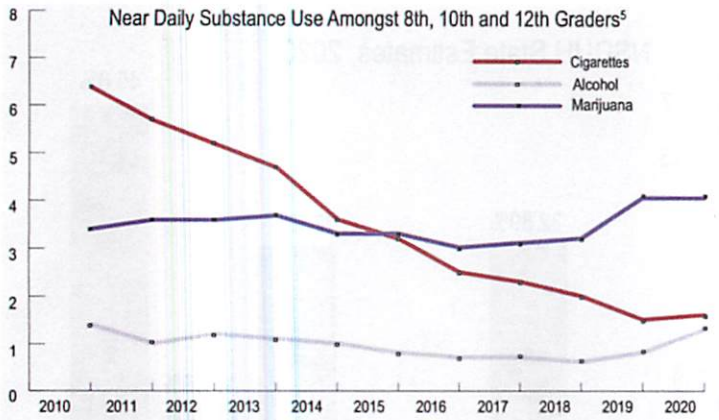
Source: CDPHE, Vital Statistics Program



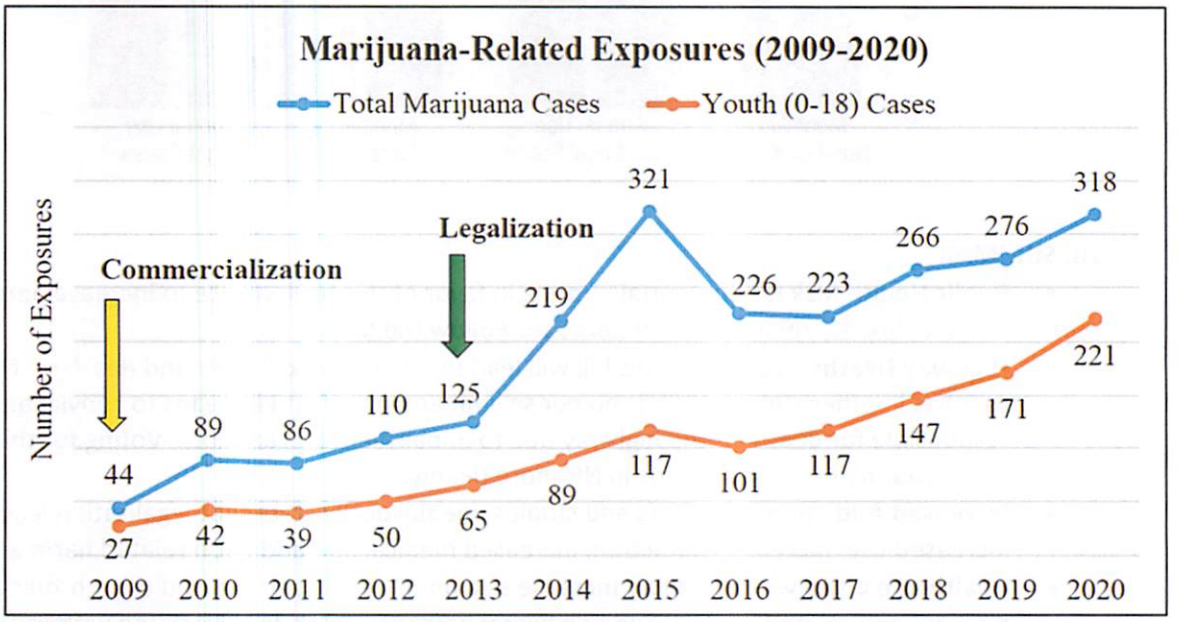
SOURCE: CDOT 2013-2020



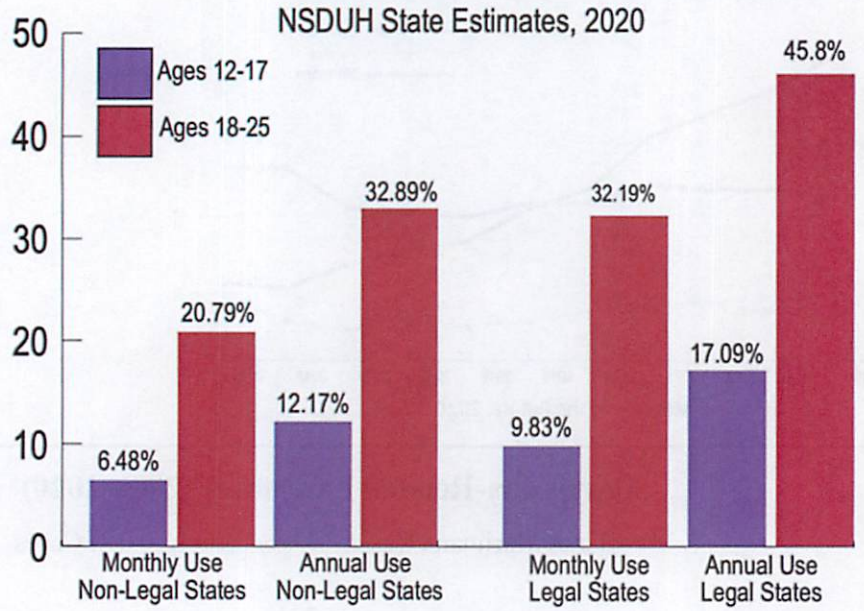
SOURCE: CDOT 2013-2020



1. E: Monitoring the Future, 2020



SOURCE: Rocky Mountain Poison and Drug Center



VII. <u>SUMMARY:</u>

- **Public Health Risk is Substantial:** Voting in favor of this bill is a vote to **increase harm and disease directly related to cannabis use**. Follow the facts.
- **Highway Deaths:** Voting for this bill will lead to **increased collisions and death on NH highways** as it has in other states. NH has no per se limit and no effective means to convict anyone responsible for death on the highway due to impairment by cannabis. Voting for this bill will make your highways and roads in NH more deadly.
- **Increased Addiction**: The facts and studies unequivocally state that legalization leads to increased use, **increased addiction**, increased medical and addiction related harm and disorders.
- **Healthcare Costs will inevitably increase** as a direct result of increased use, chronic addiction disorder and related medical and behavioral harm proven to be associated with cannabis use. Voting for this bill takes money out of our pockets.
- Regulatory Chaos: No state that legalized cannabis has been successful in regulating it; this bill proposes the state adopt the responsibility for distribution of cannabis with no structure or funds to adequately regulate, test and certify the product sold by the state is free of harmful chemicals let alone the other liability that extends from sale. The taxes touted by proponents of legalization have NEVER MATERIALIZED in any state that legalized it. In California the legal industry has collapsed. In Oregon the illicit market has captured and outsold and legal market. The illicit market will always be able to undersell the legal market because of taxes and regulation; legalization from a regulatory and economic perspective is doomed.
- **Illicit Market will proliferate** and expand in NH to the extent it will cause the collapse of the legal industry; the state will end up losing millions and there will be a push to have NH police enforce laws to support the state's legal marijuana business; the Volstead Act in reverse. NH law enforcement is unprepared and ill-equipped to handle the explosion of illicit marijuana that will result from legalization.
- **Disproportionate effect on disadvantaged** communities is evident where it was legalized and further imperils communities already struggling with disproportionate levels of addiction. This bill will only make it worse.

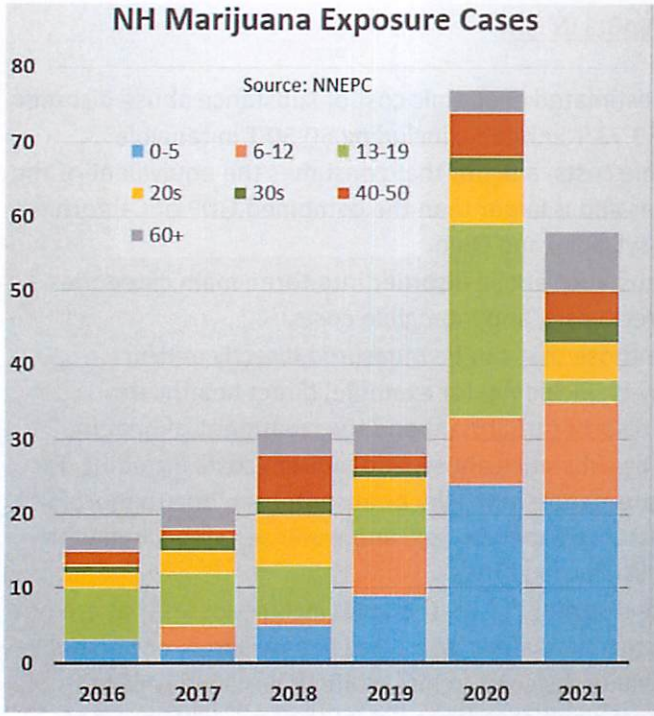
- **Law enforcement is not prepared nor equipped to handle the increase in cannabis related collisions, fatalities and overdoses**; we have no effective laws to convict persons responsible for cannabis impaired collisions and fatalities; we have no testing mechanisms; we have no regulatory controls for packaging or carriage or use in motor vehicles, heavy equipment, buses including school buses and commercial vehicles.
- **Public sentiment is clearly opposed** to full-scale legalization when given other options as proven by the most recent Emerson College poll.
- NO ONE IN NH GOES TO JAIL FOR POSSESSION OF PERSONAL USE QUANTITIES OF CANNABIS
- PERSONS WITH QUALIFYING CONDITIONS AND A PRESCRIPTION CAN GET CANNABIS IN NH TODAY.
- NH continues to be in the firm grip of drug addiction/public health crisis with increased overdoses and overdose deaths last year in both Manchester and Nashua. In what world does it make sense to add yet another addictive substance proven to be harmful especially to children, youth and pregnant women? Is this the path to a better NH?
- Legalization is NOT INEVITABLE so long as we consider the FACTS
- Don't be taken in by FALSE PROMISES by people who will PROFIT FROM ADDICTION.
- Vote COMMON SENSE and defeat HB 1598, it's the commonsense thing to do.

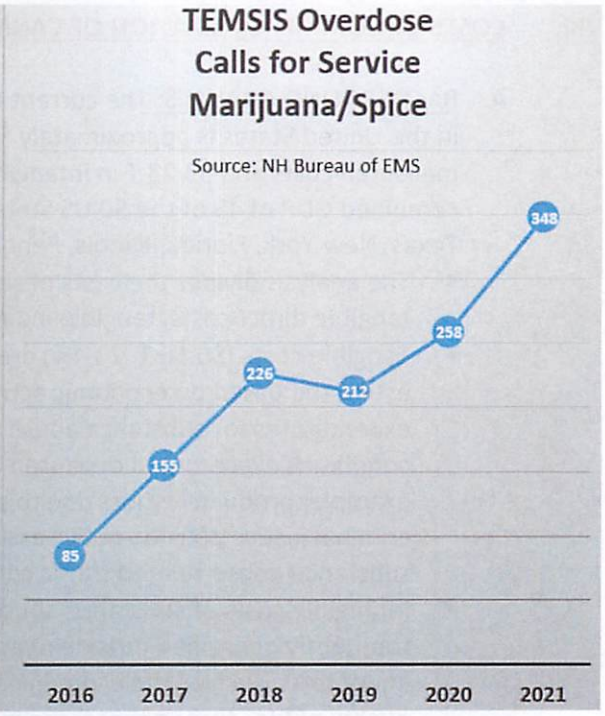
VIII. COSTS OF COMMERCIALIZATION OF CANNABIS IN NH:

A. BACKGROUND ANALYSIS: The current estimated economic cost of substance abuse disorder in the United States is approximately **$3.73 T annually,** including $0.50 T in tangible measured costs and $3.23 T in intangible costs, a figure that consumes the equivalent of the combined GDP of 45 of the 50 US States and is larger than the combined GDP of California, Texas, New York, Florida, Illinois, Pennsylvania, and Ohio.
   - The analysis divides the costs of substance abuse disorder into three main categories – tangible direct costs, tangible indirect costs, and intangible costs.
   - Tangible costs ($0.50 T, 13.4%) are those that can be measured directly and/or estimated based on economic activity, including, for example, direct healthcare expenditures for substance abuse disorder treatment and the treatment of health conditions exacerbated or caused by substance abuse, and indirect costs including, for example, productivity loss due to premature mortality or absenteeism due to morbidity, criminal justice activity, public assistance expenditures, and expenses associated with substance abuse-related traffic collisions and fires.
   - Intangible costs of substance abuse disorder ($3.23 T, 86.6%) include losses that are not frequently quantified outside of actuarial analysis, social science research, or personal injury torts, such as the economic value assigned to loss of life, injury, and reduced quality of life. Among these, the most significant examples of the intangible costs of substance abuse disorder are those associated with the loss in quality of life of those with substance abuse disorders who do not receive treatment ($0.39 T) and the pain and suffering of deaths, traffic deaths, and victims of violent crime associated with substance abuse disorder ($2.84 T).

B. COST OF SUBSTANCE USE DISORDER IN NH:
   - $3.73 T in **US cost** is the equivalent of **$11,300 per person cost**
   - **NH cost** based on $11,300 pp is the equivalent of **$15.8 BILLION in total substance use disorder costs for NH**[1]

- Using the value of 7% of all substance abuse costs in Canada are attributable to cannabis we see the **estimated cost of commercial cannabis in NH at $1.1 B**
- Using a conservative value of estimated increase in cannabis use in NH after commercialization based on average rates seen in other states at 8% annually (see average difference in use ages 18-25 actually 13%) we see an annual increase in NH costs directly related to cannabis commercialization at **$88 Million annually.**
- Journal of American Medicine Association (JAMA) 2021 Assessment of Annual Cost of Substance Use Disorder in US Hospitals reflected a total hospital only cost of $13.2 BILLION for substance use disorder treatments in the US.
- JAMA report reflects an average $8,014 cost per patient for cannabis use disorder in-patient treatment and $1,886 cost per out-patient treatment for cannabis use disorder.
- NH Overdose Calls for cannabis/spice reflect 348 calls in 2021; projecting an estimated 12% increase after commercialization we anticipate an additional 42 EMS calls for cannabis in NH.
- Using an estimated hospital cost of in-patient out-patient of $4,000 per call we can expect **hospital costs to increase by at least $168,000.** Again, this is hospital costs only; it excludes FD/EMS and Police costs related to each call for service based on JAMA data.





- Traffic Fatality Deaths/Costs in NH: Using Colorado data we can expect a 120% INCREASE in traffic deaths related to cannabis use after commercialization.
- There were 116 traffic deaths in NH in 2021.
- During 2018, 12 million (4.7%) U.S. residents reported driving under the influence of marijuana in the past 12 months; 2.3 million (0.9%) reported driving under the influence of illicit drugs other than marijuana.
    - In NH that would equate to 65,800 operators reporting driving under the influence of marijuana in the past 12 months.

- Using an estimated increase of 12% after commercialization of cannabis in NH we anticipate an **additional 7,896 operators in NH will be impaired by cannabis.**

- Using an estimated law enforcement cost to investigate a single car motor vehicle fatality of $10,000 per investigation the total estimated cost to investigate fatal accidents in NH is estimated very conservatively at **$1.16 MILLION.**
- The percent of crash deaths involving cannabis more than doubled from 9 percent in 2000 to 21.5 percent in 2018, and the percent of deaths involving cannabis and alcohol also more than doubled from 4.8 percent to 10.3 percent. Nov 10, 2021
  - Using an estimate of 22% of NH fatal accidents involve cannabis, we see an estimated **26 fatal crashes in 2021 that involved cannabis**. [Note: NH has no per se limit for cannabis intoxication and therefore operators are not charged with DUI by cannabis in regards to fatal crashes in NH.]
  - The **cost to investigate fatal crashes involving cannabis in NH in 2021 is estimated at $255,000**.
  - Expecting a 120% increase in cannabis related crashes after commercialization in NH based on data from other states we expect to see an estimated increase of 55 fatal crashes in NH involving cannabis after commercialization.
  - The estimated increase in cost for law enforcement related to cannabis involved crashes in NH is estimated at an **additional $230,000** (excluding court costs, and prosecution costs etc.) for a total estimated cost of **$485,000 for law enforcement alone related to cannabis involved fatal crashes**.
- Illicit manufacturing/growing and trafficking in NH is expected to increase dramatically after commercialization.
- In Oregon, the state legislature recently allocated an additional $25 MILLION to address illicit cannabis trafficking in Oregon
- Cost of illicit marijuana trafficking investigations is highly varied and not easily quantifiable. The anticipated increase in NH law enforcement investigations that involve illicit cannabis trafficking is subject to conjecture.
  - Using an estimated increase of 100 investigations in the state annually at an average cost of $20,000 (exclusive of prosecution, and courts etc.) per investigation we can expect to see an annual estimated increase of **$2.0 MILLION in costs to NH law enforcement after commercialization**.

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[1] Recovery Centers of America, Economic Cost of Substance Use Disorder in US, 2019

JUST SAY NEVER



VOTE NO ON ALL ILLEGAL DRUG BILLS

On December 21'st 2019 we got waves.. I went down to Sunken Forest in Rye to snap a few photos. Golden hour was perfect that night. I saw this grey pick up truck pull up on to the edge of the sand. I kept shooting for a while. As I was walking up away from the rising tide. I realized i recognized the smiling face sitting in the drivers seat, it was my boy Tony. I had surfed a thousand days with Tony. Tony brought nothing but joy to the line up. Pure Joy. Tony was sitting there with his keefer and some buds. He knew I did not want any part of that. I was glad to see him. I talked to him for a few minutes in the cold sunsetting golden hour. It was a spectacular night. Perfect glassy chest high lefts. As I was leaving, something inside me , which I'll be honest to everyone reading this, the holy spirit had me say "you have to stay clean bro" I looked him in the eyes. I said it. I said "I love you bro". I said it a second time "you have to stay clean" And I walked away. It was the last time I saw my friend. He overdosed a few hours later.

I will never back down on this issue.

The cost is to HIGH.

TIM CAHILL

Testimony for HB639
NH House Commerce Committee
Beth Scaer, Nashua
January 25, 2023

Committee Members,

I am testifying today because marijuana has devastated my family. My older brother started smoking marijuana at a young age and as a teenager he became a paranoid schizophrenic. He has been homeless most of the last 50 years of his life. This happened back in the 70s when marijuana had a very low level of THC. With the new, dangerous high-THC products many more families are suffering the same devastation that we have.

I recently read the following very scary statistics in Tablet magazine in an article titled "How Weed Became the New Oxycontin."

If you've ever smoked a bowl and become irrationally anxious that everyone is staring at you and knows you're high, what you experienced was a mild symptom of cannabis-induced psychosis. According to one study, about 40% of people react this way.

If you experience that paranoia and keep smoking on a regular basis nonetheless—especially with today's high-potency THC products, and especially if you're young—there's a good chance you'll eventually suffer a full psychotic break; 35% of young people who experience psychotic symptoms, according to another study, eventually have such an episode.

If you keep using after that, you run a decent risk of ending up permanently schizophrenic or bipolar. Cannabis has by far the highest conversion rate to schizophrenia of any substance—higher than meth, higher than opioids, higher than LSD. Two Danish studies, as well as a massive study from Finland, put your chances at close to 50%.

"One out of every 20 daily users can expect to develop schizophrenia if they don't quit," *Dr. Christine Miller, an expert on psychotic disorders, told me.*

Read the rest at bit.ly/NH-HB639.

Please vote ITL on HB639 to spare other families from the same tragedy.

NEWS

How Weed Became the New OxyContin

Big Pharma and Big Tobacco are helping market high-potency, psychosis-inducing THC products as your mother's 'medical marijuana'

BY LEIGHTON WOODHOUSE

AUGUST 30, 2022

For 30 years, Dr. Libby Stuyt, a recently retired addiction psychiatrist in Pueblo, Colorado, treated patients with severe drug dependency. Typically, that meant alcohol, heroin, and methamphetamines. But about five years ago, she began to see something new.

"I started seeing people with the worst psychosis symptoms that I have ever seen," she told me. "And the worst delusions I have ever seen."

These cases were even more acute than what she'd seen from psychotic patients on meth. Some of the delusions were accompanied by "severe violence." But these patients were coming up positive only for cannabis.

Stuyt wasn't alone: Health care professionals throughout Colorado and all over the country were seeing similar episodes.

Ben Cort, who runs an addiction recovery center in Steamboat Springs, Colorado, watched a young man jump up on the table in the emergency department and strip naked, claiming he was the God of thunder and threatening to kill everyone in the room,

including two police officers. A collegiate athlete Cort worked with also had a psychotic episode and was shot five times by the police with a beanbag gun before he was subdued. In Los Angeles County, Blue Stohr, a psychiatric social worker, had a patient who climbed a 700-foot crane and considered jumping off of it, not because he was suicidal but because he thought he was in a computer simulation, like *The Matrix*. Those patients, too, were high only on cannabis.

In 2012, Colorado legalized marijuana. In the decade since, 18 other states have followed suit. As billions of dollars have flowed into the new above-ground industry of smokable, edible, and drinkable cannabis-based products, the drug has been transformed into something unrecognizable to anyone who grew up around marijuana pre-legalization. Addiction medicine doctors and relatives of addicts say it has become a hardcore drug, like cocaine or methamphetamines. Chronic use leads to the same outcomes commonly associated with those harder substances: overdose, psychosis, suicidality. And yet it's been marketed as a kind of elixir and sold like candy for grown-ups.

"I got into addiction medicine because of the opioid crisis," said Dr. Roneet Lev, an addiction medicine doctor in San Diego who hosts a podcast about drug abuse. Years ago, she advocated against the overprescription of opioid painkillers like OxyContin. Now, she believes she's seeing the same thing all over again: the specious claims of medical benefits, the denial of adverse effects. "From Big Tobacco to Big Pharma to Big Marijuana—it's the same people, and the same pattern."

Prior to legalization, marijuana plants were bred to produce higher and higher concentrations of THC, a naturally occuring chemical compound in the plant that induces euphoria and alters users' perceptions of reality. In the 1960s, the stuff the hippies were smoking was less than 2% THC. By the '90s, it was closer to 5%. By 2015, it was over 20%. "It's a freak plant that resembles nothing of what has existed in nature," said Laura Stack, a public speaker who has advocated against the industry since

her son, Johnny, killed himself three years ago at 19 years old after years of cannabis abuse drove him into psychosis.

In the era of legalized weed, the drug you think of as "cannabis" can hardly be called marijuana at all. The kinds of cannabis products that are sold online and at dispensaries contain no actual plant matter. They're made by putting pulverized marijuana into a tube and running butane, propane, ethanol, or carbon dioxide through it, which separates the THC from the rest of the plant. The end product is a wax that can be 70% to 80% THC. That wax can then be put in a vacuum oven and further concentrated into oils that are as much as 95% or even 99% THC. Known as "dabs," this is what people put in their vape pens, and in states like California and Colorado it's totally legal and easily available to children. "There are no caps on potency," said Stack.

If you're over 30 years old and you used to smoke weed when you were a teenager, the strongest you were smoking was probably 20% THC. Today, teenagers are "dabbing" a product that's three, four, or five times stronger, and are often doing so multiple times a day. At that level of potency, the impact of the drug on a user's brain belongs to an entirely different category of risk than smoking a joint or taking a bong rip of even an intensively bred marijuana flower. It's highly addictive, and over time, there's a significant chance it can drive you insane.

If you've ever smoked a bowl and become irrationally anxious that everyone is staring at you and knows you're high, what you experienced was a mild symptom of cannabis-induced psychosis. According to one study, about 40% of people react this way. If you experience that paranoia and keep smoking on a regular basis nonetheless—especially with today's high-potency THC products, and especially if you're young—there's a good chance you'll eventually suffer a full psychotic break; 35% of young people who experience psychotic symptoms, according to another study, eventually have such an episode. If you keep using after that, you run a decent risk of ending up permanently schizophrenic or bipolar. Cannabis has by far the highest conversion rate to schizophrenia of any substance—higher than meth, higher than opioids, higher than

LSD. Two Danish studies, as well as a massive study from Finland, put your chances at close to 50%.

READ MORE BY LEIGHTON WOODHOUSE

NEWS

The People's Convoy Sets Out to Washington

Inspired by Canada's example, the U.S. trucker caravan carries with it a concrete version of class struggle that the American left has abandoned

BY LEIGHTON WOODHOUSE

HISTORY

The Cold Civil War

Is freedom our right or our privilege?

BY LEIGHTON WOODHOUSE

NEWS

Pigs to the Slaughter

The meat industry's response to COVID-19 was a confluence of cruelty to animals and workers alike—yet the owners are doing better than ever

BY LEIGHTON WOODHOUSE

"One out of every 20 daily users can expect to develop schizophrenia if they don't quit," Dr. Christine Miller, an expert on psychotic disorders, told me.

But quitting THC products of that potency is "almost impossible," Stuyt said, comparing its addictive power to tobacco. The days of marijuana addiction being merely "psychological" are over. "There is a definite withdrawal syndrome that includes irritability, anger, anxiety, massive cravings, can't sleep, can't eat," said Stuyt.

And it's even harder because so many users believe it's *good* for them.

As a teenager, Kevin Bright suffered from depression and anxiety. He started smoking pot at around 15 years old to self-medicate. As his tolerance built up, he started using THC concentrates—the stuff made from those high-potency waxes and oils—which was legal and easily available in the Bay Area suburb where he grew up. His personality began to unravel, his father, Bart, told me. He was constantly irate. He attempted suicide several times—once by ingesting pills, once by trying to hang himself, and another time by driving his car into the Bay. Then he began developing full-blown delusions, imagining that the FBI was after him. When he called his parents, he would scream at them in gibberish. Eventually, at 29 years old, he put a plastic bag over his head and breathed nitrous oxide through a tube until he suffocated to death.

Kevin had a hardcore drug addiction, but in his imagination, he was just taking medicine —and a $13 billion industry was telling him he was right.

"The line about it being medicine—he bought that," Bright said about his son. "I told people, what medicine do you get from a doctor that's 100% always approved, that you can get within 10 to 15 minutes online, you can take as much as you want per year, you never have to come back to renew it?"

Since marijuana is still considered a Schedule I Controlled Substance by the federal government, there's no such thing as a "prescription" for medical cannabis. Instead, you can get a "recommendation" from a physician.

"This doctor's recommendation typically has no expiration, has no dose, has no duration, and no change across state lines," Ben Cort said. "It's basically, 'Take as much as you want as often as you want until you feel what you want.'" (Colorado has tightened rules around medical cards, but only for 18- to 20-year-olds, in an effort to mitigate drug dealing in high schools.)

To get a recommendation, you can go to websites with names like "NuggMD" and get approved in less than 10 minutes. With that recommendation, you can acquire a state-licensed medical marijuana card. In states where recreational use of cannabis is legal,

you don't need a medical marijuana card to buy cannabis products, but the card exempts you from certain taxes—it's basically a discount card for high-frequency users.
At a dispensary, there's no distinction between cannabis products made to be consumed for fun and ones created for their supposed healing properties. "You walk into a store, it's the exact same product," Cort said. "If you have a med card, you pay less tax."

The array of products on offer is dazzling. On WeedMaps.com, you can buy your cannabis in the form of a joint, flower, vape, concentrate (budder, crumble, or crystalline), cookie, brownie, corn nut, caramel corn, jalapeño cheese cracker, rice crispie bar, macaron, pretzel bite, cereal, tincture, syrup, seltzer, iced tea, herbal tea, tonic, apple juice, punch, mocktail, root beer, cream soda, lemonade, agua fresca, powder, gummy, mint, chocolate, gum, balm, salve, bath bomb, salt, oil, shower gel, or soap, and have it delivered to your doorstep.

These products are all sold as "medicine," even though none of them is FDA-approved. (There are only four cannabis-based drugs that have received FDA authorization, all of which require prescriptions.) And although it's illegal for anyone without a medical degree to offer medical advice, dispensary "budtenders" do it all the time. Their advice is completely evidence-free, because no evidence exists that the specific products they sell have any medicinal value.

"Drug companies are forever doing drug trials to see if this new drug helps or doesn't help," said Dr. Robin Murray, a psychiatric researcher at King's College London who specializes in cannabis-induced schizophrenia. "Why would cannabis companies do this? They're doing so well without the trials. The trial might show that it *wasn't* helpful. So they've got no incentive to do these trials."

"There is research out there supporting the use of cannabis for some medical conditions," said Stuyt, "But it's all less than 10% THC. Nothing has been studied greater than 10%. But we have all this research showing that greater than 10% puts you at risk for psychosis, addiction, suicide, cannabis hyperemesis syndrome [constant, severe vomiting]—all these things that high-potency THC is doing."

"High-potency" describes almost all of the cannabis products sold in the United States today, the vast majority of which are over 15% THC.

Dr. David Smith, an addiction medicine doctor who founded the Haight Ashbury Free Clinic in 1967, is highly optimistic about the prospects of cannabis research for medical purposes, as well as the medical potential of psilocybin and other psychedelics. "There's a lot of promise in cannabis medicine," he told me. "But you're not going to get that by vaping in a classroom." The pantomime version of drug prescription that characterizes the cannabis market today "is not the way medicine's supposed to be practiced," he told me.

"It's insulting to the medical profession," said Dr. Lev. "They've hijacked the word 'medical.'"

"This is not medicine," said Stuyt. "This high-potency THC has not been studied as medicine. But because it's allowed to be heavily marketed and advertised as medicine, people believe it's safe. And so they believe it's medicine. And when you take medicine for a chronic problem, you take it every day. Sometimes you take it all day long. And that makes you addicted to it. And so then you're in constant withdrawal."

"Look at the industries that pioneered the addiction business: tobacco, alcohol, and pharmaceuticals. Today, all three are heavily invested in cannabis."

To imagine the market potential for a legal, highly addictive drug, all you have to do is look at the colossal success of the industries that pioneered the addiction business: tobacco, alcohol, and pharmaceuticals. Today, all three are heavily invested in cannabis. In 2019, Altria, the parent company of Marlboro cigarettes, acquired 45% of Cronos, one of the world's biggest cannabis companies. Constellation Brands, a major alcohol conglomerate, has billions invested in Canopy, another cannabis company. Last year, Jazz Pharmaceuticals acquired GW Pharmaceuticals, the company that makes one of the four FDA-approved, cannabis-derived drugs. Even a former CEO of Purdue Pharma, the company that made OxyContin, co-founded a medical marijuana company called Emblem after helping to create the modern opioid epidemic.

"People think it's a miracle drug, that it's nonaddictive, that it helps with cancer and anxiety," said Jordan Davidson, who recovered from cannabis addiction and now works for Smart Approaches to Marijuana, which advocates against the expansion of the cannabis industry. "It's more like Big Tobacco 2.0."

The future of the industry that these investors are now betting on is focused on families like Aubree Adams' in Pueblo, Colorado.

Aubree's older son started using legal cannabis products in the eighth grade. By his freshman year in high school, he was addicted. He became psychotic: "Self-harming, violent behaviors, couldn't even regulate any moods—crying obsessively, inconsolable, paranoid over things, thinking people were after us," his mother recounted. He tried to kill his little brother several times. Once Aubree's younger son had to run away from his brother barefoot in the snow. Aubree had to quit her job to stay home to protect him. Her older son attempted suicide. He started selling marijuana, and ended up on the streets. He got beat up. Someone threatened to shoot up the family's house.

On one occasion, Aubree found herself trying to calm down her son as he frantically searched the house for the key to the lock on the family's gun, believing people were

coming after him. "There were many moments when I had to tell my younger son, 'Get out of the house,'" Aubree said. "There were moments when I said, 'Get the dog. Lock yourself in my bedroom.'"
When Aubree tried to get her son to stop he would say, "It's medicine, Mom. You're the only one not using it, Mom. Maybe you need to start using it, Mom. You'll feel better. What you're saying is a lie, Mom. It's all propaganda, Mom."

Even while watching all of this unfold, Aubree's husband began secretly using cannabis as well, believing it would calm his anxiety. He went to a dispensary and complained about panic attacks. The budtender readily offered him spurious medical advice, recommending marijuana flowers that were 24% THC. Aubree's husband began regularly consuming cannabis as his family was falling apart, and fell into a pattern of depression and suicidal ideation.

It's a common pattern: People start consuming cannabis to fix their anxiety, but the withdrawal from the THC instigates anxiety instead of alleviating it. "People think, 'Oh, it's my symptoms. That's why I need it. I'm anxious and it's treating my anxiety,'" said Stuyt. "No: It's the *withdrawal* that's *causing* your anxiety."

It's a vicious cycle that's great for business. At the root of the misconception is the myth that "cannabis" as it exists today is a safe, natural, medicinal substance. But if people thought of today's high-potency THC products the way they think of hard drugs, far fewer people would fall under its influence—which is why it's so important to the industry that they don't.

"Everybody knows meth is bad," Cort said. "There's not a user who does not think meth is bad. You survey America, about 65% of them are going to tell you there's nothing wrong with weed."

And now those Americans are facing a tidal wave of corporate advertising telling them they're right.

"This is a for-profit industry," said Stuyt. "And they profit off of addiction."

Leighton Akira Woodhouse is a freelance reporter and documentary filmmaker. He writes at leightonwoodhouse.substack.com.

#MARIJUANA #ADDICTION

Liz Barbour testimony before the Commerce and Consumer Affairs Committee
Wednesday January 25th, 2023

Thank you, Chairman Hunt and the entire committee, for hearing my testimony today.

My name is Liz Barbour, and I am a resident of Hollis, NH.
I am here to speak in opposition to this bill.

- I have grave concerns about the adverse results of the commercialization of marijuana on public health, and public safety.
- The legalization of marijuana will normalize its use and tell our vulnerable teen population that it's okay to use-it's legal. Aren't you concerned that we would lose more and more of our teens to the addictive quality of marijuana?
- I know that some committee members are medical professionals. To you I ask, have you shared information about the addictive qualities of TCH and very real hazards such as THC toxicity and CUD (Cannabis Use Disorder) with the committee?

According to:
LESSONS LEARNED FROM STATE MARIJUANA LEGALIZATION

- Medical marijuana legalization gave way to recreational marijuana legalization in states across the country and both industries are heavily capitalized.
- The result is the creation of a new and powerful addiction-for-profit industry.
- More and more people are using marijuana while remaining largely ignorant of its negative consequences.
- The alarming increase in use among young people, as well as pregnant women, in particular prompted U.S. Surgeon General Dr. Jerome Adams to issue a first-of-its-kind advisory on marijuana use.

Do not normalize marijuana use:

- For teens, regular marijuana use can impair memory and concentration and may interfere with learning. It's also associated with lower odds of completing high school or getting a college degree.
- Regular use of marijuana linked to psychological problems and a higher chance of substance use disorder in adulthood.
- Even using marijuana one time can alter motor control, coordination, and judgment. This can contribute to unintentional deaths and injuries."

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TCH Addicted Teen Story:

"Ethan Andrew started smoking marijuana during his sophomore year of high school in Colorado to help with his anxiety.
His causal marijuana use turned to smoking potent cannabis flower and concentrates, known as dabs, which contain high levels of THC. Andrew said he smoked every day from morning to night.
"I couldn't think or sleep without it,"
Two years after becoming an avid marijuana user, Ethan developed cannabis-induced psychosis, a condition including severe hallucinations, delusions and paranoia.
"I had to quit my job because the voices in my head were so distracting," Ethan said.

In conclusion, I ask that you consider my testimony today along with the testimony of others who are speaking against this bill.

- New Hampshire is an island surrounded by states who have legalized marijuana and are now spending millions of dollars on additional medical care and mental health care related to marijuana use.
- If you support this bill you will need to explain to us how the dollars balance out: revenue vs increased medical care and the cost of losing so many productive lives and futures to this highly addictive drug.
- Please, let New Hampshire continue to be the shining beacon on the hill that puts our people first and promises bright futures for our children.

I humbly ask that you vote NO on this bill. Thank you.

Liz Barbour
5 Broad Street Hollis, NH 03049
603-321-5011

Resources:
LESSONS LEARNED FROM STATE MARIJUANA LEGALIZATION
https://learnaboutsam.org/wp-content/uploads/2020/12/2020-Impact-Report1.pdf
Marijuana with high THC levels can cause 'cannabis use disorder': Lancet
https://nypost.com/2022/08/30/marijuana-with-high-thc-levels-can-cause-cannabis-use-disorder-lancet/

Association of cannabis potency with mental ill health and addiction: a systematic review
https://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366(22)00161-4/fulltext

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Liz Barbour
5 Broad Street Hollis, NH 03049
603-321-5911

Resources:
LESSONS LEARNED FROM STATE M. ARIJUANA LEGALIZATION

Marijuana with high THC levels can cause 'cannabis use disorder': Lancet

Association of cannabis potency with mental ill health and addiction: a systematic review

To whom it may concern,

Marijuana should be legalized because it is safer than alcohol and because prohibition wastes public resources and guarantees that marijuana is not tested for safety. Legalizing and taxing it would bring in much-needed revenue to the state. We are also the only New England state that has yet to legalize marijuana. When New Hampshire's own motto promotes and encourages liberty, the state shouldn't be punishing adults who use a drug that has been scientifically proven again and again to be safer than alcohol, tobacco, and other legal drugs. It's about time we join the rest of New England and legalize recreational marijuana in New Hampshire.

Thank you.

R.B.
Salem, New Hampshire

Hello,

I want to support the following legislations known as the Osborne Bill (HB 639) or McGuire Bill (HB 344)

I feel that this plan not only addresses the concerns of medicinal cannabis patients such as myself but also help the state with a form of tax relief in regards to property taxes included in the Osborne Bill as drafted.

The plan for recreational cannabis seems plausible, whereby implementation of this system being 18 months out from the possible passage, is ample time to get the infrastructure for this endeavor into place while allowing ample time for those involved or planning to be involved in the operational side of this program, to correctly begin implementation.

From what I have read the process of approval of facilities would bolster the potential benefit to the registered medicinal cannabis client by offering more selection than is currently available to patients, whereby currently utilizing the closest dispensary to my residence has some capacity drawbacks (shortages) for supply of certain products. Being a medicinal patient, we typically use mainly the same strains for our desired relief, and all too often certain strains that offer relief are out of stock at our local Prime facility. I believe that the proposed measure would help by offering new growers opportunities to harvest similar products that would increase the availability of strains if and when new dispensaries evolve.

One of the more helpful parts would be the ability to grow medicinal plants. This speaks to both HB 639 and HB 344 and I totally agree that this should be done in a secluded manor and be limited to the quotas established in this bill. Not everyone can or will be able to grow and harvest anything close to what is available from the dispensary, but any augmentation to a medicinal user who is disabled and under employed or unemployed would benefit from being able to grow a few plants at home for personal consumption.

I think the revenue generated by the proposed 8.25% tax on the purchase of recreational cannabis would be very helpful to help fund different intervention programs, public education initiatives and consumer safety and additional funds for control measures seem reasonable. If the funds from these sales can help those in the communities around the state from new growing opportunities to dispensaries, allocating monies to towns for the purpose of property tax relief would be greatly appreciated by most all residents within the state. One very helpful benefit is that the medicinal patient will not have to pay the tax, coupled with home growing the citizens who need this medicine will not be pushed to pay more.

Overall I am glad that the folks who have constructed this measure, have seemingly thought through quite a few scenarios that have hampered other states that have come before and have adopted such measures in their systems, and there has been a learning curve, for those for and those opposed to legalizing recreational cannabis. I have to state that most municipalities do not seem to be finding huge negatives since legalization and feel it may be time to try to help the communities and their stakeholders with added revenue, help medicinal patient's (especially older patients, like myself) keep their medication affordable and accessible.

In summation, I want to state my approval and support for either of these measures. I support HB 344 that allows for home cultivation, as mentioned before as a way to help licensed medicinal patients an option to try home growing to help with medication costs. I also support HB 639 as it would allow for a larger framework of dispensaries to choose from as a medicinal user.

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Superintendent Richard N. Van Wickler, Ret.
New Hampshire, USA

Detective Sergeant Neil Woods, Ret.
Derbyshire, England, LEAP UK

Date: January 25, 2023

Re: HB 639 - Cannabis Legalization

Position: SUPPORT

To: House Commerce and Consumer Affairs Committee

Dear Distinguished Committee Members,

My name is Richard Van Wickler and I am a lifelong resident of the State of New Hampshire. I am a retired Superintendent of Corrections for Cheshire County, with 33 years of law enforcement experience and 27 years in the role of superintendent. I am here today to testify in support of HB 639, which would legalize and regulate cannabis for adult use in New Hampshire. I strongly encourage its passage.

In addition to my professional career in law enforcement, I am a Board member of the Law Enforcement Action Partnership (LEAP). LEAP is a nonprofit group of police, prosecutors, judges, and other criminal justice professionals who speak from firsthand experience. Our mission is to make communities safer by focusing law enforcement resources on the greatest threats to public safety and working toward healing police-community relations.

Contrary to what you may hear from some opponents, cannabis prohibition actually contributes to violence in communities – much like the prohibition of alcohol did – because it creates illegal markets. Significant profits reward the large criminal organizations that win new turf through violence. When police shut down one market, others fight to take over their customers and profits.

When a drug is illegal, we have no control over it. Nobody needs a license to sell it, so they can sell it to young people. Nobody oversees product quality or purity, so the product may contain mold or other toxins. Some sellers offer not just cannabis but also pills and heroin, tempting buyers with free samples. Many adult users in our state are already visiting neighboring states for safer consumer options.

I believe that cannabis legalization would also improve police-community relations because it would no longer force police to be the "bad guys" carrying out cannabis arrests that most people consider unjust.

This bipartisan bill would regulate cannabis cultivation, possession, and use by adults. A governor-appointed commission–the Cannabis Commission–would regulate and license adult-use cannabis businesses by developing comprehensive rules and determining qualifications for licensees. The bill would also integrate the Medical Cannabis Program and distribute revenue to unfunded pension liabilities and public education campaigns. Finally, the bill would provide some retroactive justice for those with past cannabis possession misdemeanors and violations thanks to the addition of annulment and resentencing for past convictions.

I have testified in favor of cannabis policy reform for the last 16 years when no state or country lawfully supported cannabis marijuana for adult use. In that time, 7 countries, 21 states, 4 territories, and the District of Columbia have legalized cannabis marijuana for adult use. New Hampshire should not consider the issue because it is popular, but the state should support it now because it is smart and responsible.

You will likely hear many reasons why the bill should not be passed. But cannabis is only a "gateway" to other drugs in the underground market when it's painted with the same brush as those drugs and sold by people operating in illegal markets. Youth use will also not explode – states that have legalized cannabis do not show increases in youth use because legal sellers are subject to licensing requirements, strict regulation, and surprise inspections. And legalization is not a permission to use. People who want to use it already do. Other states have shown that legalization is not a doomsday scenario; it is common sense and responsible legislation which time has proven to be successful.

In sum, this comprehensive reform bill would move our state forward in the improvement of public safety and healing police-community relations.

Thank you for the opportunity to share my perspective in support of HB 639, cannabis legalization in New Hampshire.

Respectfully,

Richard N. Van Wickler
Retired Cheshire County Corrections Superintendent
U.S. Army Reserve Retired (1SG USAR)
Board member/speaker, Law Enforcement Action Partnership

Marijuana Policy Project
P.O. Box 21824 • Washington, DC 20009
202-462-5747 • www.mpp.org

January 24, 2023

Re: Testimony in support of and suggesting amendments to HB 639

Dear Chair Hunt, Vice Chair Ammon, and distinguished members of the New Hampshire House Commerce and Consumer Affairs Committee:

My name is Karen O'Keefe, and I am the director of state policies at the Marijuana Policy Project (MPP), the largest cannabis policy reform organization in the United States. MPP strongly supports legalizing and regulating cannabis for adults 21 and older and doing so in a way that stops inflicting harm from past criminalization, including by annulling and expunging records and re-sentencing individuals to time-served for past cannabis offenses.

More than eight decades of marijuana prohibition has not worked. Instead, it has derailed lives, torn families apart, wasted vast sums of taxpayer dollars, and put consumers and those selling cannabis at risk of arrest and violence.

Only legalization allows for regulation and control. Potency testing and labeling, child-resistant packaging, consumer education, and rules to prohibit hazardous pesticides and contaminants are only possible in a legal, regulated market. Environmental and worker protections are only possible in a legal, regulated industry.

With New Hampshire now surrounded on all sides by legalization jurisdictions, the "Live Free or Die" state has become an anomaly. In every other state in New England, adults 21 and older are allowed to make their own decision about whether to use, possess, and purchase cannabis — a plant that is far safer than alcohol[1] and many medications[2] — without being punished by their government. Please heed the will of 74% of voters,[3] and give Granite Staters who are 21 or older the same freedom.

Over the summer and the fall, I worked with a coalition of advocacy organizations and individuals from across the political spectrum to craft a draft legalization bill that became HB 639. The bill reflects the lessons learned from other states, along with New Hampshire's priorities. It includes expungement and re-sentencing, ensures small businesses truly have

[1] See: https://www.mpp.org/special/marijuana-is-safer/
[2] More than 16,000 Americans die of opiate overdoses each year, while cannabis has not been shown to cause fatal overdoses. https://www.cdc.gov/drugoverdose/deaths/prescription/maps.html
[3] "Bipartisan support for NH marijuana legalization, most consider legislature's redistricting maps unfair," University of New Hampshire, The Granite State Poll, February 25, 2022, p. 2. Available at: https://scholars.unh.edu/cgi/viewcontent.cgi?article=1688&context=survey_center_polls

a chance, and avoids creating a new tax — instead applying the meals and rooms tax to cannabis. It includes numerous provisions to protect public and consumers' health and directs 10% of tax proceeds to substance abuse prevention and treatment. It also directs the bulk of the revenue to New Hampshire's unfunded pension liability.

If enacted, New Hampshire residents' cannabis purchases can help right the state's financial ship and improve the welfare of the state's residents, rather than going to the illicit market and bordering states' coffers.

HB 639 allows the free market to work, and gives the little guy a fair shot, by allowing any qualified applicant who complies with regulations and local ordinances to be licensed and by avoiding excessive fees. By avoiding licensing caps, it does not require the state to pick winners or losers or involve a costly scored application process, which favors those with the deepest pockets and typically results in delays and litigation. HB 639 also follows the model of all other legalization states by having private businesses — not the government — run cannabis stores. This is important because selling cannabis is a federal crime. While states can legally license private businesses to sell cannabis,[4] a state directing employees to sell cannabis would be federally preempted[5] and likely result in a costly boondoggle.

There were some changes made to the text of the bill before it was formally introduced, and I encourage the committee to amend the bill and restore those provisions:

- The original draft included provisions to ensure testing labs and seed-to-sale tracking vendors are truly independent. It prevented a person or company from being a major investor or owner of both a lab and a grower, retailer, or product manufacturer to avoid conflicts of interest. This is important to the integrity of lab testing.
- The original bill also prevented excessive market concentration, by limiting the number of cannabis businesses of one type a business could control. This antitrust/ anti-oligopoly language is important to allow small businesses to flourish and protect consumer choice.
- As drafted by the coalition, the bill directed some tax revenues (3-7%, depending on the year) to training, technical assistance, and start-up grants for "priority applicants" — veterans, farmers, and those most impacted by cannabis prohibition.
- Finally, the original draft also included some funding (3-7%, depending on the year) for Justice Reinvestment, for important services including prisoner re-entry.

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[4] See: Murphy v. NCAA, No. 16–476, U.S. (2018) ("The PASPA provision at issue here—prohibiting state authorization of sports gambling—violates the anticommandeering rule. … [S]tate legislatures are put under the direct control of Congress. It is as if federal officers were installed in state legislative chambers and were armed with the authority to stop legislators from voting on any offending proposals. A more direct affront to state sovereignty is not easy to imagine."); Printz v. United States, 521 U.S. 898 (1997); New York v. United States, 505 U.S. 144 (1992).White Mountain Health Center, Inc. v. Maricopa County, CV 2012-053585 (Arizona Superior Court, Maricopa County, 2012).

[5]See: Robert Mikos, "Preemption Under the Controlled Substances Act," Vanderbilt University Law School Public Law and Legal Theory, 2013 and "Utah Reworking Medical Marijuana Distribution Plans," Associated Press, July 31, 2019. ("Several county attorneys are pressuring Utah to scrap its plans for a state-run medical marijuana dispensary system, arguing the system would put public employees at risk of being prosecuted under federal drug laws.")

Please don't hesitate to reach out to me at the below email or phone number if there is any information I can provide as you consider replacing cannabis prohibition with sensible regulation. I would also be most happy to assist with bill language if you would like to make amendments based on any of the above input.

Sincerely,



Karen O'Keefe
Director of State Policies
Marijuana Policy Project
323-568-1078
kokeefe@mpp.org

NH Senate Committee
Testimony of Sarah Roberts
In opposition of HB 639; January 2023

Good afternoon and thank you for the opportunity to speak today in **opposition** to HB 639. My name is Sarah Roberts. While I work in the prevention field, I am here today as a mother of two who is concerned about the current landscape of substance use and the impact on the health and mental wellbeing of the State's most precious resource, our youth.

The State of New Hampshire has decriminalized and legalized cannabis for medical purposes, so I ask…why do we ALSO need to legalize for recreational use? With our state facing the opioid crisis, a youth vaping epidemic, and the mental health repercussions of COVID, why are we considering legalizing another addictive drug that has severe negative impacts on youth, families, our communities, and state? This is the time to focus on PREVENTION, not on adding fuel to the already RAGING fire of addiction.

Many people point out that we are surrounded by legal states, but does that mean we should join them in promoting harmful public health and safety policy? Currently, New Hampshire is an oasis; one where families can still visit an outdoor space without concern of secondhand marijuana smoke; one where we can drive down the highway without being bombarded with images and ads promoting edibles; and one that continues to support evidence-based public health practices.

Actions speak louder than words and the New Hampshire State Senate's past decisions to prevent commercialization of marijuana has demonstrated the commitment to promote healthy and safe lifestyles for all New Hampshire citizens. Your position helps limit increased availability of marijuana, as well as the ever-growing pressure on youth to try marijuana and high potency THC. I thank you for your commitment to protecting NH's children and public safety and hope we can maintain the quality of life that NH offers for our children, families, and tourists who visit our uniquely beautiful state.

Thank you for your consideration in voting in opposition of HB639 and all other bills favoring the expansion of marijuana legalization.

Written Testimony of Debra Naro, M.Ed.
Executive Director, CADY (Communities for Alcohol- and Drug-Free Youth)
Former State Representative (2000-2006)
January 25, 2023

In Opposition to HB 639 FN-A; HB 544 FN; HB 643 FN-A; HB 360 FN; HB 344 FN

Thank you for the opportunity to speak today and testify in opposition to HB 639FN and the 4 other Marijuana bills you will be hearing today and tomorrow. For the record my name is Debra Naro and having served in the NH House for 3 terms, I fully appreciate the many difficult decisions that come before you; thank you for your service.

Yesterday I emailed a jointly signed educational letter from 10 of the NH Drug-Free Communities Coalitions to the Committee to help inform your decision making.

I am testifying today as executive director of CADY, a substance misuse prevention non-profit serving the Central NH Public Health region. Science, data, and evidence-based practices are the driving force behind our work.

It is our responsibility to call attention to the growing science on the risks and harms of Cannibas and high-potency THC. The need for informed decisions is urgent when considering the impact of public health policy on children and youth.

The scary truth is our kids are in crisis and we are very worried. Our region's 2019 Central NH YRBS Survey results indicate that our youth experience significantly higher levels of sadness, hopelessness, and suicidal ideation than statewide averages. Local youth substance misuse with marijuana and vaping has surged in recent years putting our children at even greater risks of harm. Youth marijuana use in our region is significantly above statewide averages with one in three youth using the drug. This hasn't always been the case. In 2015, our youth were significantly below statewide averages in marijuana use.

Following the opening of the Alternative Treatment Center in Plymouth in 2015, we have seen an 80% increase in youth use. Youth are getting the message that marijuana is medicine so it must be good for me. Science tells us the opposite is true. Marijuana use is consistently linked to poor mental health outcomes with youth being at greater risk for anxiety, depression, and addiction. Daily marijuana users under age 17 are less likely to graduate from high school; more likely to use other drugs; more likely to develop addiction; and more likely to attempt suicide (please see attachments). High-potency THC increases these risks. Our kids are getting the wrong message from therapeutic cannabis and recreational legalization will only exacerbate the problem.

No number of legislative safeguards can protect the most vulnerable among us as promises made and unkept on alcohol, tobacco, and therapeutic cannabis attest. **Let's please consider drug-endangered children.** In 2021 NH Poison Control received calls regarding 22 children under the age of 5 who were exposed to marijuana. Four of those were toddlers from our region who were admitted to our local hospital in THC-induced comas. The toddlers had ingested high-potency THC edibles. If we cannot keep THC out of the hands of toddlers, how are we ever going to protect our teens? With legalization more cannabis will be on the ground than ever before; we will more than likely see a surge in emergencies.

We should be paying close attention to the experience of legalized states to inform our policymaking. It was so bad in Colorado, that in 2021 the Governor signed a landmark marijuana reform bill drafted by the Speaker of the House. Both the Governor and the Speaker were early pro-marijuana advocates. They rushed headlong into legalization without a full appreciation of science. We can learn from Colorado's experience.

The bills coming before you seek to commercialize high-potency THC, an addictive substance, that is not FDA approved. As NH grapples with the mental health and addiction crises, doesn't it make better sense to prevent, rather than encourage more substance use?

I ask you to please vote HB 639 FN-A, and the other 4 marijuana-related bills, Inexpedient to Legislate.

Thank you for your consideration.

Sincerely,

Debra A. Naro

Hudson Institute

POLICY MEMO

The "Colorado Experiment": Legalized Marijuana's Impact in Colorado

BY DAVID W. MURRAY
Senior Fellow, Hudson Institute

June 2021

The state of Colorado has been offered up by many policy makers as a test case regarding the wisdom of drug legalization. Colorado has permitted "medical" marijuana sales since 2009, and it allowed for outright commercialization ("recreational use"), as permitted by the Obama administration, since 2014.

Drug legalization advocates have consistently invited the nation, particularly states considering following the Colorado model, to view the state as a real-world "experiment," demonstrating the benefits or harms of legalized drugs. But beyond the first blush of enthusiasm claiming that "the sky hasn't fallen" as a result of unhindered access to marijuana, there have been few media accounts citing actual data about how Colorado is faring.

The road is rockier than many believe. In fact, given the preponderance of glowing testimonials from advocates, it may come as a surprise that this month, a quiet resistance to legalization burst into the open. The event was the passage of state bill **H 1317**, which applies limits to the state's medical marijuana industry. Passing with strong bipartisan majorities in both houses of the state legislature, the bill was recently signed into law.

Purchases of high-potency marijuana will now be limited (down to only a fifth of the current level). The bill requires warning labels, real-time monitoring of sales, and stiffened medical recommendations from physicians. It also calls for the Colorado School of Public Health to research the mental and physical health effects of the drug.

It should be clear that not all is well in the relationship between Colorado citizens and the state marijuana industry, in spite of the money the marijuana lobby has invested in protecting itself politically among state power brokers.

This month's legislative news was accompanied by an account in the *Denver Post* of yet another black market and money-laundering operation being taken down. The operation involved millions of dollars of illegal marijuana and twenty-one individuals funneling the money to China. Mexican and Colombian cartels, as well as gangs from **Cuba** and Russia, have also been **implicated** in multiple similar transnational criminal schemes in Colorado and nationwide.

According to Legalization of Marijuana in Colorado, a 2020 law enforcement intelligence report from the Rocky Mountain High Intensity Drug Trafficing Area (**HIDTA**), there were 278 similar black market cases in 2019 involving the seizure of 7.5 tons of marijuana and over 15,000 marijuana edibles, destined for 29 US states.

Advocates for legalization were adamant that a major purpose was to create a regulated market that would drive out the criminal element and end the violence that drives the black market. It fact, the exact opposite has happened, with a thriving black market still dominating the trade, as has happened everywhere states have legalized marijuana, from **California** to **Illinois**.

It is important to remember that legalization advocates believed that their policy prescriptions would do more than just avoid a debacle. Instead, they argued that legalized marijuana would improve the metrics that mattered. Such metrics included preventing youth access and alleviating purported injustices (such as racial disparities in arrests, even though the latest data show that more Black and Hispanic people are being **arrested** today than before legalization). Further, it was supposed to end corruption, which has actually **spread** more widely after legalization.

The primary justification for legal marijuana was to provide a financial boon for states, through taxation revenue that could be applied to societal needs like drug treatment or education. Advocates further assured doubters that a legal, regulated regime of drug access would make society safer by driving out the criminal element, thereby reducing violence and illegal drugs.

By now, however, we have enough accumulated data in 2020 to see the actual effects of this experiment in drug policy. And they are not comforting. Not only did the promised benefits, both financial and on behalf of public safety, not come to pass, but in multiples areas of daily life the metrics have worsened.

Moreover, the data from Colorado have been accompanied by several years of greater medical science awareness of the health risks from marijuana exposure. Easier access, greater prevalence, higher psychoactive potency from increased THC, a continued criminal element, and more intensive daily use have all occurred since the experiment began. Maybe the sky hasn't fallen, but a great deal of damage has rained down on Colorado, as measured across several indicators.

Growing Youth Drug Use

Colorado's ranking among the states for youth drug use was already among the highest before legalization, and it remains so today. In fact, all of the states that accompanied Colorado on the path toward legalization have now emerged as the states with the highest percentage of **youth** users, well above the national average.

For the entire population twelve and older, Colorado's **marijuana** use has increased starkly since legalization, rising 30 percent to become third in the nation, 76 percent above the national average. Among college-age youth (20–25), past-month use is 50 percent higher than the average, while past-month use for ages 12–17 is 43 percent higher. Colorado is also **first** in the nation for the highest percentage of adults who need drug treatment but aren't getting it.

According to the latest school-based survey from the state, marijuana use has risen over the past two years (2017–2019), with past-month use of marijuana being reported by 21 percent of young people. The increase particularly affected young teens (15 and younger) who now report a 14.8 percent increase in past-month use from 2017 levels. Marijuana use by all age groups has risen by 6.2 percent since the last time the survey was reported in 2017.

Even where reported rates of youth smoking marijuana have not steeply risen, there is still cause for alarm. The rise of recreational commercial markets has stimulated the introduction of new forms of consuming the drug. For instance, between 2016 and 2018, reported marijuana exposures in the health care systems involving "edibles" increased from 18 percent to 60 percent, according to the Rocky Mountain HIDTA report.

Moreover, the use of other drugs, such as methamphetamine or cocaine, is also strikingly high among Coloradans, while the use of alcohol, often in conjunction with other drugs, has not diminished—against the assurances of advocates. Beginning in 2016, Colorado was the only state with the highest rate of consumption for all four of the major intoxicants: marijuana, cocaine, alcohol, and opioids.

A troubling data point is that contrary to many hopeful claims, the opioid epidemic of use and overdoses has not been stanched by the rise of marijuana. In fact, youth marijuana use seems implicated in even greater risk of opioid misuse, including prescription opioid use, just as cannabis use disorder (CUD) itself also climbs and worsens. For youth, the number developing CUD, only three years following initiation, rises to over 20 percent.

Daily use of marijuana, the most risky pattern, increased by 65 percent between 2017 and 2019 for high school youths. Concern over risk of their developing CUD, a risk enhanced by legalization policies, is well-justified.

Marijuana's Increasing THC Potency

Nationwide, marijuana potency for traditional leaf marijuana has risen since 2008 from an average of 6 percent of the psychoactive component THC to over 16 percent today, according to the Marijuana Potency Project, a study funded by the National Institute for Drug Abuse. Moreover, new forms of marijuana concentrates, which are particularly associated with the recreational commercial market, have seen average potency rise to over 61 percent THC.

Increased potency is clearly linked to increased risks of developing CUD as well as increasing the risk of psychotic incidents. Some forms of the drug now available in dispensaries go as high as 90 percent THC, substantially increasing the risk of cannabis-induced psychosis.

Is the purported revenue from marijuana sales truly worth it for the states? Not according to a statement counseling against marijuana legalization from several state medical societies representing thousands of physicians. Whatever amount of money the state thinks will be legal marijuana gravy, doctors fear that the damage done will cost even more.

The doctors write: "legalization continues to present serious public health concerns…. We are very concerned that the long-term public health costs associated with hospitalizations and treatment for psychiatric/addictive disorders could significantly outweigh any revenues that (states) anticipate would be received from the legalization of cannabis."

So striking is the risk that the Irish Board of Psychiatry, recently summarizing the matter, stated that high-potency cannabis in Ireland has become "the gravest threat to the mental health of young people."

Marijuana Use By At-Risk Populations

For teens, marijuana is the most common drug found in toxicology of those who die by suicide. The percentage of

incidents of **suicide** in which toxicology results were positive for marijuana increased to 23 percent in 2018, compared to 14 percent in 2014 (note that these figures are prior to the pandemic).

The significant increase in the number of teen suicides in Colorado over the past five years, and marijuana as the number one drug found when toxicology is reported, can be seen to correlate with increased potency and availability of marijuana, of concentrates, and of vaping by teens. Of teens ages 15–19 who died of suicide in 2018, marijuana was present in 37 percent of the cases (of the two-thirds who had toxicology information available).

While the issue of teen suicide is complex, there is now substantial research linking heavy and early marijuana use to an increased risk of **self-harm** among users. Whatever has been the effect of legalization on this risk, it surely hasn't helped, and the risk of harm is **worsened** in the presence of a commercial marijuana industry.

A recently published **study** has found a significant difference for both male and female young adults in suicidal ideation, planning, and attempts in relation to CUD and particularly daily cannabis use.

And a suicide problem is found for veterans as well. The National Veteran Suicide Prevention **Report** indicates Colorado's rates are significantly higher than the national average, with 2019 figures showing a 25 percent increase over 2018.

It's not only teen marijuana exposure that is worrisome. There is increasing medical literature showing the risks of marijuana use during pregnancy. Most importantly, recent research has shown that commercial legalization is linked to an increase in perinatal **maternal** marijuana consumption, placing offspring at developmental risk.

Not only is marijuana found for long periods of time in mothers' **breast milk**, there are clear and growing signs of **adverse** developmental effects on children exposed in the womb. Young women in Colorado beguiled by "recreational" marijuana products are placing themselves and their future children at risk, since some of the adverse effects, including birth defects, begin even before a woman may **know** that she is pregnant.

Broader Social Impact

The general societal **impact** of greater marijuana use has also been broad. And the impact is not limited to just the set of those who use. It can be seen reshaping social life in the wider community.

For instance, traffic danger has increased, according to the Rocky Mountain HIDTA. Colorado traffic deaths since legalization have increased 24 percent overall (all prior to the pandemic-related lockdowns), while deaths in which drivers tested positive for marijuana increased 135 percent. Currently, the percentage of all Colorado traffic deaths that were marijuana related has risen from 15 percent in 2014 to 25 percent in 2019.

As the nationwide workplace drug-testing company QUEST Diagnostics recently reported, positive tests for marijuana are 30 percent higher in Colorado than the national average, at a time when nationwide drug positive rates are at their **highest** in sixteen years. As a consequence, not only are workplaces less safe, but finding available workers, especially in safety-sensitive occupations such as transportation or mining, has become a challenge in Colorado.

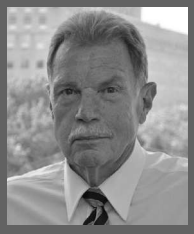
More marijuana calls are coming in to poison control centers, which report that adverse marijuana-only exposures have more than quadrupled since legalization. Hospital emergency-department **events** with marijuana involvement have also risen sharply, as have marijuana-related **hospitalizations**.

As the years since legalization have passed, the public health and public safety impact has grown, year over year. The effect on families, on pediatricians, on educators, on emergency departments, on the workplace, on law enforcement, and indeed on the general quality of life in a once thriving state, has been strikingly negative.

We should not be surprised to learn that there is a high cost to making an addictive and dangerous substance a commercial product. Nor should we enable this public policy mistake to take root elsewhere. Taking stock, we can now say that the so-called legalization experiment has, at least, produced one positive impact—it has issued a clear warning about the path we are on.

David W. Murray served as Chief Scientist in the Office of National Drug Control Policy under President George W. Bush. He is currently a Senior Fellow at the Hudson Institute.

David Murray



David W. Murray is a senior fellow at Hudson Institute where he co-directs the Center for Substance Abuse Policy Research. While serving previous posts as chief scientist and associate deputy director (supply reduction) in the federal government's Office of National Drug Control Policy, Dr. Murray directed extensive scientific research on all aspects of the drug problem and helped coordinate high-level inter-agency efforts to limit the production of illicit drugs and counter the transnational criminal organizations that control their global shipment and marketing.

Before entering government, Dr. Murray was executive director of the Statistical Assessment Service and held academic appointments at Connecticut College and Brown, Brandeis, and Georgetown Universities. He is the author of numerous scholarly papers, essays, and commentaries; co-author (with Joel Schwartz and S. Robert Lichter) of the widely-noted book *It Ain't Necessarily So: How Media Make and Unmake the Scientific Picture of Reality*; and a frequent guest on major network television and radio programs.

Dr. Murray holds an M.A. and Ph.D. in social anthropology from the University of Chicago.

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NH House Commerce and Consumer Affairs Committee
Testimony of Emily Shanahan, C.P.S.
In opposition of HB 639 FN-A
January 25, 2023

Thank you for allowing me the opportunity to speak in opposition of HB 639 FN-A. My name is Emily Shanahan, I am a NH Certified Prevention Specialist and Coordinator of the NH Chapter of Smart Approaches to Marijuana, a coalition of individuals (medical doctors, employers, treatment providers, drug prevention professionals, business owners, employees, law enforcement officers, and parents) who believe that the health, safety, and economic harms of recreational cannabis legalization far outweigh the perceived social benefits.

We have both decriminalized and legalized cannabis for medical purposes, so why do we NOW need to legalize for recreational use? With our state facing a pandemic, opioid crisis, and youth vaping epidemic, why are we considering legalizing another addictive drug that has severe negative impacts on youth, families, our communities, and state? **WE NEED TO PREVENT DRUG USE, NOT ENCOURAGE IT.**

The U.S. Surgeon General issued an advisory on youth mental health stating "mental health challenges in children, adolescents, and young adults are real and they are widespread." By legalizing and commercializing cannabis, we are contributing to that problem. Cannabis, especially high-potency products, have been linked to depression, anxiety, thoughts of suicide, suicide attempts, suicide, and addiction (JAMA Psychiatry, 2020). Cannabis potency has tripled in the past 20 years and sends more youth to treatment than any other drug (DEA). Estimates from research suggest that those who start using marijuana before the age of 15, are 17% more likely to experience addiction because their brains are undergoing rapid development.

Many people point out that we are surrounded by legal states, but does that mean we should join them in promoting bad public health and safety policy? New Hampshire is an oasis; an island amidst the public health crisis our neighboring states will be experiencing in the next 5-10 years. Let's work together to keep NH a state to be emulated through proper public health promotion. I ask that you please oppose HB 639 FN-A to help keep NH a productive oasis that promotes the health and safety of its citizens. Thank you for your consideration.

Daryl Eames | Founder
NH Cannabis Association llc
HB 639 Testimony

Dear Committee Chair,

I am a lifelong resident of New Hampshire and Founder of the New Hampshire Cannabis Association. I am writing today in support of HB 639. Below are the reasons why we believe this bill should be passed by a veto proof majority in the House of Representatives in the format it was originally submitted.

IF we are going to bring a responsible adult use market to New Hampshire, it should benefit the largest swath of residents of the state.

This bill provides low barriers to entry and maximum opportunity for all NH residents.

- A legal cannabis industry should provide opportunities for any resident to enter and compete in all segments of the industry. This includes labor, entrepreneurship and investment.

This bill will help accelerate the paydown of our billions in unfunded liabilities.

- Paying off these liabilities will return NH to fiscal responsibility.

This bill will help pay for education for NH's kids.

- Once our liabilities are paid off the majority of funds will be allocated to the SWEPT fund to ensure education of future generations.

This bill will benefit current and future homeowners.

- Property taxes are a major hurdle for current and future homeowners. With the unfunded liabilities paid and SWEPT funded there will be an opportunity to lower property taxes.

This bill will *reduce* access to cannabis by minors.

- We currently have two markets serving NH. The illicit market and legal dispensaries on every border. One major difference between the two is you have to be 21 to enter or purchase from a dispensary. Illicit dealers are happy to provide cannabis and any other product that generates profit to our minors.Shrinking the illicit market will also provide law enforcement with a smaller universe of illicit dealers to target for law enforcement action.

This bill will help attract the next generation of labor and entrepreneurship.

- New Hampshire's long history of being unable to retain and attract the next generation of workers and business owners is well documented. Continued prohibition of the responsible adult use market is accelerating this trend as residents move to Vermont, Maine, Massachusetts and elsewhere. Ushering in this industry will help reverse this trend.

This bill and the subsequent rules-making will address upwards of 80% of New Futures concerns over a legal cannabis industry.

- Our coalition worked with New Futures to understand their concerns and address as many of those concerns as we could in this bill. We *all* agree that no one advocating for a responsible adult use market wants to see increased use by minors.
- It is our contention that this bill will shrink the illicit market, and that being in opposition to this bill is support for the status quo. The status quo is unfettered access to cannabis by minors via the illicit market, where they procure untested, unregulated cannabis as well as exposure to anything else the illicit market would like to sell them.

This bill provides funds for law enforcement and safety agency training.

- This provides funds for hiring and training of additional drug recognition experts, advanced roadside impaired driving enforcement training and assistance to overdose incidents.

This bill provides funds for substance abuse recovery and prevention.

- Protection for those most vulnerable or in need of assistance is included both in this fund and other education and awareness initiatives to be developed by the commission.

This bill provides a bonus for municipalities with at least one licensed and operating entity in their municipality.

- Local residents and their legislators get to decide where best to allocate these funds to benefit their community.

HB639 is the first *great* bill that we have seen. And we support its passage by a veto proof majority to be sent to the Senate.

MINOR IMPROVEMENT RECOMMENDATIONS TO HB639

- Reallocate ten percent of tax revenue from unfunded liabilities and SWEPT to a small business support fund. This may be via grants or backing of debt financing or other mechanisms to spur small business ownership.
- Reallocate ten percent of tax revenue from the unfunded liabilities and SWEPT to a technology, research and development fund. This may be via grants or backing of debt financing or other mechanisms to spur research and innovation around technologies related to cannabis.
- Ensure there is language that testing labs cannot be owned by owners of cannabis companies. They need to be independent to ensure there is no results fixing.
- Ensure there is language around the sale or distribution of cannabis seeds/plants/clones for expansion of strains.

A NOTE REGARDING STATE MONOPOLY BILLS

Our Association has been in constant communication with residents around the state of New Hampshire to learn about their vision for a responsible adult industry.

I think about how many of my family members have been blessed to start small businesses including both grandfathers, my father and myself. I'm not sure if any of you or your family have ever started a business, but I can't imagine if the government decided one day they were going to take your industry over and you would no longer have that opportunity.

In short, there is *no* appetite for a state run monopoly that would steal valuable opportunities to participate in over a third of the industry. Benefits to the widest swath of New Hampshire residents should be the primary, if not only concern.

We kindly ask that this committee kill any bill that advocates for a state run monopoly of dispensaries, retail or any other segment of the responsible adult use industry.

For more information on why a private regulated market is better than a government run monopoly see our additional submitted testimony.

Thank you for your consideration.
Daryl Eames
Founder
New Hampshire Cannabis Association llc

Testimony for HB639
NH House Commerce Committee
Beth Scaer, Nashua
January 25, 2023

Committee Members,

I am testifying today because marijuana has devastated my family. My older brother started smoking marijuana at a young age and as a teenager he became a paranoid schizophrenic. He has been homeless most of the last 50 years of his life. This happened back in the 70s when marijuana had a very low level of THC. With the new, dangerous high-THC products many more families are suffering the same devastation that we have.

I recently read the following very scary statistics in Tablet magazine in an article titled "How Weed Became the New Oxycontin."

If you've ever smoked a bowl and become irrationally anxious that everyone is staring at you and knows you're high, what you experienced was a mild symptom of cannabis-induced psychosis. According to one study, about 40% of people react this way.

If you experience that paranoia and keep smoking on a regular basis nonetheless—especially with today's high-potency THC products, and especially if you're young—there's a good chance you'll eventually suffer a full psychotic break; 35% of young people who experience psychotic symptoms, according to another study, eventually have such an episode.

If you keep using after that, you run a decent risk of ending up permanently schizophrenic or bipolar. Cannabis has by far the highest conversion rate to schizophrenia of any substance—higher than meth, higher than opioids, higher than LSD. Two Danish studies, as well as a massive study from Finland, put your chances at close to 50%.

*"**One out of every 20 daily users can expect to develop schizophrenia if they don't quit**," Dr. Christine Miller, an expert on psychotic disorders, told me.*

Read the rest at bit.ly/NH-HB639.

Please vote ITL on HB639 to spare other families from the same tragedy.

Kandyce Tucker, M.A.
NH House Commerce and Consumer Affairs Committee
NH House Criminal Justice and Public Safety Committee
In opposition of HB639, HB544, HB643, HB360 and HB344
January 25, 2023

Good afternoon and thank you for the opportunity to testify on HB639. My name is Kandyce Tucker. I am the program and coalition coordinator for the Newfound Coalition for Youth, a substance misuse prevention coalition in Central NH.

I appreciate the opportunity to share my concerns in regards to HB369, as well as the other recreational cannabis legalization bills: HB 544, HB643, HB360 and HB344.

HB639 is not just about mature, responsible adult use. Our decades of experience have proven where there's more marijuana available for adults, there's more marijuana available for the at-risk and vulnerable populations such as teens, those suffering from opioid use disorder, and veterans. Greater acceptance of cannabis demishes youths' perception of harm. Teens are also more likely to use cannabis if their parents and/or friends use it, and less likely to use Marijuana if their parents do not approve (CDC).

According to a 10 year trend analysis of the New Hampshire youth risk behavior survey students who think people are at great risk of harming themselves (physically or in other ways) if they use marijuana once or twice a week, has steadily declined. Since 2009 this number has gone from 21.7% to 10.3%.

The most recent CDC SAMHSA National Youth Risk Behavior Survey revealed 26% of NH High School students have used marijuana in the past 30 days — an astounding number which has the prevention community deeply concerned.

Adolescents who use marijuana regularly are significantly less likely than non-using peers to finish high school or obtain a degree. They also had a much higher chance of developing dependence, using other drugs, and attempting suicide (NIDA).

General Arthur T. Dean of CADCA said, "Whether youth perceive a drug to be harmful or not is a key indicator for future use – not only are attitudes softening, but marijuana use is continuing to increase among our young people. These findings should concern parents, educators or anyone who cares about the ability of youth to succeed and thrive in our society." I ask you to please protect NH's children by voting HB639 inexpedient to legislate.

Thank you,
Kandyce Tucker, M.A.
Program and Coalition Coordinator

SoRock Coalition for Healthy Youth
17 Danville Rd
Kingston, NH 03848
603-642-3341 x1235

1/25/2023

To whom it may concern:

My name is Charlotte Scott, I am the program director for the SoRock Coalition for Healthy Youth serving 8 towns in southern Rockingham County. I have been in the prevention field for over 15 years and raised my two children in the NH communities I continue to serve. I am concerned about the reduction of the perception of harm as well as the increase of availability of marijuana/cannabis and related products if cannabis is legalized in NH. Substance use and mental health disorders remain the leading concerns for our communities. Making cannabis products more easily obtainable for our youth could further reduce the age of first use and frequency of use both of which dramatically increase the likelihood of addiction. The THC in the Cannabis products of today is much stronger than anything that existed in previous decades. These new products are also vaped and ingested. Edibles are marketed in youth engaging packaging which creates a false sense of safety and increases the likelihood of accidental ingestion by young children. A lack of understanding how edibles are metabolized is also leading to frequent accidental overdose by youth.

Personally, I recently had to rush my 15-year-old niece from school in Massachusetts to the Emergency room because she took an edible given to her by another student. She was paranoid and tachycardiac, it took 6 hours and the intervention of hospital staff to get her body back to normal. The edible she took was from a legal dispensary, possibly taken from a parent and had dangerously high THC levels.

Some of the costs of Cannabis/Marijuana legalization include, increased mental health concerns such as mood swings, paranoia, and anxiety. Increased drugged-driving accidents and fatal crashes. Loss of workplace productivity. Increased poison control calls for children and pets. Increased emergency room visits (cannabinoid hyperemesis syndrome or CHS). An increase in babies born THC-positive. Increased teen drug-related school expulsions. Increased homeless population and an increase in addiction in our state.

Please take these things into consideration when placing your vote. Thank you for your time and consideration.

Sincerely,

Charlotte Scott

Charlotte Scott
Program Director
SoRock Coalition for Healthy Youth

PAUL TWOMEY

PO Box 623, Epsom NH 03234

Testimony in Support of HB 639 with suggested amendments

Chair Hunt, Vice Chair Ammon and NH House Commerce Committee Members:

My name is Paul Twomey and I live in Chichester. I have practiced primarily criminal defense for the past four decades in NH. I was formerly House Legal Counsel and was a member of the state commission that studied the legalization of cannabis, where I was one of two members charged with reviewing and reporting on medical and scientific reports on cannabis use. I have been a public defender in both Wisconsin and New Hampshire and served as manager of the Hillsborough Count Public Defender and Litigation Director for the entire state program. Finally, I have for years been a member of a bi-partisan coalition of advocates that represents the entire political spectrum in put an end to the madness of criminalizing personal health choices made by adults. The proposals of this coalition were the genesis of HB 639, although a few provisions were stricken in the drafting process.

I write to you as an individual and not as a representative of the coalition or any other organization including those I mention below.

Throughout my decades of time spent in NH courts I have been acutely aware of the extremely harmful effects that convictions for cannabis possession have on the lives of people, frequently depriving them of job and housing opportunities and ultimately stealing their futures, often leading to wasted lives spent in an endless cycle of despair. These awful outcomes sadly are not inflicted equally—almost no one except the very poor pay the highest costs. Anyone with the funds to pay for a lawyer is guaranteed to escape the shackles that a conviction for cannabis possession places upon their futures. I have represented at least a thousand persons with marijuana charges and cannot remember a single client who walked out of court with a conviction for cannabis possession. This is not unusual in the slightest. I don't believe I have seen anyone with a lawyer end up with a conviction in decades. It just doesn't happen.

I have however seen hundreds of unrepresented persons plead guilty to misdemeanor convictions because they perceive that they have no choice and rarely are aware of the effects this will have on their lives. This almost always happens when they appear in district court alone at arraignments. The result is that cannabis possession is in practice only illegal for the poor. Recently this burden has been felt disproportionately by members of minority communities (though large numbers of economically poor non-minority citizens continue to be arrested and convicted on marijuana charges).

Justice is far from blind when it comes to enforcement of cannabis laws.

I urge you to adopt those elements of the coalition proposal relating to social justice and private competitiveness that did not make it into hb 639 as filed. These are fully presented in the testimony of Karen O'Keefe of the Marijuana Policy Project and Ross Connally of Americans for Prosperity, both members of our coalition. I further ask that you consider the policy principles of New Futures (not a member of the coalition) relating to harm reduction and social justice, including the question of potency limits on edible products. Recent studies including one published by the Pediatric Association indicate that particularly potent edible (but not smoked) products may contribute to overdoses by young children. While I am not sure that potency limits will actually help—it may be that this is better dealt with through efforts to educate parents and caretakers on safe practices— we should err on the side of caution to protect children until we have more information available about what works. (At the same time, we need to make sure that stronger edibles are available to relieve the intense pain of those suffering from cancer and other diseases through the medical cannabis program).

There are many different possible structures by which the criminalization of cannabis can be ended. I support those outlined in HB 639 with the amendments described but recognize that other models are possible. No matter what the 'business' model you chose, the most important things we can do is to stop ruining the lives of poor young kids.

At a minimum, you must legalize simple possession and provide an expungement process to address past harms. Please put an end to unmitigated disaster that cannabis prohibition has been for the past half century.

Paul Twomey

Good Afternoon. I'm former Rep. Timothy Egan of Sugar Hill.

Today I am here as Chair of the NH Cannabis Association, the state's leading trade group for the cannabis industry, we are pleased to support HB 639 and the bipartisan leadership of Representatives Osbourne and Wilhelm to move NH into the realistic world of adult use cannabis.

Legalization and regulation of cannabis is essential as NH is losing revenue due to our current antiquated laws. With legal adult use cannabis now available in Maine, Massachusetts and Vermont, we are seeing NH consumers leaving to spend their money elsewhere. Neighboring states are finding economic success with the Cannabis industry. In 2023 Vermont is projected to find $15-20M the first year. Maine in 2022 $58.5M in sales revenue. $8.8 million in sales and excise tax revenue; and $65 million from direct and indirect spending by businesses and employees associated with the industry. And Massachusetts grossed $3B in the last four years of adult use from 2018-2022. It's easy to see why legalization and regulation of cannabis is good for our state's economy.

NH can reclaim and share in this new revenue generating industry that almost 80% of our residents agree with. We are seeing the outdoor tourism participants making new decisions on where to visit and for how long. We need to keep our second largest industry vibrant. And we are seeing an industry built on small business entrepreneurs and agriculture, that is poised for growth, being stifled.

We can't ignore a bill that was designed by a bipartisan coalition looking at best practices, one that is the best for NH. It's time for NH to pass intelligent legislation like HB 639.

Thank you. Tim

Tiimothytegan@gmail.com

617-201-6462

NH House Commerce and Consumer Affairs Committee
TESTIMONY of Elizabeth Brochu, M.Ed., CPS
January 25, 2023
In opposition of HB639, HB544, HB643, HB360 and HB344)

Good morning. My name is Elizabeth Brochu, and I am the Youth Services Director of Communities for Alcohol- and Drug-Free Youth (CADY) a central NH non-profit organization. I am also a NH Certified Prevention Specialist and the Substance Misuse Prevention Coordinator for Central NH.

I appreciate the opportunity to share my concerns regarding the important and concerning issues regarding HB639, as well as the other recreational cannabis legalization bills: HB544, HB643, HB360 and HB344. I thank each committee member for your service to New Hampshire.

If passed into law, these bills will legalize and commercialize THC impairment, as well as child endangerment. I am going to use the term THC instead of cannabis; it is the THC that causes impairment and ultimately Cannabis Use Disorders (CUD). We have overwhelming quantitative and qualitative data from other states, that legalizing THC products causes direct harm to most vulnerable populations and increases accessibility and use for youth. THC, or cannabis, is a Schedule 1 drug because the intent in using THC products, in any form, is to become impaired. THC, the key ingredient in cannabis, alters the function of the hippocampus and frontal cortex: brain areas that enable a person to form new memories and shift his or her attention and focus. As a result, using cannabis/THC causes impaired thinking and interferes with a person's ability to learn and perform complicated tasks (NIDA). Impairment is guaranteed when someone uses THC products, especially with extracted products ranging from waxes, oils or dabs and other non-plant-based forms; if someone using cannabis does not get the desired "high" or impairment effect, the next step is to use more. The standard of THC is to feel the impairment effect. And, the more THC is used, and the younger a person starts using it, the more impairment problems, and more addiction problems (CUD).

The legal drugs currently sold for profit in NH, alcohol, and nicotine products, can be misused and have addictive tendencies. However, these legal drugs can be used and consumed without impairment effects. Alcohol is a beverage, and someone can consume an alcoholic beverage without becoming impaired. In fact, science confirms that an adult of legal drinking age can consume 1-2 standard drinks daily (1 standard drink = 0.6% of pure alcohol per beverage) and not become impaired or addicted. Nicotine products include many harmful chemicals, and yes are highly addictive, however when someone is using a nicotine product, they can perform tasks, operate machinery/vehicles, and are not under the influence or experiencing impairment. Research in Southern California looked at 350 drivers who showed 4 signs of impairment while driving: speeding, weaving, unsafe lane changes and crashes. 87% of these drivers had low levels of THC blood level (2-7nh/ml) and failed the field sobriety test.

By legalizing and commercializing cannabis, NH policymakers will be responsible for making impairment a priority over the health, safety, and wellbeing of its children and citizens. Please consider these serious consequences and vote "No" to all House Bills relative to the legalization of recreational THC products (HB544, HB643, HB360 and HB344).

Thank you.

Elizabeth Brochu, M.Ed.
NH Certified Prevention Specialist

My name is Alicia Bennett, and I am fully supportive of HB 639.

I have been a patient with the Therapeutic Cannabis Program since 2018, and I am also currently an employee at one of the ATC's. Cannabis has helped me manage my chronic pain, phantom limb sensation, insomnia, nausea, PTSD, anxiety, and depression. I believe that this bill will benefit therapeutic cannabis patients and adults in New Hampshire.

Legalizing home cultivation will help people like me with affordability and with access to cannabis products that work well for them. The cost of products can be challenging to afford and having the ability to grow at home will help with that. For some, getting transportation to the dispensaries adds to the costs and limits people don't drive a vehicle or who live far distances from a dispensary. Growing at home will help people that do not easily have access to one of the dispensaries. And though the dispensaries offer a wide selection of products, they cannot grow every cultivar of cannabis. There are a few cultivars that work well for my phantom limb pain that I don't currently have access to in New Hampshire. If home grow were to become legal, I would love to grow the cultivars of cannabis that give me the most therapeutic benefits.

Cannabis is one of my favorite flowers, and as a gardener, I would love to grow it at home. It seems silly that I can grow deadly plants like monkshood, also known as wolfsbane, but I cannot grow this medicinal plant. Growing cannabis at home can be done safely and legalizing home grow will benefit therapeutic cannabis patients and adults in New Hampshire.

Thank you.

To: Members of the New Hampshire House of Representatives
From: Jim Riddle, 6 Emerald Drive, Hillsborough, NH
Date: March 11, 2023

Dear Honorable Members:

I urge you to support HB 639-FN-A, an act relative to the legalization and regulation of cannabis. I stand ready to invest in the cannabis industry in NH, if this bill is adopted and signed into law.

Before final adoption, I urge you to make one small, but significant correction to the bill. In case you are not aware, the Federal Drug Enforcement Administration has officially ruled that cannabis seeds are hemp, since they contain less the .3% THC. I have attached a copy of the DEA's official determination letter.

At section 318-F:1 Definitions, the current version of HB 639-FN-A reads:

"II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including cannabis concentrate. "Cannabis" shall not include hemp, fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product."

In order to be consistent with the DEA's determination letter, and to clarify that the seeds from cannabis plants are "hemp," I encourage you to amend the text to read:

"II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not, ~~the seeds thereof,~~ the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, ~~its seeds,~~ or its resin, including cannabis concentrate. "Cannabis" shall not include hemp, <u>seeds,</u> fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product."

Thank you for your consideration. I urge passage of HB 639.

Respectfully,

Jim Riddle
Hillsborough, NH

Here is the determination letter from the DEA:

U.S. Department of Justice
Drug Enforcement Administration
8701 Morrissette Drive
Springfield, Virginia 22152

www.dea.gov

January 6, 2022

Mr. Shane Pennington, Esq.
1115 Broadway
Suite 1218
New York, New York 10010

Dear Mr. Pennington:

This is in response to your email of November 18, 2021 in which you request the control status of Cannabis Sativa *L*. seeds, tissue culture, and any other genetic material of Cannabis Sativa *L*. under the Controlled Substances Act (CSA). You state that the seeds, tissue culture, and other genetic material have delta-9 tetrahydrocannabinol concentrations of not more than 0.3% on a dry weight basis. The Drug Enforcement Administration (DEA) conducted a review of the CSA and its implementing regulations with regard to this question.

Title 21 of the United States Code (U.S.C.) § 802(16) states that the term "marihuana" means all parts of the plant Cannabis sativa *L*., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. Such term does not include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, and any compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination."

The CSA excludes from that definition "hemp." 21 U.S.C. § 802(16)(B)(i). The term "hemp" is "the plant *Cannabis sativa L*. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis." 7 U.S.C. § 1639*o*.

Accordingly, marihuana seed that has a delta-9-tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis meets the definition of "hemp" and thus is not controlled under the CSA. Conversely, marihuana seed having a delta-9-tetrahydrocannabinol concentration more than 0.3 percent on a dry weight basis is controlled in schedule I under the CSA as marihuana.

Likewise, other material that is derived or extracted from the cannabis plant such as tissue culture and any other genetic material that has a delta-9-tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis meets the definition of "hemp" and thus is not controlled under the CSA. Conversely, tissue culture and any other genetic material derived or extracted from the cannabis plant having a delta-9-tetrahydrocannabinol concentration more than 0.3 percent on a dry weight basis is controlled in schedule I under the CSA as marihuana.

If you have any further questions, please contact the Drug and Chemical Evaluation Section at DPE@usdoj.gov or (571) 362-3249.

Sincerely,

Terrence L. Boos, Ph.D., Chief
Drug & Chemical Evaluation Section
Diversion Control Division

Cc: New York Division

Kevin Craig

No legalization plan is perfect, short of cannabis having the same status as homegrown tomatoes, but HB639 hits the important parts: home cultivation, private sales, and an annulment process for past offenses.

Danielle Harris

Please approve recreational use for adults and expanded medical use. It time the state of NH joins other new england states and states across the country in legalizing its use. While there is data supporting its many health benefits which helps people of NH, I will focus purely from economic standpoint. The revenue this would bring in for the state is needed. We have hundreds of red listed bridges and poorly maintained roads. This would bring in significant tax revenue that is desperately needed. My tiny town in route to Lakes region has 7 red listed bridges alone and unmaintained roads despite being a major route for tourism, regional traffic, dairy and timber. The state of NH desperately needs this funding. We are losing roughly millions each month this goes unchecked and citizens are spending their money outside of the state. NH needs to support more than just the alcohol industry which is far more unhealthy and linked to more cancers. NH is operating like a gang that only supports the alcohol industry. Enough is enough. This is an opportunity, enabling recreational sales will bring more shoppers to area where they will spend more money on alcohol and cannabis. NH is a tourism and vacation state and we should double down on that. Citizens of NH are using cannabis regardless, you are just making them spend money out of state and robbing citizens of this economic boost. I'm tired of seeing funding go to other states to improve their towns and schools while my NH region rots away lacking this huge economic boost. It's time this state actually operates in it's "live free or die" mentality. I implore you, stop dragging this out, please let this state utilize these tax revenue resources and put it into something like infrastructure, education, you pick! We are far too resource poor to not do this. Do this or generations of highly educated and talented individuals will continue to leave NH at high rates seeking a better life elsewhere and seeking government officials who can make educated and economically motivated decisions. I implore you, please make this smart decision and put any prejudice aside.

Larry Kennett

Cannabis legalization is inevatable and will happen in time. That time is now iof we want to stop our citizens from getting arrested for using and growing cannabis in their own homes. Having a criminal record for performing a victimless crime

Royce Withey

I support this bill.

Jeremy Tarver

As a citizen of New Hampshire and a patient of the nh medical cannabis program, my only option for my medication is to go to the dispensary, which is 45 minutes from my house and very very expensive. If this bill passes it would be good because I could cultivate my own medication. Please consider passing this bill as it will help a lot of people

Michael Zamot

Cannabis can reactivate the economy, specially in this state. Just think of the revenue. It makes no sense to keep jailing people. Let's stop this madness.

Brian Homer

I am one of the 75% plus and growing number of Granite Staters who support

Arnold Newman

I am writing to urge you to oppose HBs 639 andHB544.Legalizing cannabis retailing at N.H. businesses without having regulations directly focused oncannabis sales, resales and the possibility of adverseeffects on users.The last thing we need is retailing a potentially habit forming item regulated like it was simply another “grocery or over the counter med”.Please do not support HB639 HB544Arnold Newman, 15 Frost St Apt 32Marlborough NH 03455 603 876 5084

Dianne Castrucci

Please do not legalize this drug. It has caused so many problems for many people.

James Christilles

It’s time for NH to accept change and legalize cannabis as our neighboring states have done.

Michael Boutin

Hello and thank you for your time. My name is Michael and I am here to today to testify in support of HB 639, Cannabis has changed and gave me a better quality of life. I am in full support of Cannabis legalization. Just please make it easy for New Hampshire entrepreneurs to get licenses to start businesses for more economic development. It's time we stop letting millions of dollars go over to the boarding states. It's time they come to us. :)

Steven Bernitz

I am a 58 year old retired pharmaceutical/ biotech executive that recently relocated to Greenland. I am also a chronic pain patient suffering from failed back surgery syndrome after 12 back surgeries. I am under the care of a pain physician and am on an opioid regimen to control my pain. The last 7 years I have lived in California where marijuana is legal, and under my doctor's recommendation have been using edible cannabis "gummies" at night to control pain and enable sleep. In my opinion, cannabis has let me minimize my opioid and sleeping pill use, and significantly improves my quality of life.

While neighboring states have accessible legal dispensaries, I don't feel that I should have to go out of state to meet my medical needs. NH law as it is prevents me from getting cannabis delivered to my home, which is a burden for chronic pain patients like me that often have difficulty driving long distances. It also sends my tax dollars to MA or ME, while doing nothing to stop cannabis use in NH (we all live within driving distance of a state with legal cannabis dispensaries).

Lastly, prohibition of cannabis is inconsistent with New Hampshire's professed support of individual liberties. Private use of cannabis by adults harms no one and helps many. Tax revenues would obviously help the state, however they are allocated. Other states have found no appreciable increase in crime or other drug abuse.

I also don't believe that the state needs to or should monopolize this business. Private operators are willing and able to finance and operate dispensaries and other supporting businesses. The state's costs, such as they are, should be easily and fully covered by cannabis-derived fees and taxes.

Thank you for considering this important bill.

Joseph Ebner

This bill does not do enough to protect our public, especially children.

Eric Pauer

I oppose legalization of recreational cannabis in NH. Every state that has legalized recreational cannabis with a few years has seen tax revenue fall substantially short of projections, and create challenges for law enforcement as well as many social problems.

Sayles Kasten

New Hampshire is the only state in New England that hasn't legalized cannabis, and I think it's important for adults to make their own decisions about recreational cannabis, especially since we are currently losing profits to surrounding states who are selling cannabis to New Hampshire citizens.

Bryce Kaw-uh

I strongly support HB639 because it's well past time for New Hampshire to finally join our neighboring states and legalize cannabis for recreational use. I'm also glad to see that this bill has the strong bipartisan sponsorship that it deserves. Let's get it done.

Deryn Smith

I oppose this bill, as I believe that this bill does not have adequate public health or evidence based approached written in it to reduce public harm.

Ann Stark

Dear Committee Members,

Ruth Ward

Nothing that I have read, listened to, or researched, supports legalization of cannabis.

Cheryl Hinckley

From personal experience, I know marajuana use is not healthy, nor is it wise. There is a definite impairment when using. I also know many kids who use (and they all drive under the influence) and it is dulling their senses. There is no way we should undermine the health of our young adults to make a buck. The marajuana of today is hundreds of times more potent than even in my day. Lets actually do some things to help our kids instead of using them for currency.

Jack Barton

First of all should be recreational like all the surrounding states since we are the "live free or die" state with no helmet or seat belt laws for adults with freedom of choice. For two I am a registered medical patient of the Cannabis Program and should have the freedom of choice for cultivation even though everyone knows it is not an easy process and would not eliminate state dispensery's only give patients a choice and chance to save a little money.

Danielle Adcock

Good afternoon,

Klaus Polttila

Good afternoon.

James Riddle

I am writing to support HB639, legalizing the cultivation and use of cannabis in NH. I am a registered medical cannabis patient. While I appreciate the State's medical cannabis program, I would like to be able to cultivate a few plants for my own medical use.

Jessica LaMontagne

It's time we got on board with all the other New England states and legalize cannibis, make it safer, and keep that revenue in-state.

Rachel Fezzie

Please do not legalize recreational marijuana use in New Hampshire. It is important that we don't allow greed for revenue to allow our state to join the many others who have made this mistake. Rather than being seen as the last to jump on this bandwagon, let NH be the leader that is the first to recognize the increasing evidence that marijuana use is harmful, not just to the individual, but to our society. Medical bills, car accidents, paranoid and psychotic behavior - these are all real effects of marijuana use. Meanwhile, research increasing shows that the purported medical benefits are myths. Don't legalize marijuana.

Susan McKeown

I spent my 41 year career as a pediatric nurse practitioner and for the last 20 years I have facilitated a weekly family support group for adults who hav a loved one living with substance use disorder. I know first hand that cannabis is addictive for those who are genetically vulnerable and that those who progress to use of cocaine and heroin have started with cannabis. There is much to learn for the states who have commercailized it. There is much data available on the increase in ER visits and children affected by the ingestion of cannabis. This bill does not include the necessary public healthprinciples required for responsible cannabis commercialization policy and regulation.

Tyler Hebert

Hi there, thank you for taking the time to consider this bill as a possible avenue to further cannabis legalization for adults in New Hampshire. As the son of medical patient, watching my father's quality of life improve using medical cannabis has been incredibly transformative for myself and our family. I've seen the relief of his many ailments that've led to a persistent uphill battle with his daily life, has shown me and many others just one of many beneficial impacts cannabis can have. Unfortunately, other people in my life who I consider very close to me, cannot, or will not consume cannabis because of its illegality (despite decriminalization) , the simple stigma of being judged for consuming, etc. Cannabis could benefit the daily lives of so many people, and create a whole emerging and flourishing, multi faceted industry that leads to jobs in our very state, and income that in spent and kept in state! Thank you for your time.

Danielle McQueen

I want to start by saying. This state is one of the last states to update laws regarding cannabis. In a medical form or recreational form. We allow medical cards for cannabis but haven't updated the law to allow medical card holders such a children with seizures allowed to have in school. Currently we have it as only state dispensaries causing many issues and NH residents to go out of state due to costs. Limiting the state to only grow and supply is limiting patients basic right to medical care. We can go into any store and buy alcohol in large amounts yet we have yet to update cannabis laws. My daughter who is 7 is a card holder and in the state we aren't allowed like saw in Maine to grow 8 plants and 16 maturing . NH had come a long way but needs to take a second to look how out surrounding states do it and start helping people. At this point in 2023 we have almost had it legalized and refined in change. Medical cards should be easier to access our medical form compared to other states are 5 plus pages longer in a pediatric form 3 doctors are needed in other states there isn't so many hoops to jump to save a child's quality of life. We need to legalize the law and then structure it better in a medical form update and recreational form. As a mother who 7 years ago fought to get medical cards it saddens me that we haven't followed the surrounding states and the rest of the country regarding cannabis.

ELLIOT AXELMAN

No substances should be illegal. Especially not natural and safe substances like cannabis, As a critical-care and flight-certified paramedic who has spent 11 years in emergency medicine and never had any desire to consume cannabis, I still believe that it should be legal. Thank you.

Mallory Goudin

It is time to legalize cannabis in the state of New Hampshire.

Peter McEachern

As a private citizen, NH medical patient, and ATC employee I support this bill and the thoughtful approach it takes to the future of Cannabis in NH.

roberta boudman

Tom Mannion

Thank you mister chair, and members of the committee. My name is Tom Mannion, I'm representing Hillsborough District 1, Pelham. I live on the border of Massachusetts, and I can tell you that cannabis prohibition in New Hampshire is doing wonders for Massachusetts businesses. I frequently hit the AMC over in Tyngsboro across from the Pheasant lane mall in Nashua, and that dispensary down the street is packed every week with New Hampshire plates. The days leading into Christmas - there was a line down Daniel Webster Highway, trying to get in on that holiday cheer. That business should be ours. With MA imposing 20% theft on these sales, we will easily undercut that. And paying off unfunded liabilities removes the looming threat of future theft from New Hampshire residents to pay for the pension fund. The distribution model returning funds to towns is also going to help my constituents who have been up in arms after reassessments. Even as a vehement anti-tax guy, I'm happier letting MA residents come over the border to pay my taxes as the lesser of two evils. And on that, I ask that you vote OTP on HB639. Representative Tom Mannion Hillsborough 1 - Pelham

David Foster

I am in full-support of the legalization of Recreational and medicinal Cannabis.

Alison Bousquin

Here in NH we stand up and do the right thing . The fact show that legalizing marijuana leads to 20% more use of marijuana. The facts show that marijuana use is linked to lower income, greater welfare dependence, unemployment, criminal behavior, increases in impaired driving, increases in adverse effects among pregnant and/or nursing women, increases in acute psychosis and emergency department visits, increases in cannabis use disorder and dependence, and lower life satisfaction. Does NH really want to legalize something that does nothing but hurt our people and our economy? The only people who benefit from legalization is the wealthy marijuana industry. Please don't let them prey on the people of NH. We learned the hard way from the lies of Big Tobacco, let's not let history repeat itself.

Katrina Langlois

Have we learned nothing from the opioid epidemic here in New Hampshire?

Marah Langlois

I realize certain people stand to make a lot of money from this industry but it is dirty money. And it will be the taxpayers that must shoulder the burden, yet again, for irresponsible behavior. The state cannot afford another drug crisis. Please keep this pernicious garbage out of NH! We deserve better. Thank you

Douglas Langlois

I travel quite a bit throughout the country including to states like Colorado, Nevada and California where you can see the results of legalizing the marijuana business. it is not good. It is not uncommon to see long lines of people waiting to get their pot as the smell wafts around the cities. People who obviously are struggling to be productive. I have talked to the locals and they are not happy, at least those who are not partaking.

I personally know a young man who is struggling with life now that he has taken up marijuana smoking. just after graduating high school. His parents are apoplectic. It has consumed him as it has consumed many others. And for what?

Please do not even talk about the potential revenue that may be generated. that is a red herring and ignores the incredible loss of potential and future of many young men and women who will get sucked into an unproductive and unfulfilling lifestyle. We don't need that kind of money in New Hampshire with the consequent problems that will be created.The only reason I checked the" Oppose this Bill" block was because there wasn't one that said "Hell No!".

Connor Langlois

Charles Fezzie

Erin Wasserman

I fully support the legalization of cannabis. I feel the tax revenue would be a major asset to our state economy.

Brian Homer

I am Opposed to the Amendment to this bill.
People have told you that they want a home grow option. I hope that more young people move away from this state. Far away from it. CHANGE YOUR MOTTO TOO! "Live Free or Die" Dies with you all. You are not Free in a scared control state. You no longer deserve it,

Lisa Newell

My husband has had Epilepsy since he was 24 years old and he is now 64. Since marijuana has been legalized for medical use in New Hampshire my husband has been using specific cannabis that helps with seizures. It has done wonders to almost eliminate his seizures. Paying for it is expensive. I have health insurance but it won't cover any of the costs. Being able to grow it at home will help especially as we retire and are on a strict budget.

Thank you for your consideration.
Lisa Newell

Michael Boutin

Hello and thank you all for your time, I'll be brief. I support legalization 100%. Also I am a current therapeutic patient. Cannabis has changed my life for the better. No more NSAIDS and my pain is manageable for a better quality of life.. Just think about the economic development and extra funds for Schools to get better pay for good teachers.. And to FUND our Police departments.
Massachusetts grossed over 4 Billion dollars last year..2022. And every other state is headed this way as well. One other thing please be aware that certain police are trapping & arresting NH residents that go over the border for cannabis. This has to stop .I have a lot of knowledge when it comes to cannabis as I am in the Hemp industry. So please feel free to email me. Trust me now is the time to make change,,
Thank you all again for your time...

CARRIE DEGUTIS

Cannabis is a savior for anxiety, PTSD, and pain. Over decades I have been through many medications for my mental and physical health. On and off throughout my life I have also done physical training and therapy for my body. Nothing I tried fully worked. About eight years ago I moved back to Massachusetts and it opened my eyes to the possibilities of care and relief that medical cannabis can give me. I was so relieved, until I moved to NH. The process to obtain the card is easy, but access and affordability is just terrible. Being a patient at the pharmacy counter that can't pay for her prescription is just heartbreaking for me. Legalization of Cannabis in the state of NH will increase access to needed medication and overall well-being of its citizens.

Rick Newman

Madame Chair and Members of the House Ways and Means Committee,

In the interest of saving the committee time, we are submitting written testimony on HB 639. On behalf our client, Brett Scott Enterprises, [BSE] we write to support HB 639, as amended by the House. BSE is New Hampshire based and operates several New Hampshire businesses and is in the business of cultivation and retail sales of cannabis in Maine. The House Commerce Committee did a lot of work to come up with a practical and workable bill to regulate recreational cannabis in NH. This bill properly places oversight with the Liquor Commission, the agency we believe is the correct one for the job. There is a thoughtful regulatory process established by the bill, something that is essential to a successful recreational cannabis program.

The bill established a tax at what is essentially the wholesale level, just as you tax tobacco, vape and beer products. We think that makes sense. For such a bill to have any chance of final passage it needs bi-partisan support. Clearly, the 17-3 committee vote in Commerce and the 234-127 floor vote shows this bill has that support. We urge you to recommend passage as well. Thank you for your time.

Rick Newman-603-491-9601

Alicia Preston 603-892-3215

Daniel Richardson

With all the negative societal impacts of pot enumerated by State agencies, why would any rationale person vote for this disaster?

The Department of Justice indicates the bill creates a new basis for annulment to the extent defendants on prior cannabis-related cases prosecuted by the Department choose to file for annulment. This would require the Department to review the case and participate in a hearing.

The bill provides for resentencing of offenders who are currently incarcerated or supervised. Any person who has not completed the sentence can petition for resentencing.

The Department of Safety reports the financial impact due to the increased enforcement issues could be significant. Enforcement issues may increase in crimes such as robbery, burglary, and theft.

Programs in Illinois and Colorado indicate: Marijuana use in both states has increased significantly since its legalization including among minors.

The average THC level in marijuana products has risen from 3 percent to 23 percent in smokable marijuana and from 56 percent to 99 percent for other

Despite legalization, marijuana trafficking and black market marijuana continue to be enforcement challenges

Traffic deaths involving drivers who tested positive for marijuana and incidents of driving under the influence have increased.

Suicide incidents in which toxicology results were positive for marijuana have increased.

The New Hampshire Municipal Association indicates this bill would increase local expenditures and local revenue. The Association identified greater access to cannabis may increase youth access and driving while under the influence incidents and a need for increase law enforcement specialized training costs for detection of impairment by cannabis.

Legalized cannabis has shown more patients presenting in the emergency department with physical or psychological symptoms resultant from using cannabis.

Christie Shaw-Doran

Keep the 9 person choosing group not a governor appointed 3 some

Brittany Bowie

I support legalization of recreational use of cannabis. As an adult, living in a state that I am not required to wear a seat belt, for me to be considered a criminal for wanting to consume cannabis, is astonishing and disappointing. I feel alcohol, tobacco and pharmaceuticals are far more dangerous than cannabis, and are not that difficult for any age person to get. At this point to be the only state around us that it is not legal, is only hold us back. Not only in tourism and tax revenue but also in the way our state and residents are perceived.

Riley DeBow

Dear committee,

My name is Riley Kirk, I am a Cannabis reserach scientist and a cannabis educator. I work in the cannabis industry as the lead scientist of a cannabis extraction company in MA and have obtained my Ph.D. In pharmaceutical sciences, specializing in medicinal plant drug candidates.

Today I attended the meeting regarding house bill 639 and have some clarifications and points to bring up on the subjects discussed.

Representative Bolton had a question regarding the wholesale of cannabis, noting that the cultivators would be selling the plant in an 'Un-trimmed' form. Meaning, when the plant is harvested it still has undesired leaves, stems, and seeds and it more than just the bud. If the divisions of the industry were to be divided into cultivation, processing, and retail, cultivators would be selling bud to processing facilities in a relatively crude, un-trimmed form as their job would be only to cultivate. Typically at processing facilities it would be trimmed before packaging.

I agree with representative Almy that the current proposal of a 15% tax on cultivation only WOULD NOT incentivize cultivators and nobody would want to participate. We would soon be continuing the trend we currently are and allowing commerce to neighboring states as we would not have enough biomass to keep the industry afloat. I do not believe we should selectively tax cultivators. The cannabis industry is always changing and prices need to be able to rapidly reflect these changes. Having price points at point of sale allows faster changes to be made and allows industry refinement over time. I will also note that California tried to tax cultivators and it led to the partial demise of their industry and they recently removed that tax in July of last year.

IF the decision was to tax the bud depending on THC content as proposed during the meeting, I would suggest adopting the recent Emerald Cup classification which includes:

- Type 1 Cannabis: High THC
- Type 2 Cannabis: 1:1 THC:CBD
- Type 3 Cannabis: High CBD

Using this method, growers may be incentivized to grow lower THC percentage Cannabis which can act as a harm-reduction point to ensure the industry isn't flooded with high THC products only.

There was worry that some growers may artificially increase the levels of moisture in the final product, this will not be an issue as there are ways to test for moisture level in the final product to ensure no

mold or other bacteria will grow and those standards may be applied here.

I believe a large component of what is missing in the current proposal is the pride and spirit of the industry. Vertically integrated companies are highly regarded in the cannabis space because there is a sense of pride in being the only place that touched the product before it reached the consumers hands and high levels of integrity are placed in each step. I strongly believe that cannabis should not be regulated as liquor is though state run dispensaries.

Although I am pro-cannabis, I do not believe this bill is a good thing for the cannabis community of New Hampshire without having the ability to grow the plant at home. Cultivating the plant not only allows more patients and people to have accessible medicine at home, it also adds to the experience of being in charge of your own health and medicine, I do not believe the state of NH should have that control of its residents.

It is stated in the bill that once we solve the pension problem, funds will be allocated for education." I strongly believe that this is the most important part of the bill that is currently being overlooked. Education is harm reduction. We would NEVER release a new pharmaceutical drug out into the world with zero education on the subject and NH residents should not be expected to have access to cannabis education inherently. Now is the time to educate our residents on the different consumption methods of cannabis, the different active components, what dose someone should be taking and even the system in the body that cannabis acts upon (the Endocannabinoid system).

I appreciate your time and consideration of these topics. I believe cannabis legalization is inevitable and we want to emphasize what is best for the people of New Hampshire above all else. NH can use this opportunity to learn from it's neighbors about what to improve on and have the most educated, and prepared industry in the Northeast. Please feel free to reach out to me for any reason regarding cannabis legalization in New Hampshire.

To whom it may concern,

Marijuana should be legalized because it is safer than alcohol and because prohibition wastes public resources and guarantees that marijuana is not tested for safety. Legalizing and taxing it would bring in much-needed revenue to the state. We are also the only New England state that has yet to legalize marijuana. When New Hampshire's own motto promotes and encourages liberty, the state shouldn't be punishing adults who use a drug that has been scientifically proven again and again to be safer than alcohol, tobacco, and other legal drugs. It's about time we join the rest of New England and legalize recreational marijuana in New Hampshire.

Thank you.

R.B.
Salem, New Hampshire

Hello,

I want to support the following legislations known as the Osborne Bill (HB 639) or McGuire Bill (HB 344)

I feel that this plan not only addresses the concerns of medicinal cannabis patients such as myself but also help the state with a form of tax relief in regards to property taxes included in the Osborne Bill as drafted.

The plan for recreational cannabis seems plausible, whereby implementation of this system being 18 months out from the possible passage, is ample time to get the infrastructure for this endeavor into place while allowing ample time for those involved or planning to be involved in the operational side of this program, to correctly begin implementation.

From what I have read the process of approval of facilities would bolster the potential benefit to the registered medicinal cannabis client by offering more selection than is currently available to patients, whereby currently utilizing the closest dispensary to my residence has some capacity drawbacks (shortages) for supply of certain products. Being a medicinal patient, we typically use mainly the same strains for our desired relief, and all too often certain strains that offer relief are out of stock at our local Prime facility. I believe that the proposed measure would help by offering new growers opportunities to harvest similar products that would increase the availability of strains if and when new dispensaries evolve.

One of the more helpful parts would be the ability to grow medicinal plants. This speaks to both HB 639 and HB 344 and I totally agree that this should be done in a secluded manor and be limited to the quotas established in this bill. Not everyone can or will be able to grow and harvest anything close to what is available from the dispensary, but any augmentation to a medicinal user who is disabled and under employed or unemployed would benefit from being able to grow a few plants at home for personal consumption.

I think the revenue generated by the proposed 8.25% tax on the purchase of recreational cannabis would be very helpful to help fund different intervention programs, public education initiatives and consumer safety and additional funds for control measures seem reasonable. If the funds from these sales can help those in the communities around the state from new growing opportunities to dispensaries, allocating monies to towns for the purpose of property tax relief would be greatly appreciated by most all residents within the state. One very helpful benefit is that the medicinal patient will not have to pay the tax, coupled with home growing the citizens who need this medicine will not be pushed to pay more.

Overall I am glad that the folks who have constructed this measure, have seemingly thought through quite a few scenarios that have hampered other states that have come before and have adopted such measures in their systems, and there has been a learning curve, for those for and those opposed to legalizing recreational cannabis. I have to state that most municipalities do not seem to be finding huge negatives since legalization and feel it may be time to try to help the communities and their stakeholders with added revenue, help medicinal patient's (especially older patients, like myself) keep their medication affordable and accessible.

In summation, I want to state my approval and support for either of these measures. I support HB 344 that allows for home cultivation, as mentioned before as a way to help licensed medicinal patients an option to try home growing to help with medication costs. I also support HB 639 as it would allow for a larger framework of dispensaries to choose from as a medicinal user.

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Derbyshire, England, LEAP UK

Date: January 25, 2023

Re: HB 639 - Cannabis Legalization

Position: SUPPORT

To: House Commerce and Consumer Affairs Committee

Dear Distinguished Committee Members,

My name is Richard Van Wickler and I am a lifelong resident of the State of New Hampshire. I am a retired Superintendent of Corrections for Cheshire County, with 33 years of law enforcement experience and 27 years in the role of superintendent. I am here today to testify in support of HB 639, which would legalize and regulate cannabis for adult use in New Hampshire. I strongly encourage its passage.

In addition to my professional career in law enforcement, I am a Board member of the Law Enforcement Action Partnership (LEAP). LEAP is a nonprofit group of police, prosecutors, judges, and other criminal justice professionals who speak from firsthand experience. Our mission is to make communities safer by focusing law enforcement resources on the greatest threats to public safety and working toward healing police-community relations.

Contrary to what you may hear from some opponents, cannabis prohibition actually contributes to violence in communities – much like the prohibition of alcohol did – because it creates illegal markets. Significant profits reward the large criminal organizations that win new turf through violence. When police shut down one market, others fight to take over their customers and profits.

When a drug is illegal, we have no control over it. Nobody needs a license to sell it, so they can sell it to young people. Nobody oversees product quality or purity, so the product may contain mold or other toxins. Some sellers offer not just cannabis but also pills and heroin, tempting buyers with free samples. Many adult users in our state are already visiting neighboring states for safer consumer options.

I believe that cannabis legalization would also improve police-community relations because it would no longer force police to be the "bad guys" carrying out cannabis arrests that most people consider unjust.

This bipartisan bill would regulate cannabis cultivation, possession, and use by adults. A governor-appointed commission–the Cannabis Commission–would regulate and license adult-use cannabis businesses by developing comprehensive rules and determining qualifications for licensees. The bill would also integrate the Medical Cannabis Program and distribute revenue to unfunded pension liabilities and public education campaigns. Finally, the bill would provide some retroactive justice for those with past cannabis possession misdemeanors and violations thanks to the addition of annulment and resentencing for past convictions.

I have testified in favor of cannabis policy reform for the last 16 years when no state or country lawfully supported cannabis marijuana for adult use. In that time, 7 countries, 21 states, 4 territories, and the District of Columbia have legalized cannabis marijuana for adult use. New Hampshire should not consider the issue because it is popular, but the state should support it now because it is smart and responsible.

You will likely hear many reasons why the bill should not be passed. But cannabis is only a "gateway" to other drugs in the underground market when it's painted with the same brush as those drugs and sold by people operating in illegal markets. Youth use will also not explode – states that have legalized cannabis do not show increases in youth use because legal sellers are subject to licensing requirements, strict regulation, and surprise inspections. And legalization is not a permission to use. People who want to use it already do. Other states have shown that legalization is not a doomsday scenario; it is common sense and responsible legislation which time has proven to be successful.

In sum, this comprehensive reform bill would move our state forward in the improvement of public safety and healing police-community relations.

Thank you for the opportunity to share my perspective in support of HB 639, cannabis legalization in New Hampshire.

Respectfully,

Richard N. Van Wickler
Retired Cheshire County Corrections Superintendent
U.S. Army Reserve Retired (1SG USAR)
Board member/speaker, Law Enforcement Action Partnership

Marijuana Policy Project
P.O. Box 21824 • Washington, DC 20009
202-462-5747 • www.mpp.org

January 24, 2023

Re: Testimony in support of and suggesting amendments to HB 639

Dear Chair Hunt, Vice Chair Ammon, and distinguished members of the New Hampshire House Commerce and Consumer Affairs Committee:

My name is Karen O'Keefe, and I am the director of state policies at the Marijuana Policy Project (MPP), the largest cannabis policy reform organization in the United States. MPP strongly supports legalizing and regulating cannabis for adults 21 and older and doing so in a way that stops inflicting harm from past criminalization, including by annulling and expunging records and re-sentencing individuals to time-served for past cannabis offenses.

More than eight decades of marijuana prohibition has not worked. Instead, it has derailed lives, torn families apart, wasted vast sums of taxpayer dollars, and put consumers and those selling cannabis at risk of arrest and violence.

Only legalization allows for regulation and control. Potency testing and labeling, child-resistant packaging, consumer education, and rules to prohibit hazardous pesticides and contaminants are only possible in a legal, regulated market. Environmental and worker protections are only possible in a legal, regulated industry.

With New Hampshire now surrounded on all sides by legalization jurisdictions, the "Live Free or Die" state has become an anomaly. In every other state in New England, adults 21 and older are allowed to make their own decision about whether to use, possess, and purchase cannabis — a plant that is far safer than alcohol[1] and many medications[2] — without being punished by their government. Please heed the will of 74% of voters,[3] and give Granite Staters who are 21 or older the same freedom.

Over the summer and the fall, I worked with a coalition of advocacy organizations and individuals from across the political spectrum to craft a draft legalization bill that became HB 639. The bill reflects the lessons learned from other states, along with New Hampshire's priorities. It includes expungement and re-sentencing, ensures small businesses truly have

[1] See: https://www.mpp.org/special/marijuana-is-safer/
[2] More than 16,000 Americans die of opiate overdoses each year, while cannabis has not been shown to cause fatal overdoses. https://www.cdc.gov/drugoverdose/deaths/prescription/maps.html
[3] "Bipartisan support for NH marijuana legalization, most consider legislature's redistricting maps unfair," University of New Hampshire, The Granite State Poll, February 25, 2022, p. 2. Available at: https://scholars.unh.edu/cgi/viewcontent.cgi?article=1688&context=survey_center_polls

a chance, and avoids creating a new tax — instead applying the meals and rooms tax to cannabis. It includes numerous provisions to protect public and consumers' health and directs 10% of tax proceeds to substance abuse prevention and treatment. It also directs the bulk of the revenue to New Hampshire's unfunded pension liability.

If enacted, New Hampshire residents' cannabis purchases can help right the state's financial ship and improve the welfare of the state's residents, rather than going to the illicit market and bordering states' coffers.

HB 639 allows the free market to work, and gives the little guy a fair shot, by allowing any qualified applicant who complies with regulations and local ordinances to be licensed and by avoiding excessive fees. By avoiding licensing caps, it does not require the state to pick winners or losers or involve a costly scored application process, which favors those with the deepest pockets and typically results in delays and litigation. HB 639 also follows the model of all other legalization states by having private businesses — not the government — run cannabis stores. This is important because selling cannabis is a federal crime. While states can legally license private businesses to sell cannabis,[4] a state directing employees to sell cannabis would be federally preempted[5] and likely result in a costly boondoggle.

There were some changes made to the text of the bill before it was formally introduced, and I encourage the committee to amend the bill and restore those provisions:

- The original draft included provisions to ensure testing labs and seed-to-sale tracking vendors are truly independent. It prevented a person or company from being a major investor or owner of both a lab and a grower, retailer, or product manufacturer to avoid conflicts of interest. This is important to the integrity of lab testing.
- The original bill also prevented excessive market concentration, by limiting the number of cannabis businesses of one type a business could control. This antitrust/ anti-oligopoly language is important to allow small businesses to flourish and protect consumer choice.
- As drafted by the coalition, the bill directed some tax revenues (3-7%, depending on the year) to training, technical assistance, and start-up grants for "priority applicants" — veterans, farmers, and those most impacted by cannabis prohibition.
- Finally, the original draft also included some funding (3-7%, depending on the year) for Justice Reinvestment, for important services including prisoner re-entry.

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[4] See: Murphy v. NCAA, No. 16–476, U.S. (2018) ("The PASPA provision at issue here—prohibiting state authorization of sports gambling—violates the anticommandeering rule. … [S]tate legislatures are put under the direct control of Congress. It is as if federal officers were installed in state legislative chambers and were armed with the authority to stop legislators from voting on any offending proposals. A more direct affront to state sovereignty is not easy to imagine."); Printz v. United States, 521 U.S. 898 (1997); New York v. United States, 505 U.S. 144 (1992).White Mountain Health Center, Inc. v. Maricopa County, CV 2012-053585 (Arizona Superior Court, Maricopa County, 2012).

[5]See: Robert Mikos, "Preemption Under the Controlled Substances Act," Vanderbilt University Law School Public Law and Legal Theory, 2013 and "Utah Reworking Medical Marijuana Distribution Plans," Associated Press, July 31, 2019. ("Several county attorneys are pressuring Utah to scrap its plans for a state-run medical marijuana dispensary system, arguing the system would put public employees at risk of being prosecuted under federal drug laws.")

Please don't hesitate to reach out to me at the below email or phone number if there is any information I can provide as you consider replacing cannabis prohibition with sensible regulation. I would also be most happy to assist with bill language if you would like to make amendments based on any of the above input.

Sincerely,



Karen O'Keefe
Director of State Policies
Marijuana Policy Project
323-568-1078
kokeefe@mpp.org

NH Senate Committee
Testimony of Sarah Roberts
In opposition of HB 639; January 2023

Good afternoon and thank you for the opportunity to speak today in **opposition** to HB 639. My name is Sarah Roberts. While I work in the prevention field, I am here today as a mother of two who is concerned about the current landscape of substance use and the impact on the health and mental wellbeing of the State's most precious resource, our youth.

The State of New Hampshire has decriminalized and legalized cannabis for medical purposes, so I ask…why do we ALSO need to legalize for recreational use? With our state facing the opioid crisis, a youth vaping epidemic, and the mental health repercussions of COVID, why are we considering legalizing another addictive drug that has severe negative impacts on youth, families, our communities, and state? This is the time to focus on PREVENTION, not on adding fuel to the already RAGING fire of addiction.

Many people point out that we are surrounded by legal states, but does that mean we should join them in promoting harmful public health and safety policy? Currently, New Hampshire is an oasis; one where families can still visit an outdoor space without concern of secondhand marijuana smoke; one where we can drive down the highway without being bombarded with images and ads promoting edibles; and one that continues to support evidence-based public health practices.

Actions speak louder than words and the New Hampshire State Senate's past decisions to prevent commercialization of marijuana has demonstrated the commitment to promote healthy and safe lifestyles for all New Hampshire citizens. Your position helps limit increased availability of marijuana, as well as the ever-growing pressure on youth to try marijuana and high potency THC. I thank you for your commitment to protecting NH's children and public safety and hope we can maintain the quality of life that NH offers for our children, families, and tourists who visit our uniquely beautiful state.

Thank you for your consideration in voting in opposition of HB639 and all other bills favoring the expansion of marijuana legalization.

Written Testimony of Debra Naro, M.Ed.
Executive Director, CADY (Communities for Alcohol- and Drug-Free Youth)
Former State Representative (2000-2006)
January 25, 2023

In Opposition to HB 639 FN-A; HB 544 FN; HB 643 FN-A; HB 360 FN; HB 344 FN

Thank you for the opportunity to speak today and testify in opposition to HB 639FN and the 4 other Marijuana bills you will be hearing today and tomorrow. For the record my name is Debra Naro and having served in the NH House for 3 terms, I fully appreciate the many difficult decisions that come before you; thank you for your service.

Yesterday I emailed a jointly signed educational letter from 10 of the NH Drug-Free Communities Coalitions to the Committee to help inform your decision making.

I am testifying today as executive director of CADY, a substance misuse prevention non-profit serving the Central NH Public Health region. Science, data, and evidence-based practices are the driving force behind our work.

It is our responsibility to call attention to the growing science on the risks and harms of Cannibas and high-potency THC. The need for informed decisions is urgent when considering the impact of public health policy on children and youth.

The scary truth is our kids are in crisis and we are very worried. Our region's 2019 Central NH YRBS Survey results indicate that our youth experience significantly higher levels of sadness, hopelessness, and suicidal ideation than statewide averages. Local youth substance misuse with marijuana and vaping has surged in recent years putting our children at even greater risks of harm. Youth marijuana use in our region is significantly above statewide averages with one in three youth using the drug. This hasn't always been the case. In 2015, our youth were significantly below statewide averages in marijuana use.

Following the opening of the Alternative Treatment Center in Plymouth in 2015, we have seen an 80% increase in youth use. Youth are getting the message that marijuana is medicine so it must be good for me. Science tells us the opposite is true. Marijuana use is consistently linked to poor mental health outcomes with youth being at greater risk for anxiety, depression, and addiction. Daily marijuana users under age 17 are less likely to graduate from high school; more likely to use other drugs; more likely to develop addiction; and more likely to attempt suicide (please see attachments). High-potency THC increases these risks. Our kids are getting the wrong message from therapeutic cannabis and recreational legalization will only exacerbate the problem.

No number of legislative safeguards can protect the most vulnerable among us as promises made and unkept on alcohol, tobacco, and therapeutic cannabis attest. **Let's please consider drug-endangered children.** In 2021 NH Poison Control received calls regarding 22 children under the age of 5 who were exposed to marijuana. Four of those were toddlers from our region who were admitted to our local hospital in THC-induced comas. The toddlers had ingested high-potency THC edibles. If we cannot keep THC out of the hands of toddlers, how are we ever going to protect our teens? With legalization more cannabis will be on the ground than ever before; we will more than likely see a surge in emergencies.

We should be paying close attention to the experience of legalized states to inform our policymaking. It was so bad in Colorado, that in 2021 the Governor signed a landmark marijuana reform bill drafted by the Speaker of the House. Both the Governor and the Speaker were early pro-marijuana advocates. They rushed headlong into legalization without a full appreciation of science. We can learn from Colorado's experience.

The bills coming before you seek to commercialize high-potency THC, an addictive substance, that is not FDA approved. As NH grapples with the mental health and addiction crises, doesn't it make better sense to prevent, rather than encourage more substance use?

I ask you to please vote HB 639 FN-A, and the other 4 marijuana-related bills, Inexpedient to Legislate.

Thank you for your consideration.

Sincerely,

Debra A. Naro

Hudson Institute

POLICY MEMO

The "Colorado Experiment": Legalized Marijuana's Impact in Colorado

BY DAVID W. MURRAY
Senior Fellow, Hudson Institute

June 2021

The state of Colorado has been offered up by many policy makers as a test case regarding the wisdom of drug legalization. Colorado has permitted "medical" marijuana sales since 2009, and it allowed for outright commercialization ("recreational use"), as permitted by the Obama administration, since 2014.

Drug legalization advocates have consistently invited the nation, particularly states considering following the Colorado model, to view the state as a real-world "experiment," demonstrating the benefits or harms of legalized drugs. But beyond the first blush of enthusiasm claiming that "the sky hasn't fallen" as a result of unhindered access to marijuana, there have been few media accounts citing actual data about how Colorado is faring.

The road is rockier than many believe. In fact, given the preponderance of glowing testimonials from advocates, it may come as a surprise that this month, a quiet resistance to legalization burst into the open. The event was the passage of state bill **H 1317**, which applies limits to the state's medical marijuana industry. Passing with strong bipartisan majorities in both houses of the state legislature, the bill was recently signed into law.

Purchases of high-potency marijuana will now be limited (down to only a fifth of the current level). The bill requires warning labels, real-time monitoring of sales, and stiffened medical recommendations from physicians. It also calls for the Colorado School of Public Health to research the mental and physical health effects of the drug.

It should be clear that not all is well in the relationship between Colorado citizens and the state marijuana industry, in spite of the money the marijuana lobby has invested in protecting itself politically among state power brokers.

This month's legislative news was accompanied by an account in the *Denver Post* of yet another black market and money-laundering operation being taken down. The operation involved millions of dollars of illegal marijuana and twenty-one individuals funneling the money to China. Mexican and Colombian cartels, as well as gangs from **Cuba** and Russia, have also been **implicated** in multiple similar transnational criminal schemes in Colorado and nationwide.

According to Legalization of Marijuana in Colorado, a 2020 law enforcement intelligence report from the Rocky Mountain High Intensity Drug Trafficing Area (**HIDTA**), there were 278 similar black market cases in 2019 involving the seizure of 7.5 tons of marijuana and over 15,000 marijuana edibles, destined for 29 US states.

Advocates for legalization were adamant that a major purpose was to create a regulated market that would drive out the criminal element and end the violence that drives the black market. It fact, the exact opposite has happened, with a thriving black market still dominating the trade, as has happened everywhere states have legalized marijuana, from **California** to **Illinois**.

It is important to remember that legalization advocates believed that their policy prescriptions would do more than just avoid a debacle. Instead, they argued that legalized marijuana would improve the metrics that mattered. Such metrics included preventing youth access and alleviating purported injustices (such as racial disparities in arrests, even though the latest data show that more Black and Hispanic people are being **arrested** today than before legalization). Further, it was supposed to end corruption, which has actually **spread** more widely after legalization.

The primary justification for legal marijuana was to provide a financial boon for states, through taxation revenue that could be applied to societal needs like drug treatment or education. Advocates further assured doubters that a legal, regulated regime of drug access would make society safer by driving out the criminal element, thereby reducing violence and illegal drugs.

By now, however, we have enough accumulated data in 2020 to see the actual effects of this experiment in drug policy. And they are not comforting. Not only did the promised benefits, both financial and on behalf of public safety, not come to pass, but in multiples areas of daily life the metrics have worsened.

Moreover, the data from Colorado have been accompanied by several years of greater medical science awareness of the health risks from marijuana exposure. Easier access, greater prevalence, higher psychoactive potency from increased THC, a continued criminal element, and more intensive daily use have all occurred since the experiment began. Maybe the sky hasn't fallen, but a great deal of damage has rained down on Colorado, as measured across several indicators.

Growing Youth Drug Use

Colorado's ranking among the states for youth drug use was already among the highest before legalization, and it remains so today. In fact, all of the states that accompanied Colorado on the path toward legalization have now emerged as the states with the highest percentage of **youth** users, well above the national average.

For the entire population twelve and older, Colorado's **marijuana** use has increased starkly since legalization, rising 30 percent to become third in the nation, 76 percent above the national average. Among college-age youth (20–25), past-month use is 50 percent higher than the average, while past-month use for ages 12–17 is 43 percent higher. Colorado is also **first** in the nation for the highest percentage of adults who need drug treatment but aren't getting it.

According to the latest school-based survey from the state, marijuana use has risen over the past two years (2017–2019), with past-month use of marijuana being reported by 21 percent of young people. The increase particularly affected young teens (15 and younger) who now report a 14.8 percent increase in past-month use from 2017 levels. Marijuana use by all age groups has risen by 6.2 percent since the last time the survey was reported in 2017.

Even where reported rates of youth smoking marijuana have not steeply risen, there is still cause for alarm. The rise of recreational commercial markets has stimulated the introduction of new forms of consuming the drug. For instance, between 2016 and 2018, reported marijuana exposures in the health care systems involving "edibles" increased from 18 percent to 60 percent, according to the Rocky Mountain HIDTA report.

Moreover, the use of other drugs, such as methamphetamine or cocaine, is also strikingly high among Coloradans, while the use of alcohol, often in conjunction with other drugs, has not diminished—against the assurances of advocates. Beginning in 2016, Colorado was the only state with the highest rate of consumption for all four of the major intoxicants: marijuana, cocaine, alcohol, and opioids.

A troubling data point is that contrary to many hopeful claims, the opioid epidemic of use and overdoses has not been stanched by the rise of marijuana. In fact, youth marijuana use seems implicated in even greater risk of opioid misuse, including prescription opioid use, just as cannabis use disorder (CUD) itself also climbs and worsens. For youth, the number developing CUD, only three years following initiation, rises to over 20 percent.

Daily use of marijuana, the most risky pattern, increased by 65 percent between 2017 and 2019 for high school youths. Concern over risk of their developing CUD, a risk enhanced by legalization policies, is well-justified.

Marijuana's Increasing THC Potency

Nationwide, marijuana potency for traditional leaf marijuana has risen since 2008 from an average of 6 percent of the psychoactive component THC to over 16 percent today, according to the Marijuana Potency Project, a study funded by the National Institute for Drug Abuse. Moreover, new forms of marijuana concentrates, which are particularly associated with the recreational commercial market, have seen average potency rise to over 61 percent THC.

Increased potency is clearly linked to increased risks of developing CUD as well as increasing the risk of psychotic incidents. Some forms of the drug now available in dispensaries go as high as 90 percent THC, substantially increasing the risk of cannabis-induced psychosis.

Is the purported revenue from marijuana sales truly worth it for the states? Not according to a statement counseling against marijuana legalization from several state medical societies representing thousands of physicians. Whatever amount of money the state thinks will be legal marijuana gravy, doctors fear that the damage done will cost even more.

The doctors write: "legalization continues to present serious public health concerns…. We are very concerned that the long-term public health costs associated with hospitalizations and treatment for psychiatric/addictive disorders could significantly outweigh any revenues that (states) anticipate would be received from the legalization of cannabis."

So striking is the risk that the Irish Board of Psychiatry, recently summarizing the matter, stated that high-potency cannabis in Ireland has become "the gravest threat to the mental health of young people."

Marijuana Use By At-Risk Populations

For teens, marijuana is the most common drug found in toxicology of those who die by suicide. The percentage of

incidents of **suicide** in which toxicology results were positive for marijuana increased to 23 percent in 2018, compared to 14 percent in 2014 (note that these figures are prior to the pandemic).

The significant increase in the number of teen suicides in Colorado over the past five years, and marijuana as the number one drug found when toxicology is reported, can be seen to correlate with increased potency and availability of marijuana, of concentrates, and of vaping by teens. Of teens ages 15–19 who died of suicide in 2018, marijuana was present in 37 percent of the cases (of the two-thirds who had toxicology information available).

While the issue of teen suicide is complex, there is now substantial research linking heavy and early marijuana use to an increased risk of **self-harm** among users. Whatever has been the effect of legalization on this risk, it surely hasn't helped, and the risk of harm is **worsened** in the presence of a commercial marijuana industry.

A recently published **study** has found a significant difference for both male and female young adults in suicidal ideation, planning, and attempts in relation to CUD and particularly daily cannabis use.

And a suicide problem is found for veterans as well. The National Veteran Suicide Prevention **Report** indicates Colorado's rates are significantly higher than the national average, with 2019 figures showing a 25 percent increase over 2018.

It's not only teen marijuana exposure that is worrisome. There is increasing medical literature showing the risks of marijuana use during pregnancy. Most importantly, recent research has shown that commercial legalization is linked to an increase in perinatal **maternal** marijuana consumption, placing offspring at developmental risk.

Not only is marijuana found for long periods of time in mothers' **breast milk**, there are clear and growing signs of **adverse** developmental effects on children exposed in the womb. Young women in Colorado beguiled by "recreational" marijuana products are placing themselves and their future children at risk, since some of the adverse effects, including birth defects, begin even before a woman may **know** that she is pregnant.

Broader Social Impact

The general societal **impact** of greater marijuana use has also been broad. And the impact is not limited to just the set of those who use. It can be seen reshaping social life in the wider community.

For instance, traffic danger has increased, according to the Rocky Mountain HIDTA. Colorado traffic deaths since legalization have increased 24 percent overall (all prior to the pandemic-related lockdowns), while deaths in which drivers tested positive for marijuana increased 135 percent. Currently, the percentage of all Colorado traffic deaths that were marijuana related has risen from 15 percent in 2014 to 25 percent in 2019.

As the nationwide workplace drug-testing company QUEST Diagnostics recently reported, positive tests for marijuana are 30 percent higher in Colorado than the national average, at a time when nationwide drug positive rates are at their **highest** in sixteen years. As a consequence, not only are workplaces less safe, but finding available workers, especially in safety-sensitive occupations such as transportation or mining, has become a challenge in Colorado.

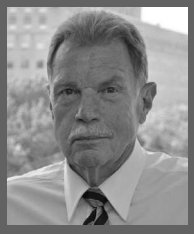
More marijuana calls are coming in to poison control centers, which report that adverse marijuana-only exposures have more than quadrupled since legalization. Hospital emergency-department **events** with marijuana involvement have also risen sharply, as have marijuana-related **hospitalizations**.

As the years since legalization have passed, the public health and public safety impact has grown, year over year. The effect on families, on pediatricians, on educators, on emergency departments, on the workplace, on law enforcement, and indeed on the general quality of life in a once thriving state, has been strikingly negative.

We should not be surprised to learn that there is a high cost to making an addictive and dangerous substance a commercial product. Nor should we enable this public policy mistake to take root elsewhere. Taking stock, we can now say that the so-called legalization experiment has, at least, produced one positive impact—it has issued a clear warning about the path we are on.

David W. Murray served as Chief Scientist in the Office of National Drug Control Policy under President George W. Bush. He is currently a Senior Fellow at the Hudson Institute.

David Murray



David W. Murray is a senior fellow at Hudson Institute where he co-directs the Center for Substance Abuse Policy Research. While serving previous posts as chief scientist and associate deputy director (supply reduction) in the federal government's Office of National Drug Control Policy, Dr. Murray directed extensive scientific research on all aspects of the drug problem and helped coordinate high-level inter-agency efforts to limit the production of illicit drugs and counter the transnational criminal organizations that control their global shipment and marketing.

Before entering government, Dr. Murray was executive director of the Statistical Assessment Service and held academic appointments at Connecticut College and Brown, Brandeis, and Georgetown Universities. He is the author of numerous scholarly papers, essays, and commentaries; co-author (with Joel Schwartz and S. Robert Lichter) of the widely-noted book *It Ain't Necessarily So: How Media Make and Unmake the Scientific Picture of Reality*; and a frequent guest on major network television and radio programs.

Dr. Murray holds an M.A. and Ph.D. in social anthropology from the University of Chicago.

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NH House Commerce and Consumer Affairs Committee
Testimony of Emily Shanahan, C.P.S.
In opposition of HB 639 FN-A
January 25, 2023

Thank you for allowing me the opportunity to speak in opposition of HB 639 FN-A. My name is Emily Shanahan, I am a NH Certified Prevention Specialist and Coordinator of the NH Chapter of Smart Approaches to Marijuana, a coalition of individuals (medical doctors, employers, treatment providers, drug prevention professionals, business owners, employees, law enforcement officers, and parents) who believe that the health, safety, and economic harms of recreational cannabis legalization far outweigh the perceived social benefits.

We have both decriminalized and legalized cannabis for medical purposes, so why do we NOW need to legalize for recreational use? With our state facing a pandemic, opioid crisis, and youth vaping epidemic, why are we considering legalizing another addictive drug that has severe negative impacts on youth, families, our communities, and state? **WE NEED TO PREVENT DRUG USE, NOT ENCOURAGE IT.**

The U.S. Surgeon General issued an advisory on youth mental health stating "mental health challenges in children, adolescents, and young adults are real and they are widespread." By legalizing and commercializing cannabis, we are contributing to that problem. Cannabis, especially high-potency products, have been linked to depression, anxiety, thoughts of suicide, suicide attempts, suicide, and addiction (JAMA Psychiatry, 2020). Cannabis potency has tripled in the past 20 years and sends more youth to treatment than any other drug (DEA). Estimates from research suggest that those who start using marijuana before the age of 15, are 17% more likely to experience addiction because their brains are undergoing rapid development.

Many people point out that we are surrounded by legal states, but does that mean we should join them in promoting bad public health and safety policy? New Hampshire is an oasis; an island amidst the public health crisis our neighboring states will be experiencing in the next 5-10 years. Let's work together to keep NH a state to be emulated through proper public health promotion. I ask that you please oppose HB 639 FN-A to help keep NH a productive oasis that promotes the health and safety of its citizens. Thank you for your consideration.

Daryl Eames | Founder
NH Cannabis Association llc
HB 639 Testimony

Dear Committee Chair,

I am a lifelong resident of New Hampshire and Founder of the New Hampshire Cannabis Association. I am writing today in support of HB 639. Below are the reasons why we believe this bill should be passed by a veto proof majority in the House of Representatives in the format it was originally submitted.

IF we are going to bring a responsible adult use market to New Hampshire, it should benefit the largest swath of residents of the state.

This bill provides low barriers to entry and maximum opportunity for all NH residents.

- A legal cannabis industry should provide opportunities for any resident to enter and compete in all segments of the industry. This includes labor, entrepreneurship and investment.

This bill will help accelerate the paydown of our billions in unfunded liabilities.

- Paying off these liabilities will return NH to fiscal responsibility.

This bill will help pay for education for NH's kids.

- Once our liabilities are paid off the majority of funds will be allocated to the SWEPT fund to ensure education of future generations.

This bill will benefit current and future homeowners.

- Property taxes are a major hurdle for current and future homeowners. With the unfunded liabilities paid and SWEPT funded there will be an opportunity to lower property taxes.

This bill will *reduce* access to cannabis by minors.

- We currently have two markets serving NH. The illicit market and legal dispensaries on every border. One major difference between the two is you have to be 21 to enter or purchase from a dispensary. Illicit dealers are happy to provide cannabis and any other product that generates profit to our minors.Shrinking the illicit market will also provide law enforcement with a smaller universe of illicit dealers to target for law enforcement action.

This bill will help attract the next generation of labor and entrepreneurship.

- New Hampshire's long history of being unable to retain and attract the next generation of workers and business owners is well documented. Continued prohibition of the responsible adult use market is accelerating this trend as residents move to Vermont, Maine, Massachusetts and elsewhere. Ushering in this industry will help reverse this trend.

This bill and the subsequent rules-making will address upwards of 80% of New Futures concerns over a legal cannabis industry.

- Our coalition worked with New Futures to understand their concerns and address as many of those concerns as we could in this bill. We *all* agree that no one advocating for a responsible adult use market wants to see increased use by minors.
- It is our contention that this bill will shrink the illicit market, and that being in opposition to this bill is support for the status quo. The status quo is unfettered access to cannabis by minors via the illicit market, where they procure untested, unregulated cannabis as well as exposure to anything else the illicit market would like to sell them.

This bill provides funds for law enforcement and safety agency training.

- This provides funds for hiring and training of additional drug recognition experts, advanced roadside impaired driving enforcement training and assistance to overdose incidents.

This bill provides funds for substance abuse recovery and prevention.

- Protection for those most vulnerable or in need of assistance is included both in this fund and other education and awareness initiatives to be developed by the commission.

This bill provides a bonus for municipalities with at least one licensed and operating entity in their municipality.

- Local residents and their legislators get to decide where best to allocate these funds to benefit their community.

HB639 is the first *great* bill that we have seen. And we support its passage by a veto proof majority to be sent to the Senate.

MINOR IMPROVEMENT RECOMMENDATIONS TO HB639

- Reallocate ten percent of tax revenue from unfunded liabilities and SWEPT to a small business support fund. This may be via grants or backing of debt financing or other mechanisms to spur small business ownership.
- Reallocate ten percent of tax revenue from the unfunded liabilities and SWEPT to a technology, research and development fund. This may be via grants or backing of debt financing or other mechanisms to spur research and innovation around technologies related to cannabis.
- Ensure there is language that testing labs cannot be owned by owners of cannabis companies. They need to be independent to ensure there is no results fixing.
- Ensure there is language around the sale or distribution of cannabis seeds/plants/clones for expansion of strains.

A NOTE REGARDING STATE MONOPOLY BILLS

Our Association has been in constant communication with residents around the state of New Hampshire to learn about their vision for a responsible adult industry.

I think about how many of my family members have been blessed to start small businesses including both grandfathers, my father and myself. I'm not sure if any of you or your family have ever started a business, but I can't imagine if the government decided one day they were going to take your industry over and you would no longer have that opportunity.

In short, there is *no* appetite for a state run monopoly that would steal valuable opportunities to participate in over a third of the industry. Benefits to the widest swath of New Hampshire residents should be the primary, if not only concern.

We kindly ask that this committee kill any bill that advocates for a state run monopoly of dispensaries, retail or any other segment of the responsible adult use industry.

For more information on why a private regulated market is better than a government run monopoly see our additional submitted testimony.

Thank you for your consideration.
Daryl Eames
Founder
New Hampshire Cannabis Association llc

Testimony for HB639
NH House Commerce Committee
Beth Scaer, Nashua
January 25, 2023

Committee Members,

I am testifying today because marijuana has devastated my family. My older brother started smoking marijuana at a young age and as a teenager he became a paranoid schizophrenic. He has been homeless most of the last 50 years of his life. This happened back in the 70s when marijuana had a very low level of THC. With the new, dangerous high-THC products many more families are suffering the same devastation that we have.

I recently read the following very scary statistics in Tablet magazine in an article titled "How Weed Became the New Oxycontin."

If you've ever smoked a bowl and become irrationally anxious that everyone is staring at you and knows you're high, what you experienced was a mild symptom of cannabis-induced psychosis. According to one study, about 40% of people react this way.

If you experience that paranoia and keep smoking on a regular basis nonetheless—especially with today's high-potency THC products, and especially if you're young—there's a good chance you'll eventually suffer a full psychotic break; 35% of young people who experience psychotic symptoms, according to another study, eventually have such an episode.

If you keep using after that, you run a decent risk of ending up permanently schizophrenic or bipolar. Cannabis has by far the highest conversion rate to schizophrenia of any substance—higher than meth, higher than opioids, higher than LSD. Two Danish studies, as well as a massive study from Finland, put your chances at close to 50%.

*"**One out of every 20 daily users can expect to develop schizophrenia if they don't quit**," Dr. Christine Miller, an expert on psychotic disorders, told me.*

Read the rest at bit.ly/NH-HB639.

Please vote ITL on HB639 to spare other families from the same tragedy.

Kandyce Tucker, M.A.
NH House Commerce and Consumer Affairs Committee
NH House Criminal Justice and Public Safety Committee
In opposition of HB639, HB544, HB643, HB360 and HB344
January 25, 2023

Good afternoon and thank you for the opportunity to testify on HB639. My name is Kandyce Tucker. I am the program and coalition coordinator for the Newfound Coalition for Youth, a substance misuse prevention coalition in Central NH.

I appreciate the opportunity to share my concerns in regards to HB369, as well as the other recreational cannabis legalization bills: HB 544, HB643, HB360 and HB344.

HB639 is not just about mature, responsible adult use. Our decades of experience have proven where there's more marijuana available for adults, there's more marijuana available for the at-risk and vulnerable populations such as teens, those suffering from opioid use disorder, and veterans. Greater acceptance of cannabis demishes youths' perception of harm. Teens are also more likely to use cannabis if their parents and/or friends use it, and less likely to use Marijuana if their parents do not approve (CDC).

According to a 10 year trend analysis of the New Hampshire youth risk behavior survey students who think people are at great risk of harming themselves (physically or in other ways) if they use marijuana once or twice a week, has steadily declined. Since 2009 this number has gone from 21.7% to 10.3%.

The most recent CDC SAMHSA National Youth Risk Behavior Survey revealed 26% of NH High School students have used marijuana in the past 30 days — an astounding number which has the prevention community deeply concerned.

Adolescents who use marijuana regularly are significantly less likely than non-using peers to finish high school or obtain a degree. They also had a much higher chance of developing dependence, using other drugs, and attempting suicide (NIDA).

General Arthur T. Dean of CADCA said, "Whether youth perceive a drug to be harmful or not is a key indicator for future use – not only are attitudes softening, but marijuana use is continuing to increase among our young people. These findings should concern parents, educators or anyone who cares about the ability of youth to succeed and thrive in our society." I ask you to please protect NH's children by voting HB639 inexpedient to legislate.

Thank you,
Kandyce Tucker, M.A.
Program and Coalition Coordinator

SoRock Coalition for Healthy Youth
17 Danville Rd
Kingston, NH 03848
603-642-3341 x1235

1/25/2023

To whom it may concern:

My name is Charlotte Scott, I am the program director for the SoRock Coalition for Healthy Youth serving 8 towns in southern Rockingham County. I have been in the prevention field for over 15 years and raised my two children in the NH communities I continue to serve. I am concerned about the reduction of the perception of harm as well as the increase of availability of marijuana/cannabis and related products if cannabis is legalized in NH. Substance use and mental health disorders remain the leading concerns for our communities. Making cannabis products more easily obtainable for our youth could further reduce the age of first use and frequency of use both of which dramatically increase the likelihood of addiction. The THC in the Cannabis products of today is much stronger than anything that existed in previous decades. These new products are also vaped and ingested. Edibles are marketed in youth engaging packaging which creates a false sense of safety and increases the likelihood of accidental ingestion by young children. A lack of understanding how edibles are metabolized is also leading to frequent accidental overdose by youth.

Personally, I recently had to rush my 15-year-old niece from school in Massachusetts to the Emergency room because she took an edible given to her by another student. She was paranoid and tachycardiac, it took 6 hours and the intervention of hospital staff to get her body back to normal. The edible she took was from a legal dispensary, possibly taken from a parent and had dangerously high THC levels.

Some of the costs of Cannabis/Marijuana legalization include, increased mental health concerns such as mood swings, paranoia, and anxiety. Increased drugged-driving accidents and fatal crashes. Loss of workplace productivity. Increased poison control calls for children and pets. Increased emergency room visits (cannabinoid hyperemesis syndrome or CHS). An increase in babies born THC-positive. Increased teen drug-related school expulsions. Increased homeless population and an increase in addiction in our state.

Please take these things into consideration when placing your vote. Thank you for your time and consideration.

Sincerely,

Charlotte Scott

Charlotte Scott
Program Director
SoRock Coalition for Healthy Youth

PAUL TWOMEY

PO Box 623, Epsom NH 03234

Testimony in Support of HB 639 with suggested amendments

Chair Hunt, Vice Chair Ammon and NH House Commerce Committee Members:

My name is Paul Twomey and I live in Chichester. I have practiced primarily criminal defense for the past four decades in NH. I was formerly House Legal Counsel and was a member of the state commission that studied the legalization of cannabis, where I was one of two members charged with reviewing and reporting on medical and scientific reports on cannabis use. I have been a public defender in both Wisconsin and New Hampshire and served as manager of the Hillsborough Count Public Defender and Litigation Director for the entire state program. Finally, I have for years been a member of a bi-partisan coalition of advocates that represents the entire political spectrum in put an end to the madness of criminalizing personal health choices made by adults. The proposals of this coalition were the genesis of HB 639, although a few provisions were stricken in the drafting process.

I write to you as an individual and not as a representative of the coalition or any other organization including those I mention below.

Throughout my decades of time spent in NH courts I have been acutely aware of the extremely harmful effects that convictions for cannabis possession have on the lives of people, frequently depriving them of job and housing opportunities and ultimately stealing their futures, often leading to wasted lives spent in an endless cycle of despair. These awful outcomes sadly are not inflicted equally—almost no one except the very poor pay the highest costs. Anyone with the funds to pay for a lawyer is guaranteed to escape the shackles that a conviction for cannabis possession places upon their futures. I have represented at least a thousand persons with marijuana charges and cannot remember a single client who walked out of court with a conviction for cannabis possession. This is not unusual in the slightest. I don't believe I have seen anyone with a lawyer end up with a conviction in decades. It just doesn't happen.

I have however seen hundreds of unrepresented persons plead guilty to misdemeanor convictions because they perceive that they have no choice and rarely are aware of the effects this will have on their lives. This almost always happens when they appear in district court alone at arraignments. The result is that cannabis possession is in practice only illegal for the poor. Recently this burden has been felt disproportionately by members of minority communities (though large numbers of economically poor non-minority citizens continue to be arrested and convicted on marijuana charges).

Justice is far from blind when it comes to enforcement of cannabis laws.

I urge you to adopt those elements of the coalition proposal relating to social justice and private competitiveness that did not make it into hb 639 as filed. These are fully presented in the testimony of Karen O'Keefe of the Marijuana Policy Project and Ross Connally of Americans for Prosperity, both members of our coalition. I further ask that you consider the policy principles of New Futures (not a member of the coalition) relating to harm reduction and social justice, including the question of potency limits on edible products. Recent studies including one published by the Pediatric Association indicate that particularly potent edible (but not smoked) products may contribute to overdoses by young children. While I am not sure that potency limits will actually help—it may be that this is better dealt with through efforts to educate parents and caretakers on safe practices— we should err on the side of caution to protect children until we have more information available about what works. (At the same time, we need to make sure that stronger edibles are available to relieve the intense pain of those suffering from cancer and other diseases through the medical cannabis program).

There are many different possible structures by which the criminalization of cannabis can be ended. I support those outlined in HB 639 with the amendments described but recognize that other models are possible. No matter what the 'business' model you chose, the most important things we can do is to stop ruining the lives of poor young kids.

At a minimum, you must legalize simple possession and provide an expungement process to address past harms. Please put an end to unmitigated disaster that cannabis prohibition has been for the past half century.

Paul Twomey

Good Afternoon. I'm former Rep. Timothy Egan of Sugar Hill.

Today I am here as Chair of the NH Cannabis Association, the state's leading trade group for the cannabis industry, we are pleased to support HB 639 and the bipartisan leadership of Representatives Osbourne and Wilhelm to move NH into the realistic world of adult use cannabis.

Legalization and regulation of cannabis is essential as NH is losing revenue due to our current antiquated laws. With legal adult use cannabis now available in Maine, Massachusetts and Vermont, we are seeing NH consumers leaving to spend their money elsewhere. Neighboring states are finding economic success with the Cannabis industry. In 2023 Vermont is projected to find $15-20M the first year. Maine in 2022 $58.5M in sales revenue. $8.8 million in sales and excise tax revenue; and $65 million from direct and indirect spending by businesses and employees associated with the industry. And Massachusetts grossed $3B in the last four years of adult use from 2018-2022. It's easy to see why legalization and regulation of cannabis is good for our state's economy.

NH can reclaim and share in this new revenue generating industry that almost 80% of our residents agree with. We are seeing the outdoor tourism participants making new decisions on where to visit and for how long. We need to keep our second largest industry vibrant. And we are seeing an industry built on small business entrepreneurs and agriculture, that is poised for growth, being stifled.

We can't ignore a bill that was designed by a bipartisan coalition looking at best practices, one that is the best for NH. It's time for NH to pass intelligent legislation like HB 639.

Thank you. Tim

Tiimothytegan@gmail.com

617-201-6462

NH House Commerce and Consumer Affairs Committee
TESTIMONY of Elizabeth Brochu, M.Ed., CPS
January 25, 2023
In opposition of HB639, HB544, HB643, HB360 and HB344)

Good morning. My name is Elizabeth Brochu, and I am the Youth Services Director of Communities for Alcohol- and Drug-Free Youth (CADY) a central NH non-profit organization. I am also a NH Certified Prevention Specialist and the Substance Misuse Prevention Coordinator for Central NH.

I appreciate the opportunity to share my concerns regarding the important and concerning issues regarding HB639, as well as the other recreational cannabis legalization bills: HB544, HB643, HB360 and HB344. I thank each committee member for your service to New Hampshire.

If passed into law, these bills will legalize and commercialize THC impairment, as well as child endangerment. I am going to use the term THC instead of cannabis; it is the THC that causes impairment and ultimately Cannabis Use Disorders (CUD). We have overwhelming quantitative and qualitative data from other states, that legalizing THC products causes direct harm to most vulnerable populations and increases accessibility and use for youth. THC, or cannabis, is a Schedule 1 drug because the intent in using THC products, in any form, is to become impaired. THC, the key ingredient in cannabis, alters the function of the hippocampus and frontal cortex: brain areas that enable a person to form new memories and shift his or her attention and focus. As a result, using cannabis/THC causes impaired thinking and interferes with a person's ability to learn and perform complicated tasks (NIDA). Impairment is guaranteed when someone uses THC products, especially with extracted products ranging from waxes, oils or dabs and other non-plant-based forms; if someone using cannabis does not get the desired "high" or impairment effect, the next step is to use more. The standard of THC is to feel the impairment effect. And, the more THC is used, and the younger a person starts using it, the more impairment problems, and more addiction problems (CUD).

The legal drugs currently sold for profit in NH, alcohol, and nicotine products, can be misused and have addictive tendencies. However, these legal drugs can be used and consumed without impairment effects. Alcohol is a beverage, and someone can consume an alcoholic beverage without becoming impaired. In fact, science confirms that an adult of legal drinking age can consume 1-2 standard drinks daily (1 standard drink = 0.6% of pure alcohol per beverage) and not become impaired or addicted. Nicotine products include many harmful chemicals, and yes are highly addictive, however when someone is using a nicotine product, they can perform tasks, operate machinery/vehicles, and are not under the influence or experiencing impairment. Research in Southern California looked at 350 drivers who showed 4 signs of impairment while driving: speeding, weaving, unsafe lane changes and crashes. 87% of these drivers had low levels of THC blood level (2-7nh/ml) and failed the field sobriety test.

By legalizing and commercializing cannabis, NH policymakers will be responsible for making impairment a priority over the health, safety, and wellbeing of its children and citizens. Please consider these serious consequences and vote "No" to all House Bills relative to the legalization of recreational THC products (HB544, HB643, HB360 and HB344).

Thank you.

Elizabeth Brochu, M.Ed.
NH Certified Prevention Specialist

My name is Alicia Bennett, and I am fully supportive of HB 639.

I have been a patient with the Therapeutic Cannabis Program since 2018, and I am also currently an employee at one of the ATC's. Cannabis has helped me manage my chronic pain, phantom limb sensation, insomnia, nausea, PTSD, anxiety, and depression. I believe that this bill will benefit therapeutic cannabis patients and adults in New Hampshire.

Legalizing home cultivation will help people like me with affordability and with access to cannabis products that work well for them. The cost of products can be challenging to afford and having the ability to grow at home will help with that. For some, getting transportation to the dispensaries adds to the costs and limits people don't drive a vehicle or who live far distances from a dispensary. Growing at home will help people that do not easily have access to one of the dispensaries. And though the dispensaries offer a wide selection of products, they cannot grow every cultivar of cannabis. There are a few cultivars that work well for my phantom limb pain that I don't currently have access to in New Hampshire. If home grow were to become legal, I would love to grow the cultivars of cannabis that give me the most therapeutic benefits.

Cannabis is one of my favorite flowers, and as a gardener, I would love to grow it at home. It seems silly that I can grow deadly plants like monkshood, also known as wolfsbane, but I cannot grow this medicinal plant. Growing cannabis at home can be done safely and legalizing home grow will benefit therapeutic cannabis patients and adults in New Hampshire.

Thank you.

To: Members of the New Hampshire House of Representatives
From: Jim Riddle, 6 Emerald Drive, Hillsborough, NH
Date: March 11, 2023

Dear Honorable Members:

I urge you to support HB 639-FN-A, an act relative to the legalization and regulation of cannabis. I stand ready to invest in the cannabis industry in NH, if this bill is adopted and signed into law.

Before final adoption, I urge you to make one small, but significant correction to the bill. In case you are not aware, the Federal Drug Enforcement Administration has officially ruled that cannabis seeds are hemp, since they contain less the .3% THC. I have attached a copy of the DEA's official determination letter.

At section 318-F:1 Definitions, the current version of HB 639-FN-A reads:

"II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including cannabis concentrate. "Cannabis" shall not include hemp, fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product."

In order to be consistent with the DEA's determination letter, and to clarify that the seeds from cannabis plants are "hemp," I encourage you to amend the text to read:

"II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not, ~~the seeds thereof,~~ the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, ~~its seeds,~~ or its resin, including cannabis concentrate. "Cannabis" shall not include hemp, <u>seeds,</u> fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product."

Thank you for your consideration. I urge passage of HB 639.

Respectfully,

Jim Riddle
Hillsborough, NH

Here is the determination letter from the DEA:

U.S. Department of Justice
Drug Enforcement Administration
8701 Morrissette Drive
Springfield, Virginia 22152

www.dea.gov

January 6, 2022

Mr. Shane Pennington, Esq.
1115 Broadway
Suite 1218
New York, New York 10010

Dear Mr. Pennington:

This is in response to your email of November 18, 2021 in which you request the control status of Cannabis Sativa *L*. seeds, tissue culture, and any other genetic material of Cannabis Sativa *L*. under the Controlled Substances Act (CSA). You state that the seeds, tissue culture, and other genetic material have delta-9 tetrahydrocannabinol concentrations of not more than 0.3% on a dry weight basis. The Drug Enforcement Administration (DEA) conducted a review of the CSA and its implementing regulations with regard to this question.

Title 21 of the United States Code (U.S.C.) § 802(16) states that the term "marihuana" means all parts of the plant Cannabis sativa *L*., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. Such term does not include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, and any compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination."

The CSA excludes from that definition "hemp." 21 U.S.C. § 802(16)(B)(i). The term "hemp" is "the plant *Cannabis sativa L*. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis." 7 U.S.C. § 1639*o*.

Accordingly, marihuana seed that has a delta-9-tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis meets the definition of "hemp" and thus is not controlled under the CSA. Conversely, marihuana seed having a delta-9-tetrahydrocannabinol concentration more than 0.3 percent on a dry weight basis is controlled in schedule I under the CSA as marihuana.

Likewise, other material that is derived or extracted from the cannabis plant such as tissue culture and any other genetic material that has a delta-9-tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis meets the definition of "hemp" and thus is not controlled under the CSA. Conversely, tissue culture and any other genetic material derived or extracted from the cannabis plant having a delta-9-tetrahydrocannabinol concentration more than 0.3 percent on a dry weight basis is controlled in schedule I under the CSA as marihuana.

If you have any further questions, please contact the Drug and Chemical Evaluation Section at DPE@usdoj.gov or (571) 362-3249.

Sincerely,

Terrence L. Boos, Ph.D., Chief
Drug & Chemical Evaluation Section
Diversion Control Division

Cc: New York Division

Kevin Craig

No legalization plan is perfect, short of cannabis having the same status as homegrown tomatoes, but HB639 hits the important parts: home cultivation, private sales, and an annulment process for past offenses.

Danielle Harris

Please approve recreational use for adults and expanded medical use. It time the state of NH joins other new england states and states across the country in legalizing its use. While there is data supporting its many health benefits which helps people of NH, I will focus purely from economic standpoint. The revenue this would bring in for the state is needed. We have hundreds of red listed bridges and poorly maintained roads. This would bring in significant tax revenue that is desperately needed. My tiny town in route to Lakes region has 7 red listed bridges alone and unmaintained roads despite being a major route for tourism, regional traffic, dairy and timber. The state of NH desperately needs this funding. We are losing roughly millions each month this goes unchecked and citizens are spending their money outside of the state. NH needs to support more than just the alcohol industry which is far more unhealthy and linked to more cancers. NH is operating like a gang that only supports the alcohol industry. Enough is enough. This is an opportunity, enabling recreational sales will bring more shoppers to area where they will spend more money on alcohol and cannabis. NH is a tourism and vacation state and we should double down on that. Citizens of NH are using cannabis regardless, you are just making them spend money out of state and robbing citizens of this economic boost. I'm tired of seeing funding go to other states to improve their towns and schools while my NH region rots away lacking this huge economic boost. It's time this state actually operates in it's "live free or die" mentality. I implore you, stop dragging this out, please let this state utilize these tax revenue resources and put it into something like infrastructure, education, you pick! We are far too resource poor to not do this. Do this or generations of highly educated and talented individuals will continue to leave NH at high rates seeking a better life elsewhere and seeking government officials who can make educated and economically motivated decisions. I implore you, please make this smart decision and put any prejudice aside.

Larry Kennett

Cannabis legalization is inevatable and will happen in time. That time is now iof we want to stop our citizens from getting arrested for using and growing cannabis in their own homes. Having a criminal record for performing a victimless crime

Royce Withey

I support this bill.

Jeremy Tarver

As a citizen of New Hampshire and a patient of the nh medical cannabis program, my only option for my medication is to go to the dispensary, which is 45 minutes from my house and very very expensive. If this bill passes it would be good because I could cultivate my own medication. Please consider passing this bill as it will help a lot of people

Michael Zamot

Cannabis can reactivate the economy, specially in this state. Just think of the revenue. It makes no sense to keep jailing people. Let's stop this madness.

Brian Homer

I am one of the 75% plus and growing number of Granite Staters who support

Arnold Newman

I am writing to urge you to oppose HBs 639 andHB544.Legalizing cannabis retailing at N.H. businesses without having regulations directly focused oncannabis sales, resales and the possibility of adverseeffects on users.The last thing we need is retailing a potentially habit forming item regulated like it was simply another “grocery or over the counter med”.Please do not support HB639 HB544Arnold Newman, 15 Frost St Apt 32Marlborough NH 03455 603 876 5084

Dianne Castrucci

Please do not legalize this drug. It has caused so many problems for many people.

James Christilles

It’s time for NH to accept change and legalize cannabis as our neighboring states have done.

Michael Boutin

Hello and thank you for your time. My name is Michael and I am here to today to testify in support of HB 639, Cannabis has changed and gave me a better quality of life. I am in full support of Cannabis legalization. Just please make it easy for New Hampshire entrepreneurs to get licenses to start businesses for more economic development. It's time we stop letting millions of dollars go over to the boarding states. It's time they come to us. :)

Steven Bernitz

I am a 58 year old retired pharmaceutical/ biotech executive that recently relocated to Greenland. I am also a chronic pain patient suffering from failed back surgery syndrome after 12 back surgeries. I am under the care of a pain physician and am on an opioid regimen to control my pain. The last 7 years I have lived in California where marijuana is legal, and under my doctor's recommendation have been using edible cannabis "gummies" at night to control pain and enable sleep. In my opinion, cannabis has let me minimize my opioid and sleeping pill use, and significantly improves my quality of life.

While neighboring states have accessible legal dispensaries, I don't feel that I should have to go out of state to meet my medical needs. NH law as it is prevents me from getting cannabis delivered to my home, which is a burden for chronic pain patients like me that often have difficulty driving long distances. It also sends my tax dollars to MA or ME, while doing nothing to stop cannabis use in NH (we all live within driving distance of a state with legal cannabis dispensaries).

Lastly, prohibition of cannabis is inconsistent with New Hampshire's professed support of individual liberties. Private use of cannabis by adults harms no one and helps many. Tax revenues would obviously help the state, however they are allocated. Other states have found no appreciable increase in crime or other drug abuse.

I also don't believe that the state needs to or should monopolize this business. Private operators are willing and able to finance and operate dispensaries and other supporting businesses. The state's costs, such as they are, should be easily and fully covered by cannabis-derived fees and taxes.

Thank you for considering this important bill.

Joseph Ebner

This bill does not do enough to protect our public, especially children.

Eric Pauer

I oppose legalization of recreational cannabis in NH. Every state that has legalized recreational cannabis with a few years has seen tax revenue fall substantially short of projections, and create challenges for law enforcement as well as many social problems.

Sayles Kasten

New Hampshire is the only state in New England that hasn't legalized cannabis, and I think it's important for adults to make their own decisions about recreational cannabis, especially since we are currently losing profits to surrounding states who are selling cannabis to New Hampshire citizens.

Bryce Kaw-uh

I strongly support HB639 because it's well past time for New Hampshire to finally join our neighboring states and legalize cannabis for recreational use. I'm also glad to see that this bill has the strong bipartisan sponsorship that it deserves. Let's get it done.

Deryn Smith

I oppose this bill, as I believe that this bill does not have adequate public health or evidence based approached written in it to reduce public harm.

Ann Stark

Dear Committee Members,

Ruth Ward

Nothing that I have read, listened to, or researched, supports legalization of cannabis.

Cheryl Hinckley

From personal experience, I know marajuana use is not healthy, nor is it wise. There is a definite impairment when using. I also know many kids who use (and they all drive under the influence) and it is dulling their senses. There is no way we should undermine the health of our young adults to make a buck. The marajuana of today is hundreds of times more potent than even in my day. Lets actually do some things to help our kids instead of using them for currency.

Jack Barton

First of all should be recreational like all the surrounding states since we are the "live free or die" state with no helmet or seat belt laws for adults with freedom of choice. For two I am a registered medical patient of the Cannabis Program and should have the freedom of choice for cultivation even though everyone knows it is not an easy process and would not eliminate state dispensery's only give patients a choice and chance to save a little money.

Danielle Adcock

Good afternoon,

Klaus Polttila

Good afternoon.

James Riddle

I am writing to support HB639, legalizing the cultivation and use of cannabis in NH. I am a registered medical cannabis patient. While I appreciate the State's medical cannabis program, I would like to be able to cultivate a few plants for my own medical use.

Jessica LaMontagne

It's time we got on board with all the other New England states and legalize cannibis, make it safer, and keep that revenue in-state.

Rachel Fezzie

Please do not legalize recreational marijuana use in New Hampshire. It is important that we don't allow greed for revenue to allow our state to join the many others who have made this mistake. Rather than being seen as the last to jump on this bandwagon, let NH be the leader that is the first to recognize the increasing evidence that marijuana use is harmful, not just to the individual, but to our society. Medical bills, car accidents, paranoid and psychotic behavior - these are all real effects of marijuana use. Meanwhile, research increasing shows that the purported medical benefits are myths. Don't legalize marijuana.

Susan McKeown

I spent my 41 year career as a pediatric nurse practitioner and for the last 20 years I have facilitated a weekly family support group for adults who hav a loved one living with substance use disorder. I know first hand that cannabis is addictive for those who are genetically vulnerable and that those who progress to use of cocaine and heroin have started with cannabis. There is much to learn for the states who have commercailized it. There is much data available on the increase in ER visits and children affected by the ingestion of cannabis. This bill does not include the necessary public healthprinciples required for responsible cannabis commercialization policy and regulation.

Tyler Hebert

Hi there, thank you for taking the time to consider this bill as a possible avenue to further cannabis legalization for adults in New Hampshire. As the son of medical patient, watching my father's quality of life improve using medical cannabis has been incredibly transformative for myself and our family. I've seen the relief of his many ailments that've led to a persistent uphill battle with his daily life, has shown me and many others just one of many beneficial impacts cannabis can have. Unfortunately, other people in my life who I consider very close to me, cannot, or will not consume cannabis because of its illegality (despite decriminalization) , the simple stigma of being judged for consuming, etc. Cannabis could benefit the daily lives of so many people, and create a whole emerging and flourishing, multi faceted industry that leads to jobs in our very state, and income that in spent and kept in state! Thank you for your time.

Danielle McQueen

I want to start by saying. This state is one of the last states to update laws regarding cannabis. In a medical form or recreational form. We allow medical cards for cannabis but haven't updated the law to allow medical card holders such a children with seizures allowed to have in school. Currently we have it as only state dispensaries causing many issues and NH residents to go out of state due to costs. Limiting the state to only grow and supply is limiting patients basic right to medical care. We can go into any store and buy alcohol in large amounts yet we have yet to update cannabis laws. My daughter who is 7 is a card holder and in the state we aren't allowed like saw in Maine to grow 8 plants and 16 maturing . NH had come a long way but needs to take a second to look how out surrounding states do it and start helping people. At this point in 2023 we have almost had it legalized and refined in change. Medical cards should be easier to access our medical form compared to other states are 5 plus pages longer in a pediatric form 3 doctors are needed in other states there isn't so many hoops to jump to save a child's quality of life. We need to legalize the law and then structure it better in a medical form update and recreational form. As a mother who 7 years ago fought to get medical cards it saddens me that we haven't followed the surrounding states and the rest of the country regarding cannabis.

ELLIOT AXELMAN

No substances should be illegal. Especially not natural and safe substances like cannabis, As a critical-care and flight-certified paramedic who has spent 11 years in emergency medicine and never had any desire to consume cannabis, I still believe that it should be legal. Thank you.

Mallory Goudin

It is time to legalize cannabis in the state of New Hampshire.

Peter McEachern

As a private citizen, NH medical patient, and ATC employee I support this bill and the thoughtful approach it takes to the future of Cannabis in NH.

roberta boudman

Tom Mannion

Thank you mister chair, and members of the committee. My name is Tom Mannion, I'm representing Hillsborough District 1, Pelham. I live on the border of Massachusetts, and I can tell you that cannabis prohibition in New Hampshire is doing wonders for Massachusetts businesses. I frequently hit the AMC over in Tyngsboro across from the Pheasant lane mall in Nashua, and that dispensary down the street is packed every week with New Hampshire plates. The days leading into Christmas - there was a line down Daniel Webster Highway, trying to get in on that holiday cheer. That business should be ours. With MA imposing 20% theft on these sales, we will easily undercut that. And paying off unfunded liabilities removes the looming threat of future theft from New Hampshire residents to pay for the pension fund. The distribution model returning funds to towns is also going to help my constituents who have been up in arms after reassessments. Even as a vehement anti-tax guy, I'm happier letting MA residents come over the border to pay my taxes as the lesser of two evils. And on that, I ask that you vote OTP on HB639. Representative Tom Mannion Hillsborough 1 - Pelham

David Foster

I am in full-support of the legalization of Recreational and medicinal Cannabis.

Alison Bousquin

Here in NH we stand up and do the right thing . The fact show that legalizing marijuana leads to 20% more use of marijuana. The facts show that marijuana use is linked to lower income, greater welfare dependence, unemployment, criminal behavior, increases in impaired driving, increases in adverse effects among pregnant and/or nursing women, increases in acute psychosis and emergency department visits, increases in cannabis use disorder and dependence, and lower life satisfaction. Does NH really want to legalize something that does nothing but hurt our people and our economy? The only people who benefit from legalization is the wealthy marijuana industry. Please don't let them prey on the people of NH. We learned the hard way from the lies of Big Tobacco, let's not let history repeat itself.

Katrina Langlois

Have we learned nothing from the opioid epidemic here in New Hampshire?

Marah Langlois

I realize certain people stand to make a lot of money from this industry but it is dirty money. And it will be the taxpayers that must shoulder the burden, yet again, for irresponsible behavior. The state cannot afford another drug crisis. Please keep this pernicious garbage out of NH! We deserve better. Thank you

Douglas Langlois

I travel quite a bit throughout the country including to states like Colorado, Nevada and California where you can see the results of legalizing the marijuana business. it is not good. It is not uncommon to see long lines of people waiting to get their pot as the smell wafts around the cities. People who obviously are struggling to be productive. I have talked to the locals and they are not happy, at least those who are not partaking.

I personally know a young man who is struggling with life now that he has taken up marijuana smoking. just after graduating high school. His parents are apoplectic. It has consumed him as it has consumed many others. And for what?

Please do not even talk about the potential revenue that may be generated. that is a red herring and ignores the incredible loss of potential and future of many young men and women who will get sucked into an unproductive and unfulfilling lifestyle. We don't need that kind of money in New Hampshire with the consequent problems that will be created.The only reason I checked the" Oppose this Bill" block was because there wasn't one that said "Hell No!".

Connor Langlois

Charles Fezzie

Erin Wasserman

I fully support the legalization of cannabis. I feel the tax revenue would be a major asset to our state economy.

Brian Homer

I am Opposed to the Amendment to this bill.
People have told you that they want a home grow option. I hope that more young people move away from this state. Far away from it. CHANGE YOUR MOTTO TOO! "Live Free or Die" Dies with you all. You are not Free in a scared control state. You no longer deserve it,

Lisa Newell

My husband has had Epilepsy since he was 24 years old and he is now 64. Since marijuana has been legalized for medical use in New Hampshire my husband has been using specific cannabis that helps with seizures. It has done wonders to almost eliminate his seizures. Paying for it is expensive. I have health insurance but it won't cover any of the costs. Being able to grow it at home will help especially as we retire and are on a strict budget.

Thank you for your consideration.
Lisa Newell

Michael Boutin

Hello and thank you all for your time, I'll be brief. I support legalization 100%. Also I am a current therapeutic patient. Cannabis has changed my life for the better. No more NSAIDS and my pain is manageable for a better quality of life.. Just think about the economic development and extra funds for Schools to get better pay for good teachers.. And to FUND our Police departments.
Massachusetts grossed over 4 Billion dollars last year..2022. And every other state is headed this way as well. One other thing please be aware that certain police are trapping & arresting NH residents that go over the border for cannabis. This has to stop .I have a lot of knowledge when it comes to cannabis as I am in the Hemp industry. So please feel free to email me. Trust me now is the time to make change,,
Thank you all again for your time...

CARRIE DEGUTIS

Cannabis is a savior for anxiety, PTSD, and pain. Over decades I have been through many medications for my mental and physical health. On and off throughout my life I have also done physical training and therapy for my body. Nothing I tried fully worked. About eight years ago I moved back to Massachusetts and it opened my eyes to the possibilities of care and relief that medical cannabis can give me. I was so relieved, until I moved to NH. The process to obtain the card is easy, but access and affordability is just terrible. Being a patient at the pharmacy counter that can't pay for her prescription is just heartbreaking for me. Legalization of Cannabis in the state of NH will increase access to needed medication and overall well-being of its citizens.

Rick Newman

Madame Chair and Members of the House Ways and Means Committee,

In the interest of saving the committee time, we are submitting written testimony on HB 639. On behalf our client, Brett Scott Enterprises, [BSE] we write to support HB 639, as amended by the House. BSE is New Hampshire based and operates several New Hampshire businesses and is in the business of cultivation and retail sales of cannabis in Maine. The House Commerce Committee did a lot of work to come up with a practical and workable bill to regulate recreational cannabis in NH. This bill properly places oversight with the Liquor Commission, the agency we believe is the correct one for the job. There is a thoughtful regulatory process established by the bill, something that is essential to a successful recreational cannabis program.

The bill established a tax at what is essentially the wholesale level, just as you tax tobacco, vape and beer products. We think that makes sense. For such a bill to have any chance of final passage it needs bi-partisan support. Clearly, the 17-3 committee vote in Commerce and the 234-127 floor vote shows this bill has that support. We urge you to recommend passage as well. Thank you for your time.

Rick Newman-603-491-9601

Alicia Preston 603-892-3215

Daniel Richardson

With all the negative societal impacts of pot enumerated by State agencies, why would any rationale person vote for this disaster?

The Department of Justice indicates the bill creates a new basis for annulment to the extent defendants on prior cannabis-related cases prosecuted by the Department choose to file for annulment. This would require the Department to review the case and participate in a hearing.

The bill provides for resentencing of offenders who are currently incarcerated or supervised. Any person who has not completed the sentence can petition for resentencing.

The Department of Safety reports the financial impact due to the increased enforcement issues could be significant. Enforcement issues may increase in crimes such as robbery, burglary, and theft.

Programs in Illinois and Colorado indicate: Marijuana use in both states has increased significantly since its legalization including among minors.

The average THC level in marijuana products has risen from 3 percent to 23 percent in smokable marijuana and from 56 percent to 99 percent for other

Despite legalization, marijuana trafficking and black market marijuana continue to be enforcement challenges

Traffic deaths involving drivers who tested positive for marijuana and incidents of driving under the influence have increased.

Suicide incidents in which toxicology results were positive for marijuana have increased.

The New Hampshire Municipal Association indicates this bill would increase local expenditures and local revenue. The Association identified greater access to cannabis may increase youth access and driving while under the influence incidents and a need for increase law enforcement specialized training costs for detection of impairment by cannabis.

Legalized cannabis has shown more patients presenting in the emergency department with physical or psychological symptoms resultant from using cannabis.

Christie Shaw-Doran

Keep the 9 person choosing group not a governor appointed 3 some

Brittany Bowie

I support legalization of recreational use of cannabis. As an adult, living in a state that I am not required to wear a seat belt, for me to be considered a criminal for wanting to consume cannabis, is astonishing and disappointing. I feel alcohol, tobacco and pharmaceuticals are far more dangerous than cannabis, and are not that difficult for any age person to get. At this point to be the only state around us that it is not legal, is only hold us back. Not only in tourism and tax revenue but also in the way our state and residents are perceived.

Riley DeBow

Dear committee,

My name is Riley Kirk, I am a Cannabis reserach scientist and a cannabis educator. I work in the cannabis industry as the lead scientist of a cannabis extraction company in MA and have obtained my Ph.D. In pharmaceutical sciences, specializing in medicinal plant drug candidates.

Today I attended the meeting regarding house bill 639 and have some clarifications and points to bring up on the subjects discussed.

Representative Bolton had a question regarding the wholesale of cannabis, noting that the cultivators would be selling the plant in an 'Un-trimmed' form. Meaning, when the plant is harvested it still has undesired leaves, stems, and seeds and it more than just the bud. If the divisions of the industry were to be divided into cultivation, processing, and retail, cultivators would be selling bud to processing facilities in a relatively crude, un-trimmed form as their job would be only to cultivate. Typically at processing facilities it would be trimmed before packaging.

I agree with representative Almy that the current proposal of a 15% tax on cultivation only WOULD NOT incentivize cultivators and nobody would want to participate. We would soon be continuing the trend we currently are and allowing commerce to neighboring states as we would not have enough biomass to keep the industry afloat. I do not believe we should selectively tax cultivators. The cannabis industry is always changing and prices need to be able to rapidly reflect these changes. Having price points at point of sale allows faster changes to be made and allows industry refinement over time. I will also note that California tried to tax cultivators and it led to the partial demise of their industry and they recently removed that tax in July of last year.

IF the decision was to tax the bud depending on THC content as proposed during the meeting, I would suggest adopting the recent Emerald Cup classification which includes:

- Type 1 Cannabis: High THC
- Type 2 Cannabis: 1:1 THC:CBD
- Type 3 Cannabis: High CBD

Using this method, growers may be incentivized to grow lower THC percentage Cannabis which can act as a harm-reduction point to ensure the industry isn't flooded with high THC products only.

There was worry that some growers may artificially increase the levels of moisture in the final product, this will not be an issue as there are ways to test for moisture level in the final product to ensure no

mold or other bacteria will grow and those standards may be applied here.

I believe a large component of what is missing in the current proposal is the pride and spirit of the industry. Vertically integrated companies are highly regarded in the cannabis space because there is a sense of pride in being the only place that touched the product before it reached the consumers hands and high levels of integrity are placed in each step. I strongly believe that cannabis should not be regulated as liquor is though state run dispensaries.

Although I am pro-cannabis, I do not believe this bill is a good thing for the cannabis community of New Hampshire without having the ability to grow the plant at home. Cultivating the plant not only allows more patients and people to have accessible medicine at home, it also adds to the experience of being in charge of your own health and medicine, I do not believe the state of NH should have that control of its residents.

It is stated in the bill that once we solve the pension problem, funds will be allocated for education." I strongly believe that this is the most important part of the bill that is currently being overlooked. Education is harm reduction. We would NEVER release a new pharmaceutical drug out into the world with zero education on the subject and NH residents should not be expected to have access to cannabis education inherently. Now is the time to educate our residents on the different consumption methods of cannabis, the different active components, what dose someone should be taking and even the system in the body that cannabis acts upon (the Endocannabinoid system).

I appreciate your time and consideration of these topics. I believe cannabis legalization is inevitable and we want to emphasize what is best for the people of New Hampshire above all else. NH can use this opportunity to learn from it's neighbors about what to improve on and have the most educated, and prepared industry in the Northeast. Please feel free to reach out to me for any reason regarding cannabis legalization in New Hampshire.

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 639-FN-A

BILL TITLE: relative to the legalization and regulation of cannabis and making appropriations therefor.

DATE: February 15, 2023

LOB ROOM: 302-304

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Thackston Seconded by Rep. Burroughs AM Vote: 19-1

Amendment # 2023-0543h

Moved by Rep. Thackston Seconded by Rep. Burroughs Vote: 17-3

CONSENT CALENDAR: NO

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Jane Beaulieu, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/5/2023 1:24:24 PM
Roll Call Committee Registers Report

2023 SESSION

Commerce and Consumer Affairs

Bill #: HB639 Motion: h AM #: _____ Exec Session Date: 2/15/23

TBD

Members	YEAS	Nays	NV
Hunt, John B. Chairman	19		
Ammon, Keith Michael Vice Chairman	1		
Osborne, Jason M.	2		
Potucek, John M.	3		
Terry, Paul A	4		
Post, Lisa C.M.	5		
~~Cole, Brian D~~ Ankarberg	6		
Porcelli, Susan M	7		
Thackston, Dick H	8		
Walsh, Lilli M		1	
Burroughs, Anita D.	9		
Herbert, Christopher J.	10		
~~Beaulieu, Jane E. Clerk~~ Howard	11		
McAleer, Chris R.	12		
Vincent, Kenneth S.	13		
Calabro, Karen E	14		
~~Filiault, Shaun M~~ Boudin	15		
Gibbs, Merryl	16		
Spier, Carry	17		
Sullivan, Jared	18		
TOTAL VOTE:	19	1	

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/5/2023 1:24:24 PM
Roll Call Committee Registers Report

2023 SESSION

Commerce and Consumer Affairs

Bill #: HB639 Motion: OTPA AM #: _____ Exec Session Date: 2/15/23

Members	YEAS	Nays	NV
Hunt, John B. Chairman	17		
Ammon, Keith Michael Vice Chairman	1		
Osborne, Jason M.	2		
Potucek, John M.	3		
Terry, Paul A		1	
Post, Lisa C.M.	4		
~~Cole, Brian D~~ → Ankarberg	5		
Porcelli, Susan M		2	
Thackston, Dick H	6		
Walsh, Lilli M		3	
Burroughs, Anita D.	7		
Herbert, Christopher J.	8		
~~Beaulieu, Jane E. Clerk~~ Howard	9		
McAleer, Chris R.	10		
Vincent, Kenneth S.	11		
Calabro, Karen E	12		
~~Filiault, Shaun M~~ Bouldin	13		
Gibbs, Merryl	14		
Spier, Carry	15		
Sullivan, Jared	16		
TOTAL VOTE:	17	3	

HB 639-FN-A - AS AMENDED BY THE HOUSE

22Feb2023... 0543h
6Apr2023... 1231h

2023 SESSION

23-0528
04/10

HOUSE BILL ***639-FN-A***

AN ACT relative to the legalization and regulation of cannabis and making appropriations therefor.

SPONSORS: Rep. Osborne, Rock. 2; Rep. Layon, Rock. 13; Rep. Wilhelm, Hills. 40; Rep. C. McGuire, Merr. 27; Rep. DiLorenzo, Rock. 10; Rep. Berry, Hills. 39; Rep. McWilliams, Merr. 30; Rep. Wallace, Rock. 8; Sen. Whitley, Dist 15; Sen. Murphy, Dist 16; Sen. Fenton, Dist 10

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill establishes procedures for the legalization, regulation, and taxation of cannabis; the licensing and regulation of cannabis establishments; and makes appropriations therefor.

- -

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
22Feb2023... 0543h
6Apr2023... 1231h 23-0528
04/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to the legalization and regulation of cannabis and making appropriations therefor.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Purpose and Findings. The general court hereby finds that:

I. In the interest of allowing law enforcement to focus on violent and property crimes, generating revenue for education, prevention, treatment, and recovery related to the use of both legal and illegal drugs and for other public purposes, and advancing individual freedom, the people of the state of New Hampshire find and declare that the use of cannabis by a person 21 years of age or older should be legal and subject to reasonable regulation and taxation.

II. In the interest of the health and public safety of our citizenry, the people of the state of New Hampshire further find and declare that cannabis should be regulated in a manner similar to alcohol so that:

(a) Individuals will have to show proof of age before purchasing cannabis.

(b) Selling, distributing, or transferring cannabis to minors and other individuals under the age of 21 shall remain illegal.

(c) Driving under the influence of cannabis shall remain illegal.

(d) Moving cannabis production and sales from the underground, sometimes dangerous, illicit market to legal, taxpaying businesses allows for appropriate regulations and control.

(e) Cannabis sold in this state will be tested, labeled, and subject to additional regulations to ensure that consumers are informed and protected and to protect the environment.

(f) Some of the tax revenue generated from legal cannabis sales will be used to support programs for education, prevention, treatment, and recovery related to the use of both legal and illegal drugs.

2 New Subparagraphs; Application of Receipts; Cannabis Fund. Amend RSA 6:12, I(b) by inserting after subparagraph (387) the following new subparagraphs:

(388) Moneys deposited in the cannabis fund established in RSA 318-F:21.

(389) Moneys in the substance abuse prevention and recovery fund established by RSA 318-F:22.

3 New Subdivision; Substance Abuse Prevention and Recovery Funds. Amend RSA 126-A by inserting after section 97 the following new subdivision:

Substance Abuse Prevention and Recovery Funds

126-A:98 Substance Abuse Prevention and Recovery Funds; Management and Distribution of Funds.

I. The commissioner of the department of health and human services, in coordination with the governor's commission on alcohol and other drugs under RSA 12-J shall administer the substance abuse prevention and recovery fund established in RSA 318-F:22.

II. Funds shall be deposited into the substance abuse prevention and recovery fund as established by 318-F:25 to be distributed by the commissioner of the department of health and human services in coordination with the governor's commission on alcohol and other drugs under RSA 12-J. Funds may be awarded to a qualifying governmental entity or program for an approved use. All funds shall be nonlapsing and continually appropriated for the purposes of this section.

III. The commissioner of the department of health and human services, in coordination with the governor's commission on alcohol and other drugs per RSA 12-J, shall continue to make distributions from the trust fund.

IV. The department of health and human services shall adopt rules pursuant to RSA 541-A necessary to implement this section. Such rules shall include funding qualifications, application procedures, time-lines for receiving, reviewing, and acting upon application requests, and reporting requirements.

V. Allocations shall be used for one or more of the following:

(a) Evidence-based, voluntary programs for substance abuse-related education, prevention, treatment, and recovery.

(b) Mental health treatment, with a focus on dual-diagnosis of both mental health and substance misuse disorders.

(c) Funding and training to foster an informed, adequately paid behavioral health workforce.

(d) Scientifically and medically accurate public education campaigns educating youth and adults about the health and safety risks of alcohol, tobacco, cannabis, and other substances, including education campaigns separately targeting youth and adults that provide medically and scientifically accurate

information about the health and safety risks posed by cannabis use, including driving under the influence of cannabis.

VI. No later than 18 months after the effective date of this section, and every 2 years thereafter, the commissioner of the department of health and human services shall submit an annual report to the governor and fiscal committee of the general court detailing the activities of the administration of the substance abuse prevention and recovery trust fund, the amount distributed in the past year, the amount remaining in the trust fund, a summary of how funds were used in the past year, and any recommendations for future legislation.

4 Alcoholic Beverages; Statement From Purchaser as to Age. Amend RSA 179:8, I(d) to read as follows:

(d) A valid passport [~~from~~] ***issued by the United States or by*** a country with whom the United States maintains diplomatic relations.

5 Controlled Drug Act; Drug Forfeiture Fund. Amend RSA 318-B:17-c, I to read as follows:

I. There is hereby established [~~within the office of the state treasurer~~] a special revolving fund to be designated as the drug forfeiture fund. This fund shall be administered by the attorney general and may be used to pay the costs of local, county and state drug related investigations, ***costs of collection of baseline data related to marijuana regulation,*** as well as drug control law enforcement programs within New Hampshire. The fund may also be used to pay extraordinary costs of local, county and state drug prosecutions and trial expenses.

6 Model Drug Dealer Liability Act; Definition of Illegal Drug. Amend RSA 318-C:4, I to read as follows:

I. "Illegal drug" means any drug which is a schedule I-IV drug under RSA 318-B***, the possession, use, manufacture, sale, or transportation of which is not otherwise authorized by law***.

7 New Chapter; Regulation of Cannabis. Amend RSA by inserting after chapter 318-E the following new chapter:

CHAPTER 318-F

REGULATION OF CANNABIS

318-F:1 Definitions. In this chapter:

I. “Alternative treatment center” means an entity as defined in RSA 126-X:1, I.

II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including cannabis concentrate. "Cannabis" shall not include hemp, fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product.

III. "Cannabis accessories" or “cannabis paraphernalia” means any equipment, products, or materials of any kind that are intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.

IV. "Cannabis accessory retailer" means an entity licensed to sell cannabis accessories and paraphernalia

V. "Cannabis cultivation facility" or “cultivation facility” means an entity registered to cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis concentrates, tinctures, extracts, or other cannabis products.

VI. "Cannabis establishment" means a cannabis cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, a retail cannabis store, a cannabis transporter, or any other type of cannabis business authorized and licensed by the commission.

VII. "Cannabis product manufacturing facility" or “product manufacturing facility" means an entity licensed to purchase cannabis, to manufacture, prepare, and package cannabis products, and sell cannabis and cannabis products to other cannabis product manufacturing facilities, to alternative treatment centers, and to retail cannabis stores, but not to consumers.

VIII. "Cannabis products" means any product that contains cannabis, including cannabis extracts, concentrated cannabis products, and products that contain cannabis and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures. This term shall not include cannabis in its plant or flower form.

IX. "Cannabis testing facility" or “testing facility” means an entity licensed to test cannabis for potency and contaminants.

X. “Cannabis transporter” means an entity licensed to transport cannabis between cannabis establishments.

XI. "Commission" means the liquor and cannabis commission.

XII. "Consumer" means a person 21 years of age or older who purchases cannabis or cannabis products for personal use by a person 21 years of age or older, but not for resale. "Consumer" does not include a qualifying patient or designated caregiver purchasing cannabis from an alternative treatment center pursuant to RSA 126-X.

XIII. "Department" means the department of health and human services.

XIV. "Documentation" means all records, in any form, including electronic records.

XV. "Dual use certificate" means a license allowing an alternative treatment center licensed to operate pursuant to RSA 126-X to co-locate with and operate a retail cannabis store, cannabis cultivation facility, cannabis product manufacturing facility, cannabis transporter, or any combination of those licenses. A dual use certificate is required in addition to registration as an alternative treatment center and the license required pursuant to this chapter for each type of cannabis establishment operated by the alternative treatment center.

XVI. “Immature cannabis plant” means a cannabis plant that has not flowered and that does not have buds that may be observed by visual examination.

XVII. “Inflation” means the 12-month percentage change in the consumer price index for all urban consumers, northeast region as published by the Bureau of Labor Statistics, United States Department of Labor.

XVIII. “Mature cannabis plant” means a cannabis plant that has flowered and has buds that may be observed by visual examination.

XIX. “Municipality" means a city, town, or an unincorporated place.

XX. “Possession limit” means:

(a) Four ounces of cannabis in plant form; and

(b) Twenty grams of concentrated cannabis products, which includes hashish and pre-filled cartridges of cannabis extracts intended for vaporization;

(c) Cannabis products other than concentrated cannabis products containing no more than 2,000 milligrams of THC;

This paragraph shall not apply to the possession limits set forth in RSA 126-X:2.

XXI. "Public place" means any place to which the general public has access.

XXII. "Premises" means and includes all parts of the contiguous real estate occupied by a licensee over which the licensee has direct or indirect control or interest and which the licensee uses in the operation of the licensed business, and which have been approved by the commission as proper places in which to exercise the licensee's privilege.

XXIII. "Retail cannabis store" or “retail store” means an entity licensed to purchase cannabis from cannabis cultivation facilities, to purchase cannabis and cannabis products from cannabis product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis products or cannabis accessories or cannabis paraphernalia to consumers.

XXIV. "Resident" means a natural person who:

(a) Is domiciled in New Hampshire; and

(b) Maintains a place of abode in New Hampshire, unless the individual was homeless and residing in New Hampshire for at least 51 percent of the time.

318-F:2 Personal Use of Cannabis.

I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person 21 years of age or older, shall not be illegal under New Hampshire law or the law of any political subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:

(a) Possessing, consuming, using, displaying, obtaining, purchasing, processing, producing, or transporting an amount of cannabis that does not exceed the possession limit, except that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product manufacturer may perform extractions using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol.

(b) Transferring an amount of cannabis that does not exceed the possession limit to a person who is 21 years of age or older without remuneration. For purposes of this paragraph, a transfer is for remuneration if cannabis is given away contemporaneously with another transaction between the same parties, if a gift of cannabis is offered or advertised in conjunction with an offer for sale of goods, services, or admission to an event, or if the gift of cannabis is contingent upon a separate transaction for goods, services, or the price of admission to an event.

(c) Transferring cannabis, including cannabis products, to a cannabis testing facility.

(d) Controlling property where the acts described under this section occur.

(e) Assisting another person who is 21 years of age or older in any of the acts described under this section.

II. No law enforcement officer employed by an agency that receives state or local government funds shall expend any state or local resources, including the officer's time, to effect any arrest or seizure of cannabis, or conduct any investigation, on the sole basis of activity the officer believes to constitute a violation of federal law if the officer has reason to believe that such activity is in compliance with this chapter, nor shall any such officer expend any state or local resources, including the officer's time, to provide any information or logistical support related to such activity to any federal law enforcement authority or prosecuting entity.

318-F:3 Smoking or Vaping Cannabis in Public Prohibited; Penalty. No person shall smoke or vape cannabis in a public place where the smoking or vaporizing of tobacco products is prohibited. Any person who violates this section shall be guilty of a violation and may be fined not more than $50.

318-F:4 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty.

I. No person shall consume, smoke, or vaporize cannabis while driving or attempting to drive a motor vehicle on a way, or while operating or attempting to operate an off-highway recreational vehicle, snowmobile, boat, vessel, aircraft, or other motorized device used for transportation.

II. No person shall smoke or vaporize cannabis while the person is a passenger in a motor vehicle that is being driven on a way.

III. Any person who violates this section shall be guilty of a violation and shall be subject to a fine not to exceed $150. In addition, any person who violates paragraph I of this section may have his or her driver's license, if a resident, or driving privilege, if a nonresident, suspended for up to 60 days for a first offense and up to one year for a subsequent offense.

IV. In this section, "way" shall have the same meaning as in RSA 265-A:44.

V. A person may not be convicted of both a violation of this section and a violation of RSA 265-A:1 based on the same incident.

318-F:5 Odor and Personal Possession of Cannabis Not Grounds for a Search.

I. Except as provided in paragraph II of this section, the odor of cannabis or burnt cannabis, or the possession of a quantity of cannabis that the officer does not have probable cause to believe exceeds the possession limit of cannabis, shall not constitute in part or in whole probable cause or reasonable suspicion and shall not be used as a basis to support any stop or search of a person or motor vehicle.

II. Nothing in this section prevents a law enforcement official from conducting a test for impairment based in part on the odor of recently burnt cannabis if the law enforcement official would otherwise be permitted to do so under New Hampshire law.

318-F:6 Enforcement Authority.

I. The commission shall have the primary responsibility for enforcing this chapter. Local, county, and state law enforcement officers shall also have jurisdiction to enforce this chapter. Such authority may be delegated to agents working under their authority.

II. The commission shall have the authority to interpret statutes and administrative rules as they relate to this chapter.

III. The commission may transfer funds within and among all accounting units within the commission's operating budget and to create accounting units and expenditure classes as required and as the commissioner deems necessary and appropriate to address present or projected budget deficits, or to respond to changes in federal law, regulations, or programs, and otherwise as necessary for the efficient management of the liquor commission and cannabis funds. The provisions of this section shall not be subject to RSA 9:16-a, RSA 9:17-a, and RSA 9:17-c.

IV. The commission may pay staff members working on both liquor and cannabis matters increased wages until 18 months after the first retail cannabis establishment license is issued. A 10 percent stipend shall be established for commission staff based on their salary, when engaged in the development and all administrative aspects of the program.

318-F:7 Regulation of Cannabis.

I. Not later than one year after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of cannabis cultivation facilities and for the issuance of dual use certificates. Not later than 15 months after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of all other cannabis establishments and on the manufacture and sale of cannabis accessories. The rules shall include the following:

(a) Procedures for the application for, issuance, transfer, approval, denial, renewal, suspension, and revocation of a license for cannabis establishments, including procedures to hear complaints and impose penalties if alternative treatment centers with dual use certificates fail to provide an adequate supply and variety of therapeutic cannabis and cannabis products for qualifying patients.

(b) A fee schedule of reasonable application, license, and annual renewal fees, provided:

(1) That the non-refundable portion of application fees shall not exceed $1,000, with this upper limit adjusted annually for inflation; and

(2) That cultivation facility licensing fees be tiered based on the size of the facilities.

(c) Qualifications for licensure that are directly and demonstrably related to the operation of a cannabis establishment and which may not disqualify applicants solely for cannabis offenses prior to the effective date of this chapter.

(d) Criteria for selection among applicants when there are more qualified applicants than there are number of licenses available in a particular municipality.

(e) Regulations to create at least 2-4 tiers of cultivation facilities, based on the size of the facility or the number of plants cultivated and providing:

(1) That outdoor cultivation facilities shall be allowed to cultivate 3 times the square footage of canopy as indoor cultivation facilities of the same tier;

(2) That security regulations and licensing fees shall vary based on the size of the cultivation facility and that regulatory burdens shall be no more onerous than is reasonably necessary; and

(3) That cultivation facilities may move up to a higher tier at least once per year if they meet the security requirements and pay the associated fee, except that the commission may suspend this provision in the event of an oversupply.

(f) Record keeping requirements for cannabis establishments, including requirements for implementation and compliance with the tracking system.

(g) Requirements for the transportation of cannabis and cannabis products between cannabis establishments, including documentation that shall accompany any cannabis being transported.

(h) A schedule of fines as are authorized in this chapter for violations of statutory requirements, provided that, not later than 18 months after the effective date of this chapter the commission shall report to the chairpersons of the house and senate ways and means committees its proposal for a fine schedule and for legislation needed to implement the schedule.

(i) Procedures for hearings on penalties to include but not limited to administrative fines, suspensions, and revocations of licenses.

(j) Reasonable security requirements for each type of cannabis establishment, which may be varied based on the size of the cannabis establishment.

(k) Health and safety rules, including but not limited to the packaging and preparing of cannabis products, restricting the use of pesticides and other chemicals during cultivation and processing that may be dangerous to cannabis consumers, and sanitation requirements;
(l) Restrictions on the advertising, signage, marketing, and display of cannabis and cannabis products, including but not limited to:
(1) A prohibition on mass-market campaigns that have a likelihood of reaching minors;
(2) A prohibition on marketing to minors, including marketing specifically related to social media;
(3) A prohibition on cannabis products that are named, packaged, marketed, or designed in a way that mimics or is likely to cause confusion with commercially available, trademarked non-cannabis products, including relating to their logos, the sound of the product or brand, packaging, taste, appearance, and commercial impression;
(4) A prohibition on giveaways of cannabis, cannabis products, or cannabis accessories, including samples;
(5) A prohibition on billboard advertising, sound trucks, or outdoor internally illuminated screen displays consistent with alcohol advertising prohibitions in RSA 179:31; and
(6) A requirement for any advertising to include a standard, recognizable symbol that a product contains cannabis or THC.
(m) Restrictions on where a cannabis establishment may be located, consistent with the provisions of this chapter.
(n) Restrictions on the hours of sale when a retail cannabis store may sell cannabis and cannabis products, provided the regulations shall not allow retail stores to begin sales before 6:00 a.m. or to sell cannabis or cannabis products after 11:45 p.m.
(o) Packaging, product manufacturing, and labeling requirements for cannabis and cannabis products, including:
(1) Mandating the disclosure of the THC content of each product;
(2) Requirements to ensure cannabis products and their packaging are not designed to appeal to or be attractive to minors, including providing that they cannot be in the shape of cartoons, toys, animals, or people; and
(3) Establishing the maximum amount of THC that may be included in each cannabis product serving as 20 milligrams, except that the commission may change this amount through rulemaking;
(4) Prohibiting flavors and designs of cannabis-infused beverages, oils, and edibles that resemble or imitate candy flavors that are marketed to minors;
(5) Warnings, including but not limited to, those described in RSA 318F:16;
(6) A requirement for any label, an for certain products where appropriate, to include a standard, recognizable symbol that a product contains cannabis or THC; and
(7) Potency limits for cannabis products.
(p) Health and safety rules and standards for the cultivation of cannabis and manufacture of cannabis products, including:
(1) Prohibitions on additives to products that are toxic, misleading to consumers, or designed to make the product more appealing to children;
(2) Safety standards regulating the manufacture of cannabis extracts and concentrated cannabis products; and
(3) A prohibition on the inclusion of nicotine and other additives to cannabis products that are designed to make the product more addictive or more intoxicating.
(q) Standards for the operation of testing laboratories, including requirements for equipment and qualifications for personnel.
(r) Requirements for the testing of cannabis and cannabis products, including:
(1) Requirements to ensure at a minimum that cannabis and cannabis products sold for human consumption do not contain contaminants that are injurious to health and to ensure correct labeling;
(2) That testing shall include, but not be limited to, analysis for residual solvents, poisons, or toxins; harmful chemicals; dangerous molds or mildew; filth; dangerous herbicides, pesticides, and fungicides, heavy metals, and harmful microbials, such as E. coli or salmonella;

(3) Threshold levels for each contaminant listed in subparagraph (2);
(4) Providing that in the event that test results indicate the presence of quantities of any substance determined to be injurious to health, such cannabis or cannabis products shall be immediately quarantined and immediate notification to the commission shall be made. The contaminated product shall be documented and properly destroyed;
(5) That testing shall also verify THC and other cannabis potency representations for correct labeling;
(6) That the commission shall determine an acceptable variance for potency representations and procedures to address potency misrepresentations;
(7) That the commission shall determine the protocols and frequency of cannabis testing by a cannabis testing facility.
(8) Allowances for remediation of cannabis and cannabis products whose test results are in excess of established thresholds; and
(9) Minimum testing requirements for an effective cannabis and cannabis product quality assurance program for cannabis cultivation facilities and cannabis product manufacturing facilities.
(s) Reasonable health and safety restrictions on cannabis accessories that may be manufactured or sold in New Hampshire, including a prohibition on any vaporization device that includes toxic or addictive additives. The commission may prohibit types of vaporizers that are particularly likely to be utilized by minors without detection, but may not completely ban or unreasonably restrict the manufacture or sale of vaporization devices.
(t) Training and continuing education required or recommended for licensees, which shall include training on checking photo identification and for false identification.
(u) Requirements that cannabis retail stores stock cannabis products, including flower, with low and moderate amounts of THC and that they be at least as prominently displayed as high potency products.
II.(a) In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a retail cannabis store with personal information other than government-issued identification to determine the consumer's age, and a retail cannabis store shall not be required to acquire and record personal information about consumers.
(b) In order to ensure that individual privacy is protected, no cannabis establishment may record or store a consumer's name, address, purchases, or contact information unless the consumer consents in writing. No cannabis establishment may make granting permission for the collection or storage of such information a condition of a consumer purchasing cannabis from the establishment.
III. Not later than 18 months after the effective date of this chapter, the commission, in consultation with the department, shall develop an informational handout, which retail stores shall make available to all consumers, and which shall include information detailed in RSA 318-F:14.
IV. The commission shall require all cannabis establishments to utilize an inventory tracking system, including use of a universal product code, for tracking the transfer of cannabis and cannabis products between licensed cannabis establishments and the sale of cannabis and cannabis products to consumers. The system shall ensure an accurate accounting of the production, processing, and sale of cannabis and cannabis products and shall enable separate tracking of cannabis flowers, immature cannabis plants, and other parts of cannabis sold from cannabis cultivation facilities. The system shall allow for the tracking of lab testing results for all cannabis and shall be capable of swiftly identifying all products involved in a product recall. The commission may develop and maintain a system that satisfies the requirements of this section, or it may select a vendor to develop and maintain a system.
V. No later than 24 months after the effective date of this chapter, and every year thereafter, the commission shall reevaluate the fines and penalties established in RSA 318-F, and shall report in writing on its findings and recommendations to the chairpersons of the house and senate ways and means committees.
VI. The commission may regulate synthetic cannabinoids and intoxicating products derived from hemp.
VII. No later than 36 months after the effective date of this section, the commission shall make written recommendations to the general court regarding the regulation of hemp including:

(a) What hemp products the commission would regulate;
(b) How the products would be regulated, including whether a license would be required and whether hemp processors and manufacturers should be licensed and regulated by the commission;
(c) Any license fees or other charges that would be assessed on hemp products and license fees assessed on hemp processors and manufacturers; and
(d) The resources required to regulate hemp processors, product manufacturers, hemp products, and the retail sale of intoxicating hemp products.
VIII. A prohibition on the manufacturing and sale of cannabis alcoholic beverages.
318-F:8 Dual Use Certificates.
I. No later than 18 months after the effective date of this chapter, the commission, after consulting with the department of health and human services and the therapeutic cannabis medical oversight board and holding at least one public hearing, shall develop regulations allowing alternative treatment centers registered to operate pursuant to RSA 126-X to apply for a dual use certificate.
II. A separate dual use certificate is required for each alternative treatment center dispensing location.
III. The commission shall grant or deny any application for a dual use certificate within 90 days.
IV. The regulations for a dual use certificate shall include, but are not limited to:
(a) Providing for separation of cannabis sales to qualifying patients and consumers, such as by requiring separate counters;
(b) Requiring dual-use cannabis establishments to prioritize therapeutic cannabis access;
(c) Requiring dual-use cannabis establishments to maintain or increase the diversity of therapeutic cannabis products available for qualifying patients;
(d) Requiring dual-use cannabis establishments to avoid raising prices for qualifying patients beyond the rate of inflation, for at least 2 years after dual use licensure;
(e) A requirement that in the event of crowding, inadequate parking, or similar issues limiting therapeutic cannabis access, the dual-use cannabis establishment shall take measures to prioritize therapeutic cannabis access, such as setting aside certain business hours when the establishment will only serve qualifying patients and their designated caregivers; and
(f) Providing for the suspension of sales of cannabis to adult-use consumers in the event of a product shortage.
V.(a) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers shall meet the requirements of RSA 126-X:8 and rules issued pursuant to chapter RSA 126-X.
(b) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers may have higher THC per serving than is permitted by rules governing cannabis establishments that are issued pursuant to RSA 318-F:10.
VI. Cannabis stores affiliated with alternative treatment centers holding dual use certificates may sell cannabis grown and processed by those alternative treatment centers to consumers provided they comply with rules issued pursuant to this section and RSA 318-F:10
318-F:9 Transition of Therapeutic Cannabis Program.
I. No later than 20 months after the effective date of this chapter, the commission, jointly with the department of health and human services, shall make a recommendation to the health and human services oversight committee whether to transfer the department's therapeutic cannabis program to the commission.
II. The proposal shall include a plan to allow cannabis retail stores to obtain a therapeutic cannabis endorsement that would allow them to serve qualifying patients without imposing the excise tax in RSA 318-F:23.
318-F:10 Licensure Procedures for Cannabis Establishments.
I. Each application for a license to operate a cannabis establishment shall be submitted to the commission.

II. Each application shall include both the fee established by the commission and a $500 fee for the municipality to review the application, except that the municipal fee shall be $75 in the case of the smallest tier of cultivation facilities.

III. The commission shall:

(a) Immediately forward a copy of each application and the municipal fee to the municipality in which the applicant desires to operate the cannabis establishment; and

(b) Issue a license to the applicant within 90 days after receipt of an application unless:

(1) The commission finds the applicant is not in compliance with the requirements of this chapter or rules adopted under this chapter;

(2) The commission is notified by the relevant municipality that the applicant is not in compliance with an ordinance adopted pursuant to this chapter and in effect at the time of application; or

(3) More qualified applicants have applied than the number of licenses available in the municipality, and the applicant was not selected.

(c) Accept and process applications on an ongoing basis.

318-F:11 Enactment of Municipal Ordinances.

I. A municipality may enact an ordinance prohibiting or limiting the number and type of cannabis establishments that may be permitted within the municipality and regulating the time, place, and manner of operation of a cannabis establishment, which is permitted within the municipality. A locality's prohibition on cannabis establishments may not prohibit transportation through the locality or deliveries within the locality by cannabis establishments located in other jurisdictions.

II. A municipality may enact an ordinance specifying the entity within the municipality that shall be responsible for reviewing applications submitted for a license to operate a cannabis establishment within the municipality. The entity designated by the municipality shall be responsible for indicating whether the application is in compliance with municipal ordinances.

III. A municipality may not negotiate or enter into an agreement with a cannabis establishment or a cannabis establishment applicant requiring that the cannabis establishment or applicant provide money, donations, in–kind contributions, services, or anything of value to the locality.

318-F:12 Residency Required.

I. Except as provided in this section, any person applying for a cannabis establishment license shall be a resident, or shall have at least one director, officer, or partner who is a New Hampshire resident.

II. This section shall not apply to an applicant for a testing facility registration.

318-F:13 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a license, if the establishment would be located within 1,000 feet of the property line of a pre-existing public or private pre-school, elementary, or secondary school.

318-F:14 Informational Materials and Warning Labels.

I. The commission, in consultation with the department, shall design at least 2 versions of informational handout, one of which is specific to high potency products.

II. A retail cannabis store shall include an informational handout designed by the commission in consultation with the department with all cannabis and cannabis products sold to consumers, and shall include the high potency version in all cannabis concentrates and other high potency sales. The informational handouts shall include scientifically accurate information, including:

(a) Advice about the potential risks of cannabis, and, in the case of the high potency handout, risks specific to high potency products, including:

(1) The risks of driving under the influence of cannabis, and the fact that doing so is illegal;

(2) Any adverse effects unique to adolescents or young adults, including effects related to the developing mind;

(3) Potential adverse events and other risks, including related to mental health; and
(4) Risks of using cannabis during pregnancy or breastfeeding. This may be identical to that required under RSA 126-X:8, XVI(c)(7).
(b) Information about methods for administering cannabis;
(c) How long cannabis may impair a person after it is ingested in each manner; and
(d) How to recognize problematic usage of cannabis and how to obtain appropriate services or treatment;
(e) Information regarding safe storage and disposal of cannabis and paraphernalia to prevent accidental poisonings, including the contact information for the Northern New England Poison Control Center. This may be identical to that required under RSA 126-X:8, XVI(c)(8); and
(f) Unless federal statutory law or case law has changed and such a warning is no longer accurate, a disclosure that:
(1) Cannabis is illegal under U.S. federal law, and
(2) Under the United States government's 1986 Gun Control Act, any 'unlawful' user of a controlled substance is prohibited from purchasing or owning a gun.
III. The commission may require retail stores to display informational posters in conspicuous locations about the risks of cannabis use, including regarding risks during pregnancy and breastfeeding and risks of cannabis use in adolescents or by younger adults. The posters shall be scientifically accurate.
IV. All cannabis and cannabis products sold by a retail cannabis store shall include warning labels that provide the following information: "Warning: This product has intoxicating effects. For use by adults 21 and older. Keep out of reach of children." The department may require a standard, recognizable symbol on all cannabis packaging to signify that THC or other cannabinoids are included in the product.
V. All cannabis products sold by retail cannabis stores shall include:
(a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed by up to 2 hours," unless the commission determines that a different time frame should be specified.
(b) A disclosure of ingredients and possible allergens.
(c) A nutritional fact panel.
(d) Opaque, child-resistant packaging, which shall be designed or constructed to be significantly difficult for children under 5 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. section 1700.20.
318-F:15 Lawful Operation of Cannabis-Related Facilities. If undertaken by a person 21 years of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for seizure or forfeiture of assets under New Hampshire law:
I. Possessing, displaying, or transporting cannabis or cannabis products; obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility; or sale, delivery, or distribution of cannabis or cannabis products to an adult who is 21 years of age or older or to retail cannabis stores or alternative treatment centers, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a retail cannabis store or is acting in his or her capacity as an owner, employee, or agent of a licensed retail cannabis store.
II. Cultivating, harvesting, processing, packaging, transporting, displaying, or possessing cannabis; obtaining or purchasing cannabis seeds or seedlings or immature cannabis plants from any adult 21 years of age or older; delivering or transferring cannabis to a cannabis testing facility; selling or transferring cannabis that has not been processed into extracts, concentrates, or other preparations to a cannabis cultivation facility, a cannabis product manufacturing facility, or a retail cannabis store or alternative treatment center; or obtaining or purchasing cannabis from a cannabis cultivation facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis cultivation facility.

III. Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing facility; selling cannabis or cannabis products to a retail cannabis store, alternative treatment center, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a cannabis product manufacturing facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a cannabis product manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis product manufacturing facility.

IV. Possessing, obtaining, cultivating, processing, storing, transporting, receiving, or displaying cannabis or cannabis products if the person or business entity has obtained a current, valid license to operate a cannabis testing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis testing facility.

V. Engaging in any activities involving cannabis or cannabis products if the person or business entity conducting the activities has obtained a current, valid license to operate a cannabis establishment or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis establishment, and the activities are within the scope of activities allowed by the commission for that type of cannabis establishment.

VI. Possessing, obtaining, cultivating, processing, storing, transporting, or receiving cannabis obtained from a cannabis establishment or transporting, delivering, or transferring cannabis to a cannabis establishment if the person or business entity has obtained a current, valid license to operate a cannabis transporter or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis transporter.

VII. Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; or obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility if the person or business entity conducting the activities described in this paragraph possesses a valid license to operate an alternative treatment center or is acting in his or her capacity as an owner, employee, or agent of a licensed alternative treatment center.

VIII. Leasing or otherwise allowing the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with this chapter.

IX. Selling, offering for sale, transferring, transporting, or delivering cannabis to establishments licensed to process or sell cannabis under the laws of other states if the person or business entity has obtained a current, valid license to operate a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility.

318-F:16 Proof of Purchaser's Identity.

I. For the purposes of this chapter, any person or entity making the sale of cannabis or cannabis accessories to any purchaser whose age is in question may accept any official documentation listed in RSA 179:8 as proof that the purchaser is 21 years of age or older.

II. The establishment of all of the following facts by a retail cannabis store or an agent or employee of a retail store making a sale of cannabis or cannabis accessories to a person under the age of 21 shall constitute an affirmative defense to any prosecution for such sale:

(a) That the person presented what an ordinary and prudent person would believe to be valid documentation of a type listed in RSA 179:8.

(b) That the sale was made in good faith relying upon such documentation and appearance in the reasonable belief that the person was 21 years of age or older. No identification scanning or collection of personally identifiable information shall be required under this section.

318-F:17 Driving; Minors; and Control of Property.

I. Nothing in this chapter shall be construed to permit driving or operating under the influence of drugs or liquor pursuant to RSA 265-A, nor shall this section prevent the state from enacting and imposing penalties for driving under the influence of or while impaired by cannabis.

II. Nothing in this chapter shall be construed to permit the transfer of cannabis, with or without remuneration, to a person under the age of 21, or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume cannabis.

III. Nothing in this chapter shall prohibit a state or county correctional facility from prohibiting the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of cannabis on or in the correctional facility's property.

IV.(a) Except as provided in this section, this chapter does not require any person, corporation, or any other entity that occupies, owns, or controls a property to allow the consumption, cultivation, display, sale, or transfer of cannabis on or in that property.

(b) In the case of the rental of a residential dwelling, a landlord shall not prohibit the possession of cannabis or the consumption of cannabis by non-smoked means unless:

(1) The tenant is a roomer who is not leasing the entire residential dwelling;

(2) The residence is incidental to the provision of educational, counseling, religious, or similar service;

(3) The residence is a transitional housing facility; or

(4) Failing to prohibit cannabis possession or consumption would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(c) This chapter shall not prevent a landlord from prohibiting cannabis smoking or cannabis cultivation.

(d) An adult who is 21 or older may use cannabis on privately owned real property only with permission of the property owner or, in the case of leased or rented property, with the permission of the tenant in possession of the property, except that a tenant shall not allow a person to smoke cannabis on rented property if smoking on the property violates the lease or the lessor's rental policies that apply to all tenants at the property. However, a tenant may permit an adult who is 21 or older to use cannabis on leased property by ingestion or inhalation through vaporization even if smoking is prohibited by the lease or rental policies. For purposes of this chapter, vaporization shall mean the inhalation of cannabis without the combustion of the cannabis.

318-F:18 Enforcement of Contracts. Contracts related to the operation of a cannabis establishment licensed pursuant to this chapter shall be enforceable. No contract entered into by a licensed cannabis establishment or its employees or agents as permitted pursuant to a valid license, or by those who allow property to be used by an establishment, its employees, or its agents as permitted pursuant to a valid license, shall be unenforceable on the basis that cultivating, obtaining, manufacturing, distributing, dispensing, transporting, selling, possessing, or using cannabis is prohibited by federal law.

318-F:19 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.

I. Except as provided in this section, a holder of a professional or occupational license may not be subject to professional discipline for:

(a) Providing advice or services related to cannabis establishments or applications to operate cannabis establishments on the basis that cannabis is illegal under federal law; or

(b) Engaging in activities allowed by this chapter.

II. An applicant for a professional or occupational license may not be denied a license based on:

(a) Previous employment related to cannabis establishments operating in accordance with state law;

(b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors, or

(c) Engaging in activities allowed by this chapter.

III. Except as provided in this section, neither the state nor any of its political subdivisions may impose any penalty or deny any benefit or entitlement for conduct permitted under this chapter or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older.

IV. Except as provided in this section, neither the state nor any of its political subdivisions may deny a driver's license, a professional license, housing assistance, social services, or other benefits based on cannabis use or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva,

breath, hair, or other tissue or fluid of a person who is 21 years of age or older.

V. A person shall not be denied custody of or visitation with a minor for acting in accordance with this chapter, unless the person's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated.

VI. Except as provided in this section, neither the state nor any of its political subdivisions may discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person in employment or contracting, if the discrimination is based upon either of the following:

(a) Engaging in activities allowed by this chapter;

(b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors; or

(c) Testing positive for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of the individual's body.

VII.(a) This section does not prevent an employer from disciplining an employee or contractor for ingesting cannabis in the workplace or for working while impaired by cannabis.

(b) The protections provided by this section do not apply to the extent that they conflict with a governmental employer's obligations under federal law or regulations or to the extent that they would disqualify the entity from a monetary or licensing-related benefit under federal law or regulations.

(c) This section does not authorize any person to engage in, and does not prevent the imposition of any civil, criminal, disciplinary, or other penalties, including discipline or termination by a governmental employer, any task while under the influence of cannabis, when doing so would constitute negligence or professional malpractice.

VIII. For the purposes of medical care, including organ and tissue transplants, the use of cannabis does not constitute the use of an illicit substance or otherwise disqualify a person from needed medical care and may only be considered with respect to evidence-based clinical criteria.

IX. Notwithstanding any other provision of law, unless there is a specific finding that the individual's use, cultivation, or possession of cannabis could create a danger to the individual or another person, it shall not be a violation of conditions of parole, probation, or pre-trial release to:

(a) Engage in conduct allowed by this chapter; or

(b) Test positive for cannabis, tetrahydrocannabinol, or any other cannabinoid or metabolite of cannabis.

X. This section does not authorize any person to engage in, and does not prevent the imposition of any penalties for engaging in, the following conduct:

(a) Undertaking any task under the influence of cannabis, when doing so would constitute negligence or professional malpractice.

(b) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, train, or motorboat while under the influence of cannabis.

318-F:20 Data Collection Related to Cannabis Legalization and Regulation.

I. No later than 6 months after the effective date of this chapter and every 2 years thereafter, the department of safety, information and analysis center, drug monitoring initiative, shall produce and publish a report that includes baseline data and the most current data regarding health and welfare outcomes since cannabis became legal and regulated for adults' use, including but not limited to high school graduation rates; youth and adult rates of alcohol, cannabis, and illegal drug use; rates of maladaptive use of cannabis; rates of alcohol abuse; opiate use and abuse rates; the number and type of youth and adult convictions for cannabis offenses; and the rates of individuals needing but not receiving substance abuse treatment. The report shall also include information on treatment and prevention services provided, education campaigns undertaken, and funding allocated under RSA 318-F:21.

II. No later than 6 months after the effective date of this chapter, and again 18 months after the effective date of this chapter, the Judicial Branch shall produce and publish a report that includes the number of cases dismissed pursuant to RSA 651:5-e.

318-F:21 Cannabis Fund Established.

I. There is established a nonlapsing fund to be known as the cannabis fund. The fund shall be kept distinct and separate from all other funds in the state treasury, and the moneys credited to the fund shall be held distinct and separate from all other funds over which the state treasurer has control. Moneys in

the fund shall be deposited with any financial institution as defined in RSA 383-A:2-201(a)(27-a), with a branch in the state. Moneys credited to the fund shall include deposits into the fund by the commission pursuant to this chapter and deposits into the fund by the commissioner of the department of revenue administration.

II. For the biennium ending June 30, 2025, and every biennium thereafter, the commission shall include the cost of administration of this chapter in the commission's efficiency expenditure request pursuant to RSA 9:4.

III. For the biennium ending June 30, 2025, the sum of $15,000,000 is hereby appropriated to the cannabis commission for the cost of administration of this chapter. Said sum shall be a charge against the fund.

IV. For the biennium ending June 30, 2025, the sum of $500,000 is hereby appropriated to the substance use prevention and recovery fund established in RSA 318-F:22 for the cost of developing and implementing a public education campaign prior to initiation of retail sales. Said sum shall be a charge against the fund.

V. After deducting appropriations charged to the fund for the cost of administration of this chapter, the remaining funds shall be appropriated and distributed on a quarterly basis as follows:

(a) The sum of $100,000 annually to the department of safety, information and analysis center, drug monitoring initiative, for data collection and reporting related to the health impacts of cannabis prohibition and cannabis regulation; and

(b) Of the remaining funds:

(1) Fifty percent of remaining funds shall be disbursed to the education trust fund established in RSA 198:39. The comptroller shall notify the commissioner of the department of revenue administration of the amount of the transfer. For the purpose of setting the education tax rate under RSA 76:3, the amount of revenue required to be collected pursuant to RSA 76:3 shall be reduced by the amount transferred to the education trust fund as required in this subparagraph, and the commissioner shall set the rate at a level sufficient to generate the reduced amount. This rate shall be effective for the following fiscal year.

(2) Thirty percent of remaining funds shall be disbursed to the department of administrative services to be credited to the New Hampshire retirement system to offset the retirement system's unfunded accrued liability. Upon certification by the commissioner of the department of administrative services that the retirement system has no remaining unfunded accrued liability, this disbursement of funds shall be credited to the education trust fund established in RSA 198:39.

(3) Ten percent of remaining funds, or $25,000,000, whichever is less, shall be credited to the substance abuse prevention and recovery fund in RSA 318-F:22 for use by the department of health and human services, bureau of drug and alcohol services, in evidence-based, voluntary programs for substance use-related education, prevention, treatment, and recovery that includes mental health treatment that is contributing to substance misuse, and for scientifically and medically accurate public education campaigns educating youth and adults about the health and safety risks of alcohol, tobacco, cannabis, and other substances, including education campaigns separately targeting youth and adults that provide medically and scientifically accurate information about the health and safety risks posed by cannabis use, including driving under the influence of cannabis.

(4) Five percent of remaining funds shall be disbursed to public safety agencies, including police, fire, and rescue agencies, for the hiring and training of additional drug recognition experts, for advanced roadside impaired driving enforcement training, and to assist in responding to drug overdose incidents.

(5) Five percent of remaining funds shall be disbursed to the department of health and human services, division for behavioral health, bureau of children's behavioral health, to be used for children’s behavioral health services.

318-F:22 Substance Abuse Prevention and Recovery Fund Established. There is hereby established in the state treasury the substance abuse prevention and recovery fund that shall be kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA 318-F:21 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with RSA 6:8. Any earnings on fund moneys shall be added to the fund. All

moneys in the fund shall be nonlapsing and shall be continually appropriated to the commissioner of the department of health and human services for the purposes and in the manner set forth in RSA 126-A:98.

318-F:23 Excise Tax Imposed.

I. An excise tax on the monthly total gross revenue derived from sales or transfers to a retail cannabis store of either cannabis or cannabis products in their final form by either a licensed cannabis cultivation facility or a cannabis product manufacturing facility is imposed at the rate of 12.5 percent.

II. Each licensed cannabis cultivation facility or cannabis product manufacturing facility shall pay 100 percent of the assessment in paragraph I for the assessment period no later than the 15th day of the month following the assessment period.

III. If a licensed cannabis cultivation facility or cannabis product manufacturing facility does not pay the monthly tax as required under this section, a fine of 10 percent of the tax owed shall be applied to the payment and collected by the commission from the licensee.

IV. The commission shall ascertain the selling or transfer price of the cannabis or cannabis products when the seller and purchaser are affiliated persons or entities and when the sale or transfer of the cannabis or cannabis product is not an arm's length transaction.

V. The commission shall adopt rules under RSA 541-A relative to the tax rate and procedures needed to implement the provisions of this section.

VI. The commission shall study the efficacy of the rate and scope of the cannabis tax imposed by this section, including whether adjustments may be needed in said rate and scope, and shall, no later than October 1, 2024, and on or before October 1 of every year thereafter, certify its findings and recommendations in a report to the general court and the governor. The commission shall include in said report the dollar amounts of all fees and tax revenues assessed and collected pursuant to the provisions of this chapter during the period covered by the report. The commission shall provide copies of said report to the chairs and minority leaders of the house and senate committees on ways and means, on finance, and on commerce.

8 Controlled Drug Act; Definitions. Amend the introductory paragraph in RSA 318-B:1, X-a(k) to read as follows:

(k) Objects used or intended for use or customarily intended for use in ingesting, inhaling, or otherwise introducing [~~marijuana,~~] cocaine[~~, hashish, or hashish oil~~] into the human body, such as:

9 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, I to read as follows:

I. Any person who manufactures, sells, prescribes, administers, or transports or possesses with intent to sell, dispense, or compound any controlled drug, controlled drug analog or any preparation containing a controlled drug, except as authorized in this chapter ***or as otherwise authorized by law***; or manufactures, sells, or transports or possesses with intent to sell, dispense, compound, package or repackage (1) any substance which he ***or she*** represents to be a controlled drug, or controlled drug analog, or (2) any preparation containing a substance which he ***or she*** represents to be a controlled drug, or controlled drug analog, shall be sentenced as follows, except as otherwise provided in this section:

10 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, II to read as follows:

II. Any person who knowingly or purposely obtains, purchases, transports, or possesses actually or constructively, or has under his control, any controlled drug or controlled drug analog, or any preparation containing a controlled drug or controlled drug analog, except as authorized in this chapter ***or as otherwise authorized by law***, shall be sentenced as follows, except as otherwise provided in this section:

11 Controlled Drug Act; Penalties. Amend RSA 318-B:26, II(c)-(e) to read as follows:

(c) In the case of more than 3/4 ounce of marijuana or more than 5 grams of hashish, including any adulterants or dilutants[~~,~~] ***is possessed by a person who is under 21 years of age, or, in the case of an amount exceeding the possession limit defined in RSA 318-F:1 possessed by a person who is 21 years of age or older, except if possessed by a person authorized pursuant to RSA 126-X,*** the person shall be guilty of a misdemeanor. [~~In the case of marijuana-infused products possessed by persons under the age of 21 or marijuana-infused products as defined in RSA 318-B:2-c, other than a personal-use amount of a regulated marijuana-infused product as defined in RSA 318-B:2-c, I(b), that are possessed by a person 21 years of age or older, the person shall be guilty of a misdemeanor.~~]

(d) In the case of 3/4 ounce or less of marijuana or 5 grams or less of hashish, including any adulterants or dilutants, ***that is possessed by a person who is under 21 years of age,*** the person shall be guilty of a violation pursuant to RSA 318-B:2-c. [~~In the case of a person 21 years of age or older who possesses a personal-use amount of a regulated marijuana-infused product as defined in RSA 318-B:2-c, I(b), the person shall be guilty of a violation pursuant to RSA 318-B:2-c.~~]

(e) In the case of a residual amount of a controlled [~~substance,~~] ***drug, other than marijuana*** [~~as defined in RSA 318-B:1, XXIX-a~~], a person shall be guilty of a misdemeanor if the person is not part of a service syringe program under RSA 318-B:43.

12 Controlled Drug Act; Penalties. Amend RSA 318-B:26, III(a) to read as follows:

(a) [~~Except as provided in RSA 318-B:2-c,~~] Controls any premises or vehicle where he or she knows a controlled drug or its analog***, other than marijuana,*** is illegally kept or deposited;

13 Personal Possession of Marijuana. Amend RSA 318-B:2-c to read as follows:

318-B:2-c [~~Personal~~] Possession of Marijuana ***by a Person Under 21 Years of Age***.

[~~I.~~] In this section:

[~~(a)~~] ***I.*** "Marijuana" includes the leaves, stems, flowers, and seeds of all species of the plant genus cannabis, but shall not include the resin extracted from any part of such plant and every compound, manufacture, salt, derivative, mixture, or preparation from such resin including hashish, and further, shall not include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, fiber, oil or cake, or the sterilized seed of such plant which is incapable of germination.

[~~(b) "Personal-use amount of a regulated marijuana-infused product" means one or more products that is comprised of marijuana, marijuana extracts, or resins and other ingredients and is intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures, which was obtained from a state where marijuana sales to adults are legal and regulated under state law, and which is in its original, child-resistant, labeled packaging when it is being stored, and which contains a total of no more than 300 milligrams of tetrahydrocannabinol.~~]

II. Except as provided in RSA 126-X, any person ***under 21 years of age*** who knowingly possesses 3/4 of an ounce or less of marijuana, including adulterants or dilutants, shall be guilty of a violation, and subject to the penalties provided in paragraph V.

III. Except as provided in RSA 126-X, any person ***under 21 years of age*** who knowingly possesses 5 grams or less of hashish, including adulterants or dilutants, shall be guilty of a violation, and subject to the penalties provided in paragraph V.

IV. [~~Except as provided in RSA 126-X, any person 21 years of age or older possessing a personal-use amount of a regulated marijuana-infused product shall be guilty of a violation, and subject to the penalties provided in paragraph V. Persons 18 years of age or older and under 21 years of age who knowingly possess marijuana-infused products shall be guilty of a misdemeanor.~~

~~V.~~](a) Except as provided in this paragraph, any person 18 years of age or older who is convicted of violating paragraph II or III[~~, or any person 21 years of age or older who is convicted of violating paragraph IV~~] shall be subject to a fine of $100 for a first or second offense under this paragraph, or a fine of up to $300 for any subsequent offense within any 3-year period; however, any person convicted based upon a complaint which alleged that the person had 3 or more prior convictions for violations of paragraph II[~~,~~] ***or*** III[~~or IV~~], or under reasonably equivalent offenses in an out-of-state jurisdiction since the effective date of this paragraph, within a 3-year period preceding the fourth offense shall be guilty of a class B misdemeanor. The offender shall forfeit the marijuana[~~, regulated marijuana-infused products,~~] or hashish to the state. A court shall waive the fine for a single conviction within a 3-year period upon proof that person has completed a substance abuse assessment by a licensed drug and alcohol counselor within 60 days of the conviction. A person who intends to seek an assessment in lieu of the fine shall notify the court, which shall schedule the matter for review after 180 days. Should proof of completion of an assessment be filed by or before that time, the court shall vacate the fine without a hearing unless requested by a party.

(b) Any person under 18 years of age who is convicted of violating paragraph II or III shall forfeit the marijuana or hashish and shall be subject to a delinquency petition under RSA 169-B:6.

[~~VI.~~] ***V.***(a) Except as provided in this section, no person shall be subject to arrest for a violation of paragraph II[~~,~~] ***or*** III[~~, or IV~~] and shall be released provided the law enforcement officer does not have lawful grounds for arrest for a different offense.

(b) Nothing in this chapter shall be construed to prohibit a law enforcement agency from investigating or charging a person for a violation of RSA 265-A.

(c) Nothing in this chapter shall be construed as forbidding any police officer from taking into custody any minor who is found violating paragraph II[~~,~~] ***or*** III[~~, or IV~~].

(d) Any person ***under 21 years of age who is*** in possession of an identification card, license, or other form of identification issued by the state or any state, country, city, or town, or any college or university, who fails to produce the same upon request of a police officer or who refuses to truthfully provide his or her name, address, and date of birth to a police officer who has informed the person that he or she has been found to be in possession of what appears to the officer to be 3/4 of an ounce or less of marijuana[~~, a personal-use amount of a regulated marijuana-infused product,~~] or 5 grams or less of hashish, may be arrested for a violation of paragraph II[~~,~~] ***or*** III[~~, or IV~~].

[~~VII.~~] ***VI.*** All fines imposed pursuant to this section shall be deposited into the alcohol abuse prevention and treatment fund established in RSA 176-A:1 and utilized for evidence-informed substance abuse prevention programs.

[~~VIII.~~] ***VII.***(a) No record that includes personally identifiable information resulting from a violation of this section shall be made accessible to the public, federal agencies, or agencies from other states or countries.

(b) Every state, county, or local law enforcement agency that collects and reports data for the Federal Bureau of Investigation Uniform Crime Reporting Program shall collect data on the number of violations of paragraph II[~~,~~] ***or*** III[~~, or IV~~]. The data collected pursuant to this paragraph shall be available to the public. A law enforcement agency may update the data annually and may make this data available on the agency's public Internet website.

14 Alcohol or Drug Impairment; Possession of Drugs. Amend RSA 265-A:43 to read as follows:

265-A:43 Possession of Drugs. Any person who drives on any way a vehicle while knowingly having in his or her possession or in any part of the vehicle a controlled drug or controlled drug analog in violation of the provisions of RSA 318-B shall be guilty of a misdemeanor, and his or her license shall be revoked or his or her right to drive denied for a period of 60 days and at the discretion of the court for a period not to exceed 2 years. This section shall not apply to the possession of marijuana or hashish as provided in RSA 318-B:2-c[~~, or a personal-use amount of a regulated marijuana-infused product as defined in RSA 318-B:2-c, I(b)~~].

15 New Section; Sentences; Annulment of Certain Arrests and Convictions for Cannabis. Amend RSA 651 by inserting after section 5-b the following new section:

651:5-c Certain Crimes Not to be Pursued; Dismissal.

I. As used in this section:

(a) "Cannabis" means "cannabis" as defined in RSA 318-F:1, II.

(b) "Possession limit" means "possession limit" as defined in RSA 318-F:1, XVIII.

II.(a) Except to the extent required to dismiss, withdraw, or terminate the charge, no prosecutor shall pursue any charge based on crimes or offenses pending with a court that occurred prior to the effective date of RSA 318-F, involving a person 21 years of age or older knowingly or purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or constructively, or having under his or her control, no more than the possession limit of cannabis where the offense occurred before the effective date of RSA 318-F.

(b) The existence of convictions in other counts within the same case that are not eligible for dismissal pursuant to this section or other applicable laws shall not prevent any conviction otherwise eligible for dismissal under this section from being dismissed pursuant to this section.

III. On the first day of the fifth month next following the effective date of RSA 318-F, any guilty verdict, plea, placement in a diversionary program, or other entry of guilt on a matter that was entered prior to that effective date, but the judgment of conviction or final disposition on the matter was not entered prior to that date, and the guilty verdict, plea, placement in a diversionary program, or other entry of guilt solely involved one or more crimes or offenses involving a person 21 years of age or older knowingly or purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or constructively, or having under his or her control, no more than the possession limit of cannabis, shall be vacated by operation of law. The judicial branch, in consultation with the attorney general, may take any administrative action as may be necessary to vacate the guilty verdict, plea, placement in a diversionary program, or other entry of guilt.

16 Assessment; Education Tax. Amend RSA 76:3 to read as follows:

76:3 Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the commissioner of the department of revenue administration shall set the education tax rate at a level sufficient to generate revenue of $363,000,000***, less any amount credited to the education trust fund pursuant to RSA 318-F:25,*** when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section.

17 Use of Cannabis for Therapeutic Purposes; Definition of Alternative Treatment Center. Amend RSA 126-X:1, I to read as follows:

I. "Alternative treatment center" means a ***domestic business corporation organized under RSA 293-A, a domestic limited liability company organized under RSA 304-C, or a*** not-for-profit [~~entity~~] ***voluntary corporation organized under RSA 292 that is*** registered under RSA 126-X:7 that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, sells, supplies, and dispenses cannabis, and related supplies and educational materials, to qualifying patients, designated caregivers, other alternative treatment centers, and visiting qualifying patients.

18 Use of Cannabis for Therapeutic Purposes; Departmental Administration. Amend RSA 126-X:7, IV(a)(4) to read as follows:

(4) The name, address, and date of birth of each principal officer and board member of the alternative treatment center. The board of ***directors, or board of managers as applicable,*** for the [~~nonprofit~~] ***alternative treatment center*** shall include at least one physician, advance practice registered nurse, or pharmacist licensed to practice in New Hampshire and at least one patient qualified to register as a qualifying patient. The majority of board members***, or managers as applicable,*** shall be New Hampshire residents. A medical professional listed in this subparagraph may be a member of the alternative treatment center board ***or directors, or managers as applicable,*** but shall not maintain an ownership interest in the center.

19 Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements. Amend RSA 126-X:8, I to read as follows:

I. An alternative treatment center shall be operated on a ***for profit or*** not-for-profit basis for the benefit of its patients. An alternative treatment center need not be recognized as a tax-exempt organization by the Internal Revenue Service.

20 New Paragraphs; Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements. Amend RSA 126-X:8 by inserting after paragraph XVIII the following new paragraphs:

XIX. Except as otherwise provided in this chapter, an alternative treatment center shall be subject to RSA 293-A if organized as a domestic business corporation, RSA 304-C if organized as a domestic limited liability company, and RSA 292 if organized as a voluntary corporation.

XX. An alternative treatment center organized as a voluntary corporation under RSA 292 may, on or before December 31, 2024, convert from a voluntary corporation under RSA 292 to either a domestic business corporation organized under RSA 293-A or a limited liability company organized under RSA 304-C in any of the following ways:

(a) By adopting a plan of entity conversion in accordance with RSA 293-A or RSA 304-C, as applicable, that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, provided that each such conversion shall be authorized by a vote of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by unanimous written consent.

(b) By adopting a plan of merger in accordance with RSA 293-A that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic business corporation shall be the surviving entity, provided that, such merger shall be authorized by a vote of 2/3 of the members of the board of directors of the alternative treatment center at a meeting duly called for the purpose or by unanimous written consent.

(c) By adopting a plan of merger in accordance with RSA 304-C that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic limited liability company shall be the surviving entity, provided that, such merger shall be authorized by a vote of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by unanimous written consent.

XXI. Articles of entity conversion or articles of merger, as applicable, shall be signed and submitted to the secretary of state pursuant to RSA 293-A or RSA 304-C, as applicable, and the secretary of state shall approve all such filings submitted pursuant to this section.

XXII. The secretary of state shall certify such articles of entity conversion or articles of merger and shall provide them to the department. Upon receipt, the department shall update the existing licenses held by the converted or merged alternative treatment center.

XXIII. For the purposes of converting or merging an alternative treatment center pursuant to this section, notwithstanding any provision in the articles of agreement or alternative treatment center license applications to the contrary, the members of an alternative treatment center's board of directors may determine that a plan of entity conversion or merger is consistent with its corporate charter, and such voluntary corporation may surrender its articles of agreement in connection with the plan of entity conversion or merger.

XXIV.(a) Any alternative treatment center choosing to convert or merge pursuant to this section shall obtain an independent fair market valuation of its total assets as of June 30, 2024. The valuation of the total assets of such alternative treatment center, if positive, shall be distributed to one or more charitable organizations solely for charitable purposes. The director of charitable trusts shall receive a copy of the valuation and may file any objection relating thereto with the court within 60 days. Except as set forth in this section and notwithstanding any other law to the contrary, no portion of the assets of such alternative treatment center after the conversion or merger, as applicable, shall be deemed to be charitable assets.

(b) Any alternative treatment center choosing to convert or merge pursuant to this section shall submit a copy of the plan of conversion or merger to the director of charitable trusts. The director may file an objection relating to the plan with the court within 60 days.

(c) Any alternative treatment center that has converted or merged pursuant to this section shall, on December 31, 2024 and thereafter for 2 years, annually file a letter with the director of charitable trusts certifying compliance with the requirements of RSA 126-X:8, XX.

21 Voluntary Corporations; Change of Name. Amend RSA 292:7 to read as follows:

292:7 Change of Name; Amending Articles.

I. Any corporation now or hereafter organized or registered in accordance with the provisions of this chapter, and any existing corporation which may have been so organized or registered, may change its name, increase or decrease its capital stock or membership certificates, merge with or acquire any other corporation formed pursuant to this chapter, or amend its articles of agreement, by a majority vote of such corporation's board of directors or trustees, at a meeting duly called for that purpose, and by recording a certified copy of such vote in the office of the secretary of state and in the office of the clerk of the town or city in this state which is its principal place of business. In the case of a foreign nonprofit corporation registered in New Hampshire, a copy of the amendment or plan of merger, certified by the proper officer of the state of incorporation, shall be filed with the secretary of state, together with the fee provided in RSA 292:5. The surviving corporation in a merger shall continue to have all the authority and powers vested in the merging corporations, including any powers previously conferred upon them by the legislature.

II. An alternative treatment center registered pursuant to RSA 126-X and organized under this chapter may, pursuant to RSA 126-X:8, XX, convert to either a domestic corporation organized under RSA 293-A or a limited liability company organized under to RSA 304-C, and may merge with a domestic business corporation organized under RSA 293-A or a limited liability company organized under RSA 304-C.

22 New Subparagraph; New Hampshire Business Corporations Act; Entity Conversion Authorized. Amend RSA 293-A:9.50 by inserting after subparagraph (f) the following new subparagraph:

(g) Alternative treatment centers registered pursuant to RSA 126-X and organized pursuant to RSA 292 may become a domestic corporation pursuant to a plan of conversion in accordance with RSA 126-X:8, XX and this subdivision. The alternative treatment center shall be deemed to be a domestic unincorporated entity for purposes of applying RSA 293-A:9.50 through RSA 293-A:9.56, except that approval of the conversion shall be as outlined in RSA 126-X:8, XX.

23 Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149, I to read as follows:

I. Any other business entity***, including alternative treatment centers pursuant to RSA 126-X:8, XX,*** may make a statutory conversion of its business organization form to the limited liability company business organization form under this act by complying with the requirements of this section and with applicable law governing the other business entity. ***Approval of a conversion of an alternative treatment center pursuant to this paragraph shall be as outlined in RSA 126-X:8, XX.***

24 New Paragraph; Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149 by inserting after paragraph VIII the following new paragraph:

IX. In the case of the conversion of an alternative treatment center registered under RSA 126-X and organized pursuant to RSA 292, such conversion shall be approved by the board of directors in accordance with RSA 126-X:8, XX.

25 Liquor Investigation; Training. Amend RSA 176:9 to read as follows:

I. The commission may, subject to rules adopted by the director of personnel, employ and dismiss liquor investigators. Liquor investigators shall, under the direction of the commission, investigate any or all matters arising under this title ***and under RSA 318-F***.

II. Any new liquor investigator employed by the commission under this section after August 13, 1985, shall, within 6 months of employment, satisfactorily complete a preparatory police training program as provided by RSA 106-L:6, unless he or she has already completed such a program.

III. The commissioner, deputy commissioner, assistant, or liquor investigator may enter any place where liquor, beverages, tobacco products, e-cigarettes***, or cannabis*** are sold***,*** [~~or~~] manufactured, ***or cultivated*** at any time, and may examine any license or permit issued or purported to have been issued under the terms of this title. They shall make complaints for violations of this title.

26 Liquor Commission; Assistants and Employees. Amend RSA 176:7 to read as follows:

176:7 Assistants and Employees.

I. The state liquor commission may employ such assistants as are, in its opinion, necessary for the proper transaction of its business, and fix their compensation, subject to the rules of the director of personnel. It may secure any necessary technical or professional assistance.

II. The commission may select and retain market consultants through a competitive bidding process approved by the governor and the executive council. Any such contract with a third-party agent shall be for consulting services relating to marketing and regulation of cannabis for purposes of cultivation, manufacturing, testing, and retail sale.

27 Prosecutions. Amend RSA 179:59 to read as follows:

179:59 Prosecutions. The commission shall appoint liquor investigators whose primary function shall be the proper prosecution of this title ***and RSA 318-F***. The liquor investigators shall have statewide jurisdiction, with reference to enforcement of all laws either in cooperation with, or independently of, the officers of any county or town. The commission shall have the primary responsibility for the enforcement of all liquor and beverage laws ***and cannabis laws*** upon premises where liquor***,*** [~~and~~] beverages***, and cannabis*** are lawfully sold, stored, distributed, or manufactured ***or cultivated***. Any person violating the provisions of any law may be prosecuted by the commission or any of its investigators as provided in this section, or by county or city attorneys, or by sheriffs or their deputies, or by police officials of towns.

28 New Paragraph; Commission to Sell. Amend RSA 176:11 by inserting after paragraph II the following new paragraph:

III. In the event that the commission determines New Hampshire cannabis revenues are being diverted by actions taken by persons holding any type of cannabis license, the commission may take such marketing or merchandising action, or both, as it deems necessary, including sanctions against the competing entities.

29 New Paragraph; Retail Tobacco License. Amend RSA 178:19-a by inserting after paragraph V the following new paragraph:

VI. A retail tobacco license is authorized to sell cannabis accessories and cannabis paraphernalia as defined in RSA 318-F.

30 Liquor Commission; Commission. Amend RSA 176:1 to read as follows:

176:1 Commission. There shall be a state liquor ***and cannabis*** commission under the executive direction of a liquor ***and cannabis*** commissioner, who shall also be known as the chairman of the liquor ***and cannabis*** commission, appointed by the governor with the consent of the council. The commissioner shall have significant business management experience and shall complete a criminal history records check prior to confirmation by the council. The liquor ***and cannabis*** commissioner shall hold office for a term of 4 years. If a vacancy shall occur, it shall be filled for the remainder of the term. The commissioner may be removed by the governor and council for cause.

31 New Paragraph; Rulemaking; Liquor and Cannabis Commission. Amend RSA 176:14 by inserting after paragraph IX the following new paragraph:

IX-a. Cannabis licenses, including:

(a) Procedures for the application for, issuance, transfer, denial, renewal, suspension, and revocation of a license for cannabis establishments.

(b) License operations for each cannabis license type.

(c) Collection of additional fees as required by statute.

32 Name Change; Liquor and Cannabis Commission. Amend the following RSAs by replacing "liquor commission" with "liquor and cannabis commission": 6:12, I(b)(285); 6:12-j, V(b)(2); 9:11, II(b)(5); 9-C:7, II; 12-J:1, III(a)(4); 12-O:18, II; 21:33-a, III(a); 21-G:6-b, IV(c); 21-I:18, I(b); 21-J:14, 5(d)(9); 21-P:64, I(a)(6); 78:7; 78:16, II; 78:23, 94:1-a; the introductory paragraph of 100-A:1, VII(a); 106-L:6, XVII; 110-B:28, VI; the introductory paragraph of 126-AA:3, VI; 126-K:2, II; 167:7-b, II(a); 175:1, XXIV; the chapter heading of RSA Chapter 176; 176:2; 176:2-a; the introductory paragraph of 176:3; 176:7; 176:16; 176:17; 176:18; 176-A:1, III-IV; 177:1; 177:1-a; the introductory paragraph 177:3; 177:13; 178:11, V; 178:12-a, XIV; 178:13, XIII; 178:22, V(h)(12); 178:27; 178:27-a; the introductory paragraph of 178:27-b, V; 179:21; 179:33, IV; 179:38; 179:56, III(b); 180:1, II; 279:1, XVI; 284:21-h, II(a); and 663:5.

33 Appropriations.

I. The sum of $100,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the department of safety, information and analysis center, drug monitoring initiative, for the purpose of collecting baseline data to be used in the reports required pursuant to RSA 318-F:20. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

II. The sum of $7,000,000 for the fiscal year ending June 30, 2024 is appropriated to the liquor commission for the cost of administration of RSA 318-F. The governor is authorized to draw a warrant for said sum from any money in the treasury not otherwise appropriated.

III. The sum of $8,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the liquor commission for deposit into the cannabis fund established in RSA 318-F:21 for the administration of RSA 318-F. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

IV. The sum of $500,000 for the biennium ending June 30, 2025 is hereby appropriated to the substance use prevention and recovery fund established in RSA 318-F:22 for the cost of developing and implementing a public education campaign prior to initiation of retail sales.

34 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use with cannabis, is repealed.

35 Effective Date.

I. RSA 318-F:15, IX, as inserted by section 7 of this act, shall take effect upon certification by the attorney general of New Hampshire to the director of the office of legislative services and the secretary of state that the conduct allowed by that paragraph has become legal under the United States Code.
II. The remainder of this act shall take effect upon its passage.

LBA
23-0528
Amended 5/9/23

HB 639-FN-A- FISCAL NOTE
AS AMENDED BY THE HOUSE (AMENDMENT #2023-1231h)

AN ACT relative to the legalization and regulation of cannabis and making appropriations therefor.

FISCAL IMPACT: [X] State [X] County [X] Local [ ] None

	Estimated Increase / (Decrease)			
STATE:	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**
Appropriation	$0	$7,500,000	$8,100,000	$0
Revenue	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	[X] General [X] Education [ ] Highway [X] Other - Drug Forfeiture Fund, Cannabis Fund, Substance Abuse Prevention and Recovery Fund, Alcohol Abuse Prevention and Treatment Fund, Judicial Branch IT Fund, New Hampshire Retirement System Unfunded Accrued Liability and Various Government Funds			

COUNTY:

Revenue	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

LOCAL:

Revenue	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

In addition to the general fund appropriations in the table above, the bill makes the followng appropriations from the Cannabis Fund:

- $15 million to the cannabis commission for the biennium ending June 30, 2025 for administration of the Chapter.

- $500,000 to the Substance Use Prevention and Recovery Fund established in proposed RSA 318-F:22 for the biennium ending June 30, 2025 for the cost of developing and implementing a public education campaign prior to initiation of retail sales.

- $100,000 annually to the Department of Safety for data collection and reporting related to the health impacts of cannabis prohibition and cannabis regulation.

The remaing amounts in the Cannabis Fund will be distributed:

- 50% to the education trust fund to reduce the education tax in RSA 76:3;
- 30% to offset the retirement system's unfunded accrued liability;
- the lesser of 10% or $25 million shall be credited to the substance abuse prevention and recovery fund in RSA 318-F:22;
- 5% shall be disbursed to public safety agencies, including police, fire, and rescue agencies, and;
- 5% to the department of health and human services, division for behavioral health, bureau of children's behavioral health, to be used for children's behavioral health services.

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, as amended by the House, as it is awaiting information from the Liquor Commission. The Liquor Commission was originally contacted on April 12, 2023 and again with followup on May 2, 2023 for a fiscal note worksheet, which they have not provided as of May 8, 2023. When completed, the fiscal note will be forwarded to the Clerk's Office.

METHODOLOGY:

This bill establishes procedures for the legalization, regulation, and taxation of cannabis; the licensing and regulation of cannabis establishments; and makes appropriations therefor.

The Department of Corrections states the bill would have an indeterminable impact on the number of parole violations associated with the use of cannabis and may cause a decrease in violation rates. This bill may also reduce state expenditures as an indeterminable number of individuals that would have their sentences annulled for prior convictions.

The Department of Health and Human Services indicates this bill would have an indeterminable impact on state revenues and expenditures due to the potential variability of sales revenue and unknowns around the potential increase in consumption, treatment utilization, prevention needs, and associated costs. The Department's Bureau of Drug and Alcohol Services states there is considerable uncertainty about the impact that legalizing cannabis in New Hampshire would have on public budgets. The Department reports the science is currently unsettled on the causal effects of cannabis on psychoses, schizophrenia, and drugged driving. The Department is unable to determine if these areas would be impacted and create additional costs. Evidence supporting the treatment needs for cannabis use disorder, however, is documented, and it is assumed that treatment costs would increase with cannabis legalization, although such costs are also indeterminable. The Department assumes it will need an additional Program Specialist IV position starting in FY 2026 at cost of approximately $93,000 for salary and benefits. This position would be responsible for:

- Coordination and management of the new Substance Abuse Prevention and Recovery Fund.
- Planning the development and modification of programs, policies, and procedures.
- Managing and evaluating the work product of state and local programs providing services.

The bill does not establish this position or an appropriation for the position.

The Department of Safety states calculating the fiscal impact of this bill is impossible because it is impossible to predict possible criminal activities related to cannabis legalization in New Hampshire. The Department is provided a $100,000 general appropriation in FY 2025 for the purpose of collecting baseline data to be used in the reports required pursuant to RSA 318-F:20. The Department would also receive an annual appropriation from the Cannabis Fund for data collection and reporting related to the health impacts of cannabis prohibition and cannabis regulation.

The New Hampshire Municipal Association indicates this bill would increase local expenditures and local revenue by indeterminable amounts. Based on review of limited research available relative to changes in policing related to cannabis legalization in any forms by other states, the Association identified the potential fiscal impacts listed below.

- Greater access to cannabis may increase youth access and driving while under the influence incidents, leading to a shift in law enforcement focus and a need for additional training in detection, such as Drug Recognition Expert (DRE) training. These shifts may increase law enforcement costs, particularly in the field of specialized training for detection of impairment by cannabis.
- There may be reduced law enforcement costs associated with drug detection and prosecution for simple possession cases, freeing up funds for other uses.
- Border states where cannabis is illegal, and which border states where some amount of cannabis is legal, have experienced additional incidents related to driving while under the influence, particularly in counties near the border. As New Hampshire is bordered on all sides by legalized states it is likely that some additional enforcement costs are already being borne by municipal police departments.
- Most research funded by National Institute of Justice grants shows that legalization has minimal, if any, effects on violent crime.
- Generally, research in states that have legalized cannabis has shown more patients presenting in the emergency department with physical or psychological symptoms resultant from using marijuana or commercial cannabis products. While no research appears to exist relative to the number of patients arriving via ambulance, it stands to reason that some portion of patients do utilize ambulance services to arrive at emergency departments. Additionally, there may be some number of users who call for emergency medical assistance that are not transported for treatment to the emergency department. Based on the information available, municipalities should expect some increase in costs associated with EMS, if limited legalization increases the incidence of individuals utilizing cannabis.

Regarding revenue, the Municipal Association is not able to provide an estimate of the revenue generated by the bill, but reports Vermont, which recently legalized both cannabis and cannabis products (such as, edibles) estimated between $40-$65 million in business profits, whereas Maine saw approximately $58 million in profit on $266 million in sales in 2020. It is possible that different approaches to marketing and businesses decisions relative to profit margins may result in state revenues that are significantly higher or lower than those provided above. Currently, 100% of the New Hampshire Retirement System's unfunded accrued liability sits on public employers, with municipalities seeing approximately 70% of their yearly employer contributions going toward the unfunded accrued liability. This bill contains language that provides funds from the cannabis fund to offset the Retirement System's unfunded accrued liability. The bill provides funds to public safety agencies, including police, fire, and rescue agencies. The Association indicates it is unclear how much additional revenue municipalities can expect.

This bill impacts penalties that may have an impact on the New Hampshire judicial and correctional systems. There is no method to determine how many fewer charges would be brought because of the changes contained in this bill to determine the fiscal impact on expenditures. However, the

entities impacted have provided the potential costs associated with these penalties below.

Judicial Branch	FY 2023	FY 2024 through 12/31/23	FY 2024 (Starting 1/1/24 with repeal of Felonies First)
Violation and Misdemeanor Level Offense	$119	$122	$122
Routine Criminal Case	$644	$657	$779
Appeals	Varies	Varies	Varies

Judicial Council	FY 2023	FY 2024
Public Defender Program	Has contract with State to provide services.	Has contract with State to provide services.
Contract Attorney - Felony	$825/Case $105 administrative fee $200 incarceration fee (If applicable)	$825/Case $105 administrative fee $200 incarceration fee (If applicable)
Contract Attorney – Misdemeanor	$300/Case $70 administrative fee $100 incarceration fee (If applicable)	$300/Case $70 administrative fee $100 incarceration fee (If applicable)
Assigned Counsel - Felony. Travel time to court does not count toward the cap.	$90/Hour up to $5,500	$90/Hour up to $5,500
Assigned Counsel- Misdemeanor. Travel time to court does not count toward the cap.	$90/Hour up to $2,000	$90/Hour up to $2,000
Assigned Counsel - Supreme Court Appeal	$125/Hour up to $10,000	$125/Hour up to $10,000

It should be noted that a person needs to be found indigent and have the potential of being incarcerated to be eligible for indigent defense services. Historically, approximately 85% of the indigent defense caseload has been handled by the public defender program, with the remaining cases going to contract attorneys (14%) or assigned counsel (1%). Beginning in March of 2021, the public defender program has had to close intake of new cases due to excessive caseloads. Due to these closures, the contract and assigned counsel program have had to absorb significantly more cases. The system is experiencing significant delays in appointing counsel and the costs of representation have increased due to travel time and multiple appointments.

Department of Corrections	FY 2023	FY 2024
FY 2022 Average Cost of Incarcerating an Individual	$64,223	$64,223

FY 2022 Annual Marginal Cost of a General Population Inmate	$6,123	$6,123
FY 2022 Average Cost of Supervising an Individual on Parole/Probation	$688	$688
The Department notes any increase in the incarcerated population will have a direct impact on overtime costs given the Department's history of challenges associated with recruitment. In addition, the NH State Prison for Men has a degrading infrastructure which will only be exacerbated if an increase in the incarcerated population were to occur.		

NH Association of Counties	FY 2023	FY 2024
County Prosecution Costs	Indeterminable	Indeterminable
Estimated Average Daily Cost of Incarcerating an Individual	$105 to $125	$105 to $125

The Judicial Branch indicates the fiscal impact on the Branch is indeterminable. It is assumed decriminalization of cannabis and hashish would result in a decrease in cannabis-related criminal filings in court. Because prosecutors file criminal charges that may involve cannabis under a wide variety of criminal statutes, most of which involve a wide range of drugs in addition to cannabis, the Branch is not able to determine on average how many cannabis-only related cases are currently filed in the courts. The bill would also provide for new criminal penalties and civil causes of action for violations under the new statute created by the bill, but the Judicial Branch is unable to determine how many additional cases would result from the bill.

In addition, concerning annulment of certain arrests and convictions for cannabis, the Judicial Branch does not have sufficient information as to the number of cases will be in this status as of the effective date to estimate a fiscal impact of this provision. The bill would result in fewer criminal cases going forward for what is decriminalized under this bill and new criminal cases that would be filed under the penalty provisions in the bill.

Current law (RSA 106-L:10), provides that every court shall levy a penalty assessment of $2 or 24 percent, whichever is greater, on each fine or penalty imposed by the court for certain criminal offenses. Penalty assessments collected are divided 66.67 percent to the general fund, 16.67 percent to the Victims' Assistance Fund, and 16.67 percent to the Judicial Branch Information Technology Fund. The Judicial Branch is unable to determine the change in penalty assessments collected if the bill passes.

The bill requires the Judicial Branch shall produce and publish a report that includes the number of cases dismissed pursuant to RSA 651:5-e. Said report shall be issued no later than 6 months after the effective date of the bill and again 12 months later. There will be additional costs to the Branch to produce the reports. The cost is indeterminable and will depend on the number of cases dismissed.

Many offenses are prosecuted by local and county prosecutors. When the Department of Justice has investigative and prosecutorial responsibility or is involved in an appeal, the Department may be able to absorb the cost within its existing budget. However, if the Department needs to prosecute significantly fewer cases or handle fewer appeals, then costs will decrease by an indeterminable amount.

It is assumed that any fiscal impact would occur after FY 2023.

This bill does not establish or authorize new positions.

AGENCIES CONTACTED:

Departments of Corrections, Health and Human Services, Justice, New Hampshire Liquor Commission, Judicial Branch, Judicial Council, New Hampshire Municipal Association and New Hampshire Association of Counties

Rep. Spilsbury, Sull. 3
Rep. Doucette, Rock. 25
Rep. Almy, Graf. 17
March 27, 2023
2023-1231h
07/10

Amendment to HB 639-FN-A

Amend the bill by replacing section 2 with the following:

2 New Subparagraphs; Application of Receipts; Cannabis Fund. Amend RSA 6:12, I(b) by inserting after subparagraph (387) the following new subparagraphs:

(388) Moneys deposited in the cannabis fund established in RSA 318-F:21.

(389) Moneys in the substance abuse prevention and recovery fund established by RSA 318-F:22.

Amend RSA 126-A:98, I as inserted by section 3 of the bill by replacing it with the following:

I. The commissioner of the department of health and human services, in coordination with the governor's commission on alcohol and other drugs under RSA 12-J shall administer the substance abuse prevention and recovery fund established in RSA 318-F:22.

Amend the bill by replacing section 7 with the following:

7 New Chapter; Regulation of Cannabis. Amend RSA by inserting after chapter 318-E the following new chapter:

CHAPTER 318-F

REGULATION OF CANNABIS

318-F:1 Definitions. In this chapter:

I. “Alternative treatment center” means an entity as defined in RSA 126-X:1, I.

II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including cannabis concentrate. "Cannabis" shall not include hemp, fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product.

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III. "Cannabis accessories" or “cannabis paraphernalia” means any equipment, products, or materials of any kind that are intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.

IV. "Cannabis accessory retailer" means an entity licensed to sell cannabis accessories and paraphernalia

V. "Cannabis cultivation facility" or “cultivation facility” means an entity registered to cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis concentrates, tinctures, extracts, or other cannabis products.

VI. "Cannabis establishment" means a cannabis cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, a retail cannabis store, a cannabis transporter, or any other type of cannabis business authorized and licensed by the commission.

VII. "Cannabis product manufacturing facility" or “product manufacturing facility" means an entity licensed to purchase cannabis, to manufacture, prepare, and package cannabis products, and sell cannabis and cannabis products to other cannabis product manufacturing facilities, to alternative treatment centers, and to retail cannabis stores, but not to consumers.

VIII. "Cannabis products" means any product that contains cannabis, including cannabis extracts, concentrated cannabis products, and products that contain cannabis and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures. This term shall not include cannabis in its plant or flower form.

IX. "Cannabis testing facility" or “testing facility” means an entity licensed to test cannabis for potency and contaminants.

X. “Cannabis transporter” means an entity licensed to transport cannabis between cannabis establishments.

XI. "Commission" means the liquor and cannabis commission.

XII. "Consumer" means a person 21 years of age or older who purchases cannabis or cannabis products for personal use by a person 21 years of age or older, but not for resale. "Consumer" does not include a qualifying patient or designated caregiver purchasing cannabis from an alternative treatment center pursuant to RSA 126-X.

XIII. "Department" means the department of health and human services.

XIV. "Documentation" means all records, in any form, including electronic records.

XV. "Dual use certificate" means a license allowing an alternative treatment center licensed to operate pursuant to RSA 126-X to co-locate with and operate a retail cannabis store, cannabis cultivation facility, cannabis product manufacturing facility, cannabis transporter, or any

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combination of those licenses. A dual use certificate is required in addition to registration as an alternative treatment center and the license required pursuant to this chapter for each type of cannabis establishment operated by the alternative treatment center.

XVI. “Immature cannabis plant” means a cannabis plant that has not flowered and that does not have buds that may be observed by visual examination.

XVII. “Inflation” means the 12-month percentage change in the consumer price index for all urban consumers, northeast region as published by the Bureau of Labor Statistics, United States Department of Labor.

XVIII. “Mature cannabis plant” means a cannabis plant that has flowered and has buds that may be observed by visual examination.

XIX. “Municipality" means a city, town, or an unincorporated place.

XX. “Possession limit” means:

(a) Four ounces of cannabis in plant form; and

(b) Twenty grams of concentrated cannabis products, which includes hashish and pre-filled cartridges of cannabis extracts intended for vaporization;

(c) Cannabis products other than concentrated cannabis products containing no more than 2,000 milligrams of THC;

This paragraph shall not apply to the possession limits set forth in RSA 126-X:2.

XXI. "Public place" means any place to which the general public has access.

XXII. "Premises" means and includes all parts of the contiguous real estate occupied by a licensee over which the licensee has direct or indirect control or interest and which the licensee uses in the operation of the licensed business, and which have been approved by the commission as proper places in which to exercise the licensee's privilege.

XXIII. "Retail cannabis store" or “retail store” means an entity licensed to purchase cannabis from cannabis cultivation facilities, to purchase cannabis and cannabis products from cannabis product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis products or cannabis accessories or cannabis paraphernalia to consumers.

XXIV. "Resident" means a natural person who:

(a) Is domiciled in New Hampshire; and

(b) Maintains a place of abode in New Hampshire, unless the individual was homeless and residing in New Hampshire for at least 51 percent of the time.

318-F:2 Personal Use of Cannabis.

I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person 21 years of age or older, shall not be illegal under New Hampshire law or the law of any political subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:

(a) Possessing, consuming, using, displaying, obtaining, purchasing, processing, producing, or transporting an amount of cannabis that does not exceed the possession limit, except

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that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product manufacturer may perform extractions using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol.

(b) Transferring an amount of cannabis that does not exceed the possession limit to a person who is 21 years of age or older without remuneration. For purposes of this paragraph, a transfer is for remuneration if cannabis is given away contemporaneously with another transaction between the same parties, if a gift of cannabis is offered or advertised in conjunction with an offer for sale of goods, services, or admission to an event, or if the gift of cannabis is contingent upon a separate transaction for goods, services, or the price of admission to an event.

(c) Transferring cannabis, including cannabis products, to a cannabis testing facility.

(d) Controlling property where the acts described under this section occur.

(e) Assisting another person who is 21 years of age or older in any of the acts described under this section.

II. No law enforcement officer employed by an agency that receives state or local government funds shall expend any state or local resources, including the officer's time, to effect any arrest or seizure of cannabis, or conduct any investigation, on the sole basis of activity the officer believes to constitute a violation of federal law if the officer has reason to believe that such activity is in compliance with this chapter, nor shall any such officer expend any state or local resources, including the officer's time, to provide any information or logistical support related to such activity to any federal law enforcement authority or prosecuting entity.

318-F:3 Smoking or Vaping Cannabis in Public Prohibited; Penalty. No person shall smoke or vape cannabis in a public place where the smoking or vaporizing of tobacco products is prohibited. Any person who violates this section shall be guilty of a violation and may be fined not more than $50.

318-F:4 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty.

I. No person shall consume, smoke, or vaporize cannabis while driving or attempting to drive a motor vehicle on a way, or while operating or attempting to operate an off-highway recreational vehicle, snowmobile, boat, vessel, aircraft, or other motorized device used for transportation.

II. No person shall smoke or vaporize cannabis while the person is a passenger in a motor vehicle that is being driven on a way.

III. Any person who violates this section shall be guilty of a violation and shall be subject to a fine not to exceed $150. In addition, any person who violates paragraph I of this section may have his or her driver's license, if a resident, or driving privilege, if a nonresident, suspended for up to 60 days for a first offense and up to one year for a subsequent offense.

IV. In this section, "way" shall have the same meaning as in RSA 265-A:44.

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V. A person may not be convicted of both a violation of this section and a violation of RSA 265-A:1 based on the same incident.

318-F:5 Odor and Personal Possession of Cannabis Not Grounds for a Search.

I. Except as provided in paragraph II of this section, the odor of cannabis or burnt cannabis, or the possession of a quantity of cannabis that the officer does not have probable cause to believe exceeds the possession limit of cannabis, shall not constitute in part or in whole probable cause or reasonable suspicion and shall not be used as a basis to support any stop or search of a person or motor vehicle.

II. Nothing in this section prevents a law enforcement official from conducting a test for impairment based in part on the odor of recently burnt cannabis if the law enforcement official would otherwise be permitted to do so under New Hampshire law.

318-F:6 Enforcement Authority.

I. The commission shall have the primary responsibility for enforcing this chapter. Local, county, and state law enforcement officers shall also have jurisdiction to enforce this chapter. Such authority may be delegated to agents working under their authority.

II. The commission shall have the authority to interpret statutes and administrative rules as they relate to this chapter.

III. The commission may transfer funds within and among all accounting units within the commission's operating budget and to create accounting units and expenditure classes as required and as the commissioner deems necessary and appropriate to address present or projected budget deficits, or to respond to changes in federal law, regulations, or programs, and otherwise as necessary for the efficient management of the liquor commission and cannabis funds. The provisions of this section shall not be subject to RSA 9:16-a, RSA 9:17-a, and RSA 9:17-c.

IV. The commission may pay staff members working on both liquor and cannabis matters increased wages until 18 months after the first retail cannabis establishment license is issued. A 10 percent stipend shall be established for commission staff based on their salary, when engaged in the development and all administrative aspects of the program.

318-F:7 Regulation of Cannabis.

I. Not later than one year after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of cannabis cultivation facilities and for the issuance of dual use certificates. Not later than 15 months after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of all other cannabis establishments and on the manufacture and sale of cannabis accessories. The rules shall include the following:

(a) Procedures for the application for, issuance, transfer, approval, denial, renewal, suspension, and revocation of a license for cannabis establishments, including procedures to hear complaints and impose penalties if alternative treatment centers with dual use certificates fail to

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provide an adequate supply and variety of therapeutic cannabis and cannabis products for qualifying patients.

(b) A fee schedule of reasonable application, license, and annual renewal fees, provided:

(1) That the non-refundable portion of application fees shall not exceed $1,000, with this upper limit adjusted annually for inflation; and

(2) That cultivation facility licensing fees be tiered based on the size of the facilities.

(c) Qualifications for licensure that are directly and demonstrably related to the operation of a cannabis establishment and which may not disqualify applicants solely for cannabis offenses prior to the effective date of this chapter.

(d) Criteria for selection among applicants when there are more qualified applicants than there are number of licenses available in a particular municipality.

(e) Regulations to create at least 2-4 tiers of cultivation facilities, based on the size of the facility or the number of plants cultivated and providing:

(1) That outdoor cultivation facilities shall be allowed to cultivate 3 times the square footage of canopy as indoor cultivation facilities of the same tier;

(2) That security regulations and licensing fees shall vary based on the size of the cultivation facility and that regulatory burdens shall be no more onerous than is reasonably necessary; and

(3) That cultivation facilities may move up to a higher tier at least once per year if they meet the security requirements and pay the associated fee, except that the commission may suspend this provision in the event of an oversupply.

(f) Record keeping requirements for cannabis establishments, including requirements for implementation and compliance with the tracking system.

(g) Requirements for the transportation of cannabis and cannabis products between cannabis establishments, including documentation that shall accompany any cannabis being transported.

(h) A schedule of fines as are authorized in this chapter for violations of statutory requirements, provided that, not later than 18 months after the effective date of this chapter the commission shall report to the chairpersons of the house and senate ways and means committees its proposal for a fine schedule and for legislation needed to implement the schedule.

(i) Procedures for hearings on penalties to include but not limited to administrative fines, suspensions, and revocations of licenses.

(j) Reasonable security requirements for each type of cannabis establishment, which may be varied based on the size of the cannabis establishment.

(k) Health and safety rules, including but not limited to the packaging and preparing of cannabis products, restricting the use of pesticides and other chemicals during cultivation and processing that may be dangerous to cannabis consumers, and sanitation requirements;

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(l) Restrictions on the advertising, signage, marketing, and display of cannabis and cannabis products, including but not limited to:

(1) A prohibition on mass-market campaigns that have a likelihood of reaching minors;

(2) A prohibition on marketing to minors, including marketing specifically related to social media;

(3) A prohibition on cannabis products that are named, packaged, marketed, or designed in a way that mimics or is likely to cause confusion with commercially available, trademarked non-cannabis products, including relating to their logos, the sound of the product or brand, packaging, taste, appearance, and commercial impression;

(4) A prohibition on giveaways of cannabis, cannabis products, or cannabis accessories, including samples;

(5) A prohibition on billboard advertising, sound trucks, or outdoor internally illuminated screen displays consistent with alcohol advertising prohibitions in RSA 179:31; and

(6) A requirement for any advertising to include a standard, recognizable symbol that a product contains cannabis or THC.

(m) Restrictions on where a cannabis establishment may be located, consistent with the provisions of this chapter.

(n) Restrictions on the hours of sale when a retail cannabis store may sell cannabis and cannabis products, provided the regulations shall not allow retail stores to begin sales before 6:00 a.m. or to sell cannabis or cannabis products after 11:45 p.m.

(o) Packaging, product manufacturing, and labeling requirements for cannabis and cannabis products, including:

(1) Mandating the disclosure of the THC content of each product;

(2) Requirements to ensure cannabis products and their packaging are not designed to appeal to or be attractive to minors, including providing that they cannot be in the shape of cartoons, toys, animals, or people; and

(3) Establishing the maximum amount of THC that may be included in each cannabis product serving as 20 milligrams, except that the commission may change this amount through rulemaking;

(4) Prohibiting flavors and designs of cannabis-infused beverages, oils, and edibles that resemble or imitate candy flavors that are marketed to minors;

(5) Warnings, including but not limited to, those described in RSA 318F:16;

(6) A requirement for any label, an for certain products where appropriate, to include a standard, recognizable symbol that a product contains cannabis or THC; and

(7) Potency limits for cannabis products.

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(p) Health and safety rules and standards for the cultivation of cannabis and manufacture of cannabis products, including:

(1) Prohibitions on additives to products that are toxic, misleading to consumers, or designed to make the product more appealing to children;

(2) Safety standards regulating the manufacture of cannabis extracts and concentrated cannabis products; and

(3) A prohibition on the inclusion of nicotine and other additives to cannabis products that are designed to make the product more addictive or more intoxicating.

(q) Standards for the operation of testing laboratories, including requirements for equipment and qualifications for personnel.

(r) Requirements for the testing of cannabis and cannabis products, including:

(1) Requirements to ensure at a minimum that cannabis and cannabis products sold for human consumption do not contain contaminants that are injurious to health and to ensure correct labeling;

(2) That testing shall include, but not be limited to, analysis for residual solvents, poisons, or toxins; harmful chemicals; dangerous molds or mildew; filth; dangerous herbicides, pesticides, and fungicides, heavy metals, and harmful microbials, such as E. coli or salmonella;

(3) Threshold levels for each contaminant listed in subparagraph (2);

(4) Providing that in the event that test results indicate the presence of quantities of any substance determined to be injurious to health, such cannabis or cannabis products shall be immediately quarantined and immediate notification to the commission shall be made. The contaminated product shall be documented and properly destroyed;

(5) That testing shall also verify THC and other cannabis potency representations for correct labeling;

(6) That the commission shall determine an acceptable variance for potency representations and procedures to address potency misrepresentations;

(7) That the commission shall determine the protocols and frequency of cannabis testing by a cannabis testing facility.

(8) Allowances for remediation of cannabis and cannabis products whose test results are in excess of established thresholds; and

(9) Minimum testing requirements for an effective cannabis and cannabis product quality assurance program for cannabis cultivation facilities and cannabis product manufacturing facilities.

(s) Reasonable health and safety restrictions on cannabis accessories that may be manufactured or sold in New Hampshire, including a prohibition on any vaporization device that includes toxic or addictive additives. The commission may prohibit types of vaporizers that are

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particularly likely to be utilized by minors without detection, but may not completely ban or unreasonably restrict the manufacture or sale of vaporization devices.

(t) Training and continuing education required or recommended for licensees, which shall include training on checking photo identification and for false identification.

(u) Requirements that cannabis retail stores stock cannabis products, including flower, with low and moderate amounts of THC and that they be at least as prominently displayed as high potency products.

II.(a) In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a retail cannabis store with personal information other than government-issued identification to determine the consumer's age, and a retail cannabis store shall not be required to acquire and record personal information about consumers.

(b) In order to ensure that individual privacy is protected, no cannabis establishment may record or store a consumer's name, address, purchases, or contact information unless the consumer consents in writing. No cannabis establishment may make granting permission for the collection or storage of such information a condition of a consumer purchasing cannabis from the establishment.

III. Not later than 18 months after the effective date of this chapter, the commission, in consultation with the department, shall develop an informational handout, which retail stores shall make available to all consumers, and which shall include information detailed in RSA 318-F:14.

IV. The commission shall require all cannabis establishments to utilize an inventory tracking system, including use of a universal product code, for tracking the transfer of cannabis and cannabis products between licensed cannabis establishments and the sale of cannabis and cannabis products to consumers. The system shall ensure an accurate accounting of the production, processing, and sale of cannabis and cannabis products and shall enable separate tracking of cannabis flowers, immature cannabis plants, and other parts of cannabis sold from cannabis cultivation facilities. The system shall allow for the tracking of lab testing results for all cannabis and shall be capable of swiftly identifying all products involved in a product recall. The commission may develop and maintain a system that satisfies the requirements of this section, or it may select a vendor to develop and maintain a system.

V. No later than 24 months after the effective date of this chapter, and every year thereafter, the commission shall reevaluate the fines and penalties established in RSA 318-F, and shall report in writing on its findings and recommendations to the chairpersons of the house and senate ways and means committees.

VI. The commission may regulate synthetic cannabinoids and intoxicating products derived from hemp.

VII. No later than 36 months after the effective date of this section, the commission shall make written recommendations to the general court regarding the regulation of hemp including:

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(a) What hemp products the commission would regulate;

(b) How the products would be regulated, including whether a license would be required and whether hemp processors and manufacturers should be licensed and regulated by the commission;

(c) Any license fees or other charges that would be assessed on hemp products and license fees assessed on hemp processors and manufacturers; and

(d) The resources required to regulate hemp processors, product manufacturers, hemp products, and the retail sale of intoxicating hemp products.

VIII. A prohibition on the manufacturing and sale of cannabis alcoholic beverages.

318-F:8 Dual Use Certificates.

I. No later than 18 months after the effective date of this chapter, the commission, after consulting with the department of health and human services and the therapeutic cannabis medical oversight board and holding at least one public hearing, shall develop regulations allowing alternative treatment centers registered to operate pursuant to RSA 126-X to apply for a dual use certificate.

II. A separate dual use certificate is required for each alternative treatment center dispensing location.

III. The commission shall grant or deny any application for a dual use certificate within 90 days.

IV. The regulations for a dual use certificate shall include, but are not limited to:

(a) Providing for separation of cannabis sales to qualifying patients and consumers, such as by requiring separate counters;

(b) Requiring dual-use cannabis establishments to prioritize therapeutic cannabis access;

(c) Requiring dual-use cannabis establishments to maintain or increase the diversity of therapeutic cannabis products available for qualifying patients;

(d) Requiring dual-use cannabis establishments to avoid raising prices for qualifying patients beyond the rate of inflation, for at least 2 years after dual use licensure;

(e) A requirement that in the event of crowding, inadequate parking, or similar issues limiting therapeutic cannabis access, the dual-use cannabis establishment shall take measures to prioritize therapeutic cannabis access, such as setting aside certain business hours when the establishment will only serve qualifying patients and their designated caregivers; and

(f) Providing for the suspension of sales of cannabis to adult-use consumers in the event of a product shortage.

V.(a) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers shall meet the requirements of RSA 126-X:8 and rules issued pursuant to chapter RSA 126-X.

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(b) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers may have higher THC per serving than is permitted by rules governing cannabis establishments that are issued pursuant to RSA 318-F:10.

VI. Cannabis stores affiliated with alternative treatment centers holding dual use certificates may sell cannabis grown and processed by those alternative treatment centers to consumers provided they comply with rules issued pursuant to this section and RSA 318-F:10

318-F:9 Transition of Therapeutic Cannabis Program.

I. No later than 20 months after the effective date of this chapter, the commission, jointly with the department of health and human services, shall make a recommendation to the health and human services oversight committee whether to transfer the department's therapeutic cannabis program to the commission.

II. The proposal shall include a plan to allow cannabis retail stores to obtain a therapeutic cannabis endorsement that would allow them to serve qualifying patients without imposing the excise tax in RSA 318-F:23.

318-F:10 Licensure Procedures for Cannabis Establishments.

I. Each application for a license to operate a cannabis establishment shall be submitted to the commission.

II. Each application shall include both the fee established by the commission and a $500 fee for the municipality to review the application, except that the municipal fee shall be $75 in the case of the smallest tier of cultivation facilities.

III. The commission shall:

(a) Immediately forward a copy of each application and the municipal fee to the municipality in which the applicant desires to operate the cannabis establishment; and

(b) Issue a license to the applicant within 90 days after receipt of an application unless:

(1) The commission finds the applicant is not in compliance with the requirements of this chapter or rules adopted under this chapter;

(2) The commission is notified by the relevant municipality that the applicant is not in compliance with an ordinance adopted pursuant to this chapter and in effect at the time of application; or

(3) More qualified applicants have applied than the number of licenses available in the municipality, and the applicant was not selected.

(c) Accept and process applications on an ongoing basis.

318-F:11 Enactment of Municipal Ordinances.

I. A municipality may enact an ordinance prohibiting or limiting the number and type of cannabis establishments that may be permitted within the municipality and regulating the time, place, and manner of operation of a cannabis establishment, which is permitted within the municipality. A locality's prohibition on cannabis establishments may not prohibit transportation

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through the locality or deliveries within the locality by cannabis establishments located in other jurisdictions.

II. A municipality may enact an ordinance specifying the entity within the municipality that shall be responsible for reviewing applications submitted for a license to operate a cannabis establishment within the municipality. The entity designated by the municipality shall be responsible for indicating whether the application is in compliance with municipal ordinances.

III. A municipality may not negotiate or enter into an agreement with a cannabis establishment or a cannabis establishment applicant requiring that the cannabis establishment or applicant provide money, donations, in–kind contributions, services, or anything of value to the locality.

318-F:12 Residency Required.

I. Except as provided in this section, any person applying for a cannabis establishment license shall be a resident, or shall have at least one director, officer, or partner who is a New Hampshire resident.

II. This section shall not apply to an applicant for a testing facility registration.

318-F:13 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a license, if the establishment would be located within 1,000 feet of the property line of a pre-existing public or private pre-school, elementary, or secondary school.

318-F:14 Informational Materials and Warning Labels.

I. The commission, in consultation with the department, shall design at least 2 versions of informational handout, one of which is specific to high potency products.

II. A retail cannabis store shall include an informational handout designed by the commission in consultation with the department with all cannabis and cannabis products sold to consumers, and shall include the high potency version in all cannabis concentrates and other high potency sales. The informational handouts shall include scientifically accurate information, including:

(a) Advice about the potential risks of cannabis, and, in the case of the high potency handout, risks specific to high potency products, including:

(1) The risks of driving under the influence of cannabis, and the fact that doing so is illegal;

(2) Any adverse effects unique to adolescents or young adults, including effects related to the developing mind;

(3) Potential adverse events and other risks, including related to mental health; and

(4) Risks of using cannabis during pregnancy or breastfeeding. This may be identical to that required under RSA 126-X:8, XVI(c)(7).

(b) Information about methods for administering cannabis;

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(c) How long cannabis may impair a person after it is ingested in each manner; and

(d) How to recognize problematic usage of cannabis and how to obtain appropriate services or treatment;

(e) Information regarding safe storage and disposal of cannabis and paraphernalia to prevent accidental poisonings, including the contact information for the Northern New England Poison Control Center. This may be identical to that required under RSA 126-X:8, XVI(c)(8); and

(f) Unless federal statutory law or case law has changed and such a warning is no longer accurate, a disclosure that:

(1) Cannabis is illegal under U.S. federal law, and

(2) Under the United States government's 1986 Gun Control Act, any 'unlawful' user of a controlled substance is prohibited from purchasing or owning a gun.

III. The commission may require retail stores to display informational posters in conspicuous locations about the risks of cannabis use, including regarding risks during pregnancy and breastfeeding and risks of cannabis use in adolescents or by younger adults. The posters shall be scientifically accurate.

IV. All cannabis and cannabis products sold by a retail cannabis store shall include warning labels that provide the following information: "Warning: This product has intoxicating effects. For use by adults 21 and older. Keep out of reach of children." The department may require a standard, recognizable symbol on all cannabis packaging to signify that THC or other cannabinoids are included in the product.

V. All cannabis products sold by retail cannabis stores shall include:

(a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed by up to 2 hours," unless the commission determines that a different time frame should be specified.

(b) A disclosure of ingredients and possible allergens.

(c) A nutritional fact panel.

(d) Opaque, child-resistant packaging, which shall be designed or constructed to be significantly difficult for children under 5 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. section 1700.20.

318-F:15 Lawful Operation of Cannabis-Related Facilities. If undertaken by a person 21 years of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for seizure or forfeiture of assets under New Hampshire law:

I. Possessing, displaying, or transporting cannabis or cannabis products; obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility; or sale, delivery, or distribution of cannabis or cannabis products to an adult who is 21 years of age or older or to retail cannabis stores or alternative treatment centers,

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if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a retail cannabis store or is acting in his or her capacity as an owner, employee, or agent of a licensed retail cannabis store.

II. Cultivating, harvesting, processing, packaging, transporting, displaying, or possessing cannabis; obtaining or purchasing cannabis seeds or seedlings or immature cannabis plants from any adult 21 years of age or older; delivering or transferring cannabis to a cannabis testing facility; selling or transferring cannabis that has not been processed into extracts, concentrates, or other preparations to a cannabis cultivation facility, a cannabis product manufacturing facility, or a retail cannabis store or alternative treatment center; or obtaining or purchasing cannabis from a cannabis cultivation facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis cultivation facility.

III. Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing facility; selling cannabis or cannabis products to a retail cannabis store, alternative treatment center, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a cannabis product manufacturing facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a cannabis product manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis product manufacturing facility.

IV. Possessing, obtaining, cultivating, processing, storing, transporting, receiving, or displaying cannabis or cannabis products if the person or business entity has obtained a current, valid license to operate a cannabis testing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis testing facility.

V. Engaging in any activities involving cannabis or cannabis products if the person or business entity conducting the activities has obtained a current, valid license to operate a cannabis establishment or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis establishment, and the activities are within the scope of activities allowed by the commission for that type of cannabis establishment.

VI. Possessing, obtaining, cultivating, processing, storing, transporting, or receiving cannabis obtained from a cannabis establishment or transporting, delivering, or transferring cannabis to a cannabis establishment if the person or business entity has obtained a current, valid license to operate a cannabis transporter or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis transporter.

VII. Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; or obtaining or purchasing cannabis or cannabis

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products from a cannabis product manufacturing facility if the person or business entity conducting the activities described in this paragraph possesses a valid license to operate an alternative treatment center or is acting in his or her capacity as an owner, employee, or agent of a licensed alternative treatment center.

VIII. Leasing or otherwise allowing the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with this chapter.

IX. Selling, offering for sale, transferring, transporting, or delivering cannabis to establishments licensed to process or sell cannabis under the laws of other states if the person or business entity has obtained a current, valid license to operate a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility.

318-F:16 Proof of Purchaser's Identity.

I. For the purposes of this chapter, any person or entity making the sale of cannabis or cannabis accessories to any purchaser whose age is in question may accept any official documentation listed in RSA 179:8 as proof that the purchaser is 21 years of age or older.

II. The establishment of all of the following facts by a retail cannabis store or an agent or employee of a retail store making a sale of cannabis or cannabis accessories to a person under the age of 21 shall constitute an affirmative defense to any prosecution for such sale:

(a) That the person presented what an ordinary and prudent person would believe to be valid documentation of a type listed in RSA 179:8.

(b) That the sale was made in good faith relying upon such documentation and appearance in the reasonable belief that the person was 21 years of age or older. No identification scanning or collection of personally identifiable information shall be required under this section.

318-F:17 Driving; Minors; and Control of Property.

I. Nothing in this chapter shall be construed to permit driving or operating under the influence of drugs or liquor pursuant to RSA 265-A, nor shall this section prevent the state from enacting and imposing penalties for driving under the influence of or while impaired by cannabis.

II. Nothing in this chapter shall be construed to permit the transfer of cannabis, with or without remuneration, to a person under the age of 21, or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume cannabis.

III. Nothing in this chapter shall prohibit a state or county correctional facility from prohibiting the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of cannabis on or in the correctional facility's property.

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IV.(a) Except as provided in this section, this chapter does not require any person, corporation, or any other entity that occupies, owns, or controls a property to allow the consumption, cultivation, display, sale, or transfer of cannabis on or in that property.

(b) In the case of the rental of a residential dwelling, a landlord shall not prohibit the possession of cannabis or the consumption of cannabis by non-smoked means unless:

(1) The tenant is a roomer who is not leasing the entire residential dwelling;

(2) The residence is incidental to the provision of educational, counseling, religious, or similar service;

(3) The residence is a transitional housing facility; or

(4) Failing to prohibit cannabis possession or consumption would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(c) This chapter shall not prevent a landlord from prohibiting cannabis smoking or cannabis cultivation.

(d) An adult who is 21 or older may use cannabis on privately owned real property only with permission of the property owner or, in the case of leased or rented property, with the permission of the tenant in possession of the property, except that a tenant shall not allow a person to smoke cannabis on rented property if smoking on the property violates the lease or the lessor's rental policies that apply to all tenants at the property. However, a tenant may permit an adult who is 21 or older to use cannabis on leased property by ingestion or inhalation through vaporization even if smoking is prohibited by the lease or rental policies. For purposes of this chapter, vaporization shall mean the inhalation of cannabis without the combustion of the cannabis.

318-F:18 Enforcement of Contracts. Contracts related to the operation of a cannabis establishment licensed pursuant to this chapter shall be enforceable. No contract entered into by a licensed cannabis establishment or its employees or agents as permitted pursuant to a valid license, or by those who allow property to be used by an establishment, its employees, or its agents as permitted pursuant to a valid license, shall be unenforceable on the basis that cultivating, obtaining, manufacturing, distributing, dispensing, transporting, selling, possessing, or using cannabis is prohibited by federal law.

318-F:19 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.

I. Except as provided in this section, a holder of a professional or occupational license may not be subject to professional discipline for:

(a) Providing advice or services related to cannabis establishments or applications to operate cannabis establishments on the basis that cannabis is illegal under federal law; or

(b) Engaging in activities allowed by this chapter.

II. An applicant for a professional or occupational license may not be denied a license based on:

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(a) Previous employment related to cannabis establishments operating in accordance with state law;

(b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors, or

(c) Engaging in activities allowed by this chapter.

III. Except as provided in this section, neither the state nor any of its political subdivisions may impose any penalty or deny any benefit or entitlement for conduct permitted under this chapter or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older.

IV. Except as provided in this section, neither the state nor any of its political subdivisions may deny a driver's license, a professional license, housing assistance, social services, or other benefits based on cannabis use or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older.

V. A person shall not be denied custody of or visitation with a minor for acting in accordance with this chapter, unless the person's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated.

VI. Except as provided in this section, neither the state nor any of its political subdivisions may discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person in employment or contracting, if the discrimination is based upon either of the following:

(a) Engaging in activities allowed by this chapter;

(b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors; or

(c) Testing positive for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of the individual's body.

VII.(a) This section does not prevent an employer from disciplining an employee or contractor for ingesting cannabis in the workplace or for working while impaired by cannabis.

(b) The protections provided by this section do not apply to the extent that they conflict with a governmental employer's obligations under federal law or regulations or to the extent that they would disqualify the entity from a monetary or licensing-related benefit under federal law or regulations.

(c) This section does not authorize any person to engage in, and does not prevent the imposition of any civil, criminal, disciplinary, or other penalties, including discipline or termination by a governmental employer, any task while under the influence of cannabis, when doing so would constitute negligence or professional malpractice.

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VIII. For the purposes of medical care, including organ and tissue transplants, the use of cannabis does not constitute the use of an illicit substance or otherwise disqualify a person from needed medical care and may only be considered with respect to evidence-based clinical criteria.

IX. Notwithstanding any other provision of law, unless there is a specific finding that the individual's use, cultivation, or possession of cannabis could create a danger to the individual or another person, it shall not be a violation of conditions of parole, probation, or pre-trial release to:

(a) Engage in conduct allowed by this chapter; or

(b) Test positive for cannabis, tetrahydrocannabinol, or any other cannabinoid or metabolite of cannabis.

X. This section does not authorize any person to engage in, and does not prevent the imposition of any penalties for engaging in, the following conduct:

(a) Undertaking any task under the influence of cannabis, when doing so would constitute negligence or professional malpractice.

(b) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, train, or motorboat while under the influence of cannabis.

318-F:20 Data Collection Related to Cannabis Legalization and Regulation.

I. No later than 6 months after the effective date of this chapter and every 2 years thereafter, the department of safety, information and analysis center, drug monitoring initiative, shall produce and publish a report that includes baseline data and the most current data regarding health and welfare outcomes since cannabis became legal and regulated for adults' use, including but not limited to high school graduation rates; youth and adult rates of alcohol, cannabis, and illegal drug use; rates of maladaptive use of cannabis; rates of alcohol abuse; opiate use and abuse rates; the number and type of youth and adult convictions for cannabis offenses; and the rates of individuals needing but not receiving substance abuse treatment. The report shall also include information on treatment and prevention services provided, education campaigns undertaken, and funding allocated under RSA 318-F:21.

II. No later than 6 months after the effective date of this chapter, and again 18 months after the effective date of this chapter, the Judicial Branch shall produce and publish a report that includes the number of cases dismissed pursuant to RSA 651:5-e.

318-F:21 Cannabis Fund Established.

I. There is established a nonlapsing fund to be known as the cannabis fund. The fund shall be kept distinct and separate from all other funds in the state treasury, and the moneys credited to the fund shall be held distinct and separate from all other funds over which the state treasurer has control. Moneys in the fund shall be deposited with any financial institution as defined in RSA 383-A:2-201(a)(27-a), with a branch in the state. Moneys credited to the fund shall include deposits into the fund by the commission pursuant to this chapter and deposits into the fund by the commissioner of the department of revenue administration.

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II. For the biennium ending June 30, 2025, and every biennium thereafter, the commission shall include the cost of administration of this chapter in the commission's efficiency expenditure request pursuant to RSA 9:4.

III. For the biennium ending June 30, 2025, the sum of $15,000,000 is hereby appropriated to the cannabis commission for the cost of administration of this chapter. Said sum shall be a charge against the fund.

IV. For the biennium ending June 30, 2025, the sum of $500,000 is hereby appropriated to the substance use prevention and recovery fund established in RSA 318-F:22 for the cost of developing and implementing a public education campaign prior to initiation of retail sales. Said sum shall be a charge against the fund.

V. After deducting appropriations charged to the fund for the cost of administration of this chapter, the remaining funds shall be appropriated and distributed on a quarterly basis as follows:

(a) The sum of $100,000 annually to the department of safety, information and analysis center, drug monitoring initiative, for data collection and reporting related to the health impacts of cannabis prohibition and cannabis regulation; and

(b) Of the remaining funds:

(1) Fifty percent of remaining funds shall be disbursed to the education trust fund established in RSA 198:39. The comptroller shall notify the commissioner of the department of revenue administration of the amount of the transfer. For the purpose of setting the education tax rate under RSA 76:3, the amount of revenue required to be collected pursuant to RSA 76:3 shall be reduced by the amount transferred to the education trust fund as required in this subparagraph, and the commissioner shall set the rate at a level sufficient to generate the reduced amount. This rate shall be effective for the following fiscal year.

(2) Thirty percent of remaining funds shall be disbursed to the department of administrative services to be credited to the New Hampshire retirement system to offset the retirement system's unfunded accrued liability. Upon certification by the commissioner of the department of administrative services that the retirement system has no remaining unfunded accrued liability, this disbursement of funds shall be credited to the education trust fund established in RSA 198:39.

(3) Ten percent of remaining funds, or $25,000,000, whichever is less, shall be credited to the substance abuse prevention and recovery fund in RSA 318-F:22 for use by the department of health and human services, bureau of drug and alcohol services, in evidence-based, voluntary programs for substance use-related education, prevention, treatment, and recovery that includes mental health treatment that is contributing to substance misuse, and for scientifically and medically accurate public education campaigns educating youth and adults about the health and safety risks of alcohol, tobacco, cannabis, and other substances, including education campaigns separately targeting youth and adults that provide medically and scientifically accurate information

UNAPPROVED

about the health and safety risks posed by cannabis use, including driving under the influence of cannabis.

(4) Five percent of remaining funds shall be disbursed to public safety agencies, including police, fire, and rescue agencies, for the hiring and training of additional drug recognition experts, for advanced roadside impaired driving enforcement training, and to assist in responding to drug overdose incidents.

(5) Five percent of remaining funds shall be disbursed to the department of health and human services, division for behavioral health, bureau of children's behavioral health, to be used for children's behavioral health services.

318-F:22 Substance Abuse Prevention and Recovery Fund Established. There is hereby established in the state treasury the substance abuse prevention and recovery fund that shall be kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA 318-F:21 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the commissioner of the department of health and human services for the purposes and in the manner set forth in RSA 126-A:98.

318-F:23 Excise Tax Imposed.

I. An excise tax on the monthly total gross revenue derived from sales or transfers to a retail cannabis store of either cannabis or cannabis products in their final form by either a licensed cannabis cultivation facility or a cannabis product manufacturing facility is imposed at the rate of 12.5 percent.

II. Each licensed cannabis cultivation facility or cannabis product manufacturing facility shall pay 100 percent of the assessment in paragraph I for the assessment period no later than the 15th day of the month following the assessment period.

III. If a licensed cannabis cultivation facility or cannabis product manufacturing facility does not pay the monthly tax as required under this section, a fine of 10 percent of the tax owed shall be applied to the payment and collected by the commission from the licensee.

IV. The commission shall ascertain the selling or transfer price of the cannabis or cannabis products when the seller and purchaser are affiliated persons or entities and when the sale or transfer of the cannabis or cannabis product is not an arm's length transaction.

V. The commission shall adopt rules under RSA 541-A relative to the tax rate and procedures needed to implement the provisions of this section.

VI. The commission shall study the efficacy of the rate and scope of the cannabis tax imposed by this section, including whether adjustments may be needed in said rate and scope, and shall, no later than October 1, 2024, and on or before October 1 of every year thereafter, certify its findings and recommendations in a report to the general court and the governor. The commission shall include in said report the dollar amounts of all fees and tax revenues assessed and collected

UNAPPROVED

pursuant to the provisions of this chapter during the period covered by the report. The commission shall provide copies of said report to the chairs and minority leaders of the house and senate committees on ways and means, on finance, and on commerce.

Amend the bill by replacing section 33 with the following:

33 Appropriations.

I. The sum of $100,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the department of safety, information and analysis center, drug monitoring initiative, for the purpose of collecting baseline data to be used in the reports required pursuant to RSA 318-F:20. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

II. The sum of $7,000,000 for the fiscal year ending June 30, 2024 is appropriated to the liquor commission for the cost of administration of RSA 318-F. The governor is authorized to draw a warrant for said sum from any money in the treasury not otherwise appropriated.

III. The sum of $8,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the liquor commission for deposit into the cannabis fund established in RSA 318-F:21 for the administration of RSA 318-F. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

IV. The sum of $500,000 for the biennium ending June 30, 2025 is hereby appropriated to the substance use prevention and recovery fund established in RSA 318-F:22 for the cost of developing and implementing a public education campaign prior to initiation of retail sales.

UNAPPROVED

REGULAR CALENDAR

March 27, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on Ways and Means to which was referred HB 639-FN-A,

AN ACT relative to the legalization and regulation of cannabis and making appropriations therefor. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Walter Spilsbury

FOR THE MAJORITY OF THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

MAJORITY
COMMITTEE REPORT

Committee:	**Ways and Means**
Bill Number:	**HB 639-FN-A**
Title:	**relative to the legalization and regulation of cannabis and making appropriations therefor.**
Date:	**March 27, 2023**
Consent Calendar:	**REGULAR**
Recommendation:	**OUGHT TO PASS WITH AMENDMENT 2023-1231h**

STATEMENT OF INTENT

This is a bill to legalize, regulate, and tax the cultivation and sale of cannabis and cannabis products in New Hampshire. It was reported out of the Commerce Committee with a 17-3 Ought to Pass with Amendment recommendation and passed by the House 234 to 127 on February 22nd. In contrast to the enterprise model of a state-run operation embodied in last session's HB 1598 (passed by the House), this bill provides for development of private commerce in cannabis, subject to state regulation and taxation. The bill, as introduced, would have taxed cannabis in the context of the meals and rooms taxation statute, but was amended by the Commerce Committee to a tax applied at the cultivation level. As a second committee referral, the Ways and Means Committee limited review to provisions relating to taxes, revenues, fees, and appropriations, leaving the rest as settled policy. In addition to making an array of technical and citation corrections, the Ways and Means amendment focuses on four primary modifications to the bill. First, the amendment applies an "excise tax" at the wholesale level to "the monthly total gross revenue derived from sales or transfers to a retail cannabis store" of either cannabis or any cannabis product "in its final form" and sets the rate at 12.5%. The committee held robust debate regarding the trade-offs of taxing at the cultivation level, the wholesale level, or on the final sales value, and what rate might be appropriate for each level, reaching a conclusion that an excise tax on the wholesale level best balanced competing considerations. A provision was added calling for the commission to report periodically regarding "the efficacy of the rate and scope of the cannabis tax," ensuring ongoing review. Second, the committee agreed 19 to 1 to shift the allocation of net tax revenues remaining after costs of operation, from directing 80% to reducing the retirement system's unfunded accrued liability to a more balanced allocation that favors education funding, as we had done in last year's bill. Thus, 50% will go to the Education Trust Fund to be credited to reduce the statewide education property tax to be raised by each municipality, 30% to reduce the retirement liability, and the remaining 20% to be divided three ways to support targeted programs run by the Department of Health and Human Services and public safety agencies whose missions are implicated by cannabis use. While we are unable to estimate net tax revenues with confidence, we presume they will be negligible for the first two years while rule-making, start-up, and cultivation measures are initiated. Judging from experiences of other states that have preceded us, prospects for growth are considerable and may rise sharply thereafter, offering some hope that this new source of state revenue can help alleviate the burden of education funding on real property taxes. Third, for dual-use licensees, operating both an "alternative treatment center" (pursuant to RSA 126-X) and a facility licensed under this bill, the bill came to us with an onerous $10,000 application fee and a more exorbitant $90,000 set-up fee. As the committee found no apparent rationale to support these high figures and found no fees in the bill for any other licensee type, we settled on granting rulemaking authority to the commission to set appropriate fees on any licensee, adequate to offset the cost of the licensing process. Fourth, the

appropriations have been raised to $15.6 million over the coming biennium to fund start-up costs anticipated before tax revenue begins to flow. These will be repaid to the Cannabis Fund from future revenues. Regardless of tax revenues, the majority believes this bill represents a venture in the right direction for our state.

Vote 16-4.

Rep. Walter Spilsbury
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Ways and Means

HB 639-FN-A, relative to the legalization and regulation of cannabis and making appropriations therefor. **MAJORITY: OUGHT TO PASS WITH AMENDMENT. MINORITY: INEXPEDIENT TO LEGISLATE.**

Rep. Walter Spilsbury for the **Majority** of Ways and Means. This is a bill to legalize, regulate, and tax the cultivation and sale of cannabis and cannabis products in New Hampshire. It was reported out of the Commerce Committee with a 17-3 Ought to Pass with Amendment recommendation and passed by the House 234 to 127 on February 22nd. In contrast to the enterprise model of a state-run operation embodied in last session's HB 1598 (passed by the House), this bill provides for development of private commerce in cannabis, subject to state regulation and taxation. The bill, as introduced, would have taxed cannabis in the context of the meals and rooms taxation statute, but was amended by the Commerce Committee to a tax applied at the cultivation level. As a second committee referral, the Ways and Means Committee limited review to provisions relating to taxes, revenues, fees, and appropriations, leaving the rest as settled policy. In addition to making an array of technical and citation corrections, the Ways and Means amendment focuses on four primary modifications to the bill. First, the amendment applies an "excise tax" at the wholesale level to "the monthly total gross revenue derived from sales or transfers to a retail cannabis store" of either cannabis or any cannabis product "in its final form" and sets the rate at 12.5%. The committee held robust debate regarding the trade-offs of taxing at the cultivation level, the wholesale level, or on the final sales value, and what rate might be appropriate for each level, reaching a conclusion that an excise tax on the wholesale level best balanced competing considerations. A provision was added calling for the commission to report periodically regarding "the efficacy of the rate and scope of the cannabis tax," ensuring ongoing review. Second, the committee agreed 19 to 1 to shift the allocation of net tax revenues remaining after costs of operation, from directing 80% to reducing the retirement system's unfunded accrued liability to a more balanced allocation that favors education funding, as we had done in last year's bill. Thus, 50% will go to the Education Trust Fund to be credited to reduce the statewide education property tax to be raised by each municipality, 30% to reduce the retirement liability, and the remaining 20% to be divided three ways to support targeted programs run by the Department of Health and Human Services and public safety agencies whose missions are implicated by cannabis use. While we are unable to estimate net tax revenues with confidence, we presume they will be negligible for the first two years while rule-making, start-up, and cultivation measures are initiated. Judging from experiences of other states that have preceded us, prospects for growth are considerable and may rise sharply thereafter, offering some hope that this new source of state revenue can help alleviate the burden of education funding on real property taxes. Third, for dual-use licensees, operating both an "alternative treatment center" (pursuant to RSA 126-X) and a facility licensed under this bill, the bill came to us with an onerous $10,000 application fee and a more exorbitant $90,000 set-up fee. As the committee found no apparent rationale to support these high figures and found no fees in the bill for any other licensee type, we settled on granting rulemaking authority to the commission to set appropriate fees on any licensee, adequate to offset the cost of the licensing process. Fourth, the appropriations have been raised to $15.6 million over the coming biennium to fund start-up costs anticipated before tax revenue begins to flow. These will be repaid to the Cannabis Fund from future revenues. Regardless of tax revenues, the majority believes this bill represents a venture in the right direction for our state. **Vote 16-4.**

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

March 27, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on Ways and Means to which was referred HB 639-FN-A,

AN ACT relative to the legalization and regulation of cannabis and making appropriations therefor. Having considered the same, and being unable to agree with the Majority, report with the recommendation that the bill OUGHT TO PASS.

Rep. Sallie Fellows

FOR THE MINORITY OF THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

MINORITY
COMMITTEE REPORT

Committee:	**Ways and Means**
Bill Number:	**HB 639-FN-A**
Title:	**relative to the legalization and regulation of cannabis and making appropriations therefor.**
Date:	**March 27, 2023**
Consent Calendar:	**REGULAR**
Recommendation:	**OUGHT TO PASS**

STATEMENT OF INTENT

We support the committee's majority amendment, except for the tax rate. The bill passed by the House last month had a 15% tax on the wholesale price of cannabis flowers. The majority amendment changes the tax to 12.5% on the wholesale purchase of cannabis flowers and cannabis products by a retailer. The current average flower wholesale price per ounce in the US is $30.38 for outdoor grown and $42.06 for greenhouse grown. Taxed at 12.5% ($3.80 - $5.26 per ounce), it would take 3,000,000 – 4,000,000 ounces just to pay off the Liquor Commission's start-up cost of $15.6 million. This estimate is based on the sale of just flowers because wholesale prices for processed products are not known. Ongoing state administrative expenses will exceed $4 million each year. We believe it will take several years to reimburse startup costs, and after that there will be insufficient excess revenue to support effective drug misuse programs and meaningful property tax relief. We support a floor amendment to use a 15% rate.

Rep. Sallie Fellows
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Ways and Means

HB 639-FN-A, relative to the legalization and regulation of cannabis and making appropriations therefor. **OUGHT TO PASS.**

Rep. Sallie Fellows for the **Minority** of Ways and Means. We support the committee's majority amendment, except for the tax rate. The bill passed by the House last month had a 15% tax on the wholesale price of cannabis flowers. The majority amendment changes the tax to 12.5% on the wholesale purchase of cannabis flowers and cannabis products by a retailer. The current average flower wholesale price per ounce in the US is $30.38 for outdoor grown and $42.06 for greenhouse grown. Taxed at 12.5% ($3.80 - $5.26 per ounce), it would take 3,000,000 – 4,000,000 ounces just to pay off the Liquor Commission's start-up cost of $15.6 million. This estimate is based on the sale of just flowers because wholesale prices for processed products are not known. Ongoing state administrative expenses will exceed $4 million each year. We believe it will take several years to reimburse startup costs, and after that there will be insufficient excess revenue to support effective drug misuse programs and meaningful property tax relief. We support a floor amendment to use a 15% rate.

Original: House Clerk
Cc: Committee Bill File

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill #: HB 639 Date: 3/13/23

Committee: Ways and Means

**** Please Print All Information ****

Name	Address	Phone	Representing	Pro	Con
Rep. Robin Vogt	10 Blue Heron Drive Portsmouth, NH	(603)969-5720	Myself	✓	
Shaelyn Frost	103 Mast Rd Dover NH	(603)767-1911	Myself	✓	
Jim Riddle	6 Emerald Drive, Hillsborough, NH 03244		Myself	✓	
Major J. Ebert	33 Hazen Dr. Concord, NH	603 419 8242	NHSP		✓
144 Jefferson Rd	Whitefield NH 03598	207-310-8833	me.	✓	

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON HB 639-FN-A

BILL TITLE: **relative to the legalization and regulation of cannabis and making appropriations therefor.**

DATE: **March 13, 2023**

LOB ROOM: **202-204** **Time Public Hearing Called to Order:** **9:05 a.m.**

Time Adjourned: **12:10 p.m.**

Committee Members: Reps. L. Sanborn, Janigian, Plett, Ulery, Doucette, Spilsbury, Soti, Aures, Rochefort, Almy, Ames, Malloy, Schamberg, Fellows, Bolton, Leapley and G. Smith

Bill Sponsors:

Rep. Osborne	**Rep. Layon**	**Rep. Wilhelm**
Rep. C. McGuire	**Rep. DiLorenzo**	**Rep. Berry**
Rep. McWilliams	**Rep. Wallace**	**Sen. Whitley**
Sen. Murphy	**Sen. Fenton**	

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Jason Osborne: Presenting HB639. Bill came from – Chairman Abbas sponsored a committee to develop a bill through the NH Liquor Store. Didn't quire work. This summer came up with this bill. We applied objections of other body. We didn't annul past offenses, won't allow home growing. WE stayed with the liquor commission, license businesses to cultivate and sell. We attached cannabis to Meals & Rooms tax. There is a tax in cannabis today – enforcement tax – illegal suppliers avoiding law enforcement. The other body doesn't like attachment to M&R tax – so we have one single tax on cultivation – half what Maine charges. Keep safe, out of hands of children, transparent well-regulated market. Ulery – biggest revenue from edible products – page 3 doesn't include cannabis in edibles & drinks. Rep. Fellows – can you speak to productuoin chain? Culturing only, not manufacturer or retailer. Did we look at tobacco tax? No – started with ME, cut it in half. Other states have taxes along the chain. Ulery – My understanding federal tax regulations, if state takes over regulation, federal prohibition disappears? Would state allow credit cards, which goes through Federal banking system? Ames – Main concern is if Federal ban gets overturned, and product comes in from IA. Rochefort – why tax at all? Make money off BPT? Good idea if we can get the votes.

Rep. John Hunt – Generally Commerce doesn't have new tax involved. He is one if the byzantine tax structure of liquor commission. The people in 1934 setting up the liquor commission thought that the state should make the profit. It has to be in NH due to federal prohibition. Creates whole new industries. Commission is also responsible for enforcing tobacco taxes – don't serve under 21, or overly imbibing. We used beer model. 6% or less alcohol is a beverage, tax at 30 cents per gallon. All other states have similar model, taxes collected by distributors. Has to pay within 15 days. Of all licensees the cultivators will be the fewest, most regulated. Fee should be truly reflected in costs No idea right now about fees applied to other entities. Other states do by weight. It did seem that 10% at cultivator level, 5% at retail – changed to 15% at cultivator level. Money goes to same funds as liquor commission – funding pension plan, general funds, abuse support. Ames – Revenue – only fiscal issue was done by DRA. Answer – liquor commission also looked at it. Plett - what does MA charge? 25% roughly. Fellows – did Commerce gear tax to lower THC products? Will come out in product price. Almy - I'm having a hard time finding a farmer willing to do this - greenhouses with multi-tier? Yes. Another thing VT does is to allow outdoor product – but shrinkage, bugs, quality occurs. Answer yes. Rep. Leapley – long bill – Thinking about process – a lot of people might jump

into manufacturing. Why not put it on manufacturing level? It is a cost of doing business? Rep. Bolton – alternative treatment centers? They can do that. Have 5 cultivators. Rep. Spillsbury – taxing an ingredient – significant sales will be processed product – 90%. Closest to raw material would be a reefer. Timber tax may be similar model. Plett - How would we enforce against underpricing cultivation? We will have good idea of value. In every state is a requirement that the product is tested, for purity and strength. They've got to price product, and need to know the strength.

Honorable Patrick Abrami. Report was 250 pages long, a lot of recommendations made it into bill. He produced a document, 4 pages – comments, typographical errors, et. Most are vertically integrated. What is sold today – people still buy loose flower. 40-50%. P. 1 line 3 – revenue going to education – not for a long time. Education only kicks in when we solve underfunding of pensions. $45.6 billion. Every state the illegal market did not go away. P. line 9, revenue near end of bill, we talked about tracking system. Businesses shall use the tracking system. Liquor Commission will buy the software, lease to cultivators. He would rather collect tax on weight, not price. Page 12, line 34, alternative treatment centers – ATCs can sell retail. Page 13 – typo line 26. D in parentheses to C in parentheses. P. 14 line 13, municipality may opt out. Lottery &BKeno we did opt in. Page 21, line 17 & 27 – RSA reference – not in RSAs, needs to be fixed. Ulery – ATCs – same as charity grow excess can be sold to manufacturer- excess only tax. Rep. Doucette – focus on per ounce product. A gallon of gasoline is constant – but marijuana could have excess moisture? They do this now, sell w/o regard to moisture – price may be different for THC content. Rep. Bolton - In the 60's there were sales including leaf, stem, etc. Now just flower. Doing it on ounces protect yourself on swings in prices.

Ross Connolly- AFP. Support bill – we will get revenue and decision making to NH. Thjey prefer 8.5% sales tax at retail. Alaska has a dollar amount fixed price -recommend not doing that. We want to keep tax low to discourage illegal market. Takeaway is to keep barriers and taxes low. Rep. Bolton – an ounce of what? $50 per ounce for flowers, lower prices for other products – Do you like this model? No – might start out at $50 on $350 retail per ounce. Price drops, tax becomes onerous.

*Elizabeth Sargent – NH Chiefs of Police – Opposition to bill. There will be additional costs of highway, enforcement, safety, etc.

*Nathaniel Gurien – NH cannabis party. His perspectives on revenue issues – CEO of a company – financial services, payments etc. for industry. It is complicated – try to stay away from additional complexity – nightmare. Rep. Hunt came up with % tax on cultivators – one toll booth in entire industry. He likes it. Don't get into the weeds. What will come is interstate commerce. Inevitable. Federal courts are going to invalidate state requirements for growing. We should also tax importers. Do it on cultivators and importers. Rep. Fellows – interstate commerce, you are right. Gummies would be taxed when imported? Commerce clause issues? Rep. Ulery – in your review of this bill, net or gross revenue? Gross revenue. Representative Almy – how do you account for imports, to know how much is imported? Rep. Ulery – we will have to worry about that when federal government legalizes? Rep. Aures – current NH cannabis industry – what is it? Developments now. Is it legal? With ATC license. Based on dormant commerce clause – states have no right to enforce, but doing it due to federal illegality.

Rep. Jim Riddle – from Hillsborough – support. He has a USA hemp growing license. He is required to destroy or remediate if it is above 0.3% THC. His interest is seeds. Stands ready to go with passage of bill. He suggests removing seeds, < than 0.3% and therefore hemp. Delete seeds. He thinks 15% High – he thinks somewhere near half that. P. 22 – discussion of 5% of income going to municipalities – change from retail stores to wholesale cultivators.

*Kate Frey – New Futures. They want money for substance abuse. She is pleased that bill has such a clause, but no money for media coverage. She understands that liquor commission will propose a change that will allow media campaign.

Matt Simon, Prime ATC – one of three licensees. We do support bill. Less enthusiasm from changes in bill by Commerce Committee. Primarily 15%. In MA price is half original prices, due to supply catching up with demand. Freshness is important. Interstate Commerce will rear its ugly head, will strike down prohibitions, put imports in now. Rep. Rochefort – your model specifically targeted.

Other restrictions your model would have to comply with. Rep. Plett – if we tax imports at 15%, even if retail product, wouldn't we be violating commerce clause unless we imputed a wholesale portion? Answer – that is why he favors a retil tax. Rep. Shamberg – can cultivators be a subsidiary of multi-national corporation? Yes but presence in NH. Rep. Fellows – what is consumption on average? Hard to measure. Rep. Ulery – regarding multi-national, he is talking about cannabis companies, wanted very high barriers to entry. Straw person multi-national will do anything they can do to make money?

Honorable Joe Hannon – was on study commission 2018 – He supports retail sales tax instead. Promary concern sustainability of business – colder, here. Should not be applied to hemp or cannabis seeds. He believes going back to rooms & meals model.

*Frank Knaack, ACLU – in support – from a racial justice perspective. Over 1,100 arrests last year. $2.6 million cost. Ninety nine additional consequences. When you look at data, arrests and costs will go down. Rep. Ulery – better form a sales tax, or 15% wholesale tax? Either.

Respectfully submitted,

Rep. Plett, Clerk

House Remote Testify

Ways and Means Committee Testify List for Bill HB639 on 2023-03-13

Support: 14 Oppose: 3 Neutral: 1 Total to Testify: 0

Export to Excel

Name	City, State Email Address	Title	Representing	Position	Testifying	Non-Germane	S
Homer, Brian	North STRATFORD, NH bpnahxomep@gmail.com	A Member of the Public	Myself	Oppose	No	Yes	1
Newell, Lisa	Nashua, NH lanewell@comcast.net	A Member of the Public	Myself	Support	No	No	1
Riddle, Jim	Hillsborough, NH jimriddle56@gmail.com	A Member of the Public	Myself	Support	No	No	1
Boutin, Michael	Merrimack, NH MIKE@GPVAPOR.COM	A Member of the Public	Myself	Support	No	No	1
DEGUTIS, CARRIE	MANCHESTER, NH CBCARREE@GMAIL.COM	A Member of the Public	Myself	Support	No	Yes	1
Bovaird, Gina	Manchester, NH Gina041971@hotmail.com	A Member of the Public	Myself	Support	No	No	1
Newman, Rick	Nottingham, NH rick@ricknewman.com	A Lobbyist	MyselfBret Scott Enterprises	Support	No	No	1
Richardson, Daniel	Nashua, NH daniel6_22@comcast.net	A Member of the Public	Myself	Oppose	No	No	1
Gardner, James	Keene, NH yourgardner@protonmail.com	A Member of the Public	Myself	Support	No	No	1
Howland, Curtis	Manchester, NH howland@priss.com	A Member of the Public	Myself	Support	No	No	1
Shaw-Doran, Christie	Franconia, NH cshawdoran@yahoo.com	A Member of the Public	Myself	Oppose	No	No	1
Saltzman, Michael	Manchester, NH saltzman_mike@yahoo.com	A Member of the Public	Myself	Support	No	No	1
Alleman, Bill	Weare, NH gencourt@allemanse.com	A Member of the Public	Myself	Support	No	No	1
Ford, Damond	Manchester, NH damond4nh@gmail.com	An Elected Official	Myself	Support	No	No	1
Bowie, Brittany	Epsom, NH bbowie84@yahoo.com	A Member of the Public	Myself	Support	No	No	1
Roesener, James	Concord, NH james.roesener@leg.state.nh.us	An Elected Official	Myself	Support	No	No	1
DeBow, Riley	Whitefield, NH Rileykirk94@gmail.com	A Member of the Public	Myself	Neutral	No	No	1
Egan, Timothy	Sugar Hill, NH timothytegan@gmail.com	A Member of the Public	Myself	Support	No	No	1

LEGALIZATION AND REGULATION OF CANNABIS

HOUSE WAYS AND MEANS COMMITTEE

HB 639-FN-A—LEGALIZATION AND REGULATION OF CANNABIS

MARCH 13, 2023

CHAIRWOMEN SANBORN AND MEMBERS OF THE COMMITTEE:

I. **Opposition**: The NH Association of Chiefs of Police are in opposition to HB 639 because it would legalize and commercialize the use of an addictive substance based on the following facts resulting in EXCESSIVE COSTS to the citizens of NH -SEE ALSO FISCAL NOTES ATTACHED BY NH DEPARTMENT OF SAFETY:

ANNUAL INCREASE IN TOTAL COST OF CANNABIS COMMERCIALIZATION IN NH

$88 MILLION

1. **Public Health Risk:** Countless peer reviewed studies by acclaimed medical, behavioral and other research scientists have proven that chronic use of cannabis is harmful to humans and especially youth both from a medical perspective as well as behavioral health.
    - **FACT-Medical and Psychiatric and Behavioral Therapists OPPOSE legalization**: The NH Medical Society, American Academy of Pediatrics (NH), Catholic Medical Center, NH Community Behavioral Health Association, NH Public Health Association and the NH Nurses Association and others OPPOSE legalization of cannabis. Who do you trust more, your medical and behavioral professional or a corporation funded program to promote the sale of cannabis?
    - **FACT-Health risks directly associated with cannabis use:** January 2023 – Bedford, NH: Two juveniles transported for medical treatment after consuming cannabis infused edibles; Bedford Police report increase numbers of medical treatment responses in 2022 directly attributable to cannabis use; Scientific-peer reviewed fact-based studies prove cannabis use by youth affects neurological development.
    - **FACT -Cognitive Disorders Associated with Cannabis Use:** Research found an association between the use of cannabinoids containing THC (the active ingredient in marijuana) and thinking and perception disorders in people over 50. [American Medical Assoc.]
    - **FACT-Cannabis use during pregnancy is HARMFUL**: Edited by Tracy Bale, University of Maryland School of Medicine, Baltimore, MD, and accepted by Editorial Board Member September 27, 2021 (received for review March 30, 2021)
    - **FACT-Cannabis use leads to behavioral disorders:** Journal of Public Health 2019: Evidence for an association between cannabis and psychosis has been documented in

literature in many forms including experimental studies, epidemiological data, and case series. The association has implications for psychotic outcomes ranging from mild to severe and occurring over minutes to years.

- **FACT-Cannabis is Addictive:** "When people use cannabis regularly – such as daily or nearly daily – parts of the brain become reliant on cannabinoids, the psychoactive chemicals in cannabis. Symptoms can include irritability, depressed mood, decreased appetite, sleep difficulties, a desire or craving to use cannabis, restlessness, anxiety, increased aggression, headaches, shakiness, nausea, increased anger, strange dreams, stomach pain and sweating." See https://news.yahoo.com/weed-withdrawal-more-half-people-200735378.html and https://onlinelibrary.wiley.com/doi/10.1111/add.15370
- **FACT-Cannabis is associated with increased child abuse**: Texas: Marijuana was the substance most identified as actively being used by the perpetrator (85 cases) in child abuse and neglect-related **fatalities.**
- **FACT-Cannabis use associated with Suicide**: 236 suicides in Colorado with marijuana present, representing a 125 percent increase. All told, marijuana was present in 29 percent of all suicides where toxicology was performed, a 107 percent increase.

2. **Highway Safety:** In every state where cannabis has been legalized the number of collisions and fatalities directly related to operating a motor vehicle while impaired have increased.
   - **FACT – Crashes Involving Cannabis Increased Last Year in Colorado** – News post dated January 23, 2023, The Denver Post reports, "According to the Colorado Department of Transportation, an estimated 745 people died in traffic crashes" in that state last year. During a Monday news conference, Colorado State Patrol Chief Matthew Packard said, ". . . crashes involving cannabis increased 51% in Colorado" in 2022.
   - **FACT – Legalization of Cannabis Leads to Increased Highway Death:** Colorado: News post dated September 10, 2021: "(Alexandria, VA) - Today, a new Colorado report **marijuana-impaired driving is continuing to have a catastrophic impact on Colorado. Since legalization, traffic deaths in which drivers tested positive for marijuana increased 138 percent** while all Colorado traffic deaths increased 29 percent.
   - **FACT – Cannabis use leads to increased collisions:** Department of Community Health and Epidemiology, Dalhousie University, Halifax, Nova Scotia, Canada; "Acute cannabis consumption is associated with an increased risk of a motor vehicle crash, especially for fatal collisions." NH has NO per se limit for cannabis to prove impaired driving in NH. In Bedford NH two (2) fatal collisions occurred with the at fault operator having significant quantity of THC in their blood yet we could not charge them with DUI.
   - **FACT-Cannabis use leads to More Collisions:** January 14, 2020-Source: McLean Hospital Summary: Researchers have discovered that Cannabis users had more accidents, drove at higher speeds, and drove through more red lights than non-users.
   - **FACT – Legalization led to more fatal crashed in Washington State:** The share of drivers who, after a fatal crash, tested positive for active THC – the drug's main psychoactive ingredient – has **doubled since the state legalized marijuana** in December 2012.
   - **FACT – Legalization in VT leads to increased impaired driving arrests**: Vermont Sees Doubled Arrests For Driving While High The AP (12/25, Rathke) reports, "In the first year

that recreational marijuana was legal in Vermont, the number of drivers arrested by state police for impaired driving who had THC in their systems **more than doubled.**

- **FACT – Legalization leads to increased DUI in Canada:** Quebec pot arrests behind the wheel up 54% since legalization Montreal Gazette Publishing date: OCT 17, 2019 **Sûreté du Québec says cannabis is the most commonly detected drug in its traffic stops**. One year after the legalization of recreational use of cannabis in Canada, the black market for the drug — as well as its use behind the wheel — continues to keep Quebec police forces busy."
- **FACT – NH does not have the capacity to handle the increase in DUI resulting from legalization as proposed in this bill**.
- **FACT – MASS Trooper Killed by Driver high on Marijuana:** Trooper Thomas Clardy the 44-year-old state trooper who died on March 16, 2016, when his cruiser was struck by an impaired driver on the Massachusetts Turnpike in Charlton. Prosecutors said the driver who struck Clardy's cruiser, David Njuguna, was speeding and high on marijuana at the time of the crash."
- **FACT – NH HAS NO THRESHOLD LIMIT IN LAW PERTAINING TO THC THAT WOULD ALLOW FOR ENFORCEMENT OF DUI FOR IMPAIRMENT BY MARIJUANA IN NH-States that commercialized marijuana passed laws that established per se limits on the amount of marijuana for operators of motor vehicles-we have no such law in NH and HB 639 DOES NOT ADDRESS THIS ISSUE.**

3. **Increased Addiction and Disorder:** In every state where the use of cannabis has been legalized it has led to an **increase in cannabis use by youth and adults** and it has led to a corresponding increase in treatment for chronic marijuana use disorder and related behavioral disorders associated with chronic use of cannabis.
   - **FACT-Legalization of Cannabis leads to increased use by adolescents:** The 2020 release of the National Survey on Drug Use and Health — the gold standard of youth use data — found **double-digit increases in past-year marijuana use amongst 12–17-year-olds in several legal states in California, Nevada, and Oregon since 2017**. Oregon: UP 15.4% Nevada: UP 17.4% California: UP 14.5% Furthermore, the NSDUH data also shows us that **the rate of past-month and past-year marijuana use among 12-17-year-olds in states where marijuana is legal is 8% higher than in states where the substance remains illegal**.
   - **FACT-States that legalized cannabis see increased cannabis use disorder:** NSDUH data from 2008 to 2016 found the prevalence **of past-year Cannabis Use Disorder among those 12-17 saw a 25% greater increase in states where marijuana was "legalized"** versus states where it remained illegal.
   - **FACT- Cannabis Vaping Results in Increased Risk for Adolescents:** JAMA Pediatrics. 2022;176(1):42-51. doi:10.1001/jamapediatrics.2021.4102 Findings lifetime prevalence of cannabis vaping doubled from 2013 to 2020 (6.1% to 13.6%), past 12-month use doubled from 2017 to 2020 (7.2% to 13.2%), and the 30-day prevalence of cannabis vaping increased 7-fold from 2013 to 2020 (1.6% to 8.4%).
   - **FACT-Cannabis use amongst 8th, 10th and 12th graders EXCEEDS ALCOHOL USE**
   - **FACT – 28NOV2022: (Alexandria, VA) ---** A comprehensive study based on two national, large datasets by **Temple University** researchers showed that **youth marijuana use increases after recreational legalization**. The **study will be published in the Addictive Behaviors journal in March 2023. The study found** that, after legalization:

- 1. Adolescent and young adult past-month cannabis use prevalence increased;
- 2. Among adolescents and young adults, the association of lower perception of risk of harm with higher cannabis use prevalence was strengthened;
- 3. Among young adults, an association of higher cannabis use prevalence with lower Cannabis Use Disorder treatment admissions emerged.

Unlike other studies which have shown mixed results on adolescent use patterns, this one looked at all legal states and utilized two major, long-standing datasets. Previous studies would look at less comprehensive state surveys where localities with high drug use rates could simply opt out of the analysis. This study has no opt-out since it is based on nationally representative surveys of users and treatment facilities. Marijuana use was on a decades-long decline thanks to the concerted work of prevention efforts, but the **legalization and commercialization of marijuana is threatening to erase those public health gains; young people are beginning to use new forms of today's super high potency marijuana**, such as vapes and concentrates, that are significantly linked to serious harms to mental health and higher rates of addiction.

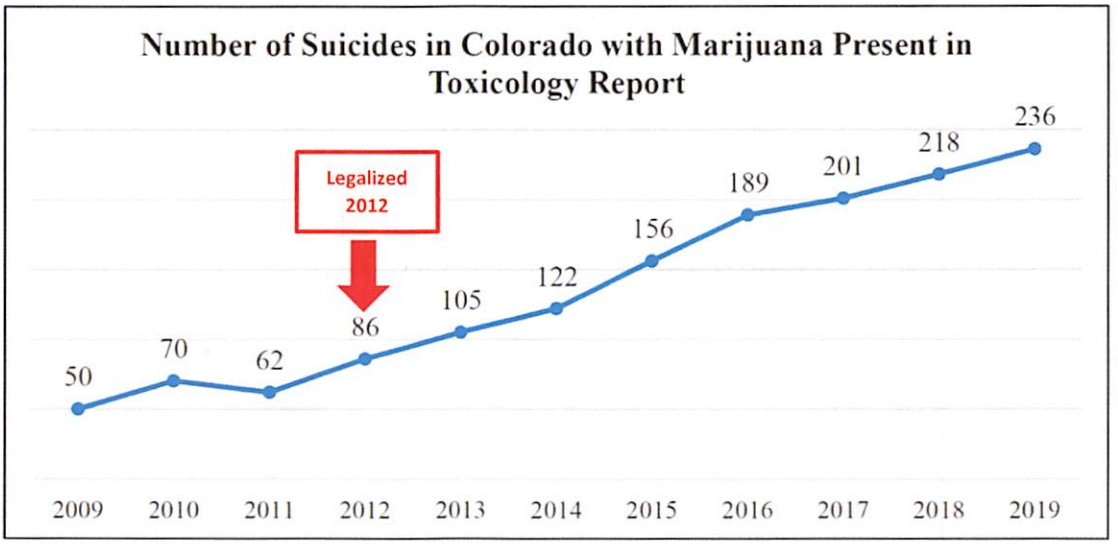
4. **Health Care Costs**: Legalization of cannabis will inevitably lead to **increased health care costs** for NH residents due to treatment for chronic use disorder and treatment for injury and harm directly associated with cannabis use that ELIMINATES ANY PROFITS FROM CANNABIS COMMERCIALIZATION.
   - **FACT-Legalization of cannabis led to increased exposures in Colorado:** Calls to the poison control center due to marijuana exposures continue to rise in Colorado, with 318 total calls in 2020 versus 125 in 2013, a 154 percent increase. Of these calls, 69 percent were for youths aged 0-18. Such calls totaled 221 in 2020, representing a 240 percent increase since 2013; 2023: Increase number of poisoning of children due to edibles, marketed and targeted at youth.
   - **FACT 19NOV2022: Study of Impact of Cannabis Legalization in Colorado:** "There was a positive association between the number of cannabis dispensaries and rates of psychosis ED visits across all counties in Colorado...our findings suggest there is a potential impact on the mental health of the local population that is observed after cannabis legalization."
     - **FACT – 14JAN2023 Manchester Union Leader**: "Last year, the Northern New England Poison Center handled 62 cases of New Hampshire residents sickened after exposure to cannabis. Nineteen involved children under 6, and most of them had consumed cannabis edibles. Karen Simone, director of the Northern New England Poison Center, said the number of accidental ingestion cases among little kids has gone up as the cannabis industry has moved from illegal to medicinal to recreational use. The center handles calls 24/7 for New Hampshire, Maine and Vermont."
   - **FACT-Cannabis leads to increased healthcare costs:** Canada: According to the Canadian Substance Use Costs and Harms study, cannabis accounted for 7 percent of the cost of substance use in Canada in 2014: $2.8 billion out of $38.4 billion. This figure includes costs associated with health care for those with health conditions related to cannabis use (such as cannabis dependence, injury from driving accidents due to cannabis impairment and lung cancer) as well as lost productivity due to these health conditions.

- **FACT-Increased health issues result in required healthcare and related costs:** Adverse Health Effects: Marijuana use is linked to several adverse health outcomes, including addiction, impaired cognition, pulmonary effects, mental illness, and other problems all of which require healthcare. Approximately one in ten adult users of marijuana develops addiction, and this number is higher among adolescents. [Note: Annu Rev Med. Author manuscript; available in PMC 2016 Jun 9. Published in final edited form as: Annu Rev Med. 2016; 67: 453–466. Published online 2015 Oct 19. doi: 10.1146/annurev-med-050214-013454]
    - **FACT Hudson Institute 28JUN2021:** " All of the states that accompanied Colorado on the path toward legalization have now emerged as the states with the highest percentage of youth users, well above the national average."
    - **FACT Hudson Institute 28JUN2021:** In Colorado for teens, marijuana is the most common drug found in toxicology of those who die by suicide. The percentage of incidents of suicide in which toxicology results were positive for marijuana increased to 23 percent in 2018, compared to 14 percent in 2014 (note that these figures are prior to the pandemic)."
    - **FACT – 29NOV2022 Health:** "Journal of the **American Medical Association**, suggests cannabis is no better at relieving pain than a placebo."
- **FACT-Legalization leads to increased addiction disorder requiring medical attention** and treatment; additional poison-control and emergency department visits and increased collisions and traffic fatalities all resulting in healthcare cost increase.
    - **FACT Hudson Institute 28JUN2021:** "Workplace drug-testing company QUEST Diagnostics recently reported, positive tests for marijuana are 30 percent higher in Colorado than the national average."
    - **FACT Hudson Institute 28JUN2021:** "Poison control centers (which) report that adverse marijuana-only exposures have more than quadrupled since legalization (Colorado)."
    - **FACT CNN 26JUL2022:** "Higher concentrations of tetrahydrocannabinol or THC -- the part of the marijuana plant that makes you high -- are causing more people to become addicted in many parts of the world, a new review of studies found. Compared with people who use lower-potency products (typically 5 to 10 milligrams per gram of THC), those who use higher-potency cannabis are more likely to experience addiction and mental health outcomes, according to the study published Monday in the journal Lancet Psychiatry."

5. **Cost of Regulation:** There is **NO STATE that legalized the use and possession of cannabis that has been able to pay for it** and there is NO evidence that NH will be any different.
    - **FACT – 05DEC2022:** Colorado expecting a $100 million shortfall in cannabis tax revenue for 2022; Colorado marijuana industry is going through the largest downturn that we've ever seen," said Truman Bradley, executive director of the Wheat Ridge-based Marijuana Industry Group. "Our industry is going through big time layoffs. Thousands of people have lost their jobs and small business owners are going under. Unfortunately, I expect that to continue into the coming year."
6. **Illicit Market:** In EVERY state where the possession and use of cannabis was legalized the illicit growing, sale and distribution of cannabis has proliferated.

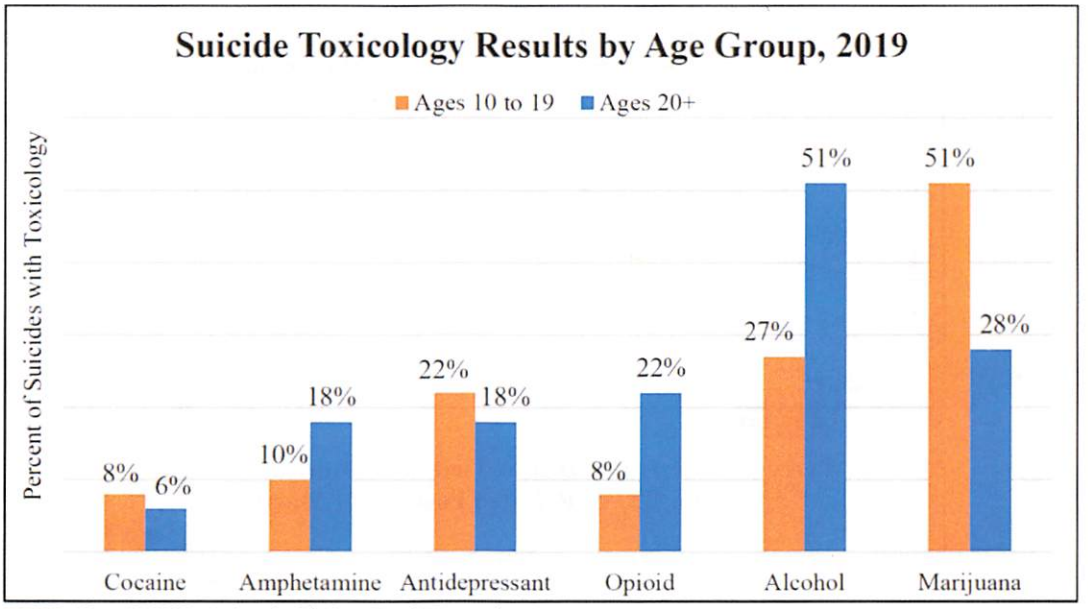
- **FACT -Illicit marijuana markets proliferate in every state where its legal:** (AP) In the **five years since California voters approved a broad legal marketplace for marijuana, thousands of greenhouses have sprouted across the state**. United Cannabis Business Association, a Los Angeles-based trade group. "No one is making money anywhere in the (legal) supply chain,"
- **FACT – Awash in illegal cannabis farms, Oregon plans millions for relief** By ANDREW SELSKY (Associated Press) SALEM, Ore. Dec. 16, 2021 3 p.m. The **Oregon Legislature has dedicated $25 million to combat the proliferation of illegal marijuana farms in Oregon**.
- **FACT Legal cannabis dispensaries are targets for criminals:** Oakland cannabis business hit twice in back-to-back burglaries and closer to home a Maine dispensary was burglarized; and, PORTLAND (WGME) – Portland police are investigating after a medical marijuana delivery driver was allegedly robbed at gun point in a parking lot.
- **FACT – Illicit cannabis in Oregon results in calls for National Guard:** SALEM, Ore. (AP) —A **southern Oregon county declared a state of emergency amid a sharp increase in illegal cannabis farms**, police raided a site that had about **2 tons of processed marijuana** and 17,500 pot plants. **Jackson County Commissioners asked Gov. Kate Brown to send in the Oregon National Guard "to assist, as able, in the enforcement of laws related to the production of cannabis."**
- **FACT – Illicit cannabis shops flood NYC: January 19, 2023: Fox News: According to the NYPD, more than 1,300 illegal marijuana stores are selling pot without a license.**
- **FACT – OK 13JAN2023: "Legal Cannabis Industry Is 'Bleeding To Death' In Oklahoma, Gov Suspects Thousands Of Illicit Operators;** The Oklahoma Bureau of Narcotics and Dangerous Drugs (OBN) suspects there are around 2,000 potentially illegal medical marijuana licenses in the state."
- **FACT – 13NOV2022 Boston Globe:** "As recreational marijuana prices plummet in Massachusetts, medical sales slump."

7. **Disproportionate Effect on Disadvantaged Communities:** The harmful effects associated with the sale and distribution of a product scientifically proven to be harmful to humans has consistently had a disproportionately negative consequence in disadvantaged communities.
8. **Law Enforcement:** The legalization of the possession and use of cannabis in NH by the state will lead to the requirement for law enforcement to address the illicit market in order to keep the state's legal market economically viable. In effect, this is the Volstead Act in reverse by making **NH law enforcement modern day prohibition police**. NH law enforcement doesn't have the capacity or funding to adequately address the public safety challenges we currently face let alone divert resources to what will become a failed attempt to control the illicit market for cannabis that will eviscerate the state's program.
9. **Public Sentiment:** According to a national Emerson College poll, **62% of registered voters do not support legalizing marijuana when presented with other, non-legalization policy options**. This new poll, conducted by Emerson College, found that the **majority of voters support other non-legalization marijuana policies** (prohibition, decriminalization, or medical legalization) while **only 38% believe the country should move to legalize and commercialize marijuana** for production, recreational use, and sales, like in stores.

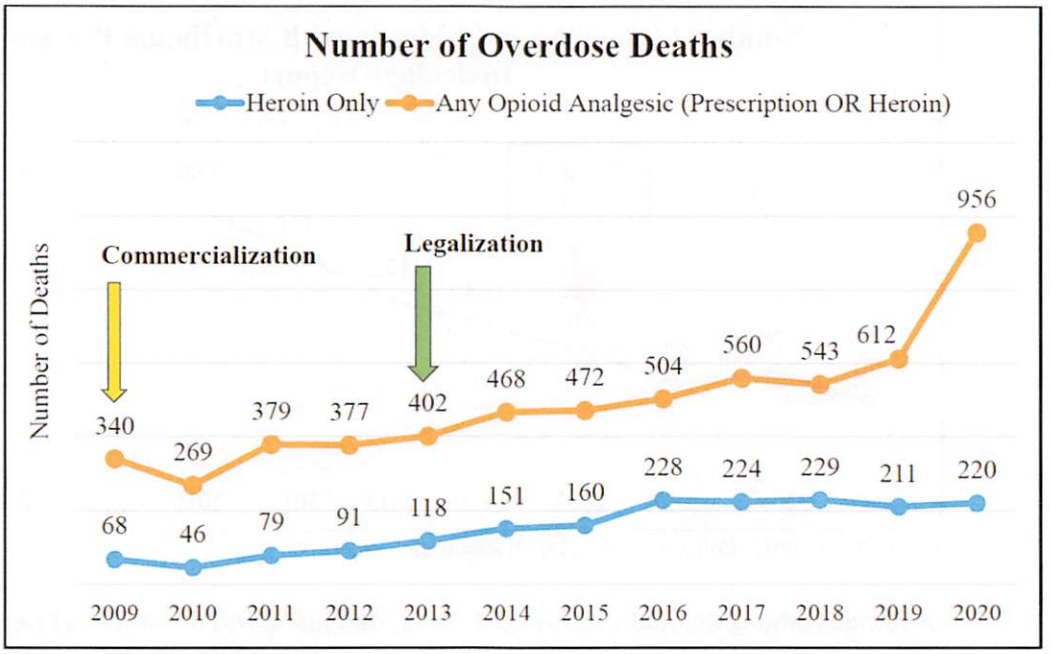


SOURCE: CDPHE, Colorado Violent Death Reporting System

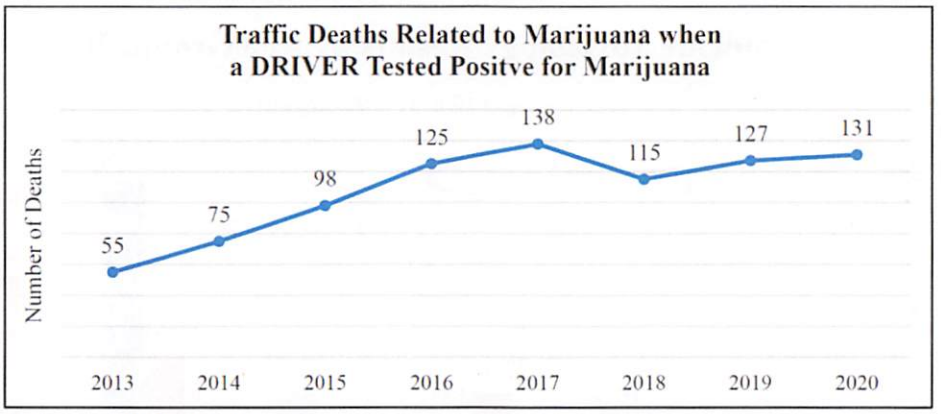
Of suicides among Colorado youth aged 10-19, marijuana was present in 51 percent of toxicology reports.



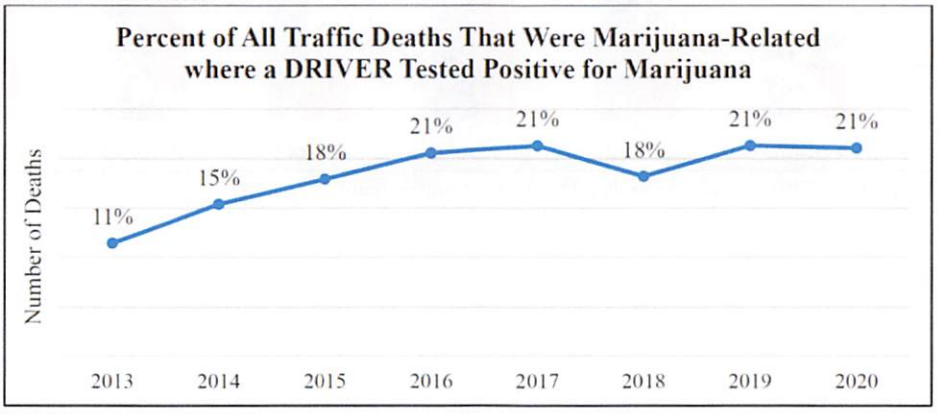
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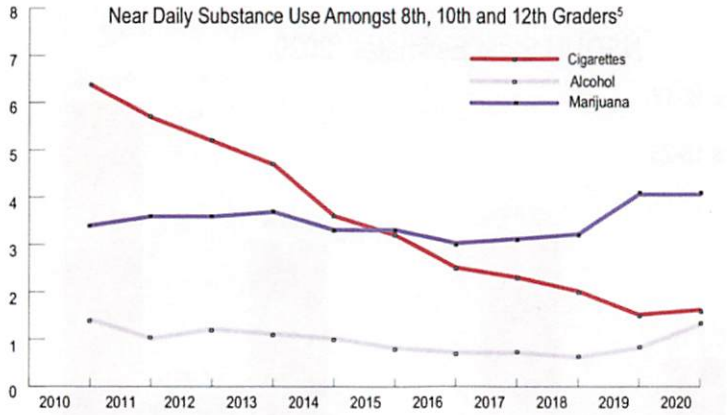
Source: CDPHE, Vital Statistics Program



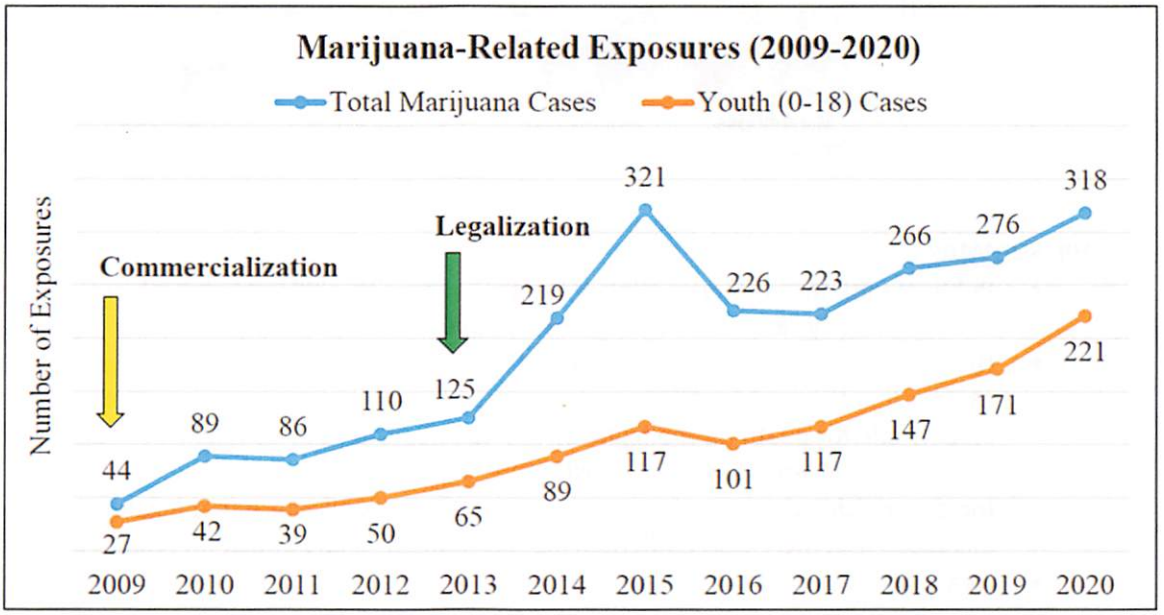
SOURCE: CDOT 2013-2020



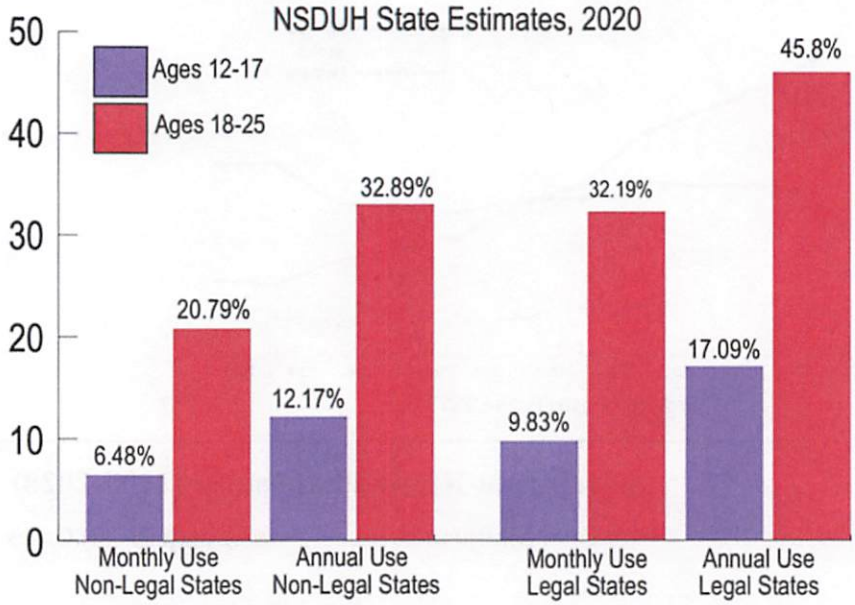
SOURCE: CDOT 2013-2020



1. E:



SOURCE: Rocky Mountain Poison and Drug Center



VII. SUMMARY:

- **Public Health Risk is Substantial:** Voting in favor of this bill is a vote to **increase harm and disease directly related to cannabis use**. Follow the facts.
- **Highway Deaths:** Voting for this bill will lead to **increased collisions and death on NH highways** as it has in other states. NH has no per se limit and no effective means to convict anyone responsible for death on the highway due to impairment by cannabis. Voting for this bill will make your highways and roads in NH more deadly.
- **Increased Addiction**: The facts and studies unequivocally state that legalization leads to increased use, **increased addiction**, increased medical and addiction related harm and disorders.
- **Healthcare Costs will inevitably increase** as a direct result of increased use, chronic addiction disorder and related medical and behavioral harm proven to be associated with cannabis use. Voting for this bill takes money out of our pockets.
- Regulatory Chaos: No state that legalized cannabis has been successful in regulating it; this bill proposes the state adopt the responsibility for distribution of cannabis with no structure or funds to adequately regulate, test and certify the product sold by the state is free of harmful chemicals let alone the other liability that extends from sale. The taxes touted by proponents of legalization have NEVER MATERIALIZED in any state that legalized it. In California the legal industry has collapsed. In Oregon the illicit market has captured and outsold and legal market. The illicit market will always be able to undersell the legal market because of taxes and regulation; legalization from a regulatory and economic perspective is doomed.
- **Illicit Market will proliferate** and expand in NH to the extent it will cause the collapse of the legal industry; the state will end up losing millions and there will be a push to have NH police enforce laws to support the state's legal marijuana business; the Volstead Act in reverse. NH law enforcement is unprepared and ill-equipped to handle the explosion of illicit marijuana that will result from legalization.
- **Disproportionate effect on disadvantaged** communities is evident where it was legalized and further imperils communities already struggling with disproportionate levels of addiction. This bill will only make it worse.

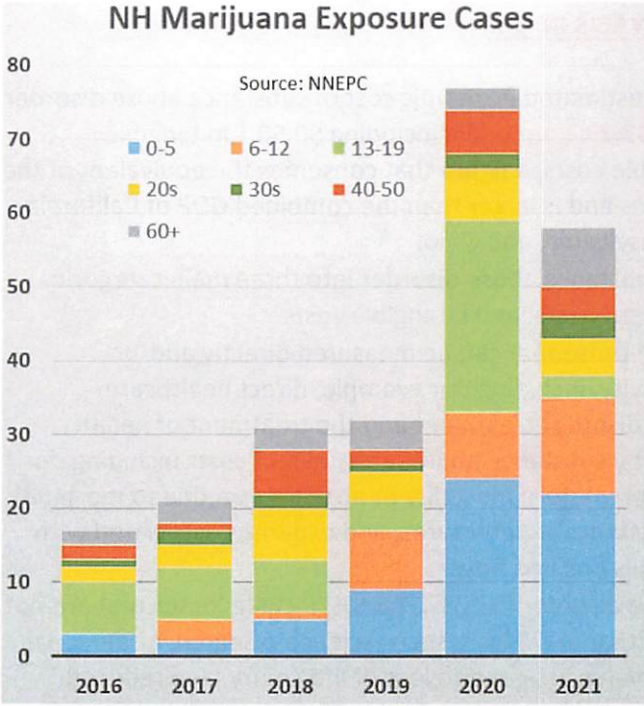
- **Law enforcement is not prepared nor equipped to handle the increase in cannabis related collisions, fatalities and overdoses**; we have no effective laws to convict persons responsible for cannabis impaired collisions and fatalities; we have no testing mechanisms; we have no regulatory controls for packaging or carriage or use in motor vehicles, heavy equipment, buses including school buses and commercial vehicles.
- **Public sentiment is clearly opposed** to full-scale legalization when given other options as proven by the most recent Emerson College poll.
- NO ONE IN NH GOES TO JAIL FOR POSSESSION OF PERSONAL USE QUANTITIES OF CANNABIS
- PERSONS WITH QUALIFYING CONDITIONS AND A PRESCRIPTION CAN GET CANNABIS IN NH TODAY.
- NH continues to be in the firm grip of drug addiction/public health crisis with increased overdoses and overdose deaths last year in both Manchester and Nashua. In what world does it make sense to add yet another addictive substance proven to be harmful especially to children, youth and pregnant women? Is this the path to a better NH?
- Legalization is NOT INEVITABLE so long as we consider the FACTS
- Don't be taken in by FALSE PROMISES by people who will PROFIT FROM ADDICTION.
- Vote COMMON SENSE and defeat HB 1598, it's the commonsense thing to do.

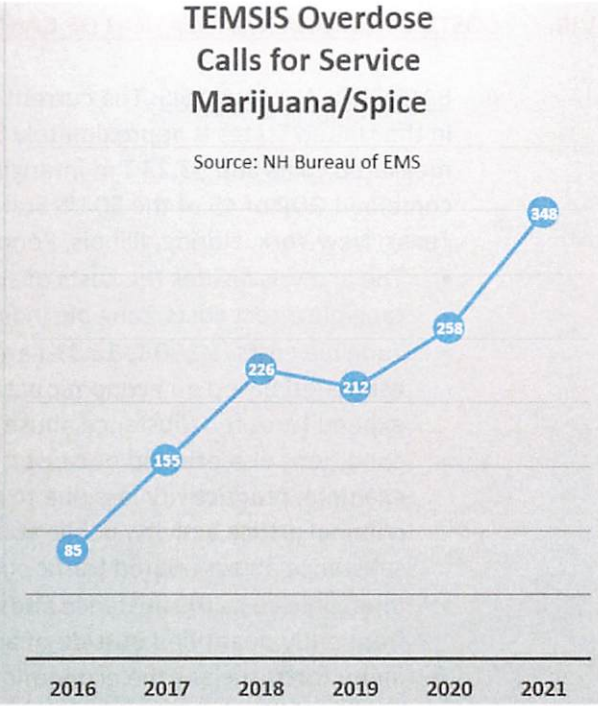
VIII. COSTS OF COMMERCIALIZATION OF CANNABIS IN NH:

A. BACKGROUND ANALYSIS: The current estimated economic cost of substance abuse disorder in the United States is approximately **$3.73 T annually,** including $0.50 T in tangible measured costs and $3.23 T in intangible costs, a figure that consumes the equivalent of the combined GDP of 45 of the 50 US States and is larger than the combined GDP of California, Texas, New York, Florida, Illinois, Pennsylvania, and Ohio.
   - The analysis divides the costs of substance abuse disorder into three main categories – tangible direct costs, tangible indirect costs, and intangible costs.
   - Tangible costs ($0.50 T, 13.4%) are those that can be measured directly and/or estimated based on economic activity, including, for example, direct healthcare expenditures for substance abuse disorder treatment and the treatment of health conditions exacerbated or caused by substance abuse, and indirect costs including, for example, productivity loss due to premature mortality or absenteeism due to morbidity, criminal justice activity, public assistance expenditures, and expenses associated with substance abuse-related traffic collisions and fires.
   - Intangible costs of substance abuse disorder ($3.23 T, 86.6%) include losses that are not frequently quantified outside of actuarial analysis, social science research, or personal injury torts, such as the economic value assigned to loss of life, injury, and reduced quality of life. Among these, the most significant examples of the intangible costs of substance abuse disorder are those associated with the loss in quality of life of those with substance abuse disorders who do not receive treatment ($0.39 T) and the pain and suffering of deaths, traffic deaths, and victims of violent crime associated with substance abuse disorder ($2.84 T).

B. COST OF SUBSTANCE USE DISORDER IN NH:
   - $3.73 T in **US cost** is the equivalent of **$11,300 per person cost**
   - **NH cost** based on $11,300 pp is the equivalent of **$15.8 BILLION in total substance use disorder costs for NH**[1]

- Using the value of 7% of all substance abuse costs in Canada are attributable to cannabis we see the **estimated cost of commercial cannabis in NH at $1.1 B**
- Using a conservative value of estimated increase in cannabis use in NH after commercialization based on average rates seen in other states at 8% annually (see average difference in use ages 18-25 actually 13%) we see an annual increase in NH costs directly related to cannabis commercialization at **$88 Million annually.**
- Journal of American Medicine Association (JAMA) 2021 Assessment of Annual Cost of Substance Use Disorder in US Hospitals reflected a total hospital only cost of $13.2 BILLION for substance use disorder treatments in the US.
- JAMA report reflects an average $8,014 cost per patient for cannabis use disorder in-patient treatment and $1,886 cost per out-patient treatment for cannabis use disorder.
- NH Overdose Calls for cannabis/spice reflect 348 calls in 2021; projecting an estimated 12% increase after commercialization we anticipate an additional 42 EMS calls for cannabis in NH.
- Using an estimated hospital cost of in-patient out-patient of $4,000 per call we can expect **hospital costs to increase by at least $168,000.** Again, this is hospital costs only; it excludes FD/EMS and Police costs related to each call for service based on JAMA data.





- Traffic Fatality Deaths/Costs in NH: Using Colorado data we can expect a 120% INCREASE in traffic deaths related to cannabis use after commercialization.
- There were 116 traffic deaths in NH in 2021.
- During 2018, 12 million (4.7%) U.S. residents reported driving under the influence of marijuana in the past 12 months; 2.3 million (0.9%) reported driving under the influence of illicit drugs other than marijuana.
    - In NH that would equate to 65,800 operators reporting driving under the influence of marijuana in the past 12 months.

- Using an estimated increase of 12% after commercialization of cannabis in NH we anticipate an **additional 7,896 operators in NH will be impaired by cannabis.**

- Using an estimated law enforcement cost to investigate a single car motor vehicle fatality of $10,000 per investigation the total estimated cost to investigate fatal accidents in NH is estimated very conservatively at **$1.16 MILLION.**
- The percent of crash deaths involving cannabis more than doubled from 9 percent in 2000 to 21.5 percent in 2018, and the percent of deaths involving cannabis and alcohol also more than doubled from 4.8 percent to 10.3 percent. Nov 10, 2021
  - Using an estimate of 22% of NH fatal accidents involve cannabis, we see an estimated **26 fatal crashes in 2021 that involved cannabis**. [Note: NH has no per se limit for cannabis intoxication and therefore operators are not charged with DUI by cannabis in regards to fatal crashes in NH.]
  - The **cost to investigate fatal crashes involving cannabis in NH in 2021 is estimated at $255,000**.
  - Expecting a 120% increase in cannabis related crashes after commercialization in NH based on data from other states we expect to see an estimated increase of 55 fatal crashes in NH involving cannabis after commercialization.
  - The estimated increase in cost for law enforcement related to cannabis involved crashes in NH is estimated at an **additional $230,000** (excluding court costs, and prosecution costs etc.) for a total estimated cost of **$485,000 for law enforcement alone related to cannabis involved fatal crashes**.
- Illicit manufacturing/growing and trafficking in NH is expected to increase dramatically after commercialization.
- In Oregon, the state legislature recently allocated an additional $25 MILLION to address illicit cannabis trafficking in Oregon
- Cost of illicit marijuana trafficking investigations is highly varied and not easily quantifiable. The anticipated increase in NH law enforcement investigations that involve illicit cannabis trafficking is subject to conjecture.
  - Using an estimated increase of 100 investigations in the state annually at an average cost of $20,000 (exclusive of prosecution, and courts etc.) per investigation we can expect to see an annual estimated increase of **$2.0 MILLION in costs to NH law enforcement after commercialization**.

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[1] Recovery Centers of America, Economic Cost of Substance Use Disorder in US, 2019

Vanderbilt University Law School

Legal Studies Research Paper Series
Working Paper Number 21-09



Interstate Commerce in Cannabis

Professor Robert A. Mikos
Vanderbilt Law School

101 Boston University Law Review 857 (2021)

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INTERSTATE COMMERCE IN CANNABIS

ROBERT A. MIKOS*

ABSTRACT

A growing number of states have authorized firms to produce and sell cannabis within their borders, but not across state lines. Moreover, many of these legalization states have barred nonresidents from owning local cannabis firms. Thus, while cannabis commerce is booming, it remains almost entirely intrastate. This Essay provides the first analysis of the constitutionality of these state restrictions on interstate commerce in cannabis. It challenges the conventional wisdom that the federal ban on marijuana gives legalization states free rein to discriminate against outsiders in their local cannabis markets. It also debunks the justifications that states have proffered to defend such discrimination, including the notion that barring interstate commerce is necessary to forestall a federal crackdown on state-licensed cannabis industries. This Essay concludes that the restrictions legalization states now impose on interstate commerce in cannabis likely violate the Dormant Commerce Clause. It also examines the ramifications of this legal conclusion for the future of the cannabis market in the United States, and it suggests that without the barriers that states have erected to protect local firms, a new breed of large, national cannabis firms concentrated in a handful of cannabis-friendly states is likely to dominate the cannabis market. This development could dampen the incentive for new states to legalize cannabis and further diminish minority participation in the cannabis industry. Congressional legislation may be necessary to address these concerns, because individual states have only limited capacity to shape the national market and the firms that compete therein.

* Professor of Law, Vanderbilt University Law School. I thank Austin Bernstein, Scott Bloomberg, Brannon Denning, James Hirsch, Nicole Huberfeld, and participants at the *Boston University Law Review*'s Symposium, "Marijuana Law 2020: Lessons from the Past, Ideas for the Future," for comments on drafts of this Essay, and I thank Jay Wexler and the editors of the *Boston University Law Review* for organizing the outstanding Symposium.

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INTRODUCTION

By the end of 2020, more than thirty states had legalized cannabis containing tetrahydrocannabinol ("THC") for at least some purposes.[1] Each of these states has authorized firms to produce and sell cannabis within its borders. In 2019, those state-licensed firms did a brisk business, selling more than $13 billion worth of cannabis.[2]

However, none of that $13 billion of cannabis is now being sold (legally) across state lines.[3] Instead, each legalization state now has its own, hermetically sealed local cannabis market, supplied entirely by cannabis cultivated and processed inside the state. For example, the $1.75 billion worth of cannabis that was sold by Colorado-licensed stores in 2019 was all grown and processed by firms located inside Colorado.[4] These state-based markets for cannabis contrast with the national markets that now exist for virtually every other consumer good. From bananas to beer, few of the goods we see on store shelves today are grown, processed, or manufactured locally.

The lack of interstate commerce in cannabis is commonly attributed to the federal government's marijuana ban. Notwithstanding the dramatic liberalization of state law over the past twenty-five years, federal law continues to ban the production, possession, and sale of marijuana.[5] The conventional wisdom is that interstate commerce in cannabis—and the development of a national cannabis market—cannot develop until Congress or the President repeals the federal ban and removes this barrier.[6]

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[1] *See* Robert A. Mikos, *Marijuana Reforms Win Big at the Polls*, MARIJUANA L. POL'Y & AUTH. BLOG (Nov. 4, 2020), https://my.vanderbilt.edu/marijuanalaw/2020/11/marijuana-reforms-win-big-at-the-polls/ [https://perma.cc/F7UT-2UD6]. Throughout the Essay, I use "cannabis" and "marijuana" interchangeably to refer to cannabis plants or products that contain the psychoactive chemical THC. *See generally* Robert A. Mikos & Cindy D. Kam, *Has the "M" Word Been Framed? Marijuana, Cannabis, and Public Opinion*, 14 PLOS ONE 1 (2019), https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0224289 [https://perma.cc/9KEV-QH44] (analyzing terms used to describe cannabis). This definition excludes "hemp," which is commonly defined as cannabis that contains only trace amounts of THC. *E.g.*, 7 U.S.C. § 1639o (defining hemp as cannabis and cannabis extracts that contain less than 0.3% THC by dry weight).

[2] Chris Hudock, *U.S. Legal Cannabis Market Growth*, NEW FRONTIER DATA (Sept. 8, 2019), https://newfrontierdata.com/cannabis-insights/u-s-legal-cannabis-market-growth/ [https://perma.cc/MQB6-9EKJ]; *see also* ARCVIEW MKT. RSCH. & BDSA, THE STATE OF LEGAL CANNABIS MARKETS 12 (8th ed. 2020) (estimating industry sales of $12.4 billion in the United States in 2019).

[3] Out-of-state cannabis is sold on the black market, even in legalization states.

[4] *Marijuana Sales Reports*, COLO. DEP'T OF REVENUE, https://cdor.colorado.gov/data-and-reports/marijuana-data/marijuana-sales-reports [https://perma.cc/6WQT-G6JG] (last visited Apr. 13, 2021) (reporting sales figures for Colorado-licensed shops).

[5] *See* 21 U.S.C. §§ 841, 844.

[6] *E.g.*, Johnny Green, *Oregon Is About to OK Cannabis Exports. What's Next?*, LEAFLY (June 12, 2019), https://www.leafly.com/news/politics/oregon-is-about-to-ok-cannabis-exports-whats-next [https://perma.cc/H3E6-98YP] ("Skeptics feel the prospects of the federal government allowing cannabis to be exported from Oregon remain far-fetched."); Kyle

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But the conventional wisdom is wrong. The federal government, by itself, has not stopped the interstate cannabis market from developing. Neither federal law nor federal law enforcement policy treats state-authorized cannabis commerce differently just because the activity crosses state lines—i.e., just because it is interstate.[7] Given that the federal marijuana ban has not stopped $13 billion (and growing) in intrastate cannabis commerce, the ban cannot so easily explain the present dearth of interstate cannabis commerce.

The true culprit—the real reason we do not have interstate commerce in cannabis today—is that the states have not allowed it to develop. Even as states have grown increasingly tolerant of the commercial production and distribution of marijuana, they have staunchly resisted interstate commerce in the drug. Every legalization state now prohibits the sale of cannabis across state lines.[8] What is more, many legalization states also bar nonresidents from owning or operating the local cannabis businesses that supply local markets.[9]

Legalization states have imposed these restrictions on interstate commerce in cannabis to protect the local cannabis industry and the economic benefits associated therewith from out-of-state competition.[10] Those economic benefits, after all, have proven to be a potent selling point for cannabis legalization. For example, before South Dakota voters approved a measure to legalize recreational cannabis in the state, proponents had assured them that "[a]ll marijuana sold in South Dakota must be grown and packaged inside our borders,

Jaeger, *Congressional Bill Would Allow Marijuana Imports and Exports Between Legal States*, MARIJUANA MOMENT (June 27, 2019), https://www.marijuanamoment.net/congressional-bill-would-allow-marijuana-imports-and-exports-between-legal-states/ [https://perma.cc/NXL5-4L9C] ("Transporting cannabis across state lines is strictly prohibited under current federal law. The Justice Department described such activity as an enforcement priority even under a now-rescinded Obama-era memo intended to generally respect state marijuana policies."); Frank Kummer, *With Legalization Come Hopes that Cannabis Could Be a Lucrative Crop in New Jersey*, PHILA. INQUIRER (Nov. 9, 2020), https://www.inquirer.com/science/climate/new-jersey-marijuana-cannabis-legalization-farming-agriculture-20201109.html ("Because marijuana is illegal at the federal level, it can't be transported across state lines."); Polly Trotsky, *Here's What Oregon's New Cannabis Export Measure Means for California*, CAL. WEED BLOG (June 16, 2019), https://californiaweedblog.com/2019/06/16/what-oregons-export-measure-means-for-california/ [https://perma.cc/Z8UC-8XBJ] (suggesting that federal government would block interstate sales because "[p]reventing the transportation of cannabis across state lines has been a focus for the Justice Department since before the Obama administration").

[7] *See infra* Section II.A.2 (discussing claims that states have restricted interstate commerce in cannabis to appease the federal government).

[8] *See infra* Part I (explaining that legalization states have restricted interstate commerce in cannabis by prohibiting interstate sales).

[9] *See infra* Part I (explaining that some states have limited the ability of nonresidents to own and operate local cannabis facilities).

[10] *See infra* Section II.A.

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which will lead to hundreds of jobs for construction workers, plumbers, electricians, HVAC workers, laborers, and retail workers."[11]

If they were applied to almost any other product—from bananas to beer—the restrictions that states have imposed on interstate commerce in cannabis would clearly be unconstitutional. The Dormant Commerce Clause ("DCC") establishes a strong default rule against state protectionism.[12] To date, however, the federal marijuana ban has given legalization states a convenient excuse for imposing their restrictions on interstate commerce in cannabis. In particular, states have claimed (1) that they must bar interstate commerce in cannabis to appease the federal government or, in the alternative, (2) that by banning marijuana, Congress has implicitly overridden the DCC's antiprotectionism default rules and authorized them to discriminate against interstate commerce in cannabis.[13]

But several nascent lawsuits are now testing these claims. Multistate cannabis firms are challenging the constitutionality of state residency requirements for cannabis licenses. Indeed, Maine has already agreed to drop its residency requirement in response to one of these lawsuits, and a federal court has enjoined a similar local requirement as violative of the DCC.[14] These may be just the first chips to fall in a legal battle that could fundamentally alter the structure of the cannabis industry.

This Essay provides the first detailed analysis of the constitutionality of state restrictions on interstate commerce in cannabis. Part I surveys the two main ways that legalization states now restrict interstate commerce in cannabis. Part II then shows that these restrictions are likely unconstitutional under the DCC. It explains that legalization states have no constitutionally sufficient justification for discriminating against interstate commerce in cannabis. It also shows that Congress has not authorized legalization states to disregard the DCC's nondiscrimination principle in regulating cannabis commerce (a point that leading congressional reform proposals would make even clearer). But Part II also explains that the DCC allows states to regulate cannabis evenhandedly, even to ban all commerce in cannabis; states just cannot discriminate against outside economic interests when regulating the drug.

To the extent these state restrictions on interstate commerce in cannabis are unconstitutional, it is likely to spell the demise of the strange, state-based cannabis markets we have today and the rise of a national cannabis market in which local firms must compete with out-of-state firms. Part III discusses the implications of this development for the future of the cannabis industry,

[11] KEA WARNE, OFF. OF THE S.D. SEC'Y OF STATE, SOUTH DAKOTA 2020 BALLOT QUESTIONS (2020), https://sdsos.gov/elections-voting/assets/2020BQPamphletColorVersion.pdf [https://perma.cc/45MX-JK8B].

[12] *See infra* Part II (arguing that the DCC probably renders state restrictions on interstate commerce of cannabis unconstitutional).

[13] *See infra* Sections II.A-B (explaining reasons why states have claimed that they must restrict interstate commerce of cannabis).

[14] *See infra* notes 154-157 and accompanying text (discussing litigation over Maine's residency requirement).

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including the industry's structure and how it will be governed. For example, interstate commerce is likely to facilitate consolidation of the cannabis industry, which could further reduce minority participation therein—and heighten social equity concerns regarding cannabis reforms.

I. HOW STATES RESTRICT INTERSTATE COMMERCE IN CANNABIS

States have directly restricted interstate commerce in cannabis in two main ways. First, every legalization state currently prohibits interstate sales of cannabis. These states permit cannabis to be sold in the state only if it has been produced in state. In other words, every legalization state now bans the importation of cannabis produced elsewhere. In similar fashion, legalization states do not allow any cannabis produced in the state to be sold outside the state. That is, they ban the exportation of locally produced cannabis. Oregon's adult-use cannabis law is illustrative. The statute provides that "[a] person may not import marijuana items into this state or export marijuana items from this state."[15] Oregon's ban has some teeth, as violations may carry a sanction of up to five years' imprisonment.[16]

Second, most legalization states also limit the ability of nonresidents to own and operate local cannabis businesses. These states make state residency a requirement for acquiring or holding a state-issued cannabis business license. The requirements vary in their particulars (for example, the term of residency required for securing a license), but Maine's requirement for adult-use cannabis licenses is illustrative. Under the Maine law, an applicant who is a natural person "must be a resident."[17] The statute defines "resident" as someone who has filed income tax returns in the state "in each of the 4 years prior" and who spends "more than 183 days of the taxable year" in Maine.[18] If the applicant is a business entity, every "officer, director, manager and general partner" must be a Maine resident, and a majority of the entity must be owned by Maine residents.[19]

[15] OR. REV. STAT. § 475B.227(2) (2020); *see also, e.g.*, MINN. STAT. § 152.33(1a)(2) (2021) ("In addition to any other applicable penalty in law, the commissioner may levy a fine of $250,000 against a manufacturer and may immediately initiate proceedings to revoke the manufacturer's registration, . . . if . . . in intentionally transferring medical cannabis to a person other than allowed by law, [the manufacturer] . . . transported or directed the transport of medical cannabis outside of Minnesota."); CAL. CODE REGS. tit. 16, § 5416(b) (2021) ("A delivery employee shall not leave the State of California while possessing cannabis goods."); COLO. CODE REGS. § 212-3:3-615(E)(8) (2021) ("A Delivery Motor Vehicle must not leave the State of Colorado while any amount of Regulated Marijuana is in the Delivery Motor Vehicle.").

[16] OR. REV. STAT. § 475B.227(3)-(4) (specifying grades of offenses); *id.* § 161.605 (specifying sanctions for different grades of offenses).

[17] ME. STAT. tit. 28-B, § 202(2) (2021).

[18] *Id.* § 102(48).

[19] *Id.* § 202(2)(A)-(B).

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Some states have recently begun to relax their residency requirements to attract much-needed capital investment into their local cannabis industries.[20] However, even when nonresidents may hold cannabis licenses, they cannot import or export the drug; they must conduct their business activities within the state's borders, just like everyone else. Even multistate operators, such as Cresco Labs and Vireo Health, must adhere to these rules. These firms have acquired licenses from several legalization states, but they must operate separate production facilities in each of those states. They are not allowed to ship cannabis across state lines, even to their own subsidiaries. Indeed, Minnesota recently punished two officials from Vireo Health, a Minnesota-licensed medical cannabis producer, for allegedly smuggling $500,000 worth of cannabis oil out of the state to shore up Vireo's New York operation, which was struggling to meet production quotas imposed by the state of New York.[21]

The limits on out-of-state ownership of local cannabis businesses constitute another state-imposed restriction on interstate commerce. Instead of limiting the flow of cannabis across state lines (the object of the import and export bans discussed above), these laws limit the flow of capital across state lines. They prevent individuals from investing funds in cannabis business ventures in other states.

Together, these two types of state restrictions have created substantial barriers to interstate commerce in cannabis and have helped to subdue the rise of a national cannabis market. As the next Part details, however, these state restrictions are probably unconstitutional.

II. WHY STATE RESTRICTIONS ARE (PROBABLY) UNCONSTITUTIONAL

The enforceability of state restrictions on interstate commerce in cannabis rests on the application of the DCC, a doctrine of federal constitutional law that promotes the development of a national market and the free flow of goods, services, and capital across state borders.[22] The doctrine severely limits the states' ability to erect barriers to interstate commerce.[23] As the Supreme Court has explained,

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[20] *E.g.*, H.B. 20-1080, 72d Gen. Assemb., 2020 Reg. Sess. (Colo. 2020) (repealing Colorado's residency requirement for managers and employees of marijuana licensed businesses).

[21] State v. Owens, 930 N.W.2d 1, 7 (Minn. Ct. App. 2019); *see also* David Robinson, *Medical Marijuana in New York: Deal Reached on Smuggling Charges by Ex-Vireo Health Workers*, LOHUD (Oct. 24, 2019, 3:42 PM), https://www.lohud.com/story/news/2019/10/24/medical-marijuana-new-york-deal-reached-over-smuggling-charges-vireo-health/4086184002/ (noting that Minnesota added new penalties for transporting cannabis across state lines in response to *State v. Owens*).

[22] State regulations may implicate other constitutional provisions as well, but this Essay focuses on the DCC because it imposes the most salient and potent constraints on state power to regulate interstate commerce in cannabis.

[23] *E.g.*, Tenn. Wine & Spirits Retailers Ass'n v. Thomas, 139 S. Ct. 2449, 2459 (2019) (observing that the DCC "prevents the States from adopting protectionist measures and thus preserves a national market for goods and services"). The DCC thus resembles congressional

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> Our system, fostered by the Commerce Clause, is that every farmer and every craftsman shall be encouraged to produce by the certainty that he will have free access to every market in the Nation, that no home embargoes will withhold his exports, and no foreign state will by customs duties or regulations exclude them.[24]

This Part demonstrates that state restrictions on interstate commerce in cannabis probably violate the DCC. To begin, state laws that discriminate against nonresidents, like the laws surveyed in Part I, are virtually per se invalid.[25] Such laws are unconstitutional unless a state can show that discriminating against outsiders is necessary to serve a legitimate, nonprotectionist purpose (e.g., protecting the local environment from invasive species).[26] Section II.A demonstrates that legalization states currently have no constitutionally adequate reason to bar imports (or exports) of cannabis or to exclude nonresidents from owning and operating local cannabis businesses.

Of course, Congress may authorize states to discriminate against interstate commerce,[27] and states may be operating on the assumption that the federal marijuana ban gives them free license to bar outsiders from local cannabis markets. But this assumption has gone untested, and Section II.B argues that it is likely unfounded. Neither the federal marijuana ban nor any other federal action provides the "unmistakably clear" congressional approval required to uphold otherwise invalid state regulations of interstate commerce.[28] In any event, as Section II.B explains, proposals currently being considered by Congress to legalize marijuana at the federal level would dissolve any authorization conferred by the federal ban. Simply put, if Congress adopts any of the reforms now on the table—and likely, even if it does not—the DCC will force legalization states to open their doors to cannabis imports and exports and to permit nonresidents to own and operate local cannabis businesses on the same terms as residents.

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preemption of state law, although it operates even when Congress has not legislated—i.e., when Congress's Commerce Clause power lays dormant. Importantly, however, the DCC also operates when Congress *has* legislated. Thus, the mere fact that Congress has regulated some activity—like the sale of marijuana—does not automatically suspend operation of the DCC's default rules. Rather, as discussed below, Congress must specifically—and very clearly—authorize states to block interstate commerce. *See infra* Section II.B.

[24] H. P. Hood & Sons, Inc. v. Du Mond, 336 U.S. 525, 539 (1949).

[25] *E.g.*, Granholm v. Heald, 544 U.S. 460, 476 (2005) ("State laws that discriminate against interstate commerce face 'a virtually *per se* rule of invalidity.'" (quoting City of Phila. v. New Jersey, 437 U.S. 617, 624 (1978))).

[26] *E.g.*, Maine v. Taylor, 477 U.S. 131, 138 (1986) (holding that when a state law discriminates against interstate commerce "'either on its face or in practical effect,' the burden falls on the State to demonstrate both that the statute 'serves a legitimate local purpose,' and that this purpose could not be served as well by available nondiscriminatory means" (quoting Hughes v. Oklahoma, 441 U.S. 322, 336 (1979))).

[27] *Id.* ("It is well established that Congress may authorize the States to engage in regulation that the Commerce Clause would otherwise forbid.").

[28] S.-Cent. Timber Dev., Inc. v. Wunnicke, 467 U.S. 82, 91 (1984).

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Although this Essay focuses on state laws that discriminate against outside economic interests, Section II.C briefly considers the constitutionality of state cannabis laws that put insiders and outsiders on an equal footing. While neutral laws can burden interstate commerce, they are unconstitutional only if that burden is "clearly excessive" relative to their local benefits.[29] Section II.C suggests that, at least for the time being, state cannabis laws should survive DCC scrutiny so long as they treat insiders and outsiders alike. However, it also posits that idiosyncratic cannabis regulations might become vulnerable to DCC challenge as state laws begin to converge.

A. *States Lack a Sufficient Justification to Discriminate Against Interstate Commerce in Cannabis*

The restrictions discussed in Part I are plainly discriminatory. Legalization states regulate cannabis differently based on where it is produced or where it will be shipped. These states also treat business owners differently based on their residency.

It will be very difficult for legalization states to demonstrate that they have a constitutionally sufficient justification for imposing these discriminatory restrictions. Indeed, the Supreme Court has previously invalidated state laws that are nearly identical to the state laws surveyed in Part I, including state laws banning the importation and exportation of other goods (e.g., milk),[30] as well as state laws that make residency a requirement for owning or operating a local business (e.g., liquor stores).[31]

This Section considers the three most plausible reasons why states have adopted their restrictions on interstate commerce in cannabis: (1) protecting the local cannabis industry from out-of-state competition, (2) appeasing the federal government, and (3) safeguarding public health. It explains why none of these purposes would suffice to uphold state restrictions against a DCC challenge.

1. Protecting the Local Cannabis Industry

Economic protectionism constitutes the most straightforward reason legalization states have restricted interstate commerce in cannabis. States have banned imports to protect local cannabis firms—and the jobs they produce—from out-of-state competition. In similar fashion, these states have banned nonresidents from owning and operating local cannabis businesses to reserve the potential profits associated with this new industry for local entrepreneurs and

[29] Pike v. Bruce Church, Inc., 397 U.S. 137, 142 (1970).

[30] *E.g.*, Dean Milk Co. v. City of Madison, 340 U.S. 349, 356 (1951) (holding that local ordinance prohibiting sale of milk bottled outside city limits violated DCC); H. P. Hood & Sons, Inc. v. Du Mond, 336 U.S. 525, 544-45 (1949) (holding that state law limiting sale of local milk to out-of-state bottler violated DCC).

[31] Tenn. Wine & Spirits Retailers Ass'n v. Thomas, 139 S. Ct. 2449, 2476 (2019) (holding that state law requiring two years of residency to obtain liquor store license violated DCC).

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investors.[32] (Because export bans limit market opportunities for local producers, they seem less likely to be motivated by protectionism and might instead reflect a genuine desire to appease the federal government and show comity toward other states that have not yet legalized cannabis.)[33]

It is hardly surprising that states would want to protect the local cannabis industry from out-of-state competition. Legalization is commonly touted as a means of creating new jobs and economic opportunities within a state.[34] To

[32] *E.g.*, NPG, LLC v. City of Portland, No. 2:20-cv-00208, 2020 WL 4741913, at *2 (D. Me. Aug. 14, 2020) (noting that avowed purpose of city's residency requirement was to "advantage or give a slight preference for individuals and entities that have been Maine residents" and to "allow[] the local market to grow before there was an opportunity for outside investment to come in" (alteration in original) (quoting *Portland City Council – 5/18/20*, PORTLAND MEDIA CTR., at 3:42:52, 3:45:15, https://reflect-pmc-me.cablecast.tv/CablecastPublicSite/show/15380?channel=1 (last visited Apr. 13, 2021)); Complaint for Declaratory Judgment and Petition for Review of State Agency Action ¶ 56, United Cannabis Patients & Caregivers of Me. v. Me. Dep't of Admin. & Fin. Servs., No. 1:20-cv-00388 (D. Me. Oct. 19, 2020) [hereinafter *United Cannabis Patients* Complaint] (seeking to reinstate Maine's residency requirement and claiming that "[t]he Residency Requirement's limited eligibility for adult use marijuana establishments for Maine residents was intended to provide an economic advantage to Plaintiffs that is diminished by the Department's issuance of active licenses to the Parties-in-Interest"); Complaint for Declaratory and Injunctive Relief ¶ 3, NPG, LLC v. Dep't of Admin. & Fin. Servs., No. 1:20-cv-00107 (D. Me. Mar. 20, 2020) [hereinafter *NPG* Complaint] (noting that Maine's licensing authority had expressly acknowledged that the state's marijuana licensing program was designed to "[e]nsure that economic opportunities afforded by marijuana legalization is [sic] available chiefly for the citizens of Maine" (alterations in original)); ALLIE HOWELL, REASON FOUND., RESIDENCY REQUIREMENTS FOR MARIJUANA LICENSURE 3 (2019), https://reason.org/wp-content/uploads/residency-requirements-marijuana-licensure.pdf [https://perma.cc/9KP6-Y3P5] ("Residency requirements are . . . a form of economic protectionism for state residents."); Dan Adams, *Maine Aims to Keep Recreational Pot Business Local*, BOS. GLOBE, May 9, 2019, at A1 (quoting member of Maine Cannabis Industry Association: "We don't want out-of-state corporate businesses here running our cannabis industry"); *id.* at A1 (quoting director of Maine's Office of Marijuana Policy: "We were lucky enough to be able to learn from other states, where we saw big companies coming in, gobbling up the industry, and pushing out small businesses and locals . . . . We're doing our best to ensure that doesn't happen here"); Jackie Borchardt, *Ohio Medical Marijuana Entrepreneurs Want Residency Requirement for Business Licenses*, CLEVELAND.COM (Jan. 11, 2019), https://www.cleveland.com/metro/2017/03/ohio_medical_marijuana_entrepr.html (quoting owner of state-licensed medical cannabis business: "Allowing people from outside the state [to get Ohio marijuana licenses] is not benefiting Ohio or Ohioans or our unemployment").

[33] *See infra* Section II.A.2 (discussing states' professed desire to appease federal law enforcement).

[34] *E.g.*, COREY STAPLETON, MONT. SEC'Y OF STATE, 2020 VOTER INFORMATION PAMPHLET 64 (2020), https://sosmt.gov/wp-content/uploads/SOS-Web-Version-VIP-10.125x8-1.pdf [https://perma.cc/J9X8-CBZE] ("I-190 will create new industry and new jobs for Montanans who need work."); WARNE, *supra* note 11; *Foster Economic Development*, NJ CAN 2020, https://www.njcan2020.org/economic-development/ [https://perma.cc/MDF2-FLG5] (last visited Apr. 13, 2021) ("Legalizing cannabis for adult use will reduce costs, create jobs, and generate revenue for New Jersey.").

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ensure that cannabis is produced locally and that residents thus capture the wages and profits attributed to cultivation and processing, states have shielded local industries from out-of-state competition.[35]

Indeed, proponents of cannabis reforms have been remarkably unabashed about their intent to shield local firms from the cutthroat pressures of the national marketplace. For example, in the 2020 election, the official voter pamphlet for South Dakota's marijuana legalization measure brazenly informed voters that "[a]ll marijuana sold in South Dakota must be grown and packaged inside our borders, which will lead to hundreds of jobs for construction workers, plumbers, electricians, HVAC workers, laborers, and retail workers."[36] Such candor is rare given the obvious constitutional problems posed by protectionism, but it might be attributable to the mistaken belief that Congress has authorized states to engage in protectionism.[37]

While protecting local economic interests from out-of-state competition has obvious appeal to local voters and politicians, it is not a legitimate purpose for state regulation. The Supreme Court has warned that "[s]tates may not enact laws that burden out-of-state producers or shippers simply to give a competitive advantage to in-state businesses."[38] Thus, to the extent that state restrictions on interstate commerce in cannabis are motivated by protectionism—as appears to be the case—they are plainly unconstitutional under the DCC.

2. Appeasing the Federal Government

Apart from protecting their local industries from competition, some states have suggested that restricting interstate commerce is necessary to forestall a federal crackdown on their state-licensed cannabis industries. While federal law continues to ban the production and distribution of marijuana, the federal government has tolerated state-licensed cannabis activities for several years. Since the Cole Memorandum was issued in 2013, for example, the federal Department of Justice ("DOJ") has signaled that it would not prosecute businesses that cultivate and distribute marijuana in strict compliance with state

For studies estimating the number of jobs created by legalization, see, for example, RCG ECON. & MARIJUANA POL'Y GRP., NEVADA ADULT-USE MARIJUANA: ECONOMIC & FISCAL BENEFITS ANALYSIS, at ES-3 (2016), https://rcgecon.com/wp-content/uploads/2012/01/2016-7-12-Final-NV-MJ-Initiative-Rpt-v.2.pdf [https://perma.cc/P77R-CFZ9] (estimating that marijuana legalization would generate more than 41,000 new jobs in Nevada); WILL COOPER, ELIZA JOHNSTON & KATIE SEGAL, ICF INT'L, THE ECONOMIC IMPACTS OF MARIJUANA SALES IN THE STATE OF CALIFORNIA 13 (2016), https://www.icf.com/insights/health/economic-impact-of-marijuana-sales-in-california [https://perma.cc/8MZE-37RR] (estimating marijuana legalization would generate up to 103,000 new jobs in California).

[35] Much of the cannabis production that is now dispersed across legalization states is likely to shift to a few producer states, once the door to interstate commerce is opened. *See infra* notes 173-179 (discussing how climate, regional reputation for cannabis production, and early legalization will drive production to select states).

[36] WARNE, *supra* note 11.

[37] *See infra* Section II.B.

[38] Granholm v. Heald, 544 U.S. 460, 472 (2005).

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law.[39] Legalization states have relied on this federal forbearance to establish their regulated cannabis industries.[40]

Even though the federal government now politely ignores $13 billion worth of marijuana commerce that takes place within individual states, some state officials claim that the federal government would not overlook *any* marijuana commerce that took place *between* the states.[41] The source of this purported fear is a single line in the aforementioned Cole Memorandum warning that the DOJ might not forebear from prosecuting marijuana activities that implicate federal enforcement priorities, one of which is "[p]reventing the diversion of marijuana from states where it is legal under state law in some form to other states."[42] Thus,

[39] Memorandum from James M. Cole, Deputy Att'y Gen., DOJ, to All U.S. Att'ys (Aug. 29, 2013) [hereinafter Cole Memorandum], https://www.justice.gov/iso/opa/resources/3052013829132756857467.pdf [https://perma.cc/XBF6-SLGZ]. Although Attorney General Jeff Sessions rescinded the Cole Memorandum in January 2018, the DOJ has continued to adhere to a nonenforcement policy toward state-authorized cannabis activities. *See* Robert A. Mikos, *The Evolving Federal Response to State Marijuana Reforms*, 26 WIDENER L. REV. 1, 10-11 (2020) [hereinafter Mikos, *Evolving Federal Response*].

[40] *See* Mikos, *Evolving Federal Response*, *supra* note 39, at 11 (demonstrating that states began to authorize commercial production and sale of cannabis only after DOJ signaled it would no longer prosecute such activities, beginning in 2009).

[41] *E.g.*, HOWELL, *supra* note 32, at 1 ("Many marijuana regulations are justified as necessary to comply with the federal government's marijuana enforcement priorities laid out in the Cole Memo . . . ."); Ben Adlin, *Midwest's Cross-Border MMJ Proposal Is 'Absolute Lunacy,' Poses Nationwide Threat*, LEAFLY (May 16, 2017), https://www.leafly.com/news/politics/midwests-cross-state-mmj-proposal-is-absolute-lunacy [https://perma.cc/3Y5Y-K6AP] (observing that interstate commerce in cannabis "is illegal and enforceable under the Cole memo," according to John Hudak); Patrick McGreevy, *California's Pot Surplus Vexes States*, L.A. TIMES, Oct. 2, 2017, at A1 (quoting California Assemblyman Tom Lackey: "If we want to avoid intervention from the federal government, we need to do everything we can to crack down on illegal activity and prevent cannabis from being exported out of state").

In similar fashion, the desire to appease the federal government may have also motivated Colorado to (temporarily) impose discriminatory limits on the amount of marijuana that nonresidents could purchase at state-licensed retail marijuana stores. *See* JACK FINLAW & BARBARA BROHL, TASK FORCE REPORT ON THE IMPLEMENTATION OF AMENDMENT 64: REGULATION OF MARIJUANA IN COLORADO 50 (2013), https://www.colorado.gov/pacific/sites/default/files/A64TaskForceFinalReport%5B1%5D_1.pdf [https://perma.cc/29PX-2CHC] ("In order to discourage the diversion of legally-purchased marijuana out of Colorado, reduce the likelihood of federal scrutiny of Colorado's adult-use marijuana industry, and support harmonious relationships with Colorado's neighboring states, an appropriate limit should be placed on the amount of marijuana or marijuana-infused products that can be purchased by out-of-state consumers."); *see also* Brannon P. Denning, *One Toke Over the (State) Line: Constitutional Limits on "Pot Tourism" Restrictions*, 66 FLA. L. REV. 2279, 2290 (2014) (suggesting that Colorado's discriminatory purchase limits were inspired by concerns that volume sales to nonresidents might prompt the federal government "to take a more proactive enforcement role than it is currently inclined to take").

[42] Cole Memorandum, *supra* note 39, at 1, 3 (suggesting that legalization states could address federal enforcement priorities, and thereby reduce likelihood of federal enforcement

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so the argument goes, states must bar local firms from engaging in any cannabis commerce across state lines to avoid provoking a federal crackdown on their cannabis industries.

Two examples serve to illustrate how fears of federal reprisal may have shaped state regulation of interstate commerce in cannabis. In 2017, Iowa officials declined to implement a provision of state law that would have supplied Iowa patients with low-THC medical cannabis imported from Minnesota.[43] Lawmakers from both Iowa and Minnesota supported the proposal, which was intended to speed Iowa patients' access to the drug, as it can take years for a state cannabis industry to become operational.[44] However, Iowa officials balked after the Iowa State Attorney General advised them that importing the drug from another state might cause Iowa's program to "come under increased scrutiny from the federal government."[45] Fanning these fears, John Hudak of the Brookings Institution warned that the proposal

> should not just be alarming in Minnesota and Iowa . . . [but] should alarm every state that's relying on this very fragile framework that's keeping medical marijuana together. . . . What they are proposing is illegal under federal law. . . . The idea that the Sessions Justice Department would allow this is absolute lunacy. And because of that, this is a truly terrible idea. . . . The last thing the marijuana industry wants is to rock the boat in a way that would irritate Jeff Sessions.[46]

Likewise, in 2019, when Oregon was faced with a massive surplus of cannabis, the state legislature passed a law permitting local firms to export their wares to other states—but, critically, only if the federal government approved.[47]

actions, by "implementing effective measures to prevent diversion of marijuana outside of the regulated system and to other states").

[43] House File 524 added Section 124E.13, which provides, in relevant part, that "[t]he department of public health shall . . . select and license by December 1, 2017, up to two out-of-state medical cannabidiol dispensaries from a bordering state to sell and dispense medical cannabidiol to a patient or primary caregiver in possession of a valid medical cannabidiol registration card issued under this chapter." H. File 524, 87 Gen. Assemb., Reg. Sess. § 17 (Iowa 2017).

[44] Adlin, *supra* note 41.

[45] Barbara Rodriguez, *AG Tells Agency to Halt Part of Iowa's Medical Marijuana Law*, DES MOINES REG. (Sept. 11, 2017, 10:55 AM), https://www.desmoinesregister.com/story/news/2017/09/10/ag-tells-agency-halt-part-iowas-medical-marijuana-law/651151001/.

[46] Adlin, *supra* note 41 (quoting Professor Jonathan Adler: "I cannot see the federal government looking favorably on this sort of thing . . . . [Attorney General] Sessions has shown himself to be quite hostile to state experimentation or flexibility in this area").

[47] An Act Relating to Cannabis, ch. 464, 2019 Or. Laws 464. The statute (Senate Bill 582) stipulates that Oregon licensed firms could send or receive cannabis interstate, once either "(a) Federal law is amended to allow for the interstate transfer of marijuana items between authorized marijuana-related businesses; or (b) The United States Department of Justice issues an opinion or memorandum allowing or tolerating the interstate transfer of marijuana items between authorized marijuana-related businesses." *Id.* § 3(1). SB 582 also requires the approval of the other state(s) involved in the transaction. *Id.* § 2.

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This condition was added to address concerns that exporting cannabis out of Oregon "[c]ould increase risk of enforcement action or federal intervention."[48]

But this professed desire to appease the federal government does not justify the restrictions that states have imposed on interstate commerce in cannabis for two broad reasons. First, the danger of a federal crackdown has been grossly overblown, suggesting the states' professed fears are either unfounded or disingenuous—i.e., only a cover for the states' true, protectionist motivations. Simply put, there is little (if any) evidence that the federal government objects to interstate commerce in cannabis or that it could do much to punish states that allowed interstate sales even if it did object.

To begin, Congress has not targeted interstate commerce in marijuana for special opprobrium. Congress has banned all commerce in marijuana,[49] reflecting its judgment that the intrastate and interstate markets for the drug are inextricably intertwined.[50] The belief that the federal government is fixated on interstate shipments of cannabis reflects an outdated, miserly view of the scope of Congress's Commerce Clause authority.[51] For more than eighty years, the Supreme Court has recognized that Congress may regulate activity even if it is "local and though it may not be regarded as commerce" as long as it "exerts a substantial economic effect on interstate commerce."[52] Congress exercised that power to its utmost when it passed the federal marijuana ban, "believing that failure to regulate the intrastate manufacture and possession of marijuana would leave a gaping hole in the [Controlled Substances Act]."[53] In short, Congress has given no indication that it would be more troubled by interstate sales of marijuana than it would be troubled by the voluminous marijuana sales that now take place within dozens of states.

Just as important, the DOJ has not threatened to enforce the federal ban more aggressively against interstate versus intrastate sales of marijuana. The DOJ has adopted a policy of nonenforcement toward commercial marijuana activities authorized by state law, and it has not categorically excluded interstate commercial activities from that policy, notwithstanding the Cole Memorandum. Read closely, the Cole Memorandum suggests only that the DOJ might intervene if a party ships marijuana from "where it is legal under state law in some form to other states,"[54] i.e., to states where it is not legal. The quoted language of the Memorandum seems to envision a scenario where, for example, a Colorado-licensed firm ships marijuana to Nebraska, one of a dwindling number of states

[48] MIKE GETLIN, OR. INDUS. PROGRESS ASS'N, PREPARING FOR NATIONWIDE CANNABIS COMMERCE: SECURING A PATH FORWARD FOR OREGON 7 (2019) (PowerPoint), https://olis.oregonlegislature.gov/liz/2019R1/Downloads/CommitteeMeetingDocument/157525 [https://perma.cc/A8QL-HXBZ].

[49] The federal ban is found in the Controlled Substances Act ("CSA"), 21 U.S.C. § 841.

[50] *See* Gonzales v. Raich, 545 U.S. 1, 2 (2005).

[51] *See* Adlin, *supra* note 41 (quoting John Hudak: "Interstate commerce is explicitly a federal power").

[52] Wickard v. Filburn, 317 U.S. 111, 125 (1942).

[53] *Gonzales*, 545 U.S. at 22.

[54] Cole Memorandum, *supra* note 39, at 1.

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that continues to prohibit marijuana outright. But the Cole Memorandum does not suggest that the DOJ would prosecute parties who ship marijuana between two states "where it is legal under state law," i.e., between two legalization states.[55] The Cole Memorandum also says absolutely nothing about interstate investment in cannabis firms, making it a particularly slender reed on which to base state residency requirements for cannabis licenses.[56]

The states' hypercautious interpretation of the Cole Memorandum is also out of keeping with their interpretation of earlier DOJ enforcement guidance. The DOJ first signaled that it would tolerate state-authorized medical marijuana activities in 2009 in guidance known as the Ogden Memorandum.[57] On its face, the Ogden Memorandum was far more circumspect than the Cole Memorandum. While it suggested that federal prosecutors should not prosecute medical marijuana patients acting in compliance with state law,[58] it promised no such forbearance toward medical marijuana suppliers even if they complied with state law. In fact, the Memorandum stated that "prosecution of commercial enterprises that unlawfully market and sell marijuana for profit continues to be an enforcement priority of the Department."[59] Nonetheless, the states

[55] *Id.* Likewise, guidance issued by the Financial Crimes Enforcement Network ("FinCEN") regarding marijuana banking does not necessarily evince federal hostility toward interstate commerce in cannabis writ large. FIN CRIMES ENF'T NETWORK, DEP'T OF THE TREAS., BSA EXPECTATIONS REGARDING MARIJUANA-RELATED BUSINESSES (Feb. 14, 2014), https://www.fincen.gov/sites/default/files/guidance/FIN-2014-G001.pdf [https://perma.cc/K4Q8-PD2Y]. To be sure, the guidance cautions that both "engag[ing] in international or interstate activity" and being owned or managed by people who "reside outside the state" constitute "red flags" that require banks to file special Marijuana Priority Suspicious Activity Reports. *See id.* at 5-7. However, these activities might constitute red flags only because they currently violate *state* law, and the guidance makes compliance with state law a condition for obtaining, or providing, banking services. *See id.* In other words, the FinCEN guidance does not necessarily warn against interstate commerce because the federal government objects to it.

[56] *See* Cole Memorandum, *supra* note 39. Commentators have failed to cite any evidence that the federal government would object to interstate investment in cannabis businesses, even if it objects to interstate shipments of cannabis. *See* FINLAW & BROHL, *supra* note 41, at 33 (claiming, without substantiation, that "residency requirements will also position the new regulatory framework to better withstand federal scrutiny, given that they discourage out-of-state residents from moving to Colorado expressly to establish an adult-use marijuana business"). Just because a cannabis business located in State A is owned by a resident of State B does not mean that the business will try to sell cannabis in State B. Put another way, nonresident ownership does not, by itself, suggest that a cannabis business will flout state law.

[57] Memorandum from David W. Ogden, Deputy Att'y Gen, DOJ, to Selected U.S. Att'ys (Oct. 19, 2009) [hereinafter Ogden Memorandum], https://www.justice.gov/sites/default/files/opa/legacy/2009/10/19/medical-marijuana.pdf [https://perma.cc/958G-6Y7U].

[58] *Id.* at 2 ("[P]rosecution of individuals with cancer or other serious illnesses who use marijuana as part of a recommended treatment regimen consistent with applicable state law . . . is unlikely to be an efficient use of limited federal resources.").

[59] *Id.*; *see also* Robert A. Mikos, *A Critical Appraisal of the Department of Justice's New Approach to Medical Marijuana*, 22 STAN. L. & POL'Y REV. 633, 638-39 (2011) (analyzing limits of Ogden Memorandum).

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(conveniently) interpreted the Ogden Memorandum as giving them the green light to establish their regulated medical marijuana industries.[60] If the states misread the Ogden Memorandum, the DOJ never corrected them or sought to shut down their newly approved cannabis industries.

In any event, even if the DOJ did (for some unknown reason) object to all interstate commerce in cannabis, there is very little the agency could do to stop such commerce or to lash out against cannabis industries in states that dare to allow interstate transactions. The DOJ's enforcement resources are extremely limited.[61] Realistically, the agency could prosecute no more than a fraction of the cannabis buyers and sellers who would be willing to engage in interstate transactions.[62] Indeed, congressional budget riders might prevent the DOJ from prosecuting anyone who buys or sells medical marijuana interstate with the blessing of state law.[63]

Tellingly, states have failed to identify the specific actions that they fear the DOJ would take if the states removed their restrictions on interstate commerce in cannabis. Consider the terse statement from the Iowa Attorney General's office, warning that importing nonpsychoactive CBD from Minnesota might draw "increased scrutiny from the federal government."[64] The Iowa Attorney General did not mention any concrete measures that it thought the DOJ would take in response to the aborted plan, perhaps because it seems implausible (to put it mildly) to believe that then–U.S. Attorney General Jeff Sessions would have prosecuted Iowans who accepted those shipments, given that Sessions had

[60] Mikos, *Evolving Federal Response*, *supra* note 39, at 11 ("The states interpreted [the Ogden memorandum] . . . as giving them the green light to set up a legal, but highly regulated, commercial marijuana industry. . . . [S]tarting in 2009, an increasing share of medical marijuana states authorized the commercial production and distribution of marijuana . . . .").

Curiously, the states banned interstate commerce in cannabis from the moment they first authorized the commercial production and distribution of cannabis, even though the Ogden Memorandum did not mention any special concern over interstate commerce (it did not mention interstate commerce at all), and even though the Cole Memorandum and its language, which supposedly warned against interstate commerce, had not yet been written. *See* Ogden Memorandum, *supra* note 57; Cole Memorandum, *supra* note 39. The fact that state restrictions predate the Cole Memorandum suggests that the states' avowed reliance on the Cole Memorandum may be disingenuous—i.e., states may be using the Memorandum to obscure the protectionist motivations behind their restrictions on interstate commerce. *See supra* notes 32-38 and accompanying text (discussing state protection of local marijuana industry).

[61] *See* Robert A. Mikos, *On the Limits of Supremacy: Medical Marijuana and the States' Overlooked Power to Legalize Federal Crime*, 62 VAND. L. REV. 1419, 1433-36 (2009).

[62] *See id.*

[63] Since 2014, Congress has attached riders to the DOJ's budget, prohibiting the agency from prosecuting anyone acting in compliance with state medical marijuana laws. *See* Consolidated Appropriations Act, 2020, Pub. L. No. 116-93, § 531, 133 Stat. 2317, 2431; *see also* United States v. McIntosh, 833 F.3d 1163, 1178 (9th Cir. 2016) (discussing riders and their effects); *see also*. Like the federal ban, the riders make no categorical distinction between interstate and intrastate commerce in marijuana. *See* Consolidated Appropriations Act § 531.

[64] *See* Rodriguez, *supra* note 45.

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yet to lift a finger against hundreds of companies that were openly selling more potent recreational marijuana in violation of federal law (in blue states, no less). Ultimately, the warnings about DOJ reprisals are just too vague and too oblivious of the agency's limited enforcement capacity to justify state bans on interstate commerce in cannabis under the DCC.

The extremely low probability that the DOJ would end the states' cannabis programs—or even try to do that—if the states dared to permit cross-border sales or investments undermines the case for state restrictions on interstate commerce in cannabis. To the extent it is unfounded, the states' professed desire to appease the DOJ should be heavily discounted in DCC analysis. Allowing a state to erect trade barriers based on unfounded concerns about interstate commerce would gut the protections afforded by the DCC. The improbability of DOJ reprisals also suggests that the states' professed fears may not be genuinely held. In other words, they might simply serve as a convenient pretext to conceal the states' true protectionist motives—motives states must know are illegitimate and indefensible. Either way, the supposed purpose of appeasing the DOJ cannot justify the discriminatory measures states have adopted to regulate cannabis commerce.

Second, even assuming the states' fears of DOJ reprisal are genuine and well-founded, permitting states to discriminate against outsiders because of DOJ enforcement policy raises a distinct separation-of-powers objection. As discussed more below, only Congress can authorize the states to restrict interstate commerce.[65] Congress, after all, wields the power to regulate "Commerce among the several States."[66] It seems obvious that the DOJ could not simply issue a proclamation declaring that states may bar outsiders from participating in their local cannabis markets, because that proclamation would usurp Congress's exclusive authority to confer such permission. It logically follows that the DOJ cannot do the same thing by another means. Namely, it cannot use enforcement threats to supply the states with a convenient, nonprotectionist excuse for restricting interstate commerce in cannabis because that would be tantamount to authorizing the states to restrict such commerce.[67] After all, states would be allowed to discriminate against interstate commerce in cannabis as if Congress has authorized them to do so (even though it had not). Thus, to avoid this separation-of-powers concern, states should not be able to

[65] *See infra* Section II.B.1 (discussing congressional authorization under DCC).

[66] U.S. CONST. art. I, § 8.

[67] It is easy to imagine other scenarios in which the DOJ might try to use enforcement threats to usurp Congress's exclusive power to turn off the DCC's nondiscrimination default rule. Imagine, for example, that the DOJ disagreed with a Supreme Court decision invalidating on DCC grounds a state residency requirement for liquor stores. If the DOJ wanted to help the state resuscitate that requirement, it could simply threaten vague legal action against the state's entire liquor industry unless the state barred nonresidents from owning liquor businesses. For example, the agency could threaten to investigate firms in the industry for a wide variety of all-too-common federal offenses—antitrust, racketeering, wire fraud, etc.—unless the state "agreed" to keep outside investors out of its liquor market.

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use discretionary enforcement choices made by the DOJ to justify their restrictions on interstate commerce.

3. Safeguarding Public Health

The states might offer a third reason for restricting interstate commerce: safeguarding public health from the dangers of cannabis. Although many states have legalized cannabis, even these states remain somewhat wary of the drug. To address their health concerns, legalization states have adopted a slew of regulations governing the content, packaging, and labeling of cannabis products.[68] These states might argue that they simply cannot trust that cannabis produced elsewhere—or cannabis produced or sold by nonlocals—will meet the exacting standards imposed by such regulations.

While concerns for public health are legitimate, the Supreme Court has repeatedly rejected the idea that the location of a business or the residency of its owners bears any relation to these concerns. In *Dean Milk Co. v. City of Madison*,[69] for example, the Court struck down a local ordinance banning the sale of milk pasteurized and bottled more than five miles from the city center as violative of the DCC.[70] Madison claimed that it could not determine whether milk bottled outside its city limits was pasteurized safely, but the Court rejected the claim out of hand.[71] The Court noted that Madison officials could either rely upon public health inspectors in other jurisdictions to ensure the safety of milk bottled in nonlocal facilities or inspect those distant facilities themselves (and at the bottlers' expense).[72] The Court concluded,

> In . . . erecting an economic barrier protecting a major local industry against competition from without the State, Madison plainly discriminates against interstate commerce. This it cannot do, even in the exercise of its unquestioned power to protect the health and safety of its people, if reasonable nondiscriminatory alternatives, adequate to conserve legitimate local interests, are available.[73]

Similarly, in *Tennessee Wine & Spirits Retailers Ass'n v. Thomas*,[74] the Court quashed a state law that imposed a two-year residency requirement for liquor store licenses.[75] Among other things, the state argued that its residency requirement gave it "a better opportunity to determine an applicant's fitness to sell alcohol and guard[ed] against 'undesirable nonresidents' moving into the

[68] *See* ROBERT A. MIKOS, MARIJUANA LAW, POLICY, AND AUTHORITY 446-62, 499-501 (2017) [hereinafter MIKOS, MARIJUANA LAW, POLICY, AND AUTHORITY].

[69] 340 U.S. 349 (1951).

[70] *Id.* at 356.

[71] *Id.* at 353-54.

[72] *Id.* at 354-56.

[73] *Id.* at 354 (footnote omitted).

[74] 139 S. Ct. 2449 (2019).

[75] *Id.* at 2476.

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State for the purpose of operating a liquor store."[76] But the Court dismissed this justification, observing that "[t]he State can thoroughly investigate applicants without requiring them to reside in the State for two years before obtaining a license."[77] It noted that "the Commerce Clause did not permit the States to impose protectionist measures clothed as police-power regulations."[78]

In similar fashion, it is difficult to see how either banning imports or limiting nonresident ownership of local cannabis businesses helps to advance the states' legitimate interest in ensuring the safety of cannabis products.[79] States can demand that all cannabis products—including those produced out of state—satisfy the same testing, labeling, and packaging requirements that apply to locally produced goods. They thus have no need to ban all imports of cannabis products. In similar fashion, states can subject nonresidents to the same criminal background checks they run for local cannabis license applicants. They thus have no need to make residency a requirement for holding a cannabis license. Because states have nondiscriminatory means to pursue their legitimate interest in safeguarding public health, their discriminatory restrictions on interstate commerce in cannabis are unconstitutional.

B. *Congress Has Not Authorized State Restrictions*

The upshot of the prior Section is that legalization states lack a constitutionally sufficient reason to bar interstate commerce in cannabis. Thus, the only way these states can defend their restrictions is by demonstrating that Congress has authorized them.

While the Supreme Court has recognized that Congress may override the DCC's default rules, it has insisted that congressional authorization "must be

[76] *Id.* at 2475 (quoting Brief for Petitioner at 10, *Tenn. Wine & Spirits*, 139 S. Ct. 2449). The state of Washington has used similar reasoning to defend its residency requirement for cannabis businesses. *See* Board's Response to Motion for Preliminary Injunction at 5, Brinkmeyer v. Wash. State Liquor & Cannabis Bd., No. 3:20-cv-05661 (W.D. Wash., Aug. 24, 2020), ECF No. 11 ("The domicile of marijuana business owners in Washington ensures that a sufficient background check can occur.").

[77] *Tenn. Wine & Spirits*, 139 S. Ct. at 2475. Notably, the Court rejected this and other public health justifications, even though it reviewed Tennessee's discriminatory requirement under the more forgiving DCC test applicable only to state alcohol regulations by virtue of Section 2 of the Twenty-First Amendment. *Id.* at 2474 ("Section 2 gives the States regulatory authority that they would not otherwise enjoy, but . . . 'mere speculation' or 'unsupported assertions' are insufficient to sustain a law that would otherwise violate the Commerce Clause." (quoting Granholm v. Heald, 544 U.S. 460, 490, 492 (2005))); *see also* U.S. CONST. amend. XXI, § 2 ("The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.").

[78] *Tenn. Wine & Spirits*, 139 S. Ct. at 2468.

[79] *See* NPG, LLC v. City of Portland, No. 2:20-cv-00208, 2020 WL 4741913, at *11 (D. Me. Aug. 14, 2020) (rejecting city's claim that its residency preference for cannabis licenses was necessary "to ensure that the City understood the amount and quality of oversight and could easily verify any past violations" of an applicant).

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unmistakably clear."[80] Tellingly, in the last seventy-five years, the Supreme Court has found only two instances in which Congress has authorized state discrimination against out-of-state economic interests.[81] More commonly, the Court has found evidence of congressional authorization to be lacking, even when Congress has banned the very same interstate activity the state has sought to block.[82]

This Section considers, in turn, three possible sources of authorization for state bans on interstate commerce in cannabis: (1) the federal marijuana ban, (2) congressional spending riders, and (3) DOJ enforcement guidance. It explains why, for various reasons, none of these actions now authorizes states to discriminate against the importation (or exportation) of cannabis or the nonresident ownership of local cannabis businesses, at least with the clarity demanded by the Court. In any event, even if Congress has somehow previously authorized such discrimination, that authorization will almost certainly disappear once Congress legalizes cannabis under federal law. None of the leading reform proposals Congress is now considering contemplates giving states the power to discriminate against interstate commerce in cannabis.

1. The Federal Marijuana Ban

The most obvious candidate for congressional authorization is the federal marijuana ban found in the Controlled Substances Act ("CSA").[83] Defenders of state restrictions on interstate commerce have assumed that, because the CSA bans all commerce in marijuana, it implicitly authorizes states to discriminate against interstate commerce in the drug.[84] For example, in response to a recent

[80] S.-Cent. Timber Dev., Inc. v. Wunnicke, 467 U.S. 82, 91 (1984).

[81] Prudential Ins. Co. v. Benjamin, 328 U.S. 408, 427-36 (1946) (finding that the McCarran-Ferguson Act authorized discriminatory state tax imposed on out-of-state insurance firms); Ne. Bancorp, Inc. v. Bd. of Governors of the Fed. Rsrv. Sys., 472 U.S. 159, 169-75 (1985) (finding that the Douglas Amendment to the Bank Holding Company Act authorized state restrictions on acquisition of local banks by out-of-state banks).

[82] *E.g.*, *Tenn. Wine & Spirits*, 139 S. Ct. at 2462-76 (rejecting claim that Section 2 of Twenty-First Amendment and related statutes authorized state restrictions on nonresident ownership of liquor stores); Maine v. Taylor, 477 U.S. 131, 137-40 (1986) (rejecting claim that Lacey Act Amendments, 16 U.S.C. §§ 3371-3378, authorized state ban on importation of out-of-state baitfish).

[83] 21 U.S.C. §§ 841, 844.

[84] *See, e.g.*, *United Cannabis Patients* Complaint, *supra* note 32, ¶¶ 63-72 (demanding that Maine reinstate its residency requirement for cannabis licensees because "Congress invoked its Commerce Clause power to pass the Controlled Substances Act rendering marijuana a federally scheduled drug that cannot lawfully be exchanged in interstate commerce"); *see also* Sladek v. Town of Palmer Lake, No. 13-cv-02165, 2014 WL 789080, at *5 (D. Colo. Feb. 27, 2014) (reasoning that local ordinance banning all recreational marijuana shops "cannot burden interstate commerce, incidentally or otherwise, because federal law prohibits the sale of marijuana"); Scott Bloomberg, *Frenemy Federalism*, 56 U. RICH. L. REV. (forthcoming 2022) (on file with author) (suggesting that courts should presume that Congress authorized state discrimination to preserve the fragile truce state and federal officials have struck over marijuana policy).

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lawsuit challenging Oklahoma's residency requirement for medical cannabis licenses, the state reasoned that the DCC "presumes a national market" and thus "cannot be applied to state marijuana laws because Congress has exercised its commerce power to make illegal the interstate market for marijuana—that is, the commerce power is not 'dormant.'"[85]

For several reasons, however, this assumption is unwarranted. In banning all cannabis commerce, Congress did not necessarily authorize states to discriminate against nonresident economic interests. In other words, Congress did not necessarily intend to give states the freedom to ban nonresidents from producing and selling marijuana, while leaving their own residents free to engage in those same activities.

First, the Supreme Court has previously rejected the bald claim that states may disregard the DCC's nondiscrimination principle when regulating a congressionally proscribed activity. Consider, for example, the Lacey Act Amendments of 1981, which make it a federal crime to "to import, export, transport, sell, receive, acquire, or purchase in interstate or foreign commerce . . . any fish or wildlife taken, possessed, transported, or sold in violation of any law or regulation of any State or in violation of any foreign law."[86] In *Maine v. Taylor*,[87] the Court held that the Lacey Act did not authorize states to ban the importation of live baitfish, in disregard of the DCC.[88] The Court explained that while the Lacey Act "clearly provide[s] for federal enforcement of valid state and foreign wildlife laws, . . . nothing in the text or legislative history of the Amendments . . . suggests Congress wished to validate state laws that would be unconstitutional without federal approval."[89] The takeaway from *Taylor* and other cases involving similar laws is that a federal ban on interstate commerce in some good, by itself, does not give states authorization to discriminate against such commerce.[90]

[85] *See* Defendant's Response to Plaintiff's Motion for Judgment on the Pleadings at 1, Original Invs., LLC v. Oklahoma, No. 5:20-cv-00820 (W.D. Okla., Dec. 21, 2020) [hereinafter *Original Invs.* Defendant's Response], ECF No. 23; *see also* Board's Response to Motion for Preliminary Injunction, *supra* note 76, at 12 ("Because *Gonzales* found that Congress had authority in the DCC to enact the CSA, it logically follows that no DCC right can exist in the very activity CSA prohibits.").

[86] 16 U.S.C. § 3372(a)(2)(A).

[87] 477 U.S. 131 (1986).

[88] *Id.* at 139. The Maine law at issue in the case provided that "[a] person is guilty of importing live bait if he imports into this State any live fish, including smelts, which are commonly used for bait fishing in inland waters." *Id.* at 132 n.1.

[89] *Id.* at 139. The *Taylor* Court thus subjected the Maine law to strict scrutiny under the DCC. *Id.* at 140. Although Maine was able to demonstrate that its law was necessary to serve a legitimate purpose (protecting the local environment), *id.* at 148, the case demonstrates that the Court sets a very high bar for showing that Congress has absolved the states of the need to defend discrimination against challenge under the DCC.

[90] For example, the Court has held that similar language found in the Twenty-First Amendment likewise does not suspend the nondiscrimination principle of the DCC when states regulate the market for alcohol. *See supra* note 77. It recognized that while the

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Second, Congress provided no indication that it intended to suppress the DCC's nondiscrimination principle when it comes to interstate commerce in cannabis.[91] As discussed above, the CSA does not distinguish between intrastate and interstate commerce in cannabis; the statute bans all cultivation and distribution of the drug—i.e., all commerce in the drug.[92] Indeed, one federal court has already rejected the claim that the CSA gives legalization states free rein to discriminate against nonresidents in the cannabis market. Emphasizing the plain language of the CSA, the court reasoned that "the Act nowhere says that states may enact laws that give preference to in-state economic interests. In other words, although the Controlled Substances Act criminalizes marijuana, it does not affirmatively grant states the power to 'burden interstate commerce "in a manner which would otherwise not be permissible."'"[93]

On this basis, the court enjoined a city's preference for in-state residents in the award of local adult-use cannabis licenses, thereby allowing an out-of-state corporation to compete for those licenses on an equal footing with local corporations.[94] Lacking any clear statement of a congressional intent to expand the states' regulatory authority, the CSA does not absolve the states of the duty to abide the DCC's nondiscrimination norm.[95]

Third, and relatedly, there is no obvious reason why Congress would have wanted to give states the power to discriminate against interstate commerce in

Amendment "gives each State leeway in choosing the alcohol-related public health and safety measures that its citizens find desirable," it is "not a license to impose all manner of protectionist restrictions on commerce in alcoholic beverages." *Id.* at 2457. Thus, the Court has held that states may not impose a residency requirement for obtaining a state liquor store license, *id.* at 2476, nor may states ban only out-of-state wineries from selling wine directly to consumers, Granholm v. Heald, 544 U.S. 460, 493 (2005).

[91] The CSA's preemption clause suggests that Congress wanted to preserve state authority to regulate controlled substances. *See* 21 U.S.C. § 903 ("No provision of this subchapter shall be construed as indicating an intent on the part of the Congress to occupy the field in which that provision operates, including criminal penalties, to the exclusion of any State law on the same subject matter which would otherwise be within the authority of the State, unless there is a positive conflict between that provision of this subchapter and that State law so that the two cannot consistently stand together."). *See generally* Robert A. Mikos, *Preemption Under the Controlled Substances Act*, 16 J. HEALTH CARE L. & POL'Y 5 (2013) (providing detailed analysis of CSA's preemption language). This language, however, merely preserves the regulatory authority that states would otherwise have under the DCC; it does not expand that authority to allow states to disregard the DCC.

[92] *See supra* Section II.A.2.

[93] NPG, LLC v. City of Portland, No. 2:20-cv-00208, 2020 WL 4741913, at *10 (D. Me. Aug. 14, 2020) (footnote omitted) (quoting New England Power Co. v. New Hampshire, 455 U.S. 331, 341 (1982)).

[94] *Id.* at *12.

[95] It is plainly not the case, as some have suggested, that the DCC is inapplicable any time Congress has regulated, i.e., "when the commerce power is 'active'" rather than dormant. *Original Invs.* Defendant's Response, *supra* note 85, at 9-10. Otherwise, courts would not insist upon "unmistakably clear" evidence that Congress wanted to override the default rules of the DCC. S.-Cent. Timber Dev., Inc. v. Wunnicke, 467 U.S. 82, 91 (1984).

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cannabis—in fact, it is not even obvious that Congress contemplated the possibility. The CSA recognizes the practical reality that local and interstate drug activities are inextricably intertwined.[96] Even if cannabis is produced and distributed within the borders of a single state, as was the case in *Gonzales v. Raich*,[97] those local activities can affect the broader national market for cannabis, not to mention other controlled substances for which cannabis might serve as a substitute.

Supposing that Congress wanted to quash all commerce in cannabis when it passed the CSA, it is difficult to see how giving states the option of banning only interstate commerce in cannabis would necessarily advance that goal. For example, state laws that only bar the sale of imported cannabis, but not local cannabis, merely shift the locus of where cannabis is produced. Those import bans will not necessarily diminish the total volume of cannabis sold (as the booming intrastate markets in cannabis demonstrate).[98] In other words, state bans on imports merely ensure that cannabis is produced by local firms rather than by growers based in other cannabis-friendly states.[99]

Critically, states do not need Congress's authorization to impose neutral regulations on cannabis commerce. Prohibition states may ban the sale of all cannabis without running afoul of the DCC.[100] Thus, there is no validity to the claim that forcing legalization states to allow interstate commerce in cannabis would necessarily force prohibition states to do the same.[101] Likewise, legalization states could regulate the labeling, packaging, and testing of cannabis products without running afoul of the DCC as long as they do not impose different rules based on where the cannabis was produced.

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[96] *See supra* notes 50-53 and accompanying text.

[97] 545 U.S. 1, 7 (2005).

[98] I recognize, of course, that state import bans should have some negative impact on the overall size of the cannabis market because there are efficiency gains from interstate commerce in cannabis. *See infra* Part III. But it seems far-fetched to suppose that Congress would authorize state discrimination against interstate commerce in cannabis solely on the basis of the possible efficiency costs that such discrimination would inflict on the market.

[99] *See infra* Section III.B (describing how interstate cannabis market would result in some states becoming producers for other consumer states). Indeed, in defending another restriction on interstate commerce, the state of Washington has argued (ironically) that its residency requirement for cannabis licenses helps to "*preserve* Washington's marijuana industry." Board's Response to Motion for Preliminary Injunction, *supra* note 76, at 25 (emphasis added). Preserving a state's local cannabis market hardly seems consistent (to put it mildly!) with the goals of the CSA.

[100] The DCC might impose one constraint on prohibition states' regulatory authority: it might prevent them from blocking shipments of marijuana that are merely passing through the state (i.e., shipments that are destined for another state). States have no obvious interest in preventing such pass-through shipments.

[101] *See Original Invs.*, Defendant's Response, *supra* note 85, at 19 (claiming without support that "[i]f the dormant Commerce Clause protects the marijuana market in Oklahoma, then it must also do so in Kansas to our north and in Texas to our south—where state law still prohibits marijuana").

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The absence of any plausible reason to enable states to discriminate against interstate commerce also distinguishes cannabis from the two instances where the Court found that Congress had authorized state discrimination. The first instance involved the McCarran-Ferguson Act ("MFA") of 1945.[102] For decades prior to the adoption of the MFA, the Supreme Court had held that insurance did not involve interstate commerce.[103] As a result, the business of insurance was not subject to the nondiscrimination principle of the DCC, and the states were free to favor local insurance firms over their out-of-state rivals. But in 1944, the Court reversed its precedents and held that insurance was within the purview of Congress's Commerce Clause power.[104] This change prompted DCC challenges to state laws that discriminated against out-of-state insurance firms.[105] Congress then quickly intervened by passing the MFA, which, among other things, declared that "the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States."[106] The Court interpreted the plain language of the MFA as restoring the power states had previously enjoyed to discriminate against out-of-state firms in the business of insurance.[107] The Court thus upheld discriminatory state taxes levied on out-of-state insurance firms.[108]

The Court found a second instance of congressional authorization in the Douglas Amendment to the National Bank Holding Company Act. The Amendment prohibits the Federal Reserve from approving the acquisition of a bank by an out-of-state bank or bank holding company, unless the acquisition "is specifically authorized by the . . . State in which [the bank to be acquired] is located."[109] Pursuant to the statute, some states had "selectively authorize[d]" acquisitions by firms located in the same region, effectively discriminating against New York banks.[110] The New York banks challenged the state

[102] *See* 15 U.S.C. §§ 1011-1015.

[103] The history of the MFA is discussed at length in *Prudential Insurance Co. v. Benjamin*, 328 U.S. 408, 411-16 (1946).

[104] United States v. Se. Underwriters Ass'n, 322 U.S. 533, 553 (1944).

[105] *See, e.g.*, *Prudential Ins.*, 328 U.S. at 418.

[106] 15 U.S.C. § 1011.

[107] *Prudential Ins.*, 328 U.S. at 431 (holding that Congress "clearly put the full weight of its power behind existing and future state legislation to sustain it from any attack under the commerce clause to whatever extent this may be done with the force of that power behind it").

[108] *Id.* (reasoning that the MFA manifests Congress's judgment "that uniformity of regulation, and of state taxation, are not required in reference to the business of insurance by the national public interest" and that it followed that Congress had determined that "state taxes, which in its silence might be held invalid as discriminatory, do not place on interstate insurance business a burden which it is unable generally to bear" (footnote omitted)).

[109] Ne. Bancorp, Inc. v. Bd. of Governors of the Fed. Rsrv. Sys., 472 U.S. 159, 163 (1985) (quoting 12 U.S.C. § 1842(d) (1988)).

[110] *Id.*

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restrictions under the DCC.[111] Notably, the Court held that, on its own, the express language of the Douglas Amendment quoted above was too equivocal to authorize state discrimination.[112] The Court noted that while the Amendment plainly authorizes states to ban all bank acquisitions, it "does not specifically indicate that a State may partially lift the ban," for example, to bar acquisitions only by banks located in certain states.[113] Nonetheless, the Court found that "the legislative history of the Amendment supplies a sufficient indication of Congress' intent" to authorize state discrimination against interstate banking.[114] In particular, the Court relied on a statement by the legislation's sponsor explaining that "bank holding companies would be permitted to acquire banks in other States 'only to the degree that State laws expressly permit them.'"[115] The Court thus held that state laws barring acquisitions by banks located in some states (but not others) were valid and enforceable.[116]

With the CSA, by contrast, there is no similar story to tell: no hint in the legislative history or text of the statute explaining why Congress would have welcomed discriminatory state regulation of controlled substances, no long-standing history of state discrimination against interstate commerce in cannabis or other drugs, and so forth.[117]

Fourth, suggesting that a federal ban on commerce in some good necessarily authorizes states to discriminate against interstate commerce in that good could erode the nondiscrimination principle of the DCC. The critical insight here is that every federal statute passed pursuant to the Commerce Clause could be described as a ban on commerce in nonconforming goods and, thus, authorization for the states to discriminate in the market for such goods. To illustrate, consider the Food, Drug, and Cosmetic Act ("FDCA"), which requires all food sold in interstate commerce to be labeled in conformance with detailed federal regulations specifying, for example, the relative size of the font used to list calories.[118] Put another way, the FDCA bans the sale of improperly labeled foods. But if a ban necessarily confers authorization to discriminate, it would follow that the FDCA also authorizes states to bar the importation of improperly labeled foods (e.g., because the font size used was too small), even if they allow the sale of identically mislabeled foods when produced locally. In other words, the argument that a federal ban on cannabis necessarily gives states authorization to discriminate against out-of-state cannabis interests opens the door to states erecting protectionist trade barriers in a variety of other, heavily regulated markets by using sundry minor, technical violations of federal law as an excuse

[111] *Id.* at 165-66.

[112] *Id.* at 169.

[113] *Id.*

[114] *Id.*

[115] *Id.* at 171 (quoting 102 CONG. REC. 6858 (1956) (statement of Sen. Paul Douglas)).

[116] *Id.* at 173.

[117] It is particularly difficult to imagine why Congress would ever have approved of state laws that bar nonresidents from owning state-licensed cannabis businesses.

[118] 21 C.F.R. § 101.36 (2020).

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to protect local firms from out-of-state competition. There would be no easy way to limit this excuse—i.e., no easy way for a court to distinguish between congressional bans that authorize state discrimination and congressional bans that do not.

In sum, defenders of state restrictions have simply assumed that the federal marijuana ban necessarily authorizes states to discriminate against interstate commerce in cannabis, but this assumption does not hold up upon closer scrutiny.

2. The Congressional Spending Rider

Spending riders provide a second possible source of congressional authorization. Since 2014, Congress has attached a rider to the DOJ's annual appropriations declaring, in relevant part, that "[n]one of the funds made available in this Act to the Department of Justice may be used . . . to prevent States from implementing their own State laws that authorize the use, distribution, possession, or cultivation of medical marijuana."[119] In a nutshell, the rider bars the DOJ from prosecuting individuals for activities, like cultivating or selling marijuana, that are authorized by state medical marijuana laws.[120]

The spending rider, however, does not authorize states to discriminate against interstate commerce in marijuana. For one thing, the rider does not confer any specific authority on the states at all. It merely blocks the DOJ from enforcing the federal ban when the state has permitted the activity in question.[121] If anything, the states could use the rider to block federal prosecutions of interstate commerce in medical marijuana. For example, by legalizing the importation and exportation of medical marijuana, states could immunize interstate commerce in cannabis from federal prosecution. But nothing in the rider gives states the additional authority to discriminate against such commerce under state law.

In any event, whatever authority is conferred by the spending rider applies only to medical marijuana. Congress has not yet barred the DOJ from prosecuting individuals acting in compliance with state recreational cannabis laws. Indeed, in its decision invalidating Portland's local residency preferences, noted above, the federal court observed that Congress's spending rider was irrelevant because the case involved adult-use marijuana licenses, not medical marijuana licenses.[122] Thus, at most, the rider might authorize states to bar the importation and exportation of medical cannabis and to bar nonresidents from obtaining medical cannabis licenses. It would not give them authority to

[119] Consolidated and Further Continuing Appropriations Act, 2015, Pub. L. No. 113-235, § 538, 128 Stat. 2130, 2217 (2014). Congress has renewed the rider in every budget cycle since 2014. *See* Jeff Vanderslice, *Alive Again: The Two-Pronged Strategy for Federal Marijuana Policy Reform*, CATO INST.: CATO AT LIBERTY BLOG (June 28, 2019, 12:18 PM), https://www.cato.org/blog/alive-again-two-pronged-strategy-federal-marijuana-policy-reform [https://perma.cc/Y3GQ-LSK8].

[120] *See* United States v. McIntosh, 833 F.3d 1163, 1178 (9th Cir. 2016).

[121] *See id.*

[122] NPG, LLC v. City of Portland, No. 2:20-cv-00208, 2020 WL 4741913, at *12 n.15 (D. Me. Aug. 14, 2020).

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discriminate against interstate commerce in the broader recreational cannabis market.

3. DOJ Enforcement Guidance

Even before Congress tied the agency's hands with the aforementioned spending rider, the DOJ had declined to enforce the federal marijuana ban against activities authorized by state marijuana laws, including both medical and adult-use marijuana laws.[123] As discussed above, the Cole Memorandum suggested that the DOJ would not pursue legal action against state-authorized marijuana activities unless the activities implicated certain federal priorities, including "[p]reventing the diversion of marijuana from states where it is legal under state law in some form to other states."[124]

The Cole Memorandum, however, cannot authorize state restrictions against interstate commerce in cannabis any more than it can provide states a legitimate reason for imposing those restrictions.[125] While the Court has recognized that Congress may authorize states to impair interstate commerce, the DOJ has no such power. Suggesting that the DOJ could somehow authorize states to engage in conduct otherwise forbidden by the DCC would enable the agency to usurp Congress's exclusive Commerce Clause authority.[126] This suggestion is all the more dangerous given the comparative ease with which the DOJ can issue internal enforcement guidance like the Cole Memorandum. Congress, of course, must overcome a gauntlet of daunting procedural hurdles to pass legislation that supplies the "unmistakably clear" language needed to authorize state discrimination under the DDC.[127]

The Cole Memorandum does not purport to interpret the federal marijuana ban—indeed, it expressly disavows any such intent.[128] Hence, even if the Memorandum can be interpreted as expressing the DOJ's own wariness toward interstate commerce in cannabis, it does not suggest that Congress shares that view or that the CSA somehow authorizes states to treat interstate commerce in

[123] Although the DOJ's nonenforcement policy is widely associated with the Cole Memorandum, the policy predates that Memorandum and has outlived it as well. *See generally* Mikos, *Evolving Federal Response*, *supra* note 39 (discussing shifts in federal enforcement practices over time).

[124] Cole Memorandum, *supra* note 39, at 1.

[125] *See supra* Section II.A.2 (explaining why appeasing the DOJ is not a valid reason to sustain state discrimination against interstate commerce in cannabis).

[126] In recent cases, for example, courts have rejected the Attorney General's attempts to impose new conditions on sanctuary cities' receipt of federal grant funds, reasoning that "the executive branch has usurped the power of the legislature to determine spending and to set conditions on that spending." City of Chicago v. Barr, 961 F.3d 882, 920 (7th Cir. 2020).

[127] *See, e.g.*, Ernest A. Young, *Constitutional Avoidance, Resistance Norms, and the Preservation of Judicial Review*, 78 TEX. L. REV. 1549, 1609 (2000) ("[T]he ultimate political safeguard may be the procedural gauntlet that any legislative proposal must run and the concomitant difficulty of overcoming legislative inertia.").

[128] *See* Cole Memorandum, *supra* note 39, at 4 (noting that the guidance does not provide a legal defense to a violation of federal law, nor does it create any enforceable rights).

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cannabis differently than they treat intrastate commerce in the drug. The Cole Memorandum simply signals how the DOJ plans to prioritize the use of its own, rather limited, law enforcement resources; that is not the same thing as congressional authorization.

4. Congressional Reform Proposals Would Remove Any Authorization That Now Exists

Even if the federal ban on marijuana does somehow authorize states to discriminate against interstate commerce in cannabis, that authorization will disappear if Congress passes any of the leading federal reform proposals now on the table.

Consider, first, the Strengthening the Tenth Amendment Through Entrusting States Act ("STATES Act"), which would empower states to turn off the federal marijuana ban within their borders.[129] In relevant part, it declares that the CSA "shall not apply to any person acting in compliance with State law relating to the manufacture, production, possession, distribution, dispensation, administration, or delivery of marihuana."[130] Importantly, however, the STATES Act does not also empower the states to protect their local cannabis industries from interstate competition if they choose to legalize intrastate commerce in cannabis. And as the case law discussed earlier demonstrates, federal statutes that incorporate state bans into federal law do not suspend the DCC's nondiscrimination principle.[131] Congress needs to specifically authorize state discrimination, but the STATES Act does not do that—in fact, the proposal is utterly silent regarding interstate commerce in cannabis.

Another leading proposal, the Marijuana Opportunity Reinvestment and Expungement Act of 2019 ("MORE Act"), is similarly silent regarding interstate commerce in cannabis.[132] The MORE Act would legalize marijuana federally—without regard to state law—by ordering the Attorney General to deschedule marijuana and natural THC.[133] Because the MORE Act does not mention interstate commerce in cannabis and because it does not even prohibit marijuana activities that violate state law (as does the STATES Act), it is even more obvious that states would lack congressional authorization to discriminate against interstate commerce in cannabis if Congress adopts this proposal in its present form.

In fact, there is only one proposal now before Congress that expressly addresses interstate commerce in cannabis: the State Cannabis Commerce Act ("SCCA").[134] This very limited bill provides, in relevant part, that

> [n]o funds authorized or appropriated by Federal law . . . shall be expended to prevent any State from implementing any law of the State

[129] H.R. 2093, 116th Cong. (2019).

[130] *Id.* sec. 2, § 710(b).

[131] *See supra* notes 80-82 and accompanying text.

[132] S. 2227, 116th Cong. (2019).

[133] *Id.* § 2.

[134] H.R. 3546, 116th Cong. (2019).

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> that . . . authorizes the use, distribution, possession, or cultivation of marijuana . . . in the State; or . . . authorizes the transportation of marijuana across the border of the State if . . . [the sending State and the receiving State have both authorized] such transportation.[135]

As should be clear, the language of the SCCA is nearly identical to the language found in the congressional spending riders discussed above.[136] It differs primarily in the fact that it blocks enforcement of the federal marijuana ban against state-authorized recreational marijuana activities and, likely needlessly,[137] explicitly bars enforcement of the federal marijuana ban against interstate commerce in marijuana permitted by state law.

While the SCCA would make it crystal clear that the states could authorize interstate commerce in cannabis, it would not necessarily give them authority to disregard the DCC. Like the spending riders discussed earlier, the SCCA, on its face, does not give states authority to discriminate against interstate commerce in cannabis; it merely precludes the DOJ (and other federal agencies) from taking legal action against interstate shipments that have been authorized by the states involved. The SCCA could thus be interpreted to clarify that federal agencies retain the power to prosecute shipments bound for a prohibition state (i.e., a state that does not allow any commerce in cannabis) or shipments that otherwise do not conform to local law (e.g., a shipment of marijuana edibles into a state that has prohibited that type of cannabis product). Based on Supreme Court case law interpreting similar language in other federal statutes, the language of the SCCA would not constitute a clear enough indication of Congress's intent to authorize state discrimination against interstate commerce in cannabis.[138]

In short, extant proposals to reform federal marijuana law could eliminate the states' authorization to restrict interstate commerce in cannabis (assuming such authorization now exists). While each proposal limits application of the federal ban, none of them grants authority with the requisite "unmistakably clear" language the states need to discriminate against out-of-state cannabis or cannabis entrepreneurs.

C. *The Status of Other, Nondiscriminatory State Cannabis Laws (Including Outright Prohibition)*

States laws that discriminate against interstate commerce in cannabis are probably unconstitutional under the DCC. But what about state laws that regulate cannabis more evenhandedly, i.e., laws that do not distinguish between insiders and outsiders in the cannabis market?

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[135] *Id.* § 2(b).

[136] *See supra* Section II.B.2.

[137] *See supra* note 63 and accompanying text (explaining that the spending riders likely already bar the DOJ from taking legal action against interstate sales of medical marijuana that have been authorized by state law).

[138] *See supra* notes 28, 107-110 and accompanying text.

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While neutral state laws could impair interstate commerce in cannabis, such laws are reviewed under the *Pike* balancing test, which asks whether the burden imposed on interstate commerce is "clearly excessive" in comparison to the legitimate local benefits of a regulation.[139] This test is far easier to satisfy than the strict scrutiny–like test that applies to discriminatory state laws. For this reason, it seems likely that neutral state laws would survive any DCC challenge—at least for now.

Consider, first, state laws that ban all sales of cannabis, rather than just the sales of imported cannabis. These bans create an obvious barrier to interstate commerce in cannabis—after all, no cannabis may be sold in these states, regardless of where it is produced or by whom. However, courts have upheld analogous state bans on the sale of a variety of other controversial products, including foie gras,[140] horsemeat,[141] shark fins,[142] "deleterious exotic wildlife,"[143] and even cats and dogs.[144] Critical to the outcome in each of these cases was the fact that the states had adopted "blanket prohibition[s]" that treated "both intrastate and interstate trade" of these items equally.[145] Applying the *Pike* balancing test, these courts found that the burdens the state bans imposed on interstate commerce did not clearly outweigh their legitimate local benefits, including, for example, an interest in preventing horse theft—the rationale given for Texas's ban on the sale of horsemeat for human consumption.[146] The upshot from these cases is that state laws that ban all cannabis commerce probably do not violate the DCC as long as they apply equally to local and nonlocal cannabis and cannabis entrepreneurs. In other words, just because a state must allow outsiders to compete in its local cannabis market after it legalizes the drug does not mean that a state must legalize cannabis in the first place.

Now consider nondiscriminatory regulations that legalization states have imposed on cannabis products sold in state. Each legalization state has imposed its own, quirky set of requirements concerning how cannabis products must be tested, packaged, and labeled.[147] For example, most states require cannabis producers to imprint a special symbol on cannabis edibles, but almost every one of those states mandates the use of a different symbol (which, ironically, are called "universal" symbols).[148] These regulations are designed to protect consumers from the potential harmful consumption of cannabis. For example,

[139] Pike v. Bruce Church, Inc., 397 U.S. 137, 142 (1970).

[140] Ass'n des Eleveurs de Canards et d'Oies du Quebec v. Harris, 729 F.3d 937, 948 (9th Cir. 2013).

[141] Empacadora de Carnes de Fresnillo, S.A. de C.V. v. Curry, 476 F.3d 326, 336 (5th Cir. 2007).

[142] Chinatown Neighborhood Ass'n v. Harris, 794 F.3d 1136, 1147 (9th Cir. 2015).

[143] Pac. Nw. Venison Producers v. Smitch, 20 F.3d 1008, 1010, 1016 (9th Cir. 1994).

[144] Just Puppies, Inc. v. Frosh, 457 F. Supp. 3d 497, 502 (D. Md. 2020).

[145] *Empacadora*, 476 F.3d at 335.

[146] *Id.* at 336.

[147] *See* MIKOS, MARIJUANA LAW, POLICY, AND AUTHORITY, *supra* note 68, at 456-62.

[148] *See id.* at 459.

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the universal symbols are supposed to warn consumers that an otherwise innocuous-looking product such as a chocolate bar contains a psychoactive substance.[149] But differences in state regulations can also burden interstate commerce in cannabis, even if that is not necessarily their intended purpose. The differences in state laws make it more difficult for firms to conduct business across state lines. Consider a hypothetical cannabis edible producer: even if this company were not barred from shipping its products across state lines, it would still need to manufacture a different set of products for each state where it did business (e.g., affixing them with a different "universal symbol" for each state), sacrificing some of the economies of scale it might achieve if it were allowed to make a single product for all markets.

Notwithstanding the burdens they impose, these idiosyncratic state regulations should be safe from DCC challenge for the time being. When it comes to neutral state regulations, the DCC tends to punish outlier states that impose different regulations than those that most other states have adopted.[150] So far, however, there is no dominant state approach to regulating the testing, packaging, and labeling of cannabis products. Hence, it cannot be said that one state's nondiscriminatory cannabis regulations burden interstate commerce, when the blame could as easily be laid upon another state.

To be sure, there is a movement afoot to harmonize state cannabis regulations.[151] If this movement takes hold and a large majority of states adopts a common approach to an issue—such as what symbol to imprint on cannabis-infused edibles—the DCC might force outlier states to follow suit and adopt the same regulation. For example, if nearly all legalization states follow Colorado's approach and require cannabis infused edibles to be imprinted with the letters "! THC,"[152] a state like Washington would have a difficult time justifying why it was instead requiring manufacturers to imprint an image of the cannabis leaf on edibles.[153] But until such convergence emerges—or until Congress adopts legislation preempting state regulations—states appear to have wide latitude to

[149] *Id.*

[150] *See, e.g.*, Kassel v. Consol. Freightways Corp., 450 U.S. 662, 671-75 (1981) (noting costs of Iowa's unusually short limit on truck length); Bibb v. Navajo Freight Lines, Inc., 359 U.S. 520, 529-30 (1959) (noting costs of unique Illinois mud flap rules for trucks).

[151] *See* Kyle Jaeger, *Marijuana Regulators from 19 States Form Group to Coordinate Legalization Implementation*, MARIJUANA MOMENT (Nov. 12, 2020), https://www.marijuanamoment.net/marijuana-regulators-from-19-states-form-group-to-coordinate-legalization-implementation/ [https://perma.cc/3ACQ-WJAE].

[152] *Marijuana Enforcement Division Adopts a Single Universal Symbol and Streamlines Packaging and Labeling Requirements*, COLORADO.GOV (Mar. 12, 2018), https://www.colorado.gov/pacific/marijuana/news/marijuana-enforcement-division-adopts-single-universal-symbol-and-streamlines-packaging-and [https://perma.cc/RM3J-MJCG] (announcing universal "! THC" symbol for all marijuana products).

[153] WASH. STATE LIQUOR & CANNABIS BD., PACKAGING AND LABELING GUIDE FOR MEDICALLY COMPLIANT AND RECREATIONAL MARIJUANA 16-17 (2019), https://lcb.wa.gov/sites/default/files/publications/Marijuana/LIQ-1420-Packaging-and-Labeling-Guide-201912_FINAL2.pdf [https://perma.cc/2HRW-BE6R].

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impose the cannabis regulations they deem fit, so long as they apply the same regulations to all cannabis regardless of where it is produced and to all cannabis entrepreneurs regardless of their residency.

III. How Interstate Commerce Will Change the Cannabis Market

The prior Part demonstrated that discriminatory state restrictions on interstate commerce in cannabis are vulnerable to DCC challenges. Indeed, out-of-state cannabis companies have recently filed lawsuits challenging residency licensing requirements in Maine, Missouri, Oklahoma, and Washington.[154] In response to one of these suits, Maine agreed to abandon its residency requirement for adult-use licenses after the state Attorney General concluded that the requirement "is subject to significant constitutional challenges and is not likely to withstand such challenges."[155] In a related lawsuit, a federal judge enjoined the city of Portland, Maine, from applying its own residency preferences for adult-use cannabis licenses.[156] As discussed above, the judge concluded that the requirement likely violated the DCC and had not been authorized by Congress.[157]

Should these suits and others like them prove successful (as seems likely), they portend the demise of the peculiar state-based cannabis markets that state restrictions on interstate commerce have preserved. In the future, it is very likely that cannabis producers will face competition not just from local rivals but also from producers located in other states.

This Part considers how this shift to a national cannabis market will likely affect the cannabis industry in the United States and some of the implications that shift has for cannabis law and policy.[158]

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[154] *See* Complaint for Declaratory and Injunctive Relief, Toigo v. Dep't of Health & Senior Servs., No. 2:20-cv-04243 (W.D. Mo. Dec. 11, 2020), ECF No. 1 (challenging Missouri's one-year residency requirement for medical cannabis licenses); Complaint, Original Invs., LLC v. Oklahoma, No. 5:20-cv-00820 (W.D. Okla. Aug. 14, 2020), ECF No. 1 (challenging Oklahoma's two-year residency requirement for medical cannabis licenses); Petition for Declaratory Judgment, Brinkmeyer v. Wash. State Liquor & Cannabis Bd., No. 20-2-01568-34 (Sup. Ct., Thurston Cnty., Wash., June 8, 2020) (challenging Washington's six-month residency requirement for adult-use cannabis licenses); *NPG* Complaint, *supra* note 32 (challenging Maine's two-year residency requirement for adult-use cannabis licenses); *see also* Complaint for Declaratory and Injunctive Relief, NPG, LLC v. City of Portland, No. 2:20-cv-00208, 2020 WL 4741913 (D. Me. June 15, 2020) (challenging city's residency preference for adult-use cannabis licenses).

[155] Stipulation of Dismissal at 1, NPG, LLC v. Dep't of Admin. & Fin. Servs., No. 1:20-cv-00107 (D. Me. May 11, 2020). A group of Maine residents has filed a lawsuit asking a judge to reinstate the residency requirement. *See United Cannabis Patients* Complaint, *supra* note 32, ¶ 1.

[156] *NPG*, 2020 WL 4741913, at *11.

[157] *Id.* at *10-11; *see also supra* notes 32, 79, 93, 122 and accompanying text.

[158] This Essay focuses on one segment of the industry—cannabis production—which includes both cultivation and processing but does not explicitly consider the effects interstate commerce will have on other segments of the market, such as retail distribution or the provision of ancillary services.

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A. *Interstate Commerce Will Spur Industry Consolidation*

Opening the doors to interstate commerce will likely spur consolidation of the cannabis industry. In many states today, the industry is highly fragmented, with hundreds of firms cultivating and/or processing cannabis for local consumers. Colorado alone, for example, has issued more than 1,000 licenses to cultivate and/or process cannabis.[159] Some states have even mandated this fragmentation by capping the size of individual cannabis licensees.[160]

By contrast, the emerging national market will likely favor larger producers that can take full advantage of economies of scale in the cultivation and processing of cannabis.[161] For example, a firm with a 1,000,000 square foot grow warehouse should be able to produce a gram of cannabis for less, on average, than it costs a firm with a 100,000 square foot warehouse to produce that same gram. Although firms can already achieve some economies of scale in state-based cannabis markets,[162] even the largest of those state markets is only a small slice of the national market. It thus seems reasonable to expect the biggest producers in the national cannabis market to be larger than the biggest producers that now serve any state cannabis market.

The beer industry provides one example of what the cannabis industry might look like down the road. The beer market is now dominated by a handful of colossal brewers. In 2019, the top three brewers alone accounted for more than 73% of all the beer sold in the United States.[163]

Consolidation is not necessarily a bad thing. For example, absent industry collusion, consumers should benefit from the lower prices offered by larger, more efficient firms. But consolidation also has some potentially worrisome effects.

For one thing, consolidation will drive many small business owners out of the cannabis market. To be sure, there will still be some craft—i.e., small—

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[159] *MED Resources and Statistics*, COLO. DEP'T OF REVENUE, https://www.colorado.gov/pacific/enforcement/med-resources-and-statistics [https://perma.cc/BPM8-JJBU] (last updated Oct. 1, 2020).

[160] MIKOS, MARIJUANA LAW, POLICY, AND AUTHORITY, *supra* note 68, at 445 (discussing state efforts to regulate industry structure).

[161] *See* ANGELA HAWKEN & JAMES PRIEGER, BOTEC ANALYSIS CORP., ECONOMIES OF SCALE IN THE PRODUCTION OF CANNABIS 36-37 (2013), https://lcb.wa.gov/publications/Marijuana/BOTEC%20reports/5c_Economies_Scale_Production_Cannabis_Oct-22-2013.pdf [https://perma.cc/2W5F-Q5ZM] (acknowledging that economies of scale exist but suggesting that scale advantages in the cannabis industry may be smaller than some have estimated).

[162] For example, multistate operators like Cresco Labs can already consolidate some back-office functions, such as accounting and brand development. However, these firms cannot consolidate their production while states ban interstate shipments of cannabis. *See supra* note 21 and accompanying text (discussing Minnesota prosecution of two Vireo Health officials for allegedly smuggling cannabis oil from the firm's Minnesota operation to its New York operation).

[163] *Industry Fast Facts*, NAT'L BEER WHOLESALERS ASS'N, https://www.nbwa.org/resources/industry-fast-facts [https://perma.cc/JJ2B-RGLH] (last visited Apr. 13, 2021).

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producers in the national market, largely because there is consumer demand for so-called craft weed.[164] But if the experience of the beer industry is any indication, these craft cannabis producers will capture only a small slice of the total market. In 2019, for example, there were 6,400 operational brewers in the United States.[165] But, excluding the top five, the rest combined accounted for just 21% of the total $120 billion beer market.[166]

Relatedly, consolidation could further dampen minority participation in the cannabis industry. The rate of minority ownership in state-based cannabis industries is already quite low, due in part to the large amount of capital required to build a successful cannabis business—presently, more than $1 million.[167] Consolidation will only exacerbate this barrier to entry because it will take even more capital to build a successful cannabis business in the emerging national market. For example, the largest firm in the Canadian national market, Canopy Growth, currently has a market capitalization of more than $10 billion.[168]

The states probably cannot forestall consolidation on their own. Some states have tried to limit consolidation in their own cannabis markets by capping the size of individual firms, as noted above. Once those states can no longer block cannabis imports, however, those caps will likely prove ineffective. If anything, the caps will just put local producers at a competitive disadvantage vis-à-vis out-of-state rivals that do not face such constraints.[169] Similarly, while states have tried to boost minority participation in their own markets, those efforts might prove futile in a national market. For example, some states have given applicants from disadvantaged groups (including racial minorities) preference when

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[164] *See* RYAN STOA, CRAFT WEED: FAMILY FARMING AND THE FUTURE OF THE MARIJUANA INDUSTRY 9 (2018).

[165] *Industry Fast Facts*, *supra* note 163.

[166] *Id.* The vast majority of brewers (nearly 4,600 of the total number) brew fewer than 1,000 barrels each year. *Id.*

[167] *See generally, e.g.*, MARIJUANA BUS. DAILY, WOMEN & MINORITIES IN THE CANNABIS INDUSTRY (2019), https://mjbizdaily.com/wp-content/uploads/2019/07/women-and-minorities_FINAL.pdf [https://perma.cc/29QQ-KL2R].

[168] *See* Connor Smith, *Buy Canopy Growth for Its Leading Market Share and Management Team, Analyst Says*, BARRON'S (Apr. 24, 2020, 6:13 PM), https://www.barrons.com/articles/canopy-growth-stock-leading-market-share-51587760005.

[169] Not all states cap the size of licensed producers. *See* Robert A. Mikos, *Cases to Watch: California Growers Association vs. California Department of Food and Agriculture*, MARIJUANA L., POL'Y & AUTH. BLOG (Feb. 3, 2018), https://my.vanderbilt.edu/marijuanalaw/2018/02/cases-to-watch-california-growers-association-vs-california-department-of-food-and-agriculture/ [https://perma.cc/3GPX-R5ND]. And even for states that do impose size caps, it is far from clear whether they could apply them to nonlocal firms seeking to sell their wares in the local market. *Cf. generally* Mark Bobrowski, *The Regulation of Formula Businesses and the Dormant Commerce Clause Doctrine*, 44 URB. LAW. 227 (2012) (discussing constitutionality of local restrictions on large formula—e.g., chain—businesses); Brannon P. Denning & Rachel M. Lary, *Retail Store Size-Capping Ordinances and the Dormant Commerce Clause Doctrine*, 37 URB. LAW. 907 (2005) (discussing constitutionality of local ordinances capping size of big-box retailers).

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awarding scarce state cannabis production licenses.[170] However, those social justice licensing programs will be less effective when firms no longer need a local license to sell their wares inside the state (i.e., when they can produce cannabis under license from another state that does not give preference to disadvantaged groups).

Thus, if we want to limit industry consolidation, boost minority participation in the cannabis market, or shape the cannabis market in other ways, it will likely take congressional legislation to get the job done. For example, Congress could authorize the states to discriminate against interstate commerce in cannabis and thereby preserve the control the states now wield over the structure and demographics of their local cannabis industries. Or Congress could cap the size of producers throughout the nation.[171] As it stands, however, Congress does not even appear to recognize the impending rise of interstate commerce in cannabis and the challenges it will pose to state regulators.

B. *Interstate Commerce Will Shift the Locus of Cannabis Production*

Apart from fostering the consolidation of the cannabis industry, the advent of interstate commerce will also cause at least some of the industry's production to shift to a small number of producer states (i.e., states that produce more cannabis than they consume). Firms located in these producer states have several possible competitive advantages vis-à-vis firms located in consumer states (i.e., states that consume more than they produce).

First, the climate in a small number of states is ideally suited for outdoor cultivation of cannabis—think of the Emerald Triangle region in California and Oregon.[172] Outdoor cultivation allows producers in these states to avoid some of the costs peculiar to indoor cultivation, such as the costs of electricity and grow lights. One survey found that the cost of outdoor cultivation was only about one-fourth that of indoor cultivation.[173] To be sure, there will still be segments of the market for which indoor cultivation is superior, say, because it gives cultivators

[170] MIKOS, MARIJUANA LAW, POLICY, AND AUTHORITY, *supra* note 68, at 454 n.1, 521-25 (discussing use of racial preferences in award of cannabis licenses); *see also* Robert A. Mikos, *UPDATE: State Judge Holds Use of Race in Ohio Medical Marijuana Licensing Unconstitutional*, MARIJUANA L., POL'Y & AUTH. BLOG (Nov. 20, 2018), https://my.vanderbilt.edu/marijuanalaw/2018/11/update-state-judge-holds-ohio-medical-marijuana-licensing-system-unconstitutional/ [https://perma.cc/SN7L-BWYY].

[171] There are myriad other steps Congress could take to address the impact the rise of the national market will have on the cannabis industry. *See, e.g.*, Adam J. Smith, *Can Interstate Commerce Help Solve the Cannabis Industry's Equity Problem?*, MERRY JANE (Nov. 12, 2019), https://merryjane.com/culture/can-interstate-commerce-help-solve-the-cannabis-industrys-equity-problem [https://perma.cc/FA6M-CTQ6] (suggesting that social equity licensees could be given exclusive rights to distribute imported cannabis, as means of boosting minority participation in the emerging national cannabis market).

[172] Green, *supra* note 6.

[173] CANNABIS BUS. TIMES, 2020 STATE OF THE INDUSTRY REPORT, at S9 (2020), http://giecdn.blob.core.windows.net/fileuploads/document/2020/05/29/soi%20book%20-%20high%20res.pdf [https://perma.cc/JG7A-UF26].

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more consistent control over growing conditions, and thus, over the characteristics of the plant. But the cost advantages of outdoor cultivation should cause at least some production to shift from colder climates, where cannabis can only be grown indoors, to warmer states. As one Oregon state lawmaker remarked when sponsoring Oregon's bill to legalize cannabis exports, "The future of this industry is that cannabis will primarily be grown where it grows best . . . ."[174]

Second, some regions have created a strong reputation for producing high-quality cannabis. For example, since the 1960s, the Emerald Triangle Region in California has pioneered the development of new strains of cannabis.[175] Because of the region's reputation, consumers throughout the country already seek out cannabis from the Emerald Triangle, just as they seek out Napa Valley wines or Michigan blueberries. California has even adopted regulations to protect the state's reputational advantage by creating a system for certifying the geographic origin of cannabis products, known as appellations.[176] Allowing consumers to buy out-of-state products on the licit market should benefit producers based in regions like the Emerald Triangle, shifting some production away from local firms that now supply consumer states.[177]

Third, producers located in states that were first to legalize, such as Colorado (2012), Washington (2012), and Oregon (2014), should have a first-mover advantage compared to producers located in states that legalized later (or have yet to do so). Producers in those early adopting states already have several years of operational experience under their belts, while firms in many recent adopting states—not to mention firms from states that have not legalized—may not have even harvested their first crops yet.[178] Indeed, Oregon has recognized the advantage that established producers will have on the national market. Being prepared to export cannabis as soon as interstate sales begin was one of the primary rationales behind the passage of the state's 2019 export law.[179]

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[174] Green, *supra* note 6 (quoting Oregon State Senator Floyd Prozanski).

[175] *See* Emily Witt, *How Legalization Changed Humboldt County Marijuana*, NEW YORKER (May 20, 2019), https://www.newyorker.com/news/dispatch/how-legalization-changed-humboldt-county-weed (detailing growers of "top-shelf, premium cannabis" in Humboldt County).

[176] *Cannabis Appellations Program*, CAL. DEP'T OF FOOD & AGRIC.: CALCANNABIS CULTIVATION LICENSING, https://www.cdfa.ca.gov/calcannabis/appellations.html [https://perma.cc/D7HW-E434] (last visited Apr. 13, 2021); *see also* STOA, *supra* note 164, at 15-16 (discussing value of appellations to cannabis industry).

[177] *See* Adam Smith, *Welcome Back!*, CRAFT CANNABIS ALL. (Nov. 12, 2019), https://www.craftcannabisalliance.org/news/2019/11/12/welcome-back [https://perma.cc/PX5J-HHSA].

[178] *See* David Powell, Rosalie Liccardo Pacula & Mireille Jacobson, *Do Medical Marijuana Laws Reduce Addictions and Deaths Related to Pain Killers?* 35 tbl.A1 (Nat'l Bureau of Econ. Rsch., Working Paper No. 21345, 2015), https://www.nber.org/system/files/working_papers/w21345/w21345.pdf [https://perma.cc/ZQ93-8NVX] (detailing time needed to establish marijuana industries in sampling of medical marijuana states).

[179] *See* Green, *supra* note 6.

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The shift in the locus of production will be reinforced by the economies of scale dynamics discussed above. To the extent that multistate operators can reduce their costs by consolidating their production, they will not want to spread their production across multiple states as they are now required to do. Consider the operations of Anheuser-Busch InBev. The company controls nearly 40% of the domestic beer market,[180] but it brews all its beer at just twelve locations in eleven states.[181] Put another way, while Budweiser beer is sold in every state, it is not brewed in every state. It is far more economical for Anheuser-Busch InBev to make its beer at a small number of large breweries that can take full advantage of the economies of scale to brewing.

The shift in the locus of production will have some important ramifications for marijuana law and policy. One is that the economic benefits of legalization, and more particularly, the jobs associated with the production of cannabis, will not be evenly distributed across legalization states. Producer states will capture a disproportionate share of those benefits. This realization could somewhat diminish the incentive for new states to legalize cannabis. After all, these states may have already missed the boat on creating a viable, local cannabis industry and the jobs associated therewith.[182]

Once production becomes mobile, states will also compete to lure more producers to their jurisdictions. States already compete for a variety of other industries, using the promise of tax breaks, infrastructure spending, and other inducements to attract corporate investment and relocation. Apart from these tactics, states might also try to lure cannabis producers by relaxing the regulations they impose on them. Currently, states impose a bevy of regulations on cannabis cultivation and processing, specifying, among other things, what solvents may be used in extracting THC, the minimum age for trimmers, and the types of energy that may be used to power grow lights.[183]

Although such regulations add to the cost of producing cannabis, states currently have wide latitude to impose them because producers cannot leave the state. Thus, currently, the only competition state regulators need to worry about is the black market. But with the advent of interstate commerce, producers will be able to move to the state that imposes the least onerous regulations on cannabis production. Ultimately, this dynamic could create a race to the bottom, with states competing to relax their controls and thereby attract (or keep) more cannabis jobs.

Once again, addressing these concerns may require congressional legislation. Under the Constitution, states have limited power to regulate how goods are

[180] *Industry Fast Facts*, *supra* note 163 (noting a market share of 39.9% in 2019).

[181] *Breweries and Tours*, ANHEUSER-BUSCH, https://www.anheuser-busch.com/about/breweries-and-tours.html [https://perma.cc/4M2U-QZJW] (last visited Apr. 13, 2021).

[182] *See supra* note 34 and accompanying text (noting how promise of new jobs has helped spur legalization in states).

[183] *See* MIKOS, MARIJUANA LAW, POLICY, AND AUTHORITY, *supra* note 68, at 446-62, 499-501 (discussing how states regulate the production of cannabis).

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produced outside their borders, even when those goods are sold in the state.[184] Congress could authorize states to bar imports and thereby preserve each state's control over how cannabis is produced for the local market—and its share of cannabis related jobs. Or, Congress could establish a floor of regulations that would apply to producers nationwide to forestall a race to the bottom among legalization states.[185] But again, extant federal reform proposals do not address issues like these that are likely to arise with the advent of interstate commerce in cannabis.

CONCLUSION

Although many states have opened the door to the intrastate production and sale of cannabis, they have simultaneously shut the door on interstate commerce in the drug. Every legalization state now bans the importation of cannabis from other states, and many of them bar outsiders from owning local cannabis businesses as well. These discriminatory laws have spawned a multitude of state-based cannabis industries, one for each state that has legalized the drug.

The state laws that maintain these local industries, however, are legally questionable. The discriminatory restrictions states have imposed on interstate commerce in cannabis are likely unconstitutional under the DCC. For one thing, Congress has not suspended the operation of the DCC's nondiscrimination default rules. The federal ban on all marijuana commerce simply does not give legalization states license to discriminate against outside cannabis firms and investors. In addition, states lack a credible legitimate rationale for quashing interstate commerce in cannabis when they permit intrastate commerce in the same. In short, to the extent that states allow any commerce in cannabis, they likely must put outside firms and investors on an equal footing with locals.

Opening the door to interstate sales and investment could have far-reaching implications for the burgeoning cannabis industry in the United States. First, it will likely cause most production to migrate to a small number of producer states that have a comparative advantage in cultivating and processing cannabis because of hospitable climate, early adoption of reforms, lax regulations, and/or established reputations. This shift in the locus of production could reduce the incentives for new states to legalize cannabis, because they will not necessarily capture the production jobs once promised by cannabis reforms. The emergence of a national cannabis market will also likely favor large producers that can take advantage of economies of scale in cultivating and processing cannabis. The

[184] *Cf.* Baldwin v. G.A.F. Seelig, Inc., 294 U.S. 511, 521 (1935) ("New York has no power to project its legislation into Vermont by regulating the price to be paid in that state for milk acquired there."). To be clear, the states can still regulate the goods themselves—e.g., by dictating how cannabis is packaged or labeled when sold in state. But they likely cannot regulate the type of energy that was used to grow the cannabis or the age of the employees who trimmed the buds. Those matters are probably the exclusive dominion of the state where those production activities take place.

[185] *See generally* William W. Buzbee, *Asymmetrical Regulation: Risk, Preemption, and the Floor/Ceiling Distinction*, 82 N.Y.U. L. REV. 1547 (2007).

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ensuing consolidation of production could further diminish minority participation in the cannabis industry because the capital required for entry will be even higher than it is today in isolated state markets.

Only Congress could address these developments satisfactorily, as the states individually do not wield enough influence over the national market. But to forestall industry migration and consolidation, Congress would need to do more than simply legalize marijuana federally. It would either need to clearly authorize state protectionism or play a more proactive role in the regulation of the cannabis industry than is now envisioned by leading federal reform proposals.

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HB639: Data on Total Tax Rates across States and a Proposal for Revenue Rep Almy

Synopsis: only 16 states have legalized passed cannabis taxes so far, of which 5 were in 2020 legalized and too recent to be meaningful, including our neighbor VT (which legalized without allowing sales in 2018). The state of Vermont taxes at 20.8% total, and there are local sales taxes as well. The only other New England states to legalize sales and taxation are Maine (with a 19.5% tax including the tax on weight at cultivator or processor level) and Massachusetts (with a 17.7% state tax plus local sales taxes). We should easily be able to compete with a 12-15% retail tax, modelled on the vape tax, which has to be collected from retailers in most cases. Since the retail stores will have to be licensed, they can be made to pay the tax monthly as the M&R tax is collected, but as the vape tax is, as an offshoot of the tobacco tax. The amount of the tax collected will take time to stabilize, but we are used to that.

State total tax rates on cannabis nationally and regionally
At state level often with optional local taxes

AZ	22.5%	- passed 2020 by voter iniitiative
CA	23.3%	+ cultivation tax up to 1.3% by weight
CO	32.3%	+ local S/E tax
IL low	16.9%	+ cultivator tax below, local ST - varies by potency or if infused product
IL high	32.8%	""
ME	16.1%	+ cultivator/processor tax up to 2.93% on weight below
MA	17.7%	+ local sales taxes
MI	16.6%	
MT	20.0%	- passed 2020 by voter iniitiative
NV	17.5%	+ "wholesale" tax below
NJ	6.6%	+ local ST up to 2% - passed 2020 by voter iniitiative
OR	17.0%	+ local sales taxes
SD	16.0%	- passed 2020 by voter iniitiative
VT	20.8%	+ local ST - legal in 2018 but taxes passed in 2020 with sales
WA	45.9%	+ local sales taxes

On cultivator

IL	7%	on gross receipts, + excise, sales taxes above
NV?	15%	"wholesale" excise tax - on cultivator? + sales tax above

By weight

AK	$50/oz flowers & mature buds - less if defective, trim; equiv. to 7%
CA	$9.25/oz flowers, $2.75/oz leaves - plus sales & excise taxes above
ME	$20.9375/oz flowers, $5.875/oz trim - plus sales taxes above

By weight converted to retail tax in 2018 Commission Report p.48
based on NYS methodology

AK	7%
CA	up to 1.3%
ME	up to 2.93%

DRAFT

Cannabis Start-up Costs		Year 1 Total	Year 2 Total	Year 3 Total
Positions per fiscal note guidance		1,851,999	1,987,032	2,079,485
Stipen		187,271	193,398	196,125
Consultant		250,000	250,000	250,000
Rent Office space (10,000 sq ft @ $24/sq.ft)		240,000	247,200	254,616
construction to build out new office space		50,000		
equipment for 20 people (laptops, printers, phones, etc.)	5,000	100,000		
office furniture	10,000	200,000		
7 Cars	30,000	210,000		
Operating Expenses		400,000	412,000	424,360
Sub-Total Office Start up		3,489,270	3,089,630	3,204,585
Stand Alone Government Traceability Solution				
Licensing & Auditing and ERP financial system		5,000,000	5,000,000	1,000,000
Office construction at HQ building		500,000		
Total		**8,989,270**	**8,089,630**	**4,204,585**
minus out new positions will take time to create and recruite:		**(1,851,999)**		
		7,137,271		

Notes:

Timeline:

Rules = 15 months

Systems: RFP Design & implementation

Seed to Sale, Licensing & auditing and Financial

New Liquor POS go live during this time

Consultant

Recuitment

Abrami Comment Number	Bill Reference/ Side by Side Reference	Comment
1	Page 1 Line 3 Page 1	"generating revenue for education" Should eliminate since this will not happen until NH's $5.69B unfunded pension liability is eliminated. Best case this will not occur until 130 years from now. It is wrong to give the legislators this false hope. Analysis shown later.
2	Page 1, Line 15 Page 1	"illicit market to legal" The honest thing to say is that it "will help reduce the illicit market". Again, we do not want to mislead the legislators.
3	Page 4, Line 9 Page 6	"concentrated cannabis products" Should say "concentrated high THC cannabis products". For instance, there are waxes such as "Shatter" that have a 94% THC level. This needs to be said, since this is what we are dealing with today and the legislators should be aware of this.
4	Page 11, Line 9 Page 28	"shall ... utilize an inventory tracking system" Commonly known as seed to sale tracking. Comment that this is where data on ounces transferred from cultivators to manufacturers or retailers can be found and be useful in auditing ounces sold. This is important with vertically integrated businesses. I will suggest later that the proposed excise tax be charged by ounce and not the transfer price.
5	Page 12, Line 34 Page 31	"Cannabis sold by alternative treatment centers (ATCs) holding dual use certificates (defined on pg 4 Ln 23) may sell cannabis grown...to consumers. ATCs are vertically integrated. Red flag for me is keeping track of which cannabis that ATCs cultivate is subject to the excise tax if they can now sell product to the commercial market. Need to talk to ATC folks about this, but from what I know the ATCs do not have such a tax. Another question is independent cultivators, must keep track of the product sold to ATCs for tax reasons. Therapeutic vs Recreational.
6	Page 13, Line 26 Page 33	(d) should be (c)
7	Page 14, Line 13 Page 34	"A municipality may enact an ordinance prohibiting..." To me this is an Opt-out provision. **I STRONGLY RECOMMEND AN OPT-IN PROVISION BE ADDED** to this bill. This will ensure the citizens of a city or town will have a say whether cannabis businesses will be allowed in their community. Lottery was an Opt-in. Keno was an Opt-in more recently. This does have a revenue impact to some degree.
8	Page 21, Line 17 and 27 Page 47 and 48	Reference to RSA 77-H that does not exist in current statutes and I cannot see it created in this bill. Need to research what the sponsors/drafters wanted here.

Abrami Comment Number	Bill Reference/ Side by Side Reference	Comment
9	Page 21, Line 15 Page 47	"... deposits into the fund by the commission pursuant to this chapter and deposits into the fund by the commissioner of the department of revenue administration..." Unclear as to what the role of the Department of Revenue is in this. My understanding is that the Liquor and Cannabis Commission will be collecting the tax on cultivators and license fees.
10	Page 21, Line 22 Page 47	there is no "cannabis commission" definition in this bill. This should say just "commission" as defined on Pg 4 Ln 16 as the Liquor and Cannabis Commission.
11	Page 22, Line 1-8 Page 48	question whether this whole paragragh is needed since it will take 130 years to reduce the unfunded liability which stands at $5,690,000,000 (FY2022 audited number) and based upon numbers from the Marijuana Commission Report the best case revenues of $59,242,893 is that 80% allocation for pension relief each year after expenses of $4,461,000 and the allocation of $100,000 to the Department of Safety would amount to $43,745,514. **I STRONGLY RECOMMEND THAT THIS PROVISION BE ELIMINATED SINCE IT WILL MISLEAD THE LEGISLATORS WHO THINK EDUCATION WILL BENEFIT.**
12	Page 22, Line 11-14 Page 49	"five percent for broad-based aid to municipalties with at least one operational retail store..." -Either all municipalities benefit or none. No taxes we have are allocated in this fashion. We do not allocate room and meals tax in this fashion or highway funds in this fashion. This is not the NH way and it is a slippery slope. -This can be viewed as an enticement to towns to allow cannabis retail stores. The total revenue available in the best case will be $2,734,095 based upon the analysis shown later. **I STRONGLY RECOMMEND THAT ALL MUNICIPALITIES BENEFIT.**
13	Page 22, Line 13-14 Page 49	Pg 22 Ln 13-14 "...percentage of tax revenue collected from retail stores..." retail stores will not be collecting the tax.
14	Page 22, Line 15 Page 49	"five percent, not to exceed $1 million.." where does the excess go?

Abrami Comment Number	Bill Reference/ Side by Side Reference	Comment
15	Page 22, Line 27-28 Page 50	"a tax on the monthly total gross revenue of licensed cannabis cultivation facilities is imposed at the of 15 percent" -The Marijuana Commission Report (MCR) strongly recommended an excise tax at the cultivation stage. I agree 100% that original bill's addition of cannabis to room and meals tax was not a good idea. Department of Revenue said at that time collecting from cultivators was easier than collecting from retailers. -The MCR also recommended an excise tax per ounce and not based upon sale price. The reasons is that the revenues will not be subject to swings in prices. The best example of NH excise taxes at the wholesale level is the road toll (gasoline tax) taxed by gallon and the beer tax per gallon as well. {major swings in gasoline prices up and down are common as the example}. Other cannabis states have shown fluctuations in cannabis prices. **STRONGLY RECOMMEND TAX PER OUNCE.** -Tax rate a balance between competiveness with other states and competition with the black market. Suggested a range between $23-$57 per ounce tax. See the impact on revenues along this range below based upon the MCR:

Cannabis Revenues Based Upon Feasible Ounces Sold and Tax Ranges			
	Ounces Sold Per Year*		
Tax Per Ounce**	Low 657,815	Mid 848,582	High 1,039,349
$23	**$15,129,815**	$19,517,386	$23,905,027
$40	$26,312,600	$33,943,280	$41,739,960
$57	$37,495,455	$48,369,174	**$59,242,893**

* From the NY State methodology in the MCR. 130,000 cannabis users + 1,563 tourism factor or a total of 131,563 users. Ounces used by user per year range 5.0-7-9.

** In bold is the worst-case revenue of $15,129,815 and the best-case revenue of $59,242,893.

I RECOMMEND AN EXCISE TAX ON CULTIVATORS OF BETWEEN $50-$57 PER OUNCE.

Annual Cannabis Administrative Expense Estimate

Low	Mid	High
$3,612,000	**$4,461,000**	$5,310,000

Annual Cannabis Revenue Allocation

Factor	Worst Case	Middle Case	Best Case
Cannabis Tax Revenue	15,129,815	37,186,354	59,242,893
Mid Administrative Expense	4,461,000	4,461,000	4,461,000
Revenue After Expense	**10,668,815**	**32,725,354**	**54,781,893**
Dept of Safety Allocation	100,000	100,000	100,000
Revenue Left for % Allocation	**10,568,815**	**32,625,354**	**54,681,893**
80% to NH Retirement Fund	8,455,052	26,100,283	**43,745,514***
10% to Substance Abuse	1,056,881	3,262,535	5,468,189
5% to Municipalities	528,441	1,631,268	**2,734,095****
5% to Public Safety	528,441	1,631,268	2,734,095
Public Safety Cap	**1,000,000**	**1,000,000**	**1,000,000**
Public Safety Excess***	**None**	**631,268**	**1,734,095**

*** Utilized in the calculation of the 130 years before the education would see any of this money (when unfunded pension liability is zero).**

**** Utilized to get a sense what was available to municipalities.**

***** W&Ms needs to determine where the excess revenue goes.**

HB 639-FN-A, An act relative to the legalization and regulation of cannabis and making appropriations therefor.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
Analysis This bill establishes procedures for the legalization, regulation, and taxation of cannabis; the licensing and regulation of cannabis establishments; and makes appropriations therefor.	**Analysis** This bill establishes procedures for the legalization, regulation, and taxation of cannabis; the licensing and regulation of cannabis establishments; and makes appropriations therefor.	
1 Purpose and Findings. The general court hereby finds that: I. In the interest of allowing law enforcement to focus on violent and property crimes, generating revenue for education, prevention, treatment, and recovery related to the use of both legal and illegal drugs and for other public purposes, and advancing individual freedom, the people of the state of New Hampshire find and declare that the use of cannabis by a person 21 years of age or older should be legal and subject to reasonable regulation and taxation. II. In the interest of the health and public safety of our citizenry, the people of the state of New Hampshire further find and declare that cannabis should be regulated in a manner similar to alcohol so that: (a) Individuals will have to show proof of age before purchasing cannabis. (b) Selling, distributing, or transferring cannabis to minors and other individuals under the age of 21 shall remain illegal. (c) Driving under the influence of cannabis shall remain illegal. (d) Moving cannabis production and sales from the underground, sometimes dangerous, illicit market to legal, taxpaying businesses allows for appropriate regulations and control.	1 Purpose and Findings. The general court hereby finds that: I. In the interest of allowing law enforcement to focus on violent and property crimes, **generating revenue for education**, prevention, treatment, and recovery related to the use of both legal and illegal drugs and for other public purposes, and advancing individual freedom, the people of the state of New Hampshire find and declare that the use of cannabis by a person 21 years of age or older should be legal and subject to reasonable regulation and taxation. II. In the interest of the health and public safety of our citizenry, the people of the state of New Hampshire further find and declare that cannabis should be regulated in a manner similar to alcohol so that: (a) Individuals will have to show proof of age before purchasing cannabis. (b) Selling, distributing, or transferring cannabis to minors and other individuals under the age of 21 shall remain illegal. (c) Driving under the influence of cannabis shall remain illegal. (d) Moving cannabis production and sales from the underground, sometimes dangerous, **illicit market to legal**, taxpaying businesses allows for appropriate regulations and control.	This section is identical in both versions. Abrami comment #1 Abrami comment #2

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
(e) Cannabis sold in this state will be tested, labeled, and subject to additional regulations to ensure that consumers are informed and protected and to protect the environment. (f) Some of the tax revenue generated from legal cannabis sales will be used to support programs for education, prevention, treatment, and recovery related to the use of both legal and illegal drugs.	(e) Cannabis sold in this state will be tested, labeled, and subject to additional regulations to ensure that consumers are informed and protected and to protect the environment. (f) Some of the tax revenue generated from legal cannabis sales will be used to support programs for education, prevention, treatment, and recovery related to the use of both legal and illegal drugs.	
2 New Subparagraphs; Application of Receipts; Cannabis Fund. Amend RSA 6:12, I(b) by inserting after subparagraph (387) the following new subparagraphs: (388) Moneys deposited in the cannabis fund established in RSA 318-F:24. (389) Moneys in the substance abuse prevention and recovery fund established by RSA 318-F:25.	2 New Subparagraphs; Application of Receipts; Cannabis Fund. Amend RSA 6:12, I(b) by inserting after subparagraph (387) the following new subparagraphs: (388) Moneys deposited in the cannabis fund established in RSA 318-F:24. (389) Moneys in the substance abuse prevention and recovery fund established by RSA 318-F:25.	This section is identical in both versions. Reference to RSA 318-F:24 may need to be updated to section 21. Reference to RSA 318-F:25 may need to be updated to section 22.
3 New Subdivision; Substance Abuse Prevention and Recovery Funds. Amend RSA 126-A by inserting after section 97 the following new subdivision: Substance Abuse Prevention and Recovery Funds 126-A:98 Substance Abuse Prevention and Recovery Funds; Management and Distribution of Funds. I. The commissioner of the department of health and human services, shall administer the substance abuse prevention and recovery fund established in RSA 318-F:25.	3 New Subdivision; Substance Abuse Prevention and Recovery Funds. Amend RSA 126-A by inserting after section 97 the following new subdivision: Substance Abuse Prevention and Recovery Funds 126-A:98 Substance Abuse Prevention and Recovery Funds; Management and Distribution of Funds. I. The commissioner of the department of health and human services, in coordination with the governor's commission on alcohol and other drugs under RSA 12-J shall administer the substance abuse prevention and recovery fund established in RSA 318-F:25.	Language changes are identified in grey highlighting. Proposed RSA 126-A:98, paragraphs I-III were updated to include coordination with the governor's commission on alcohol and other drugs. Reference to RSA 318-F:25 may need to be updated to section 22.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
II. Funds shall be deposited into the substance abuse prevention and recovery fund as established by 318-F:25 to be distributed by the commissioner of the department of health and human services. Funds may be awarded to a qualifying governmental entity or program for an approved use. All funds shall be nonlapsing and continually appropriated for the purposes of this section.	II. Funds shall be deposited into the substance abuse prevention and recovery fund as established by 318-F:25 to be distributed by the commissioner of the department of health and human services in coordination with the governor's commission on alcohol and other drugs under RSA 12-J. Funds may be awarded to a qualifying governmental entity or program for an approved use. All funds shall be nonlapsing and continually appropriated for the purposes of this section.	Updated to include coordination with the governor's commission on alcohol and other drugs.
III. The commissioner of the department of health and human services shall continue to make distributions from the trust fund.	III. The commissioner of the department of health and human services, in coordination with the governor's commission on alcohol and other drugs per RSA 12-J, shall continue to make distributions from the trust fund.	
IV. The department of health and human services shall adopt rules pursuant to RSA 541-A necessary to implement this section. Such rules shall include funding qualifications, application procedures, time-lines for receiving, reviewing, and acting upon application requests, and reporting requirements.	IV. The department of health and human services shall adopt rules pursuant to RSA 541-A necessary to implement this section. Such rules shall include funding qualifications, application procedures, time-lines for receiving, reviewing, and acting upon application requests, and reporting requirements.	
V. Allocations shall be used for one or more of the following: (a) Evidence-based, voluntary programs for substance abuse-related education, prevention, treatment, and recovery. (b) Mental health treatment, with a focus on dual-diagnosis of both mental health and substance misuse disorders. (c) Funding and training to foster an informed, adequately paid behavioral health workforce. (d) Scientifically and medically accurate public education campaigns educating youth and adults about the health and safety risks of alcohol, tobacco, cannabis, and other substances, including education campaigns separately targeting youth and adults that provide medically	V. Allocations shall be used for one or more of the following: (a) Evidence-based, voluntary programs for substance abuse-related education, prevention, treatment, and recovery. (b) Mental health treatment, with a focus on dual-diagnosis of both mental health and substance misuse disorders. (c) Funding and training to foster an informed, adequately paid behavioral health workforce. (d) Scientifically and medically accurate public education campaigns educating youth and adults about the health and safety risks of alcohol, tobacco, cannabis, and other substances, including education campaigns separately targeting youth and adults that provide medically	

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
and scientifically accurate information about the health and safety risks posed by cannabis use, including driving under the influence of cannabis. VI. No later than 18 months after the effective date of this section, and every 2 years thereafter, the commissioner of the department of health and human services shall submit an annual report to the governor and fiscal committee of the general court detailing the activities of the administration of the substance abuse prevention and recovery trust fund, the amount distributed in the past year, the amount remaining in the trust fund, a summary of how funds were used in the past year, and any recommendations for future legislation.	and scientifically accurate information about the health and safety risks posed by cannabis use, including driving under the influence of cannabis. VI. No later than 18 months after the effective date of this section, and every 2 years thereafter, the commissioner of the department of health and human services shall submit an annual report to the governor and fiscal committee of the general court detailing the activities of the administration of the substance abuse prevention and recovery trust fund, the amount distributed in the past year, the amount remaining in the trust fund, a summary of how funds were used in the past year, and any recommendations for future legislation.	
4 Alcoholic Beverages; Statement From Purchaser as to Age. Amend RSA 179:8, I(d) to read as follows: (d) A valid passport [~~from~~] ***issued by the United States or by*** a country with whom the United States maintains diplomatic relations.	4 Alcoholic Beverages; Statement From Purchaser as to Age. Amend RSA 179:8, I(d) to read as follows: (d) A valid passport [~~from~~] ***issued by the United States or by*** a country with whom the United States maintains diplomatic relations.	This section is identical in both versions.
5 Controlled Drug Act; Drug Forfeiture Fund. Amend RSA 318-B:17-c, I to read as follows: I. There is hereby established [~~within the office of the state treasurer~~] a special revolving fund to be designated as the drug forfeiture fund. This fund shall be administered by the attorney general and may be used to pay the costs of local, county and state drug related investigations, ***costs of collection of baseline data related to marijuana regulation,*** as well as drug control law enforcement programs within New Hampshire. The fund may also be used to pay extraordinary costs of local, county and state drug prosecutions and trial expenses.	5 Controlled Drug Act; Drug Forfeiture Fund. Amend RSA 318-B:17-c, I to read as follows: I. There is hereby established [~~within the office of the state treasurer~~] a special revolving fund to be designated as the drug forfeiture fund. This fund shall be administered by the attorney general and may be used to pay the costs of local, county and state drug related investigations, ***costs of collection of baseline data related to marijuana regulation,*** as well as drug control law enforcement programs within New Hampshire. The fund may also be used to pay extraordinary costs of local, county and state drug prosecutions and trial expenses.	This section is identical in both versions.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
6 Model Drug Dealer Liability Act; Definition of Illegal Drug. Amend RSA 318-C:4, I to read as follows: I. "Illegal drug" means any drug which is a schedule I-IV drug under RSA 318-B, ***the possession, use, manufacture, sale, or transportation of which is not otherwise authorized by law***.	6 Model Drug Dealer Liability Act; Definition of Illegal Drug. Amend RSA 318-C:4, I to read as follows: I. "Illegal drug" means any drug which is a schedule I-IV drug under RSA 318-B, ***the possession, use, manufacture, sale, or transportation of which is not otherwise authorized by law***.	This section is identical in both versions.
7 New Chapter; Regulation of Cannabis. Amend RSA by inserting after chapter 318-E the following new chapter: CHAPTER 318-F REGULATION OF CANNABIS 318-F:1 Definitions. In this chapter: I. "Alternative treatment center" means an entity as defined in RSA 126-X:1, I. II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including cannabis concentrate. "Cannabis" shall not include hemp, fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product. III. "Cannabis accessories" or "cannabis paraphernalia" means any equipment, products, or materials of any kind that are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting,	7 New Chapter; Regulation of Cannabis. Amend RSA by inserting after chapter 318-E the following new chapter: CHAPTER 318-F REGULATION OF CANNABIS 318-F:1 Definitions. In this chapter: I. "Alternative treatment center" means an entity as defined in RSA 126-X:1, I. II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including cannabis concentrate. "Cannabis" shall not include hemp, fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product. III. "Cannabis accessories" or "cannabis paraphernalia" means any equipment, products, or materials of any kind that are intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting,	Removes "are used" from definition of cannabis accessories.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.	producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.	
	IV. "Cannabis accessory retailer" means an entity licensed to sell cannabis accessories and paraphernalia	Add punctuation.
IV. "Cannabis cultivation facility" or "cultivation facility" means an entity registered to cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis concentrates, tinctures, extracts, or other cannabis products.	V. "Cannabis cultivation facility" or "cultivation facility" means an entity registered to cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis concentrates, tinctures, extracts, or other cannabis products.	
V. "Cannabis establishment" means a cannabis cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, a retail cannabis store, a cannabis transporter, or any other type of cannabis business authorized and registered by the commission.	VI. "Cannabis establishment" means a cannabis cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, a retail cannabis store, a cannabis transporter, or any other type of cannabis business authorized and licensed by the commission.	"Registered" to "licensed"
VI. "Cannabis product manufacturing facility" or "product manufacturing facility" means an entity registered to purchase cannabis, to manufacture, prepare, and package cannabis products, and sell cannabis and cannabis products to other cannabis product manufacturing facilities, to alternative treatment centers, and to retail cannabis stores, but not to consumers.	VII. "Cannabis product manufacturing facility" or "product manufacturing facility" means an entity licensed to purchase cannabis, to manufacture, prepare, and package cannabis products, and sell cannabis and cannabis products to other cannabis product manufacturing facilities, to alternative treatment centers, and to retail cannabis stores, but not to consumers.	
VII. "Cannabis products" means concentrated cannabis products and cannabis products that are comprised of cannabis and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.	VIII. "Cannabis products" means any product that contains cannabis, including cannabis extracts, concentrated cannabis products, and products that contain cannabis and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments,	Slightly different definitions of "cannabis products" Abrami comment #3

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
	and tinctures. This term shall not include cannabis in its plant or flower form.	
VIII. "Cannabis testing facility" or "testing facility" means an entity registered to test cannabis for potency and contaminants.	VII. "Cannabis testing facility" or "testing facility" means an entity licensed to test cannabis for potency and contaminants.	"Registered" to "licensed"
IX. "Cannabis transporter" means an entity registered to transport cannabis between cannabis establishments.	VIII. "Cannabis transporter" means an entity licensed to transport cannabis between cannabis establishments.	
X. "Commission" means the cannabis commission established in RSA 318-F:8.	IX. "Commission" means the liquor and cannabis commission.	Different definitions of "commission."
XI. "Consumer" means a person 21 years of age or older who purchases cannabis or cannabis products for personal use by a person 21 years of age or older, but not for resale. "Consumer" does not include a qualifying patient or designated caregiver purchasing cannabis from an alternative treatment center pursuant to RSA 126-X.	X. "Consumer" means a person 21 years of age or older who purchases cannabis or cannabis products for personal use by a person 21 years of age or older, but not for resale. "Consumer" does not include a qualifying patient or designated caregiver purchasing cannabis from an alternative treatment center pursuant to RSA 126-X.	
XII. "Department" means the department of health and human services.	XI. "Department" means the department of health and human services.	
XII-a. "Documentation" means all records, in any form, including electronic records.	XII. "Documentation" means all records, in any form, including electronic records.	
XIII. "Dual use certificate" means a license allowing an alternative treatment center registered to operate pursuant to RSA 126-X to co-locate with and operate a retail cannabis store, cannabis cultivation facility, cannabis product manufacturing facility, cannabis transporter, or any combination of those licenses. A dual use certificate is required in addition to registration as an alternative treatment center and the registration required pursuant to this chapter for each type of cannabis establishment operated by the alternative treatment center.	XIII. "Dual use certificate" means a license allowing an alternative treatment center licensed to operate pursuant to RSA 126-X to co-locate with and operate a retail cannabis store, cannabis cultivation facility, cannabis product manufacturing facility, cannabis transporter, or any combination of those licenses. A dual use certificate is required in addition to registration as an alternative treatment center and the registration required pursuant to this chapter for each type of cannabis establishment operated by the alternative treatment center.	"Registered" to "licensed"

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
XIV. "Immature cannabis plant" means a cannabis plant that has not flowered and that does not have buds that may be observed by visual examination. XV. "Inflation" means the 12-month percentage change in the consumer price index for all urban consumers, northeast region as published by the Bureau of Labor Statistics, United States Department of Labor. XVI. "Mature cannabis plant" means a cannabis plant that has flowered and has buds that may be observed by visual examination. XVII. "Municipality" means a city, town, or an unincorporated place. XVIII. "Possession limit" means: (a) Four ounces of cannabis in plant form; (b) Twenty grams of concentrated cannabis, which includes hashish and pre-filled cartridges of cannabis extracts intended for vaporization; (c) Cannabis products other than concentrated cannabis containing no more than 2,000 milligrams of THC; (d) Six cannabis plants, no more than 3 of which may be mature; and provided that no more than 12 plants, and no more than 6 mature plants, may be cultivated at any single dwelling unit or other secure facility regardless of the number of adults over the age of 21; and (e) Any additional cannabis produced by the person's cannabis plants, provided that any amount of cannabis in excess of four ounces of cannabis, 10 grams of concentrated cannabis, and cannabis products containing no more than 2,000 milligrams of THC shall be possessed in the same secure facility where the plants were cultivated.	XIV. "Immature cannabis plant" means a cannabis plant that has not flowered and that does not have buds that may be observed by visual examination. XV. "Inflation" means the 12-month percentage change in the consumer price index for all urban consumers, northeast region as published by the Bureau of Labor Statistics, United States Department of Labor. XVI. "Mature cannabis plant" means a cannabis plant that has flowered and has buds that may be observed by visual examination. XVII. "Municipality" means a city, town, or an unincorporated place. XVIII. "Possession limit" means: (a) Four ounces of cannabis in plant form; and (b) Twenty grams of concentrated cannabis products, which includes hashish and pre-filled cartridges of cannabis extracts intended for vaporization; (c) Cannabis products other than concentrated cannabis products containing no more than 2,000 milligrams of THC;	Changes "concentrated cannabis" to "concentrated cannabis products" Removes subparagraphs (d) and (e) from bill as introduced.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
This paragraph shall not apply to the possession limits set forth in RSA 126-X:2.	This paragraph shall not apply to the possession limits set forth in RSA 126-X:2.	
XIX. "Public place" means any place to which the general public has access.	XIX. "Public place" means any place to which the general public has access.	
	XX. "Premises" means and includes all parts of the contiguous real estate occupied by a licensee over which the licensee has direct or indirect control or interest and which the licensee uses in the operation of the licensed business, and which have been approved by the commission as proper places in which to exercise the licensee's privilege.	Adds a definition for "premises"
XX. "Retail cannabis store" or "retail store" means an entity registered to purchase cannabis from cannabis cultivation facilities, to purchase cannabis and cannabis products from cannabis product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis products to consumers.	XXI. "Retail cannabis store" or "retail store" means an entity licensed to purchase cannabis from cannabis cultivation facilities, to purchase cannabis and cannabis products from cannabis product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis products or cannabis accessories or cannabis paraphernalia to consumers.	Changes "registered" to "licensed" Adds "cannabis accessories or cannabis paraphernalia"
XXI. "Resident" means a natural person who: (a) Is domiciled in New Hampshire; and (b) Maintains a place of abode in New Hampshire, unless the individual was homeless and residing in New Hampshire for at least 51 percent of the time.	XXII. "Resident" means a natural person who: (a) Is domiciled in New Hampshire; and (b) Maintains a place of abode in New Hampshire, unless the individual was homeless and residing in New Hampshire for at least 51 percent of the time.	
318-F:2 Personal Use of Cannabis. I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person 21 years of age or older, shall not be illegal under New Hampshire law or the law of any political subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:	318-F:2 Personal Use of Cannabis. I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person 21 years of age or older, shall not be illegal under New Hampshire law or the law of any political subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:	

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
(a) Possessing, consuming, using, displaying, growing, obtaining, purchasing, processing, producing, or transporting an amount of cannabis that does not exceed the possession limit, except that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product manufacturer may perform extractions using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol.	(a) Possessing, consuming, using, displaying, obtaining, purchasing, processing, producing, or transporting an amount of cannabis that does not exceed the possession limit, except that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product manufacturer may perform extractions using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol.	Removes growing.
(b) Transporting no more than 6 cannabis plants, including no more than 3 mature plants.		Removes the subparagraph regarding transporting.
(c) Transferring an amount of cannabis that does not exceed the possession limit to a person who is 21 years of age or older without remuneration. For purposes of this section, a transfer is for remuneration if cannabis is given away contemporaneously with another transaction between the same parties, if a gift of cannabis is offered or advertised in conjunction with an offer for sale of goods, services, or admission to an event, or if the gift of cannabis is contingent upon a separate transaction for goods, services, or the price of admission to an event.	(b) Transferring an amount of cannabis that does not exceed the possession limit to a person who is 21 years of age or older without remuneration. For purposes of this paragraph, a transfer is for remuneration if cannabis is given away contemporaneously with another transaction between the same parties, if a gift of cannabis is offered or advertised in conjunction with an offer for sale of goods, services, or admission to an event, or if the gift of cannabis is contingent upon a separate transaction for goods, services, or the price of admission to an event.	
(d) Transferring or selling cannabis seeds or up to 6 immature cannabis plants or seedlings to cannabis cultivation facilities.		Removes the subparagraph regarding transferring or selling seeds or immature plants.
(e) Transferring cannabis, including cannabis products, to a cannabis testing facility.	(c) Transferring cannabis, including cannabis products, to a cannabis testing facility.	
(f) Controlling property where the acts described under this section occur.	(d) Controlling property where the acts described under this section occur.	
(g) Assisting another person who is 21 years of age or older in any of the acts described under this section.	(e) Assisting another person who is 21 years of age or older in any of the acts described under this section.	
II. No law enforcement officer employed by an agency that receives state or local government funds shall expend any state or local	II. No law enforcement officer employed by an agency that receives state or local government funds shall expend any state or local	

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
resources, including the officer's time, to effect any arrest or seizure of cannabis, or conduct any investigation, on the sole basis of activity the officer believes to constitute a violation of federal law if the officer has reason to believe that such activity is in compliance with this chapter, nor shall any such officer expend any state or local resources, including the officer's time, to provide any information or logistical support related to such activity to any federal law enforcement authority or prosecuting entity.	resources, including the officer's time, to effect any arrest or seizure of cannabis, or conduct any investigation, on the sole basis of activity the officer believes to constitute a violation of federal law if the officer has reason to believe that such activity is in compliance with this chapter, nor shall any such officer expend any state or local resources, including the officer's time, to provide any information or logistical support related to such activity to any federal law enforcement authority or prosecuting entity.	
318-F:3 Restrictions on Personal Cultivation; Penalty. I. Except as allowed under RSA 126-X, no person who is 21 years of age or older shall cultivate cannabis plants except as provided in this section. II. Cannabis plants shall not be cultivated in a location where the plants are subject to view from public property or from another person's private property without the use of binoculars, aircraft, or other optical aids. III. A person who cultivates cannabis shall take reasonable precautions to ensure the plants are secure from access by a person under 21 years of age. Cultivating cannabis in an enclosed, locked space to which unauthorized persons do not have access, or other similar security precautions, shall be prima facie evidence of reasonable precautions. IV. Cannabis cultivation shall only occur on property the cultivator legally owns, leases, or controls, or with the consent of the person who legally owns, leases, or controls the property. V. Any person who violates this section shall be guilty of a violation and may be fined not more than $500 for a first offense and not more than $1,000 for a second or subsequent offense.		Removes restrictions on personal cultivation and related penalty.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
318-F:4 Smoking Cannabis in Public Prohibited; Penalty. No person shall smoke cannabis in a public place. Any person who violates this section shall be guilty of a violation and may be fined not more than $50.	318-F:3 Smoking or Vaping Cannabis in Public Prohibited; Penalty. No person shall smoke or vape cannabis in a public place where the smoking or vaporizing of tobacco products is prohibited. Any person who violates this section shall be guilty of a violation and may be fined not more than $50.	Adds vaping to prohibition against smoking in public and limits the prohibition to locations where the smoking or vaporizing of tobacco is prohibited.
318-F:5 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty. I. No person shall consume, smoke, or vaporize cannabis while driving or attempting to drive a motor vehicle on a way, or while operating or attempting to operate an off-highway recreational vehicle, snowmobile, boat, vessel, aircraft, or other motorized device used for transportation. II. No person shall smoke or vaporize cannabis while the person is a passenger in a motor vehicle that is being driven on a way. III. Any person who violates this section shall be guilty of a violation and shall be subject to a fine not to exceed $150. In addition, any person who violates paragraph I of this section may have his or her driver's license, if a resident, or driving privilege, if a nonresident, suspended for up to 60 days for a first offense and up to one year for a subsequent offense. IV. In this section, "way" shall have the same meaning as in RSA 265-A:44. V. A person may not be convicted of both a violation of this section and a violation of RSA 265-A:1 based on the same incident.	318-F:4 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty. I. No person shall consume, smoke, or vaporize cannabis while driving or attempting to drive a motor vehicle on a way, or while operating or attempting to operate an off-highway recreational vehicle, snowmobile, boat, vessel, aircraft, or other motorized device used for transportation. II. No person shall smoke or vaporize cannabis while the person is a passenger in a motor vehicle that is being driven on a way. III. Any person who violates this section shall be guilty of a violation and shall be subject to a fine not to exceed $150. In addition, any person who violates paragraph I of this section may have his or her driver's license, if a resident, or driving privilege, if a nonresident, suspended for up to 60 days for a first offense and up to one year for a subsequent offense. IV. In this section, "way" shall have the same meaning as in RSA 265-A:44. V. A person may not be convicted of both a violation of this section and a violation of RSA 265-A:1 based on the same incident.	
318-F:6 Cannabis Accessories Authorized. I. Except as provided by this section, it shall not be illegal under New Hampshire law or be a basis for seizure or forfeiture of assets under New Hampshire law for a person 21 years of age or older to manufacture,		Removes section titled Cannabis Accessories Authorized

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
possess, or purchase cannabis accessories, or to distribute or sell cannabis accessories to a person who is 21 years of age or older. II. Except as provided by this section, a person who is 21 years of age or older, or a business entity, may manufacture, possess, obtain, and purchase cannabis paraphernalia, and may distribute, deliver, or sell cannabis paraphernalia to a person who is 21 years of age or older. III. No person or entity shall manufacture, distribute, or sell cannabis accessories that violate reasonable regulations enacted by the cannabis commission. Any person or entity that violates this paragraph shall be guilty of a violation for a first offense and subject to a fine of up to $1,000 and forfeiture of the cannabis accessories. A person shall be guilty of a class A misdemeanor for a second or subsequent offense and shall forfeit the cannabis accessories.		
318-F:7 Odor and Personal Possession of Cannabis Not Grounds for a Search. I. Except as provided in paragraph II of this section, the odor of cannabis or burnt cannabis, or the possession of a quantity of cannabis that the officer does not have probable cause to believe exceeds the possession limit of cannabis, shall not constitute in part or in whole probable cause or reasonable suspicion and shall not be used as a basis to support any stop or search of a person or motor vehicle. II. Nothing in this section prevents a law enforcement official from conducting a test for impairment based in part on the odor of recently burnt cannabis if the law enforcement official would otherwise be permitted to do so under New Hampshire law.	318-F:5 Odor and Personal Possession of Cannabis Not Grounds for a Search. I. Except as provided in paragraph II of this section, the odor of cannabis or burnt cannabis, or the possession of a quantity of cannabis that the officer does not have probable cause to believe exceeds the possession limit of cannabis, shall not constitute in part or in whole probable cause or reasonable suspicion and shall not be used as a basis to support any stop or search of a person or motor vehicle. II. Nothing in this section prevents a law enforcement official from conducting a test for impairment based in part on the odor of recently burnt cannabis if the law enforcement official would otherwise be permitted to do so under New Hampshire law.	

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318-F:8 Cannabis Commission. I. There is hereby established a cannabis commission, which shall have regulatory and licensing authority over cannabis establishments. The commission shall consist of the chairperson of the commission, 2 commissioners, and staff. II. No later than 30 days after the effective date of this chapter, the governor shall nominate the chairperson of the commission and the commissioners, who shall be confirmed with the advice and consent of the executive council following a public hearing before the executive council. Vacancies shall be filled in like manner for the unexpired term. (a) The chairperson of the commission shall serve a term of 6 years. (b) Commissioners shall each serve a term of 4 years. (c) The chairperson of the commission and commissioners shall be appointed based on their ability and commitment to fully implement the provisions of this chapter. (1) The chairperson must have demonstrated expertise in overseeing a regulated industry. (2) At least one commissioner or the chairperson shall have a background in public health. (3) At least one commissioner or the chairperson shall have a background in cannabis regulation or in the production and distribution of cannabis. (4) The governor shall seek to ensure at least one commissioner or the chairperson also has a background in financing small and minority-owned businesses.		Removes the Cannabis Commission

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(5) The governor shall seek to ensure at least one commissioner or the chairperson also has a background in civil rights or social justice. (6) No person shall be appointed chairperson of the commission or a commissioner if the person is opposed to making cannabis legal and regulated for adults 21 and older at the time of the passage of this chapter. (d) The chairperson shall be a full-time unclassified employee and shall engage in no other gainful employment during his or her term. (e) The annual salary of the commission chairperson shall be as specified in RSA 94:1-a and shall be established by the joint committee on employee classification pursuant to the procedure set forth in RSA 14:14-c and RSA 94:1-d. The chairperson shall receive his or her reasonable expenses while traveling in the performance of his or her duties, provided that the chairperson shall not be allowed as expenses travel between his or her place of residence and the commission chairperson's office in Concord, nor shall the commission chairperson be allowed board or lodging while in Concord. (f) Except as provided in this section, each commissioner shall be paid $300 a day, or $150 per half-day, plus mileage at the state employee rate while engaged in his or her official duties. These rates shall be adjusted annually to account for inflation or deflation based on the consumer price index. III.(a) The chairperson of the commission shall be appointed and commissioned as such and shall be the administrative head of the commission.		

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(b) The commission shall meet at least once per month for the 12 months after the effective date of this section and at least once every 3 months thereafter. (c) The chairperson of the commission shall lead the administration of the commission and oversee the licensing and regulation of cannabis, with guidance from the commissioners. (d) The commission may hire and terminate such staff necessary to carry out the purpose of the commission and to fix their compensation, subject to the rules of the director of personnel. The commission may authorize expenditures that are reasonably necessary for the administration of this chapter and may secure any necessary technical or professional assistance. IV.(a) The commission may, subject to rules adopted by the director of personnel, employ and dismiss cannabis control investigators. Cannabis control investigators shall, under the direction of the commission, investigate any or all matters arising under this chapter. (b) Any cannabis control investigator employed by the commission shall, within 6 months of employment, satisfactorily complete a police training program as provided by RSA 106-L:6, unless he or she has already completed such a program. (c) The chairperson of the commission, commissioner, staff, or cannabis control investigator may enter any cannabis establishment, at any time, and may examine any registration issued or purported to have been issued under the terms of this chapter. V. The chairperson of the commission and commissioners shall not have any interest, directly or indirectly, in any business under the jurisdiction of the commission or any other cannabis business.		

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VI. The governor and council may remove a chairperson of the commission or a commissioner for neglect of duty, misconduct, or malfeasance in office, after providing the individual with a written statement of the charges and an opportunity to be heard. VII. No member of the commission shall render any professional service for any cannabis establishment in this state, or any affiliate thereof, or act as attorney or render professional service against any such cannabis establishment or affiliate; nor shall he or she be a member of a firm which renders any such service; nor shall he or she directly or indirectly be a party to any contract with any such cannabis establishment. This prohibition shall remain in force for 12 months following membership on the commission. VIII. In addition to any other type of behavior or activity of a chairperson of the commission or commissioner that is proscribed by law, a chairperson of the commission or commissioner shall conduct himself or herself in accordance with a code of ethics that shall include, but not be limited to, the following elements: (a) Avoidance of impropriety and the appearance of impropriety in all of his or her activities; (b) Performance of his or her duties impartially and diligently; (c) Avoidance of all ex parte communications concerning a case pending before the commission; (d) Abstention from public comment about a matter pending before the commission and require similar abstention on the part of commission personnel;		

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(e) Require staff and personnel, subject to commission direction, to observe the standards of fidelity and diligence that apply to the chairperson of the commission and commissioners; (f) Initiate appropriate disciplinary measures against commission personnel for unprofessional conduct; (g) Disqualify himself or herself from proceedings in which his or her impartiality might be reasonably questioned; (h) Inform himself or herself about personal and fiduciary interests and make a reasonable effort to inform himself or herself about the personal financial interests of his or her spouse and minor children; (i) Regulate his or her extracurricular activities to minimize the risk of conflict with his or her official duties; (j) Refrain from solicitation of funds for any political purpose, nor shall they be listed as an officer, director, or trustee of such organizations; and (k) Refrain from financial or business dealings that would tend to reflect adversely on his or her impartiality. IX. The chairperson of the commission or a commissioner may speak, write, or lecture concerning the regulatory process in New Hampshire but shall be reimbursed only for actual expenses incurred therein. X. No chairperson of the commission or commissioner shall accept any employment with any cannabis establishment regulated by the commission until one year after he or she shall become separated from the commission. XI. The commission shall be provided with suitable offices in the city of Concord and shall adopt a proper seal.		

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XII. The commission shall be provided with an office in which its records, documents, and books shall be kept, and with a suitable room in which it may hold hearings. XIII. The commission may confer and cooperate with any other state or local agency in any matter relating to its duties. 318-F:9 Cannabis Advisory Board. I. There shall be a cannabis advisory board to study and make recommendations consistent with the purpose and findings of this chapter on the regulation of cannabis and cannabis products in New Hampshire. II. No later than 90 days after the effective date of this chapter, the governor shall nominate members of the advisory board, who shall be confirmed with the advice and consent of the executive council. The board shall consist of 13 members, and shall consist of: one expert in cannabis cultivation, one expert in cannabis retailing, one expert in cannabis product manufacturing, one expert in cannabis testing, one board member or officer of an alternative treatment center, one registered medical cannabis patient, one individual who represents cannabis consumers, 2 experts in public health, one expert in law enforcement, one expert in social welfare or criminal justice, one expert in financing small cannabis businesses; and one attorney with experience providing legal services to cannabis businesses, cannabis consumers or medical cannabis patients. No more than one advisory board member may work for or hold a financial or equitable interest in a business that sells, grows, or manufactures cannabis in a jurisdiction outside of New Hampshire. III. Members of the board shall serve terms of 2 years. Members of the board shall serve without compensation but shall be reimbursed for their expenses actually and necessarily incurred in the discharge of their		Removes the Cannabis Advisory Board

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official duties, including mileage at the state employee rate for attendance to meetings and other official functions. IV. The board shall meet at the discretion of the commission, but shall meet no less frequently than once every 2 months for the first 9 months after the effective date of this section. V. A majority of the members of the board present and voting shall constitute a quorum. VI. The cannabis advisory board shall: (a) Advise the commission on regulations to ensure the thorough and efficient implementation of this chapter. (b) Advise the commission on what additional types of cannabis establishments, if any, the commission should register, including on-site consumption facilities, along with recommendations on their licensure and regulation. (c) Consider all matters submitted to it by the commission. (d) Hold a hearing to solicit public input no less frequently than once every 6 months, including input on the availability of reasonably priced therapeutic cannabis at alternative treatment centers with dual use certificates. (e) Advise the commission spending and recommend any modifications to ensure the thorough and efficient implementation of this chapter. (f) Make recommendations for changes to the law and regulations, including: (1) Changes that are necessary or advisable once federal law allows interstate cannabis sales;		

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(2) Whether the personal possession, cultivation, and purchase limits should be modified or eliminated; and (3) Whether to alter or abolish the commission.	318-F:6 Enforcement Authority. I. The commission shall have the primary responsibility for enforcing this chapter. Local, county, and state law enforcement officers shall also have jurisdiction to enforce this chapter. Such authority may be delegated to agents working under their authority. II. The commission shall have the authority to interpret statutes and administrative rules as they relate to this chapter. III. The commission may transfer funds within and among all accounting units within the commission's operating budget and to create accounting units and expenditure classes as required and as the commissioner deems necessary and appropriate to address present or projected budget deficits, or to respond to changes in federal law, regulations, or programs, and otherwise as necessary for the efficient management of the liquor commission and cannabis funds. The provisions of this section shall not be subject to RSA 9:16-a, RSA 9:17-a, and RSA 9:17-c. IV. The commission may pay staff members working on both liquor and cannabis matters increased wages until 18 months after the first retail cannabis establishment license is issued. A 10 percent stipend shall be established for commission staff based on their salary, when engaged in the development and all administrative aspects of the program.	Designates the Liquor Commission/Liquor and Cannabis Commission as cannabis enforcement authority.

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318-F:10 Regulation of Cannabis.	318-F:7 Regulation of Cannabis.	Changes requirement from adoption of rules to initiation of rulemaking process.
I. Not later than one year after the effective date of this section, the commission shall adopt rules, pursuant to RSA 541-A, for the registration and regulation of cannabis cultivation facilities and for the issuance of dual use certificates. Not later than 15 months after the effective date of this section, the commission shall adopt rules, pursuant to RSA 541-A, for the registration and regulation of all other cannabis establishments and on the manufacture and sale of cannabis accessories. The rules shall include the following:	I. Not later than one year after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of cannabis cultivation facilities and for the issuance of dual use certificates. Not later than 15 months after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of all other cannabis establishments and on the manufacture and sale of cannabis accessories. The rules shall include the following:	Changes registration to licensing.
(a) Procedures for the issuance, transfer, denial, renewal, suspension, and revocation of a registration for cannabis establishments, including procedures to hear complaints and impose penalties if alternative treatment centers with dual use certificates fail to provide an adequate supply and variety of therapeutic cannabis and cannabis products for qualifying patients.	(a) Procedures for the application for, issuance, transfer, approval, denial, renewal, suspension, and revocation of a registration for cannabis establishments, including procedures to hear complaints and impose penalties if alternative treatment centers with dual use certificates fail to provide an adequate supply and variety of therapeutic cannabis and cannabis products for qualifying patients.	Adds application and approval. *Refers to registration where it was changed to licensing above.
(b) A schedule of reasonable application, registration, and annual renewals, provided:	(b) A fee schedule of reasonable application, registration, and annual renewal fees, provided:	Adds the word "fee."
(1) That the non-refundable portion of application fees shall not exceed $1,000, with this upper limit adjusted annually for inflation;	(1) That the non-refundable portion of application fees shall not exceed $1,000, with this upper limit adjusted annually for inflation; and	
(2) The application, registration, and annual renewal fees for the smallest tier of cultivation facilities may not exceed $250;		Removes subparagraphs (2) and (3).
(3) All other registration and annual renewal fees shall not exceed $10,000; and		
(4) That cultivation facility licensing fees be tiered based on the size of the facilities, with a maximum fee of $7,500 for all but the largest tier of cultivation facilities.	(2) That cultivation facility licensing fees be tiered based on the size of the facilities.	Removes cultivation facility maximum licensing fee language.

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(c) Qualifications for **registration** that are directly and demonstrably related to the operation of a cannabis establishment and which may not disqualify applicants solely for cannabis offenses prior to the effective date of this chapter.	(c) Qualifications for **licensure** that are directly and demonstrably related to the operation of a cannabis establishment and which may not disqualify applicants solely for cannabis offenses prior to the effective date of this chapter.	Registration to licensure
	(d) Criteria for selection among applicants when there are more qualified applicants than there are number of registrations available in a particular municipality.	Adds a rulemaking requirement.
(d) Regulations to create at least **3 tiers** of cultivation facilities, based on the size of the facility or the number of plants cultivated and providing:	(e) Regulations to create at least **2-4 tiers** of cultivation facilities, based on the size of the facility or the number of plants cultivated and providing:	Changes 3 tiers to 2-4 tiers.
(1) That outdoor cultivation facilities shall be allowed to cultivate 3 times the square footage of canopy as indoor cultivation facilities of the same tier;	(1) That outdoor cultivation facilities shall be allowed to cultivate 3 times the square footage of canopy as indoor cultivation facilities of the same tier;	
(2) That security regulations and licensing fees shall vary based on the size of the cultivation facility and that regulatory burdens shall be no more onerous than is reasonably necessary; and	(2) That security regulations and licensing fees shall vary based on the size of the cultivation facility and that regulatory burdens shall be no more onerous than is reasonably necessary; and	
(3) That cultivation facilities may move up to a higher tier at least once per year if they meet the security requirements and pay the associated fee, except that the commission may suspend this provision in the event of an oversupply.	(3) That cultivation facilities may move up to a higher tier at least once per year if they meet the security requirements and pay the associated fee, except that the commission may suspend this provision in the event of an oversupply.	
(e) Record keeping requirements for cannabis establishments, including requirements for implementation and compliance with the tracking system **required by RSA 318-F:10, IV**.	(f) Record keeping requirements for cannabis establishments, including requirements for implementation and compliance with the tracking system.	Removes statutory reference to required tracking system.
(f) Requirements for the transportation of cannabis between cannabis establishments, including documentation that shall accompany any cannabis being transported **by cannabis cultivation facilities**.	(g) Requirements for the transportation of cannabis **and cannabis products** between cannabis establishments, including documentation that shall accompany any cannabis being transported.	Adds cannabis products. Removes "by cannabis cultivation facilities."

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(g) Procedures for the delivery of cannabis to consumers, including documentation that shall accompany any cannabis being transported to consumers.		Removes a rulemaking requirement.
(h) A schedule of civil fines as are authorized in this chapter for violations of chapter requirements, provided that, not later than 18 months after the effective date of this chapter the commission shall report to the chairpersons of the house and senate ways and means committees its proposal for a fine schedule and for legislation needed to implement the schedule.	(h) A schedule of fines as are authorized in this chapter for violations of statutory requirements, provided that, not later than 18 months after the effective date of this chapter the commission shall report to the chairpersons of the house and senate ways and means committees its proposal for a fine schedule and for legislation needed to implement the schedule.	Removes "civil" and changes "chapter" to "statutory.'
(i) Procedures for hearings on civil fines and suspensions and revocations of a cannabis establishment registration.	(i) Procedures for hearings on penalties to include but not limited to administrative fines, suspensions, and revocations of licenses.	Adjusts language calling for rulemaking for hearings on penalties.
(j) Reasonable security requirements for each type of cannabis establishment, which may be varied based on the size of the cannabis establishment.	(j) Reasonable security requirements for each type of cannabis establishment, which may be varied based on the size of the cannabis establishment.	
(k) Health and safety rules, including regarding the packaging and preparing of cannabis and restricting the use of pesticides that may be dangerous to cannabis consumers;	(k) Health and safety rules, including but not limited to the packaging and preparing of cannabis products, restricting the use of pesticides and other chemicals during cultivation and processing that may be dangerous to cannabis consumers, and sanitation requirements;	Adjusts language calling for rulemaking on health and safety.
(l) Restrictions on the advertising, signage, marketing, and display of cannabis, including but not limited to:	(l) Restrictions on the advertising, signage, marketing, and display of cannabis and cannabis products, including but not limited to:	
(1) A prohibition on mass-market campaigns that have a high likelihood of reaching minors,	(1) A prohibition on mass-market campaigns that have a likelihood of reaching minors;	
(2) Restrictions to prevent cannabis from being marketed to minors,	(2) A prohibition on marketing to minors, including marketing specifically related to social media;	Adjusts language calling for rulemaking prohibiting marketing to minors.
(3) A prohibition on cannabis products that are named, packaged, marketed, or designed in a way that mimics or is likely to cause confusion with commercially available, trademarked non-cannabis	(3) A prohibition on cannabis products that are named, packaged, marketed, or designed in a way that mimics or is likely to cause confusion with commercially available, trademarked non-cannabis	

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products, including relating to their logos, the sound of the product or brand, packaging, taste, appearance, and commercial impression, and (4) A prohibition on giveaways of cannabis, cannabis products, or cannabis accessories. (m) The department **may** require that any advertising for cannabis or cannabis products include a standard, recognizable symbol. (n) Restrictions on where a cannabis **cultivation facility** may be located, consistent with the provisions of this chapter. (o) Restrictions on the hours of sale when a retail cannabis store may sell cannabis and cannabis products, provided the regulations shall not allow retail stores to begin sales before 6:00 a.m. or to sell cannabis or cannabis products after 11:45 p.m. (p) Packaging, product manufacturing, and labeling requirements for cannabis and cannabis products, including: (1) Mandating the disclosure of the THC content of each product; (2) Requirements to ensure cannabis products and their packaging are not designed to appeal to or be attractive to minors, including providing that they cannot be in the shape of cartoons, toys, animals, or people; and (3) Establishing the maximum amount of THC that may be included in each serving; and	products, including relating to their logos, the sound of the product or brand, packaging, taste, appearance, and commercial impression; (4) A prohibition on giveaways of cannabis, cannabis products, or cannabis accessories, **including samples**; **(5) A prohibition on billboard advertising, sound trucks, or outdoor internally illuminated screen displays consistent with alcohol advertising prohibitions in RSA 179:31; and** (6) **A requirement for any advertising** to include a standard, recognizable symbol that a product contains cannabis or THC. (m) Restrictions on where a cannabis **establishment** may be located, consistent with the provisions of this chapter. (n) Restrictions on the hours of sale when a retail cannabis store may sell cannabis and cannabis products, provided the regulations shall not allow retail stores to begin sales before 6:00 a.m. or to sell cannabis or cannabis products after 11:45 p.m. (o) Packaging, product manufacturing, and labeling requirements for cannabis and cannabis products, including: (1) Mandating the disclosure of the THC content of each product; (2) Requirements to ensure cannabis products and their packaging are not designed to appeal to or be attractive to minors, including providing that they cannot be in the shape of cartoons, toys, animals, or people; and (3) Establishing the maximum amount of THC that may be included in each **cannabis product serving as 20 milligrams, except that the commission may change this amount through rulemaking**;	Adds requirement for rules prohibiting samples; prohibiting billboard and other advertising. Requires, rather than allows, rules for advertising to include a standard symbol indicating a product contains THC. Changes restrictions on location from cannabis **cultivation facilities** to **cannabis establishments.** Sets 20mg THC serving size maximum, changeable through rules.

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(4) Prohibiting flavors and designs of cannabis-infused beverages, oils, and edibles that resemble or imitate candy flavors that are marketed to minors.	(4) Prohibiting flavors and designs of cannabis-infused beverages, oils, and edibles that resemble or imitate candy flavors that are marketed to minors;	
	(5) Warnings, including but not limited to, those described in RSA 318F:16;	Requirements added.
	(6) A requirement for any label, an for certain products where appropriate, to include a standard, recognizable symbol that a product contains cannabis or THC; and	
	(7) Potency limits for cannabis products.	
(q) Health and safety rules and standards for the manufacture of cannabis products, including:	(p) Health and safety rules and standards for the **cultivation of cannabis and** manufacture of cannabis products, including:	Cultivation added to requirement for health and safety rules.
(1) **Restrictions or** prohibitions on additives to products that are toxic, misleading to consumers, or designed to make the product more appealing to children;	(1) Prohibitions on additives to products that are toxic, misleading to consumers, or designed to make the product more appealing to children;	
(2) Safety standards regulating the manufacture of cannabis extracts and **concentrates**; and	(2) Safety standards regulating the manufacture of cannabis extracts and **concentrated cannabis products**; and	Language adjustments identified in grey.
(3) A prohibition on the inclusion of nicotine and other additives to products that are designed to make the product more addictive.	(3) A prohibition on the inclusion of nicotine and other additives to **cannabis** products that are designed to make the product more addictive **or more intoxicating**.	
(r) Standards for the operation of testing laboratories, including requirements for equipment and qualifications for personnel.	(q) Standards for the operation of testing laboratories, including requirements for equipment and qualifications for personnel.	
(s) Requirements for the testing of cannabis, including:	(r) Requirements for the testing of cannabis **and cannabis products**, including:	
(1) Requirements to ensure at a minimum that products sold for human consumption do not contain contaminants that are injurious to health and to ensure correct labeling;	(1) Requirements to ensure at a minimum **that cannabis and cannabis** products sold for human consumption do not contain contaminants that are injurious to health and to ensure correct labeling;	

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(2) That testing shall include, but not be limited to, analysis for residual solvents, poisons, or toxins; harmful chemicals; dangerous molds or mildew; filth; dangerous pesticides and harmful microbials, such as E. coli or salmonella;	(2) That testing shall include, but not be limited to, analysis for residual solvents, poisons, or toxins; harmful chemicals; dangerous molds or mildew; filth; dangerous herbicides, pesticides, and fungicides, heavy metals, and harmful microbials, such as E. coli or salmonella;	
	(3) Threshold levels for each contaminant listed in subparagraph (2);	
(3) Providing that in the event that test results indicate the presence of quantities of any substance determined to be injurious to health, such products shall be immediately quarantined and immediate notification to the commission shall be made. The adulterated product shall be documented and properly destroyed;	(4) Providing that in the event that test results indicate the presence of quantities of any substance determined to be injurious to health, such cannabis or cannabis products shall be immediately quarantined and immediate notification to the commission shall be made. The contaminated product shall be documented and properly destroyed;	
(4) That testing shall also verify THC potency representations for correct labeling;	(5) That testing shall also verify THC and other cannabis potency representations for correct labeling;	
(5) That the commission shall determine an acceptable variance for potency representations and procedures to address potency misrepresentations; and	(6) That the commission shall determine an acceptable variance for potency representations and procedures to address potency misrepresentations;	
(6) That the commission shall determine the protocols and frequency of cannabis testing by a cannabis testing facility.	(7) That the commission shall determine the protocols and frequency of cannabis testing by a cannabis testing facility.	
	(8) Allowances for remediation of cannabis and cannabis products whose test results are in excess of established thresholds; and	Requirements added.
	(9) Minimum testing requirements for an effective cannabis and cannabis product quality assurance program for cannabis cultivation facilities and cannabis product manufacturing facilities.	
(t) Reasonable health and safety restrictions on cannabis accessories that may be manufactured or sold in New Hampshire,	(s) Reasonable health and safety restrictions on cannabis accessories that may be manufactured or sold in New Hampshire,	

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including a prohibition on any vaporization device that includes toxic or addictive additives. The commission may prohibit types of vaporizers that are particularly likely to be utilized by minors without detection, but may not completely ban or unreasonably restrict the manufacture or sale of vaporization devices.	including a prohibition on any vaporization device that includes toxic or addictive additives. The commission may prohibit types of vaporizers that are particularly likely to be utilized by minors without detection, but may not completely ban or unreasonably restrict the manufacture or sale of vaporization devices.	
(u) Training and continuing education required or recommended for licensees, which shall include training on checking photo identification and for false identification.	(t) Training and continuing education required or recommended for licensees, which shall include training on checking photo identification and for false identification.	
(v) Requirements that cannabis retail stores stock cannabis products, including flower, with low and moderate amounts of THC and that they be at least as prominently displayed as high potency products.	(u) Requirements that cannabis retail stores stock cannabis products, including flower, with low and moderate amounts of THC and that they be at least as prominently displayed as high potency products.	
II.(a) In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a retail cannabis store with personal information other than government-issued identification to determine the consumer's age, and a retail cannabis store shall not be required to acquire and record personal information about consumers.	II.(a) In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a retail cannabis store with personal information other than government-issued identification to determine the consumer's age, and a retail cannabis store shall not be required to acquire and record personal information about consumers.	
(b) In order to ensure that individual privacy is protected, no cannabis establishment may record or store a consumer's name, address, purchases, or contact information unless the consumer consents in writing. No cannabis establishment may make granting permission for the collection or storage of the above information a condition of a consumer purchasing cannabis from the establishment.	(b) In order to ensure that individual privacy is protected, no cannabis establishment may record or store a consumer's name, address, purchases, or contact information unless the consumer consents in writing. No cannabis establishment may make granting permission for the collection or storage of **such** information a condition of a consumer purchasing cannabis from the establishment.	
III. Not later than **15 months** after the effective date of this chapter, the commission, in consultation with the department, shall develop an informational handout, which retail stores shall make available to all consumers, and which shall include information detailed in **RSA 318-F:17**.	III. Not later than **18 months** after the effective date of this chapter, the commission, in consultation with the department, shall develop an informational handout, which retail stores shall make available to all consumers, and which shall include information detailed in **RSA 318-F:14**.	15 months to 18 months Updates proposed statutory reference. Abrami comment #4

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IV. The commission shall require all cannabis establishments to utilize an inventory tracking system, including use of a universal product code, for tracking the transfer of cannabis and cannabis products between licensed cannabis establishments and the sale of cannabis and cannabis products to consumers. The system shall ensure an accurate accounting of the production, processing, and sale of cannabis and cannabis products and shall enable separate tracking of cannabis flowers, immature cannabis plants, and other parts of cannabis sold from cannabis cultivation facilities. The system shall allow for the tracking of lab testing results for all cannabis and shall be capable of swiftly identifying all products involved in a product recall. The commission may develop and maintain a system that satisfies the requirements of this section, or it may select a vendor to develop and maintain a system.	IV. The commission shall require all cannabis establishments to utilize an inventory tracking system, including use of a universal product code, for tracking the transfer of cannabis and cannabis products between licensed cannabis establishments and the sale of cannabis and cannabis products to consumers. The system shall ensure an accurate accounting of the production, processing, and sale of cannabis and cannabis products and shall enable separate tracking of cannabis flowers, immature cannabis plants, and other parts of cannabis sold from cannabis cultivation facilities. The system shall allow for the tracking of lab testing results for all cannabis and shall be capable of swiftly identifying all products involved in a product recall. The commission may develop and maintain a system that satisfies the requirements of this section, or it may select a vendor to develop and maintain a system.	
V. No later than **15 months** after the effective date of this chapter, and every year thereafter, the commission shall reevaluate the fines and penalties established in RSA 318-F, and shall report in writing on its findings and recommendations to the chairpersons of the house and senate ways and means committees.	V. No later than **24 months** after the effective date of this chapter, and every year thereafter, the commission shall reevaluate the fines and penalties established in RSA 318-F, and shall report in writing on its findings and recommendations to the chairpersons of the house and senate ways and means committees.	Changes 15 months to 24 months
VI. The commission may regulate synthetic cannabinoids and intoxicating products derived from hemp.	VI. The commission may regulate synthetic cannabinoids and intoxicating products derived from hemp.	
VII. No later than **18 months** after the effective date of this section, **after receiving input from the advisory board**, the commission shall make written recommendations to the general court regarding the regulation of hemp including:	VII. No later than **36 months** after the effective date of this section, the commission shall make written recommendations to the general court regarding the regulation of hemp including:	Changes 18 months to 36 months; removes reference to advisory board
(a) What hemp products the commission would regulate;	(a) What hemp products the commission would regulate;	

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(b) How the products would be regulated, including whether registration would be required and whether hemp processors and manufacturers should be licensed and regulated by the commission; (c) Any registration fees or other charges that would be assessed on hemp products and license fees assessed on hemp processors and manufacturers; and (d) The resources required to regulate hemp processors, product manufacturers, hemp products, and the retail sale of intoxicating hemp products.	(b) How the products would be regulated, including whether registration would be required and whether hemp processors and manufacturers should be licensed and regulated by the commission; (c) Any registration fees or other charges that would be assessed on hemp products and license fees assessed on hemp processors and manufacturers; and (d) The resources required to regulate hemp processors, product manufacturers, hemp products, and the retail sale of intoxicating hemp products. **VIII. A prohibition on the manufacturing and sale of cannabis alcoholic beverages.**	Requirement added to prohibit cannabis alcoholic beverages.
318-F:11 Dual Use Certificates. I. No later than one year after the effective date of this chapter, the commission, after consulting with the department of health and human services and the therapeutic cannabis medical oversight board and holding at least one public hearing, shall develop regulations allowing alternative treatment centers registered to operate pursuant to RSA 126-X to apply for a dual use certificate. II. A separate dual use certificate is required for each alternative treatment center dispensing location. III. The commission shall levy a $10,000 application fee each dual use certificate. IV.(a) The commission shall grant or deny any application for a dual use certificate within 90 days. (b) The commission shall levy a $90,000 fee for each dual use certificate. The license shall not expire unless it is revoked.	318-F:8 Dual Use Certificates. I. No later than **18 months** after the effective date of this chapter, the commission, after consulting with the department of health and human services and the therapeutic cannabis medical oversight board and holding at least one public hearing, shall develop regulations allowing alternative treatment centers registered to operate pursuant to RSA 126-X to apply for a dual use certificate. II. A separate dual use certificate is required for each alternative treatment center dispensing location. III. The commission shall levy a $10,000 application fee each dual use certificate. IV.(a) The commission shall grant or deny any application for a dual use certificate within 90 days. (b) The commission shall levy a $90,000 fee for each dual use certificate. The license shall not expire unless it is revoked.	Changes one year to 18 months.

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V. The regulations for a dual use certificate shall include, but are not limited to:	V. The regulations for a dual use certificate shall include, but are not limited to:	
(a) Providing for separation of cannabis sales to qualifying patients and consumers, such as by requiring separate counters;	(a) Providing for separation of cannabis sales to qualifying patients and consumers, such as by requiring separate counters;	
(b) Requiring dual-use cannabis establishments to prioritize therapeutic cannabis access;	(b) Requiring dual-use cannabis establishments to prioritize therapeutic cannabis access;	
(c) Requiring dual-use cannabis establishments to maintain or increase the diversity of therapeutic cannabis products available for qualifying patients;	(c) Requiring dual-use cannabis establishments to maintain or increase the diversity of therapeutic cannabis products available for qualifying patients;	
(d) Requiring dual-use cannabis establishments to avoid raising prices for qualifying patients beyond the rate of inflation, for at least 2 years after dual use licensure;	(d) Requiring dual-use cannabis establishments to avoid raising prices for qualifying patients beyond the rate of inflation, for at least 2 years after dual use licensure;	
(e) A requirement that in the event of crowding, inadequate parking, or similar issues limiting therapeutic cannabis access, the dual-use cannabis establishment shall take measures to prioritize therapeutic cannabis access, such as setting aside certain business hours when the establishment will only serve qualifying patients and their designated caregivers; and	(e) A requirement that in the event of crowding, inadequate parking, or similar issues limiting therapeutic cannabis access, the dual-use cannabis establishment shall take measures to prioritize therapeutic cannabis access, such as setting aside certain business hours when the establishment will only serve qualifying patients and their designated caregivers; and	
(f) Providing for the suspension of sales of cannabis to adult-use consumers in the event of a product shortage.	(f) Providing for the suspension of sales of cannabis to adult-use consumers in the event of a product shortage.	
VI.(a) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers shall meet the requirements of RSA 126-X:8 and rules issued pursuant to chapter RSA 126-X.	VI.(a) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers shall meet the requirements of RSA 126-X:8 and rules issued pursuant to chapter RSA 126-X.	
(b) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers may have higher THC per serving than is permitted by rules	(b) Cannabis sold by alternative treatment centers holding dual use certificates to qualifying patients directly or via their designated caregivers may have higher THC per serving than is permitted by rules	Abrami comment #5

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governing cannabis establishment that are issued pursuant to RSA 318-F:10.	governing cannabis establishment that are issued pursuant to RSA 318-F:10.	
VII. Cannabis stores affiliated with alternative treatment centers holding dual use certificates may sell cannabis grown and processed by those alternative treatment centers to consumers provided they comply with rules issued pursuant to this section and RSA 318-F:10.	VII. Cannabis stores affiliated with alternative treatment centers holding dual use certificates may sell cannabis grown and processed by those alternative treatment centers to consumers provided they comply with rules issued pursuant to this section and RSA 318-F:10.	
318-F:12 Transition of Therapeutic Cannabis Program.	318-F:9 Transition of Therapeutic Cannabis Program.	
I. No later than 20 months after the effective date of this chapter, the commission, jointly with the department of health and human services, shall develop a proposal to move the therapeutic cannabis program to the commission. The chairperson of the commission shall deliver the proposal to the house of representatives health, human services and elderly affairs and the New Hampshire senate health and human services committee.	I. No later than 20 months after the effective date of this chapter, the commission, jointly with the department of health and human services, shall make a recommendation to the health and human services oversight committee whether to transfer the department's therapeutic cannabis program to the commission.	Changes terms of proposal regarding moving therapeutic cannabis to commission.
II. The proposal shall include a plan to allow cannabis retail stores to obtain a therapeutic cannabis endorsement that would allow them to serve qualifying patients without imposing the meals, cannabis, and rooms tax.	II. The proposal shall include a plan to allow cannabis retail stores to obtain a therapeutic cannabis endorsement that would allow them to serve qualifying patients without imposing the excise tax in RSA 318-F:23.	Changes reference to the tax type.
318-F:13 Registration Procedures for Cannabis Establishments.	318-F:10 Licensure Procedures for Cannabis Establishments.	
I. Each application for a registration to operate a cannabis establishment shall be submitted to the commission.	I. Each application for a license to operate a cannabis establishment shall be submitted to the commission.	
II. Each application shall include both the fee established by the commission and a $500 fee for the municipality to review the application, except that the municipal fee shall be $75 in the case of the smallest tier of cultivation facilities.	II. Each application shall include both the fee established by the commission and a $500 fee for the municipality to review the application, except that the municipal fee shall be $75 in the case of the smallest tier of cultivation facilities.	
III. The commission shall:	III. The commission shall:	
(a) Accept and process applications beginning no later than 14 months after the effective date of this chapter for cannabis cultivation		Removes language regarding timeline for accepting and processing different license application types.

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facilities, beginning no later than 17 months after the effective date of this chapter for cannabis product manufacturing facilities, cannabis transporters, and cannabis testing facilities, and beginning no later than 18 months after the effective date of this chapter for retail cannabis stores;		
(b) Immediately forward a copy of each application and the municipal fee to the municipality in which the applicant desires to operate the cannabis establishment; and	(a) Immediately forward a copy of each application and the municipal fee to the municipality in which the applicant desires to operate the cannabis establishment; and	
(c) Issue a registration to the applicant within 90 days after receipt of an application unless:	(b) Issue a **registration** to the applicant within 90 days after receipt of an application unless:	Should this be "license" to conform to other changes?
(1) The commission finds the applicant is not in compliance with the requirements of this chapter or rules adopted under this chapter;	(1) The commission finds the applicant is not in compliance with the requirements of this chapter or rules adopted under this chapter;	
(2) The commission is notified by the relevant municipality that the applicant is not in compliance with an ordinance adopted pursuant to this chapter and in effect at the time of application; or	(2) The commission is notified by the relevant municipality that the applicant is not in compliance with an ordinance adopted pursuant to this chapter and in effect at the time of application; or	
(3) More qualified applicants have applied than the number of registrations available in the municipality, and the applicant was not selected.	(3) More qualified applicants have applied than the number of registrations available in the municipality, and the applicant was not selected.	
(d) Accept and process applications on an ongoing basis.	**(d) Accept and process applications on an ongoing basis.**	Abrami comment #6
IV. Each registration applies to a single parcel of real property. Any additional address requires a separate application and registration.	IV. Each **registration** applies to a single parcel of real property. Any additional address requires a separate application and **registration**.	Should this be "license" to conform to other changes?
V. A renewal application may be submitted up to 90 days prior to the expiration of the cannabis establishment's registration. The renewal application shall be granted within 30 days of its submission unless the applicant has not paid the fee, the cannabis establishment's registration is suspended or revoked, or the cannabis establishment has a pattern of	V. A renewal application may be submitted up to 90 days prior to the expiration of the cannabis establishment's **registration**. The renewal application shall be granted within 30 days of its submission unless the applicant has not paid the fee, the cannabis establishment's **registration** is suspended or revoked, or the cannabis establishment has a pattern of	

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violations of this law, the rules issued pursuant to it, or municipal regulations.	violations of this chapter, the rules issued pursuant to it, or municipal regulations.	
VI.(a) An applicant shall not be rejected on the basis that the applicant has not purchased or leased the property where the cannabis establishment would be located. However, the applicant may be required to specify the municipality in which it intends to operate.	VI.(a) An applicant shall not be rejected on the basis that the applicant has not purchased or leased the property where the cannabis establishment would be located. However, the applicant may be required to specify the municipality in which it intends to operate.	
(b) The commission shall provide conditional approval for applicants that have not yet purchased or leased the property where the cannabis establishment would be located, or who require additional work on the business.	(b) The commission shall provide conditional approval for applicants that have not yet purchased or leased the property where the cannabis establishment would be located, or who require additional work on the business.	
(c) Once the applicant provides the commission with a completed, supplemental application that identifies the property where the cannabis establishment is to be located, the commission shall forward the information to the local regulatory authority and approve or reject the final application within 45 days.	(c) Once the applicant provides the commission with a completed, supplemental application that identifies the property where the cannabis establishment is to be located, the commission shall forward the information to the local regulatory authority and approve or reject the final application within 45 days.	
VII. Nothing in this chapter shall prevents a person or entity from holding multiple types of cannabis registration and from co-locating the businesses.	VII. Nothing in this chapter shall prevents a person or entity from holding multiple types of cannabis licenses and from co-locating the businesses. However, no cannabis cultivation facility, cannabis product manufacturing facility, retail cannabis store, or cannabis accessory retailer, shall have a direct or indirect interest in any cannabis testing facility.	Adds language prohibiting certain licensees from having an interest in a cannabis testing facility. Abrami comment #7
318-F:14 Enactment of Municipal Ordinances.	318-F:11 Enactment of Municipal Ordinances.	
I. A municipality may enact an ordinance prohibiting or limiting the number and type of cannabis establishments that may be permitted within the municipality and regulating the time, place, and manner of operation of a cannabis establishment, which is permitted within the municipality. A locality's prohibition on cannabis establishments may not	I. A municipality may enact an ordinance prohibiting or limiting the number and type of cannabis establishments that may be permitted within the municipality and regulating the time, place, and manner of operation of a cannabis establishment, which is permitted within the municipality. A locality's prohibition on cannabis establishments may not	

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prohibit transportation through the locality or deliveries within the locality by cannabis establishments located in other jurisdictions.	prohibit transportation through the locality or deliveries within the locality by cannabis establishments located in other jurisdictions.	
II. A municipality may enact an ordinance specifying the entity within the municipality that shall be responsible for reviewing applications submitted for a registration to operate a cannabis establishment within the municipality. The entity designated by the municipality shall be responsible for indicating whether the application is in compliance with municipal ordinances.	II. A municipality may enact an ordinance specifying the entity within the municipality that shall be responsible for reviewing applications submitted for a registration to operate a cannabis establishment within the municipality. The entity designated by the municipality shall be responsible for indicating whether the application is in compliance with municipal ordinances.	
III. A municipality may not negotiate or enter into an agreement with a cannabis establishment or a cannabis establishment applicant requiring that the cannabis establishment or applicant provide money, donations, in–kind contributions, services, or anything of value to the locality.	III. A municipality may not negotiate or enter into an agreement with a cannabis establishment or a cannabis establishment applicant requiring that the cannabis establishment or applicant provide money, donations, in–kind contributions, services, or anything of value to the locality.	
318-F:15 Residency Required.	318-F:12 Residency Required.	
I. Except as provided in this section, any person applying for a cannabis establishment registration shall be a resident, or shall have at least one director, officer, or partner who is a New Hampshire resident.	I. Except as provided in this section, any person applying for a cannabis establishment registration shall be a resident, or shall have at least one director, officer, or partner who is a New Hampshire resident.	
II. This section shall not apply to an applicant for a testing facility registration.	II. This section shall not apply to an applicant for a testing facility **registration.**	Should this be "license" to conform to other changes?
318-F:16 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a registration, if the establishment would be located within 1,000 feet of the property line of a pre-existing public or private elementary or secondary school, **unless the municipality where the establishment seeks to operate has established a smaller distance limitation.**	318-F:13 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a **registration**, if the establishment would be located within 1,000 feet of the property line of a pre-existing public or private **pre-school**, elementary, or secondary school.	Removes municipality authority to reduce minimum proximity of cannabis establishment to school.

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318-F:17 Informational Materials and Warning Labels. I. The commission, in consultation with the department, shall design at least 2 versions of informational handout, one of which is specific to high potency products. II. A retail cannabis store shall include an informational handout designed by the commission in consultation with the department with all cannabis and cannabis products sold to consumers, and shall include the high potency version in all cannabis concentrates and other high potency sales. The informational handouts shall include scientifically accurate information, including: (a) Advice about the potential risks of cannabis, and, in the case of the high potency handout, risks specific to high potency products, including: (1) The risks of driving under the influence of cannabis, and the fact that doing so is illegal; (2) Any adverse effects unique to adolescents or young adults, including effects related to the developing mind; (3) Potential adverse events and other risks, including related to mental health; and (4) Risks of using cannabis during pregnancy or breastfeeding. This may be identical to that required under RSA 126-X:8, XVI(c)(7). (b) Information about methods for administering cannabis; (c) How long cannabis may impair a person after it is ingested in each manner; and (d) How to recognize problematic usage of cannabis and how to obtain appropriate services or treatment;	318-F:14 Informational Materials and Warning Labels. I. The commission, in consultation with the department, shall design at least 2 versions of informational handout, one of which is specific to high potency products. II. A retail cannabis store shall include an informational handout designed by the commission in consultation with the department with all cannabis and cannabis products sold to consumers, and shall include the high potency version in all cannabis concentrates and other high potency sales. The informational handouts shall include scientifically accurate information, including: (a) Advice about the potential risks of cannabis, and, in the case of the high potency handout, risks specific to high potency products, including: (1) The risks of driving under the influence of cannabis, and the fact that doing so is illegal; (2) Any adverse effects unique to adolescents or young adults, including effects related to the developing mind; (3) Potential adverse events and other risks, including related to mental health; and (4) Risks of using cannabis during pregnancy or breastfeeding. This may be identical to that required under RSA 126-X:8, XVI(c)(7). (b) Information about methods for administering cannabis; (c) How long cannabis may impair a person after it is ingested in each manner; and (d) How to recognize problematic usage of cannabis and how to obtain appropriate services or treatment;	

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(e) Information regarding safe storage and disposal of cannabis and paraphernalia to prevent accidental poisonings, including the contact information for the Northern New England Poison Control Center. This may be identical to that required under RSA 126-X:8, XVI(c)(8); and	(e) Information regarding safe storage and disposal of cannabis and paraphernalia to prevent accidental poisonings, including the contact information for the Northern New England Poison Control Center. This may be identical to that required under RSA 126-X:8, XVI(c)(8); and	
(f) Unless federal statutory law or case law has changed and such a warning is no longer accurate, a disclosure that:	(f) Unless federal statutory law or case law has changed and such a warning is no longer accurate, a disclosure that:	
(1) Cannabis is illegal under U.S. federal law, and	(1) Cannabis is illegal under U.S. federal law, and	
(2) Under the United States government's 1986 Gun Control Act, any 'unlawful' user of a controlled substance is prohibited from purchasing or owning a gun.	(2) Under the United States government's 1986 Gun Control Act, any 'unlawful' user of a controlled substance is prohibited from purchasing or owning a gun.	
III. The commission may require retail stores to display informational posters in conspicuous locations about the risks of cannabis use, including regarding risks during pregnancy and breastfeeding and risks of cannabis use in adolescents or by younger adults. The posters shall be scientifically accurate.	III. The commission may require retail stores to display informational posters in conspicuous locations about the risks of cannabis use, including regarding risks during pregnancy and breastfeeding and risks of cannabis use in adolescents or by younger adults. The posters shall be scientifically accurate.	
IV. All cannabis and cannabis products sold by a retail cannabis store shall include warning labels that provide the following information: "Warning: This product has intoxicating effects. For use by adults 21 and older. Keep out of reach of children." The department may require a standard, recognizable symbol on all cannabis packaging to signify that THC or other cannabinoids are included in the product.	IV. All cannabis and cannabis products sold by a retail cannabis store shall include warning labels that provide the following information: "Warning: This product has intoxicating effects. For use by adults 21 and older. Keep out of reach of children." The department may require a standard, recognizable symbol on all cannabis packaging to signify that THC or other cannabinoids are included in the product.	
V. All cannabis products sold by retail cannabis stores shall include:	V. All cannabis products sold by retail cannabis stores shall include:	
(a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed by up to 2 hours," unless the department determines that a different time frame should be specified.	(a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed by up to 2 hours," unless the commission determines that a different time frame should be specified.	"department" to "commission"

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(b) A disclosure of ingredients and possible allergens. (c) A nutritional fact panel. (d) Opaque, child-resistant packaging, which shall be designed or constructed to be significantly difficult for children under 5 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. section 1700.20. 318-F:18 Lawful Operation of Cannabis-Related Facilities. If undertaken by a person 21 years of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for seizure or forfeiture of assets under New Hampshire law: I. Possessing, displaying, or transporting cannabis or cannabis products; obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility; or sale, delivery, or distribution of cannabis or cannabis products to an adult who is 21 years of age or older or to retail cannabis stores or alternative treatment centers, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a retail cannabis store or is acting in his or her capacity as an owner, employee, or agent of a registered retail cannabis store. II. Cultivating, harvesting, processing, packaging, transporting, displaying, or possessing cannabis; obtaining or purchasing cannabis seeds or seedlings or immature cannabis plants from any adult 21 years of age or older; delivering or transferring cannabis to a cannabis testing facility; selling or transferring cannabis that has not been processed into extracts, concentrates, or other preparations to a cannabis cultivation facility, a	(b) A disclosure of ingredients and possible allergens. (c) A nutritional fact panel. (d) Opaque, child-resistant packaging, which shall be designed or constructed to be significantly difficult for children under 5 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. section 1700.20. 318-F:15 Lawful Operation of Cannabis-Related Facilities. If undertaken by a person 21 years of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for seizure or forfeiture of assets under New Hampshire law: I. Possessing, displaying, or transporting cannabis or cannabis products; obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility; or sale, delivery, or distribution of cannabis or cannabis products to an adult who is 21 years of age or older or to retail cannabis stores or alternative treatment centers, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a retail cannabis store or is acting in his or her capacity as an owner, employee, or agent of a licensed retail cannabis store. II. Cultivating, harvesting, processing, packaging, transporting, displaying, or possessing cannabis; obtaining or purchasing cannabis seeds or seedlings or immature cannabis plants from any adult 21 years of age or older; delivering or transferring cannabis to a cannabis testing facility; selling or transferring cannabis that has not been processed into extracts, concentrates, or other preparations to a cannabis cultivation facility, a	Should this be "license" to conform to other changes?

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cannabis product manufacturing facility, or a retail cannabis store or alternative treatment center; or obtaining or purchasing cannabis from a cannabis cultivation facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a **registered** cannabis cultivation facility.	cannabis product manufacturing facility, or a retail cannabis store or alternative treatment center; or obtaining or purchasing cannabis from a cannabis cultivation facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a **licensed** cannabis cultivation facility.	
III. Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing facility; selling cannabis or cannabis products to a retail cannabis store, alternative treatment center, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a cannabis product manufacturing facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid registration to operate a cannabis product manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a **registered** cannabis product manufacturing facility.	III. Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing facility; selling cannabis or cannabis products to a retail cannabis store, alternative treatment center, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a cannabis product manufacturing facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid **registration** to operate a cannabis product manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a **licensed** cannabis product manufacturing facility.	Should this be "license" to conform to other changes?
IV. Possessing, obtaining, cultivating, processing, storing, transporting, receiving, or displaying cannabis or cannabis products if the person or business entity has obtained a current, valid registration to operate a cannabis testing facility or is acting in his or her capacity as an owner, employee, or agent of a **registered** cannabis testing facility.	IV. Possessing, obtaining, cultivating, processing, storing, transporting, receiving, or displaying cannabis or cannabis products if the person or business entity has obtained a current, valid registration to operate a cannabis testing facility or is acting in his or her capacity as an owner, employee, or agent of a **licensed** cannabis testing facility.	
V. Engaging in any activities involving cannabis or cannabis products if the person or business entity conducting the activities has obtained a current, valid **registration** to operate a cannabis establishment	V. Engaging in any activities involving cannabis or cannabis products if the person or business entity conducting the activities has obtained a current, valid **license** to operate a cannabis establishment or is	

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or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis establishment, and the activities are within the scope of activities allowed by the commission for that type of cannabis establishment.	acting in his or her capacity as an owner, employee, or agent of a licensed cannabis establishment, and the activities are within the scope of activities allowed by the commission for that type of cannabis establishment.	
VI. Possessing, obtaining, cultivating, processing, storing, transporting, or receiving cannabis obtained from a cannabis establishment or transporting, delivering, or transferring cannabis to a cannabis establishment if the person or business entity has obtained a current, valid registration to operate a cannabis transporter or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis transporter.	VI. Possessing, obtaining, cultivating, processing, storing, transporting, or receiving cannabis obtained from a cannabis establishment or transporting, delivering, or transferring cannabis to a cannabis establishment if the person or business entity has obtained a current, valid license to operate a cannabis transporter or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis transporter.	
VII. Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; or obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility if the person or business entity conducting the activities described in this paragraph possesses a valid registration to operate an alternative treatment center or is acting in his or her capacity as an owner, employee, or agent of a registered alternative treatment center.	VII. Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; or obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility if the person or business entity conducting the activities described in this paragraph possesses a valid license to operate an alternative treatment center or is acting in his or her capacity as an owner, employee, or agent of a licensed alternative treatment center.	
VIII. Leasing or otherwise allowing the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with this chapter.	VIII. Leasing or otherwise allowing the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with this chapter.	
IX. Selling, offering for sale, transferring, transporting, or delivering cannabis to establishments licensed to process or sell cannabis under the laws of other states if the person or business entity has obtained a current, valid registration to operate a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility or is acting	IX. Selling, offering for sale, transferring, transporting, or delivering cannabis to establishments licensed to process or sell cannabis under the laws of other states if the person or business entity has obtained a current, valid license to operate a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility or is acting in his or	

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in his or her capacity as an owner, employee, or agent of a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility.	her capacity as an owner, employee, or agent of a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility.	
318-F:19 Proof of Purchaser's Identity.	318-F:16 Proof of Purchaser's Identity.	
I. For the purposes of this chapter, any person or entity making the sale of cannabis or cannabis accessories to any purchaser whose age is in question may accept any official documentation listed in RSA 179:8 as proof that the purchaser is 21 years of age or older.	I. For the purposes of this chapter, any person or entity making the sale of cannabis or cannabis accessories to any purchaser whose age is in question may accept any official documentation listed in RSA 179:8 as proof that the purchaser is 21 years of age or older.	
II. The establishment of all of the following facts by a retail cannabis store or an agent or employee of a retail store making a sale of cannabis or cannabis accessories to a person under the age of 21 shall constitute an affirmative defense to any prosecution for such sale:	II. The establishment of all of the following facts by a retail cannabis store or an agent or employee of a retail store making a sale of cannabis or cannabis accessories to a person under the age of 21 shall constitute an affirmative defense to any prosecution for such sale:	
(a) That the person presented what an ordinary and prudent person would believe to be valid documentation of a type listed in RSA 179:8.	(a) That the person presented what an ordinary and prudent person would believe to be valid documentation of a type listed in RSA 179:8.	
(b) That the sale was made in good faith relying upon such documentation and appearance in the reasonable belief that the person was 21 years of age or older. No identification scanning or collection of personally identifiable information shall be required under this section.	(b) That the sale was made in good faith relying upon such documentation and appearance in the reasonable belief that the person was 21 years of age or older. No identification scanning or collection of personally identifiable information shall be required under this section.	
318-F:20 Driving; Minors; and Control of Property.	318-F:17 Driving; Minors; and Control of Property.	
I. Nothing in this chapter shall be construed to permit driving or operating under the influence of drugs or liquor pursuant to RSA 265-A, nor shall this section prevent the state from enacting and imposing penalties for driving under the influence of or while impaired by cannabis.	I. Nothing in this chapter shall be construed to permit driving or operating under the influence of drugs or liquor pursuant to RSA 265-A, nor shall this section prevent the state from enacting and imposing penalties for driving under the influence of or while impaired by cannabis.	
II. Nothing in this chapter shall be construed to permit the transfer of cannabis, with or without remuneration, to a person under the age of 21,	II. Nothing in this chapter shall be construed to permit the transfer of cannabis, with or without remuneration, to a person under the age of 21,	

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or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume cannabis. III. Nothing in this chapter shall prohibit a state or county correctional facility from prohibiting the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of cannabis on or in the correctional facility's property. IV.(a) Except as provided in this section, this chapter does not require any person, corporation, or any other entity that occupies, owns, or controls a property to allow the consumption, cultivation, display, sale, or transfer of cannabis on or in that property. (b) In the case of the rental of a residential dwelling, a landlord shall not prohibit the possession of cannabis or the consumption of cannabis by non-smoked means unless: (1) The tenant is a roomer who is not leasing the entire residential dwelling; (2) The residence is incidental to the provision of educational, counseling, religious, or similar service; (3) The residence is a transitional housing facility; or (4) Failing to prohibit cannabis possession or consumption would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations. (c) This chapter shall not prevent a landlord from prohibiting cannabis smoking or cannabis cultivation. (d) An adult who is 21 or older may use cannabis on privately owned real property only with permission of the property owner or, in the case of leased or rented property, with the permission of the tenant in	or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume cannabis. III. Nothing in this chapter shall prohibit a state or county correctional facility from prohibiting the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of cannabis on or in the correctional facility's property. IV.(a) Except as provided in this section, this chapter does not require any person, corporation, or any other entity that occupies, owns, or controls a property to allow the consumption, cultivation, display, sale, or transfer of cannabis on or in that property. (b) In the case of the rental of a residential dwelling, a landlord shall not prohibit the possession of cannabis or the consumption of cannabis by non-smoked means unless: (1) The tenant is a roomer who is not leasing the entire residential dwelling; (2) The residence is incidental to the provision of educational, counseling, religious, or similar service; (3) The residence is a transitional housing facility; or (4) Failing to prohibit cannabis possession or consumption would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations. (c) This chapter shall not prevent a landlord from prohibiting cannabis smoking or cannabis cultivation. (d) An adult who is 21 or older may use cannabis on privately owned real property only with permission of the property owner or, in the case of leased or rented property, with the permission of the tenant in	

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possession of the property, except that a tenant shall not allow a person to smoke cannabis on rented property if smoking on the property violates the lease or the lessor's rental policies that apply to all tenants at the property. However, a tenant may permit an adult who is 21 or older to use cannabis on leased property by ingestion or inhalation through vaporization even if smoking is prohibited by the lease or rental policies. For purposes of this chapter, vaporization shall mean the inhalation of cannabis without the combustion of the cannabis.	possession of the property, except that a tenant shall not allow a person to smoke cannabis on rented property if smoking on the property violates the lease or the lessor's rental policies that apply to all tenants at the property. However, a tenant may permit an adult who is 21 or older to use cannabis on leased property by ingestion or inhalation through vaporization even if smoking is prohibited by the lease or rental policies. For purposes of this chapter, vaporization shall mean the inhalation of cannabis without the combustion of the cannabis.	
318-F:21 Enforcement of Contracts. Contracts related to the operation of a cannabis establishment registered pursuant to this chapter shall be enforceable. No contract entered into by a registered cannabis establishment or its employees or agents as permitted pursuant to a valid registration, or by those who allow property to be used by an establishment, its employees, or its agents as permitted pursuant to a valid registration, shall be unenforceable on the basis that cultivating, obtaining, manufacturing, distributing, dispensing, transporting, selling, possessing, or using cannabis is prohibited by federal law.	318-F:18 Enforcement of Contracts. Contracts related to the operation of a cannabis establishment licensed pursuant to this chapter shall be enforceable. No contract entered into by a licensed cannabis establishment or its employees or agents as permitted pursuant to a valid license, or by those who allow property to be used by an establishment, its employees, or its agents as permitted pursuant to a valid license, shall be unenforceable on the basis that cultivating, obtaining, manufacturing, distributing, dispensing, transporting, selling, possessing, or using cannabis is prohibited by federal law.	
318-F:22 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.	318-F:19 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.	
I. Except as provided in this section, a holder of a professional or occupational license may not be subject to professional discipline for:	I. Except as provided in this section, a holder of a professional or occupational license may not be subject to professional discipline for:	
(a) Providing advice or services related to cannabis establishments or applications to operate cannabis establishments on the basis that cannabis is illegal under federal law; or	(a) Providing advice or services related to cannabis establishments or applications to operate cannabis establishments on the basis that cannabis is illegal under federal law; or	
(b) Engaging in activities allowed by this chapter.	(b) Engaging in activities allowed by this chapter.	
II. An applicant for a professional or occupational license may not be denied a license based on:	II. An applicant for a professional or occupational license may not be denied a license based on:	

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(a) Previous employment related to cannabis establishments operating in accordance with state law; (b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors, or (c) Engaging in activities allowed by this chapter. III. Except as provided in this section, neither the state nor any of its political subdivisions may impose any penalty or deny any benefit or entitlement for conduct permitted under this chapter or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older. IV. Except as provided in this section, neither the state nor any of its political subdivisions may deny a driver's license, a professional license, housing assistance, social services, or other benefits based on cannabis use or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older. V. A person shall not be denied custody of or visitation with a minor for acting in accordance with this chapter, unless the person's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated. VI. Except as provided in this section, neither the state nor any of its political subdivisions may discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person in employment or contracting, if the discrimination is based upon either of the following: (a) Engaging in activities allowed by this chapter;	(a) Previous employment related to cannabis establishments operating in accordance with state law; (b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors, or (c) Engaging in activities allowed by this chapter. III. Except as provided in this section, neither the state nor any of its political subdivisions may impose any penalty or deny any benefit or entitlement for conduct permitted under this chapter or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older. IV. Except as provided in this section, neither the state nor any of its political subdivisions may deny a driver's license, a professional license, housing assistance, social services, or other benefits based on cannabis use or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older. V. A person shall not be denied custody of or visitation with a minor for acting in accordance with this chapter, unless the person's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated. VI. Except as provided in this section, neither the state nor any of its political subdivisions may discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person in employment or contracting, if the discrimination is based upon either of the following: (a) Engaging in activities allowed by this chapter;	

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(b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors; or	(b) A prior conviction for a non-violent cannabis offense that does not involve distribution to minors; or	
(c) Testing positive for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of the individual's body.	(c) Testing positive for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of the individual's body.	
VII.(a) This section does not prevent an employer from disciplining an employee or contractor for ingesting cannabis in the workplace or for working while impaired by cannabis.	VII.(a) This section does not prevent an employer from disciplining an employee or contractor for ingesting cannabis in the workplace or for working while impaired by cannabis.	
(b) The protections provided by this section do not apply to the extent that they conflict with a governmental employer's obligations under federal law or regulations or to the extent that they would disqualify the entity from a monetary or licensing-related benefit under federal law or regulations.	(b) The protections provided by this section do not apply to the extent that they conflict with a governmental employer's obligations under federal law or regulations or to the extent that they would disqualify the entity from a monetary or licensing-related benefit under federal law or regulations.	
(c) This section does not authorize any person to engage in, and does not prevent the imposition of any civil, criminal, disciplinary, or other penalties, including discipline or termination by a governmental employer, any task while under the influence of cannabis, when doing so would constitute negligence or professional malpractice.	(c) This section does not authorize any person to engage in, and does not prevent the imposition of any civil, criminal, disciplinary, or other penalties, including discipline or termination by a governmental employer, any task while under the influence of cannabis, when doing so would constitute negligence or professional malpractice.	
VIII. For the purposes of medical care, including organ and tissue transplants, the use of cannabis does not constitute the use of an illicit substance or otherwise disqualify a person from needed medical care and may only be considered with respect to evidence-based clinical criteria.	VIII. For the purposes of medical care, including organ and tissue transplants, the use of cannabis does not constitute the use of an illicit substance or otherwise disqualify a person from needed medical care and may only be considered with respect to evidence-based clinical criteria.	
IX. Notwithstanding any other provision of law, unless there is a specific finding that the individual's use, cultivation, or possession of cannabis could create a danger to the individual or another person, it shall not be a violation of conditions of parole, probation, or pre-trial release to:	IX. Notwithstanding any other provision of law, unless there is a specific finding that the individual's use, cultivation, or possession of cannabis could create a danger to the individual or another person, it shall not be a violation of conditions of parole, probation, or pre-trial release to:	
(a) Engage in conduct allowed by this chapter; or	(a) Engage in conduct allowed by this chapter; or	

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(b) Test positive for cannabis, tetrahydrocannabinol, or any other cannabinoid or metabolite of cannabis.	(b) Test positive for cannabis, tetrahydrocannabinol, or any other cannabinoid or metabolite of cannabis.	
X. This section does not authorize any person to engage in, and does not prevent the imposition of any penalties for engaging in, the following conduct:	X. This section does not authorize any person to engage in, and does not prevent the imposition of any penalties for engaging in, the following conduct:	
(a) Undertaking any task under the influence of cannabis, when doing so would constitute negligence or professional malpractice.	(a) Undertaking any task under the influence of cannabis, when doing so would constitute negligence or professional malpractice.	
(b) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, train, or motorboat while under the influence of cannabis.	(b) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, train, or motorboat while under the influence of cannabis.	
318-F:23 Data Collection Related to Cannabis Legalization and Regulation.	318-F:20 Data Collection Related to Cannabis Legalization and Regulation.	
I. No later than 6 months after the effective date of this chapter and every 2 years thereafter, the department of safety, information and analysis center, drug monitoring initiative, shall produce and publish a report that includes baseline data and the most current data regarding health and welfare outcomes since cannabis became legal and regulated for adults' use, including but not limited to high school graduation rates; youth and adult rates of alcohol, cannabis, and illegal drug use; rates of maladaptive use of cannabis; rates of alcohol abuse; opiate use and abuse rates; the number and type of youth and adult convictions for cannabis offenses; and the rates of individuals needing but not receiving substance abuse treatment. The report shall also include information on treatment and prevention services provided, education campaigns undertaken, and funding allocated under RSA 318-F:24.	I. No later than 6 months after the effective date of this chapter and every 2 years thereafter, the department of safety, information and analysis center, drug monitoring initiative, shall produce and publish a report that includes baseline data and the most current data regarding health and welfare outcomes since cannabis became legal and regulated for adults' use, including but not limited to high school graduation rates; youth and adult rates of alcohol, cannabis, and illegal drug use; rates of maladaptive use of cannabis; rates of alcohol abuse; opiate use and abuse rates; the number and type of youth and adult convictions for cannabis offenses; and the rates of individuals needing but not receiving substance abuse treatment. The report shall also include information on treatment and prevention services provided, education campaigns undertaken, and funding allocated under RSA 318-F:21.	Updates proposed statutory reference.
II. No later than 6 months after the effective date of this chapter, and again 18 months after the effective date of this chapter, and every 2	II. No later than 6 months after the effective date of this chapter, and again 18 months after the effective date of this chapter, the Judicial	Removes ongoing reporting requirement

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years thereafter, the Judicial Branch shall produce and publish a report that includes the number of cases automatically annulled pursuant to each RSA 651:5-b and 651:5-c; the number of petitions for re-sentencing pursuant to RSA 651:5-d, and their disposition; and the number of cases dismissed pursuant to RSA 651:5-e.	Branch shall produce and publish a report that includes the number of cases dismissed pursuant to RSA 651:5-e.	for Judicial Branch and removes two of the three reporting elements from the reporting requirement.
318-F:24 Cannabis Fund Established. I. There is established a nonlapsing fund to be known as the cannabis fund. The fund shall be kept distinct and separate from all other funds in the state treasury, and the moneys credited to the fund shall be held distinct and separate from all other funds over which the state treasurer has control. Moneys in the fund shall be deposited with any financial institution as defined in RSA 383-A:2-201(a)(27-a), with a branch in the state. Moneys credited to the fund shall include deposits into the fund by the commission pursuant to this chapter and deposits into the fund by the commissioner of the department of revenue administration pursuant to RSA 77-H. II. For the biennium ending June 30, 2025, and every biennium thereafter, the commission shall include the cost of administration of this chapter in the commission's efficiency expenditure request pursuant to RSA 9:4. The cost of administration of this chapter shall include direct costs incurred by the department of safety and courts for the annulment of cannabis offenses as provided for in 651:5, II-a (3)(a)-(b). Appropriations for such costs shall be a charge against the fund. III. For the biennium ending June 30, 2025, the sum of $2,000,000 is hereby appropriated to the cannabis commission for the cost	318-F:21 Cannabis Fund Established. I. There is established a nonlapsing fund to be known as the cannabis fund. The fund shall be kept distinct and separate from all other funds in the state treasury, and the moneys credited to the fund shall be held distinct and separate from all other funds over which the state treasurer has control. Moneys in the fund shall be deposited with any financial institution as defined in RSA 383-A:2-201(a)(27-a), with a branch in the state. Moneys credited to the fund shall include deposits into the fund by the commission pursuant to this chapter and deposits into the fund by the commissioner of the department of revenue administration pursuant to RSA 77-H. II. For the biennium ending June 30, 2025, and every biennium thereafter, the commission shall include the cost of administration of this chapter in the commission's efficiency expenditure request pursuant to RSA 9:4. III. For the biennium ending June 30, 2025, the sum of $2,000,000 is hereby appropriated to the cannabis commission for the cost	Abrami comment #9 Abrami comment #8 Removes language regarding costs for annulment of cannabis offenses. Abrami comment #10

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of administration of this chapter. Said sum shall be a charge against the fund.	of administration of this chapter. Said sum shall be a charge against the fund.	
IV. The commission shall credit all fees and civil penalties imposed under this chapter and all other related moneys received from public or private sources to the fund.	IV. The commission shall credit all fees and civil penalties imposed under this chapter and all other related moneys received from public or private sources to the fund.	
V. After deducting appropriations charged to the fund for the cost of administration of this chapter and RSA 77-H, **including the costs of cannabis annulment provided in 651:5, II-a(3)(a)-(b),** the remaining funds shall be appropriated and distributed on a quarterly basis as follows:	V. After deducting appropriations charged to the fund for the cost of administration of this chapter and **RSA 77-H**, the remaining funds shall be appropriated and distributed on a quarterly basis as follows:	Abrami comment #8 Removes language regarding costs for annulment of cannabis offenses.
(a) The sum of $100,000 annually to the department of safety, information and analysis center, drug monitoring initiative, for data collection and reporting related to the health impacts of cannabis prohibition and cannabis regulation; and	(a) The sum of $100,000 annually to the department of safety, information and analysis center, drug monitoring initiative, for data collection and reporting related to the health impacts of cannabis prohibition and cannabis regulation; and	
(b) Of the remaining funds:	(b) Of the remaining funds:	
(1)(A) Eighty percent shall be disbursed to the department of administrative services to be credited to the New Hampshire retirement system to offset the retirement system's unfunded accrued liability. Upon certification by the commissioner of the department of administrative services that the retirement system has no remaining unfunded accrued liability, this disbursement of funds shall cease.	(1)(A) Eighty percent shall be disbursed to the department of administrative services to be credited to the New Hampshire retirement system to offset the retirement system's unfunded accrued liability. Upon certification by the commissioner of the department of administrative services that the retirement system has no remaining unfunded accrued liability, this disbursement of funds shall cease.	
(B) Upon certification by the commissioner of the department of administrative services that the retirement system has no remaining unfunded accrued liability, 80 percent shall be disbursed to the education trust fund established in RSA 198:39. The comptroller shall notify the commissioner of the department of revenue administration of the amount of the transfer. For the purpose of setting the education tax rate under RSA 76:3, the amount of revenue required to be collected pursuant	**(B) Upon certification by the commissioner of the department of administrative services that the retirement system has no remaining unfunded accrued liability, 80 percent shall be disbursed to the education trust fund established in RSA 198:39. The comptroller shall notify the commissioner of the department of revenue administration of the amount of the transfer.** For the purpose of setting the education tax rate under RSA 76:3, the amount of revenue required to be collected pursuant	Abrami comment #11

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to RSA 76:3 shall be reduced by the amount transferred to the education trust fund as required in this subparagraph, and the commissioner shall set the rate at a level sufficient to generate the reduced amount. This rate shall be effective for the following fiscal year. (2) Ten percent shall be allocated to the substance abuse prevention and recovery fund established by **RSA 318-F:25**. (3) Five percent for broad-based aid to municipalities with at least one operational cannabis retail store during the time period in which the revenues were collected, with the amount of allocation to each municipality determined based on the percent of tax revenue collected from retail stores located in the municipality; and (4) Five percent, not to exceed $1 million, to public safety agencies, including police, fire, and rescue agencies, for the hiring and training of additional drug recognition experts, for advanced roadside impaired driving enforcement training, and to assist in responding to drug overdose incidents.	to RSA 76:3 shall be reduced by the amount transferred to the education trust fund as required in this subparagraph, and the commissioner shall set the rate at a level sufficient to generate the reduced amount. This rate shall be effective for the following fiscal year. (2) Ten percent shall be allocated to the substance abuse prevention and recovery fund established by **RSA 318-F:22**. **(3) Five percent for broad-based aid to municipalities with at least one operational cannabis retail store during the time period in which the revenues were collected, with the amount of allocation to each municipality determined based on the percent of tax revenue collected from retail stores located in the municipality;** and (4) **Five percent, not to exceed $1 million**, to public safety agencies, including police, fire, and rescue agencies, for the hiring and training of additional drug recognition experts, for advanced roadside impaired driving enforcement training, and to assist in responding to drug overdose incidents.	Updates proposed statutory reference. Abrami comment #12 Abrami comment #13 Abrami comment #14
318-F:25 Substance Abuse Prevention and Recovery Fund Established. There is hereby established in the state treasury the substance abuse prevention and recovery fund that shall be kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA 318-F:24 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the commissioner of the department of health	318-F:22 Substance Abuse Prevention and Recovery Fund Established. There is hereby established in the state treasury the substance abuse prevention and recovery fund that shall be kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA 318-F:21 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the commissioner of the department of health	

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and human services for the purposes and in the manner set forth in RSA 126-A:98.	and human services for the purposes and in the manner set forth in RSA 126-A:98.	
	318-F:23 Tax Imposed. I. **A tax on the monthly total gross revenue of licensed cannabis cultivation facilities is imposed at the rate of 15 percent.** II. Each licensed cannabis cultivation facility shall pay 100 percent of the assessment in paragraph I for the assessment period no later than the fifteenth day of the month following the assessment period. III. If a licensed cannabis cultivation facility does not pay the monthly tax as required under this section, a fine of 10 percent of the tax owed shall be applied to the payment and collected by the commission from the licensee. IV. The commission shall adopt rules under RSA 541-A relative to tax rates and procedures for licensed cannabis cultivation facilities that also hold a cannabis product manufacturing facility license or retail cannabis store license.	Abrami comment #15
8 Controlled Drug Act; Definitions. Amend the introductory paragraph in RSA 318-B:1, X-a(k) to read as follows: (k) Objects used or intended for use or customarily intended for use in ingesting, inhaling, or otherwise introducing [~~marijuana,~~] cocaine[~~, hashish, or hashish oil~~] into the human body, such as:	8 Controlled Drug Act; Definitions. Amend the introductory paragraph in RSA 318-B:1, X-a(k) to read as follows: (k) Objects used or intended for use or customarily intended for use in ingesting, inhaling, or otherwise introducing [~~marijuana,~~] cocaine[~~, hashish, or hashish oil~~] into the human body, such as:	
9 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, I to read as follows:	9 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, I to read as follows:	

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I. Any person who manufactures, sells, prescribes, administers, or transports or possesses with intent to sell, dispense, or compound any controlled drug, controlled drug analog or any preparation containing a controlled drug, except as authorized in this chapter ***or as otherwise authorized by law***; or manufactures, sells, or transports or possesses with intent to sell, dispense, compound, package or repackage (1) any substance which he ***or she*** represents to be a controlled drug, or controlled drug analog, or (2) any preparation containing a substance which he ***or she*** represents to be a controlled drug, or controlled drug analog, shall be sentenced as follows, except as otherwise provided in this section:	I. Any person who manufactures, sells, prescribes, administers, or transports or possesses with intent to sell, dispense, or compound any controlled drug, controlled drug analog or any preparation containing a controlled drug, except as authorized in this chapter ***or as otherwise authorized by law***; or manufactures, sells, or transports or possesses with intent to sell, dispense, compound, package or repackage (1) any substance which he ***or she*** represents to be a controlled drug, or controlled drug analog, or (2) any preparation containing a substance which he ***or she*** represents to be a controlled drug, or controlled drug analog, shall be sentenced as follows, except as otherwise provided in this section:	
10 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, II to read as follows: II. Any person who knowingly or purposely obtains, purchases, transports, or possesses actually or constructively, or has under his control, any controlled drug or controlled drug analog, or any preparation containing a controlled drug or controlled drug analog, except as authorized in this chapter ***or as otherwise authorized by law***, shall be sentenced as follows, except as otherwise provided in this section:	10 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, II to read as follows: II. Any person who knowingly or purposely obtains, purchases, transports, or possesses actually or constructively, or has under his control, any controlled drug or controlled drug analog, or any preparation containing a controlled drug or controlled drug analog, except as authorized in this chapter ***or as otherwise authorized by law***, shall be sentenced as follows, except as otherwise provided in this section:	
11 Controlled Drug Act; Penalties. Amend RSA 318-B:26, II(c)-(e) to read as follows: (c) In the case of more than 3/4 ounce of marijuana or more than 5 grams of hashish, including any adulterants or dilutants[~~,~~] ***is possessed by a person who is under 21 years of age, or, in the case of an amount exceeding the possession limit defined in RSA 318-F:1 possessed by a person who is 21 years of age or older, except if possessed by a***	11 Controlled Drug Act; Penalties. Amend RSA 318-B:26, II(c)-(e) to read as follows: (c) In the case of more than 3/4 ounce of marijuana or more than 5 grams of hashish, including any adulterants or dilutants[~~,~~] ***is possessed by a person who is under 21 years of age, or, in the case of an amount exceeding the possession limit defined in RSA 318-F:1 possessed by a person who is 21 years of age or older, except if possessed by a***	

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person authorized pursuant to RSA 126-X, the person shall be guilty of a misdemeanor. [~~In the case of marijuana infused products possessed by persons under the age of 21 or marijuana infused products as defined in RSA 318-B:2-e, other than a personal use amount of a regulated marijuana infused product as defined in RSA 318-B:2-c, I(b), that are possessed by a person 21 years of age or older, the person shall be guilty of a misdemeanor.~~] (d) In the case of 3/4 ounce or less of marijuana or 5 grams or less of hashish, including any adulterants or dilutants, ***that is possessed by a person who is under 21 years of age,*** the person shall be guilty of a violation pursuant to RSA 318-B:2-c. [~~In the case of a person 21 years of age or older who possesses a personal use amount of a regulated marijuana infused product as defined in RSA 318-B:2-c, I(b), the person shall be guilty of a violation pursuant to RSA 318-B:2-c.~~] (e) In the case of a residual amount of a controlled [~~substance,~~] ***drug, other than marijuana*** [~~as defined in RSA 318-B:1, XXIX-a~~], a person shall be guilty of a misdemeanor if the person is not part of a service syringe program under RSA 318-B:43.	***person authorized pursuant to RSA 126-X,*** the person shall be guilty of a misdemeanor. [~~In the case of marijuana infused products possessed by persons under the age of 21 or marijuana infused products as defined in RSA 318-B:2-e, other than a personal use amount of a regulated marijuana infused product as defined in RSA 318-B:2-c, I(b), that are possessed by a person 21 years of age or older, the person shall be guilty of a misdemeanor.~~] (d) In the case of 3/4 ounce or less of marijuana or 5 grams or less of hashish, including any adulterants or dilutants, ***that is possessed by a person who is under 21 years of age,*** the person shall be guilty of a violation pursuant to RSA 318-B:2-c. [~~In the case of a person 21 years of age or older who possesses a personal use amount of a regulated marijuana infused product as defined in RSA 318-B:2-c, I(b), the person shall be guilty of a violation pursuant to RSA 318-B:2-c.~~] (e) In the case of a residual amount of a controlled [~~substance,~~] ***drug, other than marijuana*** [~~as defined in RSA 318-B:1, XXIX-a~~], a person shall be guilty of a misdemeanor if the person is not part of a service syringe program under RSA 318-B:43.	
12 Controlled Drug Act; Penalties. Amend RSA 318-B:26, III(a) to read as follows: (a) [~~Except as provided in RSA 318-B:2-e,~~] Controls any premises or vehicle where he or she knows a controlled drug or its analog, ***other than marijuana,*** is illegally kept or deposited;	12 Controlled Drug Act; Penalties. Amend RSA 318-B:26, III(a) to read as follows: (a) [~~Except as provided in RSA 318-B:2-e,~~] Controls any premises or vehicle where he or she knows a controlled drug or its analog, ***other than marijuana,*** is illegally kept or deposited;	

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13 Personal Possession of Marijuana. Amend RSA 318-B:2-c to read as follows: 318-B:2-c [~~Personal~~] Possession of Marijuana ***by a Person Under 21 Years of Age***. [~~I.~~] In this section: [~~(a)~~] ***I.*** "Marijuana" includes the leaves, stems, flowers, and seeds of all species of the plant genus cannabis, but shall not include the resin extracted from any part of such plant and every compound, manufacture, salt, derivative, mixture, or preparation from such resin including hashish, and further, shall not include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, fiber, oil or cake, or the sterilized seed of such plant which is incapable of germination. [~~(b) "Personal-use amount of a regulated marijuana-infused product" means one or more products that is comprised of marijuana, marijuana extracts, or resins and other ingredients and is intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures, which was obtained from a state where marijuana sales to adults are legal and regulated under state law, and which is in its original, child-resistant, labeled packaging when it is being stored, and which contains a total of no more than 300 milligrams of tetrahydrocannabinol.~~] II. Except as provided in RSA 126-X, any person ***under 21 years of age*** who knowingly possesses 3/4 of an ounce or less of marijuana, including adulterants or dilutants, shall be guilty of a violation, and subject to the penalties provided in paragraph V. III. Except as provided in RSA 126-X, any person ***under 21 years***	13 Personal Possession of Marijuana. Amend RSA 318-B:2-c to read as follows: 318-B:2-c [~~Personal~~] Possession of Marijuana ***by a Person Under 21 Years of Age***. [~~I.~~] In this section: [~~(a)~~] ***I.*** "Marijuana" includes the leaves, stems, flowers, and seeds of all species of the plant genus cannabis, but shall not include the resin extracted from any part of such plant and every compound, manufacture, salt, derivative, mixture, or preparation from such resin including hashish, and further, shall not include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, fiber, oil or cake, or the sterilized seed of such plant which is incapable of germination. [~~(b) "Personal-use amount of a regulated marijuana-infused product" means one or more products that is comprised of marijuana, marijuana extracts, or resins and other ingredients and is intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures, which was obtained from a state where marijuana sales to adults are legal and regulated under state law, and which is in its original, child-resistant, labeled packaging when it is being stored, and which contains a total of no more than 300 milligrams of tetrahydrocannabinol.~~] II. Except as provided in RSA 126-X, any person ***under 21 years of age*** who knowingly possesses 3/4 of an ounce or less of marijuana, including adulterants or dilutants, shall be guilty of a violation, and subject to the penalties provided in paragraph V. III. Except as provided in RSA 126-X, any person ***under 21 years***	This section is identical in both versions.

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of age who knowingly possesses 5 grams or less of hashish, including adulterants or dilutants, shall be guilty of a violation, and subject to the penalties provided in paragraph V.	***of age*** who knowingly possesses 5 grams or less of hashish, including adulterants or dilutants, shall be guilty of a violation, and subject to the penalties provided in paragraph V.	
IV. [~~Except as provided in RSA 126-X, any person 21 years of age or older possessing a personal use amount of a regulated marijuana-infused product shall be guilty of a violation, and subject to the penalties provided in paragraph V. Persons 18 years of age or older and under 21 years of age who knowingly possess marijuana-infused products shall be guilty of a misdemeanor.~~	IV. [~~Except as provided in RSA 126-X, any person 21 years of age or older possessing a personal use amount of a regulated marijuana-infused product shall be guilty of a violation, and subject to the penalties provided in paragraph V. Persons 18 years of age or older and under 21 years of age who knowingly possess marijuana-infused products shall be guilty of a misdemeanor.~~	
~~V.~~](a) Except as provided in this paragraph, any person 18 years of age or older who is convicted of violating paragraph II or III[~~, or any person 21 years of age or older who is convicted of violating paragraph IV~~] shall be subject to a fine of $100 for a first or second offense under this paragraph, or a fine of up to $300 for any subsequent offense within any 3-year period; however, any person convicted based upon a complaint which alleged that the person had 3 or more prior convictions for violations of paragraph II[~~,~~] ***or*** III[~~or IV~~], or under reasonably equivalent offenses in an out-of-state jurisdiction since the effective date of this paragraph, within a 3-year period preceding the fourth offense shall be guilty of a class B misdemeanor. The offender shall forfeit the marijuana[~~, regulated marijuana-infused products,~~] or hashish to the state. A court shall waive the fine for a single conviction within a 3-year period upon proof that person has completed a substance abuse assessment by a licensed drug and alcohol counselor within 60 days of the conviction. A person who intends to seek an assessment in lieu of the fine shall notify the court, which shall schedule the matter for review after 180 days. Should proof of completion of an assessment be filed by or before that time, the court shall vacate the	~~V.~~](a) Except as provided in this paragraph, any person 18 years of age or older who is convicted of violating paragraph II or III[~~, or any person 21 years of age or older who is convicted of violating paragraph IV~~] shall be subject to a fine of $100 for a first or second offense under this paragraph, or a fine of up to $300 for any subsequent offense within any 3-year period; however, any person convicted based upon a complaint which alleged that the person had 3 or more prior convictions for violations of paragraph II[~~,~~] ***or*** III[~~or IV~~], or under reasonably equivalent offenses in an out-of-state jurisdiction since the effective date of this paragraph, within a 3-year period preceding the fourth offense shall be guilty of a class B misdemeanor. The offender shall forfeit the marijuana[~~, regulated marijuana-infused products,~~] or hashish to the state. A court shall waive the fine for a single conviction within a 3-year period upon proof that person has completed a substance abuse assessment by a licensed drug and alcohol counselor within 60 days of the conviction. A person who intends to seek an assessment in lieu of the fine shall notify the court, which shall schedule the matter for review after 180 days. Should proof of completion of an assessment be filed by or before that time, the court shall vacate the	

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fine without a hearing unless requested by a party. (b) Any person under 18 years of age who is convicted of violating paragraph II or III shall forfeit the marijuana or hashish and shall be subject to a delinquency petition under RSA 169-B:6. [~~VI.~~] *V.*(a) Except as provided in this section, no person shall be subject to arrest for a violation of paragraph II[,] ***or*** III[~~, or IV~~] and shall be released provided the law enforcement officer does not have lawful grounds for arrest for a different offense. (b) Nothing in this chapter shall be construed to prohibit a law enforcement agency from investigating or charging a person for a violation of RSA 265-A. (c) Nothing in this chapter shall be construed as forbidding any police officer from taking into custody any minor who is found violating paragraph II[,] ***or*** III[~~, or IV~~]. (d) Any person ***under 21 years of age who is*** in possession of an identification card, license, or other form of identification issued by the state or any state, country, city, or town, or any college or university, who fails to produce the same upon request of a police officer or who refuses to truthfully provide his or her name, address, and date of birth to a police officer who has informed the person that he or she has been found to be in possession of what appears to be 3/4 of an ounce or less of marijuana[~~, a personal use amount of a regulated marijuana-infused product,~~] or 5 grams or less of hashish, may be arrested for a violation of paragraph II[,] ***or*** III[~~, or IV~~]. [~~VII.~~] ***VI.*** All fines imposed pursuant to this section shall be deposited into the alcohol abuse prevention and treatment fund established in RSA 176-A:1 and utilized for evidence-informed substance abuse	fine without a hearing unless requested by a party. (b) Any person under 18 years of age who is convicted of violating paragraph II or III shall forfeit the marijuana or hashish and shall be subject to a delinquency petition under RSA 169-B:6. [~~VI.~~] *V.*(a) Except as provided in this section, no person shall be subject to arrest for a violation of paragraph II[,] ***or*** III[~~, or IV~~] and shall be released provided the law enforcement officer does not have lawful grounds for arrest for a different offense. (b) Nothing in this chapter shall be construed to prohibit a law enforcement agency from investigating or charging a person for a violation of RSA 265-A. (c) Nothing in this chapter shall be construed as forbidding any police officer from taking into custody any minor who is found violating paragraph II[,] ***or*** III[~~, or IV~~]. (d) Any person ***under 21 years of age who is*** in possession of an identification card, license, or other form of identification issued by the state or any state, country, city, or town, or any college or university, who fails to produce the same upon request of a police officer or who refuses to truthfully provide his or her name, address, and date of birth to a police officer who has informed the person that he or she has been found to be in possession of what appears to the officer to be 3/4 of an ounce or less of marijuana[~~, a personal use amount of a regulated marijuana-infused product,~~] or 5 grams or less of hashish, may be arrested for a violation of paragraph II[,] ***or*** III[~~, or IV~~]. [~~VII.~~] ***VI.*** All fines imposed pursuant to this section shall be deposited into the alcohol abuse prevention and treatment fund established in RSA 176-A:1 and utilized for evidence-informed substance abuse	

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prevention programs. [~~VIII.~~] *VII.*(a) No record that includes personally identifiable information resulting from a violation of this section shall be made accessible to the public, federal agencies, or agencies from other states or countries. (b) Every state, county, or local law enforcement agency that collects and reports data for the Federal Bureau of Investigation Uniform Crime Reporting Program shall collect data on the number of violations of paragraph II[~~,~~] *or* III[~~, or IV~~]. The data collected pursuant to this paragraph shall be available to the public. A law enforcement agency may update the data annually and may make this data available on the agency's public Internet website.	prevention programs. [~~VIII.~~] *VII.*(a) No record that includes personally identifiable information resulting from a violation of this section shall be made accessible to the public, federal agencies, or agencies from other states or countries. (b) Every state, county, or local law enforcement agency that collects and reports data for the Federal Bureau of Investigation Uniform Crime Reporting Program shall collect data on the number of violations of paragraph II[~~,~~] *or* III[~~, or IV~~]. The data collected pursuant to this paragraph shall be available to the public. A law enforcement agency may update the data annually and may make this data available on the agency's public Internet website.	
14 Alcohol or Drug Impairment; Possession of Drugs. Amend RSA 265-A:43 to read as follows: 265-A:43 Possession of Drugs. Any person who drives on any way a vehicle while knowingly having in his or her possession or in any part of the vehicle a controlled drug or controlled drug analog in violation of the provisions of RSA 318-B shall be guilty of a misdemeanor, and his or her license shall be revoked or his or her right to drive denied for a period of 60 days and at the discretion of the court for a period not to exceed 2 years. This section shall not apply to the possession of marijuana or hashish as provided in RSA 318-B:2-c[~~, or a personal use amount of a regulated marijuana infused product as defined in RSA 318-B:2-c, I(b)~~].	14 Alcohol or Drug Impairment; Possession of Drugs. Amend RSA 265-A:43 to read as follows: 265-A:43 Possession of Drugs. Any person who drives on any way a vehicle while knowingly having in his or her possession or in any part of the vehicle a controlled drug or controlled drug analog in violation of the provisions of RSA 318-B shall be guilty of a misdemeanor, and his or her license shall be revoked or his or her right to drive denied for a period of 60 days and at the discretion of the court for a period not to exceed 2 years. This section shall not apply to the possession of marijuana or hashish as provided in RSA 318-B:2-c[~~, or a personal use amount of a regulated marijuana infused product as defined in RSA 318-B:2-c, I(b)~~].	This section is identical in both versions.

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15 Annulment of Arrests and Convictions for Marijuana Possession. RSA 651:5-b is repealed and reenacted to read as follows: 651:5-b Annulment of Arrests and Convictions for Marijuana Possession. I. As used in this section: (a) "Cannabis" or "marijuana" means "cannabis" as defined in RSA 318-F:1, II. (b) "Possession limit" means "possession limit" as defined in RSA 318-F:1, XVIII. (c) "Cannabis-related offense" means any of the following: (1) Any offense under RSA 318-B involving cannabis or paraphernalia intended for cannabis; and (2) Any other offense that would not have been an offense were it not for the illegality of cannabis. II. Any person who was arrested or convicted for knowingly or purposely obtaining, purchasing, transporting, manufacturing, or possessing, actually or constructively, or having under his or her control, no more than the possession limit 3/4 of an ounce of marijuana or less where the offense occurred before the effective date of RSA 318-F may, at any time, petition the court in which the person was convicted or arrested to annul the arrest record, court record, or both. The petition shall state that the amount of marijuana was no more than the possession limit. The petitioner shall furnish a copy of the petition to the office of the prosecutor of the underlying offense. The prosecutor may object within 10 days of receiving a copy of the petition and request a hearing. If the prosecutor does not object within 10 days, the court shall grant the petition for annulment. If the prosecutor timely objects, the court shall hold a hearing.		Removes section on Annulment of Arrests and Convictions for Marijuana Possession.

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In a hearing on the petition for annulment, the prosecutor shall be required to prove beyond a reasonable doubt that the petitioner knowingly or purposely obtained, purchased, transported, or possessed, actually or constructively, or had under his or her control, marijuana in an amount exceeding the possession limit. At the close of the hearing, the court shall grant the petition unless the prosecutor has proven that the amount of marijuana exceeded the possession limit. If the petition is granted, and an order of annulment is entered, the provisions of RSA 651:5, X-XI shall apply to the petitioner. III.(a) Any person who was arrested or convicted for any cannabis-related offense may, at any time, petition the court in which the person was convicted or arrested to annul the arrest record, court record, or both, when the petitioner has completed the sentence. The petition shall state that the arrest or conviction was for a cannabis-related offense. (b) The petitioner shall furnish a copy of the petition to the office of the prosecutor of the underlying offense. The prosecutor may object within 14 days of receiving a copy of the petition and request a hearing. If the prosecutor does not object within 14 days, the court shall grant the petition for annulment. (c) If the prosecutor timely objects, the court shall hold a hearing. In a hearing on the petition for annulment, the prosecutor shall be required to prove by clear and convincing evidence that: (1) The offense is not eligible for annulment under this section because it was not a cannabis-related offense; (2) The offense is not eligible for annulment under this section because the petitioner has not completed the sentence; or (3) Annulment would not be in the interests of justice.		

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
(d) The court shall grant the petition unless the prosecutor has proven that: (1) The offense is not eligible for annulment under this section because it was not a cannabis-related offense; (2) The offense is not eligible for annulment under this section because the petitioner has not completed the sentence; or (3) Annulment would not be in the interests of justice. (e) There shall be a presumption that granting the petition would be in the interests of justice due to the legalization of cannabis for adults and the unequal enforcement of cannabis laws. The presumption may be overcome by evidence that the annulment would not be in the interests of justice, including in instances where the offense was recent and involved: (1) An adult distributing cannabis to minor or using a minor to sell cannabis; or (2) A conviction under RSA 318-B:2-e for negligently storing marijuana-infused products, causing a minor to access them. IV. If the petition is granted, and an order of annulment is entered, the provisions of RSA 651:5, X-XI shall apply to the petitioner. V. All fees shall be waived and the judicial branch shall receive compensation for actual costs from the cannabis fund. In years prior to the time when sales of cannabis generate sufficient funds to cover these costs, the judicial branch shall receive compensation from the general fund.		

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
16 New Sections; Sentences; Annulment of Certain Arrests and Convictions for Cannabis. Amend RSA 651 by inserting after section 5-b the following new sections: 651:5-c Annulment of Certain Arrests and Convictions for Cannabis. I. All convictions and arrests for misdemeanor or violation level offenses for possession of cannabis shall be automatically annulled. Within 6 months of the effective date of this section, the department of safety shall remove any such qualified convictions from its records and notify the court from which the case originated, which shall place an order of annulment in the court file and thereafter process the file in the same manner as any other annulled case. Any person who believes themselves to be eligible for automatic annulment may request that the department of safety examine his or her conviction to determine whether it should be annulled. Should the department of safety fail to annul a qualified conviction, any person so aggrieved may petition the court without fee for further review of eligibility. The judicial branch and department of safety shall determine the actual costs of processing such annulments and be reimbursed from cannabis fund. In years prior to the time when sales of cannabis generate sufficient funds to cover these costs, they shall receive compensation from the general fund. II. Eligible annulments of convictions and civil adjudications pursuant to this section shall be granted notwithstanding the existence of outstanding court-imposed or court-related fees, fines, costs, assessments, or charges. 651:5-d Re-Sentencing for Cannabis Sentences. I. As used in this section:	15 New Section; Sentences; Annulment of Certain Arrests and Convictions for Cannabis. Amend RSA 651 by inserting after section 5-b the following new section:	The amended version includes only one of the three new sections proposed by the bill as introduced.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
(a) "Cannabis" means "cannabis" as defined in RSA 318-F:1, II. (b) "Cannabis-related offense" means any of the following: (1) Any offense under RSA 318-B involving cannabis or paraphernalia intended for cannabis; and (2) Any other offense that would not have been an offense were it not for the illegality of cannabis. II.(a) No later than 90 days after the effective date of this section, the department of corrections and the superintendent of each county house of correction shall conduct a search to determine all individuals serving a period of incarceration or supervision for a violation of RSA 318-B involving cannabis or paraphernalia intended for cannabis, or any other cannabis-related offense and notify the court in which each person was convicted and the judicial branch, administrative office of the courts. (b) Any person who was convicted of any cannabis-related offense who has not completed the sentence may, at any time, petition the court in which the person was convicted for re-sentencing. (c) The court in which the person was convicted shall furnish a copy of the petition to the office of the prosecutor of the underlying offense. The prosecutor may object within 14 days of receiving a copy of the petition and request a hearing. If the prosecutor does not object within 14 days, the court shall grant the petition and re-sentence the person to the portion of the sentence the individual has already completed. (d) If the prosecutor timely objects, the court shall hold a hearing. In a hearing on the petition for re-sentencing, the prosecutor shall be required to prove by clear and convincing evidence that:		

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(1) The offense is not eligible for re-sentencing under this section because it was not a cannabis-related offense; (2) Re-sentencing would not be in the interests of justice; and (3) Re-sentencing would be in the interests of justice, but that the appropriate sentence is something other than the portion of the sentence the individual has already completed. (e) The court shall grant the petition and re-sentence the individual to any sentence they have already completed unless the prosecutor has proven that: (1) The offense is not eligible for re-sentencing under this section because it was not a cannabis-related offense; (2) Re-sentencing would not be in the interests of justice; or (3) Re-sentencing would be in the interests of justice, but that the appropriate sentence is something other than the portion of the sentence the individual has already completed. (f) There shall be a presumption that granting the petition would be in the interests of justice due to the legalization of cannabis for adults and the unequal enforcement of cannabis laws. The presumption may be overcome, including in instances where the prosecutor proves by clear and convincing evidence that re-sentencing would not be in the interests of justice because: (1) Additional, more serious charges unrelated to cannabis were dismissed as part of a plea deal; or (2) The offense involved distribution of marijuana to minor, using a minor to distribute marijuana, or a violation of RSA 318:B-		

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2-e for negligently storing marijuana-infused products, causing a minor to access them. (g) The court may find that re-sentencing is in the interests of justice, but that a complete reduction in the sentence is not in the interests of justice. In those instances, the court shall re-sentence the individual to the lowest sentence that is in the interests of justice, in light of legalization of cannabis and disparities in arrests and sentencing. (h) A court may not increase any aspect of a sentence in response to a re-sentencing petition filed pursuant this section. (i) Any person eligible for re-sentencing for cannabis sentences pursuant to this section may file a petition for the assistance of counsel without charge; however, if such person was found to be indigent at his original sentencing, shall be entitled to assistance of counsel without charge for the hearing on modification of his sentence without the filing of such petition. No fee shall be charged for filing a petition under this section. (j) The judicial branch shall receive compensation for actual costs of this section from the cannabis fund. In years prior to the time when sales of cannabis generate sufficient funds to cover these costs, the judicial branch shall receive compensation from the general fund. 651:5-e Certain Crimes Not to be Pursued; Dismissal. I. As used in this section: (a) "Cannabis" means "cannabis" as defined in RSA 318-F:1, II. (b) "Possession limit" means "possession limit" as defined in RSA 318-F:1, XVIII.	651:5-c Certain Crimes Not to be Pursued; Dismissal. I. As used in this section: (a) "Cannabis" means "cannabis" as defined in RSA 318-F:1, II. (b) "Possession limit" means "possession limit" as defined in RSA 318-F:1, XVIII.	

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II.(a) Except to the extent required to dismiss, withdraw, or terminate the charge, no prosecutor shall pursue any charge based on crimes or offenses pending with a court that occurred prior to the effective date of RSA 318-F, involving a person 21 years of age or older knowingly or purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or constructively, or having under his or her control, no more than the possession limit of cannabis where the offense occurred before the effective date of RSA 318-F. (b) The existence of convictions in other counts within the same case that are not eligible for dismissal pursuant to this section or other applicable laws shall not prevent any conviction otherwise eligible for dismissal under this section from being dismissed pursuant to this section. III. On the first day of the fifth month next following the effective date of RSA 318-F, any guilty verdict, plea, placement in a diversionary program, or other entry of guilt on a matter that was entered prior to that effective date, but the judgment of conviction or final disposition on the matter was not entered prior to that date, and the guilty verdict, plea, placement in a diversionary program, or other entry of guilt solely involved one or more crimes or offenses involving a person 21 years of age or older knowingly or purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or constructively, or having under his or her control, no more than the possession limit of cannabis, shall be vacated by operation of law. The judicial branch, in consultation with the attorney general, may take any administrative action as may be necessary to vacate the guilty verdict, plea, placement in a diversionary program, or other entry of guilt.	II.(a) Except to the extent required to dismiss, withdraw, or terminate the charge, no prosecutor shall pursue any charge based on crimes or offenses pending with a court that occurred prior to the effective date of RSA 318-F, involving a person 21 years of age or older knowingly or purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or constructively, or having under his or her control, no more than the possession limit of cannabis where the offense occurred before the effective date of RSA 318-F. (b) The existence of convictions in other counts within the same case that are not eligible for dismissal pursuant to this section or other applicable laws shall not prevent any conviction otherwise eligible for dismissal under this section from being dismissed pursuant to this section. III. On the first day of the fifth month next following the effective date of RSA 318-F, any guilty verdict, plea, placement in a diversionary program, or other entry of guilt on a matter that was entered prior to that effective date, but the judgment of conviction or final disposition on the matter was not entered prior to that date, and the guilty verdict, plea, placement in a diversionary program, or other entry of guilt solely involved one or more crimes or offenses involving a person 21 years of age or older knowingly or purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or constructively, or having under his or her control, no more than the possession limit of cannabis, shall be vacated by operation of law. The judicial branch, in consultation with the attorney general, may take any administrative action as may be necessary to vacate the guilty verdict, plea, placement in a diversionary program, or other entry of guilt.	

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	25 Liquor Investigation; Training. Amend RSA 176:9 to read as follows: I. The commission may, subject to rules adopted by the director of personnel, employ and dismiss liquor investigators. Liquor investigators shall, under the direction of the commission, investigate any or all matters arising under this title ***and under RSA 318-F***. II. Any new liquor investigator employed by the commission under this section after August 13, 1985, shall, within 6 months of employment, satisfactorily complete a preparatory police training program as provided by RSA 106-L:6, unless he or she has already completed such a program. III. The commissioner, deputy commissioner, assistant, or liquor investigator may enter any place where liquor, beverages, tobacco products, e-cigarettes, ***or cannabis*** are sold, [or] manufactured, ***or cultivated*** at any time, and may examine any license or permit issued or purported to have been issued under the terms of this title. They shall make complaints for violations of this title. 26 Liquor Commission; Assistants and Employees. Amend RSA 176:7 to read as follows: 176:7 Assistants and Employees. ***I.*** The state liquor commission may employ such assistants as are, in its opinion, necessary for the proper transaction of its business, and fix their compensation, subject to the rules of the director of personnel. It may secure any necessary technical or professional assistance. ***II. The commission may select and retain market consultants through a competitive bidding process approved by the governor and the executive council. Any such contract with a third-party agent shall be***	Language newly added in amended version.

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	for consulting services relating to marketing and regulation of cannabis for purposes of cultivation, manufacturing, testing, and retail sale. 27 Prosecutions. Amend RSA 179:59 to read as follows: 179:59 Prosecutions. The commission shall appoint liquor investigators whose primary function shall be the proper prosecution of this title ***and RSA 318-F***. The liquor investigators shall have statewide jurisdiction, with reference to enforcement of all laws either in cooperation with, or independently of, the officers of any county or town. The commission shall have the primary responsibility for the enforcement of all liquor and beverage laws ***and cannabis laws*** upon premises where liquor, [and] beverages, ***and cannabis*** are lawfully sold, stored, distributed, or manufactured ***or cultivated***. Any person violating the provisions of any law may be prosecuted by the commission or any of its investigators as provided in this section, or by county or city attorneys, or by sheriffs or their deputies, or by police officials of towns.	
	28 New Paragraph; Commission to Sell. Amend RSA 176:11 by inserting after paragraph II the following new paragraph: III. In the event that the commission determines New Hampshire cannabis revenues are being diverted by actions taken by persons holding any type of cannabis license, the commission may take such marketing or merchandising action, or both, as it deems necessary, including sanctions against the competing entities.	Language newly added in amended version.
	29 New Paragraph; Retail Tobacco License. Amend RSA 178:19-a by inserting after paragraph V the following new paragraph:	Language newly added in amended version.

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	VI. A retail tobacco license is authorized to sell cannabis accessories and cannabis paraphernalia as defined in RSA 318-F.	
	30 Liquor Commission; Commission. Amend RSA 176:1 to read as follows: 176:1 Commission. There shall be a state liquor ***and cannabis*** commission under the executive direction of a liquor ***and cannabis*** commissioner, who shall also be known as the chairman of the liquor ***and cannabis*** commission, appointed by the governor with the consent of the council. The commissioner shall have significant business management experience and shall complete a criminal history records check prior to confirmation by the council. The liquor ***and cannabis*** commissioner shall hold office for a term of 4 years. If a vacancy shall occur, it shall be filled for the remainder of the term. The commissioner may be removed by the governor and council for cause.	Language newly added in amended version.
	31 New Paragraph; Rulemaking; Liquor and Cannabis Commission. Amend RSA 176:14 by inserting after paragraph IX the following new paragraph: IX-a. Cannabis licenses, including: (a) Procedures for the application for, issuance, transfer, denial, renewal, suspension, and revocation of a license for cannabis establishments. (b) License operations for each cannabis license type. (c) Collection of additional fees as required by statute.	Language newly added in amended version.

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	32 Name Change; Liquor and Cannabis Commission. Amend the following RSAs by replacing "liquor commission" with "liquor and cannabis commission": 6:12, I(b)(285); 6:12-j, V(b)(2); 9:11, II(b)(5); 9-C:7, II; 12-J:1, III(a)(4); 12-O:18, II; 21:33-a, III(a); 21-G:6-b, IV(c); 21-I:18, I(b); 21-J:14, 5(d)(9); 21-P:64, I(a)(6); 78:7; 78:16, II; 78:23, 94:1-a; the introductory paragraph of 100-A:1, VII(a); 106-L:6, XVII; 110-B:28, VI; the introductory paragraph of 126-AA:3, VI; 126-K:2, II; 167:7-b, II(a); 175:1, XXIV; the chapter heading of RSA Chapter 176; 176:2; 176:2-a; the introductory paragraph of 176:3; 176:7; 176:16; 176:17; 176:18; 176-A:1, III-IV; 177:1; 177:1-a; the introductory paragraph 177:3; 177:13; 178:11, V; 178:12-a, XIV; 178:13, XIII; 178:22, V(h)(12); 178:27; 178:27-a; the introductory paragraph of 178:27-b, V; 179:21; 179:33, IV; 179:38; 179:56, III(b); 180:1, II; 279:1, XVI; 284:21-h, II(a); and 663:5.	Language newly added in amended version.
17 New Paragraph; Business Profits Tax; Additions and Deductions. Amend RSA 77-A:4 by inserting after paragraph XIX the following new paragraph: XX. A deduction from gross business profits of an amount equal to all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on a trade or business as a cannabis establishment as defined by RSA 318-F:1 or an alternative treatment center as defined by RSA 126-X:1, including reasonable allowance for salaries or other compensation for personal services actually rendered, notwithstanding any federal tax law to the contrary.		Language removed from amended version.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
18 Tax on Meals and Rooms; Chapter Title Amended. Amend RSA 78-A:1 to read as follows: 78-A:1 Title. This chapter may be known and cited as the "Meals and Rooms Tax Law." ***Alternatively, this chapter may be known and cited as the "Meals, Rooms, and Cannabis Tax Law."***		Language removed from amended version.
19 New Paragraphs; Tax on Meals and Rooms; Definitions. Amend RSA 78-A:3 by inserting after paragraph I the following new paragraphs: I-a. "Cannabis" means "cannabis" as defined in RSA 318-F:1, II. I-b. "Cannabis establishment" means "cannabis establishment" as defined in RSA 318-F:1, V.		Language removed from amended version.
20 Tax on Meals and Rooms; Definitions. Amend RSA 78-A:3 XIII to read as follows: XIII. "Operator" means any person operating a hotel, ***operating a cannabis establishment,*** charging for a taxable meal, or receiving gross rental receipts, whether as owner or proprietor or lessee, or otherwise. The term operator shall include a rental facilitator and a room facilitator.		Language removed from amended version.
21 New Paragraph; Tax on Meals and Rooms; Definitions. Amend RSA 78-A:3 by inserting after paragraph XXV the following new paragraph: XXVI. "Taxable sales of cannabis" means any sale of cannabis, including any sale of concentrated cannabis and cannabis products, which is subject to a tax under RSA 78-A:6-e. In any case where a cannabis establishment gives away cannabis contemporaneously with another		Language removed from amended version.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
transaction between the same parties, and in any case where a gift of cannabis is contingent upon a separate transaction, the price paid for the related or contemporaneous transaction shall be considered a taxable sale of cannabis.		
22 Tax on Meals and Rooms; License Required; Cannabis Establishments. Amend RSA 78-A:4 to read as follows: 78-A:4 Meals and Rentals Licenses Required; Penalty. I. Each operator shall register with the department the name and address of each place of business within the state where it operates a hotel, sells taxable meals, or rents motor vehicles. The operator shall complete a registration, upon receipt of which the department shall issue a meals and rentals license for each place in such form as it determines, attesting that the registration has been made, provided that a license shall not be issued or renewed if the operator owes unpaid taxes, interest, or penalties from any tax administered by the department. A license may be denied if the commissioner has reason to believe that the registration is filed by a person as a subterfuge for the real person in interest whose license has been previously been revoked, suspended, or not renewed for cause. Licenses shall expire on June 30 in each odd-numbered year, unless the business ceases operation, a change in ownership occurs, or the license is revoked or suspended by the department prior to expiration of the license. I-a. ***Each cannabis retail store, or other cannabis establishment that is registered pursuant to 318-F:13 to sell directly to consumers, shall register with the department the name and address of each place of business within the state where it operates a cannabis establishment that***		Language removed from amended version.

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is licensed to sell directly to consumers. The operator shall complete a registration, upon receipt of which the department shall issue a cannabis sales license for each place in such form as it determines, attesting that the registration has been made, provided that a license shall not be issued or renewed if the operator owes unpaid taxes, interest, or penalties from any tax administered by the department. A license may be denied if the commissioner has reason to believe that the registration is filed by a person as a subterfuge for the real person in interest whose license has been previously been revoked, suspended, or not renewed for cause. Licenses shall expire on June 30 in each odd-numbered year, unless the business ceases operation, a change in ownership occurs, or the license is revoked or suspended by the department prior to expiration of the license. ***I-b.*** [~~The~~] ***Each*** license ***issued pursuant to this section*** shall be conspicuously posted in a public area upon the premises to which it relates. Violation of the posting requirement in this paragraph may result in a warning from the department that the operator's license may be revoked, suspended, or denied. The warning shall include notification to the operator of his or her obligation to obtain a meals [~~and~~], rooms, ***and cannabis*** license and pay the meals [~~and~~], rooms, ***and cannabis*** tax under this chapter. Subsequent violations of the provisions of this section may constitute sufficient cause for revocation, suspension, or denial of license. II. [Repealed.] III. No person shall engage in serving taxable meals, renting rooms, [~~or~~] renting motor vehicles, ***or taxable sales of cannabis,*** without first obtaining the license required by this section. The license is nonassignable and cannot be transferred. Any person who fails to register		

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or obtain a license as provided in this section shall be subject to the penalty provisions of RSA 21-J:39. IV. Licenses, operator information displayed on licenses, and license dispositions, such as issuance, renewal, suspension, and revocation, shall be public records.		
23 Tax on Meals and Rooms. Amend the introductory paragraph in RSA 78-A:6, II to read as follows: II. A tax is imposed on taxable meals, ***and on taxable sales of cannabis,*** based upon the charge therefor as follows:		Language removed from amended version.
24 Tax on Meals and Rooms; Exceptions to Tax. Amend the introductory paragraph in RSA 78-A:6-a, I to read as follows: I. Gratuity charges added to the charge for a taxable meal, ***taxable cannabis,*** or taxable room shall not be taxed under this chapter if:		Language removed from amended version.
25 New Section; Tax on Meals and Rooms; Therapeutic Cannabis Sales. Amend by inserting after section 78-A:6-d the following new section: 78-A:6-e Therapeutic Cannabis Sales. I. Sales of cannabis, including sales of concentrated cannabis and cannabis products, from cannabis establishments shall be taxable under this chapter, except as provided in this section. II. Sales of therapeutic cannabis to registered qualifying patients, directly or via their designated caregivers, shall not be taxable cannabis sales provided:		Language removed from amended version.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
(a) The sales were made by alternative treatment centers registered pursuant to RSA 126-X:1; (b) Each registered qualifying patient shall not purchase more than a total of the following amounts of untaxed cannabis in a 10-day period: (1) Two ounces of usable cannabis; or (2) The equivalent amount of cannabis products or concentrates, as determined by the department of health and human services.		
26 Tax on Meals and Rooms; Collection of Tax. Amend RSA 78-A:7, I(a)-(b) to read as follows: I.(a) The operator shall either state the amount of the tax to each occupant, purchaser of a meal, ***or cannabis,*** or renter, or state that the tax is included in the price of the occupancy, meal, or gross rental receipts received. If the amount of the tax is not separately stated, the purchaser's or occupant's contract or receipt shall include the following language ***for meals or rooms***: "The tax on meals and rooms is included for the costs of meals and lodging only." ***If the amount of the tax is not separately stated on the purchaser's receipt for cannabis, the following language shall be included, "The tax on cannabis is included for the costs of cannabis only."*** (b) The operator shall demand and collect the tax from the occupant, purchaser, or renter. The occupant, purchaser, or renter shall pay the tax to the operator. If the tax is included in the price of the meal, occupancy, ***cannabis,*** or gross rental receipts received, upon request the		Language removed from amended version.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
operator shall state to the purchaser, occupant, or renter the amount of the tax.		
27 Tax on Meals and Rooms; Disposition of Revenue. Amend the introductory paragraph in RSA 78-A:26, I to read as follows: I. Beginning on July 1, 1995, and for each fiscal year thereafter, the department shall pay over all revenue, except revenues identified in paragraphs II [~~and~~], III, ***and V*** of this section, collected under this chapter to the state treasurer. On or before September 15 of each year, the department shall determine the cost of administration of this chapter for the fiscal year ending on the preceding June 30, and it shall notify the state treasurer of these costs by a report certified by them as to correctness. After deducting the cost of administration of the chapter from the total income, the state treasurer shall distribute the net income as follows:		Language removed from amended version.
28 New Paragraph; Tax on Meals and Rooms; Disposition of Revenue; Sales of Taxable Cannabis. Amend RSA 78-A:26 by inserting after paragraph IV the following new paragraph: V. All revenue collected from the sales of taxable cannabis shall be deposited in the cannabis fund and distributed pursuant to RSA 318-F:24.		Language removed from amended version.
29 Assessment; Education Tax. Amend RSA 76:3 to read as follows: 76:3 Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the commissioner of the department of revenue administration shall set the education tax rate at a level sufficient to generate revenue of	16 Assessment; Education Tax. Amend RSA 76:3 to read as follows: 76:3 Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the commissioner of the department of revenue administration shall set the education tax rate at a level sufficient to generate revenue of	This section is identical in both versions.

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$363,000,000, ***less any amount credited to the education trust fund pursuant to RSA 318-F:25,*** when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section.	$363,000,000, ***less any amount credited to the education trust fund pursuant to RSA 318-F:25,*** when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section.	Reference to RSA 318-F:25 may need to be updated to section 22.
30 Use of Cannabis for Therapeutic Purposes; Definition of Alternative Treatment Center. Amend RSA 126-X:1, I to read as follows: I. "Alternative treatment center" means a ***domestic business corporation organized under RSA 293-A, a domestic limited liability company organized under RSA 304-C, or a*** not-for-profit [~~entity~~] ***voluntary corporation organized under RSA 292 that is*** registered under RSA 126-X:7 that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, sells, supplies, and dispenses cannabis, and related supplies and educational materials, to qualifying patients, designated caregivers, other alternative treatment centers, and visiting qualifying patients.	17 Use of Cannabis for Therapeutic Purposes; Definition of Alternative Treatment Center. Amend RSA 126-X:1, I to read as follows: I. "Alternative treatment center" means a ***domestic business corporation organized under RSA 293-A, a domestic limited liability company organized under RSA 304-C, or a*** not-for-profit [~~entity~~] ***voluntary corporation organized under RSA 292 that is*** registered under RSA 126-X:7 that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, sells, supplies, and dispenses cannabis, and related supplies and educational materials, to qualifying patients, designated caregivers, other alternative treatment centers, and visiting qualifying patients.	This section is identical in both versions.
31 Use of Cannabis for Therapeutic Purposes; Departmental Administration. Amend RSA 126-X:7, IV(a)(4) to read as follows: (4) The name, address, and date of birth of each principal officer and board member of the alternative treatment center. The board of ***directors, or board of managers as applicable,*** for the [~~nonprofit~~] ***alternative treatment center*** shall include at least one physician, advance practice registered nurse, or pharmacist licensed to practice in New	18 Use of Cannabis for Therapeutic Purposes; Departmental Administration. Amend RSA 126-X:7, IV(a)(4) to read as follows: (4) The name, address, and date of birth of each principal officer and board member of the alternative treatment center. The board of ***directors, or board of managers as applicable,*** for the [~~nonprofit~~] ***alternative treatment center*** shall include at least one physician, advance practice registered nurse, or pharmacist licensed to practice in New	This section is identical in both versions.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
Hampshire and at least one patient qualified to register as a qualifying patient. The majority of board members, ***or managers as applicable,*** shall be New Hampshire residents. A medical professional listed in this subparagraph may be a member of the alternative treatment center board ***or directors, or managers as applicable,*** but shall not maintain an ownership interest in the center.	Hampshire and at least one patient qualified to register as a qualifying patient. The majority of board members, ***or managers as applicable,*** shall be New Hampshire residents. A medical professional listed in this subparagraph may be a member of the alternative treatment center board ***or directors, or managers as applicable,*** but shall not maintain an ownership interest in the center.	
32 Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements. Amend RSA 126-X:8, I to read as follows: I. An alternative treatment center shall be operated on a ***for profit or*** not-for-profit basis for the benefit of its patients. An alternative treatment center need not be recognized as a tax-exempt organization by the Internal Revenue Service.	19 Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements. Amend RSA 126-X:8, I to read as follows: I. An alternative treatment center shall be operated on a ***for profit or*** not-for-profit basis for the benefit of its patients. An alternative treatment center need not be recognized as a tax-exempt organization by the Internal Revenue Service.	This section is identical in both versions.
33 New Paragraphs; Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements. Amend RSA 126-X:8 by inserting after paragraph XVIII the following new paragraphs: XIX. Except as otherwise provided in this chapter, an alternative treatment center shall be subject to RSA 293-A if organized as a domestic business corporation, RSA 304-C if organized as a domestic limited liability company, and RSA 292 if organized as a voluntary corporation. XX. An alternative treatment center organized as a voluntary corporation under RSA 292 may, on or before December 31, 2024, convert from a voluntary corporation under RSA 292 to either a domestic business corporation organized under RSA 293-A or a limited liability company organized under RSA 304-C in any of the following ways:	20 New Paragraphs; Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements. Amend RSA 126-X:8 by inserting after paragraph XVIII the following new paragraphs: XIX. Except as otherwise provided in this chapter, an alternative treatment center shall be subject to RSA 293-A if organized as a domestic business corporation, RSA 304-C if organized as a domestic limited liability company, and RSA 292 if organized as a voluntary corporation. XX. An alternative treatment center organized as a voluntary corporation under RSA 292 may, on or before December 31, 2024, convert from a voluntary corporation under RSA 292 to either a domestic business corporation organized under RSA 293-A or a limited liability company organized under RSA 304-C in any of the following ways:	This section is identical in both versions.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
(a) By adopting a plan of entity conversion in accordance with RSA 293-A or RSA 304-C, as applicable, that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, provided that each such conversion shall be authorized by a vote of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by unanimous written consent. (b) By adopting a plan of merger in accordance with RSA 293-A that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic business corporation shall be the surviving entity, provided that, such merger shall be authorized by a vote of 2/3 of the members of the board of directors of the alternative treatment center at a meeting duly called for the purpose or by unanimous written consent. (c) By adopting a plan of merger in accordance with RSA 304-C that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic limited liability company shall be the surviving entity, provided that, such merger shall be authorized by a vote of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by unanimous written consent. XXI. Articles of entity conversion or articles of merger, as applicable, shall be signed and submitted to the secretary of state pursuant to RSA 293-A or RSA 304-C, as applicable, and the secretary of state shall approve all such filings submitted pursuant to this section. XXII. The secretary of state shall certify such articles of entity conversion or articles of merger and shall provide them to the department.	(a) By adopting a plan of entity conversion in accordance with RSA 293-A or RSA 304-C, as applicable, that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, provided that each such conversion shall be authorized by a vote of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by unanimous written consent. (b) By adopting a plan of merger in accordance with RSA 293-A that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic business corporation shall be the surviving entity, provided that, such merger shall be authorized by a vote of 2/3 of the members of the board of directors of the alternative treatment center at a meeting duly called for the purpose or by unanimous written consent. (c) By adopting a plan of merger in accordance with RSA 304-C that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic limited liability company shall be the surviving entity, provided that, such merger shall be authorized by a vote of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by unanimous written consent. XXI. Articles of entity conversion or articles of merger, as applicable, shall be signed and submitted to the secretary of state pursuant to RSA 293-A or RSA 304-C, as applicable, and the secretary of state shall approve all such filings submitted pursuant to this section. XXII. The secretary of state shall certify such articles of entity conversion or articles of merger and shall provide them to the department.	

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
Upon receipt, the department shall update the existing licenses held by the converted or merged alternative treatment center. XXIII. For the purposes of converting or merging an alternative treatment center pursuant to this section, notwithstanding any provision in the articles of agreement or alternative treatment center license applications to the contrary, the members of an alternative treatment center's board of directors may determine that a plan of entity conversion or merger is consistent with its corporate charter, and such voluntary corporation may surrender its articles of agreement in connection with the plan of entity conversion or merger. XXIV.(a) Any alternative treatment center choosing to convert or merge pursuant to this section shall obtain an independent fair market valuation of its total assets as of June 30, 2024. The valuation of the total assets of such alternative treatment center, if positive, shall be distributed to one or more charitable organizations solely for charitable purposes. The director of charitable trusts shall receive a copy of the valuation and may file any objection relating thereto with the court within 60 days. Except as set forth in this section and notwithstanding any other law to the contrary, no portion of the assets of such alternative treatment center after the conversion or merger, as applicable, shall be deemed to be charitable assets. (b) Any alternative treatment center choosing to convert or merge pursuant to this section shall submit a copy of the plan of conversion or merger to the director of charitable trusts. The director may file an objection relating to the plan with the court within 60 days. (c) Any alternative treatment center that has converted or merged pursuant to this section shall, on December 31, 2024 and thereafter	Upon receipt, the department shall update the existing licenses held by the converted or merged alternative treatment center. . XXIII. For the purposes of converting or merging an alternative treatment center pursuant to this section, notwithstanding any provision in the articles of agreement or alternative treatment center license applications to the contrary, the members of an alternative treatment center's board of directors may determine that a plan of entity conversion or merger is consistent with its corporate charter, and such voluntary corporation may surrender its articles of agreement in connection with the plan of entity conversion or merger. XXIV.(a) Any alternative treatment center choosing to convert or merge pursuant to this section shall obtain an independent fair market valuation of its total assets as of June 30, 2024. The valuation of the total assets of such alternative treatment center, if positive, shall be distributed to one or more charitable organizations solely for charitable purposes. The director of charitable trusts shall receive a copy of the valuation and may file any objection relating thereto with the court within 60 days. Except as set forth in this section and notwithstanding any other law to the contrary, no portion of the assets of such alternative treatment center after the conversion or merger, as applicable, shall be deemed to be charitable assets. (b) Any alternative treatment center choosing to convert or merge pursuant to this section shall submit a copy of the plan of conversion or merger to the director of charitable trusts. The director may file an objection relating to the plan with the court within 60 days. (c) Any alternative treatment center that has converted or merged pursuant to this section shall, on December 31, 2024 and thereafter	

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
for 2 years, annually file a letter with the director of charitable trusts certifying compliance with the requirements of RSA 126-X:8, XX.	for 2 years, annually file a letter with the director of charitable trusts certifying compliance with the requirements of RSA 126-X:8, XX.	
34 Voluntary Corporations; Change of Name. Amend RSA 292:7 to read as follows: 292:7 Change of Name; Amending Articles. *I.* Any corporation now or hereafter organized or registered in accordance with the provisions of this chapter, and any existing corporation which may have been so organized or registered, may change its name, increase or decrease its capital stock or membership certificates, merge with or acquire any other corporation formed pursuant to this chapter, or amend its articles of agreement, by a majority vote of such corporation's board of directors or trustees, at a meeting duly called for that purpose, and by recording a certified copy of such vote in the office of the secretary of state and in the office of the clerk of the town or city in this state which is its principal place of business. In the case of a foreign nonprofit corporation registered in New Hampshire, a copy of the amendment or plan of merger, certified by the proper officer of the state of incorporation, shall be filed with the secretary of state, together with the fee provided in RSA 292:5. The surviving corporation in a merger shall continue to have all the authority and powers vested in the merging corporations, including any powers previously conferred upon them by the legislature. ***II. An alternative treatment center registered pursuant to RSA 126-X and organized under this chapter may, pursuant to RSA 126-X:8,***	21 Voluntary Corporations; Change of Name. Amend RSA 292:7 to read as follows: 292:7 Change of Name; Amending Articles. *I.* Any corporation now or hereafter organized or registered in accordance with the provisions of this chapter, and any existing corporation which may have been so organized or registered, may change its name, increase or decrease its capital stock or membership certificates, merge with or acquire any other corporation formed pursuant to this chapter, or amend its articles of agreement, by a majority vote of such corporation's board of directors or trustees, at a meeting duly called for that purpose, and by recording a certified copy of such vote in the office of the secretary of state and in the office of the clerk of the town or city in this state which is its principal place of business. In the case of a foreign nonprofit corporation registered in New Hampshire, a copy of the amendment or plan of merger, certified by the proper officer of the state of incorporation, shall be filed with the secretary of state, together with the fee provided in RSA 292:5. The surviving corporation in a merger shall continue to have all the authority and powers vested in the merging corporations, including any powers previously conferred upon them by the legislature. ***II. An alternative treatment center registered pursuant to RSA 126-X and organized under this chapter may, pursuant to RSA 126-X:8,***	This section is identical in both versions.

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XX, convert to either a domestic corporation organized under RSA 293-A or a limited liability company organized under to RSA 304-C, and may merge with a domestic business corporation organized under RSA 293-A or a limited liability company organized under RSA 304-C.	***XX, convert to either a domestic corporation organized under RSA 293-A or a limited liability company organized under to RSA 304-C, and may merge with a domestic business corporation organized under RSA 293-A or a limited liability company organized under RSA 304-C.***	
35 New Subparagraph; New Hampshire Business Corporations Act; Entity Conversion Authorized. Amend RSA 293-A:9.50 by inserting after subparagraph (f) the following new subparagraph: (g) Alternative treatment centers registered pursuant to RSA 126-X and organized pursuant to RSA 292 may become a domestic corporation pursuant to a plan of conversion in accordance with RSA 126-X:8, XX and this subdivision. The alternative treatment center shall be deemed to be a domestic unincorporated entity for purposes of applying RSA 293-A:9.50 through RSA 293-A:9.56, except that approval of the conversion shall be as outlined in RSA 126-X:8, XX.	22 New Subparagraph; New Hampshire Business Corporations Act; Entity Conversion Authorized. Amend RSA 293-A:9.50 by inserting after subparagraph (f) the following new subparagraph: (g) Alternative treatment centers registered pursuant to RSA 126-X and organized pursuant to RSA 292 may become a domestic corporation pursuant to a plan of conversion in accordance with RSA 126-X:8, XX and this subdivision. The alternative treatment center shall be deemed to be a domestic unincorporated entity for purposes of applying RSA 293-A:9.50 through RSA 293-A:9.56, except that approval of the conversion shall be as outlined in RSA 126-X:8, XX.	This section is identical in both versions.
36 Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149, I to read as follows: I. Any other business entity, ***including alternative treatment centers pursuant to RSA 126-X:8, XX,*** may make a statutory conversion of its business organization form to the limited liability company business organization form under this act by complying with the requirements of this section and with applicable law governing the other business entity. ***Approval of a conversion of an alternative treatment center pursuant to this paragraph shall be as outlined in RSA 126-X:8, XX.***	23 Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149, I to read as follows: I. Any other business entity, ***including alternative treatment centers pursuant to RSA 126-X:8, XX,*** may make a statutory conversion of its business organization form to the limited liability company business organization form under this act by complying with the requirements of this section and with applicable law governing the other business entity. ***Approval of a conversion of an alternative treatment center pursuant to this paragraph shall be as outlined in RSA 126-X:8, XX.***	This section is identical in both versions.

HB 639, as introduced	HB 639, as amended by 2023-0543h	Notes
37 New Paragraph; Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149 by inserting after paragraph VIII the following new paragraph: IX. In the case of the conversion of an alternative treatment center registered under RSA 126-X and organized pursuant to RSA 292, such conversion shall be approved by the board of directors in accordance with RSA 126-X:8, XX.	24 New Paragraph; Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149 by inserting after paragraph VIII the following new paragraph: IX. In the case of the conversion of an alternative treatment center registered under RSA 126-X and organized pursuant to RSA 292, such conversion shall be approved by the board of directors in accordance with RSA 126-X:8, XX.	This section is identical in both versions.
38 Appropriations. I. The sum of $100,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the department of safety, information and analysis center, drug monitoring initiative, for the purpose of collecting baseline data to be used in the reports required pursuant to **RSA 318-F:24**. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated. II. The sum of $2,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the **cannabis commission** established in RSA 318-F:8 for deposit into the cannabis fund established in **RSA 318-F:24** for the administration of RSA 318-F. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.	33 Appropriations. I. The sum of $100,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the department of safety, information and analysis center, drug monitoring initiative, for the purpose of collecting baseline data to be used in the reports required pursuant to **RSA 318-F:20**. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated. II. The sum of $2,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the **liquor and cannabis commission** established in RSA 318-F:8 for deposit into the cannabis fund established in **RSA 318-F:21** for the administration of RSA 318-F. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated. **III. The sum of $4,600,000 for the fiscal year ending June 30, 2024 is appropriated to the liquor and cannabis commission for the cost of administration of RSA 318-F. The governor is authorized to draw a warrant for said sum from any money in the treasury not otherwise appropriated.**	Updates statutory reference to conform with other changes in the bill. Updates commission name—the statutory reference (RSA 318-F:8) may need to be updated. Adds a $4.6 million appropriation for administration costs.

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39 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use with cannabis, is repealed.	34 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use with cannabis, is repealed.	This section is identical in both versions.
40 Effective Date. I. RSA 318-F:18, XI, as inserted by section 7 of this act, shall take effect upon certification by the attorney general of New Hampshire to the director of the office of legislative services and the secretary of state that the conduct allowed by that paragraph has become legal under the United States Code. II. Section 38 of this act shall take effect June 30, 2025. III. The remainder of this act shall take effect upon its passage.	35 Effective Date. I. RSA 318-F:15, IX, as inserted by section 7 of this act, shall take effect upon certification by the attorney general of New Hampshire to the director of the office of legislative services and the secretary of state that the conduct allowed by that paragraph has become legal under the United States Code. II. The remainder of this act shall take effect upon its passage.	Amended version removes the June 30, 2025 effective date for the appropriations section.

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on HB 639-FN-A

BILL TITLE: relative to the legalization and regulation of cannabis and making appropriations therefor.

DATE: March 15, 2023

LOB ROOM: 202-204

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Spilsbury	Seconded by Rep. Ames	AM Vote: 16-4

Amendment # 2023-1231h

Moved by Rep. Spilsbury	Seconded by Rep. Ames	Vote: 16-4

CONSENT CALENDAR: NO

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Fred Plett, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/10/2023 9:55:04 AM
Roll Call Committee Registers Report

2023 SESSION

Ways and Means

Bill #: HB-639-FA-A **Motion:** 2023-1231-H **AM #:** **Exec Session Date:** 3/27/23

Members	YEAS	Nays	NV
Sanborn, Laurie J. Chairman	16		
Janigian, John C. Vice Chairman	1		
Ulery, Jordan G.	2		
Doucette, Fred G.	3		
Spilsbury, Walter	4		
Plett, Fred R. Clerk	5		
~~Hynes, Dan~~ Layon Erica	6		
Soti, Julius F.	7		
Aures, Cyril Nicholas	8		
Rochefort, David	9		
Almy, Susan W.	10		
Ames, Richard	11		
Southworth, Thomas L.		1	
Malloy, Dennis J.	12		
~~Schamberg, Thomas~~ C. Rung, Rosemary	13		
Fellows, Sallie D.		2	
Bolton, Bill R	14		
Elberger, Susan A		3	
Leapley, Nicole M		4	
Smith, Geoffrey	15		
TOTAL VOTE:	16	4	

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/10/2023 9:55:04 AM
Roll Call Committee Registers Report

2023 SESSION

Ways and Means

Bill #: HB534-FN-A Motion: OTP/A AM #: _____ Exec Session Date: 3/23/23

Members	YEAS	Nays	NV
Sanborn, Laurie J. Chairman	14		
Janigian, John C. Vice Chairman	1		
Ulery, Jordan G.	2		
Doucette, Fred G.	3		
Spilsbury, Walter	4		
Plett, Fred R. Clerk	5		
~~Hynes, Dan~~ Layon, Erica	6		
Soti, Julius F.	7		
Aures, Cyril Nicholas	8		
Rochefort, David	9		
Almy, Susan W.	10		
Ames, Richard	11		
Southworth, Thomas L.		X	
Malloy, Dennis J.	12		
~~Schamberg, Thomas~~ C. Rung, Rosemary	13		
Fellows, Sallie D.		2	
Bolton, Bill R	14		
Elberger, Susan A		3	
Leapley, Nicole M		4	
Smith, Geoffrey	15		
TOTAL VOTE:	16	4	