

HB 186-FN-A - AS INTRODUCED

2025 SESSION

25-0168

09/05

HOUSE BILL **186-FN-A**

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

SPONSORS: Rep. J. Sullivan, Graf. 2; Rep. H. Howard, Straf. 4

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

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

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

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

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

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

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

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

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

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

21 2 New Subparagraphs; Application of Receipts; Cannabis Fund. Amend RSA 6:12, I(b) by
22 inserting after subparagraph (399) the following new subparagraphs:

23 (400) Moneys deposited in the cannabis fund established in RSA 318-F:26.

24 (401) Moneys in the substance misuse prevention, treatment, and recovery fund
25 established by RSA 318-F:27.

26 3 New Subdivision; Substance Misuse Prevention, Treatment, and Recovery Funds. Amend
27 RSA 126-A by inserting after section 105 the following new subdivision:

28 Substance Misuse Prevention, Treatment, and Recovery Funds

29 126-A:106 Substance Misuse Prevention, Treatment, and Recovery Funds; Management and
30 Distribution of Funds.

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1 I. The commissioner of the department of health and human services, in coordination with
2 the governor's commission on alcohol and other drugs under RSA 12-J, shall administer the
3 substance misuse prevention, treatment, and recovery fund established in RSA 318-F:27.

4 II. Funds shall be deposited into the substance misuse prevention, treatment, and recovery
5 fund as established by RSA 318-F:27 to be distributed by the commissioner of the department of
6 health and human services in coordination with the governor's commission on alcohol and other
7 drugs under RSA 12-J. Funds may be awarded to a qualifying governmental entity or program for
8 an approved use. All funds shall be nonlapsing and continually appropriated for the purposes of this
9 section.

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

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

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

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

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

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

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

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

35 4 Alcoholic Beverages; Statement From Purchaser as to Age. Amend RSA 179:8, I(d) to read as
36 follows:

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

3 5 Model Drug Dealer Liability Act; Definition of Illegal Drug. Amend RSA 318-C:4, I to read as
4 follows:

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

8 6 New Chapter; Regulation of Cannabis. Amend RSA by inserting after chapter 318-E the
9 following new chapter:

10 CHAPTER 318-F

11 REGULATION OF CANNABIS

12 318-F:1 Definitions. In this chapter:

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

14 II. "Cannabis" or "marijuana" means all parts of the plant of the genus cannabis containing
15 over 0.3 percent THC on a dry weight basis, whether growing or not, the resin extracted from any
16 part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the
17 plant, or its resin, including cannabis concentrate. "Cannabis" shall not include seeds of plants from
18 the genus cannabis, hemp as defined by RSA 439-A, fiber produced from the stalks, oil, or cake made
19 from the seeds of the plant, or the weight of any other ingredient combined with cannabis to prepare
20 topical or oral administrations, food, drink, or other product.

21 III. "Cannabis accessories" or "cannabis paraphernalia" means any equipment, products, or
22 materials of any kind that are intended for use, or designed for use in planting, propagating,
23 cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing,
24 processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing
25 cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.
26 "Cannabis accessories" and "cannabis paraphernalia" do not include products that are not designed
27 or marketed for use related to cannabis.

28 IV. "Cannabis concentrate" means the resin extracted from a cannabis plant and every
29 preparation that is composed primarily of such resin, including, but not limited to, hashish and
30 cannabis oils for vaporization. "Cannabis concentrate" shall not include cannabis products made
31 from cannabis concentrate where the majority of the content by weight is something other than
32 cannabis such as, but not limited to, edible products, topical products, and tinctures.

33 V. "Cannabis cultivation facility" or "cultivation facility" means an entity licensed to
34 cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis
35 product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation
36 facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis

1 concentrates or cannabis products unless the licensee also holds another type of license authorizing
2 cannabis product or cannabis concentrate manufacturing.

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

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

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

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

16 X. "Cannabis transporter" means an entity licensed to transport cannabis between cannabis
17 establishments.

18 XI. "Cannabis trim" means leaves, stems, trichomes, and other plant materials that are no
19 longer attached to a cannabis plant. It does not include cannabinoids or resins extracted from
20 cannabis.

21 XII. "Canopy" or "canopy space" means the surface area utilized to produce mature plants
22 calculated in square feet and measured using the outside boundaries of any area that includes
23 mature marijuana plants, including all the space within the boundaries. The square footage of
24 canopy space is measured horizontally starting from the outermost point of the furthest mature
25 flowering plant in a designated growing space and continuing around the outside of all mature
26 flowering plants located within the designated growing space. If growing spaces are stacked
27 vertically, each level of space shall be measured and included as part of the total canopy space
28 measurement.

29 XIII. "Commission" means the cannabis commission established in RSA 318-F:7.

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

34 XV. "Department" means the department of health and human services.

35 XVI. "Designated caregiver" means "designated caregiver" as defined in RSA 126-X:1, VI.

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

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

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

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

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

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

15 XXIII.(a) "Possession limit" means:

- 16 (1) Two ounces of cannabis flower or cannabis trim or any combination thereof;
- 17 (2) Ten grams of cannabis concentrate;
- 18 (3) Cannabis products other than cannabis concentrate containing no more than
19 2,000 milligrams of THC;
- 20 (4) Six cannabis plants, with 3 or fewer being mature, flowering plants; and
- 21 (5) Any additional cannabis, cannabis concentrate, and cannabis products produced
22 from the person's cannabis plants, provided that any amount of cannabis in excess of 2 ounces of
23 cannabis, 10 grams of cannabis concentrate, and cannabis products containing no more than 2,000
24 milligrams of THC shall be possessed in the same location where the plants were cultivated.

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

26 XXIV. "Public place" means any place to which the general public has access, except it does
27 not include privately owned, outdoor locations where cannabis is used with the permission of the
28 property owner.

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

33 XXVI. "Qualifying patient" means "qualifying patient" as defined in RSA 126-X:1, X.

34 XXVII. "Retail cannabis store" or "retail store" means an entity licensed to purchase
35 cannabis from cannabis cultivation facilities, to purchase cannabis and cannabis products from
36 cannabis product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis
37 products or cannabis accessories or cannabis paraphernalia to consumers. Retail stores with

1 therapeutic cannabis endorsements are also licensed to sell, transfer, and deliver cannabis and
2 cannabis products, cannabis accessories, or cannabis paraphernalia to designated caregivers and
3 qualifying patients.

4 XXVIII. "Resident" means a natural person who:

5 (a) Is domiciled in New Hampshire; and

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

8 XXIX. "Volatile extraction" means:

9 (a) Extractions using any solvent identified as volatile or hazardous by the commission;
10 and

11 (b) Any method of extraction identified as potentially hazardous by the commission.

12 318-F:2 Personal Use of Cannabis.

13 I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person
14 21 years of age or older, shall not be illegal under New Hampshire law or the law of any political
15 subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:

16 (a) Possessing, consuming, using, displaying, obtaining, purchasing, processing,
17 producing, or transporting an amount of cannabis that does not exceed the possession limit, except
18 that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product
19 manufacturer or alternative treatment center may perform volatile extractions.

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

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

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

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

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

37 318-F:3 Home Cultivation.

1 I. Except as provided in paragraph II, if undertaken by a person 21 years of age or older, it
2 shall not be illegal under New Hampshire law, shall not be a criminal or civil offense under New
3 Hampshire law or the law of any political subdivision of New Hampshire, and shall not be a basis for
4 seizure or forfeiture of assets under New Hampshire law to grow, process, or cultivate an amount of
5 cannabis that does not exceed the possession limit.

6 II. No person who is 21 years of age or older shall cultivate cannabis plants except as
7 provided in this section:

8 (a) Cannabis plants shall not be cultivated in a location where the plants are subject to
9 public view, including to view from another private property, without the use of binoculars, aircraft,
10 or other optical aids.

11 (b) A person who cultivates cannabis shall take reasonable precautions to ensure the
12 plants are secure from unauthorized access. Cultivating cannabis in an enclosed, locked space to
13 which unauthorized persons do not have access, or other similar security precautions, shall be prima
14 facie evidence of reasonable precautions.

15 (c) Cannabis cultivation shall only occur at the cultivator's primary residence.

16 (d) A person who violates this section shall be guilty of a violation and may be fined not
17 more than \$750.

18 318-F:4 Smoking or Vaping Cannabis in Public Prohibited; Penalty. No person shall smoke or
19 vaporize cannabis in any public place.

20 I. First offense: Any person who violates this section shall be guilty of a violation for the
21 first offense and shall be fined not more than \$100, and shall forfeit all cannabis and cannabis
22 products on their person.

23 II. Second offense: Any person who violates this section a second time within 5 years of the
24 first violation under section I shall be guilty of a violation and shall be fined not more than \$500, and
25 shall forfeit all cannabis and cannabis products on their person.

26 III. Subsequent offense: Any person who violates this section, a third or more times, when
27 having 2 prior violations within 5 years of the third or subsequent offense, shall be guilty of a
28 violation and shall be fined not more than \$1,000, and shall forfeit all cannabis and cannabis
29 products on their person.

30 318-F:5 Odor and Personal Possession of Cannabis Not Grounds for a Search.

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

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

4 318-F:6 Cannabis Accessories Authorized.

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

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

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

17 318-F:7 Cannabis Commission.

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

21 II. No later than 90 days after the effective date of this chapter, the governor shall nominate
22 the chairperson of the commission and the commissioners, who shall be confirmed with the advice
23 and consent of the executive council following a public hearing before the executive council.
24 Vacancies shall be filled in like manner for the unexpired term.

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

26 (b) Commissioners shall each serve a term of 4 years, except that one of the 2
27 commissioners appointed in 2025 shall serve a term of 2 years.

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

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

32 (e) The annual salary of the commission chairperson shall be as specified in RSA 94:1-a
33 and shall be established by the joint committee on employee classification pursuant to the procedure
34 set forth in RSA 14:14-c and RSA 94:1-d. The chairperson shall receive his or her reasonable
35 expenses while traveling in the performance of his or her duties, provided that the chairperson shall
36 not be allowed as expenses travel between his or her place of residence and the commission

1 chairperson's office in Concord, nor shall the commission chairperson be allowed board or lodging
2 while in Concord.

3 (f) Except as provided in this section, each commissioner shall be paid \$300 a day, or
4 \$150 per half-day, plus mileage at the state employee rate while engaged in his or her official duties.
5 These rates shall be adjusted annually to account for inflation or deflation based on the consumer
6 price index.

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

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

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

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

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

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

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

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

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

32 VII. No chairperson of the commission and no commissioner shall render any professional
33 service for any cannabis establishment in this state, or any affiliate thereof, or act as attorney or
34 render professional service against any such cannabis establishment or affiliate; nor shall he or she
35 be a member of a firm which renders any such service; nor shall he or she directly or indirectly be a
36 party to any contract with any such cannabis establishment. This prohibition shall remain in force
37 for 18 months following membership on the commission.

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

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

6 (b) Performing his or her duties impartially and diligently;

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

9 (d) Abstaining from public comment about a matter pending before the commission and
10 requiring similar abstention on the part of commission personnel;

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

14 (f) Initiating appropriate disciplinary measures against commission personnel for
15 unprofessional conduct;

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

18 (h) Informing himself or herself about personal and fiduciary interests and making a
19 reasonable effort to inform himself or herself about the personal financial interests of his or her
20 spouse and minor children;

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

23 (j) Refraining from solicitation of funds for any political purpose, nor being listed as an
24 officer, director, or trustee of any such organizations soliciting such funds; and

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

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

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

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

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

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

3 318-F:8 Cannabis Advisory Board.

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

7 II. No later than 90 days after the effective date of this chapter, the governor shall nominate
8 members of the advisory board, who shall be confirmed with the advice and consent of the executive
9 council. The board shall consist of 15 members, and shall consist of:

10 (a) One expert in cannabis cultivation;

11 (b) One expert in cannabis retailing;

12 (c) One expert in cannabis product manufacturing;

13 (d) One expert in cannabis testing;

14 (e) One board member or officer of an alternative treatment center;

15 (f) One registered therapeutic cannabis patient;

16 (g) One individual who represents cannabis consumers;

17 (h) Two experts in public health;

18 (i) One expert in law enforcement;

19 (j) One expert in social welfare or criminal justice;

20 (k) One expert in financing small cannabis businesses;

21 (l) One attorney with experience providing legal services to cannabis businesses,
22 cannabis consumers or therapeutic cannabis patients;

23 (m) One prevention specialist who is currently certified by the New Hampshire
24 prevention certification board; and

25 (n) The attorney general, or his or her designee.

26 III. Members of the board shall serve terms of 2 years. Except as provided in this
27 paragraph, each member of the board shall be paid a \$100 stipend for each meeting, and shall be
28 reimbursed for their expenses actually and necessarily incurred in the discharge of their official
29 duties, including mileage at the state employee rate for attendance to meetings and other official
30 functions. These rates shall be adjusted annually to account for inflation or deflation based on the
31 consumer price index. The stipend is not available to any member of the board who is serving in
32 their professional capacity and who is being compensated for their time by their employer, client, or
33 other entity. Reimbursements are not available to any member of the board who is serving in their
34 professional capacity and is reimbursed by their employer, client, or other entity.

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

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

1 VI. The cannabis advisory board shall:

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

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

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

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

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

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

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

16 (2) Whether the allocations from the cannabis fund should be revised;

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

19 (4) Whether to alter or abolish the commission.

20 318-F:9 Enforcement Authority.

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

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

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

32 318-F:10 Regulation of Cannabis.

33 I. Not later than 15 months after the effective date of this section, the commission shall
34 adopt rules pursuant to RSA 541-A for the licensing and regulation of cannabis cultivation facilities
35 and for the issuance of dual use certificates. Not later than 18 months after the effective date of this
36 section, the commission shall adopt rules pursuant to RSA 541-A for the issuance of therapeutic

1 cannabis endorsements, for the licensing and regulation of all other cannabis establishments, and on
2 the manufacture and sale of cannabis accessories. The rules shall include the following:

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

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

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

11 (2) That annual licensing fees shall not exceed the following, with each upper limit
12 adjusted for inflation or deflation based on the consumer price index:

13 (A) \$2,500 for product manufacturers that are not authorized to perform volatile
14 extractions;

15 (B) \$5,000 for cannabis testing facilities;

16 (C) \$10,000 for retail cannabis stores and cannabis product manufacturing
17 facilities;

18 (D) \$10,000 for product manufacturers that are authorized to perform volatile
19 extractions;

20 (E) \$250 for a tier 1 cannabis cultivation facility;

21 (F) \$5,000 for a tier 2 cannabis cultivation facility;

22 (G) \$12,500 for a tier 3 cannabis cultivation facility; and

23 (H) \$25,000 for a tier 4 cannabis cultivation facility.

24 (3) That the fee for a therapeutic cannabis endorsement may not exceed \$250.

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

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

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

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

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

1 (3) That cultivation facilities may move up to a higher tier at least once per year if
2 they meet the security requirements and pay the associated fee; and

3 (4) That the tiers shall include the following:

4 (A) The canopy of a tier 1 cannabis cultivation facility shall be no larger than
5 500 square feet if the licensee is an indoor cultivation facility;

6 (B) The canopy of a tier 2 cannabis cultivation facility shall be no larger than
7 2,000 square feet if the licensee is an indoor cultivation facility;

8 (C) The canopy of a tier 3 cannabis cultivation facility shall be no larger than
9 5,000 square feet if the licensee is an indoor cultivation facility; and

10 (D) The canopy of a tier 4 cannabis cultivation facility shall be no larger than
11 10,000 square feet if the licensee is an indoor cultivation facility.

12 (f) Recordkeeping requirements for cannabis establishments, including requirements for
13 implementation and compliance with the tracking system.

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

17 (h) A schedule of fines as are authorized in this chapter for violations of statutory
18 requirements and rules adopted thereunder.

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

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

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

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

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

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

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

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

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

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

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

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

10 (o) Packaging, product manufacturing, and labeling requirements for cannabis and
11 cannabis products, including, but not limited to:

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

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

16 (3) Establishing the maximum amount of THC that may be included in each
17 cannabis product serving as 10 milligrams, except that the commission may change this amount
18 through rulemaking;

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

21 (5) Warnings, including but not limited to, those described in RSA 318-F:18;

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

24 (7) Potency limits for cannabis products.

25 (p) Health and safety rules and standards for the cultivation of cannabis and
26 manufacture of cannabis products, including, but not limited to:

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

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

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

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

35 (r) Requirements for the testing of cannabis and cannabis products, including, but not
36 limited to:

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

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

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

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

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

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

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

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

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

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

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

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

33 (v) Procedures and notices relating to all recalls of any products.

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

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

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

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

19 V. No later than 24 months after the effective date of this chapter, and every year
20 thereafter, the commission shall reevaluate the fines and penalties established in RSA 318-F.

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

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

25 (1) What hemp products the commission would regulate;

26 (2) How the products would be regulated, including whether a license would be
27 required and whether hemp processors and manufacturers should be licensed and regulated by the
28 commission;

29 (3) Any license fees or other charges that would be assessed on hemp products and
30 license fees assessed on hemp processors and manufacturers; and

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

33 (b) The regulations governing the production and the sale of intoxicating ingestible or
34 smokable products containing hemp-derived cannabinoids may not be less restrictive than the
35 provisions of RSA 318-F or administrative rules enacted pursuant to RSA 541-A. For purposes of
36 this section, "intoxicating ingestible or smokable products containing hemp-derived cannabinoids"
37 means any product that is intended to be consumed by humans or animals through inhalation or

1 ingestion containing tetrahydrocannabinol and tetrahydrocannabinolic acids that are artificially or
2 naturally derived from hemp where inhalation or ingestion is reasonably likely to result in
3 alterations of perception, cognition, or behavior.

4 318-F:11 Dual Use Certificates.

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

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

12 III. The commission shall grant or deny any application for a dual use certificate within 90
13 days, provided that the commission shall begin issuing cannabis establishment licenses to holders of
14 dual use certificates on the same date it begins issuing cannabis establishment licenses to applicants
15 that are not dual use certificate holders for all categories of license.

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

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

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

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

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

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

29 (f) Providing for the suspension of sales of cannabis to consumers in the event of a
30 product shortage.

31 V.(a) Cannabis sold by alternative treatment centers holding dual use certificates to
32 qualifying patients directly or via their designated caregivers shall meet the requirements of RSA
33 126-X:8 and rules issued pursuant to chapter RSA 126-X.

34 (b) Cannabis sold by alternative treatment centers holding dual use certificates to
35 qualifying patients directly or via their designated caregivers may have higher THC per serving than
36 is permitted by rules governing cannabis establishments that are issued pursuant to RSA 318-F:13.

1 VI. Alternative treatment centers holding dual use certificates and the requisite cannabis
2 establishment licenses may sell cannabis grown and processed by those alternative treatment
3 centers to other cannabis establishments and to consumers from their cannabis retail stores
4 provided they comply with rules issued pursuant to this chapter.

5 318-F:12 Transition of Therapeutic Cannabis Program.

6 I. No later than 12 months after the effective date of this chapter, the commission, jointly
7 with the department of health and human services, shall develop a proposal on whether and how to
8 move the therapeutic cannabis program to the commission. The chairperson of the commission shall
9 deliver the proposal to the house of representatives health, human services and elderly affairs
10 committee and the senate health and human services committee.

11 II. The proposal shall include a plan to allow cannabis retail stores to obtain a therapeutic
12 cannabis endorsement that would allow them to serve qualifying patients without imposing the
13 excise tax.

14 318-F:13 Licensure Procedures for Cannabis Establishments.

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

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

20 III. The commission shall:

21 (a) Begin issuing cannabis establishment licenses to holders of dual use certificates on
22 the same date it begins issuing cannabis establishment licenses to applicants that are not dual use
23 certificate holders for all categories of license.

24 (b) Begin issuing cannabis cultivation facility licenses at least 90 days before it begins
25 issuing retail store cannabis product manufacturing facilities and licenses.

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

28 (d) Issue a license to the applicant within 90 days after receipt of an application unless:

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

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

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

36 (e) Accept and process applications on an ongoing basis.

37 318-F:14 Enactment of Municipal Ordinances.

1 I. The voters of every municipality shall vote by ballot, in such manner as provided by the
2 governing body, on whether to allow cannabis retail stores in their municipality at the first annual
3 meeting after July 1, 2025. The wording of the question shall be substantially as follows: "Shall we
4 allow the operation of cannabis retail stores within this city or town?" The recount of any local
5 option vote, the procedures for holding such a recount, the declaration of the results of such a
6 recount, and the procedure for an appeal from such a recount shall be as provided in RSA 660:13-15.
7 A municipality may not prohibit transportation through the municipality by cannabis
8 establishments located in other jurisdictions.

9 II. Notwithstanding any other provision of law to the contrary, the provisions of RSA 664:14
10 through RSA 664:22 shall apply to any election or meeting at which the voters of a municipality
11 decide the question set forth in this section.

12 III. If a majority of those voting on the question vote "yes," cannabis retail stores may be
13 operated within the town or city.

14 IV. A municipality where a vote to allow cannabis retail stores fails shall propose the
15 question to voters again in a subsequent municipal or other election upon a petition. The petition
16 shall be of not less than 5 percent of the legal voters within the city or town filed with the secretary
17 of state within the timeframe regulating other ballot measures for municipal elections. The same
18 requirements established in paragraph I shall apply to that subsequent municipal election.

19 V. A municipality may enact an ordinance limiting the number of each type of cannabis
20 establishment that may be permitted within the municipality.

21 VI. A municipality may not negotiate or enter into an agreement with a cannabis
22 establishment or a cannabis establishment applicant requiring that the cannabis establishment or
23 applicant provide money, donations, in-kind contributions, services, or anything of value to the
24 municipality.

25 VII. In a municipality that voted to permit cannabis establishments, if the municipality has
26 a zoning ordinance, it shall consider adoption of an innovative land use control pursuant to RSA
27 674:21, II, specifying where a cannabis establishment will be a permitted use and further provide
28 what, if any, conditions will be placed upon cannabis establishments. If a municipality has passed
29 an innovative land use control relative to cannabis establishments, it shall notify the liquor
30 commission within 90 days of passage. Municipalities without zoning ordinances or which have
31 failed to pass an innovative land use control relative to cannabis establishments will be governed by
32 the provisions of RSA 318-F and administrative rules relating to cannabis establishments enacted
33 pursuant to RSA 541-A. No local ordinance may be less restrictive than the provisions of RSA 318-F
34 or administrative rules enacted pursuant to RSA 541-A.

35 VIII. Continued use: Notwithstanding this section, a municipality may not prohibit the
36 operation of a cannabis retail store at a location that was licensed to sell therapeutic cannabis to
37 qualifying patients at retail pursuant to chapter RSA 126-X prior to the effective date of this act.

1 318-F:15 Residency Required.

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

5 II. This section shall not apply to an applicant for a cannabis testing facility license.

6 318-F:16 Financial Interests Prohibited.

7 I. No cannabis testing facility or individual with a controlling interest in a cannabis testing
8 facility shall have a direct or indirect financial interest in an alternative treatment center, a retail
9 cannabis store, a cannabis cultivation facility, or a cannabis product manufacturing facility.

10 II. Prior to 3 years after the effective date of this chapter, no person or business entity may
11 have a controlling interest in more than 3 cannabis establishments of any single category.

12 III. Beginning 3 years after the effective date of this chapter, no person or business entity
13 may have a controlling interest in more than 25 percent of operational cannabis cultivation facilities,
14 cannabis product manufacturing facilities, or retail cannabis stores, unless the person or business
15 entity has a controlling interest in no more than 3 cannabis establishments of a single category.

16 IV. Beginning 3 years after the effective date of this chapter, no person or business entity
17 may have a controlling interest in more than 50 percent of cannabis testing facilities, unless the
18 person or entity has a controlling interest in no more than 3 cannabis testing facilities.

19 V. No cannabis establishment or individual with a controlling interest in a cannabis
20 establishment may hold a controlling interest in a vendor that provides cannabis inventory tracking
21 in New Hampshire.

22 VI. No vendor that provides cannabis inventory tracking in New Hampshire and no
23 individual with a controlling interest in a vendor that provides cannabis inventory tracking in New
24 Hampshire may hold a controlling interest in a cannabis establishment.

25 VII. In this section, "controlling interest" means a financial or voting interest of 10 percent
26 or greater.

27 318-F:17 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor
28 shall a prospective cannabis establishment apply for a license, if the establishment would be located
29 within 1,000 feet of the property line of a pre-existing public or private pre-school, elementary, or
30 secondary school.

31 318-F:18 Informational Materials and Warning Labels.

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

34 II. A retail cannabis store shall include an informational handout designed by the
35 commission in consultation with the department with all cannabis and cannabis products sold to
36 consumers, and shall include the high potency version in all cannabis concentrates and other high

1 potency sales. The informational handouts shall include scientifically accurate information,
2 including:

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

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

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

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

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

12 (b) Information about methods for administering cannabis;

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

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

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

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

21 (1) Cannabis is illegal under United States federal law; and

22 (2) Under the United States federal 1986 Gun Control Act, any "unlawful" user of a
23 controlled substance is prohibited from purchasing or owning a gun.

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

28 IV. All cannabis and cannabis products sold by a retail cannabis store shall include warning
29 labels that provide the following information: "Warning: This product has intoxicating effects. For
30 use by adults 21 and older. Keep out of reach of children."

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

32 (a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating
33 effects of this product may be delayed," unless the commission determines that a specific time frame
34 should be specified.

35 (b) A disclosure of ingredients and possible allergens.

36 (c) A nutritional fact panel, if the cannabis product is a food-based product.

1 (d) Opaque, child-resistant packaging, which shall be designed or constructed to be
2 significantly difficult for children under 5 years of age to open and not difficult for adults to use
3 properly.

4 318-F:19 Lawful Operation of Cannabis-Related Facilities. If undertaken by a person 21 years
5 of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for
6 seizure or forfeiture of assets under New Hampshire law:

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

15 II. Selling, delivering, or distributing cannabis or cannabis products to a qualifying patient
16 or designated caregiver if the person or business entity conducting the activities described in this
17 paragraph has obtained a current, valid license to operate a retail cannabis store and a therapeutic
18 cannabis endorsement or is acting in his or her capacity as an owner, employee, or agent of a
19 licensed retail cannabis store with a therapeutic cannabis endorsement. The potency limits, serving
20 size limits, and possession limits for sales to qualifying patients or designated caregivers may exceed
21 limits for sales to consumers provided they conform with the limits in RSA 126-X:1 and the
22 regulations issued pursuant to that chapter.

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

32 IV. Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis
33 or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing
34 facility; selling cannabis or cannabis products to a retail cannabis store, alternative treatment
35 center, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a
36 cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a
37 cannabis product manufacturing facility, if the person or business entity conducting the activities

1 described in this paragraph has obtained a current, valid license to operate a cannabis product
2 manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a
3 licensed cannabis product manufacturing facility.

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

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

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

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

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

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

33 318-F:20 Proof of Purchaser's Identity.

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

1 II. Photographic identification presented under this section shall be consistent with the
2 appearance of the person and shall not be expired, and shall be correct and free of alteration,
3 erasure, blemish, or other impairment.

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

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

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

12 318-F:21 Driving; Minors; and Control of Property.

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

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

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

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

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

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

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

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

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

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

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

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

7 318-F:22 Enforcement of Contracts. Contracts related to the operation of a cannabis
8 establishment licensed pursuant to this chapter shall be enforceable. No contract entered into by a
9 licensed cannabis establishment or its employees or agents as permitted pursuant to a valid license,
10 or by those who allow property to be used by an establishment, its employees, or its agents as
11 permitted pursuant to a valid license, shall be unenforceable on the basis that cultivating, obtaining,
12 manufacturing, distributing, dispensing, transporting, selling, possessing, or using cannabis is
13 prohibited by federal law.

14 318-F:23 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.

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

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

19 (b) Engaging in activities allowed by this chapter.

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

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

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

26 (c) Engaging in activities allowed by this chapter.

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

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

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

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

5 (a) Engaging in activities allowed by this chapter;

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

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

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

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

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

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

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

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

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

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

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

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

35 318-F:24 Alcohol Infused Cannabis Products Prohibited.

1 I. It shall be unlawful to manufacture, import, offer, or sell in this state a consumable
2 product that contains cannabis or any form of tetrahydrocannabinol in combination with beer, wine,
3 spirits, or any other type of liquor in the same product.

4 II. In accordance with paragraph I of this section, it shall be unlawful to manufacture,
5 import, offer, or sell in this state a consumable product that contains cannabis or any form of
6 tetrahydrocannabinol in combination with beer, wine, spirits, or any other type of liquor in the same
7 product.

8 318-F:25 Data Collection Related to Cannabis Legalization and Regulation.

9 I. No later than 2 years after the effective date of this chapter, and every 2 years thereafter,
10 the department of health and human services shall, where appropriate, enter into memorandums of
11 understanding with the department of safety, the department of justice, the department of
12 education, the commission, and any other agency determined by the department of health and
13 human services to possess relevant data to collect data, and shall produce and publish a report that
14 includes baseline data and the most current data regarding health and welfare outcomes before and
15 after cannabis legalization and regulation for adult use. All data in the report shall be non-
16 identifiable and respectful of personal privacy. This report may be combined with the report
17 required under RSA 126-A:106, VI, relative to the substance misuse prevention, treatment, and
18 recovery fund authorized under RSA 318-F:27.

19 II. No later than 6 months after the effective date of this chapter, and again 18 months after
20 the effective date of this chapter, the judicial branch shall produce and publish a report that includes
21 the number of cases dismissed pursuant to RSA 651:5-c.

22 318-F:26 Cannabis Fund Established.

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

30 II. For the biennium ending June 30, 2027, and every biennium thereafter, the commission
31 shall include the cost of administration of this chapter in the commission's efficiency expenditure
32 request pursuant to RSA 9:4.

33 III. For the biennium ending June 30, 2027, the sum of \$15,000,000 is hereby appropriated
34 to the cannabis commission for the cost of administration of this chapter. Said sum shall be a charge
35 against the fund.

36 IV. For the biennium ending June 30, 2027, the sum of \$500,000 is hereby appropriated to
37 the substance misuse prevention, treatment, and recovery fund established in RSA 318-F:27 for the

1 cost of developing and implementing a public education campaign prior to initiation of retail sales.
2 Said sum shall be a charge against the fund.

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

5 (a) Fifty-five percent shall be distributed to the general fund;

6 (b) Fifteen percent shall be allocated to the substance misuse education, prevention,
7 treatment, and recovery fund established by RSA 318-F:27;

8 (c) Twenty-five percent shall be allocated to municipalities based on the proportion of
9 retail cannabis sales in the municipality; and

10 (d) Five percent shall be allocated to public safety agencies, including police, fire, and
11 rescue agencies, for the hiring and training of additional drug recognition experts, for advanced
12 roadside impaired driving enforcement training, and for reimbursement of local police agencies for
13 salaries of police officers during their attendance at the trainings listed in this subparagraph.

14 318-F:27 Substance Misuse Prevention, Treatment and Recovery Fund Established. There is
15 hereby established in the state treasury the substance misuse prevention, treatment, and recovery
16 fund that shall be kept distinct and separate from all other funds. All proceeds allocated to the fund
17 pursuant to RSA 318-F:26 shall be deposited in the fund. The state treasurer shall invest the fund
18 in accordance with RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in
19 the fund shall be nonlapsing and shall be continually appropriated to the commissioner of the
20 department of health and human services for the purposes and in the manner set forth in RSA 126-
21 A:106.

22 7 Controlled Drug Act; Definitions. Amend the introductory paragraph in RSA 318-B:1, X-a(k)
23 to read as follows:

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

27 8 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, I to read
28 as follows:

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

1 9 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, II to
2 read as follows:

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

8 10 Controlled Drug Act; Penalties. Amend RSA 318-B:26, II(c)-(d) to read as follows:

9 (c) In the case of more than 3/4 ounce of marijuana or more than 5 grams of hashish,
10 including any adulterants or dilutants~~[7]~~ ***is possessed by a person who is under 21 years of age,***
11 ***or, in the case of an amount exceeding the possession limit defined in RSA 318-F:1***
12 ***possessed by a person who is 21 years of age or older, except if possessed by a person***
13 ***authorized pursuant to RSA 126-X***, the person shall be guilty of a misdemeanor. ~~[In the case of~~
14 ~~marijuana-infused products possessed by persons under the age of 21 or marijuana-infused products~~
15 ~~as defined in RSA 318-B:2-c, other than a personal use amount of a regulated marijuana-infused~~
16 ~~product as defined in RSA 318-B:2-c, I(b), that are possessed by a person 21 years of age or older, the~~
17 ~~person shall be guilty of a misdemeanor.]~~

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

23 11 Controlled Drug Act; Penalties. Amend RSA 318-B:26, III(a) to read as follows:

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

26 12 Personal Possession of Marijuana. Amend RSA 318-B:2-c to read as follows:

27 318-B:2-c ~~[Personal]~~ Possession of Marijuana ***by a Person Under 21 Years of Age***.

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

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

36 ~~[(b)]~~ "Personal use amount of a regulated marijuana-infused product" means one or more
37 products that is comprised of marijuana, marijuana extracts, or resins and other ingredients and is

1 ~~intended for use or consumption, such as, but not limited to, edible products, ointments, and~~
2 ~~tinctures, which was obtained from a state where marijuana sales to adults are legal and regulated~~
3 ~~under state law, and which is in its original, child-resistant, labeled packaging when it is being~~
4 ~~stored, and which contains a total of no more than 300 milligrams of tetrahydrocannabinol.]~~

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

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

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

15 V.](a) Except as provided in this paragraph, any person 18 years of age or older who is
16 convicted of violating paragraph II or III~~, or any person 21 years of age or older who is convicted of~~
17 ~~violating paragraph IV]~~ shall be subject to a fine of \$100 for a first or second offense under this
18 paragraph, or a fine of up to \$300 for any subsequent offense within any 3-year period; however, any
19 person convicted based upon a complaint which alleged that the person had 3 or more prior
20 convictions for violations of paragraph II~~] or III[-or IV],~~ or under reasonably equivalent offenses in
21 an out-of-state jurisdiction since the effective date of this paragraph, within a 3-year period
22 preceding the fourth offense shall be guilty of a class B misdemeanor. The offender shall forfeit the
23 marijuana~~[-regulated marijuana-infused products,]~~ or hashish to the state. A court shall waive the
24 fine for a single conviction within a 3-year period upon proof that person has completed a substance
25 abuse assessment by a licensed drug and alcohol counselor within 60 days of the conviction. A
26 person who intends to seek an assessment in lieu of the fine shall notify the court, which shall
27 schedule the matter for review after 180 days. Should proof of completion of an assessment be filed
28 by or before that time, the court shall vacate the fine without a hearing unless requested by a party.

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

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

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

1 (c) Nothing in this chapter shall be construed as forbidding any police officer from taking
2 into custody any minor who is found violating paragraph II^[5] *or* III^[5] ~~*or* IV~~.

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

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

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

16 (b) Every state, county, or local law enforcement agency that collects and reports data
17 for the Federal Bureau of Investigation Uniform Crime Reporting Program shall collect data on the
18 number of violations of paragraph II^[5] *or* III^[5] ~~*or* IV~~. The data collected pursuant to this paragraph
19 shall be available to the public. A law enforcement agency may update the data annually and may
20 make this data available on the agency's public Internet website.

21 13 Alcohol or Drug Impairment; Possession of Drugs. Amend RSA 265-A:43 to read as follows:

22 265-A:43 Possession of Drugs. Any person who drives on any way a vehicle while knowingly
23 having in his or her possession or in any part of the vehicle a controlled drug or controlled drug
24 analog in violation of the provisions of RSA 318-B shall be guilty of a misdemeanor, and his or her
25 license shall be revoked or his or her right to drive denied for a period of 60 days and at the
26 discretion of the court for a period not to exceed 2 years. This section shall not apply to the
27 possession of marijuana or hashish as provided in RSA 318-B:2-c ~~[or a personal-use amount of a~~
28 ~~regulated marijuana-infused product as defined in RSA 318-B:2-e, I(b)].~~

29 14 New Section; Sentences; Annulment of Certain Arrests and Convictions for Cannabis.
30 Amend RSA 651 by inserting after section 5-b the following new section:

31 651:5-c Certain Crimes Not to be Pursued; Dismissal.

32 I. As used in this section:

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

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

35 II.(a) Except to the extent required to dismiss, withdraw, or terminate the charge, no
36 prosecutor shall pursue any charge based on crimes or offenses pending with a court that occurred
37 prior to the effective date of RSA 318-F, involving a person 21 years of age or older knowingly or

1 purposely obtaining, purchasing, transporting, manufacturing, or possessing, actually or
2 constructively, or having under his or her control, no more than the possession limit of cannabis
3 where the offense occurred before the effective date of RSA 318-F.

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

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

17 15 Tax on Meals, Rooms, and Cannabis; Chapter Name Change. Amend the chapter heading of
18 RSA 78-A to read as follows:

19 TAX ON MEALS, ~~AND~~ ROOMS, **AND CANNABIS**

20 16 Tax on Meals, Rooms, and Cannabis; Title. Amend RSA 78-A:1 to read as follows:

21 78-A:1 Title. This chapter may be known and cited as the "Meals, ~~and~~ Rooms, **and Cannabis**
22 Tax Law."

23 17 Tax on Meals, Rooms, and Cannabis; Definition Amended. Amend RSA 78-A:3, XIII to read
24 as follows:

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

29 18 New Paragraphs; Tax on Meals, Rooms, and Cannabis; Definitions Added. Amend RSA 78-
30 A:3 by inserting after paragraph I the following new paragraphs:

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

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

33 19 New Paragraph; Tax on Meals, Rooms, and Cannabis; Definition Added. Amend RSA 78-A:3
34 by inserting after paragraph XXV the following new paragraph:

35 XXVI. "Taxable sales of cannabis" means any sale of cannabis, including any sale of
36 concentrated cannabis and cannabis products, which is subject to a tax under RSA 78-A:6-e. In any
37 case where a cannabis establishment gives away cannabis contemporaneously with another

1 transaction between the same parties, and in any case where a gift of cannabis is contingent upon a
 2 separate transaction, the price paid for the related or contemporaneous transaction shall be
 3 considered a taxable sale of cannabis.

4 20 Tax on Meals, Rooms, and Cannabis; Meals, Rentals, and Cannabis Licenses Required;
 5 Penalty. Amend RSA 78-A:4 to read as follows:

6 78-A:4 Meals and Rentals **and Cannabis** Licenses Required; Penalty.

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

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

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

1 II. [Repealed.]

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

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

8 21 Tax on Meals, Rooms, and Cannabis; Imposition of Tax. Amend the introductory paragraph
9 of RSA 78-A:6, II to read as follows:

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

12 22 Tax on Meals, Rooms, and Cannabis; Exception to Tax; Gratuity Charges. Amend the
13 introductory paragraph of RSA 78-A:6-a, I to read as follows:

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

16 23 New Section; Tax on Meals, Rooms, and Cannabis; Exception to Tax; Therapeutic Cannabis
17 Sales. Amend RSA 78-A by inserting after section 6-d the following new section:

18 78-A:6-e Exception to Tax; Therapeutic Cannabis Sales.

19 I. Sales of cannabis, including sales of cannabis concentrate and cannabis products, from
20 cannabis establishments are taxable under this chapter, except as provided in this section.

21 II. Except as provided in this paragraph, sales of therapeutic cannabis to registered
22 qualifying patients, directly or via their designated caregivers, are not taxable cannabis sales. The
23 cannabis commission may limit the total amount of untaxed cannabis a qualifying patient may
24 purchase. The purchase limit for untaxed cannabis may not be lower than the amount a qualifying
25 patient can purchase pursuant to RSA 126-X.

26 24 Tax on Meals, Rooms, and Cannabis; Collection of Tax. Amend RSA 78-A:7, I(a)-(b) to read
27 as follows:

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

36 (b) The operator shall demand and collect the tax from the occupant, purchaser, or
37 renter. The occupant, purchaser, or renter shall pay the tax to the operator. If the tax is included in

1 the price of the meal, occupancy, **cannabis**, or gross rental receipts received, upon request the
2 operator shall state to the purchaser, occupant, or renter the amount of the tax.

3 25 Tax on Meals, Rooms, and Cannabis; Disposition of Revenue. Amend the introductory
4 paragraph of RSA 78-A:26, I to read as follows:

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

12 26 New Paragraph; Tax on Meals, Rooms, and Cannabis; Disposition of Revenue. Amend RSA
13 78-A:26 by inserting after paragraph IV the following new paragraph:

14 V. All revenue collected from the sales of taxable cannabis shall be deposited in the cannabis
15 fund and distributed pursuant to RSA 318-F:26.

16 27 Public Health; Use of Cannabis for Therapeutic Purposes; Definitions; Alternative
17 Treatment Center. Amend RSA 126-X:1, I to read as follows:

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

24 28 Public Health; Use of Cannabis for Therapeutic Purposes; Departmental Administration;
25 Alternative Treatment Centers; Application Form. Amend RSA 126-X:7, IV(a)(4) to read as follows:

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

34 29 Public Health; Use of Cannabis for Therapeutic Purposes; Alternative Treatment Centers;
35 Requirements. Amend RSA 126-X:8, I to read as follows:

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

4 30 New Paragraphs; Public Health; Use of Cannabis for Therapeutic Purposes; Alternative
5 Treatment Centers; Requirements. Amend RSA 126-X:8 by inserting after paragraph XVIII the
6 following new paragraphs:

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

10 XX. An alternative treatment center organized as a voluntary corporation under RSA 292
11 may convert from a voluntary corporation under RSA 292 to either a domestic business corporation
12 organized under RSA 293-A or a limited liability company organized under RSA 304-C in any of the
13 following ways:

14 (a) By adopting a plan of entity conversion in accordance with RSA 293-A or RSA 304-C,
15 as applicable, that includes a provision prohibiting the sale of memberships or shares to a foreign
16 corporation for a period of 3 years, provided that each such conversion shall be authorized by a vote
17 of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by
18 unanimous written consent.

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

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

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

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

35 XXIII. For the purposes of converting or merging an alternative treatment center pursuant
36 to this section, notwithstanding any provision in the articles of agreement or alternative treatment
37 center license applications to the contrary, the members of an alternative treatment center's board of

1 directors may determine that a plan of entity conversion or merger is consistent with its corporate
2 charter, and such voluntary corporation may surrender its articles of agreement in connection with
3 the plan of entity conversion or merger.

4 31 Voluntary Corporations and Associations; Powers of Corporations; Change of Name;
5 Amending Articles; Conversion and Merger. Amend RSA 292:7 to read as follows:

6 292:7 Change of Name; Amending Articles.

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

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

24 32 New Subparagraph; New Hampshire Business Corporation Act; Domestication and
25 Conversion; Entity Conversion Authorized. Amend RSA 293-A:9.50 by inserting after paragraph (f)
26 the following new subparagraph:

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

32 33 Limited Liability Companies; Statutory Conversions; Statutory Conversions of Other
33 Business Entities to Limited Liability Companies. Amend RSA 304-C:149, I to read as follows:

34 **I.** Any other business entity, ***including alternative treatment centers pursuant to RSA***
35 ***126-X:8, XX,*** may make a statutory conversion of its business organization form to the limited
36 liability company business organization form under this act by complying with the requirements of
37 this section and with applicable law governing the other business entity. ***Approval of a***

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

3 34 New Paragraph; Limited Liability Companies; Statutory Conversions; Statutory Conversions
4 of Other Business Entities to Limited Liability Companies; Approvals of Statutory Conversion.
5 Amend RSA 304-C:149 by inserting after paragraph VIII the following new paragraph:

6 IX. In the case of the conversion of an alternative treatment center registered under RSA
7 126-X and organized pursuant to RSA 292, such conversion shall be approved by the board of
8 directors in accordance with RSA 126-X:8, XX.

9 35 Appropriations.

10 I. The sum of \$7,000,000 for the fiscal year ending June 30, 2026 is appropriated to the
11 cannabis commission for the cost of administration of RSA 318-F. The governor is authorized to
12 draw a warrant for said sum from any money in the treasury not otherwise appropriated.

13 II. The sum of \$8,000,000 for the fiscal year ending June 30, 2027 is hereby appropriated to
14 the cannabis commission for deposit into the cannabis fund established in RSA 318-F:26 for the
15 administration of RSA 318-F. The governor is authorized to draw a warrant for said sum out of any
16 money in the treasury not otherwise appropriated.

17 III. The sum of \$500,000 for the biennium ending June 30, 2027 is hereby appropriated to
18 the substance misuse prevention, treatment, and recovery fund established in RSA 318-F:27 for the
19 cost of developing and implementing a public education campaign prior to initiation of retail sales.

20 IV. For the biennium ending June 30, 2027, the sum of \$404,000 is hereby appropriated to
21 the department of health and human services for the purpose of establishing two positions to fulfill
22 the requirements of this act, relative to collecting, analyzing, and reporting of data required by RSA
23 318-F:25 and relative to administering the substance misuse prevention, treatment, and recovery
24 fund established in RSA 318-F:27. The department of health and human services shall work with
25 the department of administrative services, division of personnel, to determine the appropriate
26 classification in accordance with the personnel classification system and applicable broad group
27 specifications. The governor is authorized to draw a warrant for said sum out of any money in the
28 treasury not otherwise appropriated.

29 36 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use
30 with cannabis, is repealed.

31 37 Effective Date.

32 I. RSA 318-F:19, X, as inserted by section 6 of this act, shall take effect upon certification by
33 the attorney general of New Hampshire to the director of the office of legislative services and the
34 secretary of state that the conduct allowed by that paragraph has become legal under the United
35 States Code.

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

**HB 186-FN-A- FISCAL NOTE
AS INTRODUCED**

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

FISCAL IMPACT:

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Revenue Fund(s)</i>	General Fund, Education Trust Fund, Cannabis Fund, Substance Misuse Prevention, Treatment, and Recovery Fund, Alcohol Abuse Prevention and Treatment Fund			
Expenditures*	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Funding Source(s)</i>	General Fund, Cannabis Fund, Substance Misuse Prevention, Treatment, and Recovery Fund, Alcohol Abuse Prevention and Treatment Fund			
Appropriations*	\$0	\$7,904,000	\$8,000,000	\$0
<i>Funding Source(s)</i>	General Fund			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
County Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
County Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Local Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Local Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

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 Office of the Legislative Budget Assistant notes the bill makes the following appropriations:

1. \$15,000,000 from the Cannabis Fund to the Cannabis Commission for the biennium ending June 30, 2027 for administration. (Page 28)

2. \$500,000 from the Cannabis Fund to the Substance Misuse Prevention, Treatment and Recovery fund established by the bill for the biennium ending June 30, 2027. (Page 28)
 3. \$7,000,000 from the General Fund to the Cannabis Commission for the fiscal year ending June 30, 2026 for administration. (Page 39)
 4. \$8,000,000 from the General Fund to the Cannabis Commission for the fiscal year ending June 30, 2027 for administration. (Page 39)
 5. \$500,000 to the Substance Misuse Prevention and Recovery Fund established by the bill for the biennium ending June 30, 2027. (Page 39)
 6. \$404,000 to the Department of Health and Human Services from the general fund for the biennium ending June 30, 2027 to establish two positions. (Page 39)
- It appears that the general fund appropriations #3 and #4 above to the Cannabis Commission are to fund the Cannabis Fund appropriation in #1 above, and are not duplicate appropriations.
 - It appears that the appropriation in #5 above to the Substance Misuse Prevention, Treatment and Recovery Fund is intended to be from the general fund (although this is not stated) and it is to fund the appropriation in #2 fund from the Cannabis Fund, and is not a duplicate appropriation.
 - To avoid double counting the appropriations, only the general fund appropriations are included in the fiscal impact table above.
 - The fines included in section 12 of the bill relative to possession of cannabis are to be deposited in the Alcohol Abuse Prevention and Treatment Fund. Presumably, the fees established by the bill are to be deposited in the Cannabis Fund.

The bill provides that, after deducting the amounts charged to the Cannabis Fund for the cost of administration, the remaining fund are to be distributed quarterly to:

- The State general fund (55%)
- The Substance Misuse Prevention, Treatment, and Recovery Fund (15%)
- To municipalities based on their proportion of retail cannabis sales (25%)
- Public safety agencies including police, fire, and rescue agencies (5%)
- Since the amount cannabis sales and other revenue to the Cannabis Fund are not known the amounts of future distributions from the Cannabis Fund cannot be determined.

The bill adds, deletes, or modifies a criminal penalty, or changes statute to which there is a penalty for violation. Therefore, this bill may have an impact on the judicial and correctional systems, which could affect prosecution, incarceration, probation, and parole costs, for the state, as well as county and local governments. A summary of such costs can be found at: https://gencourt.state.nh.us/lba/Budget/Fiscal_Notes/JudicialCorrectionalCosts.pdf

This bill establishes the Cannabis Commission consisting of a chairperson, 2 commissioners, necessary staff, and with the ability to employ and dismiss cannabis control investigators. The

Commission shall be provided with office space in Concord with room for record storage and a room for hearing to be held. A 15-member Cannabis Advisory Board is also established. Board members will be paid a \$100 stipend for each meeting and be reimbursed for their expenses. The Board shall meet at the discretion of the Commission, but no less frequently than every 2 months for the first 9 months after the effective date. The Commission will be responsible for regulation, licensing of cannabis establishments and be primarily responsible for enforcement.

The Chairperson of the Commission is to be paid a salary established by the Joint Committee on Employee Classification and the commissioners each shall be paid \$300 per day and \$150 per half-day. In addition, the chairperson and commissioners shall be reimbursed for expenses and travel. The Commission shall be provided with suitable office space in Concord and employ necessary staff including investigators. The 15-member Cannabis Advisory Board shall hold regular meetings and advise the Cannabis Commission. It is not known how many staff and investigators will be employed by the Commission therefore, it is not possible to estimate the operating costs for the Cannabis Commission.

The Department of Administrative Services has provided the following cost information for office space and furnishings:

- Furniture - desk or cubicle and office chair. \$1,500 - \$5,000 per person.
- Office space - private lease or state space \$12 - \$25 per square foot. Assume 350 square feet per person = \$4,200 - \$8,750 annual rent per person (subject to periodic increases)
- Total cost for space and furniture estimated at \$5,700 - \$13,750 per employee in FY 2026.

In addition to the costs above there would be IT expenditures for an inventory tracking system for tracking the transfer of cannabis and cannabis products between licensed cannabis establishments and the sale of cannabis and cannabis products to consumers, and for Commission and staff hardware and software.

The Department of Revenue Administration (DRA) indicates the bill would subject taxable sales of cannabis to the tax imposed through the Meals and Rooms (M&R) tax. The tax would be renamed to the Tax on Meals, Rooms, and Cannabis (MR&C). The tax shall be collected by the operator, from the purchaser of cannabis, and remitted to the DRA on or before the fifteenth day of the following month. Funds collected by the DRA from the cannabis portion of the tax will be deposited into the Cannabis Fund. Each cannabis retail store or other cannabis establishment registered with the Cannabis Commission to sell directly to consumers shall obtain a cannabis sales license from the DRA before making a cannabis sale. All tax revenue from the sale of cannabis shall be deposited into the Cannabis Fund. To administer the proposed tax, the DRA

assumes it would need five additional positions including an Administrator III, an Attorney I, 2 Tax Auditor IV positions, and a Secretary II. The estimated cost for these positions including salary, benefits, equipment and other expenses would be \$553,000 in FY 2026, \$557,000 in FY 2027 and \$575,000 in FY 2028. The DRA assumes it will begin to incur some of the cost of these positions in FY 2025, with full cost being incurred in FY 2026. The Department also anticipates additional costs to update the Revenue Information Management System (RIMS), and to secure other essential items to process the expected increase in cash tax payments, such as armored car transportation for deposits of tax, updates to secure rooms holding cash, and cash counting machines. The bill does not provide funding or authorize positions for the DRA.

The DRA states the fiscal impact of the bill as it relates to taxation of cannabis is indeterminable. The DRA has no information on the amount of cannabis products that would be sold or the selling price of the cannabis products. However, the DRA has calculated an estimate of the potential tax revenue using the data available from the neighboring states of Massachusetts, Maine, and Vermont. The estimates are based on the 2023 American Community Survey 1-Year Estimates using the 2020 US Census population demographics data as a base, and the adult-use marijuana sales reported by Massachusetts, Maine, and Vermont for calendar year 2023. The DRA estimated potential New Hampshire tax revenue assuming the taxable sale of cannabis for New Hampshire would follow the trends in Massachusetts, Maine, and/or Vermont. The DRA also assumed the price of the cannabis products sold in New Hampshire would mirror the prices in Massachusetts, Maine, and Vermont in each respective scenario. Based on current law, the MR&C tax rate would be 8.5% on taxable sales of cannabis. The table below shows the results of the DRA’s estimates. The estimates are before the 3% commission that may be retained by operators under existing law.

Assumptions & Adjustments for Calculation of First Year Potential NH Cannabis Tax Revenues				
		Massachusetts	Maine	Vermont
1	Total population as of January 1, 2023	7,001,399	1,395,722	647,464
2	Population aged 21 years and over on 1/1/2023	5,361,519	1,101,376	501,345
3	Percentage aged 21 years and over in 2023 (Line 2 / Line 1)	76.6%	78.9%	77.4%
4	Adult-use cannabis retailer sale in 2023.	\$1,571,037,853	\$216,933,453	\$108,660,000
	Estimated NH Tax Revenue	If New Hampshire sales mirrored Massachusetts	If New Hampshire sales mirrored Maine	If New Hampshire sales mirrored Vermont
5	Total population as of January 1,	1,402,054	1,402,054	1,402,054

	2023			
6	Population aged 21 years and over on 1/1/2023	1,098,146	1,098,146	1,098,146
7	Percentage aged 21 years and over in 2023 (Line 6 / Line 5)	78.3%	78.3%	78.3%
8	Estimated adult-use cannabis retailer sale in 2023 ((Line 4 / Line 2) x Line 6)	\$321,779,879	\$216,297,253	\$ 238,008,845
9	Tax rate	8.5%	8.5%	8.5%
10	Estimated Tax Revenue (Line 8 x Line 9) Rounded	\$27,400,000	\$18,400,000	\$20,200,000

Note: The DRA assumes that the annual transfer to the municipal revenue fund contained in RSA 78-A:26 paragraph is intended to be 30 percent of the revenue net of the amount deposited in the cannabis fund. The DRA suggests that this be clarified in section 25 of the bill.

The Department of Health and Human Services identified the following provisions of the bill that would impact the Department:

- The bill creates a new fund, the Substance Misuse Prevention, Treatment and Recovery Fund, to be administered by the Department in coordination with the Governor’s Commission on Alcohol and Other Drugs. Funds would be distributed by the Department in coordination with the Governor’s Commission on Alcohol and Other Drugs, including to qualifying governmental entities or programs for an approved use. There is a one-time appropriation of \$500,000 to the fund from the Cannabis Fund for the biennium ending June 30, 2027, for a public education campaign prior to retail sales of cannabis. In future years, additional funds would be appropriated to this fund on a quarterly basis equal to 15% of the funds remaining in the Cannabis Fund after deducting the cost of administration.
- Administration of the new fund would require rulemaking including rules for qualifications, application procedures, timelines for processing applications, reporting, use of the allocations for substance use related programs, treatment, training, public education, and reporting to the governor and fiscal committee every 2 years.
- The bill requires the Department to consult with the Cannabis Commission to develop informational handouts to be available at retail cannabis stores.
- The Department would consult with the Commission and the Therapeutic Cannabis Medical Oversight Board to develop regulations that allow Alternative Treatment Centers (ATCs), registered under RSA 126-X for the therapeutic use of cannabis, to apply for a dual use certificate to allow them to co-locate with and operate various types of

cannabis establishments, including a retail cannabis store for sale of cannabis to consumers.

- The bill requires the Department to consult with the Commission to develop a proposal to the Legislature to move the Department’s Therapeutic Cannabis Program to the Commission and to allow cannabis retail stores to obtain a therapeutic cannabis endorsement that would allow them to serve qualifying patients without imposing the proposed excise tax.
- The bill would allow Alternative Treatment Centers, registered under RSA 126-X as not-for-profit entities, to convert to for-profit entities or operate as either for profit or not-for-profit.
- The bill includes a General Fund appropriation to the Department for the biennium ending June 30, 2027 in the amount of \$404,000 to establish two positions to fulfill the requirements of this act, relative to collecting, analyzing, and reporting of data, and relative to administering the substance misuse prevention, treatment, and recovery fund established in RSA 318-F:27. The Department estimated the cost of these positions to be as follows:

Positions	2026	2027
Program Specialist IV	93,000	98,000
Business Systems Analyst II	106,000	111,000
<i>Subtotal</i>	199,000	209,000
	Total for the biennium:	408,000

The Bureau of Drug and Alcohol Services indicates there is considerable uncertainty about the impact that legalizing cannabis in New Hampshire would have on public budgets including unknowns around potential increases in consumption, treatment utilization, prevention needs, and associated costs. The Bureau states science is currently unsettled on the causal effects of cannabis on psychoses, schizophrenia, and impaired driving, and therefore, 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 indeterminable. The Department anticipates the bill would have an indeterminable impact on state revenues and expenditures due to the potential variability of sales revenue and unknowns around increases in consumption, treatment utilization, prevention needs, and associated costs. The Department states, if the intention of the bill is to have a portion of cannabis revenue deposited into the Substance Abuse Prevention and Recovery Fund similar to the existing Alcohol Fund, the Department would assume similar annual revenue and expenditures between of \$10 million to \$12 million, an amount critical to the appropriate response needed after

legalization of cannabis for recreational use. The Department assumes, based on the time lines of the bill, that revenue would be distributed to the Substance Misuse Prevention, Treatment, And Recovery Fund starting in SFY 2028.

In addition to the changes to criminal penalties, there would be an impact to the Judicial Branch from the amendment to RSA 651:5-c, which would reduce or a eliminate a number of cases relative to possession of cannabis and require that certain guilty verdicts, pleas, placements in a diversionary program, or other entry of guilt be vacated on the first day of the fifth month after the effective date of the bill. The Branch would be required to publish reports on the number of cases dismissed pursuant to RSA 651:5-c. The Judicial Branch indicated the bill would result in an indeterminable impact on State general fund expenditures.

The Department of Safety indicates the fiscal impact of this bill is indeterminable as it is not possible to predict criminal activities related to cannabis legalization. The Department assumes, based on the experiences from other states that have legalized the use of marijuana, that the financial impact due to the increased enforcement issues could be significant. The Department assumes, enforcement issues may increase in crimes such as driving under the influence, robbery, burglary, and theft. As written, this bill does not allow a path for law enforcement to determine the difference between legally obtained marijuana and marijuana obtained from the “black market”, making it impossible to enforce black market marijuana issues. These enforcement issues will impact local and state law enforcement and lead to a need for increases in manpower and training.

The Department of Justice indicates this bill is unlikely to impact the Attorney General’s Office financially. The Attorney General's additional responsibilities, such as consulting with the Judicial Branch on vacating sentences and certifying cannabis legality for interstate transport, can be managed with existing resources, resulting in no fiscal impact. The Department states that overall, it appears the fiscal impact to the Department will be less than \$10,000.

It is assumed that any fiscal impact would occur after FY 2025.

AGENCIES CONTACTED:

Departments of Administrative Services, Health and Human Services, Justice and Safety, the Judicial Branch, Judicial Council, New Hampshire Association of Counties and New Hampshire Municipal Association