

Senate Judiciary Committee

Matthew Schelzi 271-3266

SB 479-FN, allowing alternative treatment centers to operate for profit.

Hearing Date: January 22, 2026

Time Opened: 1:15 p.m.

Time Closed: 1:32 p.m.

Members of the Committee Present: Senators Gannon, Carson, Altschiller and Reardon

Members of the Committee Absent: Senator Abbas

Bill Analysis: This bill allows alternative treatment centers to operate for profit.

Sponsors:

Sen. Innis

Sen. Fenton

Sen. Murphy

Sen. Pearl

Sen. Rochefort

Rep. Kofalt

Rep. C. McGuire

Rep. Edwards

Rep. Ebel

Rep. Seaworth

Who supports the bill: Keenan Blum (Granite Leaf Cannabis), Heath Howard (Strafford-Dist.4), Nathaniel Guerin (FINCAN), Sen. David Rochefort (SD-1), Katie McLaughlin, Shaelagh Thurston, Kristin Goss, Sarah Robinson, Ericka Haddad, Kerri Perusse, Dana Dahl, Sheila Varden-Straffin, Dennis Straffin, Jenninifer Beaudoin, Margaret Breton, James Riddle, Nicholas Nelson, Gail Szafir, Sen. Howard Pearl (SD-17), Susan Bennett, and Alicia Bennett.

Who opposes the bill: Sue Homola (SAM-NH), David Jenkins, and Daniel Richardson.

Who is neutral on the bill: None.

Summary of testimony presented in support:

Senator Innis said SB 479-FN would enable existing Alternative Treatment Centers to convert to a for-profit business structure. He said by changing to a for-profit model, it would reduce operating costs for existing manufacturers. ATCs operate just like any other New Hampshire business that produces and sells products to consumers. He said the requirement that makes ATCs non-profits inhibit their ability to gain access to greater capital. Lenders see non-profits as higher risk clients and as a result charge a higher interest rate to the non-profits. He said this prohibits them from investing in infrastructure upgrades, growing their business, and serving more clients. He said the

non-profit status also creates a higher cost for the patients who participate in the Therapeutic Cannabis Program. He said many states started their programs as non-profits but most have eliminated that status as they came to understand it was an obstacle to affordability.

Senator Gannon said ten years ago the ATCs promised they would never ask to become for-profits. He asked if the banks will still be hesitant to give loans to ATCs.

Senator Innis said he can't speak to what was said a decade ago, but he believed the landscape has changed. He would prefer that residents of New Hampshire stay in-state to get therapeutic cannabis. He deferred to the ATCs to address bank loans and interest rates.

Senator Gannon said marijuana is not a legal product for sale in New Hampshire and asked if they would ever be able to catch up to other states.

Senator Innis said other states have competition that drives down prices, but couldn't say how it would impact New Hampshire ATCs.

Senator Carson asked if anyone has audited the financials of the cannabis companies to determine if for-profit status is necessary.

Senator Innis said because they are not state entities, there is no audit requirement.

Senator Carson said ATCs were created by the Legislature, so they should have audit requirements especially if they are going to for-profit status.

Senator Innis said the ATCs can answer that question better than he can.

Keenan Blum, President and CEO of Granite Leaf Cannabis, said patients are relying on ATCs to provide high-quality products at affordable prices. He said the current non-profit requirement does not serve the patients as it creates higher costs to ATCs. He said ATCs are required to operate as non-profits; however, they are not recognized at the federal level as a non-profit. As a result, they cannot obtain a lot of the funding mechanisms that make non-profits viable. They do not receive or qualify for donations, grants, endowments or subsidies. They pay full federal taxes but cannot write-off the donations they provide to local charities. They cannot issue equity or ownership or acquire secure loans, so they operate on savings. He said over the years they have never been able to secure a loan that is less than 15% interest. He said the bill would not reduce oversight but allow providers to operate under a structure that matches economic reality.

Senator Gannon asked if they are currently a sustainable business.

Mr. Blum said the main complaint they get from patients is that they have to go to other states or use the black market. He said they can't compete with those in their current structure.

Senator Gannon asked if it is substantially cheaper to buy marijuana in Massachusetts.

Mr. Blum said with multiple fixes they could get close to match the price of marijuana in Massachusetts.

Senator Reardon said this bill would not deal with regulation, but it's about the business entity.

Mr. Blum said yes, it would allow for ATCs to restructure their business.

Senator Reardon said if they go to a bank they will require ATCs to submit financials every year and she asked if his business would be ready to do that.

Mr. Blum said yes.

Nathaniel Guerin, CEO and Founder of FINCAN, said his company has pioneered itself in cannabis banking. He said there are sufficient financing opportunities and ability to raise capital in this industry, but it is very challenging. It is considered a high-risk and high regulation sector, and interest rates are very high. He said having a non-profit structure without stockholders creates another layer of pressure on financing.

Summary of testimony presented in opposition:

Sue Homola, Smart Approaches to Marijuana, said SAM-NH opposes this bill. She said the original intent of the program was to provide compassionate solutions for patients who did not see success with traditional medication. She said they are not like any other business as New Hampshire has given them a sole source contract to provide a federally illegal drug to citizens. She said before the Senate makes any decisions they need to have an opportunity to look at the books of the ATCs. She said the proposed Schedule III changes are not implemented. She said there are so many ways that New Hampshire can build upon what it already tried to start with integrity, but adding in for-profit status will not provide integrity, since they will not be beholden to the state but their investors.

Neutral Information Presented: None.