

Senate Judiciary Committee

Declan Donahue 271-3324

HB 186-FN-A, relative to the legalization and regulation of cannabis and making appropriations therefor.

Hearing Date: February 10, 2026

Time Opened: 4:30 p.m.

Time Closed: 4:51 p.m.

Members of the Committee Present: Senators Altschiller, Abbas and Gannon

Members of the Committee Absent: Senators Carson and Reardon

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

Sponsors:

Rep. J. Sullivan

Rep. H. Howard

Who supports the bill: Representative Jared Sullivan (Grafton District 2), Matt Simon (Granite Leaf Cannabis), Alicia Bennett (Granite Leaf Cannabis), Hannah Leigh Parr, Andrew Parr, Dan Watkins, Daryl Eames (NH Cannabis Association), Cindy Deal, Brendan Moore, Melanie Kasparian, Dan Millet, Katie McLaughlin, Michael Riley, Shawn Stitt, Amber Cronan, Billy Galipeault, Veronica Joyce, Rebecca Cook, Karen Burnett-Kurie, Suzanna Derynioski, Dawn McAvinew, Eric McAvinew, Jacob Guyotte, David Szehi, Jennifer Beaudoin, Tadeausz Zedon, Sandra DeHut, James Moore, Susan Moore, Kristen Kinsey, Beth Edwards, and Cara Cabral.

Who opposes the bill: Sue Homola (SAM NH), Elizabeth Sargent (NH Assoc. of Chiefs of Police), Curtis Howland, Angelique Hall, Daniel Richardson, and Leigh Hutchinson.

Summary of testimony presented in support:

Representative Jared Sullivan (Grafton District 2)

- This language for legalization has already been voted on, was voted out of the House last year and in the past by the Senate.
- The bill gives a good framework for regulating the sale of cannabis and cannabis products in the state.

- It uses private, free-market based, system as opposed to liquor store system.
- A commission of 15 people, appointed by the Governor and approved by the Executive Council, would be the ones creating the rulemaking necessary for the regulation of cannabis.
- The revenue side of this would keep New Hampshire in line with its lower tax burden reputation.
- The 8.5% room & meals tax would become the room, meals, and cannabis tax. Maine has a 14% tax, and Massachusetts and Vermont have approximately a 20% tax. Lower taxes would allow New Hampshire businesses to steal business from other states.
- This would eventually become a good source of revenue, but would require some time to ramp up.
- There are safeguards in the bill against the concentration of the industry. It allows for many licenses, but puts a cap on the percentage of the market that can be owned.
- While not popular among members, this is a popular proposition among people in the state. Recent polling shows 70% approval of legalization in New Hampshire, including 55% of Republicans.
- Senator Gannon asked if the concentration of businesses in one area be limited, or if the Governor's council would look into that, and expressed his opposition to a "Marijuana Mile" on the Massachusetts border.
 - Rep. Sullivan stated no one wants a "Marijuana Mile," and that there would be no limits as to what could be in a specific town. If it were a better regulatory environment here than in Massachusetts, then you may see more stores right on the border in Salem than in Manchester. It would be a free market solution, and would depend on the quality of the products that are being sold. It is different from alcohol in that alcohol is the same products in one store as the next.
- Senator Altschiller wanted to clarify how this would roll out at the municipal level. On pages 19 and 20, would this provide enabling legislation for a municipality to vote to allow for cannabis shops in their town, similar to Keno?
 - Rep. Sullivan answered that the statement was correct, but it would not cap the number of licenses once approved. If Salem, for example, approved the sale of cannabis in their city, it wouldn't be that just one person getting a license, there would be no cap on the number of businesses that can operate in that municipality. A cap would open the

door to lobbying of the select board or mayor to protect the business interest of exclusivity.

- Senator Gannon asked if that could become a problem, in places like the little town of Sandown, or a municipality like Plaistow. Once they let one in, what would stop many businesses from opening up in a row if there is enough demand from Massachusetts?
 - Rep. Sullivan answered that the way a municipality could handle that is through zoning regulations. To the extent that commercial activity is allowed in a specific area, you could not just allow a certain number of cannabis retailers.
- Senator Abbas asked that, if marijuana sellers are operating as allowed by this bill and a municipality, and you have 20 or 30 in a row, is there any thought as to how this might impact real estate values?
 - Is the concern with them going up or down? Senator Abbas explained in greater detail that for commercial real estate, there can be restrictions that the property not get leased to certain types of tenants. We see many cannabis stores in free standing buildings in other states, or conglomerating together due to it decreasing real estate values. We see this consistently everywhere that is not the center of a major city. Are there any concerns for how that impacts all the other businesses around that also bring tons of revenue to the state.
 - Rep. Sullivan answered that if you have a commercial real estate owner who doesn't want those leases in there, they can certainly do that. I'm not saying the town can force you to lease to anybody just because it's legal. I think part of the reason you see Marijuana Miles pop up, like in Elliot, Maine, it is because it is not available in other places.
 - Senator Abbas asked if there are any concerns on how having multiple cannabis shops in a community could impact the property value of surrounding properties.
 - Rep. Sullivan answered that if it was a vacant lot and now there's commercial activity there, that would help. If it was displacing something, maybe that could support the argument you're trying to make.
- Senator Abbas voiced his concern that in respect to the taxation, it basically is an expansion of the rooms and meals tax, but this is the first time we are going to apply it to a retail context. He asked if that opens the door to a retail sales tax.

- o Rep. Sullivan answered that it is already applied to food, which is essentially a retail product as well. Paying tax on food to-go is essentially a sales tax, yet it still gets paid. That is a slippery slope argument, which suggests an ability to predict the future, which would be a logical fallacy. This is a unique product, and I do not believe this will be creeping toward a sales tax. The intention of this is not a sales tax, it is to collect revenue on a product.
- Senator Altschiller asked if a town voted to invite cannabis locations to their town, then there is no cap on how many businesses can be invited in, but there is the ability for the town to create zoning restrictions on where they can open.
 - o Rep. Sullivan answered that in the same way you wouldn't have a factory in a residential neighborhood, you would only have cannabis facilities opening in areas with retail, because those would be appropriate places for them.
 - o Senator Altschiller asked if this would necessarily affect property values or hamper further investment from other businesses. Would Rep. Sullivan look to places like Seabrook providing fireworks on a "Firework Mile" greatly developing one area for what would happen?
 - Rep. Sullivan answered that it would be interesting to look at the effect of legalization on property values, but in his experience those fears do not manifest.

Summary of testimony presented in opposition:

Sue Homola (Smart Approaches to Marijuana New Hampshire)

- Ms. Homola shared research on brain scans by Dr. Daniel Amen with the committee.
- There is currently a billboard in West Ossipee advertising Maine Therapeutic Cannabis. There are no restrictions on advertising out-of-state cannabis.
- On page 15, lines 1-2, there is a provision about advertisements, with penalties for violations of the provisions on advertising. S.A.M. New Hampshire could get behind this bill if everything else were taken out.