

HB 1633-FN-A - AS AMENDED BY THE HOUSE

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HOUSE BILL

1633-FN-A

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

SPONSORS: Rep. Layon, Rock. 13; Rep. Burroughs, Carr. 2; Rep. Berezhny, Graf. 11; Rep. T. Mannion, Hills. 1; Rep. Hoell, Merr. 27; Rep. Prout, Hills. 13; Rep. T. Lekas, Hills. 38; Rep. Calabro, Hills. 45; Rep. Wheeler, Hills. 33

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

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.

2 I. The general court hereby finds that: the people of the state of New Hampshire find and
3 declare that cannabis should be regulated so that:

4 (a) Individuals will have to show proof of age or qualifying patient status before entering
5 a cannabis retail outlet or purchasing cannabis.

6 (b) Safe access to therapeutic cannabis is preserved and expanded in a manner that
7 allows costs to come down, not increase, though integration of participants in the existing
8 therapeutic cannabis program competing on an even footing with other applicants of similar
9 qualifications.

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

12 (d) Driving under the influence of cannabis shall remain illegal, and funds shall be
13 allocated for increased training of drug recognition experts to spot driving under the influence of
14 substances including cannabis.

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

17 (f) Cannabis sold in this state will be tested, labeled, and subject to additional
18 regulations to ensure that consumers are informed and protected.

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

21 (h) Marketing and advertising to minors is prohibited.

22 (i) Advertising to the general public is prohibited.

23 II. Many years of work have led to this effort which addresses the following goals to put the
24 state of New Hampshire in the driver's seat to focus on harm reduction, not profits, and:

25 (a) Allows the state to control distribution and access through state laws, administrative
26 rules, and local control.

27 (b) Keeps cannabis away from children and schools by establishing 1,000 foot distance
28 requirements for stores, limiting access to retail outlets to people 21 and older or qualified patients,
29 and imposing limits on product design and packaging.

1 (c) Controls the marketing and messaging by prohibiting advertising which targets the
2 general public, especially minors.

3 (d) Prohibits “marijuana miles” by restricting cannabis retail outlets to one per
4 municipality or one for every 15,000 residents in larger municipalities, as well as empowering local
5 zoning control for these businesses.

6 (e) Empowers towns to keep cannabis out through required ballot measures to allow
7 cannabis retail outlets.

8 (f) Reduces access to poly-drugs by:

9 (1) Introducing 15 stores at first and allowing expanded licenses to reflect demand
10 and allow retail outlets to reach Granite Staters who may still face a prohibitively long drive to
11 reach licensed New Hampshire cannabis retail outlets or out of state options and may continue to
12 turn to the illicit market if the placement of stores does not respond to market demands;

13 (2) Prohibiting beverages that combine alcohol and cannabis; and

14 (3) Prohibiting the inclusion of nicotine or other additives to products which are
15 designed to make the product more addictive.

16 (g) Undercuts the cartels by:

17 (1) Imposing an agency fee of 10 percent on monthly gross total revenue of cannabis
18 sales which is in line with the state excise tax in Massachusetts but well below the total tax burden
19 of approximately 20 percent in that state.

20 (2) Keeping costs low by not requiring a particular store layout, construction, or
21 building contractor to meet appearance guidelines for the exterior of state licensed cannabis retail
22 outlets.

23 (3) Recognizing the need for expanded licenses in the future in order to accommodate
24 locations in more rural areas of the state which are not well positioned to compete for limited
25 licenses.

26 (h) Limiting initial cannabis retail outlet licenses to 15:

27 (1) While prohibiting a controlling interest in more than 3 cannabis retail outlets;
28 and

29 (2) Providing a pathway for expanded licenses as the state establishes a successful
30 long-term sustainable solution to cannabis legalization, while prioritizing harm reduction over
31 profits.

32 (i) Reducing influence of lobbying and donations by:

33 (1) Ensuring that licensing will increase responsibly to balance the need for more
34 cannabis retail outlets in underserved communities; and

35 (2) Ensuring that laws and administrative rules do not pick favorites but rather
36 create a transparent administrative process for applications and selection criteria.

1 2 New Subparagraphs; Application of Receipts; Cannabis Fund. Amend RSA 6:12, I(b) by
2 inserting after subparagraph 394 the following new subparagraphs:

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

4 (396) Moneys in the substance use prevention, treatment, and recovery fund
5 established by RSA 318-F:27.

6 (397) Moneys in the community reinvestment fund established in RSA 318-F:28.

7 3 New Subdivision; Substance Use Prevention, Treatment, and Recovery Funds. Amend RSA
8 126-A by inserting after section 105 the following new subdivision:

9 Substance Use Prevention, Treatment, and Recovery Funds

10 126-A:106 Substance Use Prevention, Treatment, and Recovery Funds; Management and
11 Distribution of Funds.

12 I. The commissioner of the department of health and human services, in coordination with
13 the governor's commission on alcohol and drug abuse prevention, treatment, and recovery in RSA 12-
14 J shall administer the substance use prevention, treatment, and recovery fund established in RSA
15 318-F:27.

16 II. Funds shall be deposited into the substance use prevention, treatment, and recovery fund
17 as established by 318-F:27 to be distributed by the commissioner of the department of health and
18 human services in coordination with the governor's commission on alcohol and drug abuse
19 prevention, treatment, and recovery in RSA 12-J. Funds may be awarded to a qualifying
20 governmental entity or program for an approved use. All funds shall be nonlapsing and continually
21 appropriated for the purposes of this subdivision.

22 III. The commissioner of the department of health and human services, in coordination with
23 the governor's commission on alcohol and drug abuse prevention, treatment, and recovery in RSA 12-
24 J, shall continue to make distributions from the fund.

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

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

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

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

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

36 (d) Scientifically and medically accurate public education campaigns educating youth
37 and adults about the health and safety risks related to the use of alcohol, tobacco, cannabis, and

other substances, including education campaigns separately targeting youth and adults that provide medically and scientifically accurate information about the health and safety risks posed by cannabis use, including driving under the influence of cannabis.

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

4 Alcoholic Beverages; Enforcement, Requirements and Penalties; Statement from Purchaser as to Age. Amend RSA 179:8, I(d) to read as follows:

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

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

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

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

CHAPTER 318-F

REGULATION OF CANNABIS

318-F:1 Definitions. In this chapter:

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

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

III. "Cannabis accessories" or "cannabis paraphernalia" means any equipment, products, or materials of any kind that are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body. "Cannabis accessories" and "cannabis paraphernalia" does not include products that are not designed or

1 marketed for use related to cannabis, or products designed or intended for cannabis but used for
2 non-cannabis purposes.

3 IV. "Cannabis concentrate" means the resin extracted from any part of a cannabis plant and
4 every compound, manufacture, salt, derivative, mixture, or preparation from such resin, including,
5 but not limited to, hashish. Cannabis concentrate shall not include cannabis products made from
6 cannabis concentrate such as, but not limited to, edible products, topical products, and tinctures.

7 V. "Cannabis cultivation facility" or "cultivation facility" means a person licensed by the
8 state of New Hampshire to cultivate, prepare, and package cannabis, and sell cannabis to cannabis
9 retail outlets, to cannabis product manufacturing facilities, to limited manufacturers, to alternative
10 treatment centers, and to other cannabis cultivation facilities, but not to consumers unless the
11 facility also holds another type of license allowing for direct sales. A cannabis cultivation facility
12 shall not produce cannabis concentrates, tinctures, extracts, or other cannabis products through the
13 use of any chemical extraction process, unless the facility also holds another type of license allowing
14 for production of cannabis concentrates, tinctures, extracts, or other cannabis products.

15 VI. "Cannabis distributor" means any person licensed to receive, warehouse, and distribute
16 cannabis products between cannabis establishments. A license as a cannabis distributor shall not be
17 required for entities otherwise licensed under this chapter to receive, warehouse, or distribute
18 cannabis.

19 VII. "Cannabis establishment" means any licensed New Hampshire cannabis cultivation
20 facility, a cannabis testing facility, a cannabis distributor, cannabis limited product manufacturing
21 facility, a cannabis product manufacturing facility, a cannabis retail outlet, a cannabis transporter,
22 or any other type of cannabis business authorized and licensed by the commission.

23 VIII. "Cannabis flower" means the pistillate reproductive organs of a mature cannabis plant,
24 whether processed or unprocessed, including the flowers and buds of the plant. "Cannabis flower"
25 does not include non-flower portions of the plant or whole mature cannabis plants, but does include
26 kief.

27 IX. "Cannabis limited product manufacturing facility," "limited product manufacturing
28 facility," or "limited manufacturer" means a person licensed to purchase cannabis, to manufacture,
29 prepare, and package cannabis products, and sell cannabis and cannabis products to other limited
30 manufacturers, to cannabis product manufacturing facilities, to alternative treatment centers, and
31 to cannabis retail outlets, but not to consumers. A limited product manufacturing facility may not
32 use solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol.

33 X. "Cannabis product manufacturing facility," "product manufacturing facility," or "cannabis
34 product manufacturer" means a person licensed to purchase cannabis, to manufacture, prepare, and
35 package cannabis products, and sell cannabis and cannabis products to other cannabis product
36 manufacturing facilities, to limited manufacturers, to alternative treatment centers, and to cannabis
37 retail outlets, but not to consumers.

1 XI. “Cannabis products” means any product that contains cannabis, including cannabis
2 concentrate and products that contain cannabis and other ingredients and are intended for use or
3 consumption, such as, but not limited to, edible products, topical products, and tinctures. This term
4 shall not include cannabis in its plant or flower form.

5 XII. “Cannabis retail outlet” or “cannabis outlet” means a person licensed to purchase
6 cannabis from cannabis cultivation facilities, to purchase cannabis products from cannabis product
7 manufacturing facilities and limited manufacturers, and to sell, transfer, and deliver cannabis and
8 cannabis products to consumers, qualifying patients, and designated caregivers. Online pre-ordering
9 is allowed, but consumers must purchase and pick up cannabis and cannabis products at the
10 cannabis retail store’s licensed premise.

11 XIII. “Cannabis testing facility” or “testing facility” means a person licensed to test cannabis
12 and cannabis products for potency and contaminants.

13 XIV. “Cannabis transporter” means a person licensed to transport cannabis and cannabis
14 products between cannabis establishments.

15 XV. “Canopy” or “canopy space” means the surface area utilized to produce mature plants
16 calculated in square feet and measured using the outside boundaries of any area that includes
17 mature marijuana plants, including all the space within the boundaries. The square footage of
18 canopy space is measured horizontally starting from the outermost point of the furthest mature
19 flowering plant in a designated growing space and continuing around the outside of all mature
20 flowering plants located within the designated growing space. If growing spaces are stacked
21 vertically, each level of space shall be measured and included as part of the total canopy space
22 measurement.

23 XVI. “Clone” means a clipping from a cannabis plant that has not taken root. Clone includes
24 tissue cultures. A clipping which has taken root is a seedling.

25 XVII. “Commission” means the New Hampshire liquor and cannabis commission.

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

30 XIX. “Controlling interest” means, any of the following:

31 (a) A direct or indirect financial or voting interest of 10 percent or greater in the
32 applicant, licensee, or franchisee;

33 (b) A direct or indirect financial or voting interest of 10 percent or greater in any
34 business with managerial control over the applicant, licensee, or franchisee; and

35 (c) Managerial control over the applicant, licensee, or franchisee.

1 XX. "Cultivation" or "cultivate" means the planting, propagation, growing, harvesting,
2 drying, curing, grading, trimming, or other processing of cannabis for use or sale. "Cultivation" or
3 "cultivate" does not include manufacturing, testing, or cannabis extraction.

4 XXI. "Department" means the department of health and human services.

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

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

7 XXIV. "Flowering" means, with respect to a cannabis plant, the gametophytic or
8 reproductive state of a female cannabis plant during which the plant is in a light cycle intended to
9 produce flowers, trichomes, and cannabinoids characteristic of cannabis.

10 XXV. "Hemp" means the plant *Cannabis sativa* L. and any part of the plant, whether
11 growing or not, with a delta-9 tetrahydrocannabinol concentration (THC) of not more than 0.3
12 percent on a dry weight basis.

13 XXVI. "Immature cannabis plant" means a cannabis plant that is not a mature cannabis
14 plant or a seedling.

15 XXVII. "Kief" means the dried or drying resinous trichomes of the cannabis plant that have
16 separated from the cannabis flower or have been separated from the cannabis flower by processes
17 other than extraction.

18 XXVIII. "Manufacturing" or "manufacture" means the production, blending, infusing,
19 compounding or other preparation of cannabis and cannabis products, including, but not limited to,
20 cannabis extraction or preparation by means of chemical synthesis. "Manufacturing" or
21 "manufacture" does not include cultivation or testing.

22 XXIX. "Mature cannabis plant" or "mature plant" means a cannabis plant that has flowered
23 and has buds that may be observed by visual examination.

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

25 XXXI. "Person" means a natural person or a business entity.

26 XXXII. "Possession limit" means:

- 27 (a) Four ounces of cannabis in plant form;
28 (b) Ten grams of cannabis concentrate, which includes, but is not limited to, pre-filled
29 cartridges of cannabis extracts intended for vaporization, but excludes products, such as, edible
30 products, topical products, and tinctures; and
31 (c) Cannabis products other than cannabis concentrate containing no more than 2,000
32 milligrams of THC.

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

1 XXXIV. "Public place" means a place to which the general public has access, and does not
2 include private land, including land in current use.

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

4 XXXVI. "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 XXXVII. "Seedling" means a cannabis plant that has no flowers and is less than 12 inches in
9 height and less than 12 inches in diameter.

10 XXXVIII. "THC" means tetrahydrocannabinol.

11 XXXIX. "Therapeutic grade cannabis product" means a cannabis product that exceeds any
12 potency or serving size limitations created by this chapter and is manufactured by a licensed
13 alternative treatment center. Therapeutic grade cannabis products sold by an alternative treatment
14 center to a cannabis retail store shall meet the requirements of RSA 126-X and rules issued
15 pursuant to RSA 126-X. Cannabis retail stores may only sell therapeutic grade cannabis products to
16 patients or caregivers. The commission has jurisdiction over therapeutic grade cannabis products
17 after they are transferred to a cannabis establishment licensed under this chapter.

18 318-F:2 Personal Use of Cannabis.

19 I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person
20 21 years of age or older, shall not be illegal under New Hampshire law or the law of any political
21 subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:

22 (a) Possessing, consuming, using, displaying, obtaining, purchasing, processing,
23 producing, or transporting an amount of cannabis that does not exceed the possession limit, except
24 that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product
25 manufacturer licensed pursuant to pursuant to RSA 318-F or an alternative treatment center
26 licensed pursuant to RSA 126-X may perform extractions using solvents other than water, glycerin,
27 propylene glycol, vegetable oil, or food-grade ethanol.

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

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

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

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

1 II. No law enforcement officer employed by an agency that receives state or local
2 government funds shall expend any state or local resources, including the officer's time, to effect any
3 arrest or seizure of cannabis, or conduct any investigation on the sole basis of activity the officer
4 believes to constitute a violation of federal law if the officer has reason to believe that such activity is
5 in compliance with this chapter.

6 318-F:3 Smoking Cannabis in Public Prohibited; Penalty.

7 No person shall smoke or vaporize cannabis in any public place.

8 I. First offense: Any person who violates this section shall be guilty of a violation for the
9 first offense and shall forfeit all cannabis and cannabis products on their person.

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

13 III. Subsequent offense: Any person who violates this section, a third or more times, when
14 having 2 prior convictions within 5 years of the third or subsequent offense, shall be guilty of a
15 misdemeanor.

16 318-F:4 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty.

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

21 II. Any person who violates this section shall be guilty of a violation and shall be subject to a
22 fine not to exceed \$150. In addition, any person who violates paragraph I of this section while
23 driving or attempting to drive a motor vehicle on a way may have his or her driver's license, if a
24 resident, or driving privilege, if a nonresident, suspended for up to 60 days for a first offense and up
25 to one year for a subsequent offense.

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

27 IV. In this section, "driving or attempting to drive" shall not include the physical presence of
28 a person or persons in a vehicle when it is parked, docked, or otherwise in a stationary position that
29 does not create a hazard to others. Idling to provide heat, cooling, power generation, or other
30 stationary use does not constitute operation for the purposes of this section.

31 V. A person may not be convicted of both a violation of this section and a violation of RSA
32 265-A based on the same incident.

33 318-F:5 Cannabis Accessories Authorized.

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

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

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

9 318-F:6 Odor and Personal Possession of Cannabis Not Grounds for a Search.

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

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

17 318-F:7 Enforcement Authority.

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

21 II. The commission shall appoint liquor investigators whose primary function shall be the
22 proper prosecution of this chapter. The liquor investigators shall have statewide jurisdiction, with
23 reference to enforcement of all laws either in cooperation with, or independently of, the officers of
24 any county or town. The commission shall have the primary responsibility for the enforcement of all
25 cannabis laws upon premises where cannabis and cannabis products are lawfully sold, stored,
26 distributed, or manufactured. Any person violating the provisions of any law may be prosecuted by
27 the commission or any of its investigators as provided in this section, or by county or city attorneys,
28 or by sheriffs or their deputies, or by police officials of towns or New Hampshire state police.

29 III. The commission shall adopt and publish rules pursuant to RSA 541-A, to govern its
30 proceedings and to regulate the mode and manner of all investigations and hearings before it. All
31 hearings before the commission shall be in accordance with RSA 541-A:31-36. In any such
32 investigation or hearing, the commission shall not be bound by the technical rules of evidence. The
33 commission may subpoena witnesses and administer oaths in any proceeding or examination
34 instituted before or conducted by it, and may compel, by subpoena, the production of any accounts,
35 books, contracts, records, documents, memoranda, and papers of any kind whatever. A summons
36 issued by any justice of the peace shall have the same effect as though issued for appearance before
37 such court.

1 IV. If any false statement is knowingly made in any statement under oath which may be
2 required by the provisions of this title or by the commission, the person making the same shall be
3 deemed guilty of perjury. The making of any such false statement in any such application or in any
4 such accompanying statements, whether made with or without the knowledge or consent of the
5 applicant, shall, in the discretion of the commission, constitute sufficient cause for the revocation of
6 the license.

7 V. The commission shall adopt by rule under RSA 541-A a formal enforcement policy for
8 licensees under its jurisdiction. This policy shall specify the disciplinary action, to include but not
9 limited to a schedule of fines as are authorized by this chapter for violations of statutory
10 requirements, which the commission shall take for violations of various laws under its jurisdiction.
11 The enforcement policy shall also specify mitigating and aggravating factors which the commission
12 shall consider in determining penalties for specific actions. Such enforcement policy shall authorize:

13 (a) Cannabis cultivation facilities to continue to cultivate, prepare, and package, but not
14 purchase, transfer, or sell cannabis and cannabis products during a suspension or a license
15 revocation, until such time as there is a final determination that the license be revoked for which no
16 appeal is available; and

17 (b) Authorize cannabis product manufacturing facilities, limited manufacturers,
18 cannabis testing facilities, and cannabis retail outlets to possess existing cannabis inventory, but not
19 acquire additional cannabis, or dispense, transfer, or sell cannabis during a suspension or a license
20 revocation until such time as there is a final determination that the license be revoked for which no
21 appeal is available.

22 VI.(a) In applying its enforcement policy, the liquor commission shall establish and enforce
23 specific determinate penalties for specific offenses. The commission shall not apply penalties such as
24 license suspensions for indefinite periods of time.

25 (b) In addition to RSA 541-A:30, III, the commission may suspend, for a period
26 designated in rules, without a hearing, any license issued under the provisions of this title, if a risk
27 to public health, safety, or welfare constitutes an emergency requiring such suspension. Any such
28 suspension shall notify such persons designated in rules within 24 hours.

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

35 318-F:8 Cannabis Advisory Board.

36 I. There shall be a cannabis advisory board to study and make recommendations to the
37 liquor commission consistent with the purpose and findings of this chapter on the regulation of

1 cannabis and cannabis products in New Hampshire. The cannabis advisory board shall also consider
2 educational and financing opportunities for participants in the New Hampshire cannabis market.

3 II. No later than 90 days after the effective date of this chapter, the advisory board shall be
4 appointed. The board shall consist of 21 members, and shall consist of: the chair of the commission
5 or designee; a certified public health official appointed by the chair of the governor's commission on
6 alcohol and drug abuse prevention, treatment, and recovery in RSA 12-J; a medical provider as
7 appointed by the president of the New Hampshire Medical Society; the commissioner of the
8 department of health and human services or designee; the commissioner of the department of
9 education or designee; a mental health professional appointed by the executive director of NAMI
10 (National Alliance on Mental Illness) New Hampshire; one expert in cannabis cultivation; one expert
11 in cannabis retailing; one expert in cannabis product manufacturing; one expert in cannabis testing;
12 one board member or officer of an alternative treatment center; 2 registered therapeutic cannabis
13 patients; one individual who represents cannabis consumers; the president of the New Hampshire
14 association of chiefs of police or designee; a prevention specialist who is currently certified by the
15 New Hampshire prevention certification board; a state senator, appointed by the senate president; 2
16 state representatives, appointed by the speaker of the house, one cannabis financial services expert;
17 and one attorney with primary focus on cannabis industry practice. Except as otherwise specified,
18 members shall be appointed by the governor.

19 III. Members of the board shall serve terms of 2 years. Members of the board shall serve
20 without compensation but shall be reimbursed for their expenses actually and necessarily incurred
21 in the discharge of their official duties, including mileage at the state employee rate for attendance
22 to meetings and other official functions. Members forfeit their position on the cannabis advisory
23 board and shall be removed if:

24 (a) They fail to attend any 2 consecutive meetings; or

25 (b) They fail to attend more than one out of every 3 meetings during a year with 4 or
26 more meetings. A member may continue to serve after the expiration of his or her term until a
27 replacement is appointed unless he or she was removed due to misconduct or inadequate attendance.

28 IV. The board shall meet at its discretion, provided it shall meet no less frequently than once
29 every 2 months for the first 9 months after the effective date of this section, and that it shall meet no
30 less frequently than once every 6 months thereafter. The chair of the board may appoint
31 subcommittees.

32 V.(a) A majority of the appointed members of the board shall constitute a quorum of the
33 cannabis advisory board.

34 (b) A quorum is only required for voting matters.

35 VI. The cannabis advisory board shall:

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

1 (b) Advise the commission on whether additional cannabis retail outlets and cannabis
2 cultivation canopy should be licensed, and, if so, how many.

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

6 (d) Advise the commission on whether it should establish a state reference laboratory, or
7 whether an agreement with another state's reference laboratory is possible.

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

9 (f) Hold a hearing to solicit public input no less frequently than once every 6 months,
10 including input on the availability of reasonably priced therapeutic cannabis.

11 (g) Review any new science-based evidence of public health issues on the use of
12 cannabis.

13 (h) Advise the commission on spending and recommend any modifications to ensure the
14 thorough and efficient implementation of this chapter.

15 318-F:9 Regulation of Cannabis.

16 I. Not later than 18 months after the effective date of this section, the commission shall
17 adopt rules, pursuant to RSA 541-A, for the issuance of cultivation facility licenses. Not later than
18 20 months after the effective date of this section, the commission shall adopt rules, pursuant to RSA
19 541-A, for the licensure and regulation of all other cannabis establishments. The rules shall include
20 the following:

21 (a) Procedures for the application, issuance, transfer, denial, approval, renewal,
22 suspension, and revocation of a license for cannabis establishments. Rules shall include provisions
23 for cannabis retail outlets to be selected through a request for application process.

24 (b) A schedule of reasonable application, licensing, and annual renewal fees, provided:

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

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

29 (3) The non-refundable portion of application fees for a limited manufacturer may
30 not exceed \$100;

31 (4) All licensing and annual renewal fees, other than cultivation facilities, shall not
32 exceed \$10,000;

33 (5) That cultivation facility licensing fees be tiered based on the size of the facilities,
34 with a maximum fee of \$7,500; and

35 (6) That the licensing and annual renewal fees for a limited manufacturer may not
36 exceed \$2,500.

1 (c) Qualifications and disqualifications for licensure that are directly and demonstrably
2 related to the operation of a cannabis establishment, and which may not disqualify applicants solely
3 for having a prior history of criminal convictions for cannabis offenses prior to the effective date of
4 this chapter.

5 (d) Rules governing the selection of cannabis retail outlets to include, but not limited to:

6 (1) Prohibiting the licensure of more than 15 cannabis retail outlets within the first
7 30 months after the effective date of this chapter.

8 (2) Providing that a major criteria in assessing the relative merits of each
9 application will incorporate the successful operation of an alternative treatment center registered
10 under RSA 126-X and may convert to a cannabis retail outlet for sales permitted under this chapter
11 and RSA 126-X.

12 (3) Determining whether to increase the number of cannabis retail outlets, and, if so,
13 by how many, with goals of:

14 (A) Avoiding an overconcentration or oversaturation of stores;

15 (B) Keeping New Hampshire cannabis consumers' purchases within New
16 Hampshire;

17 (C) Outcompeting the illicit market by providing reasonable prices and
18 accessibility; and

19 (D) Licensing sufficient cannabis retail outlets to avoid a secondary market for
20 the transfer or sale of cannabis retail outlet licenses. One indicator of such a secondary market
21 would be an increase in the intrinsic market value of a cannabis retail outlet beyond the premium
22 reasonably attributed to eliminating the time and compliance steps required to obtain licensure.

23 (4) Ensuring an equitable distribution of cannabis retail outlets based on geography
24 and population, including

25 (A) Providing for no more than the greater of one cannabis retail outlet per
26 municipality or no more than one cannabis retail outlet per 15,000 residents of a municipality.

27 (B) Increasing access to legal cannabis in New Hampshire for people throughout
28 the state.

29 (5) Providing that no cannabis retail outlets may be located within 1,000 feet of a
30 pre-existing cannabis retail outlet unless the municipality where the establishment seeks to operate
31 has established a smaller distance limitation or waived the restriction.

32 (6) Procedures to revoke the license of any cannabis retail outlet that is not
33 operational within the latter of 20 months of receiving its license or 2 months after the commissioner
34 authorizes retail sales to begin. However, the cannabis retail outlet shall be granted one or more 6-
35 month extensions if:

1 (A) The cannabis retail outlet demonstrates it is making substantial progress
2 towards becoming operational and the delay is not due to its failure to act in good faith and with
3 reasonable diligence; or

4 (B) The delay is due to a lack of sufficient cannabis or cannabis products because
5 of delays in cultivation facilities becoming operational.

6 (7) Procedures to accept applications for cannabis retail outlets within 3 months of a
7 license being revoked, surrendered, or not renewed.

8 (e) Regulations governing the selection and licensure of cultivation facilities, including:

9 (1) A cap on the total licensed canopy and a cap on the number of cultivation
10 facilities based on anticipated demand. The cap must be reassessed at least once every year. It
11 must be high enough to ensure a competitive market, and it must account for some facilities having
12 crop failures, cannabis that fails testing, and demand from visiting states;

13 (2) Procedures to revoke the license for any cultivation facility that is not operational
14 within 20 months of receiving its license, and to accept applications for a new licensee. However, the
15 licensee shall be granted one or more 6-month extensions if the cultivation facility demonstrates it is
16 making substantial progress towards becoming operational and the delay is not due to its failure to
17 act in good faith and with reasonable diligence;

18 (3) Procedures to accept applications for cultivation facilities within 3 months of a
19 license being revoked, surrendered, or not renewed; and

20 (4) Regulations creating at least 2 tiers of cultivation facilities, based on the size of
21 the facility or the number of plants cultivated and providing:

22 (A) That outdoor cultivation facilities must be allowed to cultivate 3 times the
23 square footage of canopy as indoor cultivation facilities of the same tier;

24 (B) The largest tier must be no larger than 5,000 square feet of canopy for indoor
25 cultivation, or no larger than 15,000 square feet of canopy for outdoor cultivation; provided that the
26 square footage of each level of vertical shelving or other levels shall count toward the total canopy;

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

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

33 (f) Record keeping requirements for cannabis establishments, including requirements for
34 implementation and compliance with the distribution tracking system required by this chapter.

35 (g) Requirements for the transportation and distribution of cannabis and cannabis
36 products between cannabis establishments, including approved packaging, documentation that shall

1 accompany any cannabis and cannabis products being transported, warehoused, or distributed, by
2 cannabis cultivation facilities.

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

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

9 (j) Procedures for hearings on penalties, including civil fines and suspensions and
10 revocations of a cannabis establishment license.

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

13 (l) Health and safety rules, including but not limited to the packaging and preparing of
14 cannabis and cannabis products, restricting the use of pesticides and other chemicals used during
15 cultivation and processing that may be dangerous to cannabis consumers, and sanitation
16 requirements.

17 (m) Restrictions on the logos, signage, marketing, and display of cannabis and cannabis
18 products, including but not limited to:

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

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

23 (3) Restrictions to prevent cannabis from being marketed to minors,

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

28 (5) A prohibition on giveaways of cannabis, cannabis products, or cannabis
29 accessories, including samples;

30 (6) A prohibition on neon signs;

31 (7) A prohibition on signage, cannabis retail outlet logos, and advertisements that
32 include slang for cannabis, images of cannabis or cannabis paraphernalia, or images that encourage
33 over-consumption.

34 (8) A requirement that each cannabis retail outlet include in its name “[City or
35 Town] Cannabis Outlet” or “New Hampshire Cannabis Outlet.” The commission may require
36 approval of any retail outlet name to ensure it does not encourage overconsumption, appeal to
37 minors, or otherwise violate reasonable restrictions on naming.

1 (9) The commission may develop rules around the finish and quality of exterior of
2 buildings and lot, which may include limits on colors and fonts for signage and logos. The
3 commission may design a standard logo all outlets must use, with the only variation being their
4 outlet name.

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

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

10 (p) Establishing a voluntary process whereby a cannabis establishment may request
11 approval of packaging, labeling, signage, a logo, marketing, or advertising to confirm it conforms
12 with the commission's interpretation of its rules. The commission shall respond within 30 days with
13 approval or denial, with an explanation accompanying any denial. A fee of no greater than \$250 may
14 be charged for each review.

15 (q) Packaging, product manufacturing, and labeling requirements for cannabis and
16 cannabis products, including:

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

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

21 (3) Establishing the maximum amount of THC that may be included in each serving
22 of edible or drinkable cannabis product, as 5 milligrams; and the maximum amount of THC that may
23 be included in each package of edible or drinkable cannabis product as 100 milligrams;

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

26 (5) Prohibiting statements on the label or packaging that are false or misleading;

27 (6) Prohibiting any written statements on the label or packaging that are illegible;

28 (7) Prohibiting packaging or labeling that contains subliminal or similarly deceptive
29 advertising techniques;

30 (8) Prohibiting packaging or labeling that features a depiction of athletes that is
31 deceptive and misleading in that it implies that consuming cannabis or cannabis products is
32 conducive to athletic skill or physical prowess, or that consuming cannabis does not hinder the
33 athlete's performance;

34 (9) Prohibiting packaging or labeling that features illustrations, subject matter, or
35 other attributes that are consistent with products marketed toward children and youths;

1 (10) Prohibiting packaging or labeling that features a depiction of consumption of
2 cannabis or cannabis products while seated in, about to enter, operating, or about to operate an
3 automobile or other machinery;

4 (11) Prohibiting packaging or labeling that encourages excessive consumption;

5 (12) Prohibiting packaging or labeling that does not indicate in a manner that is
6 sufficiently clear that the product contains cannabis or cannabis products or that might result in
7 confusion regarding whether the product is a cannabis or cannabis products;

8 (13) Prohibiting packaging or labeling that is offered for sale under the name,
9 identity, or characteristics of another food or beverage or mimics another food or beverage or the
10 characteristics of another food or beverage;

11 (14) Requiring packaging that is designed or constructed to be significantly difficult
12 for children under 5 years of age to open, and not difficult for adults to use properly; and

13 (15) Require packaging include warnings, including but not limited to, those
14 described in RSA 318-F:17.

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

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

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

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

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

25 (t) Requirements for the testing of cannabis and cannabis products, including but not
26 limited to:

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

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

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

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

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

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

5 (7) Potency limits for cannabis products, after consultation with and approval of the
6 cannabis advisory board including a public hearing specifically related to the topic of potency;

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

9 (9) Minimum testing requirements for an effective cannabis and cannabis product
10 quality assurance program for cannabis cultivation facilities, limited manufacturers, and cannabis
11 product manufacturing facilities; and

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

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

19 (v) Annual mandatory training and continuing education required or recommended for
20 licensees, which shall include, but not be limited to, training on checking photo identification and for
21 false identification.

22 (w) Requirements that cannabis retail outlets stock cannabis products, including flower,
23 with low and moderate amounts of THC and that they be at least as prominently displayed as high
24 potency products or therapeutic grade cannabis products.

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

27 (y) Rules governing changes in ownership and changes in location for cannabis
28 establishments, provided that until a cannabis establishment has been fully operational for at least
29 12 months, no more than 35 percent of the original ownership interest can be transferred. The
30 commission may grant exceptions for good cause, such as the death of an individual owner.

31 (z) Procedures and notices relating to all recalls of any products.

32 (aa) A requirement that any label, and for certain products where appropriate, include a
33 standard, recognizable symbol that a product contains cannabis or THC.

34 (bb) A prohibition on the manufacture and sale of cannabis infused alcoholic beverages.

35 II. Privacy Protections.

36 (a) In order to ensure that individual privacy is protected, the commission shall not
37 require a consumer to provide a cannabis retail outlet or any other cannabis establishment that sells

1 direct to consumers with personal information other than government-issued identification to
2 determine the consumer's age, and a cannabis establishment shall not be required to acquire and
3 record personal information about consumers.

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

9 III. Not later than 18 months after the effective date of this chapter, the commission, in
10 consultation with the department, shall develop an informational handout, which cannabis retail
11 outlets shall make available to all consumers, and which shall include information detailed in RSA
12 318-F:17.

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

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

27 VI. The commission shall also have the authority to regulate synthetic cannabinoids and
28 intoxicating products derived from hemp.

29 VII. No later than 36 months after the effective date of this section, after receiving input
30 from the cannabis advisory board, the commission shall make written recommendations to the
31 general court regarding the regulation of hemp including:

32 (a) What hemp products the commission would regulate;

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

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

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

(e) The regulations governing the production and the sale of intoxicating ingestible or smokable products containing hemp-derived cannabinoids may not be less restrictive than the provisions of RSA 318-F or administrative rules enacted pursuant to RSA 541-A. For purposes of this section, "intoxicating ingestible or smokable products containing hemp-derived cannabinoids" means any product that is intended to be consumed by humans or animals through inhalation or ingestion containing tetrahydrocannabinol and tetrahydrocannabinolic acids that are artificially or natural derived from hemp where inhalation or ingestion is reasonably likely to result in alternations of perception, cognition, or behavior.

VIII. No later than December 1, 2024, the commission, jointly with the department, shall develop draft legislation to:

(a) Transfer regulatory authority of the therapeutic cannabis program authorized under RSA 126-X, in whole or in part, to the commission; and

(b) Regulate cannabis retail outlets' sale of cannabis and cannabis products to qualifying patients and designated caregivers.

318-F:10 Prohibitions: Advertising Cannabis Sales.

I. Except as provided in this section, no person may advertise cannabis sales.

(a) The prohibition includes, but is not limited to advertising by radio, television, billboard advertising, sound trucks, outdoor internally illuminated screen displays, in print, broadcast, and in-person solicitation of customers outside of the premises of the cannabis retail outlet or alternative treatment center.

(b) This does not prohibit appropriate signs on the property of the cannabis retail outlet or alternative treatment center, listings in business directories including online business listings, advertising on platforms or publications that are solely focused on cannabis, listings in trade or medical publications, the sponsorship of health or not-for-profit charity or advocacy events, or communications with previous customers of the retail outlet or alternative treatment center.

(c) This does not prohibit cannabis establishments from directly soliciting other cannabis establishments.

II. A violation of this section is punishable by a civil fine of up to \$1,000 for a first offense. A subsequent violation is punishable by a civil fine of up to \$5,000. These penalties are in addition to possible suspension or revocation of a cannabis establishment license.

318-F:11 Entry to Cannabis Retail Outlets Limited.

Entry to cannabis retail outlets shall be restricted to people:

I. Twenty-one years of age or older who present official documentation listed in RSA 179:8 which is consistent with the appearance of the person, is not expired, and is free of alteration, erasure, blemish, or other impairment to verify age; or

1 II. Qualifying patients.

2 318-F:12 Licensing Procedures for Cannabis Establishments.

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

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

8 III. The commission shall:

9 (a) Accept and process applications beginning no later than 2 months after the issuance
10 of rules governing the category of cannabis establishment for which the rules were adopted.

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

13 (c) Issue a license to the applicant within 120 days after receipt of an application unless:

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

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

19 (3) More qualified applicants have applied than the number of licenses available for
20 that category of cannabis establishment, and the applicant was not selected.

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

22 IV. Each license applies to a single parcel of real property, and multiple licenses per
23 property are permitted. Any additional address which is not contiguous with the licensed property
24 requires a separate application and license.

25 V. A renewal application may be submitted up to 90 days prior to the expiration of the
26 cannabis establishment's license. The renewal application shall be granted within 30 days of its
27 submission unless the applicant has not paid the fee, the cannabis establishment's license is
28 suspended or revoked, or the cannabis establishment has a pattern of violations of this law, the rules
29 issued pursuant to it, or municipal regulations.

30 VI. Conditional approval pending securing property.

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

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

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

5 VII. Except as provided in RSA 318-F:14, nothing in this chapter prevents a person or entity
6 from holding multiple types of cannabis licenses and from co-locating the businesses.

7 318-F:13 Enactment of Municipal Ordinances.

8 I. The voters of every municipality shall vote on whether to allow cannabis retail outlets in
9 their municipality at the first municipal election after July 1, 2024, unless the municipality elects to
10 include this question at the November 2024 biennial election. The wording of the questions shall be
11 substantially as follows: "Shall we allow the operation of cannabis retail outlets within this city or
12 town?" The recount of any local option vote, the procedures for holding such a recount, the
13 declaration of the results of such a recount, and the procedure for an appeal from such a recount
14 shall be as provided in RSA 660:13-15. A municipality's prohibition on cannabis establishments
15 shall not prohibit transportation through the municipality or deliveries within the municipality by
16 cannabis establishments located in other jurisdictions.

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

23 III. A municipality may enact an ordinance limiting the number of each type of cannabis
24 establishment that may be permitted within the municipality and regulating the time, place, and
25 manner of operation of a cannabis establishment, which is permitted within the municipality.

26 IV. A municipality may enact an ordinance specifying the entity within the municipality
27 that shall be responsible for reviewing applications submitted for a license to operate a cannabis
28 establishment within the municipality. The entity designated by the municipality, or the
29 municipality if no such entity is designated, shall be responsible for indicating whether the
30 application is in compliance with municipal ordinances and notifying the applicant and the
31 commission within 90 days.

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

36 VI. If a municipality has passed an innovative land use control relative to cannabis
37 establishments, it shall notify the liquor commission within 90 days of passage. Municipalities

1 without zoning ordinances or which have failed to pass an innovative land use control relative to
2 cannabis establishments will be governed by the provisions of RSA 318-F and administrative rules
3 relating to cannabis establishments enacted pursuant to RSA 541-A. No local ordinance may be less
4 restrictive than the provisions of RSA 318-F or administrative rules enacted pursuant to RSA 541-A.

5 318-F:14 Financial Interests Prohibited.

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

10 II. Prior to 2 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 2 years after the effective date of this chapter, no person or business entity
13 may have a controlling interest in more than 20 percent of operational cultivation facilities, limited
14 manufacturers, product manufacturing facilities, or cannabis retail outlets, unless the person or
15 business entity has a controlling interest in no more than 3 cannabis establishments of a single
16 category.

17 IV. Beginning 2 years after the effective date of this chapter, no person or business entity
18 may have a controlling interest in more than 50 percent of cannabis testing facilities, unless the
19 person or entity has a controlling interest in no more than 3 cannabis testing facilities.

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

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

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

28 318-F:15 Residency Required.

29 I. Except as provided in this section, any person applying for a cannabis establishment
30 license shall have been a resident, or shall have at least one director, officer, or partner who has
31 been a New Hampshire resident, for at least 3 years immediately preceding the date of application.

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

33 III. Each cannabis establishment must be registered with the secretary of state's office with
34 its principal place of business located in New Hampshire.

35 318-F:16 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor
36 shall a prospective cannabis establishment apply for a license, if the establishment would be located

1 within 1,000 feet of the property line of a pre-existing public or private elementary or secondary
2 school.

3 318-F:17 Informational Materials, Warning Labels, and Medical Lock Boxes.

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

6 II. A cannabis retail outlet and any other cannabis establishment selling directly to
7 consumers shall include an informational handout designed by the commission in consultation with
8 the department and the cannabis advisory board with all cannabis and cannabis products sold to
9 consumers, and shall include the high potency version in all cannabis concentrates and other high
10 potency sales. The informational handouts shall include scientifically accurate information,
11 including:

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

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

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

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

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

21 (b) Information about methods for administering cannabis;

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

23 (d) How to recognize cannabis use disorder and how to obtain appropriate services or
24 treatment;

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

28 (f) Subject to federal statutory law or case law, a disclosure that:

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

30 (2) The ability of users of cannabis to purchase or own a gun under federal law is
31 currently in the federal courts, and the ultimate resolution is uncertain.

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

36 IV. All cannabis and cannabis products sold by a cannabis retail outlet shall include
37 warning labels that provide the following information: "Warning: This product has intoxicating

1 effects. For use by adults 21 and older. Keep out of reach of children.” The commission may
2 require a standard, recognizable symbol on all cannabis packaging to signify that THC or other
3 cannabinoids are included in the product.

4 V. All cannabis products sold by cannabis retail outlets shall include:

5 (a) A warning label that provides, “Caution: When eaten or swallowed, the intoxicating
6 effects of this product may be delayed,” unless the commission determines that a specific time frame
7 should be specified.

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

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

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

13 VI. All cannabis retail outlets shall include in their inventory medical lock boxes for sale to
14 help keep cannabis and cannabis products away from children.

15 318-F:18 Lawful Operation of Cannabis-Related Facilities.

16 I. Except as provided in this section, if undertaken by a person 21 years of age or older, the
17 following acts shall not be illegal under New Hampshire law or be a basis for seizure or forfeiture of
18 assets under New Hampshire law:

19 (a) Possessing, displaying, warehousing, transporting, or distributing cannabis or
20 cannabis products; obtaining or purchasing cannabis from a cannabis cultivation facility; delivering
21 or transferring cannabis to a cannabis testing facility; obtaining or purchasing cannabis or cannabis
22 products from a cannabis product manufacturing facility or limited manufacturer; or sale, delivery,
23 or distribution of cannabis or cannabis products to an adult who is 21 years of age or older, a
24 qualifying patient, a designated caregiver or to cannabis retail outlets or alternative treatment
25 centers, if the person or business entity conducting the activities described in this paragraph has
26 obtained a current, valid license to operate a cannabis retail outlet or is acting in his or her capacity
27 as an owner, employee, or agent of a licensed cannabis retail outlet.

28 (b) Cultivating, harvesting, processing, packaging, transporting, distributing, displaying,
29 or possessing cannabis; obtaining or purchasing cannabis seeds from any adult 21 years of age or
30 older; delivering or transferring cannabis to a cannabis testing facility; selling or transferring
31 cannabis that has not been processed into extracts, concentrates, or other preparations to a cannabis
32 cultivation facility, a cannabis product manufacturing facility, a limited manufacturer, or a cannabis
33 retail outlet or alternative treatment center; or obtaining or purchasing cannabis from a cannabis
34 cultivation facility, if the person or business entity conducting the activities described in this
35 paragraph has obtained a current, valid license to operate a cannabis cultivation facility or is acting
36 in his or her capacity as an owner, employee, or agent of a licensed cannabis cultivation facility.

1 (c) Packaging, processing, transporting, manufacturing, displaying, or possessing
2 cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a
3 cannabis testing facility; selling cannabis or cannabis products to a cannabis retail outlet,
4 alternative treatment center, limited manufacturer, or a cannabis product manufacturing facility;
5 purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining
6 cannabis or cannabis products from a cannabis product manufacturing facility or limited
7 manufacturer, if the person or business entity conducting the activities described in this paragraph
8 has obtained a current, valid license to operate a cannabis product manufacturing facility or is acting
9 in his or her capacity as an owner, employee, or agent of a licensed cannabis product manufacturing
10 facility.

11 (d) Packaging, processing, transporting, manufacturing, displaying, or possessing
12 cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a
13 cannabis testing facility; selling cannabis or cannabis products to a cannabis retail outlet,
14 alternative treatment center, limited manufacturer, or a cannabis product manufacturing facility;
15 purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining
16 cannabis or cannabis products from a cannabis product manufacturing facility or limited
17 manufacturer, if the person or business entity conducting the activities described in this paragraph
18 has obtained a current, valid license to operate a limited manufacturer or is acting in his or her
19 capacity as an owner, employee, or agent of a licensed limited manufacturer.

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

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

29 (g) Possessing, obtaining, cultivating, processing, storing, distributing transporting, or
30 receiving cannabis obtained from a cannabis establishment or transporting, delivering, or
31 transferring cannabis to a cannabis establishment if the person or business entity has obtained a
32 current, valid license to operate a cannabis transporter or cannabis distributor is acting in his or her
33 capacity as an owner, employee, or agent of a licensed cannabis transporter.

34 (h) Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or
35 transferring cannabis to a cannabis testing facility; or obtaining or purchasing cannabis or cannabis
36 products from a cannabis product manufacturing facility or limited manufacturer if the person or
37 business entity conducting the activities described in this paragraph possesses a valid license to

1 operate an alternative treatment center or is acting in his or her capacity as an owner, employee, or
2 agent of a licensed alternative treatment center.

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

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

12 II. No sales to consumers, including from cannabis retail outlets with dual-use certificates,
13 may begin until the liquor and cannabis commissioner certifies there is a sufficient supply of
14 cannabis and cannabis products to begin sales.

15 318-F:19 Proof of Purchaser's Identity.

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

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

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

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

28 (b) That the sale was made in good faith relying upon such documentation and
29 appearance in the reasonable belief that the person was 21 years of age or older.

30 318-F:20 Enforcement Activity Verifying Noncompliance.

31 I. Except as provided in this section, it shall be a violation to sell any cannabis, cannabis
32 product, cannabis accessories or cannabis paraphernalia to a minor during enforcement activity
33 initiated solely for the purpose of verifying noncompliance with RSA 318-F:19. It shall be a
34 misdemeanor to knowingly sell cannabis, cannabis product, or cannabis paraphernalia to a minor at
35 the time of any such enforcement activity. The commission shall retain the right to require the
36 licensee in such a circumstance to initiate additional training of its staff or individual employee.

1 This section shall not apply to law enforcement initiatives involving surveillance, investigations, or
2 criminal complaints of violations of RSA 318-F:19.

3 II. This section does not apply if the minor:

4 (a) Presented what an ordinary and prudent person would believe to be valid
5 documentation showing the minor was a qualifying patient or designated patient who is allowed to
6 purchase cannabis pursuant to RSA 126-X; and

7 (b) The sale was made in good faith relying upon such documentation and appearance in
8 the reasonable belief that the person was allowed to purchase cannabis pursuant to RSA 126-X.

9 318-F:21 Driving; Minors; Control of Property.

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

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

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

19 IV. Control of Property.

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

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

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

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

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

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

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

33 (d) An adult who is 21 or older may use cannabis on privately owned real property only
34 with permission of the property owner or, in the case of leased or rented property, with the
35 permission of the tenant in possession of the property, except that a tenant shall not allow a person
36 to smoke cannabis on rented property if smoking on the property violates the lease or the lessor's
37 rental policies that apply to all tenants at the property. However, a tenant may permit an adult who

1 is 21 or older to use cannabis on leased property by ingestion or inhalation through vaporization
2 even if smoking is prohibited by the lease or rental policies. For purposes of this chapter,
3 vaporization shall mean the inhalation of cannabis without the combustion of the cannabis.

4 318-F:22 Enforcement of Contracts. Contracts related to the operation of a cannabis
5 establishment licensed pursuant to this chapter shall be enforceable. No contract entered into by a
6 licensed cannabis establishment or its employees or agents as permitted pursuant to a valid license,
7 or by those who allow property to be used by an establishment, its employees, or its agents as
8 permitted pursuant to a valid license, shall be unenforceable on the basis that cultivating, obtaining,
9 manufacturing, distributing, dispensing, transporting, selling, possessing, or using cannabis is
10 prohibited by federal law.

11 318-F:23 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.

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

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

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

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

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

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

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

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

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

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

35 VI. Except as provided in this section, neither the state nor any of its political subdivisions
36 may discriminate against a person in hiring, termination, or any term or condition of employment, or

1 otherwise penalize a person in employment or contracting, if the discrimination is based upon either
2 of the following:

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

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

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

8 VII. Employer and employee protections.

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

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

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

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

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

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

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

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

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

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

34 318-F:24 Data Collection Related to Cannabis Legalization and Regulation. No later than 2
35 years after the effective date of this chapter, and every 2 years thereafter, the department of health
36 and human services shall, where appropriate, enter into memorandums of understanding with the
37 department of safety, the department of justice, the department of education, the commission, and

1 any other agency determined by the department of health and human services to possess relevant
2 data, to collect data, and produce and publish a report that includes baseline data and the most
3 current data regarding health and welfare outcomes before and after cannabis legalization and
4 regulation for adult use. All data in the report shall be non-identifiable and respectful of personal
5 privacy. This report may be combined with the report required under RSA 126-A:106, VI, relative to
6 the substance use prevention, treatment, and recovery fund allocated under RSA 318-F:27.

7 318-F:25 Agency Fee Imposed.

8 I. An agency fee of 10 percent shall be levied on the monthly total gross revenue derived
9 from the sale of cannabis and cannabis products from a cannabis retail outlets and any other
10 cannabis establishment for sales directly to consumers, provided:

11 (a) The agency fee shall not apply to sales to qualifying patients, directly or via their
12 designated caregivers.

13 (b) The agency fee shall not apply to the sale of cannabis accessories, or any product
14 other than cannabis and cannabis product.

15 II. The commission shall adopt rules under RSA 541-A relative to the agency fee procedures
16 needed to implement the provisions of this section.

17 318-F:26 Cannabis Fund Established.

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

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

28 III. For the biennium ending June 30, 2025, the sum of \$8,000,000 is hereby appropriated to
29 the commission for the cost of administration of this chapter. Said sum shall be a charge against the
30 fund.

31 IV. The commission shall credit all fees and civil penalties imposed under this chapter,
32 including agency fees levied pursuant to 318-F:25, and all other related moneys received from public
33 or private sources to the fund.

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

(a) The sum of \$100,000 annually to the department of health and human services, for data collection and reporting related to the health impacts of cannabis legalization and regulation under RSA 318-F:24; and

(b) Of the remaining funds:

(1) Sixty-five percent shall be disbursed to the education trust fund established in RSA 198:39. The comptroller shall notify the commissioner of the department of revenue administration of the amount of the transfer. For the purpose of setting the education tax rate under RSA 76:3, the amount of revenue required to be collected pursuant to RSA 76:3 shall be reduced by the amount transferred to the education trust fund as required in this subparagraph, and the commissioner shall set the rate at a level sufficient to generate the reduced amount. This rate shall be effective for the following fiscal year;

(2) Ten percent shall be allocated to the community reinvestment fund established in RSA 318-F:28;

(3) Ten percent shall be allocated to the substance use prevention, treatment, and recovery fund established in RSA 318-F:27;

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

(5) Five percent shall be allocated to public safety agencies, including police, fire, and rescue agencies, for the hiring and training of additional drug recognition experts, for advanced roadside impaired driving enforcement training, and to assist in responding to drug overdose incidents; and

(6) Five percent shall be disbursed to the department of health and human services, division for behavioral health, bureau of children's behavioral health, to be used for children's behavioral health services.

318-F:27 Substance Use Prevention, Treatment, and Recovery Fund Established. There is hereby established in the state treasury the nonlapsing substance use prevention, treatment, and recovery fund that shall be kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA 318-F:26 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the state treasury. The state treasurer shall disburse funds from the fund solely for the purposes and in the manner set forth in RSA 126-A:106.

318-F:28 Community Reinvestment Fund Established.

I. There is established in the state treasury a nonlapsing fund to be known as the community reinvestment fund that shall be kept distinct and separate from all other funds.

1 II. All proceeds allocated to the fund pursuant to RSA 318-F:26 shall be deposited in the
2 fund.

3 III. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the
4 commission. The state treasurer shall disburse funds from the fund solely for the purposes and in
5 the manner set forth in this section.

6 IV. The fund shall be used to support New Hampshire communities. The fund may be used
7 for the following purposes to support those communities:

8 (a) Water and sewer expansion projects so long as properties passed by new water and
9 sewer funded through this source are not required to participate;

10 (b) Legal aid services for expungement of cannabis convictions authorized under RSA
11 651:5-b and RSA 651:5-c;

12 (c) Grants to assist farmers entering the cannabis market; and

13 (d) Cannabis-related research and development.

14 V. The commission shall report to the general court within 18 months after the effective date
15 of this act and by January 1 of each year thereafter on distribution of funds pursuant to this section.

16 7 Controlled Drug Act; Definitions. Amend the introductory paragraph in RSA 318-B:1, X-a(k)
17 to read as follows:

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

21 8 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, I to read
22 as follows:

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

31 9 Controlled Drug Act; Penalties. Amend RSA 318-B:26, II to read as follows:

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

37 10 Controlled Drug Act; Penalties. Amend RSA 318-B:26, II(c)-(e) to read as follows:

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

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

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

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

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

12 Controlled Drug Act; Personal Possession of Marijuana. Amend RSA 318-B:2-c to read as follows:

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

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

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

(a) "Marijuana" ***means "cannabis" as defined in RSA 318-F:1, II.*** ~~[includes the leaves, stems, flowers, and seeds of all species of the plant genus cannabis, but shall not include the resin extracted from any part of such plant and every compound, manufacture, salt, derivative, mixture, or preparation from such resin including hashish, and further, shall not include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, fiber, oil or cake, or the sterilized seed of such plant which is incapable of germination. Marijuana shall not include hemp grown, processed, marketed, or sold under RSA 439-A.]~~

(b) ~~"Personal-use amount of a regulated marijuana-infused product" means one or more products that is comprised of marijuana, marijuana extracts, or resins and other ingredients and is intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures, which was obtained from a state where marijuana sales to adults are legal and regulated~~

~~under state law, and which is in its original, child-resistant, labeled packaging when it is being stored, and which contains a total of no more than 300 milligrams of tetrahydrocannabinol.]~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 Sentences; General Provisions; Annulment of Criminal Records; Annulment of Arrests and Convictions for Cannabis Offenses. Amend RSA 651:5-b to read as follows:

651:5-b Annulment of Arrests and Convictions for ~~[Marijuana Possession.]~~ ***Cannabis Offenses.***

I. As used in this section:

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

(b) ***“Possession limit” means the current “possession limit” as defined in RSA 318-F:1, XVIII.***

II. Any person who was arrested or convicted for knowingly or purposely obtaining, purchasing, transporting, or possessing, actually or constructively, or having under his or her control, ***no more than the possession limit*** [3/4] of [an ounce of] marijuana [or less] where the

offense occurred before *the effective date of RSA chapter 318-F* ~~[September 16, 2017]~~ may, at any time, petition the court in which the person was convicted or arrested to annul the arrest record, court record, or both. The petition shall state that the amount of marijuana was *no more than the possession limit* ~~[-3/4 of an ounce or less.]~~ The petitioner shall furnish a copy of the petition to the office of the prosecutor of the underlying offense. The prosecutor may object within 10 days of receiving a copy of the petition and request a hearing. If the prosecutor does not object within 10 days, the court shall grant the petition for annulment. If the prosecutor timely objects, the court shall hold a hearing. In a hearing on the petition for annulment, the prosecutor shall be required to prove beyond a reasonable doubt that the petitioner knowingly or purposely obtained, purchased, transported, or possessed, actually or constructively, or had under his or her control, marijuana in an amount exceeding *the possession limit* ~~[-3/4 of an ounce]~~. At the close of the hearing, the court shall grant the petition unless the prosecutor has proven that the amount of marijuana exceeded *the possession limit* ~~[-3/4 of an ounce]~~. If the petition is granted, and an order of annulment is entered, the provisions of RSA 651:5, X-XI shall apply to the petitioner.

15 New Section; Certain Crimes Not to be Pursued; Dismissal. Amend RSA 651 by inserting after section 5-b the following new section:

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

I. As used in this section:

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

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

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

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

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

consultation with the attorney general, may take any administrative action as may be necessary to vacate the guilty verdict, plea, placement in a diversionary program, or other entry of guilt.

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

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

17 Apportionment, Assessment and Abatement of Taxes; Assessment; Education Tax. Amend RSA 76:3 to read as follows:

76:3 Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the commissioner of the department of revenue administration shall set the education tax rate at a level sufficient to generate revenue of \$363,000,000, ***less any amount credited to the education trust fund pursuant to RSA 318-F:26***, when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

XXIV. Conversion and merger requirements:

(a) Any alternative treatment center choosing to convert or merge pursuant to this section shall obtain an independent fair market valuation of its total assets as of 180 days prior to the conversion or merger. The valuation of the total assets of such alternative treatment center, if positive, shall be distributed to one or more charitable organizations solely for charitable purposes. The director of charitable trusts shall receive a copy of the valuation and may file any objection relating thereto with the court within 60 days. Except as set forth in this section and notwithstanding any other law to the contrary, no portion of the assets of such alternative treatment center after the conversion or merger, as applicable, shall be deemed to be charitable assets.

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

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

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

292:7 Change of Name; Amending Articles.

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

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

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

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

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

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

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

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

26 The Liquor Commission; Liquor Investigator; Training. Amend RSA 176:9 to read as follows:
176:9 Liquor Investigator; Training.

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

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

III. The commissioner, deputy commissioner, assistant, or liquor investigator may enter any place where liquor, beverages, tobacco products, e-cigarettes, ***or cannabis*** are sold, [or]

manufactured, **or cultivated** at any time, and may examine any license or permit issued or purported to have been issued under the terms of this title. They shall make complaints for violations of this title.

27 Enforcement Proceedings and Penalties; Prosecutions. Amend RSA 179:59 to read as follows:

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

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

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

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

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

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

IX-a. Cannabis licenses, including:

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

(b) License operations for each cannabis establishment license type.

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

31 Name Change; Liquor and Cannabis Commission. Amend the following RSAs by replacing "liquor commission" with "liquor and cannabis commission": 6:12, I(b)(285); 6:12-j, V(b)(2); 9:11, II(b)(5); 9-C:7, II; 12-J:1, III(a)(4); 12-O:18, II; 21:33-a, III(a); 21-G:6-b, IV(c); 21-I:18, I(b); 21-J:14, 5(d)(9); 21-P:64, I(b)(6); 78:7; 78:16, II; 78:23, 94:1-a; 100-A:1, VII(a); 106-L:6, XVII; 110-B:28, VI; the introductory paragraph of 126-AA:3, VI; 126-K:2, II; 167:7-b, II(a); 175:1, XXIV; the chapter heading

1 of RSA Chapter 176; 176:2; the introductory paragraph of 176:3; 176:7; 176:16; 176:17; 176:18; 176-
2 A:1, III-IV; 177:1; 177:1-a; the introductory paragraph 177:3; 177:13; 178:11, V; 178:12-a, XIII;
3 178:13, XIII; 178:22, V(h)(12); 178:27; 178:27-a; the introductory paragraph of 178:27-b, V; 179:21;
4 179:33, IV; 179:38; 179:56, III(b); 180:1, II; 279:1, XVI; 284:21-h, II(a); and 663:5.

5 32 Appropriations.

6 I. The sum of \$100,000 for the fiscal year ending June 30, 2025 is hereby appropriated to
7 the department of health and human services for the purpose of collecting baseline data to be used in
8 the reports required pursuant to RSA 318-F:24. The governor is authorized to draw a warrant for
9 said sum out of any money in the treasury not otherwise appropriated.

10 II. The sum of \$8,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to
11 the liquor and cannabis commission for deposit into the cannabis fund established in RSA 318-F:26
12 for the administration of RSA 318-F. The governor is authorized to draw a warrant for said sum out
13 of any money in the treasury not otherwise appropriated.

14 III. The sum of \$500,000 for the biennium ending June 30, 2025 is hereby appropriated to
15 the substance use prevention, treatment, and recovery fund established in RSA 318-F:27 for the cost
16 of developing and implementing a public education campaign prior to initiation of retail sales.

17 33 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use
18 with cannabis, is repealed.

19 34 Effective Date. This act shall take effect upon its passage.

HB 1633-FN-A- FISCAL NOTE
AS AMENDED BY THE HOUSE (AMENDMENT #2024-0680h)

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

FISCAL IMPACT: ☒ State ☒ County ☒ Local ☐ None

Estimated State Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
Revenue	\$0	\$0	Indeterminable Increase	Indeterminable Increase
<i>Revenue Fund(s)</i>	General Fund Education Trust Fund, Cannabis Fund, Substance Use Prevention, Treatment, and Recovery Fund, Community Reinvestment Fund and Various Government Funds.			
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Funding Source(s)</i>	General Fund Education Trust Fund, Cannabis Fund, Substance Use Prevention, Treatment, and Recovery Fund, Community Reinvestment Fund and Various Government Funds.			
Appropriations	\$0	\$8,600,000	\$0	\$0
<i>Funding Source(s)</i>	General Fund			

- Does this bill provide sufficient funding to cover estimated expenditures? ☒ No
- Does this bill authorize new positions to implement this bill? ☒ No

Estimated Political Subdivision Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
County Revenue	\$0	\$0	Indeterminable Increase	Indeterminable Increase
County Expenditures	\$0	\$0	Indeterminable	Indeterminable
Local Revenue	\$0	\$0	Indeterminable Increase	Indeterminable Increase
Local Expenditures	\$0	\$0	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.

This 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

The Liquor Commission states this bill proposes an extensive regulatory framework to be administered by the Liquor Commission which is renamed in the bill to be the Liquor and Cannabis Commission. Primary enforcement and licensing authority would be the responsibility of the Commission. Regarding these responsibilities the Commission provides the following information concerning the required time line:

- The Liquor Commission shall develop or contract for an inventory tracking system for the growth and tracking of cannabis products. Due to the anticipated cost of this system the Commission would need to bid the contract and establish a training and implementation period.
- The bill provides that 15 months after the effective date of this chapter, and every year thereafter, the commission shall reevaluate the fines and penalties established in RSA 318-F, and shall report, in writing, on its findings and recommendations to the Chairpersons of the House of Representatives and Senate Ways and Means Committees.
- 18 months after the effective date of this section, and every 2 years thereafter, the Commissioner of the Department of Health and Human Services shall submit an annual report to the Governor and Fiscal Committee of the General Court detailing the activities of the administration of the Substance Use Prevention, Treatment, and Recovery fund, the amount distributed in the past year, the amount remaining in the fund, a summary of how funds were used in the past year, and any recommendations for future legislation.
- The Commission shall report to the general court within 18 months after the effective date of this act and by January 1 of each year thereafter on distribution of funds to the Community Reinvestment Fund.
- The Commission is required to adopt administrative rules for cultivation licenses, and a schedule of civil fines 18 months after the effective date of the bill the Commission shall report to the Chairpersons of the House and Senate Ways and Means Committees its proposal for a fine schedule and for legislation needed to implement the schedule.
- Not later than 18 months after the effective date of this chapter, the Commission, in consultation with the Department, shall develop an informational handout, which cannabis retail outlets shall make available to all consumers
- 20 months after the effective date the Commission shall adopt administrative rules for licensing for all cannabis establishments and shall accept and process applications beginning no later than 2 months after the issuance of rules governing the category of cannabis establishment for which the rules were adopted.
- 36 months after the effective date of this section, after receiving input from the Cannabis Advisory Board, the Commission shall make written recommendations to the General Court regarding the regulation of hemp.
- The bill would authorize the Commission to transfer funds within and among all accounting units within the Commission's operating budget and to create accounting units and expenditure classes as required and as the commissioner deems necessary and appropriate to address present or projected budget deficits, or to respond to changes in

federal law, regulations, or programs, and otherwise as necessary for the efficient management of the liquor commission and cannabis funds.

The Liquor Commission indicates it will require the following additional positions to administer its responsibilities under this bill:

- Two senior management positions would be needed to support the cannabis program: an Administrator IV within in the Division of Administration and a Deputy Director for Cannabis in the Division of Enforcement and Licensing.
- The Division of Enforcement and Licensing to oversee development and implementation of the processes as outlined in the bill. The Division would need a minimum of 10 new law enforcement and administrative personnel to effectively carry out the implementation of program in the timetable laid out in the bill. These positions include:
 - o 1 Lieutenant position
 - o 2 Examiner II positions
 - o 6 Investigators
 - o 1 Licensing specialist
- In addition to the enforcement and licensing personnel, the Division will require equipment adequate to fully outfit sworn members of the Division and non-sworn personnel hired to license and audit the businesses manufacturing and selling cannabis.
- The Division of Administration and Finance would track and record all transactions, purchases and fiscal matters associated with the program. Seven new positions would be added to the division to discretely and separately track fiscal and legal matters associated with the cannabis program and prepare the reports required by the bill. These positions include:
 - o 1 Attorney IV
 - o 1 Financial Reporting Administrator 1
 - o 2 Accountant III positions
 - o 2 Internal Auditor II positions
 - o 1 Human Resources Coordinator
- Marketing Positions. The Commission would ensure a safe and responsible message to promoted to consumers which would be clear and beneficial to a state-run model and the franchisees.
 - o 1 Advertising Specialist – Marketing Cannabis
 - o 1 Administrative Assistant – Marketing Cannabis
 - o 1 Marketing Specialist – Marketing Cannabis
- The Commission indicates it would need legislative authority to pay staff members working on both liquor and cannabis matters increased wages until such time as the program is well established and all necessary new staff have been hired for program administration. The Commission assumes a 10% stipend would be necessary to compensate existing staff engaged in the development and all administrative aspects of the program. The bill does not currently include a provision for this stipend.

The Commission provided the following cost estimates to implement the bill:

Cannabis Start-up Costs	FY 2025	FY 2026	FY 2027
22 New Positions - Identified above	\$2,215,503	\$2,787,350	\$2,891,371
Consultant - with cannabis expertise.	\$250,000	\$250,000	\$250,000
Rent office space (10,000 sq ft @ \$24/sq.ft)	\$240,000	\$247,200	\$254,616

Initial office space until space can be constructed at the Commission Headquarters.			
Construction to build out / fit up office in new rental space.	\$50,000	\$0	\$0
Equipment for 22 people -laptops, printers, phones, etc. (\$5k per person - 10 people in year 1 and 12 people in year 2)	\$50,000	\$60,000	\$0
Office furniture 22 people (\$10k per person - 10 people in year 1 and 12 people in year 2)	\$100,000	\$120,000	\$0
10 Cars for Investigators, Examiners & Auditors (\$30k per vehicle - 5 in year 1 and 5 in year 2)	\$150,000	\$150,000	\$0
Operating Expenses (overhead costs, utilities, supplies, contracts, etc.)	\$400,000	\$412,000	\$424,360
Sub-Total Office Start up	\$3,455,503	\$4,026,550	\$3,820,347
Stand Alone Government Traceability Solution Licensing & Auditing and ERP financial system (Developed in consultation with the Department of Information Technology)	\$5,000,000	\$2,000,000	\$1,000,000
Office construction at HQ building - To allow cannabis operations to eventually be housed within the headquarters building.	\$500,000	\$0	\$0
TOTAL:	\$8,955,503	\$6,026,550	\$4,820,347
Salary stipend (for existing senior staff dedicated to developing the new program, estimated amount and will depend on the overall scope of the project)	\$200,000	\$250,000	\$275,000

The Department of Revenue Administration indicates section 16 of the bill amends the Business Profits Tax (BPT), specifically RSA 77-A:4, to allow a deduction from gross business profits for the ordinary and necessary expenses paid or incurred on a trade or business as a cannabis establishment as defined by RSA 318-F:1 or an alternative treatment center as defined by RSA 126-X:1, including reasonable allowance for salaries or other compensation for personal services actually rendered. The Department states this change would result in an indeterminable increase in BPT and BET revenue to the State general fund and education trust fund. The Department is not able to estimate what the taxable income of the cannabis businesses will be. Regarding section 17 of the bill and the proposed amendment to RSA 76:3. The Department is unable to calculate the available funds that will remain after deducting the cost as outlined in RSA 318-F:26, V(a). However, any amount remaining that is deposited into the ETF would reduce the amount of Statewide Education Property Tax (SWEPT) to be collected by the municipalities to generate revenue of \$363 million. Proposed RSA 318-F:26 establishes the cannabis fund into which fees are deposited. The Department notes the proposed RSA 318-F:26, I and V reference RSA 77-H which does not currently exist and is not established by the bill. It is assumed that this require further clarification/amendment. The Department would be responsible for updating all necessary tax forms and electronic management systems which

would not result in additional administrative costs that could not be absorbed in the Department's operating budget.

The Department of Health and Human Services, Bureau of Drug and Alcohol Services states there is considerable uncertainty about the impact that legalizing cannabis in New Hampshire would have on public budgets including unknowns around potential increases in consumption, treatment utilization, prevention needs, and associated costs. The Department indicates the 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 lead to additional costs. Evidence supporting the treatment needs for cannabis use disorder is documented, and the Department assumes treatment costs would increase with cannabis legalization, although such costs are indeterminable.

The Department expects the bill would have an impact on State revenues and expenditures due to the potential sales revenue and unknowns cost related to increases in consumption, treatment utilization and prevention needs. Assuming revenue and expenditure values would correlate with the current Alcohol Abuse Prevention and Treatment Fund activity, the Bureau estimates annual revenue and expenditures would increase by between \$10 million and \$12 million. To provide the Department with capacity for coordination and management of new the Substance Use Prevention and Recovery Fund, the Department states a Program Specialist IV position would be needed. This position would be responsible for planning the development and modification of programs, policies and procedures and managing and evaluating the work product of state and local programs providing services. The estimated cost of the position is \$93,000 in FY 2025, \$96,000 in FY 2026 and \$99,000 in FY 2027. Since there is no appropriation for this position, it is assumed the cost would be funded by the "Substance Use Prevention and Recovery Fund" established by the bill. In addition, the Department assumes the \$500,000 appropriation for the cost of developing and implementing a public education campaign would be from the State general fund.

The Department assumes in order to complete the data collection and reporting requirements in the bill, a Business Systems Analyst II would be needed. The cost of this position would be \$109,000 in FY 2025, \$113,000 in FY 2026 and \$117,000 in FY 2027. There is an annual allocation of \$100,000 to the Department from the Cannabis Fund for the data collection and reporting requirements that would partially cover the cost of the position, in addition to a \$100,000 general fund appropriation the fiscal year ending June 30, 2025 to collect baseline data to be used in the reports required by RSA 318-F:24.

The Department of Safety indicates this bill would create a law to regulate the manufacture, possession, and sale of cannabis. The Department states the fiscal impact of this bill is indeterminable as it is impossible to predict criminal activities related to cannabis legalization. Based on information from states that have legalized cannabis the Department makes the following assumptions concerning the potential fiscal impact of this bill:

- Determining impairment in drivers under the influence of marijuana remains a challenge as there is no standardized test to determine levels of impairment.
- Marijuana use will increase including among minors. Despite legalization, marijuana trafficking and black-market marijuana continue to be enforcement challenges in states that have legalized marijuana. Traffic deaths involving drivers who tested positive for marijuana and incidents of driving under the influence have increased in states that have legalized. Suicide incidents in which toxicology results were positive for marijuana have increased in states that have legalized.
- While the Department cannot predict the financial impact, it assumes, based on the experiences from states that have legalized, the financial impact due to the increased enforcement issues could be significant. Enforcement costs may increase in crimes such as robbery, burglary, and theft. These enforcement issues will impact local and state law enforcement and may lead to a need for increases in manpower and training.

The New Hampshire Municipal Association estimates, based on information available, 219,169 persons 18 years old and older in New Hampshire used cannabis in the past year and approximately, 149,007 NH residents 18+ used cannabis in the past month. Based on information from Maine's Office of Cannabis Policy's on marijuana use, the Association estimates that NH residents alone would consume the following range of legal cannabis per year:

Lower Volume	Middle Volume	Upper Volume
4,087,921 grams	5,185,444 grams	6,517,622 grams

Assuming a market price of \$7.83 per gram and a 10% tax rate, the Association estimated the following potential revenue range for sales to New Hampshire residents after 3 years of sales based on traditional sales volume and Maine's sales volume:

	Lower Volume	Middle Volume	Upper Volume
30% Legal Sales	\$960,253	\$1,218,061	\$1,530,989
48% Legal Sales (ME)	\$1,536,404	\$1,948,897	\$2,449,583

The Association notes that the bill does not appear to restrict sales to New Hampshire residents and it is likely that sales will also come from non-residents. It is uncertain whether other market forces may affect tax revenue. If New Hampshire's revenues come in at the same rate as Maine's, then the following revenue estimates may apply: Year 1: \$5.8 million, Year 2: \$8.2

million, and Year 3: \$15.9 million. The Association indicates it has no reason to believe that revenues will exceed those produced in Maine.

Given the time lines in the bill for rulemaking, the Association anticipates it is not likely that the rules would be complete for retail cannabis establishments until the end of 2025. After rulemaking, retail cannabis establishments will have to be sited and built, meaning sales will not likely occur prior to mid- 2026. It is not known what additional administrative costs may result from this bill, however, a deduction of \$8.1 million is expected in the year following passage. Unless the NH sales volume approaches Maine's, it is unlikely that municipalities will see any revenue until after FY 2030. Municipalities that vote in November 2024 to allow cannabis establishments may undergo their own ordinance creation process, resulting in costs associated with research and development of those ordinances and regulations that must complement any state rules. This will require additional staff time, but not likely before draft rules are announced by the state agency. These costs are indeterminable.

Given the difficulty obtaining information relative to effects of legalization on crime statistics, ambulance deployment statistics, and the existing status of New Hampshire as a small state surrounded by states where cannabis is legal in some form, and the existing gray and black markets for cannabis, it is likely that New Hampshire municipalities will see some indeterminable increase in costs associated with legalization of cannabis and cannabis products. New rules relative to possession, cultivation, and gifts, will likely see a shift in law enforcement focus, leading to new and different costs which are indeterminable.

The New Hampshire Association of Counties does not anticipate a significant fiscal impact to the County Corrections Departments or the County Attorney's Offices.

LBA Notes:

Proposed RSA 318-F:26 establishes the Cannabis Fund. Moneys credited to the fund shall include deposits into the fund by the Commission pursuant to this chapter and deposits into the fund by the Commissioner of the Department of Revenue Administration pursuant to RSA 77-H. This section includes an appropriation of \$8 million for the biennium ending June 30, 2025 to the Commission for the cost of administration and additional appropriations for purposes identified in the section.

- *Due to the time line for administrative rules established by the bill (up to 20 months), there may not be sufficient funds available in the cannabis fund available for such appropriations until FY 2027.*

Proposed RSA 318-F:26 refers to RSA 77-H.

- *This statute does not exist and is not created by the bill. It is unclear which entity would collect the 10 % agency fee, the Liquor and Cannabis Commission or the Department of Revenue Administration.*

The bill authorizes the Commission to establish Investigator Positions.

- *The Liquor Commission has identified other position classifications needed to operate the cannabis program. These are not authorized by the bill.*

Proposed RSA 318-F:18 establishes the Cannabis Advisory Board.

- *The bill does not address administrative support for the Advisory Board or payment/reimbursement of the Advisory Board's costs.*

Section 32 of the bill makes an appropriation of \$500,000 to the Substance Use Prevention, Treatment, and Recovery Fund established by the bill for the fiscal year ending June 30, 2025.

- *The source of funds for this appropriation is not stated.*

AGENCIES CONTACTED:

Departments of Corrections, Justice, Health and Human Services, Revenue Administration, Safety, Liquor Commission, Judicial Branch, Judicial Council, New Hampshire Association of Counties, and New Hampshire Municipal Association