

# Senate Judiciary Committee

*Matthew Schelzi 271-3266*

**HB 639-FN-A**, relative to the legalization and regulation of cannabis and making appropriations therefor.

**Hearing Date:** April 20, 2023

**Time Opened:** 3:20 p.m.

**Time Closed:** 6:33 p.m.

**Members of the Committee Present:** Senators Carson, Whitley and Chandley

**Members of the Committee Absent:** Senators Gannon and Abbas

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

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**Sponsors:**

Rep. Osborne

Rep. Layon

Rep. Wilhelm

Rep. C. McGuire

Rep. DiLorenzo

Rep. Berry

Rep. McWilliams

Rep. Wallace

Sen. Whitley

Sen. Murphy

Sen. Fenton

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**Who supports the bill:** In total, **161** individuals signed in, in support of HB 639-FN-A. The full sign in sheets are available upon request to the Legislative Aide, Matthew Schelzi.

**Who opposes the bill:** In total, **105** individuals signed in, in opposition to HB 639-FN-A. The full sign in sheets are available upon request to the Legislative Aide, Matthew Schelzi.

**Who is neutral on the bill:** The full sign in sheets are available upon request to the Legislative Aide, Matthew Schelzi.

**Summary of testimony presented:**

**Representative Jason Osborne** said that his position on cannabis has changed over time. He said this bill was a prime example of cooperation among a large consortium of individuals and interest groups. This bill would ensure these products are bought from a transparent and legal market where testing can be done. This market would help keep these products out of the hands of children, which is a goal shared among the stakeholders. Neighboring states have already legalized these products, so Rep. Osborne asked if this issue were as prevalent today. Whether this bill passed or not, he

said New Hampshire would be fine either way. If there were going to be carnage on highways or rampant underage use, New Hampshire would have already seen it. According to the American Medical Association, states that have legalized use have not seen increased use among those who are underage. Additionally, there has been a decrease in opioid use among patients who need pain medication. If cannabis can be used instead, they might not become as addicted. He said this bill passed out of the House with an overwhelming supermajority.

**Representative Erica Layon** said this bill was designed to undercut the illegal market. Currently, products can be purchased across state lines through the legal market, or they can be purchased on the illegal market. By moving this product into the legal marketplace, disputes between growers and sellers can be resolved through the legal system. Since these products are illegal, disputes can often lead to violence. By taxing at the wholesale level, New Hampshire will be able to undercut other states. In California, legal marijuana has been a problem because it is taxed at high levels; therefore, they have encouraged a robust black market. She said marijuana would be taxed at 12.5% at the wholesale level. This bill would provide space for low potency products. When dealing with the black market, individuals are not punished by potency; instead, they are punished by weight. Stores will have designated areas, and potency would be capped at 20 milligrams per dose. Rep. Layon reiterated this bill would move these products from the black market to the legal market thereby driving out bad actors.

**Representative Laurie Sanborn**, Chair of the House Ways and Means Committee, said they did not address the underlying policy of the bill. Instead, they focused on provisions related to tax, revenue, fees, and funding. She said the tax had originally been set at 15%, but it was reduced to 12.5%. This tax would be levied on the wholesale price of cannabis or finished products. 50% of net state revenues would go to the Education Trust Fund, 30% would go toward the unfunded retirement system liabilities, and the remaining 20% would be sent to entities overseen by DHHS. Funding for the Liquor Commission to implement the program would be set up. The Commission had requested \$15 million dollars because they needed software to track products from seeds to finished product. The Commission would pay the amount back once they have generated enough revenue; however, Rep. Sanborn said that would take about two years. She said they removed the \$100,000 application fee, which would have been levied on dual use certificate holders who produce medicinal and non-medicinal products.

**Senator Chandley** asked if they had discussed projected revenues when setting the percentages.

Rep. Sanborn said they did, but it was very hard to get. In other states, a main concern had been a quick rollout where there was more demand than products available. She said the Committee voted 16 to 4 on the bill. Those in opposition, however, found that the tax of 12.5% would provide enough revenue to administer the program as well as distribute revenue to other programs.

**Representative Tim Cahill** opposed this bill because it would be very detrimental to the people of the state. He said selling drugs to the citizens would not be a good thing.

Based on the numbers from Colorado, he said they have a failing system and a lot of problems.

**Representative Matt Wilhelm** said it was time for New Hampshire to join its neighbors in legalizing cannabis. Residents are still arrested for possession, which has placed communities at an economic and social disadvantage. Under existing law, racial disparities have negatively impacted the state. Despite proportionate levels of cannabis use across race, there is unequal enforcement against black individuals. Increased risk of arrest can lead to an increased likelihood of loss of financial aid eligibility, employment, housing, and child custody. Rep. Wilhelm said cannabis legalization would bring much needed job and labor growth to the state. In addition, it would allow more Granite Staters to become business owners and entrepreneurs. After administrative costs, 50% of revenue would go to the Education Trust Fund to help deliver local property tax relief; 30% to unfunded pension liability; 10% for a new substance misuse and recovery fund; 5% for children's behavioral health services; and 5% for public safety agencies to prevent impaired driving and drug overdose incidents. He urged the Committee to pass this bill.

Sen. Chandley said the duties and responsibilities that are performed by the Governor's Council on Alcohol and Drugs would be assigned to DHHS. Sen. Chandley asked if he was concerned that they were adding duplicative or unnecessary duties and responsibilities to DHHS.

Rep. Wilhelm said he would let others respond to this question; however, it was important to involve this agency, so they can deliver services and education to ensure products are safe and reasonable.

**Sue Homola**, former state representative, opposed this bill because its promises of reducing the black market, while increasing funding to education and other resources, were not true. In 2019, there were 278 black market cases in Colorado, which involved 7.5 tons of marijuana and 15,000 edibles that were destined to 29 states. In 2021, law enforcement disrupted an operation involving 21 individuals who were illegally sending money to China. After legalization in Colorado, emergency room visits due to marijuana use tripled, hospitalizations caused by marijuana exposure increased by 200%, and the number of calls to Poison Control increased by 400% between 2015 and 2016. From 2018 to 2019, the National Veterans Suicide Prevention Report indicated that suicides increased by 25%. From 2017 to 2019, daily marijuana use by high school students increased by 65%. In post-mortem toxicology reports, marijuana has been the number one drug found. Recently, the Governor of Colorado signed legislation to reduce the amount of THC in products sold. In 2021, the Vermont Medical Society advocated for the prohibition of advertising and promotion of products, and they asked for THC to be limited to 15%. In 2021, the University of Vermont found 9% of people became addicted to cannabis; however, the rate increased to 25% to 50% for those who start before they are 18 years old. Approximately 2.8% of 12 to 17 years old in Vermont have cannabis use disorder. She urged the Committee to do what is best for the children.

**Hon. Senator Bob Clegg** asked the Committee to amend the bill to have a sign placed in businesses stating that an individual would give up their rights to own or

possess a firearm or ammunition or have a commercial driver's license since marijuana is illegal at the federal level.

**Senator Carson** asked if they should also include CDL licensure.

Sen. Clegg said, according to the Department of Transportation, it would be for any commercial driver's license. If someone were driving on a federal license, a demand for testing could be made.

**Pat Abrami**, former state representative, opposed this bill. If the bill were passed, he suggested the Committee amend it from opt-out to opt-in similar to the lottery and Keno. Most states, or roughly 29, are still against marijuana being legalized. Rep. Abrami believed the black market would never totally disappear. Rep. Abrami said cannabis is harmful and it can lead to marijuana use disorder, brain cognitive development issues for adolescents, paranoia, and schizophrenia. In Washington, marijuana legalization and normalization has reversed decades of declining youth marijuana use. Rep. Abrami said THC potency can be between 15% to 30%, or at a concentration of 94% when it is vaporized. In contrast to other states, Rep. Abrami said the 12.5% revenue was a low tax rate. Based on his estimations, \$26.5 million in revenue would be generated each year. The Commission has said it would cost about \$4 million to run, and only \$11.2 million would be left for the Education Trust Fund. This would equate to a 3% reduction in property tax rates. Approximately \$6.7 million would go to the unfunded pensions; however, that has a total liability of \$5.7 billion. Rep. Abrami estimated the maximum revenue would be \$40.6 million. Under this estimation, the property tax reduction would be 6%. Rep. Abrami concluded that this bill would not solve the problems it purported to solve.

**Harriet Cady**, former state representative, said her son died after a marijuana user drove through a stop sign. She believed this bill underestimated the costs insurance companies must pay for people injured from drug-related accidents, and the expenses paid by members of the family.

**Deb Naro**, former state representative, read testimony from Dr. Joseph Ebner who is Chief Medical Officer of Speare Memorial Hospital. Currently, New Hampshire hospital emergency departments are experiencing an unprecedented number of patients who are in psychiatric crisis while awaiting transfers to underfunded acute mental hospital units. The percentage of youth usage of cannabis has been well above the national average in states that have legalized cannabis. Since 2016, Colorado has had the highest rate of consumption for marijuana, cocaine, alcohol, and opioids. The rate of cannabis use disorder has increased as the potency and availability of marijuana has increased. THC potency has increased from 3% to 90%, which has substantially increased the risk of cannabis induced psychosis. Cannabis use can also affect the developing brain in utero as well as in young teens. The American Psychiatry Association has called upon the federal government to organize more controlled studies of chronic cannabis use on long-term health. Existing evidence has supported that the legalization of cannabis will exacerbate the current mental health crisis.

Ms. Naro also read testimony from Dr. Andrew Seefeld who is Medical Director of the Emergency Department at Speare Memorial Hospital. In his opinion, legalization of cannabis would have a catastrophic impact on mental health as well as increase the risk, particularly among youth, of substance misuse. While mind altering substances can provide a brief escape, the long-term effects can be deadly. The prefrontal cortex is not developed until the age of 25; therefore, exposure to marijuana may lead to learning difficulties, reduced coordination, increased depression and anxiety, or the development of substance misuse disorders.

Ms. Naro lost two siblings from suicide, and as their marijuana use increased so did their health issues.

**Representative Jonah Wheeler** said that he is in neutral support of this bill. He said the decriminalization policy has had a harmful effect in communities across the state. Rep. Wheeler said it was the moment for New Hampshire to join the other states, which have recognized that criminalization has not been the best approach to dealing with addictions, mental health, or poverty.

**Keen Meng Wong**, Tax Policy Counsel at the Department of Revenue Administration, said DRA is neutral on HB 639-FN-A. He said that there are parts of HB 639-FN-A that were amended in the House that need further correction. Page 20, Lines 24 through 26, requires the Commissioner of DRA to deposit funds into an account but, as amended, DRA does not administer any tax. He said that language should be removed. Page 26, Line 34, makes reference to RSA 318-F:25 but should reference RSA 318-F:21, V (b)(1).

**Senator Whitley** asked if DRA had estimated potential revenues received through HB 639-FN-A.

Mr. Wong said DRA had initially prepared a fiscal note based on the 8.5% tax established in HB 639-FN-A as introduced, using the sales figures from Massachusetts and Maine. He said the 12.5% tax in HB 639-FN-A as amended is at the producer level rather than the point of sale.

Sen. Whitley asked if DRA could provide a revenue estimate based on HB 639-FN-A as amended.

Mr. Wong said the way the tax is assessed in HB 639-FN-A as amended is different than how the taxes are assessed in neighboring states, and the data available is based on the number of sales, not a producer-level analysis.

**Dr. Omar Shah**, adult and child psychiatrist and addiction medicine fellow at Boston Children's Hospital, is opposed to HB 639-FN-A. He said more than 90% of the patients he sees suffer from cannabis use disorder. THC is addictive and harmful to brain development, especially during youth. THC is illegal under federal law, so the federal government does not provide oversight or regulation for THC products like it does for alcohol or nicotine. He said THC content is increasing in products as legalization expands, to increase addiction and, in turn, sales. He said that although states are legalizing marijuana for adults over the age of 21, legalization increases access to marijuana overall, reduces perceived risk from marijuana, and increases

confusion for children and teenagers. He said parental substance use skews adolescents towards using substances.

Sen. Carson asked how many adolescents Dr. Shah sees in his practice that struggle with marijuana addiction.

Dr. Shah said he personally sees 20 to 30 adolescents on his workload, but there are seven or eight other providers who also work with him. He said there are more patients than they can serve.

Sen. Carson asked if it was harder for an adolescent to struggle with addiction than an adult.

Dr. Shah said adolescents become more impaired by drug use than adults, because of their brain development stage. He said teenagers are using cannabis at school in the bathrooms, creating a disciplinary problem for schools.

**Dr. Oliver Salmon**, is a pediatrician at Speare Memorial Hospital, opposed HB 639-FN-A. He said passing HB 639-FN-A will increase usage of marijuana for toddlers, children, and adolescents. He has seen multiple patients admitted to his hospital who were toddlers who had overdosed on THC products. Of those three or four patients, none needed to be intubated or admitted to the pediatric intensive care unit. 18% of patients who overdose on THC products are admitted to the pediatric ICU and 6% need intubation. He said teenagers may build coping strategies that involve THC that they maintain through their life. He said he would prefer to restrict marijuana in New Hampshire, such as products that could be perceived as candy or that have high concentration THC.

Sen. Carson said she had seen a lot of news stories about babies getting into their parents edibles and getting very ill. She asked if he had spoken to colleagues across the country who have seen that.

Dr. Salmon said he had not spoken personally to colleagues but had heard speeches that confirm those news stories.

Sen. Carson asked if there were long-term effects for children who overdose on THC products.

Dr. Salmon said it would depend on the individual case. He said there could be brain injuries depending on the severity of the case.

**Dr. Amy Turncliff** said there is a large body of evidence showing significant risk to youth in particular from THC, which increase with legalization and commercialization. She said New Hampshire would be negatively changed if HB 639-FN-A is passed. She said that data is nuanced but generally shows an increase in youth usage of marijuana and addiction, including opioids, and decreases in academic performance. She said THC can induce psychosis in an acute manner, and it is referenced on prescription inserts and frequently leads to schizophrenia. In Massachusetts, 1-in-4 high school students and 1-in-2 middle school students reported using marijuana and experiencing cannabis-induced hallucinations.

Sen. Carson asked about senior citizens and complications with their prescriptions and self-medication with marijuana products.

Dr. Turncliff said that was true and based on the metabolization of various drugs. She said people who make laws don't necessarily understand dosage and absorption.

Sen. Chandley asked if cannabis should be removed from the Schedule I drug list, in order to increase the scientific research opportunities.

Dr. Turncliff said she thought the research could be done without rescheduling. She said there have been tens of thousands of publications about cannabis, especially in the last ten years. Dr. Turncliff said that the endocannabinoid system is very important to brain development and THC can get ingrained through the "use it or lose it" reflex.

**Aubree Adams**, National Director of Every Brain Matters, shared her personal story of her son's battle with marijuana addiction and the devastating personal, health, and financial consequences it has had on their family. She said parents are unable to respond to their children's THC-induced psychosis and violence. She said products with flavors entice youth to consume THC products.

**Captain William Bright**, Investigative Services Bureau at the New Hampshire State Police, said that the fiscal note from the Department of Safety did not appear to carry forward with HB 639-FN-A as amended. He said the reasons listed in the original fiscal statement are the reasons that the State Police oppose HB 639-FN-A.

Sen. Carson referenced Cpt. Bright's written testimony on impact reports from Illinois and Colorado. She asked if he wanted to address those reports.

Cpt. Bright deferred to other speakers. He said there is no way to detect the amount of THC present, which will increase the number of impaired drivers and traffic fatalities.

Sen. Carson asked if a young person in New Hampshire, who dies from suicide, is routinely tested for THC.

Cpt. Bright deferred to other speakers.

**Ann Hassel** used to work at a marijuana dispensary in Massachusetts. She said commercialized, industrialized marijuana is dangerous and harmful to users. She said that the marijuana she knew before working in the industry is not the same as the commercialized marijuana products. She said she noticed the negative effects of high concentration THC on her coworkers and customers, as well as herself, but was unable to connect them to the usage. She said New Hampshire should be a healthy and safety oasis from the other New England states that have legalized marijuana.

**Chief John Bryfonski**, Chief of Police in Belford, said the New Hampshire Association of Chiefs of Police strongly opposes the legalization of marijuana. He said the criminal justice system is based on facts and evidence. The facts and evidence overwhelmingly support the basis that legalization of marijuana is bad for public safety, public health, and the common good. He said they expect there to be at least a

120% increase in marijuana-related fatalities in New Hampshire if HB 639-FN-A passed.

Sen. Carson asked if New Hampshire law enforcement agencies had started collecting information about the number of automobile accidents and other incidents caused by marijuana.

Chief Bryfonski said that whenever there is an accident, causing factors are listed. He said there were two recent fatalities in Bedford involving marijuana. In both cases, the operators of the vehicles had THC levels in their systems higher than the *per se* limits set in Nevada and Colorado. He said HB 639-FN-A does not set a *per se* limit. He said they were unable to bring charges for impairment solely based on the THC levels of the operators because of the lack of a *per se* limit.

**Scott Gagnon**, certified prevention specialist and member of Maine's Cannabis Advisory Commission, urged the Committee to oppose HB 639-FN-A. He said there are black market problems in California and New York. When cannabis is commercialized, it creates public health risks. He said no state has the capacity to meaningfully address the risks presented to public health from commercialized cannabis; marginalized communities are significantly more affected by public health outcomes than people with resources. He said their efforts in Maine to establish public health benefits to offset the potential negative consequences did not work. He said the Cannabis Advisory Commission has only met twice since 2018. He said no funds have gone to communities in Maine to fund prevention programs. He said media campaigns do not move the needle on public health issues, especially for youth. He said Rep. Osborne said that the sky will not fall if HB 639-FN-A does not pass and urged the Committee to consider if it was the appropriate time to legalize marijuana.

Sen. Carson said the public health issue is not discussed. She said marijuana can be consumed in an edible or baked goods but many people smoke it as well. She said, like cigarettes, smoking marijuana is also bad for the body. She asked if there has been an increase in cancers among people who smoke marijuana.

Mr. Gagnon deferred to other speakers. He said the State of California does officially categorize cannabis smoke as a carcinogen. He also highlighted second- and third-hand smoke. Personally, he said that he cannot take his children to the ice cream shop without smelling marijuana since legalization in Maine. He said he believed that psychosis will be to cannabis, what lung cancer is to cigarettes.

Sen. Carson said she had a family member who travelled to Denver and was appalled by the pervasive smell of marijuana. She compared it to the pre-indoor smoking ban era. She said no one is addressing second-hand smoke. She asked if there needs to be a ban on smoking marijuana in public places.

Mr. Gagnon said it would be a serious challenge. He said legislators cannot control how the wind blows. He said Maine just passed a law allowing sale and consumption of marijuana at off-site locations, such as fairs.

Sen. Carson asked how Maine was dealing with people driving while impaired.



Mr. Gagnon said the Maine Chiefs of Police Association also opposed legalization. He said there is not a *per se* limit in Maine, for scientific reasons. He said there is an issue in Maine with trying to hire enough employees to handle the caseload. He compared it to fighting a forest fire with a garden hose.

Sen. Whitley asked if he was aware HB 639-FN-A contains a prohibition on smoking marijuana where there is already a prohibition on smoking cigarettes.

Mr. Gagnon said Maine has a similar provision, but enforcement is difficult.

**Bob Dunn**, Director of Public Policy for the Roman Catholic Diocese of Manchester, said HB 639-FN-A runs counter to the common good. He said there are four questions he hoped the Committee would consider: will the passage of this law protect youth and improve family life; will the passage of this law improve public health; will the passage of this law improve New Hampshire communities; and will the passage of this law make people better workers and strengthen the workforce. He said he believed the answers were no and any revenues that may be produced would be outweighed by the social and financial negatives.

**Addison Englund, Ellie Englund, Arianne Lee, and MacKenzie Huckins**, students at Plymouth Regional High School, urged the Committee to oppose HB 639-FN-A. They said there is a lot of access to alcohol and drugs in Plymouth because of Plymouth State University. They said that there should be investments in prevention and increased safeguards from drug use. They said there is a lot of misinformation on marijuana on social media that youth and teens are seeing. In 2017, New Hampshire was in the top ten states for marijuana usage between ages 12 and 17, and they said legalization would make it worse. They said children who saw advertisements for medical marijuana were more likely to use recreational marijuana. They said HB 639-FN-A is very dangerous and does not consider the health and safety of the public. They said adults should lead by example.

**Kaylee McGlynn**, a senior at Raymond High School, described her experience as a student when marijuana is prevalent. She said youth have been desensitized to marijuana due to adult complacency. She said youth marijuana usage is harming the future of society.

**Kandyce Tucker**, Program and Coalition Coordinator for Newfound Coalition for Youth, shared her personal story of her father's marijuana usage and its evolution into addiction to alcohol and other substances. She said there has been an increase of over 200% in the THC concentration of marijuana. She said marijuana use in youth is an indicator of opioid addiction in adulthood. She said people who self-medicate with marijuana are harming themselves in the long term.

**Emily Shanahan**, New Hampshire Certified Prevention Specialist and New Hampshire Coordinator for Smart Approaches to Marijuana, asked why the General Court was considering legalizing another addictive drug while there are multiple addiction crises ongoing. She referenced the U.S. Surgeon General's Youth Mental Health Advisory. She said legalizing cannabis contributes to that problem, as it is linked to depression, suicide, and addiction. She said age-based restrictions on legalization remind her of underage drinking.

**Dan Allegretti** supports HB 639-FN-A. He said drug abuse is a terrible thing, whether those drugs are legal or illegal. He said all of the opposition appeared to be predicated on the basis that continuing the prohibition on the acquisition of cannabis within New Hampshire would limit or deter consumption. He said cannabis comes across the border into New Hampshire every day from every border. He said tackling drug abuse needs to be done without looking to the past and assuming that what worked a decade ago is still working. He said it is time to regulate and tax cannabis. He referenced his written testimony and said states with prohibitions on marijuana do worse in many metrics than states with legalization. He said he disagreed with a previous speaker who indicated that people who say they support legalization in polls don't understand the problem and the General Court must protect them from themselves.

**Jim Riddle**, Policy Advisor to NHCAN, holds a USDA hemp producer license to produce seed. He said the USDA has determined that cannabis seed is hemp because it contains no THC. He said any material he grows that contains more than 0.3% THC must be burned, buried, or composted, which is destroying product with a potential market value. He said the stories shared previously proved that New Hampshire's prohibition was not working, and HB 639-FN-A provided an opportunity for New Hampshire to learn from other states and their legalization processes. As a farmer, he looks forward to being able to participate in a craft cannabis market, similar to the craft beer market. He said people in New Hampshire are sending their money out of state, proving a market for cannabis is available in New Hampshire. He referenced his written testimony for suggested amendments, including removing the reference to "seeds" as cannabis, because seeds are hemp.

**Matt Simon**, Prime ATC, said HB 639-FN-A is not perfect and many compromises have been made to establish a framework for a regulated market with a viable path forward for the therapeutic cannabis program. He said HB 639-FN-A is not a panacea but overwhelming majorities of New Hampshire citizens and state representatives support regulation. He said regulation will protect consumers with purity testing and safety from black markets. He noted that when the committee amendment from House Ways and Means was transferred to the HB 639-FN-A as amended by the House, the independent lab testing provision was dropped; that needs to be returned to the bill. He said he would like to see an amendment to HB 639-FN-A to do more to limit excessive market concentration. As originally drafted by the coalition of advocates, there was a limit of no more than three licenses being held by any single entity. He said there also was originally an independent advisory board that he would like to see re-added to the bill to provide oversight during the rulemaking process. Sales of marijuana just began in Vermont in October of 2022, so it is too soon to make judgement calls about the success or failures of Vermont's program. He said Vermont had one of the highest teen-use rates in the country when they passed their legalization bill and was one of the reasons why they introduced a regulated market. He said school bathrooms have always been the site of illicit behavior and he remembers very similar interactions raised by previous speakers in the 1990s.

Sen. Whitley asked if he had a perspective on the public health aspect of HB 639-FN-A.

Mr. Simon said that it is very early in the transition from black market to regulation. He said when he attempted to research cannabis in the 1990s, there was nothing online and very little in academic libraries. He said there are many sources online today that contradict the anti-marijuana propaganda of the 1980s. He said it is objectively less harmful than alcohol. He said the conversation should be about mitigating the negative consequence and asked if that was better done in a black market or by regulating the product and putting it behind a counter with public education. He said there are many law enforcement officials who support legalization and regulation as an alternative to jail cells and incarceration.

**Celeste Clark**, Executive Director of the Raymond Coalition for Youth, said that all the public health issues New Hampshire already has will only get worse. She noted that the health care system can not afford this as they are already overworked and understaffed.

**Dr. Joe Hannon**, former State Representative, helped draft HB 639-FN-A. He said prevention work is important but said it is also important to be honest. He said there have been significant negative effects to the prohibition of cannabis. Harm reduction is a public health strategy to reduce the harms of drug use, not promote drug use. He said people readily admit that it is very easy to access marijuana today when it is prohibited. He said youths purchase marijuana today on the illicit market; under HB 639-FN-A, marijuana sales would be restricted to adults in regulated settings. If drug use is occurring, efforts need to be made to minimize the harmful effects. He said legalization would reduce the risks of contamination and ensure potency standards. He said far more children end up in emergency departments for consuming laundry detergent pods than for consuming cannabis products. He said parents may be fearful of bringing their child to the emergency department today if they accidentally consume a cannabis product in a prohibited state.

Dr. Hannon said that despite the connotation of organized crime and gang violence, cannabis dispensaries in Massachusetts and Maine often exist near established chain pharmacies without engaging in armed turf wars. He said that does exist in the illicit market. He said legalization would eliminate the monopoly for illicit dealers and provide funding for public services. He said legalization can have a positive impact on decreasing opioid and prescription drug abuse, as well as promoting research opportunities. He compared the dosage of THC in dab products to pure grain alcohol, which is available in state liquor stores, and said that people understand the impacts of pure grain alcohol and do not go out to drink an entire bottle at a time. He said people do not receive information on safe adult usage in an unregulated market.

**Elizabeth Brochce**, Youth Service Director for Communities for Alcohol and Drug-Free Youth said that prohibition was first introduced for the 3-5% THC concentration that was prevalent in the 1960s and 1970s. She said it is not the same drug anymore and it should not be in New Hampshire. She said if someone uses cannabis and does not reach the desired level of impairment, they will take more, leading to a higher risk of addiction. She said alcohol and nicotine have addictive tendencies but can be used at certain levels without impairment effects; marijuana cannot. She said there are no safeguards to protect children in any legalization bill.

**Lily Jackson**, Campaign Strategist for ACLU-NH, said that New Hampshire's war on marijuana is a monumental waste of tax dollars. She also noted that opponents of marijuana legalization rely on fear-based rhetoric divorced from reality.

**Ross Connolly**, Northeast Regional State Director for Americans for Prosperity, said he supports HB 639-FN-A. He said New Hampshire is an island of prohibition and it is the reality that any adult in New Hampshire who wants to consume cannabis is already doing so by going to other states. He said elected officials in Massachusetts laugh about their impact on the cannabis market in New Hampshire. He said HB 639-FN-A is well balanced and it is time for New Hampshire to make its own decisions. He said the best way to ensure minors do not access cannabis is through regulation and control. He said there should be minimal barriers to entry into the industry and minimal taxation so there can be easy access with checks and balances from regulators.

**Timothy Egan**, a former State Representative and Chair of NHCAN, shared a personal story of his daughter's ability to get cannabis delivered to their rural home in 30 minutes. He said anyone can get anything from the black market. He said regulation and structure of the industry is important. HB 639-FN-A has broad, bipartisan support for regulation and focused on adults and adult use. He said every state that has legalized marijuana has seen youth use decrease. He said New Hampshire is losing \$12-15 million per year in revenues from adults going to Maine, Massachusetts, and Vermont to purchase cannabis; Vermont is projected to make \$15-20 million in their first year of sales, Maine made \$58 million in 2022, and Massachusetts made over \$3 billion in the last four years. NHCAN has projected that if New Hampshire mirrored Massachusetts' tax model there would be a net revenue of \$35 million or \$17 million based on Maine's tax model. This would ease the tax burden on property taxpayers. The American Medical Association said that marijuana helps ease opioid addiction.

**Natch Greyes**, New Hampshire Municipal Association, opposes HB 639-FN-A but proposed an amendment that would move the Association to neutral. He said their concerns are on Page 13, Lines 25 through 34. He said HB 639-FN-A as drafted comes from another state and allows for municipal regulation on a "time, place, and manner" restriction. He said "time, place, and manner" restrictions are typically First Amendment restrictions used about parades and such. He said it would be better, for New Hampshire's existing regulatory structure, to implement it under existing zoning regulations with a conditional use permit under the innovative land use provisions. The Liquor Commission would need to be aware of whatever local regulations may exist. He said the Association would prefer an opt-in, rather than opt-out, for allowing cannabis establishments mirroring what New Hampshire did with alcohol in 1964, and placing a question on every ballot in every municipality across the state in November of 2024, asking the voters if they want cannabis establishments in their municipality, followed up with a local town meeting question the following March with a question about the type of establishment.

**Beth Scaer** shared her personal story of interacting with parents who are under the influence of marijuana, as well as her personal story of family members who have

suffered various illnesses related to marijuana. She said one in every twenty daily marijuana smokers can expect to develop schizophrenia. She said legalization has harmed Massachusetts.

**Former Senator Bob Giuda** discussed his career with the FBI combating organized crime. He said legalization will increase costs for hospitalizations within the Medicaid population. He said there has been a 50% increase in traffic fatalities in Colorado. He said international organized crime explodes in states that legalize marijuana. He said passing HB 639-FN would constitute a violation of the United States Constitution and effectively be a nullification of federal law. In California, a large producer is pulling out of the market due to price compression caused by a lack of regulation on the market harming profits. He said the Governor of California attempted to use the National Guard to counter illegal growing. California is now attempting to export its excess marijuana to other states that have legalized marijuana, a violation of federal law. The former Governor of Colorado said that the revenue from marijuana taxation is a drop in the bucket. He said the Chinese cartels are promoting the infusion of poison into American society in order to bring America down. He said there is a difference between freedom and hedonism.

**Representative Lilli Walsh** said that the UNH poll cited did not survey the entire State, so the 70% support figure is inaccurate. She said her constituents are overwhelmingly opposed to HB 639-FN-A.

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Date Hearing Report completed: April 25, 2023