

HB 639-FN-A - AS INTRODUCED

2023 SESSION

23-0528

04/10

HOUSE BILL **639-FN-A**

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

SPONSORS: Rep. Osborne, Rock. 2; Rep. Layon, Rock. 13; Rep. Wilhelm, Hills. 40; Rep. C. McGuire, Merr. 27; Rep. DiLorenzo, Rock. 10; Rep. Berry, Hills. 39; Rep. McWilliams, Merr. 30; Rep. Wallace, Rock. 8; Sen. Whitley, Dist 15; Sen. Murphy, Dist 16; Sen. Fenton, Dist 10

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

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

Be it Enacted by the Senate and House of Representatives in General Court convened:

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

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

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

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

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

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

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

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

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

21 2 New Subparagraphs; Application of Receipts; Cannabis Fund. Amend RSA 6:12, I(b) by
22 inserting after subparagraph (387) the following new subparagraphs:

23 (388) Moneys deposited in the cannabis fund established in RSA 318-F:24.

24 (389) Moneys in the substance abuse prevention and recovery fund established by
25 RSA 318-F:25.

26 3 New Subdivision; Substance Abuse Prevention and Recovery Funds. Amend RSA 126-A by
27 inserting after section 97 the following new subdivision:

28 Substance Abuse Prevention and Recovery Funds

29 126-A:98 Substance Abuse Prevention and Recovery Funds; Management and Distribution of
30 Funds.

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1 I. The commissioner of the department of health and human services, shall administer the
2 substance abuse prevention and recovery fund established in RSA 318-F:25.

3 II. Funds shall be deposited into the substance abuse prevention and recovery fund as
4 established by 318-F:25 to be distributed by the commissioner of the department of health and
5 human services. Funds may be awarded to a qualifying governmental entity or program for an
6 approved use. All funds shall be nonlapsing and continually appropriated for the purposes of this
7 section.

8 III. The commissioner of the department of health and human services shall continue to
9 make distributions from the trust fund.

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

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

15 (a) Evidence-based, voluntary programs for substance abuse-related education,
16 prevention, treatment, and recovery.

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

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

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

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

32 4 Alcoholic Beverages; Statement From Purchaser as to Age. Amend RSA 179:8, I(d) to read as
33 follows:

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

36 5 Controlled Drug Act; Drug Forfeiture Fund. Amend RSA 318-B:17-c, I to read as follows:

1 I. There is hereby established [~~within the office of the state treasurer~~] a special revolving
2 fund to be designated as the drug forfeiture fund. This fund shall be administered by the attorney
3 general and may be used to pay the costs of local, county and state drug related investigations, **costs**
4 ***of collection of baseline data related to marijuana regulation***, as well as drug control law
5 enforcement programs within New Hampshire. The fund may also be used to pay extraordinary
6 costs of local, county and state drug prosecutions and trial expenses.

7 6 Model Drug Dealer Liability Act; Definition of Illegal Drug. Amend RSA 318-C:4, I to read as
8 follows:

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

12 7 New Chapter; Regulation of Cannabis. Amend RSA by inserting after chapter 318-E the
13 following new chapter:

14 CHAPTER 318-F

15 REGULATION OF CANNABIS

16 318-F:1 Definitions. In this chapter:

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

18 II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not,
19 the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture,
20 salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including cannabis
21 concentrate. "Cannabis" shall not include hemp, fiber produced from the stalks, oil, or cake made
22 from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the
23 weight of any other ingredient combined with cannabis to prepare topical or oral administrations,
24 food, drink, or other product.

25 III. "Cannabis accessories" or "cannabis paraphernalia" means any equipment, products, or
26 materials of any kind that are used, intended for use, or designed for use in planting, propagating,
27 cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing,
28 processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing
29 cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.

30 IV. "Cannabis cultivation facility" or "cultivation facility" means an entity registered to
31 cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis
32 product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation
33 facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis
34 concentrates, tinctures, extracts, or other cannabis products.

35 V. "Cannabis establishment" means a cannabis cultivation facility, a cannabis testing
36 facility, a cannabis product manufacturing facility, a retail cannabis store, a cannabis transporter, or
37 any other type of cannabis business authorized and registered by the commission.

1 VI. "Cannabis product manufacturing facility" or "product manufacturing facility" means an
2 entity registered to purchase cannabis, to manufacture, prepare, and package cannabis products,
3 and sell cannabis and cannabis products to other cannabis product manufacturing facilities, to
4 alternative treatment centers, and to retail cannabis stores, but not to consumers.

5 VII. "Cannabis products" means concentrated cannabis products and cannabis products that
6 are comprised of cannabis and other ingredients and are intended for use or consumption, such as,
7 but not limited to, edible products, ointments, and tinctures.

8 VIII. "Cannabis testing facility" or "testing facility" means an entity registered to test
9 cannabis for potency and contaminants.

10 IX. "Cannabis transporter" means an entity registered to transport cannabis between
11 cannabis establishments.

12 X. "Commission" means the cannabis commission established in RSA 318-F:8.

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

17 XII. "Department" means the department of health and human services.

18 XII-a. "Documentation" means all records, in any form, including electronic records.

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

25 XIV. "Immature cannabis plant" means a cannabis plant that has not flowered and that
26 does not have buds that may be observed by visual examination.

27 XV. "Inflation" means the 12-month percentage change in the consumer price index for all
28 urban consumers, northeast region as published by the Bureau of Labor Statistics, United States
29 Department of Labor.

30 XVI. "Mature cannabis plant" means a cannabis plant that has flowered and has buds that
31 may be observed by visual examination.

32 XVII. "Municipality" means a city, town, or an unincorporated place.

33 XVIII. "Possession limit" means:

34 (a) Four ounces of cannabis in plant form;

35 (b) Twenty grams of concentrated cannabis, which includes hashish and pre-filled
36 cartridges of cannabis extracts intended for vaporization;

1 (c) Cannabis products other than concentrated cannabis containing no more than 2,000
2 milligrams of THC;

3 (d) Six cannabis plants, no more than 3 of which may be mature; and provided that no
4 more than 12 plants, and no more than 6 mature plants, may be cultivated at any single dwelling
5 unit or other secure facility regardless of the number of adults over the age of 21; and

6 (e) Any additional cannabis produced by the person's cannabis plants, provided that any
7 amount of cannabis in excess of four ounces of cannabis, 10 grams of concentrated cannabis, and
8 cannabis products containing no more than 2,000 milligrams of THC shall be possessed in the same
9 secure facility where the plants were cultivated.

10 This paragraph shall not apply to the possession limits set forth in RSA 126-X:2.

11 XIX. "Public place" means any place to which the general public has access.

12 XX. "Retail cannabis store" or "retail store" means an entity registered to purchase cannabis
13 from cannabis cultivation facilities, to purchase cannabis and cannabis products from cannabis
14 product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis products to
15 consumers.

16 XXI. "Resident" means a natural person who:

17 (a) Is domiciled in New Hampshire; and

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

20 318-F:2 Personal Use of Cannabis.

21 I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person
22 21 years of age or older, shall not be illegal under New Hampshire law or the law of any political
23 subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:

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

29 (b) Transporting no more than 6 cannabis plants, including no more than 3 mature
30 plants.

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

1 (d) Transferring or selling cannabis seeds or up to 6 immature cannabis plants or
2 seedlings to cannabis cultivation facilities.

3 (e) Transferring cannabis, including cannabis products, to a cannabis testing facility.

4 (f) Controlling property where the acts described under this section occur.

5 (g) Assisting another person who is 21 years of age or older in any of the acts described
6 under this section.

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

14 318-F:3 Restrictions on Personal Cultivation; Penalty.

15 I. Except as allowed under RSA 126-X, no person who is 21 years of age or older shall
16 cultivate cannabis plants except as provided in this section.

17 II. Cannabis plants shall not be cultivated in a location where the plants are subject to view
18 from public property or from another person's private property without the use of binoculars,
19 aircraft, or other optical aids.

20 III. A person who cultivates cannabis shall take reasonable precautions to ensure the plants
21 are secure from access by a person under 21 years of age. Cultivating cannabis in an enclosed,
22 locked space to which unauthorized persons do not have access, or other similar security
23 precautions, shall be prima facie evidence of reasonable precautions.

24 IV. Cannabis cultivation shall only occur on property the cultivator legally owns, leases, or
25 controls, or with the consent of the person who legally owns, leases, or controls the property.

26 V. Any person who violates this section shall be guilty of a violation and may be fined not
27 more than \$500 for a first offense and not more than \$1,000 for a second or subsequent offense.

28 318-F:4 Smoking Cannabis in Public Prohibited; Penalty. No person shall smoke cannabis in a
29 public place. Any person who violates this section shall be guilty of a violation and may be fined not
30 more than \$50.

31 318-F:5 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty.

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

36 II. No person shall smoke or vaporize cannabis while the person is a passenger in a motor
37 vehicle that is being driven on a way.

1 III. Any person who violates this section shall be guilty of a violation and shall be subject to
2 a fine not to exceed \$150. In addition, any person who violates paragraph I of this section may have
3 his or her driver's license, if a resident, or driving privilege, if a nonresident, suspended for up to 60
4 days for a first offense and up to one year for a subsequent offense.

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

6 V. A person may not be convicted of both a violation of this section and a violation of RSA
7 265-A:1 based on the same incident.

8 318-F:6 Cannabis Accessories Authorized.

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

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

16 III. No person or entity shall manufacture, distribute, or sell cannabis accessories that
17 violate reasonable regulations enacted by the cannabis commission. Any person or entity that
18 violates this paragraph shall be guilty of a violation for a first offense and subject to a fine of up to
19 \$1,000 and forfeiture of the cannabis accessories. A person shall be guilty of a class A misdemeanor
20 for a second or subsequent offense and shall forfeit the cannabis accessories.

21 318-F:7 Odor and Personal Possession of Cannabis Not Grounds for a Search.

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

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

30 318-F:8 Cannabis Commission.

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

34 II. No later than 30 days after the effective date of this chapter, the governor shall nominate
35 the chairperson of the commission and the commissioners, who shall be confirmed with the advice
36 and consent of the executive council following a public hearing before the executive council.
37 Vacancies shall be filled in like manner for the unexpired term.

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

2 (b) Commissioners shall each serve a term of 4 years.

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

5 (1) The chairperson must have demonstrated expertise in overseeing a regulated
6 industry.

7 (2) At least one commissioner or the chairperson shall have a background in public
8 health.

9 (3) At least one commissioner or the chairperson shall have a background in
10 cannabis regulation or in the production and distribution of cannabis.

11 (4) The governor shall seek to ensure at least one commissioner or the chairperson
12 also has a background in financing small and minority-owned businesses.

13 (5) The governor shall seek to ensure at least one commissioner or the chairperson
14 also has a background in civil rights or social justice.

15 (6) No person shall be appointed chairperson of the commission or a commissioner if
16 the person is opposed to making cannabis legal and regulated for adults 21 and older at the time of
17 the passage of this chapter.

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

20 (e) The annual salary of the commission chairperson shall be as specified in RSA 94:1-a
21 and shall be established by the joint committee on employee classification pursuant to the procedure
22 set forth in RSA 14:14-c and RSA 94:1-d. The chairperson shall receive his or her reasonable
23 expenses while traveling in the performance of his or her duties, provided that the chairperson shall
24 not be allowed as expenses travel between his or her place of residence and the commission
25 chairperson's office in Concord, nor shall the commission chairperson be allowed board or lodging
26 while in Concord.

27 (f) Except as provided in this section, each commissioner shall be paid \$300 a day, or
28 \$150 per half-day, plus mileage at the state employee rate while engaged in his or her official duties.
29 These rates shall be adjusted annually to account for inflation or deflation based on the consumer
30 price index.

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

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

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

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

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

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

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

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

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

20 VII. No member of the commission shall render any professional service for any cannabis
21 establishment in this state, or any affiliate thereof, or act as attorney or render professional service
22 against any such cannabis establishment or affiliate; nor shall he or she be a member of a firm which
23 renders any such service; nor shall he or she directly or indirectly be a party to any contract with
24 any such cannabis establishment. This prohibition shall remain in force for 12 months following
25 membership on the commission.

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

30 (a) Avoidance of impropriety and the appearance of impropriety in all of his or her
31 activities;

32 (b) Performance of his or her duties impartially and diligently;

33 (c) Avoidance of all ex parte communications concerning a case pending before the
34 commission;

35 (d) Abstention from public comment about a matter pending before the commission and
36 require similar abstention on the part of commission personnel;

1 (e) Require staff and personnel, subject to commission direction, to observe the
2 standards of fidelity and diligence that apply to the chairperson of the commission and
3 commissioners;

4 (f) Initiate appropriate disciplinary measures against commission personnel for
5 unprofessional conduct;

6 (g) Disqualify himself or herself from proceedings in which his or her impartiality might
7 be reasonably questioned;

8 (h) Inform himself or herself about personal and fiduciary interests and make a
9 reasonable effort to inform himself or herself about the personal financial interests of his or her
10 spouse and minor children;

11 (i) Regulate his or her extracurricular activities to minimize the risk of conflict with his
12 or her official duties;

13 (j) Refrain from solicitation of funds for any political purpose, nor shall they be listed as
14 an officer, director, or trustee of such organizations; and

15 (k) Refrain from financial or business dealings that would tend to reflect adversely on
16 his or her impartiality.

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

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

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

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

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

29 318-F:9 Cannabis Advisory Board.

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

33 II. No later than 90 days after the effective date of this chapter, the governor shall nominate
34 members of the advisory board, who shall be confirmed with the advice and consent of the executive
35 council. The board shall consist of 13 members, and shall consist of: one expert in cannabis
36 cultivation, one expert in cannabis retailing, one expert in cannabis product manufacturing, one
37 expert in cannabis testing, one board member or officer of an alternative treatment center, one

1 registered medical cannabis patient, one individual who represents cannabis consumers, 2 experts in
2 public health, one expert in law enforcement, one expert in social welfare or criminal justice, one
3 expert in financing small cannabis businesses; and one attorney with experience providing legal
4 services to cannabis businesses, cannabis consumers or medical cannabis patients. No more than
5 one advisory board member may work for or hold a financial or equitable interest in a business that
6 sells, grows, or manufactures cannabis in a jurisdiction outside of New Hampshire.

7 III. Members of the board shall serve terms of 2 years. Members of the board shall serve
8 without compensation but shall be reimbursed for their expenses actually and necessarily incurred
9 in the discharge of their official duties, including mileage at the state employee rate for attendance
10 to meetings and other official functions.

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

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

14 VI. The cannabis advisory board shall:

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

17 (b) Advise the commission on what additional types of cannabis establishments, if any,
18 the commission should register, including on-site consumption facilities, along with
19 recommendations on their licensure and regulation.

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

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

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

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

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

29 (2) Whether the personal possession, cultivation, and purchase limits should be
30 modified or eliminated; and

31 (3) Whether to alter or abolish the commission.

32 318-F:10 Regulation of Cannabis.

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

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

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

7 (b) A schedule of reasonable application, registration, and annual renewals, provided:

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

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

12 (3) All other registration and annual renewal fees shall not exceed \$10,000; and

13 (4) That cultivation facility licensing fees be tiered based on the size of the facilities,
14 with a maximum fee of \$7,500 for all but the largest tier of cultivation facilities.

15 (c) Qualifications for registration that are directly and demonstrably related to the
16 operation of a cannabis establishment and which may not disqualify applicants solely for cannabis
17 offenses prior to the effective date of this chapter.

18 (d) Regulations to create at least 3 tiers of cultivation facilities, based on the size of the
19 facility or the number of plants cultivated and providing:

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

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

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

28 (e) Record keeping requirements for cannabis establishments, including requirements
29 for implementation and compliance with the tracking system required by RSA 318-F:10, IV.

30 (f) Requirements for the transportation of cannabis between cannabis establishments,
31 including documentation that shall accompany any cannabis being transported by cannabis
32 cultivation facilities.

33 (g) Procedures for the delivery of cannabis to consumers, including documentation that
34 shall accompany any cannabis being transported to consumers.

35 (h) A schedule of civil fines as are authorized in this chapter for violations of chapter
36 requirements, provided that, not later than 18 months after the effective date of this chapter the

1 commission shall report to the chairpersons of the house and senate ways and means committees its
2 proposal for a fine schedule and for legislation needed to implement the schedule.

3 (i) Procedures for hearings on civil fines and suspensions and revocations of a cannabis
4 establishment registration.

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

7 (k) Health and safety rules, including regarding the packaging and preparing of
8 cannabis and restricting the use of pesticides that may be dangerous to cannabis consumers;

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

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

13 (2) Restrictions to prevent cannabis from being marketed to minors,

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

18 (4) A prohibition on giveaways of cannabis, cannabis products, or cannabis
19 accessories.

20 (m) The department may require that any advertising for cannabis or cannabis products
21 include a standard, recognizable symbol.

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

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

27 (p) Packaging, product manufacturing, and labeling requirements for cannabis and
28 cannabis products, including:

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

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

33 (3) Establishing the maximum amount of THC that may be included in each serving;
34 and

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

1 (q) Health and safety rules and standards for the manufacture of cannabis products,
2 including:

3 (1) Restrictions or prohibitions on additives to products that are toxic, misleading to
4 consumers, or designed to make the product more appealing to children;

5 (2) Safety standards regulating the manufacture of cannabis extracts and
6 concentrates; and

7 (3) A prohibition on the inclusion of nicotine and other additives to products that are
8 designed to make the product more addictive.

9 (r) Standards for the operation of testing laboratories, including requirements for
10 equipment and qualifications for personnel.

11 (s) Requirements for the testing of cannabis, including:

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

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

17 (3) Providing that in the event that test results indicate the presence of quantities of
18 any substance determined to be injurious to health, such products shall be immediately quarantined
19 and immediate notification to the commission shall be made. The adulterated product shall be
20 documented and properly destroyed;

21 (4) That testing shall also verify THC potency representations for correct labeling;

22 (5) That the commission shall determine an acceptable variance for potency
23 representations and procedures to address potency misrepresentations; and

24 (6) That the commission shall determine the protocols and frequency of cannabis
25 testing by a cannabis testing facility.

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

31 (u) Training and continuing education required or recommended for licensees, which
32 shall include training on checking photo identification and for false identification.

33 (v) Requirements that cannabis retail stores stock cannabis products, including flower,
34 with low and moderate amounts of THC and that they be at least as prominently displayed as high
35 potency products.

36 II.(a) In order to ensure that individual privacy is protected, the commission shall not
37 require a consumer to provide a retail cannabis store with personal information other than

1 government-issued identification to determine the consumer's age, and a retail cannabis store shall
2 not be required to acquire and record personal information about consumers.

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

8 III. Not later than 15 months after the effective date of this chapter, the commission, in
9 consultation with the department, shall develop an informational handout, which retail stores shall
10 make available to all consumers, and which shall include information detailed in RSA 318-F:17.

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

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

25 VI. The commission may regulate synthetic cannabinoids and intoxicating products derived
26 from hemp.

27 VII. No later than 18 months after the effective date of this section, after receiving input
28 from the advisory board, the commission shall make written recommendations to the general court
29 regarding the regulation of hemp including:

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

31 (b) How the products would be regulated, including whether registration would be
32 required and whether hemp processors and manufacturers should be licensed and regulated by the
33 commission;

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

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

1 318-F:11 Dual Use Certificates.

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

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

9 III. The commission shall levy a \$10,000 application fee each dual use certificate.

10 IV.(a) The commission shall grant or deny any application for a dual use certificate within
11 90 days.

12 (b) The commission shall levy a \$90,000 fee for each dual use certificate. The license
13 shall not expire unless it is revoked.

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

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

17 (b) Requiring dual-use cannabis establishments to prioritize therapeutic cannabis
18 access;

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

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

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

27 (f) Providing for the suspension of sales of cannabis to adult-use consumers in the event
28 of a product shortage.

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

32 (b) Cannabis sold by alternative treatment centers holding dual use certificates to
33 qualifying patients directly or via their designated caregivers may have higher THC per serving than
34 is permitted by rules governing cannabis establishment that are issued pursuant to RSA 318-F:10.

35 VII. Cannabis stores affiliated with alternative treatment centers holding dual use
36 certificates may sell cannabis grown and processed by those alternative treatment centers to
37 consumers provided they comply with rules issued pursuant to this section and RSA 318-F:10.

1 318-F:12 Transition of Therapeutic Cannabis Program.

2 I. No later than 20 months after the effective date of this chapter, the commission, jointly
3 with the department of health and human services, shall develop a proposal to move the therapeutic
4 cannabis program to the commission. The chairperson of the commission shall deliver the proposal
5 to the house of representatives health, human services and elderly affairs and the New Hampshire
6 senate health and human services committee.

7 II. The proposal shall include a plan to allow cannabis retail stores to obtain a therapeutic
8 cannabis endorsement that would allow them to serve qualifying patients without imposing the
9 meals, cannabis, and rooms tax.

10 318-F:13 Registration Procedures for Cannabis Establishments.

11 I. Each application for a registration to operate a cannabis establishment shall be submitted
12 to the commission.

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

16 III. The commission shall:

17 (a) Accept and process applications beginning no later than 14 months after the effective
18 date of this chapter for cannabis cultivation facilities, beginning no later than 17 months after the
19 effective date of this chapter for cannabis product manufacturing facilities, cannabis transporters,
20 and cannabis testing facilities, and beginning no later than 18 months after the effective date of this
21 chapter for retail cannabis stores;

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

24 (c) Issue a registration to the applicant within 90 days after receipt of an application
25 unless:

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

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

31 (3) More qualified applicants have applied than the number of registrations
32 available in the municipality, and the applicant was not selected.

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

34 IV. Each registration applies to a single parcel of real property. Any additional address
35 requires a separate application and registration.

36 V. A renewal application may be submitted up to 90 days prior to the expiration of the
37 cannabis establishment's registration. The renewal application shall be granted within 30 days of

1 its submission unless the applicant has not paid the fee, the cannabis establishment's registration is
2 suspended or revoked, or the cannabis establishment has a pattern of violations of this law, the rules
3 issued pursuant to it, or municipal regulations.

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

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

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

14 VII. Nothing in this chapter shall prevents a person or entity from holding multiple types of
15 cannabis registration and from co-locating the businesses.

16 318-F:14 Enactment of Municipal Ordinances.

17 I. A municipality may enact an ordinance prohibiting or limiting the number and type of
18 cannabis establishments that may be permitted within the municipality and regulating the time,
19 place, and manner of operation of a cannabis establishment, which is permitted within the
20 municipality. A locality's prohibition on cannabis establishments may not prohibit transportation
21 through the locality or deliveries within the locality by cannabis establishments located in other
22 jurisdictions.

23 II. A municipality may enact an ordinance specifying the entity within the municipality that
24 shall be responsible for reviewing applications submitted for a registration to operate a cannabis
25 establishment within the municipality. The entity designated by the municipality shall be
26 responsible for indicating whether the application is in compliance with municipal ordinances.

27 III. A municipality may not negotiate or enter into an agreement with a cannabis
28 establishment or a cannabis establishment applicant requiring that the cannabis establishment or
29 applicant provide money, donations, in-kind contributions, services, or anything of value to the
30 locality.

31 318-F:15 Residency Required.

32 I. Except as provided in this section, any person applying for a cannabis establishment
33 registration shall be a resident, or shall have at least one director, officer, or partner who is a New
34 Hampshire resident.

35 II. This section shall not apply to an applicant for a testing facility registration.

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

1 located within 1,000 feet of the property line of a pre-existing public or private elementary or
2 secondary school, unless the municipality where the establishment seeks to operate has established
3 a smaller distance limitation.

4 318-F:17 Informational Materials and Warning Labels.

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

7 II. A retail cannabis store shall include an informational handout designed by the
8 commission in consultation with the department 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; and

23 (d) How to recognize problematic usage of cannabis and how to obtain appropriate
24 services or 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) Unless federal statutory law or case law has changed and such a warning is no longer
29 accurate, a disclosure that:

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

31 (2) Under the United States government's 1986 Gun Control Act, any 'unlawful' user
32 of a controlled substance is prohibited from purchasing or owning a gun.

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

1 IV. All cannabis and cannabis products sold by a retail cannabis store shall include warning
2 labels that provide the following information: “Warning: This product has intoxicating effects. For
3 use by adults 21 and older. Keep out of reach of children.” The department may require a standard,
4 recognizable symbol on all cannabis packaging to signify that THC or other cannabinoids are
5 included in the product.

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

7 (a) A warning label that provides, “Caution: When eaten or swallowed, the intoxicating
8 effects of this product may be delayed by up to 2 hours,” unless the department determines that a
9 different time frame should be specified.

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

11 (c) A nutritional fact panel.

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

15 318-F:18 Lawful Operation of Cannabis-Related Facilities. If undertaken by a person 21 years
16 of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for
17 seizure or forfeiture of assets under New Hampshire law:

18 I. Possessing, displaying, or transporting cannabis or cannabis products; obtaining or
19 purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a
20 cannabis testing facility; obtaining or purchasing cannabis or cannabis products from a cannabis
21 product manufacturing facility; or sale, delivery, or distribution of cannabis or cannabis products to
22 an adult who is 21 years of age or older or to retail cannabis stores or alternative treatment centers,
23 if the person or business entity conducting the activities described in this paragraph has obtained a
24 current, valid registration to operate a retail cannabis store or is acting in his or her capacity as an
25 owner, employee, or agent of a registered retail cannabis store.

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

36 III. Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis
37 or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing

1 facility; selling cannabis or cannabis products to a retail cannabis store, alternative treatment
2 center, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a
3 cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a
4 cannabis product manufacturing facility, if the person or business entity conducting the activities
5 described in this paragraph has obtained a current, valid registration to operate a cannabis product
6 manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a
7 registered cannabis product manufacturing facility.

8 IV. Possessing, obtaining, cultivating, processing, storing, transporting, receiving, or
9 displaying cannabis or cannabis products if the person or business entity has obtained a current,
10 valid registration to operate a cannabis testing facility or is acting in his or her capacity as an owner,
11 employee, or agent of a registered cannabis testing facility.

12 V. Engaging in any activities involving cannabis or cannabis products if the person or
13 business entity conducting the activities has obtained a current, valid registration to operate a
14 cannabis establishment or is acting in his or her capacity as an owner, employee, or agent of a
15 registered cannabis establishment, and the activities are within the scope of activities allowed by the
16 commission for that type of cannabis establishment.

17 VI. Possessing, obtaining, cultivating, processing, storing, transporting, or receiving
18 cannabis obtained from a cannabis establishment or transporting, delivering, or transferring
19 cannabis to a cannabis establishment if the person or business entity has obtained a current, valid
20 registration to operate a cannabis transporter or is acting in his or her capacity as an owner,
21 employee, or agent of a registered cannabis transporter.

22 VII. Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or
23 transferring cannabis to a cannabis testing facility; or obtaining or purchasing cannabis or cannabis
24 products from a cannabis product manufacturing facility if the person or business entity conducting
25 the activities described in this paragraph possesses a valid registration to operate an alternative
26 treatment center or is acting in his or her capacity as an owner, employee, or agent of a registered
27 alternative treatment center.

28 VIII. Leasing or otherwise allowing the use of property owned, occupied, or controlled by any
29 person, corporation, or other entity for any of the activities conducted lawfully in accordance with
30 this chapter.

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

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

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

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

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

12 318-F:20 Driving; Minors; and Control of Property.

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

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

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

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

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

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

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

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

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

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

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

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

7 318-F:21 Enforcement of Contracts. Contracts related to the operation of a cannabis
8 establishment registered pursuant to this chapter shall be enforceable. No contract entered into by
9 a registered cannabis establishment or its employees or agents as permitted pursuant to a valid
10 registration, or by those who allow property to be used by an establishment, its employees, or its
11 agents as permitted pursuant to a valid registration, shall be unenforceable on the basis that
12 cultivating, obtaining, manufacturing, distributing, dispensing, transporting, selling, possessing, or
13 using cannabis is prohibited by federal law.

14 318-F:22 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 318-F:23 Data Collection Related to Cannabis Legalization and Regulation.

36 I. No later than 6 months after the effective date of this chapter and every 2 years
37 thereafter, the department of safety, information and analysis center, drug monitoring initiative,

1 shall produce and publish a report that includes baseline data and the most current data regarding
2 health and welfare outcomes since cannabis became legal and regulated for adults' use, including but
3 not limited to high school graduation rates; youth and adult rates of alcohol, cannabis, and illegal
4 drug use; rates of maladaptive use of cannabis; rates of alcohol abuse; opiate use and abuse rates;
5 the number and type of youth and adult convictions for cannabis offenses; and the rates of
6 individuals needing but not receiving substance abuse treatment. The report shall also include
7 information on treatment and prevention services provided, education campaigns undertaken, and
8 funding allocated under RSA 318-F:24.

9 II. No later than 6 months after the effective date of this chapter, and again 18 months after
10 the effective date of this chapter, and every 2 years thereafter, the Judicial Branch shall produce and
11 publish a report that includes the number of cases automatically annulled pursuant to each RSA
12 651:5-b and 651:5-c; the number of petitions for re-sentencing pursuant to RSA 651:5-d, and their
13 disposition; and the number of cases dismissed pursuant to RSA 651:5-e.

14 318-F:24 Cannabis Fund Established.

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

22 II. For the biennium ending June 30, 2025, and every biennium thereafter, the commission
23 shall include the cost of administration of this chapter in the commission's efficiency expenditure
24 request pursuant to RSA 9:4. The cost of administration of this chapter shall include direct costs
25 incurred by the department of safety and courts for the annulment of cannabis offenses as provided
26 for in 651:5, II-a (3)(a)-(b). Appropriations for such costs shall be a charge against the fund.

27 III. For the biennium ending June 30, 2025, the sum of \$2,000,000 is hereby appropriated to
28 the cannabis commission for the cost of administration of this chapter. Said sum shall be a charge
29 against the fund.

30 IV. The commission shall credit all fees and civil penalties imposed under this chapter and
31 all other related moneys received from public or private sources to the fund.

32 V. After deducting appropriations charged to the fund for the cost of administration of this
33 chapter and RSA 77-H, including the costs of cannabis annulment provided in 651:5, II-a(3)(a)-(b),
34 the remaining funds shall be appropriated and distributed on a quarterly basis as follows:

35 (a) The sum of \$100,000 annually to the department of safety, information and analysis
36 center, drug monitoring initiative, for data collection and reporting related to the health impacts of
37 cannabis prohibition and cannabis regulation; and

1 (b) Of the remaining funds:

2 (1)(A) Eighty percent shall be disbursed to the department of administrative services
3 to be credited to the New Hampshire retirement system to offset the retirement system's unfunded
4 accrued liability. Upon certification by the commissioner of the department of administrative
5 services that the retirement system has no remaining unfunded accrued liability, this disbursement
6 of funds shall cease.

7 (B) Upon certification by the commissioner of the department of administrative
8 services that the retirement system has no remaining unfunded accrued liability, 80 percent shall be
9 disbursed to the education trust fund established in RSA 198:39. The comptroller shall notify the
10 commissioner of the department of revenue administration of the amount of the transfer. For the
11 purpose of setting the education tax rate under RSA 76:3, the amount of revenue required to be
12 collected pursuant to RSA 76:3 shall be reduced by the amount transferred to the education trust
13 fund as required in this subparagraph, and the commissioner shall set the rate at a level sufficient to
14 generate the reduced amount. This rate shall be effective for the following fiscal year.

15 (2) Ten percent shall be allocated to the substance abuse prevention and recovery
16 fund established by RSA 318-F:25.

17 (3) Five percent for broad-based aid to municipalities with at least one operational
18 cannabis retail store during the time period in which the revenues were collected, with the amount
19 of allocation to each municipality determined based on the percent of tax revenue collected from
20 retail stores located in the municipality; and

21 (4) Five percent, not to exceed \$1 million, to public safety agencies, including police,
22 fire, and rescue agencies, for the hiring and training of additional drug recognition experts, for
23 advanced roadside impaired driving enforcement training, and to assist in responding to drug
24 overdose incidents.

25 318-F:25 Substance Abuse Prevention and Recovery Fund Established. There is hereby
26 established in the state treasury the substance abuse prevention and recovery fund that shall be
27 kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA
28 318-F:24 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with
29 RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be
30 nonlapsing and shall be continually appropriated to the commissioner of the department of health
31 and human services for the purposes and in the manner set forth in RSA 126-A:98.

32 8 Controlled Drug Act; Definitions. Amend the introductory paragraph in RSA 318-B:1, X-a(k)
33 to read as follows:

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

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

3 I. Any person who manufactures, sells, prescribes, administers, or transports or possesses
4 with intent to sell, dispense, or compound any controlled drug, controlled drug analog or any
5 preparation containing a controlled drug, except as authorized in this chapter ***or as otherwise***
6 ***authorized by law***; or manufactures, sells, or transports or possesses with intent to sell, dispense,
7 compound, package or repackage (1) any substance which he ***or she*** represents to be a controlled
8 drug, or controlled drug analog, or (2) any preparation containing a substance which he ***or she***
9 represents to be a controlled drug, or controlled drug analog, shall be sentenced as follows, except as
10 otherwise provided in this section:

11 10 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, II to
12 read as follows:

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

18 11 Controlled Drug Act; Penalties. Amend RSA 318-B:26, II(c)-(e) to read as follows:

19 (c) In the case of more than 3/4 ounce of marijuana or more than 5 grams of hashish,
20 including any adulterants or dilutants~~;~~ ***is possessed by a person who is under 21 years of age,***
21 ***or, in the case of an amount exceeding the possession limit defined in RSA 318-F:1***
22 ***possessed by a person who is 21 years of age or older, except if possessed by a person***
23 ***authorized pursuant to RSA 126-X,*** the person shall be guilty of a misdemeanor. ~~[In the case of~~
24 ~~marijuana-infused products possessed by persons under the age of 21 or marijuana-infused products~~
25 ~~as defined in RSA 318-B:2 e, other than a personal use amount of a regulated marijuana-infused~~
26 ~~product as defined in RSA 318-B:2 c, I(b), that are possessed by a person 21 years of age or older, the~~
27 ~~person shall be guilty of a misdemeanor.]~~

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

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

36 12 Controlled Drug Act; Penalties. Amend RSA 318-B:26, III(a) to read as follows:

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

3 13 Personal Possession of Marijuana. Amend RSA 318-B:2-c to read as follows:

4 318-B:2-c ~~[Personal]~~ Possession of Marijuana ***by a Person Under 21 Years of Age***.

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

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

13 ~~[(b)]~~ "Personal use amount of a regulated marijuana infused product" means one or more
14 products that is comprised of marijuana, marijuana extracts, or resins and other ingredients and is
15 intended for use or consumption, such as, but not limited to, edible products, ointments, and
16 tinctures, which was obtained from a state where marijuana sales to adults are legal and regulated
17 under state law, and which is in its original, child resistant, labeled packaging when it is being
18 stored, and which contains a total of no more than 300 milligrams of tetrahydrocannabinol.]

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

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

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

29 V.(a) Except as provided in this paragraph, any person 18 years of age or older who is
30 convicted of violating paragraph II or III~~[- or any person 21 years of age or older who is convicted of~~
31 ~~violating paragraph IV]~~ shall be subject to a fine of \$100 for a first or second offense under this
32 paragraph, or a fine of up to \$300 for any subsequent offense within any 3-year period; however, any
33 person convicted based upon a complaint which alleged that the person had 3 or more prior
34 convictions for violations of paragraph II~~[- or III[- or IV]~~, or under reasonably equivalent offenses in
35 an out-of-state jurisdiction since the effective date of this paragraph, within a 3-year period
36 preceding the fourth offense shall be guilty of a class B misdemeanor. The offender shall forfeit the
37 marijuana~~[- regulated marijuana infused products,]~~ or hashish to the state. A court shall waive the

1 fine for a single conviction within a 3-year period upon proof that person has completed a substance
2 abuse assessment by a licensed drug and alcohol counselor within 60 days of the conviction. A
3 person who intends to seek an assessment in lieu of the fine shall notify the court, which shall
4 schedule the matter for review after 180 days. Should proof of completion of an assessment be filed
5 by or before that time, the court shall vacate the fine without a hearing unless requested by a party.

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

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

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

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

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

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

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

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

34 14 Alcohol or Drug Impairment; Possession of Drugs. Amend RSA 265-A:43 to read as follows:

35 265-A:43 Possession of Drugs. Any person who drives on any way a vehicle while knowingly
36 having in his or her possession or in any part of the vehicle a controlled drug or controlled drug
37 analog in violation of the provisions of RSA 318-B shall be guilty of a misdemeanor, and his or her

1 license shall be revoked or his or her right to drive denied for a period of 60 days and at the
2 discretion of the court for a period not to exceed 2 years. This section shall not apply to the
3 possession of marijuana or hashish as provided in RSA 318-B:2-c~~[or a personal use amount of a~~
4 ~~regulated marijuana-infused product as defined in RSA 318-B:2-e, I(b)].~~

5 15 Annulment of Arrests and Convictions for Marijuana Possession. RSA 651:5-b is repealed
6 and reenacted to read as follows:

7 651:5-b Annulment of Arrests and Convictions for Marijuana Possession.

8 I. As used in this section:

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

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

11 (c) "Cannabis-related offense" means any of the following:

12 (1) Any offense under RSA 318-B involving cannabis or paraphernalia intended for
13 cannabis; and

14 (2) Any other offense that would not have been an offense were it not for the
15 illegality of cannabis.

16 II. Any person who was arrested or convicted for knowingly or purposely obtaining,
17 purchasing, transporting, manufacturing, or possessing, actually or constructively, or having under
18 his or her control, no more than the possession limit 3/4 of an ounce of marijuana or less where the
19 offense occurred before the effective date of RSA 318-F may, at any time, petition the court in which
20 the person was convicted or arrested to annul the arrest record, court record, or both. The petition
21 shall state that the amount of marijuana was no more than the possession limit. The petitioner
22 shall furnish a copy of the petition to the office of the prosecutor of the underlying offense. The
23 prosecutor may object within 10 days of receiving a copy of the petition and request a hearing. If the
24 prosecutor does not object within 10 days, the court shall grant the petition for annulment. If the
25 prosecutor timely objects, the court shall hold a hearing. In a hearing on the petition for annulment,
26 the prosecutor shall be required to prove beyond a reasonable doubt that the petitioner knowingly or
27 purposely obtained, purchased, transported, or possessed, actually or constructively, or had under
28 his or her control, marijuana in an amount exceeding the possession limit. At the close of the
29 hearing, the court shall grant the petition unless the prosecutor has proven that the amount of
30 marijuana exceeded the possession limit. If the petition is granted, and an order of annulment is
31 entered, the provisions of RSA 651:5, X-XI shall apply to the petitioner.

32 III.(a) Any person who was arrested or convicted for any cannabis-related offense may, at
33 any time, petition the court in which the person was convicted or arrested to annul the arrest record,
34 court record, or both, when the petitioner has completed the sentence. The petition shall state that
35 the arrest or conviction was for a cannabis-related offense.

36 (b) The petitioner shall furnish a copy of the petition to the office of the prosecutor of the
37 underlying offense. The prosecutor may object within 14 days of receiving a copy of the petition and

1 request a hearing. If the prosecutor does not object within 14 days, the court shall grant the petition
2 for annulment.

3 (c) If the prosecutor timely objects, the court shall hold a hearing. In a hearing on the
4 petition for annulment, the prosecutor shall be required to prove by clear and convincing evidence
5 that:

6 (1) The offense is not eligible for annulment under this section because it was not a
7 cannabis-related offense;

8 (2) The offense is not eligible for annulment under this section because the petitioner
9 has not completed the sentence; or

10 (3) Annulment would not be in the interests of justice.

11 (d) The court shall grant the petition unless the prosecutor has proven that:

12 (1) The offense is not eligible for annulment under this section because it was not a
13 cannabis-related offense;

14 (2) The offense is not eligible for annulment under this section because the petitioner
15 has not completed the sentence; or

16 (3) Annulment would not be in the interests of justice.

17 (e) There shall be a presumption that granting the petition would be in the interests of
18 justice due to the legalization of cannabis for adults and the unequal enforcement of cannabis laws.
19 The presumption may be overcome by evidence that the annulment would not be in the interests of
20 justice, including in instances where the offense was recent and involved:

21 (1) An adult distributing cannabis to minor or using a minor to sell cannabis; or

22 (2) A conviction under RSA 318-B:2-e for negligently storing marijuana-infused
23 products, causing a minor to access them.

24 IV. If the petition is granted, and an order of annulment is entered, the provisions of RSA
25 651:5, X-XI shall apply to the petitioner.

26 V. All fees shall be waived and the judicial branch shall receive compensation for actual
27 costs from the cannabis fund. In years prior to the time when sales of cannabis generate sufficient
28 funds to cover these costs, the judicial branch shall receive compensation from the general fund.

29 16 New Sections; Sentences; Annulment of Certain Arrests and Convictions for Cannabis.
30 Amend RSA 651 by inserting after section 5-b the following new sections:

31 651:5-c Annulment of Certain Arrests and Convictions for Cannabis.

32 I. All convictions and arrests for misdemeanor or violation level offenses for possession of
33 cannabis shall be automatically annulled. Within 6 months of the effective date of this section, the
34 department of safety shall remove any such qualified convictions from its records and notify the
35 court from which the case originated, which shall place an order of annulment in the court file and
36 thereafter process the file in the same manner as any other annulled case. Any person who believes
37 themselves to be eligible for automatic annulment may request that the department of safety

1 examine his or her conviction to determine whether it should be annulled. Should the department of
2 safety fail to annul a qualified conviction, any person so aggrieved may petition the court without fee
3 for further review of eligibility. The judicial branch and department of safety shall determine the
4 actual costs of processing such annulments and be reimbursed from cannabis fund. In years prior to
5 the time when sales of cannabis generate sufficient funds to cover these costs, they shall receive
6 compensation from the general fund.

7 II. Eligible annulments of convictions and civil adjudications pursuant to this section shall
8 be granted notwithstanding the existence of outstanding court-imposed or court-related fees, fines,
9 costs, assessments, or charges.

10 651:5-d Re-Sentencing for Cannabis Sentences.

11 I. As used in this section:

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

13 (b) "Cannabis-related offense" means any of the following:

14 (1) Any offense under RSA 318-B involving cannabis or paraphernalia intended for
15 cannabis; and

16 (2) Any other offense that would not have been an offense were it not for the
17 illegality of cannabis.

18 II.(a) No later than 90 days after the effective date of this section, the department of
19 corrections and the superintendent of each county house of correction shall conduct a search to
20 determine all individuals serving a period of incarceration or supervision for a violation of RSA 318-
21 B involving cannabis or paraphernalia intended for cannabis, or any other cannabis-related offense
22 and notify the court in which each person was convicted and the judicial branch, administrative
23 office of the courts.

24 (b) Any person who was convicted of any cannabis-related offense who has not completed
25 the sentence may, at any time, petition the court in which the person was convicted for re-
26 sentencing.

27 (c) The court in which the person was convicted shall furnish a copy of the petition to the
28 office of the prosecutor of the underlying offense. The prosecutor may object within 14 days of
29 receiving a copy of the petition and request a hearing. If the prosecutor does not object within 14
30 days, the court shall grant the petition and re-sentence the person to the portion of the sentence the
31 individual has already completed.

32 (d) If the prosecutor timely objects, the court shall hold a hearing. In a hearing on the
33 petition for re-sentencing, the prosecutor shall be required to prove by clear and convincing evidence
34 that:

35 (1) The offense is not eligible for re-sentencing under this section because it was not
36 a cannabis-related offense;

37 (2) Re-sentencing would not be in the interests of justice; and

1 (3) Re-sentencing would be in the interests of justice, but that the appropriate
2 sentence is something other than the portion of the sentence the individual has already completed.

3 (e) The court shall grant the petition and re-sentence the individual to any sentence they
4 have already completed unless the prosecutor has proven that:

5 (1) The offense is not eligible for re-sentencing under this section because it was not
6 a cannabis-related offense;

7 (2) Re-sentencing would not be in the interests of justice; or

8 (3) Re-sentencing would be in the interests of justice, but that the appropriate
9 sentence is something other than the portion of the sentence the individual has already completed.

10 (f) There shall be a presumption that granting the petition would be in the interests of
11 justice due to the legalization of cannabis for adults and the unequal enforcement of cannabis laws.
12 The presumption may be overcome, including in instances where the prosecutor proves by clear and
13 convincing evidence that re-sentencing would not be in the interests of justice because:

14 (1) Additional, more serious charges unrelated to cannabis were dismissed as part of
15 a plea deal; or

16 (2) The offense involved distribution of marijuana to minor, using a minor to
17 distribute marijuana, or a violation of RSA 318:B-2-e for negligently storing marijuana-infused
18 products, causing a minor to access them.

19 (g) The court may find that re-sentencing is in the interests of justice, but that a
20 complete reduction in the sentence is not in the interests of justice. In those instances, the court
21 shall re-sentence the individual to the lowest sentence that is in the interests of justice, in light of
22 legalization of cannabis and disparities in arrests and sentencing.

23 (h) A court may not increase any aspect of a sentence in response to a re-sentencing
24 petition filed pursuant this section.

25 (i) Any person eligible for re-sentencing for cannabis sentences pursuant to this section
26 may file a petition for the assistance of counsel without charge; however, if such person was found to
27 be indigent at his original sentencing, shall be entitled to assistance of counsel without charge for
28 the hearing on modification of his sentence without the filing of such petition. No fee shall be
29 charged for filing a petition under this section.

30 (j) The judicial branch shall receive compensation for actual costs of this section from the
31 cannabis fund. In years prior to the time when sales of cannabis generate sufficient funds to cover
32 these costs, the judicial branch shall receive compensation from the general fund.

33 651:5-e Certain Crimes Not to be Pursued; Dismissal.

34 I. As used in this section:

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

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

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

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

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

20 17 New Paragraph; Business Profits Tax; Additions and Deductions. Amend RSA 77-A:4 by
21 inserting after paragraph XIX the following new paragraph:

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

27 18 Tax on Meals and Rooms; Chapter Title Amended. Amend RSA 78-A:1 to read as follows:

28 78-A:1 Title. This chapter may be known and cited as the "Meals and Rooms Tax Law."
29 *Alternatively, this chapter may be known and cited as the "Meals, Rooms, and Cannabis*
30 *Tax Law."*

31 19 New Paragraphs; Tax on Meals and Rooms; Definitions. Amend RSA 78-A:3 by inserting
32 after paragraph I the following new paragraphs:

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

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

35 V.

36 20 Tax on Meals and Rooms; Definitions. Amend RSA 78-A:3 XIII to read as follows:

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

5 21 New Paragraph; Tax on Meals and Rooms; Definitions. Amend RSA 78-A:3 by inserting after
6 paragraph XXV the following new paragraph:

7 XXVI. "Taxable sales of cannabis" means any sale of cannabis, including any sale of
8 concentrated cannabis and cannabis products, which is subject to a tax under RSA 78-A:6-e. In any
9 case where a cannabis establishment gives away cannabis contemporaneously with another
10 transaction between the same parties, and in any case where a gift of cannabis is contingent upon a
11 separate transaction, the price paid for the related or contemporaneous transaction shall be
12 considered a taxable sale of cannabis.

13 22 Tax on Meals and Rooms; License Required; Cannabis Establishments. Amend RSA 78-A:4
14 to read as follows:

15 78-A:4 Meals and Rentals Licenses Required; Penalty.

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

27 I-a. ***Each cannabis retail store, or other cannabis establishment that is registered***
28 ***pursuant to 318-F:13 to sell directly to consumers, shall register with the department the***
29 ***name and address of each place of business within the state where it operates a cannabis***
30 ***establishment that is licensed to sell directly to consumers. The operator shall complete a***
31 ***registration, upon receipt of which the department shall issue a cannabis sales license for***
32 ***each place in such form as it determines, attesting that the registration has been made,***
33 ***provided that a license shall not be issued or renewed if the operator owes unpaid taxes,***
34 ***interest, or penalties from any tax administered by the department. A license may be***
35 ***denied if the commissioner has reason to believe that the registration is filed by a person as***
36 ***a subterfuge for the real person in interest whose license has been previously been revoked,***
37 ***suspended, or not renewed for cause. Licenses shall expire on June 30 in each odd-***

1 *numbered year, unless the business ceases operation, a change in ownership occurs, or the*
2 *license is revoked or suspended by the department prior to expiration of the license.*

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

10 II. [Repealed.]

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

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

17 23 Tax on Meals and Rooms. Amend the introductory paragraph in RSA 78-A:6, II to read as
18 follows:

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

21 24 Tax on Meals and Rooms; Exceptions to Tax. Amend the introductory paragraph in RSA 78-
22 A:6-a, I to read as follows:

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

25 25 New Section; Tax on Meals and Rooms; Therapeutic Cannabis Sales. Amend by inserting
26 after section 78-A:6-d the following new section:

27 78-A:6-e Therapeutic Cannabis Sales.

28 I. Sales of cannabis, including sales of concentrated cannabis and cannabis products, from
29 cannabis establishments shall be taxable under this chapter, except as provided in this section.

30 II. Sales of therapeutic cannabis to registered qualifying patients, directly or via their
31 designated caregivers, shall not be taxable cannabis sales provided:

32 (a) The sales were made by alternative treatment centers registered pursuant to RSA
33 126-X:1;

34 (b) Each registered qualifying patient shall not purchase more than a total of the
35 following amounts of untaxed cannabis in a 10-day period:

36 (1) Two ounces of usable cannabis; or

1 (2) The equivalent amount of cannabis products or concentrates, as determined by
2 the department of health and human services.

3 26 Tax on Meals and Rooms; Collection of Tax. Amend RSA 78-A:7, I(a)-(b) to read as follows:

4 I.(a) The operator shall either state the amount of the tax to each occupant, purchaser of a
5 meal, **or cannabis**, or renter, or state that the tax is included in the price of the occupancy, meal, or
6 gross rental receipts received. If the amount of the tax is not separately stated, the purchaser's or
7 occupant's contract or receipt shall include the following language **for meals or rooms**:

8 "The tax on meals and rooms is included for the costs of meals and lodging only." ***If the amount of***
9 ***the tax is not separately stated on the purchaser's receipt for cannabis, the following***
10 ***language shall be included, "The tax on cannabis is included for the costs of cannabis***
11 ***only."***

12 (b) The operator shall demand and collect the tax from the occupant, purchaser, or
13 renter. The occupant, purchaser, or renter shall pay the tax to the operator. If the tax is included in
14 the price of the meal, occupancy, **cannabis**, or gross rental receipts received, upon request the
15 operator shall state to the purchaser, occupant, or renter the amount of the tax.

16 27 Tax on Meals and Rooms; Disposition of Revenue. Amend the introductory paragraph in
17 RSA 78-A:26, I to read as follows:

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

25 28 New Paragraph; Tax on Meals and Rooms; Disposition of Revenue; Sales of Taxable
26 Cannabis. Amend RSA 78-A:26 by inserting after paragraph IV the following new paragraph:

27 V. All revenue collected from the sales of taxable cannabis shall be deposited in the cannabis
28 fund and distributed pursuant to RSA 318-F:24.

29 29 Assessment; Education Tax. Amend RSA 76:3 to read as follows:

30 76:3 Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the commissioner
31 of the department of revenue administration shall set the education tax rate at a level sufficient to
32 generate revenue of \$363,000,000, ***less any amount credited to the education trust fund***
33 ***pursuant to RSA 318-F:25***, when imposed on all persons and property taxable pursuant to RSA
34 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate
35 shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary
36 to generate the revenue required in this section.

1 30 Use of Cannabis for Therapeutic Purposes; Definition of Alternative Treatment Center.
2 Amend RSA 126-X:1, I to read as follows:

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

9 31 Use of Cannabis for Therapeutic Purposes; Departmental Administration. Amend RSA 126-
10 X:7, IV(a)(4) to read as follows:

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

19 32 Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center Requirements.
20 Amend RSA 126-X:8, I to read as follows:

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

24 33 New Paragraphs; Use of Cannabis for Therapeutic Purposes; Alternative Treatment Center
25 Requirements. Amend RSA 126-X:8 by inserting after paragraph XVIII the following new
26 paragraphs:

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

30 XX. An alternative treatment center organized as a voluntary corporation under RSA 292
31 may, on or before December 31, 2024, convert from a voluntary corporation under RSA 292 to either
32 a domestic business corporation organized under RSA 293-A or a limited liability company organized
33 under RSA 304-C in any of the following ways:

34 (a) By adopting a plan of entity conversion in accordance with RSA 293-A or RSA 304-C,
35 as applicable, that includes a provision prohibiting the sale of memberships or shares to a foreign
36 corporation for a period of 3 years, provided that each such conversion shall be authorized by a vote

1 of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by
2 unanimous written consent.

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

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

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

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

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

25 XXIV.(a) Any alternative treatment center choosing to convert or merge pursuant to this
26 section shall obtain an independent fair market valuation of its total assets as of June 30, 2024. The
27 valuation of the total assets of such alternative treatment center, if positive, shall be distributed to
28 one or more charitable organizations solely for charitable purposes. The director of charitable trusts
29 shall receive a copy of the valuation and may file any objection relating thereto with the court within
30 60 days. Except as set forth in this section and notwithstanding any other law to the contrary, no
31 portion of the assets of such alternative treatment center after the conversion or merger, as
32 applicable, shall be deemed to be charitable assets.

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

1 (c) Any alternative treatment center that has converted or merged pursuant to this
2 section shall, on December 31, 2024 and thereafter for 2 years, annually file a letter with the director
3 of charitable trusts certifying compliance with the requirements of RSA 126-X:8, XX.

4 34 Voluntary Corporations; Change of Name. Amend RSA 292:7 to read as follows:

5 292:7 Change of Name; Amending Articles.

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

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

23 35 New Subparagraph; New Hampshire Business Corporations Act; Entity Conversion
24 Authorized. Amend RSA 293-A:9.50 by inserting after subparagraph (f) the following new
25 subparagraph:

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

31 36 Limited Liability Companies; Statutory Conversions. Amend RSA 304-C:149, I to read as
32 follows:

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

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

3 37 New Paragraph; Limited Liability Companies; Statutory Conversions. Amend RSA 304-
4 C:149 by inserting after paragraph VIII the following new paragraph:

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

8 38 Appropriations.

9 I. The sum of \$100,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the
10 department of safety, information and analysis center, drug monitoring initiative, for the purpose of
11 collecting baseline data to be used in the reports required pursuant to RSA 318-F:24. The governor
12 is authorized to draw a warrant for said sum out of any money in the treasury not otherwise
13 appropriated.

14 II. The sum of \$2,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to
15 the cannabis commission established in RSA 318-F:8 for deposit into the cannabis fund established
16 in RSA 318-F:24 for the administration of RSA 318-F. The governor is authorized to draw a warrant
17 for said sum out of any money in the treasury not otherwise appropriated.

18 39 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use
19 with cannabis, is repealed.

20 40 Effective Date.

21 I. RSA 318-F:18, XI, as inserted by section 7 of this act, shall take effect upon certification
22 by the attorney general of New Hampshire to the director of the office of legislative services and the
23 secretary of state that the conduct allowed by that paragraph has become legal under the United
24 States Code.

25 II. Section 38 of this act shall take effect June 30, 2025.

26 III. The remainder of this act shall take effect upon its passage.

HB 639-FN-A- FISCAL NOTE
AS INTRODUCED

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

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Drug Forfeiture Fund, Cannabis Fund, Substance Abuse Prevention and Recovery Fund and Education Trust Fund			

COUNTY:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

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

The Department of Administrative Services (DAS) states the bill appears to assign administrative responsibility of the regulation of cannabis to the Department of Health and Human services (Ch. 318-F:1,Definitions: XII. Department). However, it is unclear to DAS if the legislation, as written, intends for the "Cannabis Commission" to be a stand-alone state agency, or to be administratively attached to the Department of Health and Human Services. Section 318-F:8, III, (d) indicates "the commission may hire and terminate staff necessary to carry out the purpose of the commission and to fix their compensation, subject to the rules of the director of personnel". DAS suggests the proposed legislation explicitly define the state agency that will

be assigned administrative responsibility for human resource and financial functions of the commission.

The Department of Corrections states the bill would have some indeterminable impact on the number of parole violations associated with the use of cannabis that may cause a decrease in violation rates. This bill would also have an indeterminable impact on the number of individuals that would have their sentences annulled for prior convictions under RSA 318-B.

The Department of Health and Human Services indicates this bill would have an indeterminable impact on state revenues and expenditures due to the potential variability of sales revenue and unknowns around potential increase in consumption, treatment utilization, prevention needs, and associated costs. The Department's 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. The uncertainty is due to unknowns around potential increases in consumption, treatment utilization, prevention needs, and all associated costs. The Department reports the science is currently unsettled on the causal effects of cannabis on psychoses, schizophrenia, and drugged driving. The Department is unable to determine if these areas would be impacted and create additional costs. Evidence supporting the treatment needs for cannabis use disorder, however, is documented, and it is assumed that treatment costs would increase with cannabis legalization, although such costs are also indeterminable. The Department indicates the Cannabis Commission could receive revenue of up to \$700,000 in FY 2025 from the issuance of dual-use certificates to the seven currently registered alternative treatment center dispensary locations (\$10,000 application fee and \$90,000 certificate fee). Issuance of a dual-use certificate would allow taxable sales of cannabis to adult consumers by alternative treatment centers. The Department assumes it would need an additional Program Specialist IV position starting in FY 2026 at cost of approximately \$93,000 for salary and benefits. The position would be responsible for:

- Coordination and management of the new Substance Abuse Prevention and Recovery Fund.
- Planning the development and modification of programs, policies and procedures.
- Managing and evaluating the work product of state and local programs providing services.

The Department of Justice indicates section 15 of the bill provides for the annulment of arrests /convictions for marijuana possession and other cannabis-related offenses; however, it creates a process similar to the current annulment statute where the convicted person has to file a petition which the prosecutor may object to. If the prosecutor objects, then the court will hold a hearing. Because this section creates a new basis for annulment, it would impact the Department to the

extent defendants on prior cannabis-related cases prosecuted by the Department choose to file for annulment. This would require the Department to review the case and potentially object and participate in a hearing. Section 16 of the bill provides for resentencing of offenders who are currently incarcerated or supervised for cannabis-related offenses. Any person who was convicted of a cannabis-related offense and who has not completed the sentence can petition for resentencing; the prosecutor then has an opportunity to object, and if the prosecutor objects the court will hold a hearing. It is unclear how many individuals prosecuted by the Department for cannabis-related offenses have not completed their sentence. To the extent any person files a petition for resentencing, the fiscal impact on the Department would be the resources needed to review the case and potentially object and participate in a hearing. The Department states it is not possible to estimate the additional resources needed to respond to the new requirements of this bill.

The Department of Revenue Administration indicates the fiscal impact of this bill is indeterminable. The Department does not have information on the amount of cannabis products that would be sold or the selling price. The Department has calculated an estimate of the potential tax that may be collected from the taxable sale of cannabis, using the data available from Massachusetts and Maine. The calculated estimate is based on 2020 US Census population demographics data, the adult-use marijuana sales reported by Massachusetts and Maine for calendar year 2022, and other demographic data collected through the Internet. The Department estimated the possible New Hampshire tax revenue should the taxable sale cannabis trend for New Hampshire mirror either Massachusetts or Maine. Due to the limitation in available demographic data, the estimates had to assume that Massachusetts' and Maine's population make-up did not change since the US Census of April 1, 2020. The Department also assumed the price of the cannabis to be sold in New Hampshire would mirror the price of the products sold in Massachusetts and Maine in each respective scenario. Based on the analysis, if New Hampshire's sales were to mirror Massachusetts sales, the calculated tax revenue at 8.5% would be \$24 million, if New Hampshire's sales matched Maine's sales, the calculated tax revenue at 8.5% would be \$12.2 million.

In addition, under this bill cannabis establishments and alternative treatment centers conducting business activity in the state would be subject to the Business Profits Tax (BPT) and Business Enterprise Tax (BET). These businesses will increase the state revenue for business taxes. At the same time, section 17 of the bill allows the business organization to deduct all ordinary and necessary expenses in the carrying on a trade or business as a cannabis establishment or an alternative treatment center. A deduction is also allowed for a reasonable allowance for salaries or other compensation for personal services rendered. The Department cannot predict the amount or effect of the deduction of ordinary and necessary business expenses

paid or incurred by a cannabis establishment or an alternative treatment center on BPT revenues. However, as a deduction, it would likely decrease revenues.

Regarding impact on the education tax, the Department is unable to know the available funds that will remain in the cannabis fund after deducting the amounts outlined in the bill. However, any amount remaining that is deposited into the Education Trust Fund that would go towards the collection of the SWEPT of \$363 million would likely decrease revenues, relative to the tax to be collected by the municipalities to fund the SWEPT.

The Department indicates in order to administer the provisions of this bill it would need to add five additional positions listed below with the associated total costs for salary, benefits, equipment and operating expenses.

Position	FY2023	FY2024	FY2025	FY2026
Administrative Secretary (LG14)	\$0	\$68,000	\$66,000	\$67,000
Administrator III (LG31)	\$0	\$109,000	\$110,000	\$114,000
Tax Auditor IV (LG 29)	\$0	\$103,000	\$102,000	\$106,000
Tax Auditor IV (LG 29)	\$0	\$103,000	\$102,000	\$106,000
Attorney I (LG 30)	\$0	\$106,000	\$106,000	\$110,000
Total	\$0	\$489,000	\$486,000	\$503,000

The Department of Safety indicates the fiscal impact of this bill is indeterminable as it is impossible to predict criminal activities related to cannabis legalization. Based on information from impact reports provided by High Intensity Drug Trafficking Areas (HIDTA) program in the states of Illinois and Colorado where marijuana is legal, the Department has provided the following information and assumptions:

- Due to the nature of THC metabolization, especially for chronic users, there is no national standard for determining impairment by drivers using marijuana.
- Marijuana use in both states has increased significantly since its legalization including among minors.
- The average THC level in marijuana products has risen from 3 percent to 23 percent in smokable marijuana and from 56 percent to 99 percent for other forms (waxes, oils, and edibles)
- Despite legalization, marijuana trafficking and black market marijuana continue to be enforcement challenges in both states.
- Traffic deaths involving drivers who tested positive for marijuana and incidents of driving under the influence have increased.
- Treatment for marijuana use in Colorado has decreased and suicide incidents in which toxicology results were positive for marijuana have increased.

The Department states while they cannot predict the financial impact to New Hampshire, the Department assumes, based on the experiences from Illinois and Colorado, the financial impact due to the increased enforcement issues could be significant. In addition, the Department assumes, the enforcement issues may increase in crimes such as robbery, burglary, and theft. These enforcement issues will impact local and state law enforcement and lead to a need for increases in manpower and training.

The New Hampshire Municipal Association indicates this bill would increase local expenditures and local revenue by indeterminable amounts. Based on review of limited research available relative to changes in policing related to cannabis legalization in any forms by other states, the Association identified the potential fiscal impacts listed below.

- Greater access to cannabis may increase youth access and driving while under the influence incidents, leading to a shift in law enforcement focus and a need for additional training in detection, such as Drug Recognition Expert (DRE) training. These shifts may increase law enforcement costs, particularly in the field of specialized training for detection of impairment by cannabis.
- There may be reduced law enforcement costs associated with drug detection and prosecution for simple possession cases, freeing up funds for other uses.
- Border states where cannabis is illegal, and which border states where some amount of cannabis is legal, have experienced additional incidents related to driving while under the influence, particularly in counties near the border. As New Hampshire is bordered on all sides by legalized states it is likely that some additional enforcement costs are already being borne by municipal police departments.
- Most research funded by National Institute of Justice grants shows that legalization has minimal, if any, effects on violent crime.
- Generally, research in states that have legalized cannabis has shown more patients presenting in the emergency department with physical or psychological symptoms resultant from using marijuana or commercial cannabis products. While no research appears to exist relative to the number of patients arriving via ambulance, it stands to reason that some portion of patients do utilize ambulance services to arrive at emergency departments. Additionally, there may be some number of users who call for emergency medical assistance that are not transported for treatment to the emergency department. Based on the information available, municipalities should expect some increase in costs associated with EMS, if limited legalization increases the incidence of individuals utilizing cannabis.

Regarding revenue, the Municipal Association is not able to provide an estimate of the revenue generated by the bill, but reports Vermont, which recently legalized both cannabis and cannabis

products (i.e. edibles) estimated between \$40-\$65 million in business profits, whereas Maine saw approximately \$58 million in profit on \$266 million in sales in 2020. It is possible that different approaches to marketing and businesses decisions relative to profit margins may result in state revenues that are significantly higher or lower than those provided above. Currently, 100% of the New Hampshire Retirement System's unfunded accrued liability sits on public employers, with municipalities seeing approximately 70% of their yearly employer contributions going toward the unfunded accrued liability. This bill contains language that provides funds from the cannabis fund to offset the Retirement System's unfunded accrued liability.

This bill contains penalties that may have an impact on the New Hampshire judicial and correctional systems. There is no method to determine how many fewer charges would be brought as a result of the changes contained in this bill to determine the fiscal impact on expenditures. However, the entities impacted have provided the potential costs associated with these penalties below.

Judicial Branch	FY 2023	FY 2024 through 12/31/23	FY 2024 (Starting 1/1/24 with repeal of Felonies First)
Violation and Misdemeanor Level Offense	\$119	\$122	\$122
Routine Criminal Case	\$644	\$657	\$779
Appeals	Varies	Varies	Varies
Judicial Council	FY 2023		FY 2024
Public Defender Program	Has contract with State to provide services.		Has contract with State to provide services.
Contract Attorney - Felony	\$825/Case \$105 administrative fee \$200 incarceration fee (If applicable)		\$825/Case \$105 administrative fee \$200 incarceration fee (If applicable)
Contract Attorney – Misdemeanor	\$300/Case \$70 administrative fee \$100 incarceration fee (If applicable)		\$300/Case \$70 administrative fee \$100 incarceration fee (If applicable)
Assigned Counsel - Felony. Travel time to court does not count toward the cap.	\$90/Hour up to \$5,500		\$90/Hour up to \$5,500
Assigned Counsel- Misdemeanor. Travel time to court does not count toward the cap.	\$90/Hour up to \$2,000		\$90/Hour up to \$2,000
Assigned Counsel - Supreme Court Appeal	\$125/Hour up to \$10,000		\$125/Hour up to \$10,000
It should be noted that a person needs to be found indigent and have the potential of being incarcerated to be eligible for indigent defense services. Historically, approximately 85% of the indigent defense caseload has been handled by the public defender program, with the remaining cases going to contract attorneys (14%) or assigned			

counsel (1%). Beginning in March of 2021, the public defender program has had to close intake of new cases due to excessive caseloads. Due to these closures, the contract and assigned counsel program have had to absorb significantly more cases. The system is experiencing significant delays in appointing counsel and the costs of representation have increased due to travel time and multiple appointments.

Department of Corrections	FY 2023	FY 2024
FY 2022 Average Cost of Incarcerating an Individual	\$64,223	\$64,223
FY 2022 Annual Marginal Cost of a General Population Inmate	\$6,123	\$6,123
FY 2022 Average Cost of Supervising an Individual on Parole/Probation	\$688	\$688
The Department notes any increase in the incarcerated population will have a direct impact on overtime costs given the Department's history of challenges associated with recruitment. In addition, the NH State Prison for Men has a degrading infrastructure which will only be exacerbated if an increase in the incarcerated population were to occur.		
NH Association of Counties	FY 2023	FY 2024
County Prosecution Costs	Indeterminable	Indeterminable
Estimated Average Daily Cost of Incarcerating an Individual	\$105 to \$125	\$105 to \$125

It is assumed that any fiscal impact would occur after FY 2023. This bill does not establish or authorize new positions.

AGENCIES CONTACTED:

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