

Amendment to HB 639-FN-A

1 Amend RSA 126-A:98, I-III as inserted by section 3 of the bill by replacing it with the following:

2
3 I. The commissioner of the department of health and human services, in coordination with
4 the governor's commission on alcohol and other drugs under RSA 12-J shall administer the
5 substance abuse prevention and recovery fund established in RSA 318-F:25.

6 II. Funds shall be deposited into the substance abuse prevention and recovery fund as
7 established by 318-F:25 to be distributed by the commissioner of the department of health and
8 human services in coordination with the governor's commission on alcohol and other drugs under
9 RSA 12-J. Funds may be awarded to a qualifying governmental entity or program for an approved
10 use. All funds shall be nonlapsing and continually appropriated for the purposes of this section.

11 III. The commissioner of the department of health and human services, in coordination with
12 the governor's commission on alcohol and other drugs per RSA 12-J, shall continue to make
13 distributions from the trust fund.
14

15 Amend RSA 318-F as inserted by section 7 of the bill by replacing it with the following:

16 CHAPTER 318-F

17 REGULATION OF CANNABIS

18 318-F:1 Definitions. In this chapter:

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

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

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

1 IV. "Cannabis accessory retailer" means an entity licensed to sell cannabis accessories and
2 paraphernalia

3 V. "Cannabis cultivation facility" or "cultivation facility" means an entity registered to
4 cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis
5 product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation
6 facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis
7 concentrates, tinctures, extracts, or other cannabis products.

8 VI. "Cannabis establishment" means a cannabis cultivation facility, a cannabis testing
9 facility, a cannabis product manufacturing facility, a retail cannabis store, a cannabis transporter, or
10 any other type of cannabis business authorized and licensed by the commission.

11 VII. "Cannabis product manufacturing facility" or "product manufacturing facility" means
12 an entity licensed to purchase cannabis, to manufacture, prepare, and package cannabis products,
13 and sell cannabis and cannabis products to other cannabis product manufacturing facilities, to
14 alternative treatment centers, and to retail cannabis stores, but not to consumers.

15 VIII. "Cannabis products" means any product that contains cannabis, including cannabis
16 extracts, concentrated cannabis products, and products that contain cannabis and other ingredients
17 and are intended for use or consumption, such as, but not limited to, edible products, ointments, and
18 tinctures. This term shall not include cannabis in its plant or flower form.

19 VII. "Cannabis testing facility" or "testing facility" means an entity licensed to test cannabis
20 for potency and contaminants.

21 VIII. "Cannabis transporter" means an entity licensed to transport cannabis between
22 cannabis establishments.

23 IX. "Commission" means the liquor and cannabis commission.

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

28 XI. "Department" means the department of health and human services.

29 XII. "Documentation" means all records, in any form, including electronic records.

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

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

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

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

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

7 XVIII. "Possession limit" means:

- 8 (a) Four ounces of cannabis in plant form; and
9 (b) Twenty grams of concentrated cannabis products, which includes hashish and pre-
10 filled cartridges of cannabis extracts intended for vaporization;
11 (c) Cannabis products other than concentrated cannabis products containing no more
12 than 2,000 milligrams of THC;

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

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

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

19 XXI. "Retail cannabis store" or "retail store" means an entity licensed to purchase cannabis
20 from cannabis cultivation facilities, to purchase cannabis and cannabis products from cannabis
21 product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis products or
22 cannabis accessories or cannabis paraphernalia to consumers.

23 XXII. "Resident" means a natural person who:

- 24 (a) Is domiciled in New Hampshire; and
25 (b) Maintains a place of abode in New Hampshire, unless the individual was homeless
26 and residing in New Hampshire for at least 51 percent of the time.

27 318-F:2 Personal Use of Cannabis.

28 I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person
29 21 years of age or older, shall not be illegal under New Hampshire law or the law of any political
30 subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:

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

36 (b) Transferring an amount of cannabis that does not exceed the possession limit to a
37 person who is 21 years of age or older without remuneration. For purposes of this paragraph, a

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1 transfer is for remuneration if cannabis is given away contemporaneously with another transaction
2 between the same parties, if a gift of cannabis is offered or advertised in conjunction with an offer for
3 sale of goods, services, or admission to an event, or if the gift of cannabis is contingent upon a
4 separate transaction for goods, services, or the price of admission to an event.

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

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

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

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

16 318-F:3 Smoking or Vaping Cannabis in Public Prohibited; Penalty. No person shall smoke or
17 vape cannabis in a public place where the smoking or vaporizing of tobacco products is prohibited.
18 Any person who violates this section shall be guilty of a violation and may be fined not more than
19 \$50.

20 318-F:4 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty.

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

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

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

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

32 V. A person may not be convicted of both a violation of this section and a violation of RSA
33 265-A:1 based on the same incident.

34 318-F:5 Odor and Personal Possession of Cannabis Not Grounds for a Search.

35 I. Except as provided in paragraph II of this section, the odor of cannabis or burnt cannabis,
36 or the possession of a quantity of cannabis that the officer does not have probable cause to believe
37 exceeds the possession limit of cannabis, shall not constitute in part or in whole probable cause or

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1 reasonable suspicion and shall not be used as a basis to support any stop or search of a person or
2 motor vehicle.

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

6 318-F:6 Enforcement Authority.

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

10 II. The commission shall have the authority to interpret statutes and administrative rules
11 as they relate to this chapter.

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

18 IV. The commission may pay staff members working on both liquor and cannabis matters
19 increased wages until 18 months after the first retail cannabis establishment license is issued. A 10
20 percent stipend shall be established for commission staff based on their salary, when engaged in the
21 development and all administrative aspects of the program.

22 318-F:7 Regulation of Cannabis.

23 I. Not later than one year after the effective date of this section, the commission shall
24 initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of cannabis
25 cultivation facilities and for the issuance of dual use certificates. Not later than 15 months after the
26 effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA
27 541-A for the licensing and regulation of all other cannabis establishments and on the manufacture
28 and sale of cannabis accessories. The rules shall include the following:

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

34 (b) A fee schedule of reasonable application, registration, and annual renewal fees,
35 provided:

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

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- 1 (2) That cultivation facility licensing fees be tiered based on the size of the facilities.
- 2 (c) Qualifications for licensure that are directly and demonstrably related to the
3 operation of a cannabis establishment and which may not disqualify applicants solely for cannabis
4 offenses prior to the effective date of this chapter.
- 5 (d) Criteria for selection among applicants when there are more qualified applicants
6 than there are number of registrations available in a particular municipality.
- 7 (e) Regulations to create at least 2-4 tiers of cultivation facilities, based on the size of the
8 facility or the number of plants cultivated and providing:
- 9 (1) That outdoor cultivation facilities shall be allowed to cultivate 3 times the square
10 footage of canopy as indoor cultivation facilities of the same tier;
- 11 (2) That security regulations and licensing fees shall vary based on the size of the
12 cultivation facility and that regulatory burdens shall be no more onerous than is reasonably
13 necessary; and
- 14 (3) That cultivation facilities may move up to a higher tier at least once per year if
15 they meet the security requirements and pay the associated fee, except that the commission may
16 suspend this provision in the event of an oversupply.
- 17 (f) Record keeping requirements for cannabis establishments, including requirements for
18 implementation and compliance with the tracking system.
- 19 (g) Requirements for the transportation of cannabis and cannabis products between
20 cannabis establishments, including documentation that shall accompany any cannabis being
21 transported.
- 22 (h) A schedule of fines as are authorized in this chapter for violations of statutory
23 requirements, provided that, not later than 18 months after the effective date of this chapter the
24 commission shall report to the chairpersons of the house and senate ways and means committees its
25 proposal for a fine schedule and for legislation needed to implement the schedule.
- 26 (i) Procedures for hearings on penalties to include but not limited to administrative
27 fines, suspensions, and revocations of licenses.
- 28 (j) Reasonable security requirements for each type of cannabis establishment, which
29 may be varied based on the size of the cannabis establishment.
- 30 (k) Health and safety rules, including but not limited to the packaging and preparing of
31 cannabis products, restricting the use of pesticides and other chemicals during cultivation and
32 processing that may be dangerous to cannabis consumers, and sanitation requirements;
- 33 (l) Restrictions on the advertising, signage, marketing, and display of cannabis and
34 cannabis products, including but not limited to:
- 35 (1) A prohibition on mass-market campaigns that have a likelihood of reaching
36 minors;

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

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

7 (4) A prohibition on giveaways of cannabis, cannabis products, or cannabis
8 accessories, including samples;

9 (5) A prohibition on billboard advertising, sound trucks, or outdoor internally
10 illuminated screen displays consistent with alcohol advertising prohibitions in RSA 179:31; and

11 (6) A requirement for any advertising to include a standard, recognizable symbol
12 that a product contains cannabis or THC.

13 (m) Restrictions on where a cannabis establishment may be located, consistent with the
14 provisions of this chapter.

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

18 (o) Packaging, product manufacturing, and labeling requirements for cannabis and
19 cannabis products, including:

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

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

24 (3) Establishing the maximum amount of THC that may be included in each
25 cannabis product serving as 20 milligrams, except that the commission may change this amount
26 through rulemaking;

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

29 (5) Warnings, including but not limited to, those described in RSA 318F:16;

30 (6) A requirement for any label, an for certain products where appropriate, to
31 include a standard, recognizable symbol that a product contains cannabis or THC; and

32 (7) Potency limits for cannabis products.

33 (p) Health and safety rules and standards for the cultivation of cannabis and
34 manufacture of cannabis products, including:

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

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

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

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

(r) Requirements for the testing of cannabis and cannabis products, including:

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

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

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

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

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

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

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

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

(9) Minimum testing requirements for an effective cannabis and cannabis product quality assurance program for cannabis cultivation facilities and cannabis product manufacturing facilities.

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

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

1 (u) Requirements that cannabis retail stores stock cannabis products, including flower,
2 with low and moderate amounts of THC and that they be at least as prominently displayed as high
3 potency products.

4 II.(a) In order to ensure that individual privacy is protected, the commission shall not
5 require a consumer to provide a retail cannabis store with personal information other than
6 government-issued identification to determine the consumer's age, and a retail cannabis store shall
7 not be required to acquire and record personal information about consumers.

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

13 III. Not later than 18 months after the effective date of this chapter, the commission, in
14 consultation with the department, shall develop an informational handout, which retail stores shall
15 make available to all consumers, and which shall include information detailed in RSA 318-F:14.

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

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

30 VI. The commission may regulate synthetic cannabinoids and intoxicating products derived
31 from hemp.

32 VII. No later than 36 months after the effective date of this section, the commission shall
33 make written recommendations to the general court regarding the regulation of hemp including:

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

35 (b) How the products would be regulated, including whether registration would be
36 required and whether hemp processors and manufacturers should be licensed and regulated by the
37 commission;

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

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

5 VIII. A prohibition on the manufacturing and sale of cannabis alcoholic beverages.
6 318-F:8 Dual Use Certificates.

7 I. No later than 18 months after the effective date of this chapter, the commission, after
8 consulting with the department of health and human services and the therapeutic cannabis medical
9 oversight board and holding at least one public hearing, shall develop regulations allowing
10 alternative treatment centers registered to operate pursuant to RSA 126-X to apply for a dual use
11 certificate.

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

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

15 IV.(a) The commission shall grant or deny any application for a dual use certificate within
16 90 days.

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

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

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

22 (b) Requiring dual-use cannabis establishments to prioritize therapeutic cannabis
23 access;

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

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

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

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

34 VI.(a) Cannabis sold by alternative treatment centers holding dual use certificates to
35 qualifying patients directly or via their designated caregivers shall meet the requirements of RSA
36 126-X:8 and rules issued pursuant to chapter RSA 126-X.

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

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

7 318-F:9 Transition of Therapeutic Cannabis Program.

8 I. No later than 20 months after the effective date of this chapter, the commission, jointly
9 with the department of health and human services, shall make a recommendation to the health and
10 human services oversight committee whether to transfer the department's therapeutic cannabis
11 program to the commission.

12 II. The proposal shall include a plan to allow cannabis retail stores to obtain a therapeutic
13 cannabis endorsement that would allow them to serve qualifying patients without imposing the
14 excise tax in RSA 318-F:23.

15 318-F:10 Licensure Procedures for Cannabis Establishments.

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

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

21 III. The commission shall:

22 (a) 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 (b) 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

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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 chapter, the
3 rules 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 licenses and from co-locating the businesses. However, no cannabis cultivation facility,
16 cannabis product manufacturing facility, retail cannabis store, or cannabis accessory retailer, shall
17 have a direct or indirect interest in any cannabis testing facility.

18 318-F:11 Enactment of Municipal Ordinances.

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

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

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

33 318-F:12 Residency Required.

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

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

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1 318-F:13 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor
2 shall a prospective cannabis establishment apply for a registration, if the establishment would be
3 located within 1,000 feet of the property line of a pre-existing public or private pre-school,
4 elementary, or secondary school.

5 318-F:14 Informational Materials and Warning Labels.

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

8 II. A retail cannabis store shall include an informational handout designed by the
9 commission in consultation with the department with all cannabis and cannabis products sold to
10 consumers, and shall include the high potency version in all cannabis concentrates and other high
11 potency sales. The informational handouts shall include scientifically accurate information,
12 including:

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

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

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

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

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

22 (b) Information about methods for administering cannabis;

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

24 (d) How to recognize problematic usage of cannabis and how to obtain appropriate
25 services or treatment;

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

29 (f) Unless federal statutory law or case law has changed and such a warning is no longer
30 accurate, a disclosure that:

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

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

34 III. The commission may require retail stores to display informational posters in
35 conspicuous locations about the risks of cannabis use, including regarding risks during pregnancy
36 and breastfeeding and risks of cannabis use in adolescents or by younger adults. The posters shall
37 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 commission 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:15 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 licensed 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 licensed 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 licensed 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 licensed 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 license to operate a cannabis
14 establishment or is acting in his or her capacity as an owner, employee, or agent of a licensed
15 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 license to operate a cannabis transporter or is acting in his or her capacity as an owner, employee, or
21 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 license to operate an alternative
26 treatment center or is acting in his or her capacity as an owner, employee, or agent of a licensed
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 license 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:17 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

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

14 318-F:19 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:20 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,

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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:21.

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, the Judicial Branch shall produce and publish a report that
11 includes the number of cases dismissed pursuant to RSA 651:5-e.

12 318-F:21 Cannabis Fund Established.

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

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

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

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

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

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

34 (b) Of the remaining funds:

35 (1)(A) Eighty percent shall be disbursed to the department of administrative services
36 to be credited to the New Hampshire retirement system to offset the retirement system's unfunded
37 accrued liability. Upon certification by the commissioner of the department of administrative

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1 services that the retirement system has no remaining unfunded accrued liability, this disbursement
2 of funds shall cease.

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

11 (2) Ten percent shall be allocated to the substance abuse prevention and recovery
12 fund established by RSA 318-F:22.

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

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

21 318-F:22 Substance Abuse Prevention and Recovery Fund Established. There is hereby
22 established in the state treasury the substance abuse prevention and recovery fund that shall be
23 kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA
24 318-F:21 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with
25 RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be
26 nonlapsing and shall be continually appropriated to the commissioner of the department of health
27 and human services for the purposes and in the manner set forth in RSA 126-A:98.

28 318-F:23 Tax Imposed.

29 I. A tax on the monthly total gross revenue of licensed cannabis cultivation facilities is
30 imposed at the rate of 15 percent.

31 II. Each licensed cannabis cultivation facility shall pay 100 percent of the assessment in
32 paragraph I for the assessment period no later than the fifteenth day of the month following the
33 assessment period.

34 III. If a licensed cannabis cultivation facility does not pay the monthly tax as required under
35 this section, a fine of 10 percent of the tax owed shall be applied to the payment and collected by the
36 commission from the licensee.

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IV. The commission shall adopt rules under RSA 541-A relative to tax rates and procedures for licensed cannabis cultivation facilities that also hold a cannabis product manufacturing facility license or retail cannabis store license.

Amend the bill by replacing all after section 14 with the following:

15 New Section; Sentences; Annulment of Certain Arrests and Convictions for Cannabis.
Amend RSA 651 by inserting after section 5-b the following new section:

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

I. As used in this section:

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

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

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

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

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

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

76:3 Education Tax. Beginning July 1, 2005, and every fiscal year thereafter, the commissioner of the department of revenue administration shall set the education tax rate at a level sufficient to generate revenue of \$363,000,000, ***less any amount credited to the education trust fund pursuant to RSA 318-F:25***, when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate

shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section.

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

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

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

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

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

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

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

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

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

(a) By adopting a plan of entity conversion in accordance with RSA 293-A or RSA 304-C, as applicable, that includes a provision prohibiting the sale of memberships or shares to a foreign

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1 corporation for a period of 3 years, provided that each such conversion shall be authorized by a vote
2 of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by
3 unanimous written consent.

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

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

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

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

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

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

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

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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 21 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 22 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 23 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***

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

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

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

25 Liquor Investigation; Training. Amend RSA 176:9 to read as follows:

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

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

III. The commissioner, deputy commissioner, assistant, or liquor investigator may enter any place where liquor, beverages, tobacco products, e-cigarettes, *or cannabis* are sold, ~~or~~ manufactured, *or cultivated* at any time, and may examine any license or permit issued or purported to have been issued under the terms of this title. They shall make complaints for violations of this title.

26 Liquor Commission; Assistants and Employees. Amend RSA 176:7 to read as follows:

176:7 Assistants and Employees.

I. The state liquor commission may employ such assistants as are, in its opinion, necessary for the proper transaction of its business, and fix their compensation, subject to the rules of the director of personnel. It may secure any necessary technical or professional assistance.

II. The commission may select and retain market consultants through a competitive bidding process approved by the governor and the executive council. Any such contract with a third-party agent shall be for consulting services relating to marketing and regulation of cannabis for purposes of cultivation, manufacturing, testing, and retail sale.

27 Prosecutions. Amend RSA 179:59 to read as follows:

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

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the commission or any of its investigators as provided in this section, or by county or city attorneys, or by sheriffs or their deputies, or by police officials of towns.

28 New Paragraph; Commission to Sell. Amend RSA 176:11 by inserting after paragraph II the following new paragraph:

III. In the event that the commission determines New Hampshire cannabis revenues are being diverted by actions taken by persons holding any type of cannabis license, the commission may take such marketing or merchandising action, or both, as it deems necessary, including sanctions against the competing entities.

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

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

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

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

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

IX-a. Cannabis licenses, including:

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

(b) License operations for each cannabis license type.

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

32 Name Change; Liquor and Cannabis Commission. Amend the following RSAs by replacing "liquor commission" with "liquor and cannabis commission": 6:12, I(b)(285); 6:12-j, V(b)(2); 9:11, II(b)(5); 9-C:7, II; 12-J:1, III(a)(4); 12-O:18, II; 21:33-a, III(a); 21-G:6-b, IV(c); 21-I:18, I(b); 21-J:14, 5(d)(9); 21-P:64, I(a)(6); 78:7; 78:16, II; 78:23, 94:1-a; the introductory paragraph of 100-A:1, VII(a); 106-L:6, XVII; 110-B:28, VI; the introductory paragraph of 126-AA:3, VI; 126-K:2, II; 167:7-b, II(a); 175:1, XXIV; the chapter heading of RSA Chapter 176; 176:2; 176:2-a; the introductory paragraph of 176:3; 176:7; 176:16; 176:17; 176:18; 176-A:1, III-IV; 177:1; 177:1-a; the introductory paragraph 177:3; 177:13; 178:11, V; 178:12-a, XIV; 178:13, XIII; 178:22, V(h)(12); 178:27; 178:27-a; the introductory paragraph of 178:27-b, V; 179:21; 179:33, IV; 179:38; 179:56, III(b); 180:1, II; 279:1, XVI; 284:21-h, II(a); and 663:5.

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1 33 Appropriations.

2 I. The sum of \$100,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the
3 department of safety, information and analysis center, drug monitoring initiative, for the purpose of
4 collecting baseline data to be used in the reports required pursuant to RSA 318-F:20. The governor
5 is authorized to draw a warrant for said sum out of any money in the treasury not otherwise
6 appropriated.

7 II. The sum of \$2,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to
8 the liquor and cannabis commission established in RSA 318-F:8 for deposit into the cannabis fund
9 established in RSA 318-F:21 for the administration of RSA 318-F. The governor is authorized to
10 draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

11 III. The sum of \$4,600,000 for the fiscal year ending June 30, 2024 is appropriated to the
12 liquor and cannabis commission for the cost of administration of RSA 318-F. The governor is
13 authorized to draw a warrant for said sum from any money in the treasury not otherwise
14 appropriated.

15 34 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use
16 with cannabis, is repealed.

17 35 Effective Date.

18 I. RSA 318-F:15, IX, as inserted by section 7 of this act, shall take effect upon certification
19 by the attorney general of New Hampshire to the director of the office of legislative services and the
20 secretary of state that the conduct allowed by that paragraph has become legal under the United
21 States Code.

22 II. The remainder of this act shall take effect upon its passage.