

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

22Feb2024... 0680h

11Apr2024... 1393h

11Apr2024... 1446h

2024 SESSION

24-2804

09/10

HOUSE BILL

***1633-FN-A***

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

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

COMMITTEE:          Commerce and Consumer Affairs

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ANALYSIS

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

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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Four*

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

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

1                      1 Purpose and Findings.

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

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

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

10                     (c) Selling, distributing, or transferring cannabis to minors and other individuals under  
11 the age of 21 shall remain illegal, except in the case of qualifying patients enrolled in the therapeutic  
12 cannabis program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (g) Undercuts the cartels by:

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

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

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

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

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

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

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

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

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

(3) Directing the secretary of state to promulgate rules restricting lobbying by cannabis retail outlets.

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

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

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

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

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

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

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

#### CHAPTER 318-F

#### REGULATION OF CANNABIS

318-F:1 Definitions. In this chapter:

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

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

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

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

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

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

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

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

25           IX. "Cannabis limited product manufacturing facility," "limited product manufacturing  
26 facility," or "limited manufacturer" means a person licensed to purchase cannabis, to manufacture,  
27 prepare, and package cannabis products, and sell cannabis and cannabis products to other limited  
28 manufacturers, to cannabis product manufacturing facilities, to alternative treatment centers, and  
29 to cannabis retail outlets, but not to consumers. A limited product manufacturing facility may not  
30 perform volatile extractions.

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

36           XI. "Cannabis products" means any product that contains cannabis, including cannabis  
37 concentrate and products that contain cannabis and other ingredients and are intended for use or

1 consumption, such as, but not limited to, edible products, topical products, and tinctures. This term  
2 shall not include cannabis in its plant or flower form.

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

9 XIII. "Cannabis testing facility" or "testing facility" means a person licensed to test cannabis  
10 and cannabis products for potency and contaminants.

11 XIV. "Cannabis transporter" means a person licensed to transport cannabis and cannabis  
12 products between cannabis establishments.

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

21 XVI. "Commission" means the New Hampshire liquor commission.

22 XVII. "Consumer" means a person 21 years of age or older who purchases cannabis or  
23 cannabis products for personal use by a person 21 years of age or older, but not for resale.  
24 "Consumer" does not include:

25 (a) A qualifying patient, designated caregiver, or visiting qualifying patient purchasing  
26 cannabis from an alternative treatment center pursuant to RSA 126-X; or

27 (b) A qualifying patient or designated caregiver purchasing cannabis from a cannabis  
28 retail outlet in his or her capacity as a qualifying patient or designated caregiver, and without  
29 paying the agency fee pursuant to RSA 318-F:25, (I)(a).

30 XVIII. "Controlling interest" means, any of the following:

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

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

35 (c) Managerial control over the applicant, licensee, or cannabis retail outlet.

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

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

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

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

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

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

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

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

19 XXVII. "Mature cannabis plant" or "mature plant" means a cannabis plant that has flowered  
20 and has buds that may be observed by visual examination.

21 XXVIII. "Municipality" means a city, town, or an unincorporated place.

22 XXVIII-a. "Operational control model" means the operational control exercised by the state  
23 as designated in this chapter such as:

24 (a) "State run stores" wherein the state operates retail outlets for direct purchase and  
25 sale of cannabis and cannabis products;

26 (b) "Franchise model" wherein the state adopts a franchisor-franchisee relationship with  
27 private businesses licensed by the liquor commission;

28 (c) "Agency store model" wherein the state requires agreement and compliance from  
29 private businesses granted limited licensed by the liquor commission beyond the traditional health  
30 and safety regulatory role of government; or

31 (d) "Free market operation" wherein the liquor commission exercises traditional health  
32 and safety regulatory role of government with private businesses licensed by the liquor commission.

33 XXIX. "Person" means a natural person or a business entity.

34 XXX. "Possession limit" means:

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

(b) Ten grams of cannabis concentrate, which includes, but is not limited to, pre-filled cartridges of cannabis extracts intended for vaporization, but excludes products, such as edible products, topical products, and tinctures; and

(c) Cannabis products other than cannabis concentrate containing no more than 2,000 milligrams of THC.

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

XXXII. "Public place" means a place to which the general public has access, and does not include private land, including land in current use, where cannabis use is allowed by the property owner or tenant pursuant to 318-F:21, IV(d).

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

XXXIV. "Resident" means a natural person who:

(a) Is domiciled in New Hampshire; and

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

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

XXXVI. "THC" means tetrahydrocannabinol.

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

XXXVIII. "Volatile extraction" means:

(a) Extractions using any solvent identified as volatile or hazardous by the commission; and

(b) Any method of extraction identified as potentially hazardous by the commission.

318-F:2 Personal Use of Cannabis.

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



1 (a) Possessing, consuming, using, displaying, obtaining, purchasing, processing,  
2 producing, or transporting an amount of cannabis that does not exceed the possession limit, except  
3 that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product  
4 manufacturer licensed pursuant to RSA 318-F or an alternative treatment center  
5 licensed pursuant to RSA 126-X may perform volatile extractions.

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

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

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

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

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

21 318-F:3 Smoking Cannabis in Public Prohibited; Penalty.

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

23 I. First offense: Any person who violates this section shall be guilty of a violation for the  
24 first offense and shall be fined not more than \$100, and shall forfeit all cannabis and cannabis  
25 products on their person.

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

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

32 318-F:4 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty.

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

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

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

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

12 V. A person may not be convicted of both a violation of this section and a violation of RSA  
13 265-A based on the same incident.

14 318-F:5 Cannabis Accessories Authorized.

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

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

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

27 318-F:6 Odor and Personal Possession of Cannabis Not Grounds for a Search.

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

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

35 318-F:7 Enforcement Authority.

36 I. The commission shall have the primary responsibility for enforcing this chapter.  
37 Enforcement of chapter 318-B shall not be included in the responsibilities of the commission. Local,

1 county, and state law enforcement officers shall also have jurisdiction to enforce this chapter. Such  
2 authority may be delegated to agents working under their authority.

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

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

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

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

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

36 (b) Authorize cannabis product manufacturing facilities, limited manufacturers,  
37 cannabis testing facilities, and cannabis retail outlets to possess existing cannabis inventory, but not

1 acquire additional cannabis, or dispense, transfer, or sell cannabis during a suspension or a license  
2 revocation until such time as there is a final determination that the license be revoked for which no  
3 appeal is available.

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

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

11 318-F:8 Cannabis Advisory Board.

12 I. There shall be a cannabis advisory board to study and make recommendations to the  
13 liquor commission consistent with the purpose and findings of this chapter on the regulation of  
14 cannabis and cannabis products in New Hampshire. The cannabis advisory board shall also consider  
15 educational and financing opportunities for participants in the New Hampshire cannabis market.

16 II. No later than 90 days after the effective date of this chapter, the advisory board shall be  
17 appointed. The board shall consist of 21 members, and shall consist of: the chair of the commission  
18 or designee; a certified public health official appointed by the chair of the governor's commission on  
19 alcohol and drug abuse prevention, treatment, and recovery in RSA 12-J; a medical provider with  
20 cannabis experience or a medical professional as nominated by the president of the New Hampshire  
21 Medical Society, the New Hampshire Board of Nursing, or the American Nurses Association; the  
22 commissioner of the department of health and human services or designee; a member of the Higher  
23 Education Council who represents an institution of higher learning, appointed by that council; a  
24 mental health professional appointed by the executive director of NAMI (National Alliance on  
25 Mental Illness) New Hampshire; one expert in cannabis cultivation; one expert in cannabis retailing;  
26 one expert in cannabis product manufacturing; one expert in cannabis testing; one board member or  
27 officer of an alternative treatment center; 2 registered therapeutic cannabis patients; one individual  
28 who represents cannabis consumers; the president of the New Hampshire association of chiefs of  
29 police or designee; a prevention specialist who is currently certified by the New Hampshire  
30 prevention certification board; a state senator, appointed by the senate president; 2 state  
31 representatives, appointed by the speaker of the house, one cannabis financial services expert; and  
32 one attorney with primary focus on cannabis industry practice. Except as otherwise specified,  
33 members shall be appointed by the governor.

34 III. Members of the board shall serve terms of 2 years. Members of the board shall serve  
35 without compensation but shall be reimbursed for their expenses actually and necessarily incurred  
36 in the discharge of their official duties, including mileage at the state employee rate for attendance

1 to meetings and other official functions. Members forfeit their position on the cannabis advisory  
2 board and shall be removed if:

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

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

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

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

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

14 VI. The cannabis advisory board shall:

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

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

19 (c) Advise the commission on what additional types of cannabis establishments, if any,  
20 the commission should license along with recommendations on their licensure and regulation.

21 (d) Advise the commission and legislature on issues relating to maintaining and  
22 expanding affordable access to a diversity of cannabis and cannabis products for qualifying patients  
23 registered under RSA 126-X and the integration of the therapeutic cannabis program and the  
24 regulatory system created by this chapter.

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

27 (f) Consider all matters submitted to it by the commission.

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

30 (h) Review any new science-based evidence of public health issues on the use of  
31 cannabis.

32 (i) Advise the commission on spending and recommend any modifications to ensure the  
33 thorough and efficient implementation of this chapter.

34 318-F:9 Regulation of Cannabis.

35 I. Not later than 12 months after the effective date of this section, the commission shall  
36 develop draft legislation and adopt rules subject to the rulemaking process pursuant to RSA 541-A

1 for agency stores which keeps all operational control distinct from regulatory control. The rules  
2 shall include the following:

3 (a) Procedures including:

4 (1) Procedures for issuance, transfer, denial, approval, renewal, suspension, and  
5 revocation of a license for an agency retail cannabis outlet. The rules shall require an approved  
6 agency agreement for a retail cannabis outlet prior to applying for a license.

7 (2) Procedures for the application, issuance, transfer, denial, approval, renewal,  
8 suspension, and revocation of a license for cannabis establishments other than agency retail outlets.

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

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

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

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

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

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

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

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

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

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

33 (2) The delay is due to a lack of sufficient cannabis or cannabis products because of  
34 delays in cultivation facilities becoming operational.

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

36 (1) A cap on the total licensed canopy and a cap on the number of cultivation  
37 facilities based on anticipated demand. The cap must be reassessed at least once every year. It must

1 be high enough to ensure a competitive market, and it must account for some facilities having crop  
2 failures, cannabis that fails testing, and demand from visiting states;

3 (2) Providing that each alternative treatment center will be issued at least one  
4 cultivation facility license, provided it applies and meets all qualifications and requirements of  
5 licensure;

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

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

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

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

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

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

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

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

28 (g) Requirements for the transportation and distribution of cannabis and cannabis  
29 products between cannabis establishments, including approved packaging and documentation that  
30 shall accompany any cannabis and cannabis products being transported, warehoused, or distributed  
31 by cannabis establishments.

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

36 (i) Procedures for hearings on penalties, including civil fines and suspensions and  
37 revocations of a cannabis establishment license.

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

3 (k) Health and safety rules, including but not limited to the packaging and preparing of  
4 cannabis and cannabis products, restricting the use of pesticides and other chemicals used during  
5 cultivation and processing that may be dangerous to cannabis consumers, and sanitation  
6 requirements.

7 (l) Restrictions on the logos, signage, marketing, and display of cannabis and cannabis  
8 products, including but not limited to:

9 (1) A prohibition on mass-market campaigns that have a high likelihood of reaching  
10 minors;

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

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

14 (4) 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.

18 (m) Restrictions on where a cannabis cultivation facility may be located, consistent with  
19 the provisions of this chapter, provided that nothing shall prohibit a cannabis cultivation facility  
20 from being located at a facility that, at the time of application, is a location licensed to engage in  
21 cultivation as alternative treatment center under RSA 126-X.

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

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

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

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



- 1 (5) Prohibiting statements on the label or packaging that are false or misleading;
- 2 (6) Prohibiting any written statements on the label or packaging that are illegible;
- 3 (7) Prohibiting packaging or labeling that contains subliminal or similarly deceptive
- 4 advertising techniques;
- 5 (8) Prohibiting packaging or labeling that features a depiction of athletes that is
- 6 deceptive and misleading in that it implies that consuming cannabis or cannabis products is
- 7 conducive to athletic skill or physical prowess, or that consuming cannabis does not hinder the
- 8 athlete's performance;
- 9 (9) Prohibiting packaging or labeling that features illustrations, subject matter, or
- 10 other attributes that are consistent with products marketed toward children and youths;
- 11 (10) Prohibiting packaging or labeling that features a depiction of consumption of
- 12 cannabis or cannabis products while seated in, about to enter, operating, or about to operate an
- 13 automobile or other machinery;
- 14 (11) Prohibiting packaging or labeling that encourages excessive consumption;
- 15 (12) Prohibiting packaging or labeling that does not indicate in a manner that is
- 16 sufficiently clear that the product contains cannabis or cannabis products or that might result in
- 17 confusion regarding whether the product is a cannabis or cannabis products;
- 18 (13) Prohibiting packaging or labeling that is offered for sale under the name,
- 19 identity, or characteristics of another food or beverage or mimics another food or beverage or the
- 20 characteristics of another food or beverage;
- 21 (14) Requiring packaging that is designed or constructed to be significantly difficult
- 22 for children under 5 years of age to open, and not difficult for adults to use properly; and
- 23 (15) Require packaging include warnings, including but not limited to, those
- 24 described in RSA 318-F:17.
- 25 (p) Health and safety rules and standards for the cultivation of cannabis and the
- 26 manufacture of cannabis products, including:
- 27 (1) Prohibitions on additives to products that are toxic, misleading to consumers, or
- 28 designed to make the product more appealing to children;
- 29 (2) Safety standards regulating the manufacture of cannabis extracts and
- 30 concentrated cannabis products; and
- 31 (3) A prohibition on the inclusion of nicotine, alcohol, and other additives to products
- 32 that are designed to make the product more addictive or more intoxicating.
- 33 (q) Standards for the operation of testing laboratories, including requirements for
- 34 equipment and qualifications for personnel.
- 35 (r) Requirements for the testing of cannabis and cannabis products, including but not
- 36 limited to:

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

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

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

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

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

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

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

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

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

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

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

30 (t) Restrictions on where a cannabis establishment may be located, consistent with the  
31 provisions of this chapter; provided that nothing shall prohibit a cannabis establishment from being  
32 located at a facility that, at the time of application, is a location licensed to engage in activity as  
33 alternative treatment center under RSA 126-X.

34 (u) Rules governing changes in ownership and changes in location for cannabis  
35 establishments, provided that until a cannabis establishment has been fully operational for at least  
36 12 months, no more than 35 percent of the original ownership interest can be transferred. The  
37 commission may grant exceptions for good cause, such as the death of an individual owner.

1 (v) Procedures and notices relating to all recalls of any products.

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

4 (x) A prohibition on the manufacture and sale of cannabis infused alcoholic beverages.

5 II. Privacy Protections.

6 (a) In order to ensure that individual privacy is protected, the commission shall not  
7 require a consumer to provide a cannabis retail outlet or any other cannabis establishment that sells  
8 direct to consumers with personal information other than government-issued identification to  
9 determine the consumer's age, and a cannabis establishment shall not be required to acquire and  
10 record personal information about consumers.

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

16 III. Not later than 18 months after the effective date of this chapter, the commission, in  
17 consultation with the department, shall develop an informational handout, which cannabis retail  
18 outlets shall make available to all consumers, and which shall include information detailed in RSA  
19 318-F:17.

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

30 V. No later than 3 months after the after the effective date of this chapter and quarterly  
31 thereafter, the commission shall report to the house commerce and consumer affairs committee and  
32 the joint fiscal committee on the commission's progress in establishing procedures for the  
33 legalization, regulation, and taxation of cannabis, and the licensing and regulation of cannabis  
34 establishments.

35 VI. No later than 15 months after the effective date of this chapter, and every year  
36 thereafter, the commission shall reevaluate the fines and penalties established in RSA 318-F, and

1 shall report in writing on its findings and recommendations to the chairpersons of the house of  
2 representatives and senate ways and means committees.

3 VII. The commission shall also have the authority to regulate synthetic cannabinoids and  
4 intoxicating products derived from hemp.

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

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

9 (b) How the products would be regulated, including whether licensure would be required  
10 and whether hemp processors and manufacturers should be licensed and regulated by the  
11 commission;

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

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

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

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

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

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

30 318-F:9-a Operational Control of Cannabis.

31 I. Not later than 12 months after the effective date of this section, the commission shall  
32 develop draft legislation and adopt rules subject to the rulemaking process pursuant to RSA 541-A  
33 for franchising cannabis retail outlets which keeps all operational control distinct from regulatory  
34 control. The rules shall include the following:

35 (a) Procedures for the application, issuance, transfer, approval, denial, renewal,  
36 suspension, and revocation of an agency store agreement for cannabis retail outlets.

1 (1) The commission shall decide within 60 days of receipt of a complete application  
2 and provide the decision to the agency store. The commission shall extend the time period for the  
3 decision upon written agreement of the applicant.

4 (2) Notwithstanding any rules created by the commission, any transfer or sale of  
5 cannabis agency store is subject to approval of the commission.

6 (3) No vendor that provides cannabis inventory tracking in New Hampshire and no  
7 individual with a threshold financial interest in a vendor that provides cannabis inventory tracking  
8 in New Hampshire may hold a threshold financial interest in a cannabis agency store.

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

10 (1) Prohibiting the licensure of more than 15 cannabis retail outlets.

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

15 (3) Determining whether to increase the number of cannabis agency stores no less  
16 than every 2 years, and, if so, by how many.

17 (4) Ensuring an equitable distribution of cannabis retail outlets based on geography  
18 and population, including:

19 (A) Providing for no more than the greater of one cannabis agency store per  
20 municipality or no more than one cannabis agency store per 15,000 residents of a municipality.

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

23 (5) Providing that no cannabis agency store may be located within 1,000 feet of a  
24 pre-existing cannabis agency store unless the municipality where the establishment seeks to operate  
25 has established a smaller distance limitation or waived the restriction.

26 (6) Procedures to revoke the agency agreement of any agency store which has not  
27 applied for a license within a designated timeframe, or an agency store operator who is not  
28 compliant with the license application process.

29 (7) Procedures to accept applications for agency stores within 3 months of an agency  
30 store being revoked, surrendered, or not renewed.

31 (c) Restrictions on the logos, signage, marketing, and display of cannabis and cannabis  
32 products, including but not limited to:

33 (1) A prohibition on mass-market campaigns that have a high likelihood of reaching  
34 minors;

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

37 (3) Restrictions to prevent cannabis from being marketed to minors;

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

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

7 (6) A prohibition on neon signs;

8 (7) A prohibition on signage, cannabis retail outlet logos, and advertisements that  
9 include slang for cannabis, images of cannabis or cannabis paraphernalia, or images that encourage  
10 over-consumption;

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

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

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

22 (e) Annual mandatory training and continuing education required or recommended for  
23 licensees, which shall include, but not be limited to, training on checking photo identification and for  
24 false identification.

25 II. Privacy Protections.

26 (a) In order to ensure that individual privacy is protected, an agency store shall not  
27 require a consumer to provide a cannabis retail outlet with personal information other than  
28 government-issued identification to determine the consumer’s age, and a cannabis establishment  
29 shall not be required to acquire and record personal information about consumers.

30 (b) In order to ensure that individual privacy is protected, no agency store may record or  
31 store a consumer’s name, address, purchases, or contact information unless the consumer consents  
32 in writing. No agency store may make granting permission for the collection or storage of the above  
33 information a condition of a consumer purchasing cannabis from the outlet.

34 III. The agency agreement may prohibit or restrict lobbying in a manner consistent with the  
35 First Amendment.

36 IV. As conditions of the agency store agreement, the commission shall:

37 (a) Restrict lobbying by agency stores.

(b) Maintain an accessible website for the public to identify the location, status, and online presence of agency stores.

318-F:10 Prohibitions: Advertising Cannabis Sales.

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

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

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

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

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

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

Entry to cannabis retail outlets shall be restricted to people:

I. Twenty-one years of age or older;

II. Qualifying patients; and

III. First responders and other government employees in performance of their official duties.

318-F:12 Licensing Procedures for Cannabis Establishments.

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

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

III. The commission shall:

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

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

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

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

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

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

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

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

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

15           VI. Conditional approval pending securing property.

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

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

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

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

28           318-F:13 Enactment of Municipal Ordinances.

29           I. The voters of every municipality shall vote on whether to allow cannabis retail outlets in  
30 their municipality at the first municipal election after July 1, 2024, unless the municipality elects to  
31 include this question at the November 2024 biennial election. The wording of the question shall be  
32 substantially as follows: "Shall we allow the operation of cannabis retail outlets within this city or  
33 town?" The recount of any local option vote, the procedures for holding such a recount, the  
34 declaration of the results of such a recount, and the procedure for an appeal from such a recount  
35 shall be as provided in RSA 660:13-15. A municipality may not prohibit transportation through the  
36 municipality by cannabis establishments located in other jurisdictions.



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

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

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

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

19           VI. If a municipality has passed an innovative land use control relative to cannabis  
20 establishments, it shall notify the liquor commission within 90 days of passage. Municipalities  
21 without zoning ordinances or which have failed to pass an innovative land use control relative to  
22 cannabis establishments will be governed by the provisions of RSA 318-F and administrative rules  
23 relating to cannabis establishments enacted pursuant to RSA 541-A. No local ordinance may be less  
24 restrictive than the provisions of RSA 318-F or administrative rules enacted pursuant to RSA 541-A.

25           318-F:14 Financial Interests Prohibited.

26           I. No cannabis testing facility or individual with a controlling interest in a cannabis testing  
27 facility shall have a direct or indirect financial interest in an alternative treatment center, a  
28 cannabis retail outlet, a cannabis cultivation facility, a limited manufacturer, or a cannabis product  
29 manufacturing facility.

30           II. Prior to 2 years after the effective date of this chapter, no person or business entity may  
31 have a controlling interest in more than 3 cannabis establishments of any single category.

32           III. Beginning 2 years after the effective date of this chapter, no person or business entity  
33 may have a controlling interest in more than 20 percent of operational cultivation facilities, limited  
34 manufacturers, product manufacturing facilities, or cannabis retail outlets, unless the person or  
35 business entity has a controlling interest in no more than 3 cannabis establishments of a single  
36 category.

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

4           V. No cannabis establishment or individual with a controlling interest in a cannabis  
5 establishment may hold a controlling interest in a vendor that provides cannabis inventory tracking  
6 in New Hampshire.

7           VI. No vendor that provides cannabis inventory tracking in New Hampshire and no  
8 individual with a controlling interest in a vendor that provides cannabis inventory tracking in New  
9 Hampshire may hold a controlling interest in a cannabis establishment.

10       318-F:15 Residency Required.

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

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

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

17       318-F:16 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor  
18 shall a prospective cannabis establishment apply for a license, if the establishment would be located  
19 within 1,000 feet of the property line of a pre-existing public or private elementary or secondary  
20 school.

21       318-F:17 Informational Materials, Warning Labels, and Medical Lock Boxes.

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

24           II. A cannabis retail outlet and any other cannabis establishment selling directly to  
25 consumers shall include an informational handout designed by the commission in consultation with  
26 the department and the cannabis advisory board with all cannabis and cannabis products sold to  
27 consumers, and shall include the high potency version in all cannabis concentrates and other high  
28 potency sales. The informational handouts shall include scientifically accurate information,  
29 including:

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

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

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

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

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

3 (b) Information about methods for administering cannabis;

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

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

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

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

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

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

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

18 IV. All cannabis and cannabis products sold by a cannabis retail outlet shall include  
19 warning labels that provide the following information: "Warning: This product has intoxicating  
20 effects. For use by adults 21 and older. Keep out of reach of children." The commission may  
21 require a standard, recognizable symbol on all cannabis packaging to signify that THC or other  
22 cannabinoids are included in the product.

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

24 (a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating  
25 effects of this product may be delayed," unless the commission determines that a specific time frame  
26 should be specified.

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

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

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

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

34 318-F:18 Lawful Operation of Cannabis-Related Facilities.

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

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

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

19 (c) Packaging, processing, transporting, manufacturing, displaying, or possessing  
20 cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a  
21 cannabis testing facility; selling cannabis or cannabis products to a cannabis retail outlet,  
22 alternative treatment center, limited manufacturer, or a cannabis product manufacturing facility;  
23 purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining  
24 cannabis or cannabis products from a cannabis product manufacturing facility or limited  
25 manufacturer, if the person or business entity conducting the activities described in this paragraph  
26 has obtained a current, valid license to operate a cannabis product manufacturing facility or is acting  
27 in his or her capacity as an owner, employee, or agent of a licensed cannabis product manufacturing  
28 facility.

29 (d) Packaging, processing, transporting, displaying, or possessing cannabis or cannabis  
30 products; manufacturing cannabis products without performing volatile extractions; delivering or  
31 transferring cannabis or cannabis products to a cannabis testing facility; selling cannabis or  
32 cannabis products to a cannabis retail outlet, alternative treatment center, limited manufacturer, or  
33 a cannabis product manufacturing facility; purchasing or obtaining cannabis from a cannabis  
34 cultivation facility; or purchasing or obtaining cannabis or cannabis products from a cannabis  
35 product manufacturing facility or limited manufacturer, if the person or business entity conducting  
36 the activities described in this paragraph has obtained a current, valid license to operate a limited

1 manufacturer or is acting in his or her capacity as an owner, employee, or agent of a licensed limited  
2 manufacturer.

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

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

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

17 (h) Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or  
18 transferring cannabis to a cannabis testing facility; selling or distributing therapeutic grade  
19 cannabis products to a cannabis retail outlet; or obtaining or purchasing cannabis or cannabis  
20 products from a cannabis product manufacturing facility or limited manufacturer if the person or  
21 business entity conducting the activities described in this paragraph possesses a valid license to  
22 operate an alternative treatment center or is acting in his or her capacity as an owner, employee, or  
23 agent of a licensed alternative treatment center.

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

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

33 II. No sales to consumers may begin until the liquor commissioner certifies there is a  
34 sufficient supply of cannabis and cannabis products to begin sales.

35 318-F:19 Proof of Purchaser's Identity.

36 I. For the purposes of this chapter, any person or entity making the sale of cannabis,  
37 cannabis products, or cannabis accessories to any purchaser whose age is in question shall require

1 and may accept any official documentation listed in RSA 179:8 as proof that the purchaser is 21  
2 years of age or older.

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

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

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

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

13 318-F:20 Enforcement Activity Verifying Noncompliance.

14 I. Except as provided in this section, it shall be a violation to sell any cannabis, cannabis  
15 product, cannabis accessories or cannabis paraphernalia to a minor during enforcement activity  
16 initiated solely for the purpose of verifying noncompliance with RSA 318-F:19. It shall be a  
17 misdemeanor to knowingly sell cannabis, cannabis product, or cannabis paraphernalia to a minor at  
18 the time of any such enforcement activity. The commission shall retain the right to require the  
19 licensee in such a circumstance to initiate additional training of its staff or individual employee.  
20 This section shall not apply to law enforcement initiatives involving surveillance, investigations, or  
21 criminal complaints of violations of RSA 318-F:19.

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

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

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

28 318-F:21 Driving; Minors; Control of Property.

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

32 II. Nothing in this chapter shall be construed to permit the transfer of cannabis, with or  
33 without remuneration, to a person under the age of 21, or to allow a person under the age of 21 to  
34 purchase, possess, use, transport, or consume cannabis except in the case of qualifying patients.

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

IV. Control of Property.

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

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

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

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

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

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

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

(d) An adult who is 21 or older may use cannabis on privately owned real property only with permission of the property owner or, in the case of leased or rented property, with the permission of the tenant in possession of the property, except that a tenant shall not allow a person to smoke cannabis on rented property if smoking on the property violates the lease or the lessor's rental policies that apply to all tenants at the property. However, a tenant may permit an adult who is 21 or older to use cannabis on leased property by ingestion or inhalation through vaporization even if smoking is prohibited by the lease or rental policies. For purposes of this chapter, vaporization shall mean the inhalation of cannabis without the combustion of the cannabis.

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

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

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

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

(b) Engaging in activities allowed by this chapter.

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

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

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

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

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

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

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

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

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

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

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

26 VII. Employer and employee protections.

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

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

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



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

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

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

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

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

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

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

318-F:24 Data Collection Related to Cannabis Legalization and Regulation. No later than 2 years after the effective date of this chapter, and every 2 years thereafter, the department of health and human services shall, where appropriate, enter into memorandums of understanding with the department of safety, the department of justice, the department of education, the commission, and any other agency determined by the department of health and human services to possess relevant data, to collect data, and produce and publish a report that includes baseline data and the most current data regarding health and welfare outcomes before and after cannabis legalization and regulation for adult use. All data in the report shall be non-identifiable and respectful of personal privacy.

318-F:25 Agency Fee Imposed.

I. An agency fee of 10 percent shall be levied on the monthly total gross revenue derived from the sale of cannabis and cannabis products from a cannabis retail outlets, provided:

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

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

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

318-F:26 Cannabis Fund Established.

I. There is established a nonlapsing fund to be known as the cannabis fund. The fund shall be kept distinct and separate from all other funds in the state treasury, and the moneys credited to the fund shall be held distinct and separate from all other funds over which the state treasurer has

control. Moneys in the fund shall be deposited with any financial institution as defined in RSA 383-A:2-201(a)(27-a), with a branch in the state. Moneys credited to the fund shall include deposits into the fund by the commission pursuant to this chapter and deposits into the fund by the commissioner of the department of revenue administration pursuant to RSA 77-H.

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

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

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

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

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

(b) The remaining funds shall be deposited in the general fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[I.] In this section:

I. ~~[In this section:~~

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

1 ~~fiber, oil or cake, or the sterilized seed of such plant which is incapable of germination. Marijuana~~  
2 ~~shall not include hemp grown, processed, marketed, or sold under RSA 439-A.~~

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

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

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

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

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

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

VI.(a) Except as provided in this section, no person shall be subject to arrest for a violation of paragraph II[~~5~~] **or** III[~~5~~,~~or~~IV] and shall be released provided the law enforcement officer does not have lawful grounds for arrest for a different offense.

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

(c) Nothing in this chapter shall be construed as forbidding any police officer from taking into custody any minor who is found violating paragraph II[~~5~~] **or** III[~~5~~,~~or~~IV].

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

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

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

(b) Every state, county, or local law enforcement agency that collects and reports data for the Federal Bureau of Investigation Uniform Crime Reporting Program shall collect data on the number of violations of paragraph II[~~5~~] **or** III[~~5~~,~~or~~IV]. The data collected pursuant to this paragraph shall be available to the public. A law enforcement agency may update the data annually and may make this data available on the agency's public Internet website.

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

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

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

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

*I. As used in this section:*

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

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

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

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

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

*I. As used in this section:*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) By adopting a plan of merger in accordance with RSA 304-C that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for which the domestic limited liability company shall be the surviving entity, provided that, such



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

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

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

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

15 XXIV. Conversion and merger requirements:

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

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

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

30 21 Voluntary Corporations and Associations; Powers of Corporations; Change of Name;  
31 Amending Articles; Conversion and Merger. Amend RSA 292:7 to read as follows:

32 292:7 Change of Name; Amending Articles.

33 I. Any corporation now or hereafter organized or registered in accordance with the  
34 provisions of this chapter, and any existing corporation which may have been so organized or  
35 registered, may change its name, increase or decrease its capital stock or membership certificates,  
36 merge with or acquire any other corporation formed pursuant to this chapter, or amend its articles of  
37 agreement, by a majority vote of such corporation's board of directors or trustees, at a meeting duly

called for that purpose, and by recording a certified copy of such vote in the office of the secretary of state and in the office of the clerk of the town or city in this state which is its principal place of business. In the case of a foreign nonprofit corporation registered in New Hampshire, a copy of the amendment or plan of merger, certified by the proper officer of the state of incorporation, shall be filed with the secretary of state, together with the fee provided in RSA 292:5. The surviving corporation in a merger shall continue to have all the authority and powers vested in the merging corporations, including any powers previously conferred upon them by the legislature.

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

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

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

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

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

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

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

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

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

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

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

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

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

27 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.

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

IX-a. Cannabis licenses, including:

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

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

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

29 Appropriations.

I.(a) The following classified position is established in the department of health and human services to support the department in completing the new responsibilities relative to collecting, analyzing, and reporting of data required by RSA 318-F:24: one operations research analyst position (labor grade 30, step 1).

1           (b) The sum of \$109,000 for the fiscal year ending June 30, 2025 is hereby appropriated  
2 to the department of health and human services for the purpose of funding the position established  
3 in paragraph I(a). The governor is authorized to draw a warrant for said sum out of any money in  
4 the treasury not otherwise appropriated.

5           II. The sum of \$8,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to  
6 the liquor and cannabis commission for deposit into the cannabis fund established in RSA 318-F:26  
7 for the administration of RSA 318-F. Said appropriation shall be a charge against the liquor fund.

8           30 Contingent Severability of Operational Control. If the operational control in RSA 318-F:9-a  
9 is not implemented by June 30, 2026, operational control provided in that section shall become null  
10 and void and all references to operational control requirements shall be waived.

11          31 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use  
12 with cannabis, is repealed.

13          32 Effective Date. This act shall take effect upon its passage.

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

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

**FISCAL IMPACT:**    ☒ State                    ☒ County                    ☒ Local                    ☐ None

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

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

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

**METHODOLOGY:**

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

This bill adds, deletes, or modifies a criminal penalty, or changes statute to which there is a penalty for violation. Therefore, this bill may have an impact on the judicial and correctional

systems, which could affect prosecution, incarceration, probation, and parole costs, for the state, as well as county and local governments. A summary of such costs can be found at: [https://gencourt.state.nh.us/lba/Budget/Fiscal\\_Notes/JudicialCorrectionalCosts.pdf](https://gencourt.state.nh.us/lba/Budget/Fiscal_Notes/JudicialCorrectionalCosts.pdf)

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

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

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

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

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

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

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

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

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



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

The Department of Health and Human Services, Bureau of Drug and Alcohol Services states there is considerable uncertainty about the impact that legalizing cannabis in New Hampshire would have on public budgets including unknowns around potential increases in consumption, treatment utilization, prevention needs, and associated costs. The Department indicates the science is currently unsettled on the causal effects of cannabis on psychoses, schizophrenia, and impaired driving, and therefore, the Department is unable to determine if these areas would be impacted and lead to additional costs. Evidence supporting the treatment needs for cannabis use disorder is documented, and the Department assumes treatment costs would increase with cannabis legalization, although such costs are indeterminable.

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

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

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

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

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

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

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

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

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

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

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

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

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

#### LBA Notes:

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

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

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

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

The bill authorizes the Commission to establish Investigator Positions.

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

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

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

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

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

**AGENCIES CONTACTED:**

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