Rep. Spilsbury, Sull. 3 Rep. Doucette, Rock. 25 Rep. Almy, Graf. 17 March 27, 2023 2023-1231h 07/10

### Amendment to HB 639-FN-A

1	Amend the bill by replacing section 2 with the following:
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3	2 New Subparagraphs; Application of Receipts; Cannabis Fund. Amend RSA 6:12, I(b) by
4	inserting after subparagraph (387) the following new subparagraphs:
5	(388) Moneys deposited in the cannabis fund established in RSA 318-F:21.
6	(389) Moneys in the substance abuse prevention and recovery fund established by
7	RSA 318-F:22.
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9	Amend RSA 126-A:98, I as inserted by section 3 of the bill by replacing it with the following:
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11	I. The commissioner of the department of health and human services, in coordination with
12	the governor's commission on alcohol and other drugs under RSA 12-J shall administer the
13	substance abuse prevention and recovery fund established in RSA 318-F:22.
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15	Amend the bill by replacing section 7 with the following:
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17	7 New Chapter; Regulation of Cannabis. Amend RSA by inserting after chapter 318-E the
18	following new chapter:
19	CHAPTER 318-F
20	REGULATION OF CANNABIS
21	318-F:1 Definitions. In this chapter:
22	I. "Alternative treatment center" means an entity as defined in RSA 126-X:1, I.
23	II. "Cannabis" means all parts of the plant of the genus cannabis whether growing or not
24	the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture
25	salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including cannabis
26	concentrate. "Cannabis" shall not include hemp, fiber produced from the stalks, oil, or cake made
27	from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the
28	weight of any other ingredient combined with cannabis to prepare topical or oral administrations
29	food, drink, or other product.

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III. "Cannabis accessories" or "cannabis paraphernalia" means any equipment, products, or materials of any kind that are 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, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.

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- IV. "Cannabis accessory retailer" means an entity licensed to sell cannabis accessories and paraphernalia
- V. "Cannabis cultivation facility" or "cultivation facility" means an entity registered to cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis concentrates, tinctures, extracts, or other cannabis products.
- VI. "Cannabis establishment" means a cannabis cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, a retail cannabis store, a cannabis transporter, or any other type of cannabis business authorized and licensed by the commission.
- VII. "Cannabis product manufacturing facility" or "product manufacturing facility" means an entity licensed to purchase cannabis, to manufacture, prepare, and package cannabis products, and sell cannabis and cannabis products to other cannabis product manufacturing facilities, to alternative treatment centers, and to retail cannabis stores, but not to consumers.
- VIII. "Cannabis products" means any product that contains cannabis, including cannabis extracts, concentrated cannabis products, and products that contain cannabis and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures. This term shall not include cannabis in its plant or flower form.
- IX. "Cannabis testing facility" or "testing facility" means an entity licensed to test cannabis for potency and contaminants.
- X. "Cannabis transporter" means an entity licensed to transport cannabis between cannabis establishments.
  - XI. "Commission" means the liquor and cannabis commission.
- XII. "Consumer" means a person 21 years of age or older who purchases cannabis or cannabis products for personal use by a person 21 years of age or older, but not for resale. "Consumer" does not include a qualifying patient or designated caregiver purchasing cannabis from an alternative treatment center pursuant to RSA 126-X.
  - XIII. "Department" means the department of health and human services.
  - XIV. "Documentation" means all records, in any form, including electronic records.
- XV. "Dual use certificate" means a license allowing an alternative treatment center licensed to operate pursuant to RSA 126-X to co-locate with and operate a retail cannabis store, cannabis cultivation facility, cannabis product manufacturing facility, cannabis transporter, or any

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- 1 combination of those licenses. A dual use certificate is required in addition to registration as an 2 alternative treatment center and the license required pursuant to this chapter for each type of 3 cannabis establishment operated by the alternative treatment center. 4 XVI. "Immature cannabis plant" means a cannabis plant that has not flowered and that does not have buds that may be observed by visual examination. 5 6 XVII. "Inflation" means the 12-month percentage change in the consumer price index for all 7 urban consumers, northeast region as published by the Bureau of Labor Statistics, United States 8 Department of Labor. 9 XVIII. "Mature cannabis plant" means a cannabis plant that has flowered and has buds that 10 may be observed by visual examination. 11 XIX. "Municipality" means a city, town, or an unincorporated place. 12 XX. "Possession limit" means: 13 (a) Four ounces of cannabis in plant form; and 14 (b) Twenty grams of concentrated cannabis products, which includes hashish and pre-15 filled cartridges of cannabis extracts intended for vaporization; 16 (c) Cannabis products other than concentrated cannabis products containing no more 17 than 2,000 milligrams of THC; 18 This paragraph shall not apply to the possession limits set forth in RSA 126-X:2. 19 XXI. "Public place" means any place to which the general public has access. 20 XXII. "Premises" means and includes all parts of the contiguous real estate occupied by a 21 licensee over which the licensee has direct or indirect control or interest and which the licensee uses 22in the operation of the licensed business, and which have been approved by the commission as proper 23 places in which to exercise the licensee's privilege. 24"Retail cannabis store" or "retail store" means an entity licensed to purchase 25 cannabis from cannabis cultivation facilities, to purchase cannabis and cannabis products from 26 cannabis product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis 27 products or cannabis accessories or cannabis paraphernalia to consumers. 28 XXIV. "Resident" means a natural person who: 29 (a) Is domiciled in New Hampshire; and 30 (b) Maintains a place of abode in New Hampshire, unless the individual was homeless 31 and residing in New Hampshire for at least 51 percent of the time. 32 318-F:2 Personal Use of Cannabis. 33 I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person
  - (a) Possessing, consuming, using, displaying, obtaining, purchasing, processing, producing, or transporting an amount of cannabis that does not exceed the possession limit, except

subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:

21 years of age or older, shall not be illegal under New Hampshire law or the law of any political

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that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product manufacturer may perform extractions using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol.

- (b) Transferring an amount of cannabis that does not exceed the possession limit to a person who is 21 years of age or older without remuneration. For purposes of this paragraph, a transfer is for remuneration if cannabis is given away contemporaneously with another transaction between the same parties, if a gift of cannabis is offered or advertised in conjunction with an offer for sale of goods, services, or admission to an event, or if the gift of cannabis is contingent upon a separate transaction for goods, services, or the price of admission to an event.
  - (c) Transferring cannabis, including cannabis products, to a cannabis testing facility.
  - (d) Controlling property where the acts described under this section occur.
- (e) Assisting another person who is 21 years of age or older in any of the acts described under this section.
- II. No law enforcement officer employed by an agency that receives state or local government funds shall expend any state or local resources, including the officer's time, to effect any arrest or seizure of cannabis, or conduct any investigation, on the sole basis of activity the officer believes to constitute a violation of federal law if the officer has reason to believe that such activity is in compliance with this chapter, nor shall any such officer expend any state or local resources, including the officer's time, to provide any information or logistical support related to such activity to any federal law enforcement authority or prosecuting entity.
- 318-F:3 Smoking or Vaping Cannabis in Public Prohibited; Penalty. No person shall smoke or vape cannabis in a public place where the smoking or vaporizing of tobacco products is prohibited. Any person who violates this section shall be guilty of a violation and may be fined not more than \$50.
  - 318-F:4 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty.
- I. No person shall consume, smoke, or vaporize cannabis while driving or attempting to drive a motor vehicle on a way, or while operating or attempting to operate an off-highway recreational vehicle, snowmobile, boat, vessel, aircraft, or other motorized device used for transportation.
- II. No person shall smoke or vaporize cannabis while the person is a passenger in a motor vehicle that is being driven on a way.
- III. Any person who violates this section shall be guilty of a violation and shall be subject to a fine not to exceed \$150. In addition, any person who violates paragraph I of this section may have his or her driver's license, if a resident, or driving privilege, if a nonresident, suspended for up to 60 days for a first offense and up to one year for a subsequent offense.
  - IV. In this section, "way" shall have the same meaning as in RSA 265-A:44.

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- V. A person may not be convicted of both a violation of this section and a violation of RSA 265-A:1 based on the same incident.
  - 318-F:5 Odor and Personal Possession of Cannabis Not Grounds for a Search.
  - I. Except as provided in paragraph II of this section, the odor of cannabis or burnt cannabis, or the possession of a quantity of cannabis that the officer does not have probable cause to believe exceeds the possession limit of cannabis, shall not constitute in part or in whole probable cause or reasonable suspicion and shall not be used as a basis to support any stop or search of a person or motor vehicle.
  - II. Nothing in this section prevents a law enforcement official from conducting a test for impairment based in part on the odor of recently burnt cannabis if the law enforcement official would otherwise be permitted to do so under New Hampshire law.
  - 318-F:6 Enforcement Authority.

- I. The commission shall have the primary responsibility for enforcing this chapter. Local, county, and state law enforcement officers shall also have jurisdiction to enforce this chapter. Such authority may be delegated to agents working under their authority.
- II. The commission shall have the authority to interpret statutes and administrative rules as they relate to this chapter.
- III. The commission may 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 provisions of this section shall not be subject to RSA 9:16-a, RSA 9:17-a, and RSA 9:17-c.
- IV. The commission may pay staff members working on both liquor and cannabis matters increased wages until 18 months after the first retail cannabis establishment license is issued. A 10 percent stipend shall be established for commission staff based on their salary, when engaged in the development and all administrative aspects of the program.
  - 318-F:7 Regulation of Cannabis.
- I. Not later than one year after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of cannabis cultivation facilities and for the issuance of dual use certificates. Not later than 15 months after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for the licensing and regulation of all other cannabis establishments and on the manufacture and sale of cannabis accessories. The rules shall include the following:
- (a) Procedures for the application for, issuance, transfer, approval, denial, renewal, suspension, and revocation of a license for cannabis establishments, including procedures to hear complaints and impose penalties if alternative treatment centers with dual use certificates fail to

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1	provide an adequate supply and variety of therapeutic cannabis and cannabis products for qualifying
2	patients.
3	(b) A fee schedule of reasonable application, license, and annual renewal fees, provided:
4	(1) That the non-refundable portion of application fees shall not exceed \$1,000, with
5	this upper limit adjusted annually for inflation; and
6	(2) That cultivation facility licensing fees be tiered based on the size of the facilities.
7	(c) Qualifications for licensure that are directly and demonstrably related to the
8	operation of a cannabis establishment and which may not disqualify applicants solely for cannabis
9	offenses prior to the effective date of this chapter.
10	(d) Criteria for selection among applicants when there are more qualified applicants
11	than there are number of licenses available in a particular municipality.
12	(e) Regulations to create at least 2-4 tiers of cultivation facilities, based on the size of the
13	facility or the number of plants cultivated and providing:
14	(1) That outdoor cultivation facilities shall be allowed to cultivate 3 times the square
15	footage of canopy as indoor cultivation facilities of the same tier;
16	(2) That security regulations and licensing fees shall vary based on the size of the
17	cultivation facility and that regulatory burdens shall be no more onerous than is reasonably
18	necessary; and
19	(3) That cultivation facilities may move up to a higher tier at least once per year is
20	they meet the security requirements and pay the associated fee, except that the commission may
21	suspend this provision in the event of an oversupply.
22	(f) Record keeping requirements for cannabis establishments, including requirements for
23	implementation and compliance with the tracking system.
24	(g) Requirements for the transportation of cannabis and cannabis products between
25	cannabis establishments, including documentation that shall accompany any cannabis being
26	transported.
27	(h) A schedule of fines as are authorized in this chapter for violations of statutory
28	requirements, provided that, not later than 18 months after the effective date of this chapter the
29	commission shall report to the chairpersons of the house and senate ways and means committees its
30	proposal for a fine schedule and for legislation needed to implement the schedule.
31	(i) Procedures for hearings on penalties to include but not limited to administrative
32	fines, suspensions, and revocations of licenses.

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

may be varied based on the size of the cannabis establishment.

(j) Reasonable security requirements for each type of cannabis establishment, which

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1	(l) Restrictions on the advertising, signage, marketing, and display of cannabis and
2	cannabis products, including but not limited to:
3	(1) A prohibition on mass-market campaigns that have a likelihood of reaching
4	minors;
5	(2) A prohibition on marketing to minors, including marketing specifically related to
6	social media;
7	(3) A prohibition on cannabis products that are named, packaged, marketed, or
8	designed in a way that mimics or is likely to cause confusion with commercially available,
9	trademarked non-cannabis products, including relating to their logos, the sound of the product or
10	brand, packaging, taste, appearance, and commercial impression;
11	(4) A prohibition on giveaways of cannabis, cannabis products, or cannabis
12	accessories, including samples;
13	(5) A prohibition on billboard advertising, sound trucks, or outdoor internally
14	illuminated screen displays consistent with alcohol advertising prohibitions in RSA 179:31; and
15	(6) A requirement for any advertising to include a standard, recognizable symbol
16	that a product contains cannabis or THC.
17	(m) Restrictions on where a cannabis establishment may be located, consistent with the
18	provisions of this chapter.
19	(n) Restrictions on the hours of sale when a retail cannabis store may sell cannabis and
20	cannabis products, provided the regulations shall not allow retail stores to begin sales before 6:00
21	a.m. or to sell cannabis or cannabis products after 11:45 p.m.
22	(o) Packaging, product manufacturing, and labeling requirements for cannabis and
23	cannabis products, including:
24	(1) Mandating the disclosure of the THC content of each product;
25	(2) Requirements to ensure cannabis products and their packaging are not designed
26	to appeal to or be attractive to minors, including providing that they cannot be in the shape of
27	cartoons, toys, animals, or people; and
28	(3) Establishing the maximum amount of THC that may be included in each
29	cannabis product serving as 20 milligrams, except that the commission may change this amount
30	through rulemaking;
31	(4) Prohibiting flavors and designs of cannabis-infused beverages, oils, and edibles
32	that resemble or imitate candy flavors that are marketed to minors;
33	(5) Warnings, including but not limited to, those described in RSA 318F:16;
34	(6) A requirement for any label, an for certain products where appropriate, to
35	include a standard, recognizable symbol that a product contains cannabis or THC; and

(7) Potency limits for cannabis products.

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1	(p) Health and safety rules and standards for the cultivation of cannabis and
2	manufacture of cannabis products, including:
3	(1) Prohibitions on additives to products that are toxic, misleading to consumers, or
4	designed to make the product more appealing to children;
5	(2) Safety standards regulating the manufacture of cannabis extracts and
6	concentrated cannabis products; and
7	(3) A prohibition on the inclusion of nicotine and other additives to cannabis
8	products that are designed to make the product more addictive or more intoxicating.
9	(q) Standards for the operation of testing laboratories, including requirements for
10	equipment and qualifications for personnel.
11	(r) Requirements for the testing of cannabis and cannabis products, including:
12	(1) Requirements to ensure at a minimum that cannabis and cannabis products sold
13	for human consumption do not contain contaminants that are injurious to health and to ensure
14	correct labeling;
15	(2) That testing shall include, but not be limited to, analysis for residual solvents,
16	poisons, or toxins; harmful chemicals; dangerous molds or mildew; filth; dangerous herbicides,
17	pesticides, and fungicides, heavy metals, and harmful microbials, such as E. coli or salmonella;
18	(3) Threshold levels for each contaminant listed in subparagraph (2);
19	(4) Providing that in the event that test results indicate the presence of quantities of
20	any substance determined to be injurious to health, such cannabis or cannabis products shall be
21	immediately quarantined and immediate notification to the commission shall be made. The
22	contaminated product shall be documented and properly destroyed;
23	(5) That testing shall also verify THC and other cannabis potency representations
24	for correct labeling;
25	(6) That the commission shall determine an acceptable variance for potency
26	representations and procedures to address potency misrepresentations;
27	(7) That the commission shall determine the protocols and frequency of cannabis
28	testing by a cannabis testing facility.
29	(8) Allowances for remediation of cannabis and cannabis products whose test results
30	are in excess of established thresholds; and
31	(9) Minimum testing requirements for an effective cannabis and cannabis product
32	quality assurance program for cannabis cultivation facilities and cannabis product manufacturing
33	facilities.
34	(s) Reasonable health and safety restrictions on cannabis accessories that may be

manufactured or sold in New Hampshire, including a prohibition on any vaporization device that includes toxic or addictive additives. The commission may prohibit types of vaporizers that are

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particularly likely to be utilized by minors without detection, but may not completely ban or unreasonably restrict the manufacture or sale of vaporization devices.

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- (t) Training and continuing education required or recommended for licensees, which shall include training on checking photo identification and for false identification.
- (u) Requirements that cannabis retail stores stock cannabis products, including flower, with low and moderate amounts of THC and that they be at least as prominently displayed as high potency products.
- II.(a) In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a retail cannabis store with personal information other than government-issued identification to determine the consumer's age, and a retail cannabis store shall not be required to acquire and record personal information about consumers.
- (b) In order to ensure that individual privacy is protected, no cannabis establishment may record or store a consumer's name, address, purchases, or contact information unless the consumer consents in writing. No cannabis establishment may make granting permission for the collection or storage of such information a condition of a consumer purchasing cannabis from the establishment.
- III. 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 retail stores shall make available to all consumers, and which shall include information detailed in RSA 318-F:14.
- IV. The commission shall require all cannabis establishments to utilize an inventory tracking system, including use of a universal product code, for tracking the transfer of cannabis and cannabis products between licensed cannabis establishments and the sale of cannabis and cannabis products to consumers. The system shall ensure an accurate accounting of the production, processing, and sale of cannabis and cannabis products and shall enable separate tracking of cannabis flowers, immature cannabis plants, and other parts of cannabis sold from cannabis cultivation facilities. The system shall allow for the tracking of lab testing results for all cannabis and shall be capable of swiftly identifying all products involved in a product recall. The commission may develop and maintain a system that satisfies the requirements of this section, or it may select a vendor to develop and maintain a system.
- V. No later than 24 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 and senate ways and means committees.
- VI. The commission may regulate synthetic cannabinoids and intoxicating products derived from hemp.
- VII. No later than 36 months after the effective date of this section, the commission shall make written recommendations to the general court regarding the regulation of hemp including:

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1	(a) What hemp products the commission would regulate;
2	(b) How the products would be regulated, including whether a license would be required
3	and whether hemp processors and manufacturers should be licensed and regulated by the
4	commission;
5	(c) Any license fees or other charges that would be assessed on hemp products and
6	license fees assessed on hemp processors and manufacturers; and
7	(d) The resources required to regulate hemp processors, product manufacturers, hemp
8	products, and the retail sale of intoxicating hemp products.
9	VIII. A prohibition on the manufacturing and sale of cannabis alcoholic beverages.
10	318-F:8 Dual Use Certificates.
11	I. No later than 18 months after the effective date of this chapter, the commission, after
12	consulting with the department of health and human services and the therapeutic cannabis medical
13	oversight board and holding at least one public hearing, shall develop regulations allowing
14	alternative treatment centers registered to operate pursuant to RSA 126-X to apply for a dual use
15	certificate.
16	II. A separate dual use certificate is required for each alternative treatment center
17	dispensing location.
18	III. The commission shall grant or deny any application for a dual use certificate within 90
19	days.
20	IV. The regulations for a dual use certificate shall include, but are not limited to:
21	(a) Providing for separation of cannabis sales to qualifying patients and consumers, such
22	as by requiring separate counters;
23	(b) Requiring dual-use cannabis establishments to prioritize therapeutic cannabis
24	access;
25	(c) Requiring dual-use cannabis establishments to maintain or increase the diversity of
26	therapeutic cannabis products available for qualifying patients;
27	(d) Requiring dual-use cannabis establishments to avoid raising prices for qualifying
28	patients beyond the rate of inflation, for at least 2 years after dual use licensure;
29	(e) A requirement that in the event of crowding, inadequate parking, or similar issues
30	limiting therapeutic cannabis access, the dual-use cannabis establishment shall take measures to
31	prioritize therapeutic cannabis access, such as setting aside certain business hours when the
32	establishment will only serve qualifying patients and their designated caregivers; and

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

(f) Providing for the suspension of sales of cannabis to adult-use consumers in the event

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of a product shortage.

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I. A municipality may enact an ordinance prohibiting or limiting the number and type of cannabis establishments that may be permitted within the municipality and regulating the time, place, and manner of operation of a cannabis establishment, which is permitted within the municipality. A locality's prohibition on cannabis establishments may not prohibit transportation

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- through the locality or deliveries within the locality by cannabis establishments located in other jurisdictions.
  - II. A municipality may enact an ordinance specifying the entity within the municipality that shall be responsible for reviewing applications submitted for a license to operate a cannabis establishment within the municipality. The entity designated by the municipality shall be responsible for indicating whether the application is in compliance with municipal ordinances.
  - III. A municipality may not negotiate or enter into an agreement with a cannabis establishment or a cannabis establishment applicant requiring that the cannabis establishment or applicant provide money, donations, in–kind contributions, services, or anything of value to the locality.
- 11 318-F:12 Residency Required.

- I. Except as provided in this section, any person applying for a cannabis establishment license shall be a resident, or shall have at least one director, officer, or partner who is a New Hampshire resident.
- II. This section shall not apply to an applicant for a testing facility registration.
- 318-F:13 Restrictions on Location Near Schools. No cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a license, if the establishment would be located within 1,000 feet of the property line of a pre-existing public or private pre-school, elementary, or secondary school.
  - 318-F:14 Informational Materials and Warning Labels.
- I. The commission, in consultation with the department, shall design at least 2 versions of informational handout, one of which is specific to high potency products.
- II. A retail cannabis store shall include an informational handout designed by the commission in consultation with the department with all cannabis and cannabis products sold to consumers, and shall include the high potency version in all cannabis concentrates and other high potency sales. The informational handouts shall include scientifically accurate information, including:
- (a) Advice about the potential risks of cannabis, and, in the case of the high potency handout, risks specific to high potency products, including:
- 30 (1) The risks of driving under the influence of cannabis, and the fact that doing so is 31 illegal;
- 32 (2) Any adverse effects unique to adolescents or young adults, including effects 33 related to the developing mind:
  - (3) Potential adverse events and other risks, including related to mental health; and
  - (4) Risks of using cannabis during pregnancy or breastfeeding. This may be identical to that required under RSA 126-X:8, XVI(c)(7).
    - (b) Information about methods for administering cannabis;

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1	(c) How long cannabis may impair a person after it is ingested in each manner; and
2	(d) How to recognize problematic usage of cannabis and how to obtain appropriate
3	services or treatment;
4	(e) Information regarding safe storage and disposal of cannabis and paraphernalia to
5	prevent accidental poisonings, including the contact information for the Northern New England
6	Poison Control Center. This may be identical to that required under RSA 126-X:8, XVI(c)(8); and
7	(f) Unless federal statutory law or case law has changed and such a warning is no longer
8	accurate, a disclosure that:
9	(1) Cannabis is illegal under U.S. federal law, and
10	(2) Under the United States government's 1986 Gun Control Act, any 'unlawful' user
11	of a controlled substance is prohibited from purchasing or owning a gun.
12	III. The commission may require retail stores to display informational posters in
13	conspicuous locations about the risks of cannabis use, including regarding risks during pregnancy
14	and breastfeeding and risks of cannabis use in adolescents or by younger adults. The posters shall
15	be scientifically accurate.
16	IV. All cannabis and cannabis products sold by a retail cannabis store shall include warning
17	labels that provide the following information: "Warning: This product has intoxicating effects. For
18	use by adults 21 and older. Keep out of reach of children." The department may require a standard,
19	recognizable symbol on all cannabis packaging to signify that THC or other cannabinoids are
20	included in the product.
21	V. All cannabis products sold by retail cannabis stores shall include:
22	(a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating
23	effects of this product may be delayed by up to 2 hours," unless the commission determines that a
24	different time frame should be specified.
25	(b) A disclosure of ingredients and possible allergens.
26	(c) A nutritional fact panel.
27	(d) Opaque, child-resistant packaging, which shall be designed or constructed to be
28	significantly difficult for children under 5 years of age to open and not difficult for normal adults to
29	use properly as defined by 16 C.F.R. section 1700.20.
30	318-F:15 Lawful Operation of Cannabis-Related Facilities. If undertaken by a person 21 years
31	of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for
32	seizure or forfeiture of assets under New Hampshire law:
33	I. Possessing, displaying, or transporting cannabis or cannabis products; obtaining or
34	purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a
35	cannabis testing facility; obtaining or purchasing cannabis or cannabis products from a cannabis
36	product manufacturing facility; or sale, delivery, or distribution of cannabis or cannabis products to

an adult who is 21 years of age or older or to retail cannabis stores or alternative treatment centers,

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if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a retail cannabis store or is acting in his or her capacity as an owner, employee, or agent of a licensed retail cannabis store.

- II. Cultivating, harvesting, processing, packaging, transporting, displaying, or possessing cannabis; obtaining or purchasing cannabis seeds or seedlings or immature cannabis plants from any adult 21 years of age or older; delivering or transferring cannabis to a cannabis testing facility; selling or transferring cannabis that has not been processed into extracts, concentrates, or other preparations to a cannabis cultivation facility, a cannabis product manufacturing facility, or a retail cannabis store or alternative treatment center; or obtaining or purchasing cannabis from a cannabis cultivation facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis cultivation facility.
- III. Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing facility; selling cannabis or cannabis products to a retail cannabis store, alternative treatment center, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a cannabis product manufacturing facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a cannabis product manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis product manufacturing facility.
- IV. Possessing, obtaining, cultivating, processing, storing, transporting, receiving, or displaying cannabis or cannabis products if the person or business entity has obtained a current, valid license to operate a cannabis testing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis testing facility.
- V. Engaging in any activities involving cannabis or cannabis products if the person or business entity conducting the activities has obtained a current, valid license to operate a cannabis establishment or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis establishment, and the activities are within the scope of activities allowed by the commission for that type of cannabis establishment.
- VI. Possessing, obtaining, cultivating, processing, storing, transporting, or receiving cannabis obtained from a cannabis establishment or transporting, delivering, or transferring cannabis to a cannabis establishment if the person or business entity has obtained a current, valid license to operate a cannabis transporter or is acting in his or her capacity as an owner, employee, or agent of a registered cannabis transporter.
- VII. Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; or obtaining or purchasing cannabis or cannabis

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- products from a cannabis product manufacturing facility if the person or business entity conducting the activities described in this paragraph possesses a valid license to operate an alternative treatment center or is acting in his or her capacity as an owner, employee, or agent of a licensed alternative treatment center.
  - VIII. Leasing or otherwise allowing the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with this chapter.
  - IX. Selling, offering for sale, transferring, transporting, or delivering cannabis to establishments licensed to process or sell cannabis under the laws of other states if the person or business entity has obtained a current, valid license to operate a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility.
    - 318-F:16 Proof of Purchaser's Identity.

- I. For the purposes of this chapter, any person or entity making the sale of cannabis or cannabis accessories to any purchaser whose age is in question may accept any official documentation listed in RSA 179:8 as proof that the purchaser is 21 years of age or older.
- II. The establishment of all of the following facts by a retail cannabis store or an agent or employee of a retail store making a sale of cannabis or cannabis accessories to a person under the age of 21 shall constitute an affirmative defense to any prosecution for such sale:
- (a) That the person presented what an ordinary and prudent person would believe to be valid documentation of a type listed in RSA 179:8.
- (b) That the sale was made in good faith relying upon such documentation and appearance in the reasonable belief that the person was 21 years of age or older. No identification scanning or collection of personally identifiable information shall be required under this section.
  - 318-F:17 Driving; Minors; and Control of Property.
- I. Nothing in this chapter shall be construed to permit driving or operating under the influence of drugs or liquor pursuant to RSA 265-A, nor shall this section prevent the state from enacting and imposing penalties for driving under the influence of or while impaired by cannabis.
- II. Nothing in this chapter shall be construed to permit the transfer of cannabis, with or without remuneration, to a person under the age of 21, or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume cannabis.
- III. Nothing in this chapter shall prohibit a state or county correctional facility from prohibiting the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of cannabis on or in the correctional facility's property.

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- IV.(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 or cannabis cultivation.
- (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:18 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:19 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.
- 36 II. An applicant for a professional or occupational license may not be denied a license based on:

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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 to minors, or (c) Engaging in activities allowed by this chapter. 5 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 may deny a driver's license, a professional license, housing assistance, social services, or other 11 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 chapter, 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 to minors; or (c) Testing positive for the presence of cannabinoids or cannabinoid metabolites in the 2425 urine, blood, saliva, breath, hair, or other tissue or fluid of the individual's body. This section does not prevent an employer from disciplining an employee or 26 27 contractor for ingesting cannabis in the workplace or for working while impaired by cannabis. 28 (b) The protections provided by this section do not apply to the extent that they conflict 29 with a governmental employer's obligations under federal law or regulations or to the extent that 30 they would disqualify the entity from a monetary or licensing-related benefit under federal law or 31 regulations. 32 (c) This section does not authorize any person to engage in, and does not prevent the 33 imposition of any civil, criminal, disciplinary, or other penalties, including discipline or termination by a governmental employer, any task while under the influence of cannabis, when doing so would 34

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constitute negligence or professional malpractice.

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- 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

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- (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:
- Undertaking any task under the influence of cannabis, when doing so would constitute negligence or professional malpractice.
- (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:20 Data Collection Related to Cannabis Legalization and Regulation.
- I. No later than 6 months after the effective date of this chapter and every 2 years thereafter, the department of safety, information and analysis center, drug monitoring initiative, shall produce and publish a report that includes baseline data and the most current data regarding health and welfare outcomes since cannabis became legal and regulated for adults' use, including but not limited to high school graduation rates; youth and adult rates of alcohol, cannabis, and illegal drug use; rates of maladaptive use of cannabis; rates of alcohol abuse; opiate use and abuse rates; the number and type of youth and adult convictions for cannabis offenses; and the rates of individuals needing but not receiving substance abuse treatment. The report shall also include information on treatment and prevention services provided, education campaigns undertaken, and funding allocated under RSA 318-F:21.
- II. No later than 6 months after the effective date of this chapter, and again 18 months after the effective date of this chapter, the Judicial Branch shall produce and publish a report that includes the number of cases dismissed pursuant to RSA 651:5-e.
  - 318-F:21 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.

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- 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 \$15,000,000 is hereby appropriated to the cannabis commission for the cost of administration of this chapter. Said sum shall be a charge against the fund.
- IV. For the biennium ending June 30, 2025, the sum of \$500,000 is hereby appropriated to the substance use prevention and recovery fund established in RSA 318-F:22 for the cost of developing and implementing a public education campaign prior to initiation of retail sales. Said sum shall be a charge against the fund.
- V. After deducting appropriations charged to the fund for the cost of administration of this chapter, the remaining funds shall be appropriated and distributed on a quarterly basis as follows:
- (a) The sum of \$100,000 annually to the department of safety, information and analysis center, drug monitoring initiative, for data collection and reporting related to the health impacts of cannabis prohibition and cannabis regulation; and

#### (b) Of the remaining funds:

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- (1) Fifty percent of remaining funds shall be disbursed to the education trust fund established in RSA 198:39. The comptroller shall notify the commissioner of the department of revenue administration of the amount of the transfer. For the purpose of setting the education tax rate under RSA 76:3, the amount of revenue required to be collected pursuant to RSA 76:3 shall be reduced by the amount transferred to the education trust fund as required in this subparagraph, and the commissioner shall set the rate at a level sufficient to generate the reduced amount. This rate shall be effective for the following fiscal year.
- (2) Thirty percent of remaining funds shall be disbursed to the department of administrative services to be credited to the New Hampshire retirement system to offset the retirement system's unfunded accrued liability. Upon certification by the commissioner of the department of administrative services that the retirement system has no remaining unfunded accrued liability, this disbursement of funds shall be credited to the education trust fund established in RSA 198:39.
- (3) Ten percent of remaining funds, or \$25,000,000, whichever is less, shall be credited to the substance abuse prevention and recovery fund in RSA 318-F:22 for use by the department of health and human services, bureau of drug and alcohol services, in evidence-based, voluntary programs for substance use-related education, prevention, treatment, and recovery that includes mental health treatment that is contributing to substance misuse, and for scientifically and medically accurate public education campaigns educating youth and adults about the health and safety risks of alcohol, tobacco, cannabis, and other substances, including education campaigns separately targeting youth and adults that provide medically and scientifically accurate information

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- about the health and safety risks posed by cannabis use, including driving under the influence of  $^{2}$ cannabis.
  - (4) Five percent of remaining funds shall be disbursed to public safety agencies, including police, fire, and rescue agencies, for the hiring and training of additional drug recognition experts, for advanced roadside impaired driving enforcement training, and to assist in responding to drug overdose incidents.
  - (5) Five percent of remaining funds shall be disbursed to the department of health and human services, division for behavioral health, bureau of children's behavioral health, to be used for children's behavioral health services.
  - 318-F:22 Substance Abuse Prevention and Recovery Fund Established. There is hereby established in the state treasury the substance abuse prevention and recovery fund that shall be kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA 318-F:21 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the commissioner of the department of health and human services for the purposes and in the manner set forth in RSA 126-A:98.
    - 318-F:23 Excise Tax Imposed.

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- I. An excise tax on the monthly total gross revenue derived from sales or transfers to a retail cannabis store of either cannabis or cannabis products in their final form by either a licensed cannabis cultivation facility or a cannabis product manufacturing facility is imposed at the rate of 12.5 percent.
- II. Each licensed cannabis cultivation facility or cannabis product manufacturing facility shall pay 100 percent of the assessment in paragraph I for the assessment period no later than the 15th day of the month following the assessment period.
- III. If a licensed cannabis cultivation facility or cannabis product manufacturing facility does not pay the monthly tax as required under this section, a fine of 10 percent of the tax owed shall be applied to the payment and collected by the commission from the licensee.
- IV. The commission shall ascertain the selling or transfer price of the cannabis or cannabis products when the seller and purchaser are affiliated persons or entities and when the sale or transfer of the cannabis or cannabis product is not an arm's length transaction.
- The commission shall adopt rules under RSA 541-A relative to the tax rate and procedures needed to implement the provisions of this section.
- VI. The commission shall study the efficacy of the rate and scope of the cannabis tax imposed by this section, including whether adjustments may be needed in said rate and scope, and shall, no later than October 1, 2024, and on or before October 1 of every year thereafter, certify its findings and recommendations in a report to the general court and the governor. The commission shall include in said report the dollar amounts of all fees and tax revenues assessed and collected

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pursuant to the provisions of this chapter during the period covered by the report. The commission
shall provide copies of said report to the chairs and minority leaders of the house and senate
committees on ways and means, on finance, and on commerce.

Amend the bill by replacing section 33 with the following:

33 Appropriations.

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

II. The sum of \$7,000,000 for the fiscal year ending June 30, 2024 is appropriated to the liquor commission for the cost of administration of RSA 318-F. The governor is authorized to draw a warrant for said sum from any money in the treasury not otherwise appropriated.

- III. The sum of \$8,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the liquor commission for deposit into the cannabis fund established in RSA 318-F:21 for the administration of RSA 318-F. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.
- IV. The sum of \$500,000 for the biennium ending June 30, 2025 is hereby appropriated to the substance use prevention and recovery fund established in RSA 318-F:22 for the cost of developing and implementing a public education campaign prior to initiation of retail sales.