

HB 1633-FN-A - AS INTRODUCED

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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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. The general court hereby finds that:

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

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

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

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

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

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

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

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

22            2 New Subparagraph; Application of Receipts; Cannabis Fund. Amend RSA 6:12, I(b) by  
23           inserting after subparagraph 394 the following new subparagraphs:

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

25                    (396) Moneys in the substance use prevention and recovery fund established by RSA  
26           318-F:24.

27                    (397) Moneys in the community reinvestment fund established in RSA 318-F:25.

28            3 New Subdivision; Substance Use Prevention and Recovery Funds. Amend RSA 126-A by  
29           inserting after section 105 the following new subdivision:

30                                    Substance Use Prevention and Recovery Funds

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1       126-A:106 Substance Use Prevention and Recovery Funds; Management and Distribution of  
2 Funds.

3       I. The commissioner of the department of health and human services, in coordination with  
4 the governor's commission on alcohol and drug abuse prevention, treatment, and recovery in RSA 12-  
5 J shall administer the substance use prevention and recovery fund established in RSA 318-F:24.

6       II. Funds shall be deposited into the substance use prevention and recovery fund as  
7 established by 318-F:24 to be distributed by the commissioner of the department of health and  
8 human services in coordination with the governor's commission on alcohol and drug abuse  
9 prevention, treatment, and recovery in RSA 12-J. Funds may be awarded to a qualifying  
10 governmental entity or program for an approved use. All funds shall be nonlapsing and continually  
11 appropriated for the purposes of this subdivision.

12       III. The commissioner of the department of health and human services, in coordination with  
13 the governor's commission on alcohol and drug abuse prevention, treatment, and recovery in RSA 12-  
14 J, shall continue to make distributions from the fund.

15       IV. The commissioner of health and human services shall adopt rules pursuant to RSA 541-  
16 A necessary to implement this section. Such rules shall include funding qualifications, application  
17 procedures, time-lines for receiving, reviewing, and acting upon application requests, and reporting  
18 requirements.

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

20           (a) Evidence-based, voluntary programs for substance use-related education, prevention,  
21 treatment, and recovery.

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

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

26           (d) Creation and promotion of scientifically and medically accurate public education  
27 campaigns educating youth and adults about the health and safety risks related to the use of alcohol,  
28 tobacco, cannabis, and other substances, including education campaigns separately targeting youth  
29 and adults that provide medically and scientifically accurate information about the health and safety  
30 risks posed by cannabis use, including driving under the influence of cannabis.

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

4 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.

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

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

6 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, manufacture, sale, or transportation of which is not otherwise authorized by law**.

7 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" 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, vaporizing, 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 cultivation facility" or "cultivation facility" means an entity licensed to  
2 cultivate, prepare, and package cannabis, and sell cannabis to retail cannabis stores, to cannabis  
3 product manufacturing facilities, to alternative treatment centers, and to other cannabis cultivation  
4 facilities, but not to consumers unless the facility also holds another type of license allowing for  
5 direct sales. A cannabis cultivation facility shall not produce cannabis concentrates, tinctures,  
6 extracts, or other cannabis product, unless the facility also holds another type of license allowing for  
7 production of cannabis concentrates, tinctures, extracts, or other cannabis products.

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

11           VI. "Cannabis products" means any product that contains cannabis, including cannabis  
12 extracts, concentrated cannabis products, and products that contain cannabis and other ingredients  
13 and are intended for use or consumption, such as, but not limited to, edible products, topical  
14 products, and tinctures. This term shall not include cannabis in its plant or flower form.

15           VII. "Cannabis testing facility" or "testing facility" means an entity licensed to test cannabis  
16 and cannabis products for potency and contaminants.

17           VIII. "Cannabis transporter" means an entity licensed to transport cannabis and cannabis  
18 products between cannabis establishments.

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

27           X. "Commission" means the liquor and cannabis commission.

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

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

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

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1 alternative treatment center and the license required pursuant to this chapter for each type of  
2 cannabis establishment operated by the alternative treatment center.

3 XIV. "Immature plant" means a plant that has not flowered and that does not have buds  
4 that may be observed by visual examination and which is at least 12 inches tall.

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

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

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

11 XVIII. "Possession limit" means:

- 12 (a) Four ounces of cannabis in plant form;
- 13 (b) Ten grams of concentrated cannabis, which includes hashish and pre-filled cartridges  
14 of cannabis extracts intended for vaporization;
- 15 (c) Cannabis products other than concentrated cannabis containing no more than 2,000  
16 milligrams of THC;
- 17 (d) If the consumer is also a qualifying patient registered under RSA 126-X, 3 mature  
18 cannabis plants, 3 immature cannabis plants, and 12 seedlings may be cultivated at the qualifying  
19 patient's residence as reported to the department, regardless of the number of adults over the age of  
20 21; and
- 21 (e) If the consumer is also a qualifying patient registered under RSA 126-X, any  
22 additional cannabis produced by the person's cannabis plants, provided that any amount of cannabis  
23 in excess of 4 ounces of cannabis, 10 grams of concentrated cannabis, and cannabis products  
24 containing no more than 2,000 milligrams of THC shall be possessed at the qualifying patient's  
25 residence as reported to the department.

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

27 XIX. "Public place" means a place to which the general public has access, and does not  
28 include private land including land in current use.

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

30 XXI. "Retail cannabis store" or "retail store" means an entity licensed to purchase cannabis  
31 from cannabis cultivation facilities, to purchase cannabis and cannabis products from cannabis  
32 product manufacturing facilities, and to sell, transfer, and deliver cannabis and cannabis products to  
33 consumers.

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

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

1       318-F:2 Personal Use of Cannabis.

2           I. Except as otherwise provided in this chapter, the following acts, if undertaken by a person  
3       21 years of age or older, shall not be illegal under New Hampshire law or the law of any political  
4       subdivision of the state or be a basis for seizure or forfeiture of assets under New Hampshire law:

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

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

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

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

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

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

27       318-F:3 Smoking Cannabis in Public Prohibited; Penalty.

28           I. No person shall smoke cannabis in any public place or in any place where the smoking of  
29       tobacco products is prohibited.

30           II. No person shall vape cannabis in a public place where the vaporizing of tobacco or  
31       nicotine products is prohibited.

32           III. Any person who violates this section shall be guilty of a violation and may be fined not  
33       more than \$100 for a first offense.

34           IV. For a second or subsequent offense, any person who violates this section shall be guilty  
35       of a violation and may be fined not more than a \$500. The person shall forfeit all cannabis and  
36       cannabis products that are on their person.

37       318-F:4 Consuming Cannabis While Operating a Moving Vehicle Prohibited; Penalty.

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

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

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

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

15          V. A person may not be convicted of both a violation of this section and a violation of RSA  
16 265-A based on the same incident.

17          318-F:5 Cannabis Accessories Authorized.

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

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

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

30          318-F:6 Odor and Personal Possession of Cannabis Not Grounds for a Search.

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



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

4           318-F:7 Enforcement Authority.

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

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

14          318-F:8 Cannabis Advisory Board.

15          I. There shall be a cannabis advisory board to study and make recommendations to the  
16 liquor commission consistent with the purpose and findings of this chapter on the regulation of  
17 cannabis and cannabis products in New Hampshire. The cannabis advisory board shall also pursue  
18 educational and financing partnerships for participants in the New Hampshire cannabis market.

19          II. No later than 90 days after the effective date of this chapter, the governor shall nominate  
20 members of the advisory board, who shall be confirmed with the advice and consent of the executive  
21 council. The board shall consist of 13 members, and shall consist of: one expert in cannabis  
22 cultivation, one expert in cannabis retailing, one expert in cannabis product manufacturing, one  
23 expert in cannabis testing, one board member or officer of an alternative treatment center, one  
24 registered therapeutic cannabis patient, one individual who represents cannabis consumers, 2  
25 experts in public health, a prevention specialist who is currently certified by the New Hampshire  
26 prevention certification board, one expert in law enforcement, one expert in financing small cannabis  
27 businesses, and one attorney with experience providing legal services to cannabis businesses,  
28 cannabis consumers, or therapeutic cannabis patients.

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

33          IV. The board shall meet at its discretion, provided it shall meet no less frequently than once  
34 every 2 months for the first 9 months after the effective date of this section.

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

36          VI. The cannabis advisory board shall:

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

3 (b) Advise the commission on what additional types of cannabis establishments, if any,  
4 the commission should license, including on-site consumption facilities, along with recommendations  
5 on their licensure and regulation.

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

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

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

12 (f) Make recommendations for changes to the law and rules, including:

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

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

17 (3) Such matters as potency, serving size, advertising restrictions, and testing  
18 requirements;

19 (4) Whether to alter or abolish the commission; and

20 (5) Recommended procedures for automatic annulment and re-sentencing of  
21 cannabis convictions and charges.

22 318-F:9 Regulation of Cannabis.

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

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

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

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

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

1 (3) All registration and annual renewal fees, other than cultivation facilities, shall  
2 not exceed \$10,000; and

3 (4) That cultivation facility licensing fees be tiered based on the size of the facilities,  
4 with a maximum fee of \$7,500.

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

8 (d) Regulations to create at least 2 tiers of cultivation facilities, based on the size of the  
9 facility or the number of plants cultivated and providing:

10 (1) That outdoor cultivation facilities must be allowed to cultivate three times the  
11 square footage of canopy as indoor cultivation facilities of the same tier;

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

15 (3) That security regulations and licensing fees shall vary based on the size of the  
16 cultivation facility and that regulatory burdens shall be no more onerous than is reasonably  
17 necessary; and

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

21 (e) Record keeping requirements for cannabis establishments, including requirements  
22 for implementation and compliance with the tracking system required by this chapter.

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

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

28 (h) Procedures for event and other special use licenses.

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

33 (j) Procedures for hearings on civil fines and suspensions and revocations of a cannabis  
34 establishment registration.

35 (k) Reasonable security requirements for each type of cannabis establishment, which  
36 may be varied based on the size of the cannabis establishment.

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

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

6 (n) Restrictions on the advertising, signage, marketing, and display of cannabis,  
7 including but not limited to:

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

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

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

15 (4) A prohibition on giveaways of cannabis, cannabis products, or cannabis  
16 accessories.

17 (o) The department may require that any advertising for cannabis or cannabis products  
18 include a standard, recognizable symbol.

19 (p) Restrictions on where a cannabis cultivation facility may be located, consistent with  
20 the provisions of this chapter.

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

24 (r) Packaging, product manufacturing, and labeling requirements for cannabis and  
25 cannabis products, including:

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

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

30 (3) Establishing the maximum amount of THC that may be included in each serving  
31 of edible or drinkable cannabis product, which may not be higher than 10 milligrams; and

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

34 (s) Health and safety rules and standards for the manufacture of cannabis products,  
35 including:

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

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

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

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

7                   (u) Requirements for the testing of cannabis, including:

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

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

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

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

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

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

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

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

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

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

1           III. Not later than 15 months after the effective date of this chapter, the commission, in  
2 consultation with the department, shall develop an informational handout, which retail stores shall  
3 make available to all consumers, and which shall include information detailed in 318-F:16.

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

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

18           VI. The commission shall also have the authority to regulate synthetic cannabinoids and  
19 intoxicating products derived from hemp.

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

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

24               (b) How the products would be regulated, including whether registration would be  
25 required and whether hemp processors and manufacturers should be licensed and regulated by the  
26 commission;

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

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

31           318-F:10 Dual Use Certificates.

32           I. No later than one year after the effective date of this act, the commission, after consulting  
33 with the department of health and human services and the therapeutic cannabis medical oversight  
34 board and after holding at least one public hearing, shall initiate the rulemaking process pursuant to  
35 RSA 541-A to allow alternative treatment centers registered to operate pursuant to RSA 126-X to  
36 apply for a dual use certificate.

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

3           III. The commission shall grant or deny any application for a dual use certificate within 90  
4 days.

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

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

8               (b) Requiring dual-use cannabis establishments to prioritize therapeutic cannabis  
9 access;

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

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

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

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

20           V.(a) Cannabis sold by alternative treatment centers holding dual use certificates to  
21 qualifying patients directly or via their designated caregivers must meet the requirements of RSA  
22 126-X:8 and rules issued pursuant to RSA 126-X.

23              (b) Cannabis sold by alternative treatment centers holding dual use certificates to  
24 qualifying patients directly or via their designated caregivers may have higher THC per serving than  
25 is permitted by rules governing cannabis establishment that are issued pursuant to RSA 318-F:9.

26           VI. Retail cannabis stores owned and operated by alternative treatment centers holding dual  
27 use certificates may sell cannabis grown and processed by those alternative treatment centers to  
28 consumers provided they comply with rules adopted pursuant to this section and RSA 318-F:9.

29           318-F:11 Licensing Procedures for Cannabis Establishments.

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

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

35           III. The commission shall:

36               (a) Accept and process applications beginning no later than 14 months after the effective  
37 date of this chapter for cannabis cultivation facilities, beginning no later than 17 months after the

1 effective date of this chapter for cannabis product manufacturing facilities, cannabis transporters,  
2 and cannabis testing facilities, and beginning no later than 18 months after the effective date of this  
3 chapter for retail cannabis stores and dual use certificates;

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

6 (c) Issue a license to the applicant within 90 days after receipt of an application unless:

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

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

12 (3) More qualified applicants have applied than the number of licenses available in  
13 the municipality, and the applicant was not selected.

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

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

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

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

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

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

33 VII. Except as provided in RSA 318-F:13, nothing in this chapter prevents a person or entity  
34 from holding multiple types of cannabis licenses and from co-locating the businesses.

35 318-F:12 Enactment of Municipal Ordinances.

36 I. The voters of every city and town shall vote on whether to allow cannabis establishments  
37 in their municipality at the biennial election held in November 2024. The wording of the question



1 shall be substantially as follows: “Shall we allow the operation of cannabis establishments within  
2 this city or town?” The recount of any local option vote, the procedures for holding such a recount,  
3 the declaration of the results of such a recount and the procedure for an appeal from such a recount  
4 shall be as provided in RSA 660:13-15. A municipality’s prohibition on cannabis establishments  
5 shall not prohibit transportation through the municipality or deliveries within the municipality by  
6 cannabis establishments located in other jurisdictions.

7 II. A town or city where a vote to allow cannabis establishments fails during the biennial  
8 election held in November 2024 shall propose the question to voters again in a subsequent biennial  
9 election upon a petition. The petition shall be of not less than 5 percent of the legal voters within the  
10 city or town filed with the secretary of state not earlier than the first Wednesday after the first  
11 Tuesday in August and no later than the first Friday in September before a state general election.  
12 The same requirements established in paragraph I shall apply to that subsequent biennial election.

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

16 IV. A municipality may enact an ordinance specifying the entity within the municipality  
17 that shall be responsible for reviewing applications submitted for a license to operate a cannabis  
18 establishment within the municipality. The entity designated by the municipality shall be  
19 responsible for indicating whether the application is in compliance with municipal ordinances.

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

24 318-F:13 Financial Interests Prohibited.

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

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

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

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

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

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

VII. In this section, "controlling interest" means a financial or voting interest of 10 percent or greater.

318-F:14 Residency Required.

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

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

318-F:15 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 elementary or secondary school.

318-F:16 Informational Materials and Warning Labels.

I. The commission, in consultation with the department, shall design at least two 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:

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

(2) Any adverse effects unique to adolescents or young adults, including effects 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;

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

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

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

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

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

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

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

14 IV. All cannabis and cannabis products sold by a retail cannabis store shall include warning  
15 labels that provide the following information: "Warning: This product has intoxicating effects. For  
16 use by adults 21 and older. Keep out of reach of children."

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

18 (a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating  
19 effects of this product may be delayed by up to 2 hours," unless the commission determines that a  
20 different time frame should be specified.

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

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

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

26 318-F:17 Lawful Operation of Cannabis-Related Facilities. If undertaken by a person 21 years  
27 of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for  
28 seizure or forfeiture of assets under New Hampshire law:

29 I. Possessing, displaying, or transporting cannabis or cannabis products; obtaining or  
30 purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a  
31 cannabis testing facility; obtaining or purchasing cannabis or cannabis products from a cannabis  
32 product manufacturing facility; or sale, delivery, or distribution of cannabis or cannabis products to  
33 an adult who is 21 years of age or older or to retail cannabis stores or alternative treatment centers,  
34 if the person or business entity conducting the activities described in this paragraph has obtained a  
35 current, valid license to operate a retail cannabis store or is acting in his or her capacity as an  
36 owner, employee, or agent of a licensed retail cannabis store.

1           II. Cultivating, harvesting, processing, packaging, transporting, displaying, or possessing  
2 cannabis; obtaining or purchasing cannabis seeds or seedlings or immature plants from any adult 21  
3 years of age or older; delivering or transferring cannabis to a cannabis testing facility; selling or  
4 transferring cannabis that has not been processed into extracts, concentrates, or other preparations  
5 to a cannabis cultivation facility, a cannabis product manufacturing facility, or a retail cannabis  
6 store or alternative treatment center; or obtaining or purchasing cannabis from a cannabis  
7 cultivation facility, if the person or business entity conducting the activities described in this  
8 paragraph has obtained a current, valid license to operate a cannabis cultivation facility or is acting  
9 in his or her capacity as an owner, employee, or agent of a licensed cannabis cultivation facility.

10           III. Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis  
11 or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing  
12 facility; selling cannabis or cannabis products to a retail cannabis store, alternative treatment  
13 center, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a  
14 cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a  
15 cannabis product manufacturing facility, if the person or business entity conducting the activities  
16 described in this paragraph has obtained a current, valid license to operate a cannabis product  
17 manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a  
18 licensed cannabis product manufacturing facility.

19           IV. Possessing, obtaining, cultivating, processing, storing, transporting, receiving, or  
20 displaying cannabis or cannabis products if the person or business entity has obtained a current,  
21 valid license to operate a cannabis testing facility or is acting in his or her capacity as an owner,  
22 employee, or agent of a licensed cannabis testing facility.

23           V. Engaging in any activities involving cannabis or cannabis products if the person or  
24 business entity conducting the activities has obtained a current, valid license to operate a cannabis  
25 establishment or is acting in his or her capacity as an owner, employee, or agent of a licensed  
26 cannabis establishment, and the activities are within the scope of activities allowed by the  
27 commission for that type of cannabis establishment.

28           VI. Possessing, obtaining, cultivating, processing, storing, transporting, or receiving  
29 cannabis obtained from a cannabis establishment or transporting, delivering, or transferring  
30 cannabis to a cannabis establishment if the person or business entity has obtained a current, valid  
31 license to operate a cannabis transporter or is acting in his or her capacity as an owner, employee, or  
32 agent of a licensed cannabis transporter.

33           VII. Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or  
34 transferring cannabis to a cannabis testing facility; or obtaining or purchasing cannabis or cannabis  
35 products from a cannabis product manufacturing facility if the person or business entity conducting  
36 the activities described in this paragraph possesses a valid license to operate an alternative

1 treatment center or is acting in his or her capacity as an owner, employee, or agent of a licensed  
2 alternative treatment center.

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

6 IX. Selling, offering for sale, transferring, transporting, or delivering cannabis to  
7 establishments licensed to process or sell cannabis under the laws of other states if the person or  
8 business entity has obtained a current, valid license to operate a cannabis transporter, cannabis  
9 product manufacturing facility, or cannabis cultivation facility or is acting in his or her capacity as  
10 an owner, employee, or agent of a cannabis transporter, cannabis product manufacturing facility, or  
11 cannabis cultivation facility.

12 318-F:18 Proof of Purchaser's Identity.

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

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

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

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

23 318-F:19 Driving; Minors; Control of Property.

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

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

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

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

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

- 1 (1) The tenant is a roomer who is not leasing the entire residential dwelling;
- 2 (2) The residence is incidental to the provision of educational, counseling, religious,
- 3 or similar service;
- 4 (3) The residence is a transitional housing facility; or
- 5 (4) Failing to prohibit cannabis possession or consumption would violate federal law
- 6 or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law
- 7 or regulations.

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

9 cannabis cultivation.

10 (d) An adult who is 21 or older may use cannabis on privately owned real property only

11 with permission of the property owner or, in the case of leased or rented property, with the

12 permission of the tenant in possession of the property, except that a tenant shall not allow a person

13 to smoke cannabis on rented property if smoking on the property violates the lease or the lessor's

14 rental policies that apply to all tenants at the property. However, a tenant may permit an adult who

15 is 21 or older to use cannabis on leased property by ingestion or inhalation through vaporization

16 even if smoking is prohibited by the lease or rental policies. For purposes of this chapter,

17 vaporization shall mean the inhalation of cannabis without the combustion of the cannabis.

18 318-F:20 Enforcement of Contracts. Contracts related to the operation of a cannabis

19 establishment registered pursuant to this chapter shall be enforceable. No contract entered into by

20 a licensed cannabis establishment or its employees or agents as permitted pursuant to a valid

21 license, or by those who allow property to be used by an establishment, its employees, or its agents

22 as permitted pursuant to a valid license, shall be unenforceable on the basis that cultivating,

23 obtaining, manufacturing, distributing, dispensing, transporting, selling, possessing, or using

24 cannabis is prohibited by federal law.

25 318-F:21 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.

26 I. Except as provided in this section, a holder of a professional or occupational license may

27 not be subject to professional discipline for:

28 (a) Providing advice or services related to cannabis establishments or applications to

29 operate cannabis establishments on the basis that cannabis is illegal under federal law; or

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

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

32 on:

33 (a) Previous employment related to cannabis establishments operating in accordance

34 with state law;

35 (b) A prior conviction for a non-violent cannabis offense that does not involve

36 distribution to minors, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 318-F:22 Data Collection Related to Cannabis Legalization and Regulation.

10 I. No later than 6 months after the effective date of this chapter and every 2 years  
11 thereafter, the department of safety, information and analysis center, drug monitoring initiative,  
12 shall produce and publish a report that includes baseline data and the most current data regarding  
13 health and welfare outcomes since cannabis became legal and regulated for adults' use, including but  
14 not limited to high school graduation rates; youth and adult rates of alcohol, cannabis, and illegal  
15 drug use; rates of maladaptive use of cannabis; rates of alcohol abuse; opiate use and abuse rates;  
16 the number and type of youth and adult convictions for cannabis offenses; and the rates of  
17 individuals needing but not receiving substance abuse treatment. The report shall also include  
18 information on treatment and prevention services provided, education campaigns undertaken, and  
19 funding allocated under RSA 318-F:23.

20 II. No later than 6 months after the effective date of this chapter, 18 months after the  
21 effective date of this chapter and every 2 years thereafter, the judicial branch shall produce and  
22 publish a report that includes the number of cases annulled pursuant to RSA 651:5-b; and the  
23 number of cases dismissed pursuant to RSA 651:5-e.

24 318-F:23 Cannabis Fund Established.

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

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

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



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

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

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

9               (b) Of the remaining funds:

10               (1) Fifty-five percent shall be disbursed to the board of trustees of the New  
11 Hampshire retirement system to be credited to reduce the retirement system's unfunded accrued  
12 liability determined under RSA 100-A:16, II. Upon certification by the retirement system to the  
13 commission that the retirement system has no remaining unfunded accrued liability, this  
14 disbursement of funds shall cease;

15               (2) Upon the certification under subparagraph (1) that the retirement system has no  
16 remaining unfunded accrued liability, 55 percent shall be disbursed to the education trust fund  
17 established in RSA 198:39. The comptroller shall notify the commissioner of the department of  
18 revenue administration of the amount of the transfer. For the purpose of setting the education tax  
19 rate under RSA 76:3, the amount of revenue required to be collected pursuant to RSA 76:3 shall be  
20 reduced by the amount transferred to the education trust fund as required in this subparagraph, and  
21 the commissioner shall set the rate at a level sufficient to generate the reduced amount. This rate  
22 shall be effective for the following fiscal year;

23               (3) Ten percent shall be allocated to the community reinvestment fund established in  
24 RSA 318-F:25;

25               (4) Ten percent shall be allocated to the substance use prevention and recovery fund  
26 established in RSA 318-F:24;

27               (5) Ten percent shall be allocated to the department of business and economic affairs  
28 established in RSA 12-O:2;

29               (6) Five percent shall be allocated to the affordable housing fund established in RSA  
30 204-C:57;

31               (7) Five percent shall be allocated for broad based aid to municipalities with at least  
32 one operational cannabis retail store during the time period in which the revenues were collected,  
33 with the amount of allocation to each municipality determined based on the percent of tax revenue  
34 collected from retail stores located in the municipality; and

35               (8) Up to 5 percent, not to exceed \$1,000,000, to public safety agencies, including  
36 police, fire, and rescue agencies, for the hiring and training of additional drug recognition experts,

1 for advanced roadside impaired driving enforcement training, and to assist in responding to drug  
2 overdose incidents.

3 318-F:24 Substance Use Prevention and Recovery Fund Established. There is hereby  
4 established in the state treasury the substance use prevention and recovery fund that shall be kept  
5 distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA 318-  
6 F:23 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with  
7 RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be  
8 nonlapsing and shall be continually appropriated to the state treasury. The state treasurer shall  
9 disburse funds from the fund solely for the purposes and in the manner set forth in RSA 126-A:106.

10 318-F:25 Community Reinvestment Fund Established.

11 I. There is established in the state treasury a nonlapsing fund to be known as the  
12 community reinvestment fund that shall be kept distinct and separate from all other funds.

13 II. All proceeds allocated to the fund pursuant to RSA 318-F:23 shall be deposited in the  
14 fund.

15 III. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the  
16 commission. The state treasurer shall disburse funds from the fund solely for the purposes and in  
17 the manner set forth in this section.

18 IV. The fund shall be used to support New Hampshire communities. The fund may be used  
19 for the following purposes to support those communities:

20 (a) Water and sewer expansion projects so long as properties passed by new water and  
21 sewer funded through this source are not required to participate;

22 (b) Legal aid services for expungement of cannabis convictions authorized under RSA  
23 651:5-b and RSA 651:5-c;

24 (c) Grants to assist farmers entering the cannabis market; and

25 (d) Cannabis-related research and development.

26 V. The commission shall report to the general court within 18 months after the effective date  
27 of this act and by January 1 of each year thereafter on distribution of funds pursuant to this section.

28 8 Controlled Drug Act; Definitions. Amend the introductory paragraph in RSA 318-B:1, X-a(k)  
29 to read as follows:

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

33 9 Controlled Drug Act; Penalties. Amend the introductory paragraph in RSA 318-B:26, I to read  
34 as follows:

35 I. Any person who manufactures, sells, prescribes, administers, or transports or possesses  
36 with intent to sell, dispense, or compound any controlled drug, controlled drug analog or any  
37 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:

10 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:

11 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.

12 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;

13 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:

~~[(a)]~~ **I.** "Marijuana" includes the leaves, stems, **and** 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, fiber, oil or cake, or the sterilized seed of such plant which is incapable of germination. Marijuana shall not include hemp grown, processed, marketed, or sold under RSA 439-A.

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

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

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

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

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

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

VI.(a) Except as provided in this section, no person shall be subject to arrest for a violation of paragraph II[; **or** III~~[-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[; **or** III~~[-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[; **or** III~~[-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[; **or** III~~[-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.

14 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)].~~

1       15 Sentences; General Provisions; Annulment of Criminal Records; Annulment of Arrests and  
2 Convictions for Cannabis Offenses. Amend RSA 651:5-b to read as follows:

3       651:5-b Annulment of Arrests and Convictions for ~~[Marijuana Possession.]~~ ***Cannabis Offenses.***

4           ***I. As used in this section:***

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

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

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

24       16 New Section; Certain Crimes Not to be Pursued; Dismissal. Amend RSA 651 by inserting  
25 after section 5-b the following new section:

26       651:5-c Certain Crimes Not to be Pursued; Dismissal.

27           ***I. As used in this section:***

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

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

30           ***II.(a)*** Except to the extent required to dismiss, withdraw, or terminate the charge, no  
31 prosecutor shall pursue any charge based on crimes or offenses pending with a court that occurred  
32 prior to the effective date of RSA 318-F, involving a person 21 years of age or older knowingly or  
33 purposely obtaining, purchasing, transporting, manufacturing or possessing, actually or  
34 constructively, or having under his or her control, no more than the possession limit of cannabis  
35 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.

17 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.

18 Taxation; Tax on Meals, Rooms, and Cannabis. Amend RSA 78-A:1 to read as follows:

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

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

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

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

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

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

V.

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

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

22 Meals, Rental, and Cannabis Licenses Required; Penalty. Amend RSA 78-A:4 to read as follows:

78-A:4 Meals, ~~and~~ Rentals, **and Cannabis** Licenses Required; Penalty.

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

*I-a. Each cannabis retail store, or other cannabis establishment that is registered pursuant to 318-F:11 to sell directly to consumers, shall register with the department the name and address of each place of business within the state where it operates a cannabis establishment that is licensed to sell directly to consumers. The operator shall complete a registration, upon receipt of which the department shall issue a cannabis sales license for each place in such form as it determines, attesting that the registration has been made, provided that a license shall not be issued or renewed if the operator owes unpaid taxes, interest, or penalties from any tax administered by the department. A license may be denied if the commissioner has reason to believe that the registration is filed by a person as a subterfuge for the real person in interest whose license has been previously been revoked, suspended, or not renewed for cause. Licenses shall expire on June 30 in each odd-numbered year, unless the business ceases operation, a change in ownership occurs, or the license is revoked or suspended by the department prior to expiration of the license.*

~~I-a.~~ *I-b. Each* ~~The~~ license *issued pursuant to this section* shall be conspicuously posted in a public area upon the premises to which it relates. Violation of the posting requirement in this paragraph may result in a warning from the department that the operator's license may be revoked, suspended, or denied. The warning shall include notification to the operator of his or her



obligation to obtain a meals and rooms, **and cannabis** license and pay the meals, ~~and~~ rooms, **and cannabis** tax under this chapter. Subsequent violations of the provisions of this section may constitute sufficient cause for revocation, suspension, or denial of license.

II. [Repealed.]

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

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

23 Tax on Meals, Rooms, and Cannabis; Imposition of Tax. Amend RSA 78-A:6, II to read as follows:

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

- (a) Four cents for a charge between \$.36 and \$.37 inclusive;
- (b) Five cents for a charge between \$.38 and \$.50 inclusive;
- (c) Six cents for a charge between \$.51 and \$.62 inclusive;
- (d) Seven cents for a charge between \$.63 and \$.75 inclusive;
- (e) Eight cents for a charge between \$.76 and \$.87 inclusive;
- (f) Nine cents for a charge between \$.88 and \$1.00 inclusive;
- (g) Eight and a half percent of the charge for taxable meals **and taxable sales of cannabis** over \$1.00, provided that fractions of cents shall be rounded up to the next whole cent.

24 Tax on Meals, Rooms, and Cannabis; Exception to Tax; Gratuity Charges. Amend RSA 78-A:6-a, I to read as follows:

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

- (a) The gratuity is not used by the operator in lieu of the tipped employee minimum wage requirements of RSA 279:21, or as a pool from which bonuses are paid to managerial personnel;
- (b) The gratuity is paid to the service personnel providing the service for which the gratuity is charged;
- (c) The amount of the gratuity does not exceed 18 percent of the charge for the taxable meal and/or rent imposed on each occupancy;
- (d) The gratuity exceeds the percentage specified in subparagraph (c) and the amount is not separately stated, the exception from tax shall be limited to the percentage enumerated and the additional gratuity shall be subject to tax; and

(e) The payroll or other business records of the operator substantiate the distribution of the gratuity to the service employees as a payment that does not supplement wages or is not in lieu of wages.

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

78-A:6-e Taxable Sales; Exception to Tax; Therapeutic Cannabis Sales.

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

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

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

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

(1) Two ounces of usable cannabis; or

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

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

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

27 Tax on Meals, Rentals, and Cannabis; Disposition of Revenue. Amend RSA 78-A:26, I to read as follows:

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

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(a) The amount necessary to provide payments of principal and interest on the bonds and notes authorized under RSA 198:15-a, II for the fiscal years ending June 30, 2009 through June 30, 2030; and

(b) The remainder to the general fund.

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

V. All revenue collected from the sales of taxable cannabis shall be deposited in the cannabis fund and distributed pursuant to RSA 318-F:23.

29 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:23***, 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.

30 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.

31 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.

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

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

4 33 New Paragraphs; Public Health; Use of Cannabis for Therapeutic Purposes; Alternative  
5 Treatment Centers; Requirements. Amend RSA 126-X:8 by inserting after paragraph XVIII the  
6 following new paragraphs:

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

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

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

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

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

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

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

35 XXIII. For the purposes of converting or merging an alternative treatment center pursuant  
36 to this section, notwithstanding any provision in the articles of agreement or alternative treatment  
37 center license applications to the contrary, the members of an alternative treatment center's board of

directors may determine that a plan of entity conversion or merger is consistent with its corporate charter, and such voluntary corporation may surrender its articles of agreement in connection with the plan of entity conversion or merger.

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

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

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

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

292:7 Change of Name; Amending Articles.

**I.** Any corporation now or hereafter organized or registered in accordance with the provisions of this chapter, and any existing corporation which may have been so organized or registered, may change its name, increase or decrease its capital stock or membership certificates, merge with or acquire any other corporation formed pursuant to this chapter, or amend its articles of 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.**

35 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.

36 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.***

37 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.

38 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.

39 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.

40 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.

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

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

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

IX-a. Cannabis licenses, including:

(a) Procedures for the application for, issuance, transfer, 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.

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

**HB 1633-FN-A - AS INTRODUCED**  
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1       44 Appropriations.

2           I. The sum of \$100,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the  
3 department of safety, information and analysis center, drug monitoring initiative, for the purpose of  
4 collecting baseline data to be used in the reports required pursuant to RSA 318-F:22. The governor  
5 is authorized to draw a warrant for said sum out of any money in the treasury not otherwise  
6 appropriated.

7           II. The sum of \$2,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to  
8 the liquor and cannabis commission for deposit into the cannabis fund established in RSA 318-F:23  
9 for the administration of RSA 318-F. The governor is authorized to draw a warrant for said sum out  
10 of any money in the treasury not otherwise appropriated.

11          III. The sum of \$500,000 for the biennium ending June 30, 2025 is hereby appropriated to  
12 the substance use prevention and recovery fund established in RSA 318-F:24 for the cost of  
13 developing and implementing a public education campaign prior to initiation of retail sales.

14       45 Repeal. RSA 318-B:1, X-a(g), relative to separation gins and sifters used or intended for use  
15 with cannabis, is repealed.

16       46 Effective Date. This act shall take effect upon its passage.



**HB 1633-FN-A- FISCAL NOTE  
AS INTRODUCED**

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

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

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</i>	General Fund Cannabis Fund and Various Government Funds			
<b>Expenditures</b>	Indeterminable Increase			
<i>Funding Source</i>	General Fund Cannabis Fund and Various Government Funds			
<b>Appropriations</b>	\$0	\$4,600,000	Indeterminable	Indeterminable
<i>Funding Source</i>	General Fund, Cannabis Fund			

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>	Indeterminable			
<b>Local Revenue</b>	\$0	\$0	Indeterminable Increase	Indeterminable Increase
<b>Local Expenditures</b>	Indeterminable Increase			

**METHODOLOGY:**

The 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 indicates this bill would require an extensive regulatory framework administered by the Commission and would change the name of the Liquor Commission to the State Liquor and Cannabis Commission. In addition, the Commission indicates the bill:

- Places primary enforcement authority with the Liquor and Cannabis Commission.
- Establishes a cannabis board to study cannabis and make recommendations to the Commission on implementation and changes to the new laws and regulations.
- Requires the Commission to adopt a broad and comprehensive range of rules relative to the regulation of cannabis cultivation facilities and dual use permits within one year.
- Requires the Commission, within 15 months of the effective date, to develop an informational handout in conjunction with the Department of Health and Human Services for statewide distribution.
- Provides that the Commission shall develop or contract for an inventory tracking system for the growth and tracking of cannabis products.
- Includes a reporting requirement for the Commission to make written recommendation to the legislature within 36 months of passage of the bill regarding the regulation of hemp.
- Provides that the Commission shall develop rules, no later than 12 months after the bill's passage, for Alternative Treatment Centers to apply for dual use certification. This process would involve consulting with the local municipalities where the store operations are planned.

The Commission states the bill does not provide funding to compensate senior Liquor Commission staff who will need to devote significant additional time to the implementation process. While the bill makes a general fund appropriation of \$2 million dollars for the fiscal year ending June 30, 2025, the Commission does not believe the \$2 million is sufficient to cover the administration and enforcement costs. The Commission assumes up to \$5 million will be needed to establish and operate the program in the second year (FY 2026). This amount would include personnel costs, equipment, office space, a stand-alone government traceability IT solution, and a licensing, auditing, and ERP financial system. The Commission is not able to predict the program requirements beyond FY 2026. As provided in the bill, the program costs for FY 2025 and FY 2026 would be included in the Commission's operating budget.

The Commission assumes in addition to the personnel costs listed below, a 10% salary stipend would be added for existing senior staff dedicated to developing the new program. The Commission assumes the following additional staff will be needed:

Division of Enforcement. The Division of Enforcement and Licensing would oversee the development and implementation of the program and would need additional managers and personnel to oversee the process in the timetable laid out in the bill. Additional staff include:

Deputy Director for Cannabis.  
Lieutenant position.  
2 Examiner II positions.  
6 Investigators.  
1 Licensing Specialist.

In addition, there would be costs for equipment adequate to fully outfit sworn members of the Division and non-sworn personnel hired to license and audit businesses manufacturing and selling cannabis.

Administration and Finance. The Commission would track all transactions, purchases and fiscal matters associated with the bill through the existing division of administration and finance. Eight new positions would be added to this division to discretely and separately manage the financial and legal matters associated with the cannabis program and prepare the reports required by the bill. Additional staff include:

Administrator IV.  
Attorney IV.  
Financial Reporting Administrator I.  
2 Accountant II positions.  
2 Internal Auditor II positions.  
Accountant III (inventory control)

The estimated cost for the additional position is included in the table below:

Division	FY 2025	FY 2026	FY 2027
Enforcement and Licensing	\$751,898	\$790,287	\$820,970
Administration and Finance	\$969,613	\$1,016,912	\$1,063,307
Total	\$1,721,511	\$1,807,199	\$1,884,277

The Commission states, because the sale of cannabis is not currently lawful in the State, the Commission has no historical data upon which to build projected revenue figures.

The Department of Revenue Administration (DRA) provided the following information and assumptions concerning the fiscal impact of this bill:

- Section 17 of the bill would amend the Business Profits Tax (BPT) 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 or an alternative treatment center.
- Sections 18 through 28 of the bill would subject taxable sales of cannabis to the Meals and Rooms (M&R) tax, to be renamed as Meals, Rooms, and Cannabis (MR&C) tax. The tax would be collected by the operator, from the purchaser of cannabis, and remitted to the DRA on or before the fifteenth day of the calendar month following the collection of the tax.
- Section 22 would require each cannabis retail store or cannabis establishment, registered with the Cannabis Commission to sell to consumers, to obtain a cannabis sales license

from the DRA for each place of business selling directly to consumers prior to making a cannabis sale.

- Section 25 of the bill excludes the sale of therapeutic cannabis to registered qualified patients from the MR&C tax. These sales shall be sales made by alternative treatment centers and a limit is placed on the amount of cannabis products the qualifying patient may purchase in a 10-day period.
- Proposed RSA 318-F:23 establishes a Cannabis Fund where the MR&C tax revenue from the taxable sale of cannabis shall be deposited. After deducting certain appropriations, and upon certification by the Retirement System that there is no longer an accrued unfunded liability, fifty-five percent of the remaining funds would be disbursed to the education trust fund to reduce the amount collected by municipalities for the Statewide Education Property Tax (SWEPT). Section 29 of the bill amends funding of the SWEPT by setting the tax rate to a level sufficient to generate revenue of \$363 million less any amount credited to the education trust fund pursuant to RSA 318-F:23.
- The fiscal impact of the bill as it relates to section 29 is indeterminable. The DRA is unable to know the amount of available funds that will remain after deducting the cost as outlined in RSA 318-F:23, V(b)(2). However, any amount remaining that is deposited into the Education Trust Fund that would go towards the collection of the SWEPT of \$363 million would likely decrease revenues, relative to the tax to be collected by the municipalities to fund the SWEPT.
- The bill provides that the voters of every municipality shall decide whether to allow cannabis establishments in their municipality by an election held in November 2024. In addition, the bill makes appropriations to the Department of Safety and the Liquor and Cannabis Commission for the fiscal year ending June 30, 2025. Based on these dates, the DRA assumes the taxable sale of cannabis will begin no earlier than July 1, 2025 (FY 2026).
- Cannabis establishments and alternative treatment centers conducting business in the State would be subject to the Business Profits Tax (BPT) and Business Enterprise Tax (BET). However, the DRA is unable to determine the potential increase in BPT and BET revenue as the number of businesses that may participate in this activity and their taxable income cannot be predicted. Section 17 of the bill would allow these businesses to deduct all ordinary and necessary expenses in the carrying on a trade or business as a cannabis establishment or an alternative treatment center. A deduction is also allowed for reasonable allowance for salaries or other compensation for personal services rendered. The DRA is unable determine the amount or effect of the deductions on potential BPT revenues.
- To administer the MR&C tax on cannabis, the DRA would need five additional positions at the total cost noted below:

Position	FY2025	FY2026	FY2027
Administrative Secretary (LG 14)	\$73,000	\$70,000	\$71,000
Tax Auditor IV (LG 29 ) – 2 positions	\$222,000	\$220,000	\$228,000
Attorney I (LG 30)	\$115,000	\$113,000	\$118,000
Administrator III (LG 31)	\$118,000	\$118,000	\$122,000
Total:	\$528,000	\$521,000	\$539,000

- The DRA would need additional appropriations for the costs associated with upgrading the RIMS system to accommodate the proposed tax, as well as other anticipated costs such as: armored car transportation services for deposits of tax payments, updates to

secure rooms holding cash, cash counting machines, and other essential items to process the expected increase in cash tax payments.

The DRA states the revenue impact of the bill as it relates to taxation of cannabis is indeterminable because the amount of cannabis products that would be sold or the selling prices of those products are not known. However, the DRA has calculated an estimate of the potential tax revenue using data available from the neighboring states of Massachusetts and Maine. There is no data available from Vermont as adult-use marijuana sales began in late October 2022. The estimates in the table below are based on the 2020 US Census data, the adult-use marijuana sales reported by Massachusetts and Maine for calendar year 2022, and other demographic data collected through the Internet. The DRA estimated NH tax revenue if the taxable sale for New Hampshire mirrors the experiences of Massachusetts or Maine. The estimates assume Massachusetts' and Maine's population make-up did not change since the 2020 US Census. The DRA also assumed that the price of the cannabis products that will be sold in New Hampshire would mirror the prices of Massachusetts and Maine.

Summary of Assumptions & Adjustments for Calculation of First Year Potential NH Cannabis Tax Revenues		
	Massachusetts	Maine
Total population as of April 1, 2020	7,029,917	1,362,359
Population aged 21 years and over as of 2021	5,288,828	1,050,000
<i>Assumption is made that the total population data above remained the same for 2022.</i>		
Percentage aged 21 years and over in 2022	75%	77%
Adult-use cannabis retailer sales in 2022	\$1,505,653,805	\$158,904,377
Estimated NH Tax Revenue	If New Hampshire sales mirrored Massachusetts	If New Hampshire sales mirrored Maine
Total population as of April 1, 2020	1,377,529	1,377,529
Population aged 21 years and over as of 2021	1,054,041	1,054,041
<i>Assumption is made that the total population data above remained the same for 2022.</i>		
Percentage aged 21 years and over in 2022	77%	77%
Estimated adult-use cannabis retailer sale in 2022	\$300,070,421	\$158,875,587
Tax rate (based on current law w/ 3% retained by the operator)	8.50%	8.50%
Estimated Tax Revenue (Rounded)	\$25,500,000	\$13,500,000

The Department of Safety indicates this bill would create a law to regulate the manufacture, possession, and sale of cannabis. The bill requires the Department's New Hampshire Information and Analysis Center (NHIAC) to provide statistics on the affects of legalizing cannabis in New Hampshire and appropriates \$100,000 to the Department for fiscal year ending

2025. The Department states the fiscal impact of the bill is indeterminable because it isn't possible to predict criminal activities related to cannabis legalization. Based on information from Illinois and Colorado where marijuana is legal, the Department offers the following information and assumptions:

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

While the Department cannot predict the financial impact to New Hampshire, the Department assumes, based on the experiences from Illinois and Colorado, the fiscal impact could be significant. The Department assumes, the enforcement issues related to crimes such as robbery, burglary, and theft may increase. These issues will impact local and state law enforcement and result in a need for additional manpower and training. The Department states that the NHIAC's capabilities allow for the collection, compilation, and distribution of statistics. This bill would require statistics for data that does currently exist and is not created by any other agency. The NHIAC is not able to produce the statistics required by the bill with out this data. The Department assumes that, at a minimum, the NHIAC would need an additional analyst position to seek out data related to the effects of legalizing marijuana. The cost of a new position would exceed the \$100,000 annual appropriations included in the bill.

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 of State indicates this bill may result in additional expenditures for the Department. Depending on the number of petitions submitted for towns or cities, the Department may experience increased expenditures for staff to review the petitions and expenses related to printing, larger boxes, and shipping. These additional costs are indeterminable at this time. The Department does not anticipate any significant additional expenditures related to changes to the corporations statutes.

The Department of Education has no information regarding the amount of net revenue the proposed bill will produce or when the unfunded liability is satisfied. At the end of FY 2023, the Retirement System Unfunded Actuarial Accrued Liability balance was \$5.6 billion. The Department does not expect an impact on the Education Trust Fund in the foreseeable future. The Department indicates if the program generates sufficient revenue, once the Unfunded Actuarial Accrued Liability is satisfied, the Education Trust Fund would see an indeterminable increase in revenue in an indeterminable fiscal year.

The New Hampshire Municipal Association estimates, based on information available, that 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 Associations estimates that NH residents alone would consume the following range of legal cannabis per year:

Lower Volume	Middle Volume	Upper Volume
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4,087,921.2 grams	5,185,443.6 grams	6,517,622.4 grams
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Assuming a market price of \$7.83 per gram and an 8.5% 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	\$816,214.79	\$1,035,351.60	\$1,301,341.08
48% Legal Sales (ME)	\$1,305,943.66	\$1,656,562.55	\$2,082,145.72

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: \$4,930,000, Year 2: \$6,970,000, and Year 3: \$13,506,500. The Association indicates it has no reason to believe that revenues will exceed those produced in Maine.

The Association expects, given the timelines in the bill for rulemaking, 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 2026. It is not known what additional administrative costs may result from this bill, however, a deduction of \$2.6 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 2027. However, 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.

The Association states, given the difficulty obtaining information relative to effects of legalization on crime statistics, ambulance deployment statistics, the existing status of NH 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 increase in costs associated with partial 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.

#### **AGENCIES CONTACTED:**

Departments of Revenue Administration, Safety, Education and Health and Human Services, Liquor Commission, Secretary of State, Judicial Branch and New Hampshire Municipal Association



