

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

22Feb2024... 0680h
11Apr2024... 1393h
11Apr2024... 1446h
05/16/2024 1868s
05/16/2024 2010s
05/16/2024 1959s
05/16/2024 1960s
05/16/2024 2000s
05/16/2024 1985s
05/16/2024 1940s
05/23/2024 2138s
05/23/2024 2176s
05/23/2024 2172s

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. Berezghny, 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

ANALYSIS

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

Explanation: Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

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

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

1 Purpose and Findings. The general court hereby finds that: the people of the state of New Hampshire find and declare that cannabis should be regulated in a manner similar to alcohol so that:

I. Individuals will have to show proof of age before purchasing cannabis.

II. Selling, distributing, or transferring cannabis to minors and other individuals under the age of 21 shall remain illegal.

III. Driving under the influence of cannabis shall remain illegal.

IV. Moving cannabis production and sales from the underground, sometimes dangerous, illicit market to legal businesses allows for appropriate regulations and control.

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

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

VII. Marketing and advertising to minors shall be prohibited.

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

(395) Moneys deposited in the cannabis fund established in RSA 318-F:21.

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

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

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

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

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

CHAPTER 318-F
REGULATION OF CANNABIS

318-F:1 Definitions.

I. "Affiliate" means a person or entity that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with another person.

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

III. "Cannabis" means all parts of the plant of the genus cannabis 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 hemp, fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, foods, drinks, or other products.

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

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

VI. “Cannabis cultivation facility” or “cultivation facility” means a person registered and licensed by the state of New Hampshire to cultivate, prepare, package, transport, and sell cannabis to cannabis retail stores, cannabis product manufacturing facilities, cannabis production facilities, and other cannabis cultivation facilities, but not to consumers. A cannabis cultivation facility shall not produce cannabis concentrates, tinctures, or other cannabis products that contain ingredients other than cannabis flower and/or cannabis trim.

VII. “Cannabis distributor” means any entity licensed to receive, warehouse, and distribute cannabis products between cannabis establishments, including cannabis products manufactured by others, but does not include cannabis cultivation, manufacturing, or retail sales to customers.

VIII. “Cannabis flower” means the pistillate reproductive organs of a mature cannabis plant, whether processed or unprocessed, including the flowers and buds of the plant. “Cannabis flower” does not include cannabis trim, the non-flower portions of the cannabis plant, or whole mature cannabis plants, but does include kief.

IX. “Cannabis establishment” means any licensed or franchised New Hampshire cannabis cultivation facility, cannabis testing facility, cannabis product manufacturing facility, cannabis production facility, franchise cannabis retail store, cannabis distributor, cannabis transporter, or any other type of cannabis business authorized and licensed by the commission.

X. “Cannabis product manufacturing facility” or “product manufacturing facility” means a person registered with the secretary of state’s office with its principal place of business located in New Hampshire and licensed by the state of New Hampshire to purchase cannabis and cannabis products, manufacture, prepare, and package cannabis products, and transport and sell cannabis and cannabis products to other cannabis product manufacturing facilities, cannabis production facilities, and to cannabis retail stores, but not to consumers.

XI. “Cannabis product” means any product that contains cannabis, including cannabis concentrate and products that contain cannabis and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures. This term shall not include cannabis flower or cannabis trim.

XII. “Cannabis production facility” means a person registered with the secretary of state’s office with its principal place of business located in New Hampshire and licensed by the state of New Hampshire to cultivate, prepare, and package cannabis, manufacture, prepare, and package cannabis products within the same premises, transport and sell cannabis to other cannabis production facilities, cannabis cultivation facilities, cannabis product manufacturing facilities, and cannabis retail stores, but not to consumers, and transport and sell cannabis products to other cannabis production facilities, cannabis product manufacturing facilities, and cannabis retail stores, but not to consumers.

XIII. “Cannabis retail store” means a person or entity granted a franchise by the state of New Hampshire to purchase cannabis from cannabis cultivation facilities, cannabis and cannabis products from cannabis product manufacturing facilities and cannabis production facilities, and therapeutic grade cannabis products from alternative treatment centers, and to sell cannabis and cannabis products, or cannabis accessories or cannabis paraphernalia to consumers and therapeutic grade cannabis products to qualified patients or designated caregivers. Online pre-ordering is allowed, but consumers must purchase and pick up cannabis and cannabis products at the cannabis retail store’s premise. Alternative treatment centers cannot be licensed at the same location as a cannabis retail store.

XIV. “Cannabis testing facility” or “testing facility” means a person licensed in the state of New Hampshire to test cannabis for potency and contaminants.

XV. “Cannabis transporter” means a person licensed in the state of New Hampshire to transport cannabis between cannabis establishments.

XVI. “Cannabis trim” means any part of a cannabis plant, whether processed or unprocessed, that is not cannabis flower or a cannabis seed.

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

XVIII. "Clone" means a clipping from a cannabis plant that has not taken root. Clone includes tissue cultures.

XIX. "Commission" means the liquor commission.

XX. "Consumer" means a person 21 years of age or older who purchases cannabis or cannabis products for personal use by a person 21 years of age or older from a cannabis retail store that is not a qualifying patient or designated caregiver purchasing a therapeutic grade product from a cannabis retail store or cannabis from an alternative treatment center pursuant to RSA 126-X.

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

XXII. "Department" means the department of health and human services.

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

XXIV. "Exit packaging" means an opaque bag, pouch, or other container that cannabis and/or cannabis products are placed in by a licensee or franchisee after a retail sale to a consumer.

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

XXVI. "Hemp" means the plant *Cannabis sativa* L. and any part of the plant, whether growing or not, with a delta-9 tetrahydrocannabinol or delta-8 tetrahydrocannabinol concentration (THC) or any other tetrahydrocannabinol of not more than 0.3 percent on a dry weight basis or if in an edible or beverage, not more than 0.25 milligrams per serving or 1 milligram per package of THC.

XXVII. "Immature cannabis plant" means a cannabis plant that is not a mature cannabis plant or a seedling.

XXVIII. "Kief" means the dried or drying resinous trichomes of cannabis plant that have separated from cannabis flower or have been separated from cannabis flower by processes other than extraction.

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

XXX. "Mature cannabis plant" means a plant that is flowering.

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

XXXII. "Outdoor cultivation" means the seasonal cultivation of cannabis in an expanse of open or cleared ground without the use of artificial lighting.

XXXIII. "Ownership interest" means a right to ownership or equity interest.

XXXIV. "Person" means a natural person or a business entity.

XXXV.(a) "Possession limit" means:

- (1) Two ounces of cannabis flower or cannabis trim or any combination thereof;
- (2) Ten grams of cannabis concentrate, which includes, but is not limited to, pre-filled cartridges of cannabis extracts intended for vaporization; and
- (3) Cannabis products other than cannabis concentrate containing no more than 2,000 milligrams of THC.

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

XXXVI. "Public place" means any place to which the general public has access and does not include private land not used for commercial purposes, where cannabis use is allowed by the property owner or tenant pursuant to 318-F:5, IV(b).

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

XXXVIII. "Resident" means a natural person who:

- (a) Is domiciled in New Hampshire; and
- (b) Maintains a place of abode in New Hampshire.

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

XL. "THC" means tetrahydrocannabinol.

XLI. "Therapeutic grade cannabis product" means a cannabis product that exceeds any potency or serving size limitations created by this chapter that is manufactured by a licensed alternative treatment center. Therapeutic grade cannabis products sold by an alternative treatment center to a cannabis retail store shall meet the requirements of RSA 126-X and rules issued pursuant to RSA 126-X. Cannabis retail stores may only sell therapeutic grade cannabis products to qualified patients or designated caregivers as defined in RSA 126-X:1. The commission has jurisdiction over therapeutic grade cannabis products after they are transferred to a cannabis establishment licensed under this chapter.

XLII. "Threshold financial interest" means a majority ownership interest in the applicant, licensee, or franchisee.

XLIII. "Vertically integrated cannabis establishment" means a person who is a cannabis retail store franchisee in addition to a cannabis cultivation facility licensee and a cannabis product manufacturing facility licensee, or who is a cannabis retail store franchisee and a cannabis production facility licensee, either through direct ownership or through an affiliate.

XLIV. "Volatile extraction" means:

- (a) Extractions using any solvent identified as volatile or hazardous by the commission; and
- (b) Any method of extraction identified as potentially hazardous by the commission.

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

I. Possessing, consuming, using, displaying, obtaining, purchasing, processing, manufacturing, or transporting an amount of cannabis that does not exceed the possession limit, except that no adult other than one who is acting in his or her capacity as a staffer of a cannabis product manufacturer licensed pursuant to RSA 318-F or an alternative treatment center licensed pursuant to RSA 126-X may perform volatile extractions using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol.

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

III. Transferring cannabis, including cannabis products, to a cannabis testing facility.

IV. Controlling property where the acts described under this section occur.

V. Assisting another person who is 21 years of age or older in any of the acts described under this section.

VI. Personal cultivation is prohibited. No person shall cultivate cannabis plants for personal use unless otherwise authorized by New Hampshire law.

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

No person shall smoke or vaporize cannabis in an area accessible to the public.

I. First offense: Any person who violates this section shall be guilty of a violation for the first offense and shall forfeit all cannabis and cannabis products.

II. Second offense: Any person who violates this section a second time within 5 years of the first conviction under this section shall be guilty of a misdemeanor and shall forfeit all cannabis and cannabis products.

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

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

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

III. Any person who violates this section shall be guilty of a misdemeanor. In addition, any person who violates paragraph I of this section may have his or her driver's license, if a resident, or driving privilege, if a nonresident, suspended for up to 60 days for a first offense and up to one year for a subsequent offense.

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

318-F:5 Driving; Minors; Control of Property.

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

II. Nothing in this chapter shall be construed to permit the transfer of cannabis, with or without remuneration, to a person under the age of 21, or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume cannabis except as provided for by RSA 126-X.

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

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

(a) This chapter shall not prevent a landlord from prohibiting cannabis smoking, vaping, cannabis cultivation, harvesting, or manufacturing.

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

318-F:6 Tracking System.

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

318-F:7 Non-Discrimination for State-Legal Cannabis Activities and Prior Convictions.

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

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

(b) Engaging in activities allowed by this chapter.

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

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

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

(c) Engaging in activities allowed by this chapter.

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

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

V. The provisions of this section shall not apply with respect to the employment of law enforcement officers. In addition to federal prohibitions on the use of marijuana and the possession of a firearm, law enforcement officers and peace officers shall be prohibited from prior use as identified in New Hampshire police standards and training council rules and any current use while employed as a law enforcement officer or peace officer.

318-F:8 Enforcement of Contracts.

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

318-F:9 Lawful Operation of Cannabis-Related Facilities.

I. The following acts shall not be illegal under New Hampshire law nor shall they be a basis for the seizure or forfeiture of assets under New Hampshire law if:

(a) The act is undertaken by a person or business entity that possesses a current, valid license defined in RSA 126-X, RSA 318-F:1, VI, VII, X, XII, XIII, or XIV;

(b) The person is acting in his or her capacity as an owner, employee, or agent of such a person or business entity; and

(c) The act is within the scope of activities authorized by the respective license as defined in subparagraphs (1)-(8):

(1) An “alternative treatment center” registered pursuant to RSA 126-X shall be entitled legally to sell, offer for sale, transfer, transport, and deliver therapeutic grade cannabis products to cannabis establishments.

(2) A “cannabis cultivation facility” license or “cultivation facility” license as defined in RSA 318-F:1, VI, shall entitle the person or business entity possessing such license legally to cultivate, harvest, process, package, transport, distribute, display, and possess cannabis; to obtain or purchase cannabis seeds, clones, and seedlings from any adult 21 years of age or older; to deliver or transfer cannabis to a cannabis testing facility; to sell or transfer cannabis that has not been processed into cannabis concentrate or other cannabis product to cannabis cultivation facilities, cannabis product manufacturing facilities, and cannabis retail stores; and to obtain or purchase cannabis from a cannabis cultivation facility.

(3) A “cannabis distributor” license as defined in RSA 318-F:1, VII or a “cannabis transporter” license as defined in RSA 318-F:1, XV, shall entitle the person or business entity possessing such license legally to possess, obtain, cultivate, process, store, transport, distribute, and receive cannabis obtained from a cannabis establishment.

(4) A “cannabis product manufacturing facility” license as defined in RSA 318-F:1, X, shall entitle the person or business entity possessing such license legally to package, process, transport, manufacture, display, and possess cannabis and cannabis products; to deliver or transfer cannabis and cannabis products to a cannabis testing facility; to sell cannabis and cannabis products to cannabis retail stores and cannabis product manufacturing facilities; to purchase or obtain cannabis from cannabis cultivation facilities and cannabis production facilities; and to purchase or obtain cannabis or cannabis products from a cannabis product manufacturing facility.

(5) A “cannabis production facility” license as defined in RSA 318-F:1, XII, shall entitle the person or business entity possessing such license legally to cultivate, prepare, and package cannabis and manufacture, prepare, and package cannabis products within the same premises; to transport and sell cannabis to other cannabis production facilities, cannabis cultivation facilities, cannabis product manufacturing facilities, and cannabis retail stores, but not to consumers; and to transport and sell cannabis products to other cannabis production facilities, cannabis product manufacturing facilities, and cannabis retail stores, but not to consumers.

(6) A “cannabis retail store” license as defined in RSA 318-F:1, XIII, shall entitle the person or business entity possessing such license legally to possess, display, warehouse, transport, and distribute cannabis and cannabis products; to obtain or purchase cannabis from cannabis cultivation facilities and cannabis production facilities; to

deliver or transfer cannabis to a cannabis testing facility; to obtain or purchase cannabis or cannabis products from cannabis product manufacturing facilities and cannabis production facilities; to obtain or purchase therapeutic grade cannabis products from an alternative treatment center; to sell cannabis or cannabis products to an adult who is 21 years of age or older; to sell therapeutic grade cannabis products to qualified patients and designated caregivers as defined in RSA 126-X:1; to distribute cannabis and cannabis products to other cannabis retail stores; and to distribute therapeutic grade cannabis to alternative treatment centers.

(7) A “cannabis testing facility” license as defined in RSA 318-F:1, XIV, shall entitle the person or business entity possessing such a license legally to possess, test, store, transport, receive, and display cannabis and cannabis products.

(8) A “cannabis establishment” license as defined in RSA 318-F:1, IX, shall entitle the person or business possessing such license legally to engage in any activities involving cannabis or cannabis products that are within the scope of the activities allowed by the commission for that type of cannabis establishment.

II. Leasing or otherwise allowing the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with this chapter shall not for that reason be unlawful.

III. It shall not be illegal under New Hampshire law to sell, offer for sale, transfer, transport, or deliver cannabis to establishments licensed to process or sell cannabis under the laws of other states if the person or business entity has obtained a current, valid license to operate a cannabis transporter, cannabis distributor, cannabis product manufacturing facility, cannabis production facility, or cannabis cultivation facility, or is acting in his or her capacity as an owner, employee, or agent of a cannabis transporter, cannabis distributor, cannabis product manufacturing facility, cannabis production facility, or cannabis cultivation facility, and marijuana is no longer scheduled as a controlled substance as defined under the Federal Controlled Substances Act, 21 U.S.C. section 801, et. seq.

318-F:10 Data Collection Related to Cannabis Legalization and Regulation.

No later than 6 months after the effective date of this chapter and every 2 years thereafter, the department of health and human services shall produce and publish a report that includes non-identifiable personal/individual or baseline data and the most current data regarding health and welfare outcomes since cannabis became legal and regulated for adults’ use, including, but not limited to, high school graduation rates; youth and adult rates of alcohol, cannabis, and illegal drug use; rates of maladaptive use of cannabis; rates of alcohol abuse; opiate use and abuse rates; the number and type of youth and adult convictions for cannabis offenses; and the rates of individuals needing but not receiving cannabis use disorder treatment.

318-F:11 Enforcement Authority.

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

II. The commission may appoint liquor investigators whose primary function shall be the proper prosecution of this chapter. 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 cannabis laws including any illegal trafficking, distributions, harvesting, cultivating, and manufacturing cannabis and upon premises where cannabis, cannabis products, and cannabis accessories are lawfully sold, stored, distributed, cultivated, or manufactured. 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 or the New Hampshire department of safety, division of state police.

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

IV. The commission shall adopt and publish rules pursuant to RSA 541-A, to govern its proceedings and to regulate the mode and manner of all investigations and hearings before it. All hearings before the commission shall be in accordance with RSA 541-A:31-36. In any such investigation or hearing the commission shall not be bound by the technical rules of evidence. The commission may subpoena witnesses and administer oaths in any proceeding or

examination instituted before or conducted by it, and may compel, by subpoena, the production of any accounts, books, contracts, records, documents, memoranda, and papers of any kind whatever. A summons issued by any justice of the peace shall have the same effect as though issued for appearance before such court.

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

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

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

(b) Cannabis product manufacturing facilities, cannabis testing facilities, and cannabis retail stores to possess existing cannabis inventory, but not acquire additional cannabis, or dispense, transfer, or sell cannabis during a suspension or a license or franchise revocation until such time as there is a final determination that the license or franchise be revoked for which no appeal is available.

VII. In applying its enforcement policy, the liquor commission shall establish and enforce specific determinate penalties for specific offenses. The commission shall not apply penalties such as license or franchise suspensions for indefinite periods of time. In addition to RSA 541-A:30, III, the commission may suspend, for a period of not more than 72 hours without a hearing, any license or franchise issued under the provisions of this title, if a risk to public health, safety, or welfare constitutes an emergency requiring such suspension. Any such suspension shall be subject to paragraph VI and approved directly by at least one member of the commission before taking effect.

VIII. The commission may transfer funds within and among all accounting units within the commission's operating budget and to create accounting units and expenditure classes as required and as the commissioner deems necessary and appropriate to address present or projected budget deficits, or to respond to changes in federal law, regulations, or programs, and otherwise as necessary for the efficient management of the liquor commission and cannabis funds. The provisions of this section shall not be subject to RSA 9:16-a, RSA 9:17-a, and RSA 9:17-c; however, the provisions of RSA 176:16, V shall apply.

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

318-F:12 Enforcement Activity Verifying Noncompliance.

It shall be a misdemeanor to sell any cannabis, cannabis product, cannabis accessories, or cannabis paraphernalia to a minor during enforcement activity initiated solely for the purpose of verifying noncompliance with RSA 318-F:5. It shall be a class A misdemeanor to knowingly sell cannabis, cannabis product, or cannabis paraphernalia to a minor at the time of any such enforcement activity. The commission shall retain the right to require the licensee or franchisee in such a circumstance to initiate additional training of its staff or individual employees. This section shall not apply to law enforcement initiatives involving surveillance, investigations, or criminal complaints of RSA 318-F:5. 318-F:13 Rulemaking, Franchise, and Licensing Requirements.

I. Not later than 24 months after the effective date of this section, the commission shall submit statutory language and approve rules subject to the rulemaking process pursuant to RSA 541-A for the licensing and regulation of cannabis cultivation facilities and testing facilities as outlined in paragraph II.

II. Not later than 30 months after the effective date of this section, the commission shall submit statutory language and approve rules subject to the rulemaking process pursuant to RSA 541-A for the franchising, licensing, and regulation of all other cannabis establishments. The rules shall include the following:

(a) Procedures for the application, issuance, transfer, approval, denial, renewal, suspension, and revocation of a license or franchise for cannabis establishments. Rules shall include provisions for cannabis retail store, cannabis cultivation facility, and cannabis production facility licensees or franchisees to be selected through a request for application process.

(1) The commission shall decide within 120 days of receipt of a complete application and provide the decision to the licensee or franchisee. The commission shall extend the time period for the decision upon written agreement of the applicant.

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

(b) Criteria for qualifying for a cannabis establishment license or franchise including, but not limited to, the following:

(1) Except as provided in this section, any person applying for a cannabis establishment license or franchise shall be a resident, or shall have at least one director, officer, manager, or partner who is a New Hampshire resident. This restriction shall not apply to an applicant for a testing facility registration.

(2) No cannabis testing facility or individual with an ownership interest in a cannabis testing facility shall have an ownership interest in an alternative treatment center, a cannabis retail store, a cannabis cultivation facility, a cannabis production facility, or a cannabis product manufacturing facility.

(3) No person or business entity may have a threshold financial interest in more than one cannabis establishment of any single category.

(4) Other than a cannabis retail store, cannabis establishments may be sited within the same building or property. Other than a cannabis retail store, cannabis establishments in the same category that are owned by the same person or the person's affiliate may be sited within the same premises.

(5) No vendor that provides cannabis inventory tracking in New Hampshire and no individual with a threshold financial interest in a vendor that provides cannabis inventory tracking in New Hampshire may hold a threshold financial interest in a cannabis establishment.

(c) Procedures and criteria for the selection cannabis retail store, cannabis cultivation facility, and cannabis production facility licenses or franchises to include but not be limited to:

(1) Location of the cannabis retail store, cannabis cultivation facility, or cannabis production facility.

(2) Standard operating procedures for, but not limited to, storing, tracking, manufacturing, cultivation, packaging, labeling, testing, transporting, employee training, discounting and promotions, record keeping, and the sale of cannabis and cannabis products.

(3) Security measures including, but not limited to, storage facilities for cannabis and cannabis products.

(4) Hours of operation.

(5) The size and nature of the facilities, including the layout of the cannabis establishment.

(6) Prior experience of the applicant in operating an alternative treatment center or other facility that cultivates, manufactures, or sells cannabis and/or cannabis products pursuant to and in accordance with the laws of the state of New Hampshire or another state.

(7) Financial capacity.

(d) Timelines by which licensees and franchisees must commence operations and procedures for revoking and reissuing licenses and franchises where such timeline is not met.

(e) Advertising and promotion which, for cannabis retail stores, shall be controlled and managed by the commission.

(f) Employees, including any registration/licensing requirements for employees as determined by the commission.

(g) Requirements that cannabis retail stores stock cannabis products, including flower, with low and moderate amounts of THC and that they be at least as prominently displayed as high potency products or therapeutic grade cannabis products.

(h) Annual mandatory training and continuing education required for licensees, franchisees, and all cannabis retail store employees, which shall include, but not be limited to, training on checking photo identification and for false identification, cannabis use disorder, mental health training, and mandatory reporting criteria. The rules set forth shall be specific as to the amount of annual training that is required and the specific subject matters the licensees, franchisees, and retail store employees are to be trained on each year.

(i) Requirements for cannabis cultivation facilities, cannabis production facilities, and cannabis product manufacturing facilities to be operated and located in the state of New Hampshire so long as there is a federal prohibition.

(j) A fee schedule of reasonable application, license, franchise, and annual renewal fees, provided:

(1) That cultivation and production facility licensing fees be tiered based on the size of the facilities.

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

(3) Licensing, franchises, and annual renewal fees shall not exceed \$10,000 per license.

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

(l) Criteria for selection among applicants when there are more qualified applicants than there are number of licenses or franchises available in a particular municipality.

(m) Record keeping requirements for cannabis establishments, including requirements for implementation and compliance with the distribution tracking system.

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

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

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

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

(r) Requirements for the testing of cannabis and cannabis products, including, but not limited to, the following:

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

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

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

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

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

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

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

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

(s) Change in ownership, change in franchise, change in licenses, and changes in location for cannabis establishments.

(t) No more than one cannabis retail store per municipality except that municipalities with more than 50,000 residents may have up to 2 cannabis retail stores.

III. Not later than 30 months after the effective date of this section, the commission shall initiate the rulemaking process pursuant to RSA 541-A for regulation on the cultivation, advertising, manufacture, and sale of cannabis, cannabis products, and cannabis accessories. The rules shall include, but shall not be limited to, the following:

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

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

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

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

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

(c) Establishing the maximum amount of THC that may be included in each cannabis product serving as 10 milligrams and no more than 200 milligrams per package.

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

(e) Restrictions on the advertising, signage, marketing, and display of cannabis and cannabis products, including, but not limited to, the following:

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

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

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

(4) A prohibition on giveaways of cannabis, cannabis products, or cannabis accessories, including samples, except the commission may establish rules governing the authorized distribution of trade samples;

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

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

(f) Packaging, product manufacturing, and labeling requirements for cannabis and cannabis products, including, but not limited to, the following:

(1) Packaging and labeling approval process prohibiting, but not limited to, the following:

(A) Statements on the label or packaging that are false or misleading.

(B) Any written statements on the label or packaging are illegible.

(C) Packaging or labeling that contains subliminal or similarly deceptive advertising techniques.

(D) Packaging or labeling that features a depiction of athletes that is deceptive and misleading in that it implies that consuming cannabis or cannabis products is conducive to athletic skill or physical prowess, or that consuming cannabis does not hinder the athlete's performance.

(E) Packaging or labeling that features illustrations, subject matter, or other attributes that are consistent with products marketed toward children and youths.

(F) Packaging or labeling that features a depiction of consumption of cannabis or cannabis products while seated in, about to enter, operating, or about to operate an automobile or other machinery.

(G) An aspect of the packaging or labeling that normalizes or encourages excessive consumption.

(H) Packaging or labeling that does not indicate in manner that is sufficiently clear that the product contains cannabis or cannabis products.

- (I) Packaging or labeling that might result in confusion regarding whether the product is a cannabis or cannabis products.
- (J) Packaging or labeling pursuant to which the product is offered for sale under the name, identity or characteristics of another food or beverage or which mimics another food or beverage, or the characteristics of another food or beverage.
- (2) The commission shall make a decision within 60 days of receipt of a complete application for pre-approval of packaging and labeling and provide the decision to the licensee or franchisee. The commission shall extend the time period for the decision upon written agreement of the applicant.
- (3) Mandating the disclosure of the THC content of each product.
- (4) Requiring cannabis products to be packaged in packaging that is designed or constructed to be significantly difficult for children under 5 years of age to open, and not difficult for adults to use properly.
- (5) Requirements to ensure cannabis products and their packaging are not designed to appeal to or be attractive to minors, including providing that they cannot be in the shape of cartoons, toys, animals, or people.
- (6) Prohibiting flavors and designs of cannabis-infused beverages and edibles that are particularly attractive to minors.
- (7) Warnings, including, but not limited to, those described in RSA 318-F:14.
- (8) A requirement for any label, and for certain products where appropriate, to include a standard, recognizable symbol that a product contains cannabis or THC.
- (9) Establishing the maximum amount of THC that may be included in each edible cannabis product serving as 10 milligrams and no more than 200 milligrams per package. For all other cannabis products, the cannabis control commission shall determine a maximum cannabis content based upon public health, mental health, and public safety criteria. In determining a maximum cannabis content, the cannabis control commission shall research scientific literature and the policies of other states and countries.
- (10) Labeling requirements for consumable cannabis products to include, but not limited to, ingredient lists, identification of allergens, and nutritional fact panels.
- (g) Procedures and notices relating to all recalls of any products.
- (h) Rules to ensure that a minimum of 5 licenses for cannabis cultivation facilities are awarded to independent growers with demonstrated experience in New Hampshire agriculture.

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

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

VI. Not later than 30 months after the effective date of this chapter, the commission, in consultation with the department, shall develop an informational handout, which cannabis retail store shall make available to all consumers, and which shall include information detailed in RSA 318-F:14.

VII.(a) Not later than 36 months after the effective date of this section, the commission shall make written recommendations to the general court regarding the regulation of hemp, cannabinoids, synthetic cannabinoids, and intoxicating products derived from hemp including:

- (1) What hemp products the commission would regulate;
- (2) How the products would be regulated, including whether a license would be required and whether hemp processors and manufacturers should be licensed and regulated by the commission;
- (3) Any license fees or other charges that would be assessed on hemp products and license fees assessed on hemp processors and manufacturers; and
- (4) The resources required to regulate hemp processors, product manufacturers, hemp products, and the retail sale of intoxicating hemp products.

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

VIII. General prohibitions and policies:

- (a) The commission shall approve the transfer or sale of any cannabis establishment or license.
- (b) The commission shall have the final authority to set the price of all cannabis products sold in a cannabis retail store.
- (c) Any location or change in location of a cannabis establishment shall be approved by the commission.
- (d) Cannabis products containing nicotine or other additives to make cannabis products addictive are prohibited.
- (e) To mitigate potential harms to children and to mitigate children accidentally ingesting cannabis products, cannabis products that are named, packaged, marketed, or designed in a way that mimics or is likely to cause confusion with commercially available, trademarked non-cannabis products, including relating to their logos, the sound of the product or brand, packaging, taste, appearance, and commercial impression shall be prohibited.
- (f) Advertising for any cannabis establishment located or operating outside the state of New Hampshire shall be prohibited.
- (g) To the extent that any advertising is permitted under this chapter, all advertising shall be controlled and administrated by the commission.

318-F:14 Informational Materials; Warning Label; Medical Lock Boxes.

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

II. A cannabis retail store shall include an informational handout designed by the commission in consultation with the cannabis control commission 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;
- (d) How to recognize cannabis use disorder, and how to obtain appropriate services or treatment;
- (e) Information regarding safe storage and disposal of cannabis and paraphernalia to prevent accidental poisonings, including the contact information for the Northern New England Poison Control Center, including the penalties for negligent storage under RSA 318-B:2-e. This may be identical to that required under RSA 126-X:8, XVI(c)(8); and
- (f) Unless federal statutory law or case law has changed and such a warning is no longer accurate, a disclosure that:
 - (1) Cannabis is illegal under U.S. federal law, and
 - (2) Under the United States government's 1986 Gun Control Act, any "unlawful" user of a controlled substance is prohibited from purchasing or owning a gun.

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

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

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

(a) A warning label that provides, "Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed," including a time frame as established by the commission.

(b) A disclosure of ingredients and possible allergens.

(c) A nutritional fact panel.

(d) Opaque, child-resistant packaging, which shall be designed or constructed to be significantly difficult for children under 5 years of age to open and not difficult for adults to use properly as defined by 16 C.F.R. section 1700, et seq.

Cannabis and cannabis products may be pre-packaged in opaque, child-resistant packaging or placed in a compliant exit package prior to transfer to a consumer.

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

318-F:15 Proof of Purchaser's Identity.

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

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

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

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

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

318-F:16 Restrictions on Location Near Schools.

No cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a license or franchise, if the establishment would be located within 2,000 feet of a school or school property measured as a straight line from the nearest property line of an existing school to the nearest property line of the prospective cannabis establishment. For the purposes of this section, "school" means any public or private pre-school, elementary, secondary, or secondary vocational-technical school in New Hampshire. "School" shall not include home schools under RSA 193-A. "School property" means all real property, physical plant, and equipment used for school purposes, including but not limited to school playgrounds, whether public or private. "School property" shall not include buses or bus stops.

318-F:17 Limits on the Number of Cannabis Retail Stores and Franchise Fee Imposed.

I. A franchise fee on the monthly total gross revenue derived from the sale of cannabis and cannabis products, and therapeutic grade therapeutic products, excluding the sale of cannabis accessories by a cannabis retail store, shall be imposed on cannabis retail stores at the rate of 15 percent.

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

III. No more than 15 cannabis retail store franchises shall be issued.

318-F:18 Alcohol Infused Cannabis Products Prohibited.

I. It is unlawful to manufacture, import, offer, or sell in this state a consumable product that contains cannabis or any form of tetrahydrocannabinol in combination with beer, wine, spirits, or any other type of liquor in the same product.

II. In accordance with paragraph I of this section, it is unlawful to manufacture, import, offer, or sell in this state a consumable product that contains cannabis or any form of tetrahydrocannabinol in combination with beer, wine, spirits, or any other type of liquor in the same product.

318-F:19 Enactment of Municipal Ordinance.

I. Any town or city may allow cannabis retail outlets in their municipality according to the provisions of this subdivision, in the following manner:

(a) In a town, the question shall be placed on the warrant of an annual town meeting under the procedures set out in RSA 39:3, and shall be voted on a ballot. In a city, the legislative body may vote to place the question on the official ballot for any regular municipal election, or, in the alternative, shall place the question on the official ballot for any regular municipal election upon submission to the legislative body of a petition signed by 5 percent of the registered voters.

(b) The selectmen, aldermen, or city council shall hold a public hearing on the question at least 15 days but not more than 30 days before the question is to be voted on. Notice of the hearing shall be posted in at least 2 public places in the municipality and published in a newspaper of general circulation at least 7 days before the hearing.

(c) The wording of the question shall be substantially as follows: "Shall we allow the operation of cannabis establishments within this town or city?"

(d) The recount of any local option vote, the procedures for holding such a recount, the declaration of the results of such a recount, and the procedure for an appeal from such a recount shall be as provided in RSA 660:13 through RSA 660:15.

(e) Notwithstanding any other provision of law to the contrary, the provisions of RSA 664:14 through RSA 664:22 shall apply to any election or meeting at which the voters of a municipality decide the question set forth in this section.

II. If a majority of those voting on the question vote "yes," cannabis establishments may be operated within the town or city.

III. If the question is not approved, the question may later be voted upon according to the provisions of paragraph I at the annual town meeting or regular municipal election held not less than 3 years after the election or meeting at which the question failed.

IV. A municipality that has voted to allow cannabis retail outlets may consider rescinding its action in the manner described in paragraph I of this section.

V. A municipality may enact an ordinance limiting the number of each type of non-retail cannabis establishment that may be permitted within the municipality.

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

VII. In a municipality that voted to permit cannabis establishments, if the municipality has a zoning ordinance, it shall consider adoption of an innovative land use control pursuant to RSA 674:21, II, specifying where a cannabis establishment will be a permitted use and further provide what, if any, conditions will be placed upon cannabis establishments. If a municipality has passed an innovative land use control relative to cannabis establishments, it shall notify the liquor commission within 90 days of passage. Municipalities without zoning ordinances or which have failed to pass an innovative land use control relative to cannabis establishments will be governed by the provisions of RSA 318-F and administrative rules relating to cannabis establishments enacted pursuant to RSA 541-A.

A. No local ordinance may be less restrictive than the provisions of RSA 318-F or administrative rules enacted pursuant to RSA 541-A.

318-F:20 Lobbying Activities.

No recipient of a state license to operate a cannabis establishment licensed under this chapter shall expend any funds to lobby or attempt to influence legislation related to the sale or legalization of marijuana, participate in political activity, or contribute funds to any entity engaged in these activities.

318-F:21 Cannabis Fund Established.

I. There is established a non-lapsing fund to be known as the cannabis fund. The fund shall be kept distinct and separate from all other funds in the state treasury, and the moneys credited to the fund shall be held distinct and separate from all other funds over which the state treasurer has control. Moneys in the fund shall be deposited with any financial institution as defined in RSA 383-A:2-201(a)(27-a), with a branch in the state. Moneys credited to the fund shall include deposits into the fund by the commission pursuant to this chapter.

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

III. For the biennium ending June 30, 2025, the sum of \$8,000,000 is hereby appropriated to the liquor commission for the cost of administration of this chapter.

IV. For the biennium ending June 30, 2025, the sum of \$500,000 is hereby appropriated to the alcohol abuse prevention and treatment fund established by RSA 176-A. This appropriation shall be in addition to any other monies allocated to the fund, and shall be distributed by the governor's commission on alcohol and drug abuse prevention, treatment, and recovery in the manner established in RSA 12-J and RSA 176-A:1.

V. Except funds transferred under paragraph III, not later than June 30, 2027, the commission shall reimburse the general fund utilizing moneys deposited into the cannabis fund from the franchise fee imposed pursuant to this chapter for any initial or start-up funds appropriated to the commission for the administration or operation of this chapter. Any remaining funds shall be dispersed each fiscal year as follows:

(a) Fifty percent shall be distributed to all municipalities using the distribution formula of the tax on meals and rooms under RSA 78-A:26;

(b) Twenty percent shall be allocated to the alcohol abuse prevention and treatment fund established by RSA 176-A. This allocation shall be in addition to any other monies allocated to the fund, and shall be distributed by the governor's commission on alcohol and drug abuse prevention, treatment, and recovery in the manner established in RSA 12-J and RSA 176-A:1;

(c) Fifteen percent shall be allocated to public safety agencies, including police, fire, and rescue agencies, for the hiring and training of additional drug recognition experts, for advanced roadside impaired driving enforcement training, for reimbursement of local police agencies for salaries of police officers during their attendance at the trainings listed in this subparagraph, and to assist in responding to drug overdose incidents; and

(d) Fifteen percent shall be disbursed to the department of health and human services, division of behavioral health, for the purpose of supporting the children's system of care.

Cannabis Control Commission

318-F:22 New Hampshire Cannabis Control Commission.

I. There shall be a cannabis control commission ("CCC") to study and approve rules and regulations proposed by the liquor commission on the regulation, public health issues, and business operations of cannabis establishments. The cannabis control commission shall be administratively attached to the liquor commission.

II. The cannabis control commission shall consist of the following appointees:

(a) The chair of the liquor commission or designee.

(b) The president of the associations of chiefs of police or designee.

(c) The attorney general or designee.

(d) A prevention specialist, who is currently certified by the prevention certification board of New Hampshire, appointed by the chairman of the governor's commission on alcohol and other drugs.

(e) A medical provider as appointed by the president of the New Hampshire Medical Society.

(f) The commissioner of the department of health and human services or designee.

(g) The commissioner of the department of education or designee.

(h) A mental health professional appointed by the executive director of NAMI New Hampshire.

(i) One representative of the cannabis industry with experience operating an alternative treatment center or other facility that cultivates, manufactures, or sells cannabis and/or cannabis products pursuant to and in accordance with the laws of the state of New Hampshire or another state.

(j) A member of the public appointed by the governor.

(k) A state senator appointed by the senate president.

(l) A state representative appointed by the speaker of the house of representatives.

(m) The commissioner of the department of agriculture, markets, and food, or designee.

III. Members of the CCC shall serve terms of 3 years except that the initial appointment of such members shall be for staggered terms of one, 2, and 3 years. No member shall serve more than 3 consecutive terms.

IV. Members of the CCC shall serve without compensation but shall be reimbursed for their expenses actually and necessarily incurred in the discharge of their official duties, including mileage at the state employee rate for attendance to meetings and other official functions.

V. The chair of the liquor commission shall serve as the chair of the CCC.

VI. A majority of the appointed members of the CCC shall constitute a quorum. A quorum is only required for voting matters.

VII. The cannabis control commission shall approve rules and regulations before any such rules and regulations may be proposed to the joint legislative committee on administrative rules, and shall:

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

(b) On its own initiative, recommend to the commission guidelines, rules, and regulations and any changes to guidelines, rules, and regulations that the CCC considers important or necessary for the commission's review and consideration.

(c) Advise on the preparation of rules and regulations.

(d) Review any new science-based evidence of public health issues related to the use of cannabis and make recommendations to the commission if, in the CCC's discretion, any regulatory or legal changes are needed.

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

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

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

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

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

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

9 Controlled Drug Act; Penalties. Amend RSA 318-B:26, II(c)-(d) 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, except if possessed by a person authorized pursuant to RSA 126-X**, 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.]~~

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

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

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

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

[F] In this section:

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

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.

(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.

12 Controlled Drug Act; Plea by Mail. Amend RSA 318-B:2-d to read as follows:

318-B:2-d Plea by Mail.

I. Any person 18 years of age or older who is charged with a violation of RSA 318-B:2-c, II~~[- or III[-or IV]~~ may enter a plea of guilty, nolo contendere, or not guilty, by mail in a circuit court, district division.

II. Such defendant shall receive, in addition to the summons, a fine notice entitled "Notice of Fine" which shall contain the amount of the fine for a violation of RSA 318-B:2-c, II~~[- or III[-or IV]~~. A defendant who is issued a summons and notice of fine and who wishes to plead guilty or nolo contendere shall enter his or her plea on the summons and return it with payment of the fine within 30 days of the date of the summons. Payment by credit card may be accepted in lieu of cash payment.

III. If the defendant wishes to enter a plea of not guilty, he or she shall enter such plea on the summons and return it within 30 days of the date of the summons. The circuit court, district division shall schedule a trial.

IV. Whenever a defendant willfully fails to pay a fine in connection with a conviction for a violation of RSA 318-B:2-c, II~~[- or III[-or IV]~~ or payment of such fine cannot be collected, the defendant shall be defaulted and the court may impose an additional fine of \$100.

13 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-c~~[- or a personal-use amount of a regulated marijuana-infused product as defined in RSA 318-B:2-c, I(b)]~~.

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

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

I. As used in this section:

(a) "Cannabis" means "marijuana" as defined in RSA 318-B:2-c.

(b) "Possession limit" means the amount of cannabis that is legal under New Hampshire law for adults 21 and older to possess.

(c) "Cannabis-related offense" means any offense under RSA 318-B involving possession of cannabis or paraphernalia intended for cannabis; and

II. Any person who was arrested or convicted for knowingly or purposely obtaining, purchasing, transporting, or possessing, actually or constructively, or having under his or her control, ***no more than the possession limit*** ~~[3/4]~~ of ~~[an ounce of]~~ marijuana ~~[or less]~~ where the offense occurred before ***July 1, 2024*** ~~[September 16, 2017]~~ may, at any time, petition the court in which the person was convicted or arrested to annul the arrest record, court record, or

both. The petition shall state that the amount of marijuana was ***no more than the possession limit***~~[-3/4 of an ounce or less-]~~ The petitioner shall furnish a copy of the petition to the office of the prosecutor of the underlying offense. The prosecutor may object within 10 days of receiving a copy of the petition and request a hearing. If the prosecutor does not object within 10 days, the court shall grant the petition for annulment. If the prosecutor timely objects, the court shall hold a hearing. In a hearing on the petition for annulment, the prosecutor shall be required to prove beyond a reasonable doubt that the petitioner knowingly or purposely obtained, purchased, transported, or possessed, actually or constructively, or had under his or her control, marijuana in an amount exceeding ***the possession limit***~~[-3/4 of an ounce]~~. At the close of the hearing, the court shall grant the petition unless the prosecutor has proven that the amount of marijuana exceeded ***the possession limit***~~[-3/4 of an ounce]~~. If the petition is granted, and an order of annulment is entered, the provisions of RSA 651:5, X-XI shall apply to the petitioner.

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

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

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

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

17 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.

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

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

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

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

XX. An alternative treatment center organized as a voluntary corporation under RSA 292 may, on or before June 30, 2025, convert from a voluntary corporation under RSA 292 to either a domestic business corporation organized under RSA 293-A, or a limited liability company organized under RSA 304-C in any of the following ways:

(a) By adopting a plan of entity conversion in accordance with RSA 293-A or RSA 304-C, as applicable, that includes a provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, provided

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

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

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

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

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

XXIII. For the purposes of converting or merging an alternative treatment center pursuant to this section, notwithstanding any provision in the articles of agreement or alternative treatment 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, 2025. 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, within 180 days 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.

20 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.

21 New Paragraph; 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 paragraph:

(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.

22 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.**

23 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.

24 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, **or state, county, or municipality law enforcement officer** 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.

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

176:7 Assistants and Employees.

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

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

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

179:59 Prosecutions. The commission shall appoint liquor investigators whose primary function shall be the proper prosecution of this title **and RSA 318-F**. The liquor investigators shall have statewide jurisdiction, with reference to enforcement of all laws either in cooperation with, or independently of, the officers of any county or town. The

commission shall have the primary responsibility for the enforcement of all liquor and beverage laws **and cannabis laws** upon premises where liquor, ~~and~~ beverages, **and cannabis** are lawfully sold, stored, distributed, or manufactured **or cultivated**. Any person violating the provisions of any law may be prosecuted by the commission or any of its investigators as provided in this section, or by county or city attorneys, or by sheriffs or their deputies, or by police officials of towns.

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

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

28 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.

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

IX-a. Cannabis licenses or franchises, including:

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

(b) License operations for each cannabis license or franchise type.

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

30 Appropriations.

I. The sum of \$100,000 annually to the department of health and human services, for data collection and reporting related to the health impacts of cannabis legalization and regulation under RSA 318-F:10. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

II. The sum of \$8,000,000 for the fiscal year ending June 30, 2025 is hereby appropriated to the liquor commission for deposit into the cannabis fund established in RSA 318-F:21 for the administration of RSA 318-F. Said appropriation shall be a charge against the liquor fund.

III. For the biennium ending June 30, 2025, the sum of \$500,000 is hereby appropriated to the cannabis fund established in RSA 318-F:21 for the purpose of funding the appropriation in RSA 318-F:21, IV, to the alcohol abuse prevention and treatment fund established by RSA 176-A. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

IV. The sum of \$250,000 for the fiscal year ending June 30, 2025, and the sum of \$250,000 for the fiscal year ending June 30, 2026, are hereby appropriated to the liquor commission for the purpose of hiring a consultant to assist the liquor commission with developing the administrative rules required under this chapter. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

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

32 Prospective Repeal. RSA 318-F:22, relative to the cannabis control commission, is repealed.

33 Severability. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

34 Effective Date.

I. RSA 318-F:13, RSA 318-F:19, RSA 318-F:20, RSA 318-F:21, and RSA 318-F:22, as inserted by section 5 of this act, and section 30 of this act, shall take effect upon its passage.

II. Section 32 of this act shall take effect July 1, 2029.

III. The remainder of this act shall take effect January 1, 2026.

LBA

24-2804

Amended 3/15/24

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

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

FISCAL IMPACT: ☒ State ☒ County ☒ Local ☐ None

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

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

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

METHODOLOGY:

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

This bill adds, deletes, or modifies a criminal penalty, or changes statute to which there is a penalty for violation. Therefore, this bill may have an impact on the judicial and correctional systems, which could affect prosecution, incarceration, probation, and parole costs, for the state, as well as county and local governments. A summary of such costs can be found at: https://gencourt.state.nh.us/lba/Budget/Fiscal_Notes/JudicialCorrectionalCosts.pdf

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

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

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

- Two senior management positions would be needed to support the cannabis program: an Administrator IV within in the Division of Administration and a Deputy Director for Cannabis in the Division of Enforcement and Licensing.
- The Division of Enforcement and Licensing to oversee development and implementation of the processes as outlined in the bill. The Division would need a minimum of 10 new law enforcement and administrative personnel to effectively carry out the implementation of program in the timetable laid out in the bill. These positions include:
 - 1 Lieutenant position
 - 2 Examiner II positions
 - 6 Investigators
 - 1 Licensing specialist
- In addition to the enforcement and licensing personnel, the Division will require equipment adequate to fully outfit sworn members of the Division and non-sworn personnel hired to license and audit the businesses manufacturing and selling cannabis.

- The Division of Administration and Finance would track and record all transactions, purchases and fiscal matters associated with the program. Seven new positions would be added to the division to discretely and separately track fiscal and legal matters associated with the cannabis program and prepare the reports required by the bill. These positions include:
 - 1 Attorney IV
 - 1 Financial Reporting Administrator 1
 - 2 Accountant III positions
 - 2 Internal Auditor II positions
 - 1 Human Resources Coordinator
- Marketing Positions. The Commission would ensure a safe and responsible message to promoted to consumers which would be clear and beneficial to a state-run model and the franchisees.
 - 1 Advertising Specialist – Marketing Cannabis
 - 1 Administrative Assistant – Marketing Cannabis
 - 1 Marketing Specialist – Marketing Cannabis
- The Commission indicates it would need legislative authority to pay staff members working on both liquor and cannabis matters increased wages until such time as the program is well established and all necessary new staff have been hired for program administration. The Commission assumes a 10% stipend would be necessary to compensate existing staff engaged in the development and all administrative aspects of the program. The bill does not currently include a provision for this stipend.

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

Cannabis Start-up Costs	FY 2025	FY 2026	FY 2027
22 New Positions - Identified above	\$2,215,503	\$2,787,350	\$2,891,371
Consultant - with cannabis expertise.	\$250,000	\$250,000	\$250,000
Rent office space (10,000 sq ft @ \$24/sq.ft) Initial office space until space can be constructed at the Commission Headquarters.	\$240,000	\$247,200	\$254,616
Construction to build out / fit up office in new rental space.	\$50,000	\$0	\$0
Equipment for 22 people -laptops, printers, phones, etc. (\$5k per person - 10 people in year 1 and 12 people in year 2)	\$50,000	\$60,000	\$0
Office furniture 22 people (\$10k per person - 10 people in year 1 and 12 people in year 2)	\$100,000	\$120,000	\$0
10 Cars for Investigators, Examiners & Auditors (\$30k per vehicle - 5 in year 1 and 5 in year 2)	\$150,000	\$150,000	\$0
Operating Expenses (overhead costs, utilities, supplies, contracts, etc.)	\$400,000	\$412,000	\$424,360
Sub-Total Office Start up	\$3,455,503	\$4,026,550	\$3,820,347
Stand Alone Government Traceability Solution Licensing & Auditing and ERP financial system (Developed in consultation with the Department of Information Technology)	\$5,000,000	\$2,000,000	\$1,000,000
Office construction at HQ building - To allow cannabis operations to eventually be housed within the headquarters building.	\$500,000	\$0	\$0
TOTAL:	\$8,955,503	\$6,026,550	\$4,820,347
Salary stipend (for existing senior staff dedicated to developing the new program,	\$200,000	\$250,000	\$275,000

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

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

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

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

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

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

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

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

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

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

The Association notes that the bill does not appear to restrict sales to New Hampshire residents and it is likely that sales will also come from non-residents. It is uncertain whether other market forces may affect tax revenue. If New Hampshire's revenues come in at the same rate as Maine's, then the following revenue estimates may apply: Year 1: \$5.8 million, Year 2: \$8.2 million, and Year 3: \$15.9 million. The Association indicates it has no reason to believe that revenues will exceed those produced in Maine.

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

require additional staff time, but not likely before draft rules are announced by the state agency. These costs are indeterminable.

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

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

LBA Notes:

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

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

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

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

The bill authorizes the Commission to establish Investigator Positions.

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

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

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

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

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

AGENCIES CONTACTED:

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