



## Chairman Hunt's Proposed Changes to the Coalition's Cannabis Legalization Bill HB 639

A broad coalition of civil rights and policy groups, cannabis industry professionals, and New Hampshire advocates crafted a comprehensive 2023 cannabis legalization bill that reflects lessons learned from other states and New Hampshire's priorities. It focuses on creating opportunities for small businesses, sensible public health protections and investment, a smooth transition for and protection for medical cannabis, and robust annulment and resentencing. A slightly revised version of the bill was filed by House Majority Leader Jason Osborne (R-Auburn) and cosponsored by the House Democratic Leader Matt Wilhelm (D-Manchester) and became HB 639.

HB 639 was referred to the House Commerce and Consumer Affairs Committee, where Chairman Hunt has proposed gutting and replacing the bill.

Here is how his proposal, which was circulated on February 1, differs from the coalition's bill:

### Personal Liberty and Annulment

- Unlike the introduced bill, the amendment does not allow home cultivation. All personal cultivation is explicitly prohibited, with no reduction of penalties.
- Removes the robust annulment and re-sentencing provisions for past cannabis convictions.
- Reduces the limit for infused products to a total of 300 milligrams of THC (compared to 2,000 mg of THC in the coalition bill).

### Cannabis Licensing and Regulation

- Rather than having regulations crafted by a new Cannabis Commission and informed by an advisory board, names the Liquor Commission as the regulatory agency (renamed the Liquor and Cannabis Commission). Removes advisory board.
- Rather than licensing any qualified applicant who complies with any state and local rules and zoning, which may include local bans:
  - directs the Liquor Commission to determine the number of licenses "to ensure a marketplace that keeps quality high and does not oversaturate the marketplace."
  - has no provisions about how the Liquor Commission will pick winners and losers. Appears to leave the licensing method and criteria to its unbridled discretion.
- Does not include any language to prevent excessive market concentration/ oligopolies. (Language was included in the coalition's draft bill, but was removed prior to introduction.)
- Does not include any language to ensure labs are independently operated from the businesses' whose products they are testing. (Language was included in the coalition's draft bill, but was removed prior to introduction.)

### Medical Cannabis

- Removes all provisions to protect and expand therapeutic cannabis access.
- Doesn't create process for ATCs to be dual-licensed to operate as one entity, as long as they prioritize medical cannabis and pay a hefty fee.

## Ensuring a Just Cannabis Industry

- Both the introduced version of the coalition bill and Hunt’s amendment remove the coalition’s provisions to provide for technical assistance and grants to “priority licensees” — veterans, farmers, and those most impacted by cannabis prohibition.
- Both the introduced version of the coalition bill and Hunt’s amendment remove the coalition provisions to provide Justice Reinvestment funds from cannabis taxes — for re-entry, literacy, and similar services.

## Taxes and Fees

- Has no limit on application or licensing fees, allowing them to be exorbitant.
  - The introduced bill kept fees modest, especially for the smallest grows.
- Does not include taxes. The introduced bill applied the existing 8.5% meals and rooms tax to cannabis and used the funding for unfunded pension liabilities, a substance abuse and prevention trust fund, municipalities with retailers, training law enforcement to detect impaired driving (DRE), and overdose prevention for first responders.
- After administrative costs, directs 50% of revenue to cities and towns (even if they have bans) and 50% to general fund. However, it is unclear where this revenue would come from unless there are very high fees.

## Penalty Increases

- Increases fine for smoking cannabis anywhere accessible to the public to a fine of up to \$500 and forfeiture of all cannabis (compared to \$50 for smoking in the original bill). Extends the penalty and prohibition to vaping anywhere accessible to the public and does not include any medical exception.
- Prohibits drivers from allowing passengers to consume (even by tincture) cannabis in moving vehicle.

## Removes Anti-Discrimination Protections

- Removes language, which provided landlords can’t ban their tenants’ non-smoked use and possession of cannabis.
- Removes non-discrimination protections, which provided:
  - cannabis consumers cannot be fired from state and local government jobs for responsibly using cannabis off-hours.
  - cannabis consumers cannot have their occupational/professional licenses revoked or otherwise impacted for responsibly using cannabis off-hours.
  - cannabis consumers cannot be discriminated against in organ transplants, child custody, and government benefits for responsibly using cannabis.

## Removes Public and Consumer Health Funding and Provisions

- As introduced, there were public health voices crafting regulations and making licensing decisions on the Commission and on the advisory council. The amendment removes this voice.
- Removes the requirement that the Commission and DHHS create a handout to be distributed with cannabis, including information on its risks, how to recognize problematic cannabis use, and how to obtain treatment. Removes the requirement that the allows the Commission to

require informational posters to be displayed at retailers, outlining cannabis' risks.

- Removes funding for substance abuse and prevention trust fund, training law enforcement to better detect impaired drivers, and overdose prevention for first responders.
- Removes provision for the collection of baseline data, and more current data including graduation rates, illegal and legal drug use, and convictions related to cannabis.

### **Other Changes**

- Removes provision that cannabis-related contracts that are legal under state law are enforceable.
- Removes provision that state-legal cannabis-related business expenses are deductible.