



HB 1633 Summary

HB 1633 would legalize and regulate cannabis in New Hampshire for adults 21 and older. It reflects years of work and stakeholder input, and was significantly to address Gov. Sununu's parameters. HB 1633 gives the state control over the look of stores, their naming, and logos. It bans advertising and heavily controls packaging. The revised bill limits the number of retail stores to 15 initially and allows for measured growth without oversaturation. On February 22, the House of Representatives approved it 239-141, and referred the bill to the House Finance Committee.

Adult-Use Limits Adults 21+ could possess up to four ounces of cannabis, 10 grams of concentrated cannabis, and infused products with 2,000 milligrams of THC.

Prohibited Conduct and Penalties

- Smoking or vaping cannabis in public would remain illegal. A first offense is violation, a second offense within five years is a violation carrying up to \$500, and a subsequent offense within five years is a misdemeanor.
- Drivers could not consume cannabis while operating a vehicle and passengers could not smoke or vaporize cannabis.
- Maintains prohibition on driving under the influence. The penalties, which mirror OWI-alcohol, start at a fine and assessment of at least \$620, an alcohol and drug abuse screening, an impaired driver intervention program, and a nine to two year driver's license suspension, six months of which may be suspended. Penalties escalate for second offenses and for aggravated driving under the influence.
- Regulators could suspend or revoke the registration of cannabis establishments.

State Control and Licensing of Cannabis Businesses

- The Liquor Commission — renamed the Liquor and Cannabis Commission — would regulate and license cannabis retail outlets, cultivators, product manufacturers, labs, distributors, and limited manufacturers (who could not perform volatile extractions).
- Caps the number of stores at 15 for the first 30 months, allows the commission to expand that number over time while preventing oversaturation.
- Requires the commission to cap total canopy to prevent an oversupply.
- The commission must develop comprehensive rules, including governing security, lab testing, health and safety, packaging, labeling, recordkeeping, and transportation. It would also determine qualifications and disqualifications for licensees.
- Bans advertising to the general public.
- Retailers' names must include "[City or Town] Cannabis Outlet" or "New Hampshire Cannabis Outlet," and must conform to commission rules.
- The commission may design a standard logo for retailers. It may set rules for the finish of building and lot exteriors, which may include limits on colors and fonts.
- The commission, assisted by DHHS will develop materials to be distributed with cannabis, including information on its risks, how to recognize problematic cannabis use, and how to obtain

treatment. It could also require informational posters to be displayed at retailers, outlining cannabis' risks.

- Includes numerous restrictions on packaging, including prohibiting packaging where it is not sufficiently clear that the product contains cannabis; and banning packaging mimicking another food or beverage; and banning products and packaging designed to appeal to minors or in the shape of cartoons, toys, animals, or people.
- Cannabis establishments could not be located within 1,000 feet of a school.
- Cannabis products could not include nicotine, alcohol, or other addictive additives.
- Retail outlets must stock medical lock boxes for sale.
- Caps edibles at five milligrams of THC per serving and 100 milligrams per package.
- Authorizes regulators to impose additional potency caps on cannabis products.
- Prevents excessive market control.

Ensures Stakeholder Input

- Creates a Cannabis Advisory Board with health experts, prevention experts, law enforcement, patients, a consumer, legal expert industry representatives, and other stakeholders. Directs it to hold public hearings and make recommendations.

The Medical Cannabis Program

- Allows ATCs to apply for adult-use licenses. Provides that that “a major criteria” in assessing retail applicants will be successful operation of an ATC.
- Allows ATCs to convert to for-profit entities to level the playing field.
- Allows patients to buy cannabis from any of the retailers without paying the “sin tax.”

Including Intoxicating Hemp

- Provides intoxicating hemp regulations cannot be laxer than cannabis regulations.

Local Control

- Requires municipal opt-in. All municipalities would vote their next municipal election (or the next biennial election if they prefer) whether to allow retail stores.
- Localities could enact regulations or limit the number of cannabis businesses.
- Localities will be sent applications and will say whether they conform to local law.

Private Employers and Private Property

- Employment law is unchanged for private employers.
- Landlords could prohibit cannabis smoking at their rental properties, but in most cases could not prohibit the non-smoked use or possession by tenants.
- Property owners could prohibit the consumption and display of cannabis.

Limited Non-Discrimination Protections

- A person's professional or occupational license could not be subject to discipline because they provide cannabis-related advice or services or for other state-legal cannabis activities.
- A person could not be denied organ transplants, child custody, and government benefits based on state-legal, responsible cannabis conduct.

- State and local government employers could not discipline employees for off-hours cannabis use, as long as they do not work while impaired or federal law does not require otherwise.

Fees

- Applies a 10% agency fee to adult-use cannabis sales from cannabis retail outlets.
- Non-refundable application fees for cannabis businesses generally could not exceed \$1,000 for the state, plus \$500 for the municipality. For the smallest cultivators, the non-refundable application fee could not exceed \$250 and \$75 to the municipality.
- Imposes annual licensing fees of no more than \$10,000 for all licenses types other than cultivators and limited manufacturers.
- Caps annual licensing fees at \$7,500 for cultivation facilities, with lower fees for smaller grows. Caps annual licensing fees for limited manufacturers at \$2,500.

Annulment and Resentencing for Past Convictions

- Expands an existing law allowing those with a prior conviction for up to $\frac{3}{4}$ of an ounce to petition for annulment, extending it to those with a record for possession of a legalized amount of cannabis offense.
- Dismisses pending charges for adults 21+ possessing no more than the legal limit.

Timeline

- Adults could possess cannabis upon legalization.
- Cultivation rules are due within 18 months of passage. All other rules are due within 20 months of passage. Applications would be accepted within two months of rules.
- Business licenses would be granted within 120 days of the application's submission.
- No adult-use sales could not begin until there is enough supply.

Miscellaneous

- Provides that cannabis-related contracts that are legal under state law are enforceable.
- Provides that state-legal cannabis-related business expenses are deductible.
- Provides for the collection of baseline data, and more current data including graduation rates, illegal and legal drug use, and convictions related to cannabis.