



N.H. HB 186 Bill Summary Legalizing and Regulating Cannabis for Adults

Rep. Jared Sullivan's [HB 186](#) would end the Live Free State's embarrassing status as an island of prohibition. It would treat adults like grown-ups, allowing them to use, possess, and securely grow limited amounts of cannabis. It imposes modest taxes and fees on cannabis businesses and takes a licensing approach oriented toward the free market. HB 186 also imposes ample health protections, provides for local control, and includes provisions to stop ruining Granite Staters' lives for relaxing with a plant that is safer than alcohol.

Personal Possession and Cultivation

- Adults 21 and older could possess up to two ounces of cannabis, 10 grams of concentrated cannabis, and infused products with 2,000 milligrams of THC.
- Adults could gift up to the possession limit of cannabis to other adults.
- Adults would also be allowed to securely and discreetly grow up to six plants (three mature) and possess the cannabis harvested from their plants.

Prohibited Conduct and Penalties

- Smoking or vaping cannabis in public would remain illegal. A first offense is a violation with a fine of up to \$100. A second offense within five years carries a fine of up to \$500. A subsequent offense within five years carries a fine of up to \$1,000. Regardless of the number of offenses, cannabis on one's person would also be forfeited.
 - The definition of a public place does not include privately-owned, outdoor locations where cannabis is used with the permission of the property owner.
- Maintains prohibition on driving under the influence.
- Regulators could suspend or revoke cannabis establishments' licenses for violations.

Criminal Justice and Non-Discrimination Protections

- A person could not be denied medical care — including organ transplants, child custody, benefits, professional or occupational licenses, or a state or local government job based on state-legal, responsible cannabis conduct.
 - There are exceptions if federal law or funding requires employment discrimination.
- 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.
- Parole, probation, and pre-trial release could not be revoked for legal cannabis activity, absent an individualized finding that the individual's use, cultivation, or possession of cannabis could create a danger to the individual or another person.
- Vacates prior convictions for a person 21 or older possessing or growing cannabis within the legalized amounts.

Private Employers and Private Property

- Leaves private employment law unchanged.
- Landlords could prohibit cannabis smoking and cultivation at their rental properties, but in most cases could not prohibit the non-smoked use by tenants.
- Property owners could prohibit the consumption and display of cannabis.

State Control and Licensing of Cannabis Businesses

- Creates a three-member Cannabis Commission to license and regulate cannabis stores, cannabis cultivators, product manufacturers, transporters, and testing labs.
- Creates a Cannabis Advisory Commission to advise on rules. It includes representatives from the medical and prevention community, DHHS, law enforcement, the cannabis industry, and at least one patient and consumer.
- There would be no numerical cap on stores statewide, but localities could impose caps.
- The Commission would develop comprehensive rules, including governing security, lab testing, health and safety, packaging, labeling, recordkeeping, advertising, and transportation. It would also determine qualifications and disqualifications for licensees.
- 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; banning packaging mimicking another food or beverages; and banning products and packaging designed to appeal to minors or in the shape of cartoons, toys, animals, or people. Advertising would be strictly limited.
- Cannabis businesses could not be located within 1,000 feet of a pre-existing school.
- Cannabis products could not include nicotine, alcohol, or other addictive additives.
- Retailers must stock lower-potency cannabis products.
- Caps edibles at 10 milligrams of THC per serving.
- Prevents excessive market control.
 - Prohibits anyone from having a controlling interest in more than three businesses of any single type or 25% of the total licenses, whichever is greater.
 - Creates tiers of licensed cultivators, starting with at least four tiers.

Therapeutic Cannabis Access

- Allows alternative treatment centers (ATCs) to apply for dual-use licenses. Provided they must meet requirements, including prioritizing patients. Grants the license if they pay the fee and meet all qualifications and requirements.
- Provides that all licensed retailers may serve both adult-use consumers and patients, except that stores must have a therapeutic endorsement to do so.
 - The fee for an endorsement may not exceed \$250.
- Allows ATCs that convert to dual-use to become for-profit entities if they meet requirements, including to avoid increasing prices on patients or reducing services.

Intoxicating Hemp

- The commission may regulate synthetic cannabinoids and intoxicating products derived from

hemp.

- Within 36 months, the commission will make recommendations to the General Assembly about regulating hemp.

Local Control

- Puts the question of opting in to retail stores on the ballot in every city in town, so voters can decide whether to opt in.
- Allows localities to enact regulations or limit the number of cannabis businesses.
- Localities will be sent applications and will say whether they conform to local law.

Taxes, Fees, and Appropriations

- Applies 8.5% Meals and Rooms Tax to adult-use cannabis sales (**not** medical).
- Non-refundable application fees for cannabis businesses could not exceed \$1,000, plus a \$500 fee to the municipality (which is reduced to \$75 for very small growers).
- Annual licensing fees vary based on the type of business.
 - The lowest fee is \$250 for a tier 1 grower (up to 500 square feet of canopy indoors or up to 1,500 outdoors).
 - Retail stores' annual licensing fees are \$10,000.
 - The highest fee is \$25,000 for a tier 4 grower (10,000 square feet of canopy indoors or 30,000 outdoors).
- After regulatory costs, distributes revenue as follows:
 - 55% to the General Fund
 - 25% to municipalities hosting cannabis retailers
 - 15% to a substance misuse prevention, treatment, and recovery fund
 - 5% to public safety agencies, including for drug recognition expert training
- Appropriates \$500,000 for public education prior to legal sales beginning.

Timeline

- The Commission would have 15 months to craft rules for cultivation centers. It would have 18 months to craft other regulations.
- Business licenses would be granted within 90 days of the application's submission.

Miscellaneous

- Within 12 months, the Commission and DHHS will develop a proposal on whether to integrate the therapeutic cannabis and adult-use cannabis programs.
- Provides that cannabis-related contracts that are legal under state law are enforceable.
- Provides for the collection of data regarding health and welfare outcomes before and after cannabis legalization and regulation for adult-use.