

Appendix A Possible Middle Ground Amendment

Tracked changes are changes from the House-passed version of HB 1633.

Amend the bill by replacing section 1 with the following:

1 Purpose and Findings.

I.— The general court hereby finds that: the people of the state of New Hampshire find and declare that cannabis should be regulated so that:

(a)— Individuals will have to show proof of age or qualifying patient status before entering a cannabis retail ~~outlet~~store or purchasing cannabis.

(b)— Safe access to therapeutic cannabis is preserved and expanded in a manner that allows costs to come down, not increase, though integration of participants in the existing therapeutic cannabis program competing on an even footing with other applicants of similar qualifications.

(c)— Selling, distributing, or transferring cannabis to minors and other individuals under the age of 21 shall remain illegal, except in the case of qualifying patients enrolled in the therapeutic cannabis program.

(d)— Driving under the influence of cannabis shall remain illegal, and funds shall be allocated for increased training of drug recognition experts to spot driving under the influence of substances including cannabis.

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

(f)— Cannabis sold in this state will be tested, labeled, and subject to additional regulations to ensure that consumers are informed and protected.

(g)— 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.

(h)— Marketing and advertising to minors is prohibited.

~~(i) Advertising to the general public is prohibited.¶~~

~~II. Many years of work have led to this effort which addresses the following goals to put the state of New Hampshire in the driver's seat to focus on harm reduction, not profits, and:¶~~

~~(a) Allows the state to control distribution and access through state laws, administrative rules, and local control.¶~~

~~(b) Keeps cannabis away from children and schools by establishing 1,000 foot distance requirements for stores, limiting access to retail outlets to people 21 and older or qualified patients, and imposing limits on product design and packaging.¶~~

~~(c) Controls the marketing and messaging by prohibiting advertising which targets the general public, especially minors.¶~~

~~(d) Prohibits “marijuana miles” by restricting cannabis retail outlets to one per municipality or one for every 15,000 residents in larger municipalities, as well as empowering local zoning control for these businesses.¶~~

~~(e) Empowers towns to keep cannabis out through required ballot measures to allow cannabis retail outlets.¶~~

~~(f) Reduces access to poly drugs by:¶~~

~~(1) Introducing 15 stores at first and allowing expanded licenses to reflect demand and allow retail outlets to reach Granite Staters who may still face a prohibitively long drive to reach licensed New Hampshire cannabis retail outlets or out of state options and may~~

~~continue to turn to the illicit market if the placement of stores does not respond to market demands;¶~~

~~(2) Prohibiting beverages that combine alcohol and cannabis; and¶~~

~~(3) Prohibiting the inclusion of nicotine or other additives to products which are designed to make the product more addictive.¶~~

~~(g) Undercuts the cartels by:¶~~

~~(1) Imposing an agency fee of 10 percent on monthly gross total revenue of cannabis sales which is in line with the state excise tax in Massachusetts but well below the total tax burden of approximately 20 percent in that state.¶~~

~~(2) Keeping costs low by not requiring a particular store layout, construction, or building contractor to meet appearance guidelines for the exterior of state licensed cannabis retail outlets.¶~~

~~(3) Recognizing the need for expanded licenses in the future in order to accommodate locations in more rural areas of the state which are not well positioned to compete for limited licenses.¶~~

~~(h) Limiting initial cannabis retail outlet licenses to 15.¶~~

~~(1) While prohibiting a controlling interest in more than 3 cannabis retail outlets; and¶~~

~~(2) Providing a pathway for expanded licenses as the state establishes a successful long-term sustainable solution to cannabis legalization, while prioritizing harm reduction over profits.¶~~

~~(i) Reducing influence of lobbying and donations by:¶~~

~~(1) Ensuring that licensing will increase responsibly to balance the need for more cannabis retail outlets in underserved communities; and¶~~

~~(2) Ensuring that laws and administrative rules do not pick favorites but rather create a transparent administrative process for applications and selection criteria.¶~~

~~¶~~
~~↓~~

~~6 New Chapter; Regulation of Cannabis. Amend RSA by inserting after chapter 318-E the following new chapter: Amend the bill by replacing section 6 with the following:~~

CHAPTER 318-F REGULATION OF CANNABIS

318-F:1 Definitions. In this chapter:

I.— “Alternative treatment center” means an entity as defined in RSA 126-X:1, I.

II.— “Cannabis” or “marijuana” means all parts of the plant of the genus cannabis containing over 0.3 percent THC on a dry weight basis, whether growing or not, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, or its resin, including cannabis concentrate. “Cannabis” shall not include seeds of plants from the genus cannabis, hemp as defined by RSA 439-A, fiber produced from the stalks, oil, or cake made from the seeds of the plant seeds of the plant or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product.

III.— “Cannabis accessories” or “cannabis paraphernalia” means any equipment, products, or materials of any kind that are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding,

converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body. "Cannabis accessories" and "cannabis paraphernalia" does not include products that are not designed or marketed for use related to cannabis, or products designed or intended for cannabis but used for non-cannabis purposes.

IV.— "Cannabis concentrate" or "~~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.

V.— "Cannabis cultivation facility" or "cultivation facility" means a person licensed by the state of New Hampshire to cultivate, prepare, and package cannabis, and sell cannabis to ~~franchise~~ cannabis retail ~~outlets~~stores, to cannabis product manufacturing facilities, to limited manufacturers, to alternative treatment centers, and to other cannabis cultivation facilities, but not to consumers unless the facility ~~also holds another type of license allowing for direct sales~~ also a franchisee and sales to consumers are through the franchise. A cannabis cultivation facility shall not produce cannabis concentrates, tinctures, extracts, or other cannabis products through the use of any chemical extraction process, unless the facility also holds another type of license allowing for production of cannabis concentrates, tinctures, extracts, or other cannabis products.

VI.— "Cannabis distributor" means any person licensed to receive, warehouse, and distribute cannabis products between cannabis establishments. A license as a cannabis distributor shall not be required for entities otherwise ~~licensed~~authorized under this chapter to receive, warehouse, or distribute cannabis.

VII.— "Cannabis establishment" means a ~~New Hampshire franchise cannabis retail store or~~ any licensed New Hampshire cannabis cultivation facility, a cannabis testing facility, a cannabis distributor, cannabis limited product manufacturing facility, a cannabis product manufacturing facility, ~~a cannabis retail outlet~~, a cannabis transporter, or any other type of cannabis business authorized and licensed by the commission.

VIII.— "Cannabis flower" or "~~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 non-flower portions of the plant or whole mature cannabis plants, ~~but does include kief~~.

IX.— "Cannabis limited product manufacturing facility," "limited product manufacturing facility," or "limited manufacturer" means a person licensed to purchase cannabis, to manufacture, prepare, and package cannabis products, and sell cannabis and cannabis products to other limited manufacturers, to cannabis product manufacturing facilities, to alternative treatment centers, and to ~~franchise~~ cannabis retail ~~outlets~~stores, but not to consumers. A limited product manufacturing facility may not ~~use solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol~~perform volatile ~~extractions~~.

X.— "Cannabis product manufacturing facility," "product manufacturing facility," or "cannabis product manufacturer" means a person licensed to purchase cannabis, to manufacture, prepare, and package cannabis products, and sell cannabis and cannabis products to other cannabis product manufacturing facilities, to limited manufacturers, to alternative treatment centers, and to ~~franchise~~ cannabis retail ~~outlets~~stores, but not to consumers.

XI.— "Cannabis products" 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, topical products, and tinctures. This term shall not include cannabis in its plant or flower form.

~~XII. "Cannabis retail outlet"~~ "Franchise cannabis retail store," "franchisee," or "cannabis outlet retail store" means a person licensed or entity granted a franchise by the State of New Hampshire to purchase cannabis from cannabis cultivation facilities, to purchase cannabis products from cannabis product manufacturing facilities and limited manufacturers, to purchase therapeutic grade cannabis products from alternative treatment centers, and to sell, transfer, and deliver cannabis and cannabis products to consumers, qualifying patients, and designated caregivers. Online pre-ordering is allowed, but consumers must purchase and pick up cannabis and cannabis products at the franchise cannabis retail store's licensed-premise premises.

XIII.— "Cannabis testing facility" or "testing facility" means a person licensed to test cannabis and cannabis products for potency and contaminants.

XIV.— "Cannabis transporter" means a person licensed to transport cannabis and cannabis products between cannabis establishments.

XV.— "Canopy" or "canopy space" 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.

~~XVI. "Clone" means a clipping from a cannabis plant that has not taken root. Clone includes tissue cultures. A clipping which has taken root is a seedling.¶~~

~~XVII. "Commission" means the New Hampshire liquor and cannabis commission.¶~~

~~XVIII.—~~

XVII. "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, but not for resale. "Consumer" does not include:

(a) a qualifying patient, designated caregiver, or visiting qualifying patient purchasing cannabis from an alternative treatment center pursuant to RSA 126-X;¶

~~XIX.— or~~

(b) a qualifying patient or designated caregiver purchasing cannabis from a franchise cannabis retail store in their capacity as a qualifying patient or designated caregiver, and without paying the agency fee pursuant to RSA 318-F:25 (I)(a).

XVII. "Controlling interest" means, any of the following:

(a)— A direct or indirect financial or voting interest of 10 percent or greater in the applicant, licensee, license or franchisee;

(b)— A direct or indirect financial or voting interest of 10 percent or greater in any business with managerial control over the applicant, licensee, or franchisee franchise cannabis retail store; and

(c)— Managerial control over the applicant, licensee, or franchisee.¶

~~XX. franchise cannabis retail store.~~

XIX. "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.¶

~~XXI.—~~

XX. "Department" means the department of health and human services.¶

~~XXII.~~

XXI. "Designated caregiver" means "designated caregiver" as defined in RSA 126-X:1, VI.¶

~~XXIII.~~

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

~~XXIV.~~

XXIII. "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.¶

~~XXV.~~

XXIV. "Hemp" means the plant *Cannabis sativa* L. and any part of the plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration (THC) of not more than 0.3 percent on a dry weight basis.¶

~~XXVI.~~

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

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

~~XXVIII.~~

XXVI. "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.¶

~~XXIX.~~

XXVII. "Mature cannabis plant" or "mature plant" means a cannabis plant that has flowered and has buds that may be observed by visual examination.¶

~~XXX.~~

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

~~XXXI.~~

XXIX. "Person" means a natural person or a business entity.¶

~~XXXII.~~

XXX. "Possession limit" means:

(a) Four ounces of cannabis in plant form;

(b) Ten grams of cannabis concentrate, which includes, but is not limited to, pre-filled cartridges of cannabis extracts intended for vaporization, but excludes products, such as, edible products, topical products, and tinctures; and

(c) Cannabis products other than cannabis concentrate containing no more than 2,000 milligrams of THC.

~~XXXIII.~~ XXXI. "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 uses in the operation of the licensed or franchised business, and which have been approved by the commission as proper places in which to exercise the licensee's privilege.¶

~~XXXIV.~~ or franchisee's privilege.

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

~~XXXV.~~, where cannabis use is allowed by the property owner or tenant pursuant to 318-F:21 IV (d).

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

~~XXXVI.~~

XXXIV. "Resident" means a natural person who:

(a) ~~Is domiciled in New Hampshire; and~~

(b) ~~Maintains a place of abode in New Hampshire, unless the individual was homeless and residing in New Hampshire for at least 51 percent of the time.~~¶

~~XXXVII.~~

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

~~XXXVIII.~~ XXXVI. "THC" means tetrahydrocannabinol.¶

~~XXXIX.~~

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

XXXVIII. "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.

I. 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:

(a) Possessing, consuming, using, displaying, obtaining, purchasing, processing, producing, 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 pursuant to RSA 318-F or an alternative treatment center licensed pursuant to RSA 126-X may perform ~~extractions using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol~~ volatile extractions.

(b) 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 section, 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.

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

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

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

II. No law enforcement officer employed by an agency that receives state or local government funds shall expend any state or local resources, including the officer's time, to effect any arrest or seizure of cannabis, or conduct any investigation on the sole basis of

activity the officer believes to constitute a violation of federal law if the officer has reason to believe that such activity is in compliance with this chapter.

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

No person shall smoke or vaporize cannabis in any public place.

I.— First offense:— Any person who violates this section shall be guilty of a violation for the first offense and shall be fined not more than \$100, and shall forfeit all cannabis and cannabis products on their person.

II.— Second offense:— Any person who violates this section a second time within 5 years of the first conviction under section I shall be guilty of a violation and shall be fined not more than \$500, and shall forfeit all cannabis and cannabis products on their person.

III.— Subsequent offense:— Any person who violates this section, a third or more times, when having 2 prior convictions within 5 years of the third or subsequent offense, shall be guilty of a Class B misdemeanor.

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. Any person who violates this section shall be guilty of a violation and shall be subject to a fine not to exceed \$150. In addition, any person who violates paragraph I of this section while driving or attempting to drive a motor vehicle on a way 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.-

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

IV. In this section, “driving or attempting to drive” shall not include the physical presence of a person or persons in a vehicle when it is parked, docked, or otherwise in a stationary position that does not create a hazard to others. Idling to provide heat, cooling, power generation, or other stationary use does not constitute ~~operation~~ “driving or attempting to drive” for the purposes of this section.

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

318-F:5 Cannabis Accessories Authorized.

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

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

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

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

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

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

318-F:7 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 shall 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 upon premises where cannabis and cannabis products are lawfully sold, stored, distributed, 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 New Hampshire state police.

III. 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.

IV. 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.

V. 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 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 be revoked for which no appeal is available; and

(b) ~~Authorize cannabis~~ Cannabis product manufacturing facilities, limited manufacturers, cannabis testing facilities, and franchise cannabis retail ~~outlets~~ 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.

VI.(a) 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.

(b) In addition to RSA 541-A:30, III, the commission may suspend, for a period of not more than 72 hours without a hearing ~~designated in rules, without a hearing, any license~~ 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 notify such persons designated in rules within 24 hours.

VII. 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.

318-F:8 Cannabis Advisory Board.

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

II. No later than 90 days after the effective date of this chapter, the advisory board shall be appointed.— The board shall consist of 21 members, and shall consist of: the chair of the commission or designee; a certified public health official appointed by the chair of the governor's commission on alcohol and drug abuse prevention, treatment, and recovery in RSA 12-J; a medical provider as appointed by the president of the New Hampshire Medical Society; the commissioner of the department of health and human services or designee; the commissioner of the department of education or designee; a mental health professional appointed by the executive director of NAMI (National Alliance on Mental Illness) New Hampshire; one expert in cannabis cultivation; one expert in cannabis retailing; one expert in cannabis product manufacturing; one expert in cannabis testing; one board member or officer of an alternative treatment center; 2 registered therapeutic cannabis patients; one individual who represents cannabis consumers; the president of the New Hampshire association of chiefs of police or designee; a prevention specialist who is currently certified by the New Hampshire prevention certification board; a state senator, appointed by the senate president; 2 state representatives, appointed by the speaker of the house, one cannabis financial services expert; and one attorney with primary focus on cannabis industry practice.— Except as otherwise specified, members shall be appointed by the governor.

III. Members of the board shall serve terms of 2 years. Members of the board 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. Members forfeit their position on the cannabis advisory board and shall be removed if:

- (a) They fail to attend any 2 consecutive meetings; or
- (b) They fail to attend more than one out of every 3 meetings during a year with 4 or more meetings. A member may continue to serve after the expiration of his or her term until a replacement is appointed unless he or she was removed due to misconduct or inadequate attendance.

IV. The board shall meet at its discretion, provided it shall meet no less frequently than once every 2 months for the first 9 months after the effective date of this section, and that it shall meet no less frequently than once every 6 months thereafter. The chair of the board may appoint subcommittees.

V.(a) A majority of the appointed members of the board shall constitute a quorum of the cannabis advisory board.

(b) A quorum is only required for voting matters.

VI. The cannabis advisory board shall:

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

(b) Advise the commission on whether additional ~~franchise cannabis retail outlets stores and~~ cannabis cultivation canopy should be licensed, and, if so, how many.

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

¶

(d) Advise the commission and legislature on issues relating to maintaining and expanding affordable access to a diversity of cannabis and cannabis products for qualifying patients registered under RSA 126-X and the integration of the therapeutic cannabis program and the regulatory system created by this chapter.

(e) Advise the commission on whether it should establish a state reference laboratory, or whether an agreement with another state's reference laboratory is possible.

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

(g) Hold a hearing to solicit public input no less frequently than once every 6 months, including input on the availability of reasonably priced therapeutic cannabis.

(h) Review any new science-based evidence of public health issues on the use of cannabis.

~~(h) i) Advise the commission on spending and recommend any modifications to ensure the thorough and efficient implementation of this chapter.~~

318-F:9 Regulation of Cannabis.

I. Not later than 18 months after the effective date of this section, the commission shall adopt rules, pursuant to RSA 541-A, for the issuance of cultivation facility licenses. Not later than 20 months after the effective date of this section, the commission shall adopt rules, pursuant to RSA 541-A, for the ~~licensure~~ franchising, licensing, and regulation of all other cannabis establishments.

II. (a) In order to promote a smooth transition and continuity of service, the commission shall give due consideration to entities already licensed and operating as alternative treatment centers ~~under the state's therapeutic cannabis program.~~

(b) The commission shall establish protocols for the seamless integration of alternative treatment centers ~~into the adult-use cannabis market,~~ ensuring that their operations comply with the regulations governing such market while acknowledging their established

track record of compliance and contribution to the state's cannabis industry and the importance of ensuring therapeutic patients do not experience a decline or loss of service.

(c) Any regulations or provisions pertaining to the licensing or operation of adult-use cannabis establishments shall not unduly disadvantage their participation in the market, recognizing their role as pioneers in the state's cannabis industry.

III. The rules shall include the following:

(a) Procedures for the application, issuance, transfer, denial, approval, renewal, suspension, and revocation of a license or franchise for cannabis establishments.— Rules shall include provisions for franchise cannabis retail outlets stores to be selected through a request for application process.

(b) A schedule of reasonable application, licensing, and annual renewal fees, provided:

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

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

(3) The non-refundable portion of application fees for a limited manufacturer may not exceed \$100;—

(4) All licensing and annual renewal fees, other than cultivation facilities, shall not exceed \$10,000;

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

(6) That the licensing and annual renewal fees for a limited manufacturer may not exceed \$2,500.

(c) Qualifications and disqualifications for licensure and franchises 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 cannabis offenses prior to the effective date of this chapter.

(d) Rules governing the selection of franchise cannabis retail outlets stores and criteria for franchises to include, but not limited to:

~~(1) Prohibiting the licensure operation of more than 15 franchise cannabis retail outlets within the first 30 months after the effective date of this chapter.¶~~

~~(2) Providing that a major criteria in assessing the relative merits of each application will incorporate the successful operation of an alternative treatment center registered under RSA 126-X and may convert to a cannabis retail outlet for sales permitted under this chapter and RSA 126-X. ¶~~

~~(3) Determining whether to increase the number of cannabis retail outlets, and, if so, by how many, with goals of:¶~~

~~(A) Avoiding an overconcentration or oversaturation of stores;¶~~

~~(B) Keeping New Hampshire cannabis consumers' purchases within New Hampshire;¶~~

~~(C) Outcompeting the illicit market by providing reasonable prices and accessibility; and¶~~

~~(D) Licensing sufficient cannabis retail outlets to avoid a secondary market for the transfer or sale of cannabis retail outlet licenses. One indicator of such a secondary market would be an increase in the intrinsic market value of a cannabis retail outlet beyond the premium reasonably attributed to eliminating the time and compliance steps required to obtain licensure.¶~~

~~(4) stores.~~

(2) Considering and deciding the location of each proposed franchise.

(3) Relevant experience, including providing that there shall be a rebuttable presumption that each alternative treatment center that applies, is in good standing with the

Department of Health and Human Service, and meets all qualifications for licensure will be granted at least one cannabis retail license, given their pre-existing infrastructure and years of experience dispensing cannabis in compliance with New Hampshire law.

(4) Standard operating procedures for storing, tracking, transporting, employee training, discounting and promotions, record keeping, and the sale of cannabis and cannabis products.

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

(6) The size and nature of the facilities, including the layout of the franchisee.

(7) Whether the applicant will have the financial capacity to successfully operate a franchisee.

(8) Procedures to accept applications for franchise cannabis retail stores promptly after a franchise is revoked, surrendered, or not renewed.

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

(10) Ensuring an equitable distribution of franchise cannabis retail outlets/stores based on geography and population, including¶

~~(A) Providing providing for no more than the greater of one:~~

~~(i) one franchise cannabis retail outlet/store per municipality or no more than one cannabis retail outlet per 15,000 residents of a municipality.¶~~

~~(B) Increasing access to legal cannabis in New Hampshire for people throughout the state.¶~~

~~(5) with 50,000 residents or fewer;~~

~~(ii) no more than two franchise cannabis retail stores per municipality with more than 50,000 residents.~~

(11) Providing that no franchise cannabis retail outlets/stores may be located within 1,000 feet of a pre-existing franchise cannabis retail outlet unless the municipality where the establishment seeks to operate has established a smaller distance limitation or waived the restriction.¶

~~(6) Procedures to revoke the license of any cannabis retail outlet that is not operational within the latter of 20 months of receiving its license or 2 months after the commissioner authorizes retail sales to begin. However, the cannabis retail outlet shall be granted one or more 6-month extensions if:¶~~

~~(A) The cannabis retail outlet demonstrates it is making substantial progress towards becoming operational and the delay is not due to its failure to act in good faith and with reasonable diligence; or¶~~

~~(B) The delay is due to store.~~

(e) The commission shall:

(1) Approve the transfer or sale of any cannabis establishment.

(2) Make the final determination on the location of each franchise cannabis retail store;

(3) Consult on and have the final authority to set the price of all cannabis and cannabis products sold in a cannabis retail store, with goals including:

(i) Creating a market that is competitive with neighbor states and affordable to consumers; and

(ii) Preventing anti-competitive pricing, including pricing product at a loss on an ongoing basis; and

(4) Consult on wholesale prices, and have authority to impose minimum and maximum pricing, with goals including:

(i) Creating a market that is competitive with neighbor states and affordable to consumers; and

(ii) Ensuring wholesale prices are ~~sufficient to allow~~ so competent cannabis cultivation facilities and product manufacturers do not operate at a loss.

(5) Require franchisees provide shelf space to a ~~lack~~ variety of ~~sufficient~~ cannabis ~~or~~ and cannabis products ~~because of delays in cultivation facilities becoming operational.~~¶

~~(7) Procedures to accept applications for cannabis retail outlets within 3 months of a license being revoked, surrendered, or not renewed.¶~~

~~(e) from a variety of cultivation facilities, product manufacturers, and limited manufacturers; including that ~~at least 50% of the shelf space at each franchise must be reserved for cannabis and cannabis products with no shared controlling interest or management.~~~~

(f) Regulations governing the selection and licensure of cultivation facilities, including:

(1) A cap on the total licensed canopy and a cap on the number of cultivation facilities based on anticipated demand. The cap must be reassessed at least once every year. It must be high enough to ensure a competitive market, and it must account for some facilities having crop failures, cannabis that fails testing, and demand from visiting states;

(2) Providing that each alternative treatment center will be issued at least one cultivation facility license, provided it applies and meets all qualifications and requirements of licensure and is in good standing with the Department of Health and Human Services.

(3) Procedures to revoke the license for any cultivation facility that is not operational within 20 months of receiving its license, and to accept applications for a new licensee. ~~=~~ However, the licensee shall be granted one or more 6-month extensions if the cultivation facility demonstrates it is making substantial progress towards becoming operational and the delay is not due to its failure to act in good faith and with reasonable diligence;

~~(4) Procedures to accept applications for cultivation facilities within 3 months of a license being revoked, surrendered, or not renewed; and~~

~~(45) Regulations creating at least 2 tiers of cultivation facilities, based on the size of the facility or the number of plants cultivated and providing:~~

(A) That outdoor cultivation facilities must be allowed to cultivate 3 times the square footage of canopy as indoor cultivation facilities of the same tier;

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

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

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

~~(g) Record keeping requirements for cannabis establishments, including requirements for implementation and compliance with the distribution tracking system required by this chapter.~~

~~(g) ~~h~~ Requirements for the transportation and distribution of cannabis and cannabis products between cannabis establishments, including approved packaging, documentation that shall accompany any cannabis and cannabis products being transported, warehoused, or distributed, by cannabis cultivation facilities.¶~~

~~(h) Procedures for the delivery of cannabis to consumers, including documentation that shall accompany any cannabis being transported to consumers establishments.~~

(i) A schedule of civil fines as are authorized in this chapter for violations of chapter requirements, provided that, not later than 18 months after the effective date of this

chapter 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.

(j) Procedures for hearings on penalties, including civil fines and suspensions and revocations of a cannabis establishment license.

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

(l) 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 used during cultivation and processing that may be dangerous to cannabis consumers, and sanitation requirements.

(m) Restrictions on ~~theadvertising, signage, marketing, logos, signage, marketing, and display of cannabis and cannabis products, including but not limited to:~~

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

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

(3) Restrictions to prevent cannabis from being marketed to minors, =

(4) 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,

(5) A prohibition on giveaways of cannabis, cannabis products, or cannabis accessories, including samples;

(6) A prohibition on neon signs;

~~(7) A prohibition on signage, cannabis retail outlet logos, and advertisements that include slang for cannabis, images of cannabis or cannabis paraphernalia, or images that encourage over-consumption.¶~~

~~(8) A requirement that each cannabis retail outlet include in its name “[City or Town] Cannabis Outlet” or “New Hampshire Cannabis Outlet.” The commission may require approval of any retail outlet name to ensure it does not encourage overconsumption, appeal to minors, or otherwise violate reasonable restrictions on naming.¶~~

~~(9) The commission may develop rules around the finish and quality of exterior of buildings and lot, which may include limits on colors and fonts for signage and logos. The commission may design a standard logo all outlets must use, with the only variation being their outlet name.¶~~

~~(n) Restrictions on where a cannabis cultivation facility may be located, consistent with the provisions of this chapter: billboard advertising, sound trucks, or outdoor internally illuminated screen displays consistent with alcohol advertising prohibitions in RSA 179:31; and~~

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

(n) Restrictions on where a cannabis cultivation facility may be located, consistent with the provisions of this chapter, provided that nothing shall prohibit a cannabis cultivation facility from being located at a facility that, at the time of application, is a location licensed to engage in cultivation as alternative treatment center under RSA 126-X.

(o) Restrictions on the hours of sale when a franchise cannabis retail ~~outlet~~store may sell cannabis and cannabis products, provided the regulations shall not allow franchise

cannabis retail ~~outlets~~ stores to begin sales before 6:00 a.m. or to sell cannabis or cannabis products after 11:45 p.m.

(p) Establishing a voluntary process whereby a cannabis establishment may request approval of packaging, labeling, signage, a logo, ~~marketing, or advertising~~ to confirm it conforms with the commission's interpretation of its rules. The commission shall respond within 30 days with approval or denial, with an explanation accompanying any denial. A fee of no greater than \$250 may be charged for each review.

(q) Packaging, product manufacturing, and labeling requirements for cannabis and cannabis products, including:

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

(2) Requirements to ensure cannabis products and cannabis and cannabis products' 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;

(3) Establishing the maximum amount of THC that may be included in each serving of edible or drinkable cannabis product, as 5 milligrams; and the maximum amount of THC that may be included in each package of edible or drinkable cannabis product as 100 milligrams;

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

(5) Prohibiting statements on the label or packaging that are false or misleading;

(6) Prohibiting any written statements on the label or packaging that are illegible;

(7) Prohibiting packaging or labeling that contains subliminal or similarly deceptive advertising techniques;

(8) Prohibiting 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;

(9) Prohibiting packaging or labeling that features illustrations, subject matter, or other attributes that are consistent with products marketed toward children and youths;

(10) Prohibiting 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;

(11) Prohibiting packaging or labeling that encourages excessive consumption;

(12) Prohibiting packaging or labeling that does not indicate in a manner that is sufficiently clear that the product contains cannabis or cannabis products or that might result in confusion regarding whether the product is a cannabis or cannabis products;

(13) Prohibiting packaging or labeling that is offered for sale under the name, identity, or characteristics of another food or beverage or mimics another food or beverage or the characteristics of another food or beverage;

(14) Requiring 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; and

(15) Require packaging include warnings, including but not limited to, those described in RSA 318-F:17.

(r) Health and safety rules and standards for the cultivation of cannabis and the 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 concentrated cannabis products; and

- (3) A prohibition on the inclusion of nicotine, alcohol, and other additives to products that are designed to make the product more addictive or more intoxicating.
- (s) Standards for the operation of testing laboratories, including requirements for equipment and qualifications for personnel.
- (t) Requirements for the testing of cannabis and cannabis products, including but not limited to:
- (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 pesticides and fungicides; heavy metals; and harmful microbials, such as E. coli or salmonella;
 - (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 and cannabis products shall be immediately quarantined and immediate notification to the commission shall be made. The contaminated product shall be documented and properly destroyed;
 - (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) Potency limits for cannabis products, after consultation with and approval of the cannabis advisory board including a public hearing specifically related to the topic of potency;
 - (8) Allowances for remediation of cannabis and cannabis products whose test results are in excess of established thresholds;
 - (9) Minimum testing requirements for an effective cannabis and cannabis product quality assurance program for cannabis cultivation facilities, limited manufacturers, and cannabis product manufacturing facilities; and
 - (10) That the commission shall determine the protocols and frequency of cannabis testing by a cannabis testing facility.
- (~~tau~~u) 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.
- (v) Annual mandatory training and continuing education required or recommended for licensees and franchisees, which shall include, but not be limited to, training on checking photo identification and for false identification.-
- (w) Requirements that franchise cannabis retail ~~outlets~~ 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.
- (x) Restrictions on where a cannabis establishment may be located, consistent with the provisions of this chapter; provided that nothing shall prohibit a cannabis establishment from being located at a facility that, at the time of application, is a location licensed to engage in activity as alternative treatment center under RSA 126-X.
- (y) Rules governing changes in ownership and changes in location for cannabis establishments, provided that until a cannabis establishment has been fully operational for

at least 12 months, no more than 35 percent of the original ownership interest can be transferred. The commission may grant exceptions for good cause, such as the death of an individual owner.

(z) Procedures and notices relating to all recalls of any products.

(aa) A requirement that any label, and for certain products where appropriate, include a standard, recognizable symbol that a product contains cannabis or THC.

(bb) A prohibition on the manufacture and sale of cannabis infused alcoholic beverages.

~~II.~~(cc) Providing that each alternative treatment center will be issued at least one product manufacturing license, provided it applies and meets all qualifications and requirements of licensure and is in good standing with the Department of Health and Human Services

IV. Privacy Protections.

(a) In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a franchise cannabis retail ~~outlet or any other cannabis establishment that sells direct to consumers~~store with personal information other than government-issued identification to determine the consumer's age, and a cannabis establishment shall not be required to acquire and record personal information about consumers.

(b) 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 the above information a condition of a consumer purchasing cannabis from the establishment.

~~III~~IV. 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 franchise cannabis retail ~~outlets~~stores shall make available to all consumers, and which shall include information detailed in RSA 318-F:17.

~~IV~~V. 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 and franchised cannabis establishments and the sale of cannabis and cannabis products to consumers. The system shall ensure an accurate accounting of the production, processing, and sale of cannabis and cannabis products and shall enable separate tracking of cannabis flowers, immature plants, and other parts of cannabis sold from cannabis cultivation facilities. The system must allow for the tracking of lab testing results for all cannabis and must 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.

~~V~~VII. No later than 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.

~~VI~~VIII. The commission shall also have the authority to regulate synthetic cannabinoids and intoxicating products derived from hemp.~~¶~~

~~VII~~

IX. No later than 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 including:

(a) What hemp products the commission would regulate;

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

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

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

(e) The regulations governing the production and the sale of intoxicating ingestible or smokable 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 smokable 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~~X. No later than December 1, 2024, the commission, jointly with the department, shall develop draft legislation to:

(a) Transfer regulatory authority of the therapeutic cannabis program authorized under RSA 126-X, in whole or in part, to the commission; and

(b) Regulate franchise cannabis retail ~~outlets~~stores' sale of cannabis and cannabis products to qualifying patients and designated caregivers.

~~318-F:10 Prohibitions: Advertising Cannabis Sales.~~

~~I. Except as provided in this section, no person may advertise cannabis sales.~~

~~(a) The prohibition includes, but is not limited to advertising by radio, television, billboard advertising, sound trucks, outdoor internally illuminated screen displays, in print, broadcast, and in person solicitation of customers outside of the premises of the cannabis retail outlet or alternative treatment center.~~

~~(b) This does not prohibit appropriate signs on the property of the cannabis retail outlet or alternative treatment center, listings in business directories including online business listings, advertising on platforms or publications that are solely focused on cannabis, listings in trade or medical publications, the sponsorship of health or not-for-profit charity or advocacy events, or communications with previous customers of the retail outlet or alternative treatment center.~~

~~(c) This does not prohibit cannabis establishments from directly soliciting other cannabis establishments.~~

~~H~~XI. Not later than 20 months after the effective date of this section, the Secretary of State shall adopt rules pursuant to RSA 541-A, prohibiting or restricting lobbying by franchise cannabis retail stores in a manner consistent with the First Amendment. Prior to adopting rules, the Secretary of State shall consult with the attorney general's office and holding a public hearing.

318-F:10 Prohibitions: Advertising Cannabis Sales.

I. Except as provided in this section, no person other than the commission may advertise cannabis sales.

II. To the extent that any advertising is permitted under this chapter, all advertising shall be controlled and administrated by the commission.

(a) Advertising and promotion for the sale of cannabis to consumers shall be controlled and managed by the commission.

(b) The commission shall prohibit advertising for any cannabis establishment located or operating outside the state of New Hampshire.

III. This section does not prohibit cannabis establishments from directly soliciting other cannabis establishments.

IV. This section does not apply to advertising the sales of therapeutic cannabis, which is governed according to chapter RSA 126-X.

V. A violation of this section is punishable by a civil fine of up to \$1,000 for a first offense. A subsequent violation is punishable by a civil fine of up to \$5,000. These penalties are in addition to possible suspension or revocation of a cannabis establishment license or franchise.

318-F:11 Entry to Franchise Cannabis Retail ~~Outlets~~Stores Limited.

Entry to franchise cannabis retail ~~outlets~~stores shall be restricted to people:

~~I. Twenty-one years of age or older who present official documentation listed in RSA 179:8 which is consistent with the appearance of the person, is not expired, and is free of alteration, erasure, blemish, or other impairment to verify age; or~~

~~II. Qualifying patients;~~

II. Qualifying patients; and

III. First responders and other government employees in performance of their official duties.

318-F:12 Licensing Procedures for Cannabis Establishments.

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

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

III. The commission shall:

(a) 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.

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

(c) Issue a license to the applicant within 120 days after receipt of an application unless:

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

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

(3) More qualified applicants have applied than the number of licenses or franchises available for that category of cannabis establishment, and the applicant was not selected.

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

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

V. A renewal application may be submitted up to 90 days prior to the expiration of the cannabis establishment's license. The renewal application shall be granted within 30 days of its submission unless the applicant has not paid the fee, the cannabis establishment's

license is suspended or revoked, or the cannabis establishment has a pattern of violations of this law, the rules issued pursuant to it, or municipal regulations.-

VI. Conditional approval pending securing property.

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

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

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

VII. Except as provided in RSA 318-F:14, nothing in this chapter prevents a person or entity from holding multiple types of cannabis licenses or both licenses and franchises and from co-locating the businesses. However, the commission may prohibit a franchise from co-locating with any or all other types of cannabis establishments.

318-F:13 Enactment of Municipal Ordinances.-

I. The voters of every municipality shall vote on whether to allow franchise cannabis retail ~~outlets~~stores in their municipality at the first municipal election after July 1, 2024, unless the municipality elects to include this question at the November 2024 biennial election.-

The wording of the ~~questions~~question shall be substantially as follows:- “Shall we allow the operation of franchise cannabis retail ~~outlets~~stores within this city or town?”- 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 660:13-15.-~~A municipality’s prohibition on cannabis establishments shall~~ A municipality may not prohibit transportation through the municipality ~~or deliveries within the municipality~~ by cannabis establishments located in other jurisdictions.

II.- A municipality where a vote to allow franchise cannabis retail ~~outlets or non-retail cannabis establishments~~stores fails shall propose the question to voters again in a subsequent municipal election upon a petition.- The petition shall be of not less than 5 percent of the legal voters within the city or town filed with the secretary of state within the timeframe regulating other ballot measures for municipal elections.- The same requirements established in paragraph I shall apply to that subsequent municipal election.

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

IV. A municipality may enact an ordinance specifying the entity within the municipality that shall be responsible for reviewing applications submitted for a license to operate a cannabis establishment within the municipality.- The entity designated by the municipality, or the municipality if no such entity is designated, shall be responsible for indicating whether the application is in compliance with municipal ordinances and notifying the applicant and the commission within 90 days.

V. 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.

VI. 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. 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:14 Financial Interests Prohibited.

I. No cannabis testing facility or individual with a controlling interest in a cannabis testing facility shall have a direct or indirect financial interest in an alternative treatment center, a franchise cannabis retail ~~outlet~~ store, a cannabis cultivation facility, a limited manufacturer, or a cannabis product manufacturing facility.

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

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

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

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

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

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

318-F:15 Residency Required.

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

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

III. Each cannabis establishment or franchise must be registered with the secretary of state's office with its principal place of business located in New Hampshire.

318-F:16 Restrictions on Location Near Schools. ~~No cannabis establishment~~

¶

I. For municipalities with a population that does not exceed 50,000 residents, no cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a license or franchise, if the establishment would be located within one mile of a school.

II. For municipalities with a population more than 50,000 residents, no cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a license or franchise, if the establishment would be located within one-half mile of a school.

I. For municipalities with a population that does not exceed 50,000 residents, no cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a license or franchise, if the establishment would be located within one mile of a school.

II. For municipalities with a population more than 50,000 residents, no cannabis establishment shall operate, nor shall a prospective cannabis establishment apply for a license or franchise, if the establishment would be located within one-half mile of a school.

318-F:17— Informational Materials, Warning Labels, and Medical Lock Boxes.

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

II. A franchise cannabis retail ~~outlet~~store and any other cannabis establishment selling directly to consumers shall include an informational handout designed by the commission in consultation with the department and the cannabis advisory board 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. This may be identical to that required under RSA 126-X:8, XVI(c)(8); and

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

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

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

III. The commission shall require franchise cannabis retail ~~outlets~~stores to 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 franchise cannabis retail ~~outlet~~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 franchise cannabis retail ~~outlets~~ stores shall include:

(a) A warning label that provides, “Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed,” unless the commission determines that a specific time frame should be specified.

(b) A disclosure of ingredients and possible allergens.

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

(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 ~~normal~~ adults to use properly as defined by 16 C.F.R. section 1700.20.

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

318-F:18 Lawful Operation of Cannabis-Related Facilities.

I. Except as provided in this section, if undertaken by a person 21 years of age or older, the following acts shall not be illegal under New Hampshire law or be a basis for seizure or forfeiture of assets under New Hampshire law:

(a) Possessing, displaying, warehousing, transporting, or distributing cannabis or cannabis products; obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility or limited manufacturer; or sale, delivery, or distribution of cannabis or cannabis products to an adult who is 21 years of age or older, a qualifying patient, a designated caregiver or to franchise cannabis retail ~~outlets~~ stores or alternative treatment centers, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license or franchise to operate a franchise cannabis retail ~~outlet~~ store or is acting in his or her capacity as an owner, employee, or agent of a ~~licensed~~ franchise cannabis retail ~~outlet~~ store.

(b) ~~—~~ Cultivating, harvesting, processing, packaging, transporting, distributing, displaying, or possessing cannabis; obtaining or purchasing cannabis seeds from any adult 21 years of age or older; delivering or transferring cannabis to a cannabis testing facility; selling or transferring cannabis that has not been processed into extracts, concentrates, or other preparations to a cannabis cultivation facility, a cannabis product manufacturing facility, a limited manufacturer, or a franchise cannabis retail ~~outlet~~ store or alternative treatment center; or obtaining or purchasing cannabis from a cannabis cultivation facility, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis cultivation facility.

(c) Packaging, processing, transporting, manufacturing, displaying, or possessing cannabis or cannabis products; delivering or transferring cannabis or cannabis products to a cannabis testing facility; selling cannabis or cannabis products to a franchise cannabis retail ~~outlet~~ store, alternative treatment center, limited manufacturer, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a cannabis product manufacturing facility or limited manufacturer, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a cannabis product manufacturing facility or is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis product manufacturing facility.

(d) Packaging, processing, transporting, ~~manufacturing~~, displaying, or possessing cannabis or cannabis products; manufacturing cannabis products without performing volatile

extractions; delivering or transferring cannabis or cannabis products to a cannabis testing facility; selling cannabis or cannabis products to a franchise cannabis retail outlet, store, alternative treatment center, limited manufacturer, or a cannabis product manufacturing facility; purchasing or obtaining cannabis from a cannabis cultivation facility; or purchasing or obtaining cannabis or cannabis products from a cannabis product manufacturing facility or limited manufacturer, if the person or business entity conducting the activities described in this paragraph has obtained a current, valid license to operate a limited manufacturer or is acting in his or her capacity as an owner, employee, or agent of a licensed limited manufacturer.

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

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

(g) Possessing, obtaining, cultivating, processing, storing, distributing transporting, or receiving cannabis obtained from a cannabis establishment or transporting, delivering, or transferring cannabis to a cannabis establishment if the person or business entity has obtained a current, valid license to operate a cannabis transporter or cannabis distributor is acting in his or her capacity as an owner, employee, or agent of a licensed cannabis transporter.

(h) Obtaining or purchasing cannabis from a cannabis cultivation facility; delivering or transferring cannabis to a cannabis testing facility; selling or distributing therapeutic grade cannabis products to a franchise cannabis retail store; or obtaining or purchasing cannabis or cannabis products from a cannabis product manufacturing facility or limited manufacturer if the person or business entity conducting the activities described in this paragraph possesses a valid license to operate an alternative treatment center or is acting in his or her capacity as an owner, employee, or agent of a licensed alternative treatment center.

(i) 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.

(j) Selling, offering for sale, transferring, transporting, or delivering 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 product manufacturing facility, limited manufacturer, or cannabis cultivation facility or is acting in his or her capacity as an owner, employee, or agent of a cannabis transporter, cannabis product manufacturing facility, or cannabis cultivation facility.

II. No sales to consumers, ~~including from cannabis retail outlets with dual-use certificates,~~ may begin until the liquor and cannabis commissioner certifies there is a sufficient supply of cannabis and cannabis products to begin sales.

318-F:19 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 and 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 franchise cannabis retail ~~outlet~~store or an agent or employee of a franchise cannabis retail ~~outlet~~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.

318-F:20 Enforcement Activity Verifying Noncompliance.

I. Except as provided in this section, it shall be a violation to sell any cannabis, cannabis ~~product~~product, cannabis accessories or cannabis paraphernalia to a minor during enforcement activity initiated solely for the purpose of verifying noncompliance with RSA 318-F:19. It shall be 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~~licensee or franchisee in such a circumstance to initiate additional training of its staff or individual employee. This section shall not apply to law enforcement initiatives involving surveillance, investigations, or criminal complaints of violations of RSA 318-F:19.

II. This section does not apply if the minor:

(a) ~~—~~ Presented what an ordinary and prudent person would believe to be valid documentation showing the minor was a qualifying patient or designated patient who is allowed to purchase cannabis pursuant to RSA 126-X; and

(b) ~~—~~ The sale was made in good faith relying upon such documentation and appearance in the reasonable belief that the person was allowed to purchase cannabis pursuant to RSA 126-X.

318-F:21 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 in the case of qualifying patients.

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. Control of Property.

(a) 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.

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

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

(c) This chapter shall not prevent a landlord from prohibiting cannabis smoking², cultivation, harvesting, or manufacturing.

(d) 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 cannabis on rented property if smoking 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:22 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 cannabis establishment or a franchisee 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 or franchise, 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:23 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. Except as provided in this section, neither the state nor any of its political subdivisions may impose any penalty or deny any benefit or entitlement for conduct permitted under this chapter or for the presence of cannabinoids or cannabinoid metabolites in the urine, blood, saliva, breath, hair, or other tissue or fluid of a person who is 21 years of age or older.

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

V. 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.

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

(a) Engaging in activities allowed by this chapter;

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

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

VII. Employer and employee protections.

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

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

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

VIII. 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.

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

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

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

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

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

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

318-F:24 Data Collection Related to Cannabis Legalization and Regulation.

No later than 2 years after the effective date of this chapter, and every 2 years thereafter, the department of health and human services shall, where appropriate, enter into

memorandums of understanding with the department of safety, the department of justice, the department of education, the commission, and any other agency determined by the department of health and human services to possess relevant data, to collect data, and produce and publish a report that includes baseline data and the most current data regarding health and welfare outcomes before and after cannabis legalization and regulation for adult use. All data in the report shall be non-identifiable and respectful of personal privacy. ~~This report may be combined with the report required under RSA 126-A:106, VI, relative to the substance use prevention, treatment, and recovery fund allocated under RSA 318-F:27.~~

318-F:25 ~~Agency~~Franchise Fee Imposed.

I. An ~~agency~~franchise fee of 10 percent shall be levied on the monthly total gross revenue derived from the sale of cannabis and cannabis products from a franchise cannabis retail outlets and any other cannabis establishment for sales directly to consumersstores, provided:

(a) The ~~agency~~franchise fee shall not apply to sales to qualifying patients, directly or via their designated caregivers.

(b) The ~~agency~~franchise fee shall not apply to the sale of cannabis accessories, or any product other than cannabis and cannabis ~~product~~products.

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

318-F:26 Cannabis Fund Established.

I. There is established a nonlapsing 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 and deposits into the fund by the commissioner of the department of revenue administration pursuant to RSA 77-H.

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 commission for the cost of administration of this chapter. Said sum shall be a charge against the ~~fund~~liquor commission fund established by RSA §176:16.

IV. The commission shall credit all fees and civil penalties imposed under this chapter, including agency fees levied pursuant to 318-F:25, and all other related moneys received from public or private sources to the fund.

V. ~~After deducting~~Not later than June 30, 2027, the commission shall reimburse the liquor commission fund from the cannabis control fund for any initial or start-up funds appropriated to the commission for the administration or operation of this chapter. After deducting the reimbursement of start-up funds and appropriations charged to the fund for the cost of administration of this chapter and RSA 77-H, ~~the~~any remaining funds shall be appropriated and distributed by the commission on a quarterly basis as follows: ~~A~~

(a) ~~—~~ 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:24; and

(b)- Of the remaining funds:

(1) ~~Sixty-five~~ ~~Eighty~~ ~~Seventy-five~~ percent shall be disbursed to the education trust fund established in RSA 198:39. ~~—~~ The comptroller shall notify the commissioner of the department of revenue administration of the amount of the transfer. ~~—~~ For the purpose of setting the education tax rate under RSA 76:3, the amount of revenue required to be collected pursuant to RSA 76:3 shall be reduced by the amount transferred to the education trust fund as required in this subparagraph, and the commissioner shall set the rate at a level sufficient to generate the reduced amount. ~~—~~ This rate shall be effective for the following fiscal year;

(2) ~~Ten~~ ~~Five~~ percent shall be allocated to ~~legal aid services~~ ~~the community reinvestment fund established in RSA 318-F:28~~;

(3) Ten percent shall be allocated to the substance use prevention, treatment, and recovery fund established in RSA 318-F:27;

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

(5) Five 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, and to assist in responding to drug overdose incidents; ~~and~~¶

(6) ~~Five percent shall be disbursed to the department of health and human services, division for behavioral health, bureau of children's behavioral health, to be used for children's behavioral health services.~~

318-F:27 Substance Use Prevention, Treatment, and Recovery Fund Established. There is hereby established in the state treasury the nonlapsing substance use prevention, treatment, and recovery fund that shall be kept distinct and separate from all other funds. All proceeds allocated to the fund pursuant to RSA 318-F:26 shall be deposited in the fund. The state treasurer shall invest the fund in accordance with RSA 6:8. Any earnings on fund moneys shall be added to the fund. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the state treasury. The state treasurer shall disburse funds from the fund solely for the purposes and in the manner set forth in RSA 126-A:106.¶

~~318-F:28 Community Reinvestment Fund Established.¶~~

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

~~II. All proceeds allocated to the fund pursuant to RSA 318-F:26 shall be deposited in the fund.¶~~

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

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

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

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

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

~~(d) Cannabis-related research and development.¶~~

~~V. 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 pursuant to this section.¶~~

▪

Amend RSA 651:5-b, I(b) as inserted by section 14 of the bill by replacing it with the following:

(b) “Possession limit” means the current “possession limit” as defined in RSA 318-F:1, XXX.