



# New Hampshire Adult-Use Cannabis Act: Summary of HB 237

## Adult-Use Cultivation and Possession

Adults who are 21 and older would be allowed to:

- possess and give away up to one ounce of cannabis, five grams of concentrated cannabis, and infused products with 500 milligrams of THC outside of the home; and
- securely cultivate up to six plants, three of which could be mature (with a household limit of 12 total, six mature), and possess the cannabis produced by the plants at home.

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## Prohibited Conduct and Penalties

- Smoking cannabis in public would be punishable by civil fine of up to \$100.
- Drivers could not consume cannabis while operating a vehicle, and passengers could not smoke or vaporize cannabis.
- Cannabis could not be grown where it is visible from adjoining or public property, and plants must be secure from unauthorized access.
- The department could suspend or revoke the registration of a cannabis establishment if it commits multiple or serious violations.

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## State Regulation and Licensing of Cannabis Businesses

- A governor-appointed commission — the Cannabis Control Commission — would regulate and license adult-use cannabis businesses. It would be composed of a full-time commission chair and two part-time commissioners, assisted by staff.
- An 11-member advisory board would advise the commission and gather input from the public. It would include experts in public health, cannabis businesses, law enforcement, social justice or social welfare, along with a representative of cannabis consumers, a medical cannabis patient, and an attorney. The board would sunset in July 2025.
- The commission would license cannabis retailers, cultivators, product manufacturers, transporters, and independent labs. It could authorize additional types of businesses.
- The commission would develop comprehensive rules, including governing security, lab testing, health and safety, labeling, recordkeeping, and transportation; restricting advertising; mandating child-safe packaging; and prohibiting products designed to appeal to children. It would also determine qualifications for licensees.
- There would be no statewide limit on the number of licensees.
- The commission, assisted by the Department of Health and Human Services (DHHS), would develop materials to be distributed with cannabis, including information on how to recognize problematic cannabis use and how to obtain treatment.
- Cannabis establishments could not be located within 1,000 feet of a school unless the

municipality establishes a different buffer.

- Cannabis establishments could not also sell alcohol, and cannabis products could not include nicotine or other addictive or toxic additives.
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## **Local Control**

- Localities could enact regulations and licensing requirements, limit the number of cannabis establishments, or ban cannabis businesses altogether.
  - The commission must forward each application to the locality where it would operate and consider the locality's input.
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## **Employers and Private Property**

- Landlords could prohibit cannabis smoking and cultivation at their rental properties.
  - Property owners could prohibit the consumption and display of cannabis.
  - Employment law is unchanged. Employers do not have to accommodate cannabis use.
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## **Taxation, Fees, and Distributing the Revenue**

- Cannabis would be subject to a 5% tax at the wholesale level and a 9% tax at the retail level. Medical cannabis would not be taxed.
  - Non-refundable application fees generally could not exceed \$1,000 for the state, plus \$500 for the municipality. Fees are lower for the smallest cultivation facilities.
  - Annual licensing fees of no more than \$10,000 would be imposed on cannabis establishments. In the case of the smallest growers, the fees could not exceed \$250.
  - After covering regulatory costs, fees and tax revenue would be divided as follows:
    - \$100,000 per year to the Department of Public Safety for data collection and reporting;
    - 29% to DHHS for evidence-based, voluntary substance abuse, education, and treatment programs and a public education campaign about the health and safety risks of alcohol, tobacco, cannabis, and other substances;
    - 33% to municipalities;
    - 5% for law enforcement and first responders for Drug Recognition Experts and ARIDE training and for responding to drug overdoses; and
    - the remaining 33% to the General Fund.
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## **Promoting Small Businesses and New Hampshire Control**

- Until 2023, each cannabis business applicant (other than labs) must have at least one director, officer, or partner who has been a New Hampshire resident for at least three years.
- Until January 2023, an individual may not have a controlling interest in more than three cannabis establishments at any one time. After that, no person may have a controlling interest in more than 20% of operational cultivation facilities, product manufacturers, or retail stores,

and no person may have a controlling interest in more than 50% of testing labs. (There is an exception for if they have an interest in three businesses of one type.)

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### **Annulment of Past Convictions**

- Individuals who were previously convicted of possessing or growing amounts of cannabis that are made legal could clear their criminal records.
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### **Hemp**

- The bill would also allow for industrial hemp cultivation, which would be regulated by the Department of Agriculture.
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### **Timeline**

- Adults could possess and cultivate cannabis 60 days after passage.
  - The commission would issue rules for cultivation facilities by March 1, 2022 and for other cannabis businesses by June 1, 2022.
  - The commission would begin accepting applications for cultivators on May 1, 2022, on August 1, 2022 for product manufacturers and labs, and by September 1, 2022 for retailers.
  - Licenses would be granted within 90 days of the application's submission.
  - The first retail licenses would be issued by November 30, 2022.
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