



## MPP Summary of Feedback

Members of New Hampshire's interim cannabis commission crafted a draft cannabis bill dated October 2, 2023, and invited feedback. The draft bill would license private growers and manufacturers and set up a state franchise model for retail stores. The franchises would be privately operated. ATCs (medical dispensaries) could apply for and be issued licenses to cultivate, produce products, and/or sell at retail to adult-use consumers, provided they prioritize therapeutic cannabis. A 15% gross receipts "franchise fee" would be levied on both dual-licensed ATCs and franchisees. The draft includes several worthy provisions from HB 639 to stop ruining lives for cannabis.

### Commendable Provisions, Which Should Remain

- Adults' possession of up to four ounces of cannabis, 20 grams of concentrates, and infused products with 2,000 milligrams of THC becomes legal upon passage.
- The bill includes provisions to stop ruining lives for the responsible use of cannabis, including:
  - individuals can't be denied organ transplants, professional or occupational licenses, child custody, state or local government benefits, or state or local government jobs (in most cases)
  - pre-trial release, parole, and probation generally cannot be revoked for state-legal cannabis-related activity, including testing positive for using cannabis; and
  - the odor of cannabis is not grounds for a search.

### Suggested Revisions:

- The bill should include an automatic process to expunge cannabis convictions. It should also include an automatic review process for re-sentencing anyone who is in custody or under supervision for a cannabis crime, with a presumption for release.
- The timeline is very slow and should be expedited. Currently, rulemaking does not have to be initiated for two years and there is no deadline for licensing.
- There should be a deadline for the commission to act on applications, which should be no more than 90 days.
- There should be a reasonable cap on licensing and application fees to allow small business participation.
- The state should not set prices. The language requiring the commission to craft rules including "pricing structure for the wholesale price of cannabis and cannabis products in consultation with the New Hampshire Liquor Commission" should be removed.
- The language should be clarified to ensure the commission does not determine the precise "location of the franchise retail outlet." It should provide the commission will simply determine the number of locations in each city/town.
- It is unclear if there could be statewide caps on cultivation and manufacturing licenses. If the commission is allowed to institute licensing caps, there should be provisions to ensure there is adequate supply and a diversity of choices for consumers — and to ensure there are licenses issued to smaller growers.
- Because there will be a total of no more than 65 retailers, the bill should cap the number of

retail outlets with common ownership or management— perhaps at five.

- Testing labs should be independent — with no common ownership or management with franchisees or licensees.
- The 2,000-foot buffer from schools is excessive and may mean there is no reasonable commercial location in some cities/towns. 1,000 feet would be more appropriate.
- The 15% “franchise fee” is higher than some states’ taxes and should be reduced.
- The bill should include a provision providing cannabis-related business expenses are deductible, as they are for any non-cannabis business.
- The terminology should be changed from “franchise fees” and “franchises” to more traditional licensing to reduce risks created due to federal illegality.