

Bill as
Introduced

HB 174 - AS INTRODUCED

2019 SESSION

19-0123
01/04

HOUSE BILL

174

AN ACT

relative to alternative treatment center licenses.

SPONSORS:

Rep. Horn, Merr. 2; Sen. Reagan, Dist 17

COMMITTEE:

Health, Human Services and Elderly Affairs

ANALYSIS

This bill authorizes a new alternative treatment center for cannabis in the Hillsborough and Merrimack area of New Hampshire.

Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through~~].

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to alternative treatment center licenses.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Departmental Administration; Alternative Treatment Centers. Amend RSA 126-X:7, III to
2 read as follows:

3 III. If at any time after 2 years after the effective date of this section, fewer than [4] 5
4 alternative treatment centers hold valid registration certificates in New Hampshire, the department
5 shall accept applications for a new alternative treatment center. ***The department shall accept***
6 ***applications for a new alternative treatment center in either Hillsborough or Merrimack***
7 ***county.*** No more than [4] 5 alternative treatment centers shall hold valid registration certificates
8 at one time.

9 2 Effective Date. This act shall take effect 60 days after its passage.

Committee Minutes

HB 701-FN
Rep. Harvey

Jennifer Horgan 271-2609

Sharon M Carson
Chairman

**Senate Executive Departments and Administration
Committee**

Jennifer Horgan 271-2609

HB 174, relative to alternative treatment center licenses.

Hearing Date: April 4, 2019

Time Opened: 9:24 a.m.

Time Closed: 9:46 a.m.

Members of the Committee Present: Senators Carson, Cavanaugh, Rosenwald, Chandley and Reagan

Members of the Committee Absent: None

Bill Analysis: This bill authorizes a new alternative treatment center for cannabis in the Hillsborough and Merrimack area of New Hampshire.

Sponsors:

Rep. Horn

Sen. Reagan

Who supports the bill: Representative Horn; Senator Reagan; Paul Morrissette

Who opposes the bill: Brett Sicklick of Prime ATC

Who is neutral on the bill: Michael Holt, DHHS

Summary of testimony presented in support:

Representative Horn expressed pleasure that the medical marijuana laws are working very efficiently and that the citizens who have a card, can go to a dispensary. He said that this legislation merely adds a fifth license for the State, specifically in region two -- as the only facility currently is in Merrimack. He said that they are doing very well. He talked of the free market and that competition is very important and that we could have another option in this area where there is a high demand.

Senator Rosenwald asked if the Representative has looked at SB 145 which allows treatment centers to reorganize as for-profit businesses. She said that they heard some testimony that they need to become for-profit in order to survive.

Representative Horn responded that he cannot speak regarding for-profit versus non-profit but that there are struggling areas such as the North Country and the Western part of the state where the population is lower. **Senator Carson** spoke of earlier legislation that allowed two more sites to open because of complaints that it was too far for folks to travel -- and here we want another center because one is overwhelmed. **Representative Horn** explained that the individual would have to go through the RFP (request for proposal) process in order to have two distinct business

entities in Merrimack County. This is a free market option and provides patients with a choice. **Senator Carson** asked about new treatment centers and whether they would operate differently than what is being proposed here. **Representative Horn** said that it comes down to your business philosophy and whether you believe in competition.

Paul Morrissette testified in support and explained that SB 145 does go from non-profit to profit status. He said that their real intention is to be able to sell product legally. He said that Rockingham County has 550,000 people; Merrimack region two has 580,000 and that Plymouth has 180,000 people there. He said that the center of our state is not being serviced well. He said that the market will grow and that they do want to be able to sell recreationally. He noted that sales in Massachusetts have already grown from \$1.1 to \$1.3 million per week. **Senator Chandley** asked if the legislation that allows folks to grow their own will have an effect on the market. **Mr. Morrissette** responded that the bill only allows an individual to grow two plants, and it's not that easy. He said that this is what they really want to do and he's looking forward to seeing the result of today's House vote.

Summary of testimony presented in opposition:

Mr. Sicklick testified on behalf of Prime ATC and indicated that they are located in the geographic region that this bill affects. He said that their patient base at large is still quite small and that with the non-profit structure, the debt ratio is high and they are still operating in the negative. He noted that this would create four locations in his area, adding that they would not be able to stay open given the patient base currently. He said that they are experiencing roughly 3% growth each month. While they did start quite small, they have reached the place where they will have to increase their supply but noted that in order to go through this expense, they cannot do it with a fifth licensee in the area. The economics of scale become more and more viable and noted that patients will drive to where they need to obtain their product. He spoke of the legal markets around him already and that there is a significant gray market in Maine, which is obviously of concern. This August marks their third year of operation.

Neutral Information Presented:

Michael Holt, Program Administrator for the Therapeutic Cannabis Program, testified that the Department did not request this legislation and are not taking a position. He explained that the State currently has four ATC licenses which are run by three license holders. SB 388 allowed the opening of additional locations in Conway and Keene areas. He noted that this session, HB 335 and HB 174 need to be considered together and if both bills pass, it could mean a maximum of 10 locations in the State. He noted that the implementation of both bills would require additional staff. He suggested implementing HB 335 first and observed that the best locations now may not be the best locations in two years. He said that the Department does recommend that the specific location noted in this legislation should be removed. He

provided a handout and discussed the maps shown which indicate populations which are being served. He stated again that the Department takes no position on the bill, but does recommend the removal of the specific location.

sfd

Date Hearing Report completed: April 4, 2019

Speakers

Testimony

HB 174, relative to alternative treatment center licenses
Senate Executive Departments and Administration Committee
DHHS Testimony
April 4, 2019

Introduction

- Michael Holt, Program Administrator, Therapeutic Cannabis Program, Division of Public Health Services
- This is not Department-requested legislation
- The Department does not take a position on this bill

Background

- Four ATC licenses currently allowed by law
- Three operators/businesses operate the four licenses (one operator has two licenses)
- Last year, SB 388 allowed two of the ATCs to establish a second dispensary location in their designated region
 - Department was required to conduct a needs assessment to determine the best locations for these dispensaries to best serve the needs of patients
 - Conway and Keene were identified, and development is underway

HB 174 and HB 335

- These two bills should be considered together, and this testimony is obliged to assume that both of these bills will pass
- HB 174 adds a 5th ATC license
 - Requires a competitive bidding process (publishing a Request for Applications–RFA, scoring applicants, selecting a winning bid)
 - May result in a new operator being allowed to enter the state, or may result in a current operator winning the bid and being allowed to open another dispensary
- HB 335 allows ALL of the current ATCs to establish a second dispensary location in their designated region
 - Needs assessment based, for greater patient access
 - Would also allow the 5th license to open a second dispensary location
- If both bills pass, there would be a maximum of 10 dispensary locations in the state

Effective Date

- Assuming both bills pass, implementing both bills concurrently would require more resources than are currently available
- The Department reads HB 174 to allow 2 years from the effective date of the bill for the Department to issue the RFA for the 5th license
- This is a reasonable timeframe, which will allow the Department to focus first on implementing HB 335

Location Considerations

- Existing law* requires the Department, when evaluating ATC applications, to consider the suitability of proposed locations as well as geographic convenience for patients.
- Specifically, the Department shall:

“...ensure that alternative treatment centers are geographically located so as to best serve the needs of qualifying patients.”*

- This requirement would apply to the proposed 5th ATC license contemplated by HB 174.
- The future landscape of dispensary locations 2+years from now is uncertain.
 - Depending on the eventual locations of the satellite dispensaries—both the ones underway in Keene and Conway [Regions 3 and 4], and the ones that would be allowed by HB 335 in Regions 1 and 2—a 5th ATC license in Hillsborough or Merrimack county may not be the location that best serves the needs of patients 2+ years from now.

Recommendation

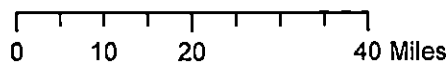
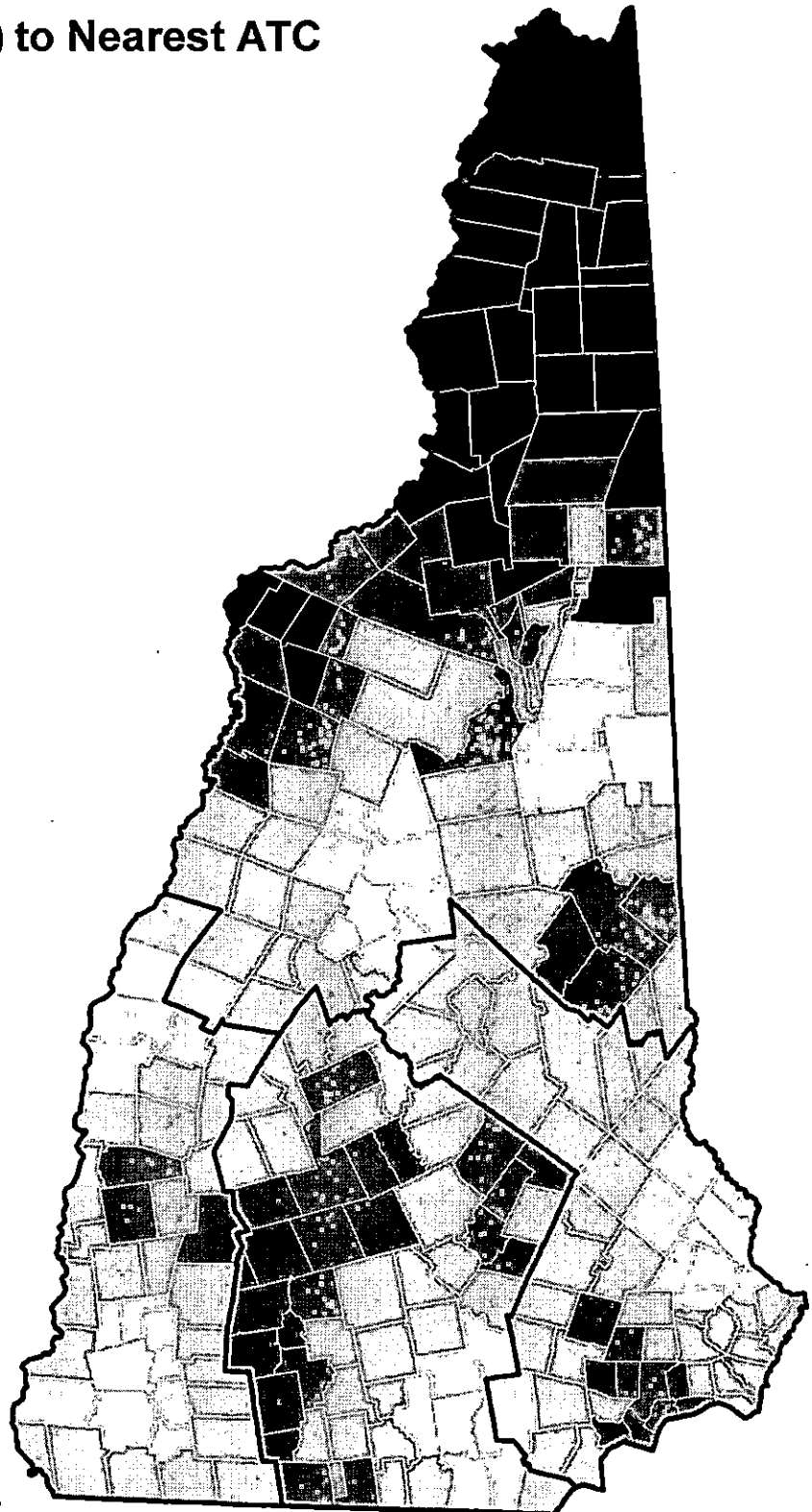
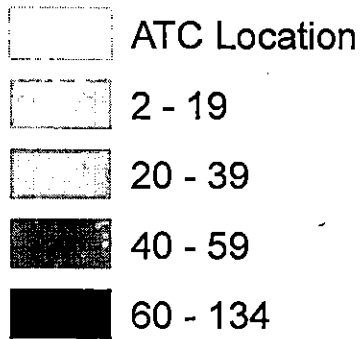
- The Department recommends the removal of the requirement that the 5th ATC license be located in specific counties [lines 5-7]

*RSA 126-X:7, IV(c)(1): The registration considerations shall include the following criteria: (1) The suitability of the proposed location, including compliance with any local zoning laws, and geographic convenience for qualifying patients from throughout the state of New Hampshire to alternative treatment centers if the application is approved. The department shall, to the greatest extent practicable, ensure that alternative treatment centers are geographically located so as to best serve the needs of qualifying patients.

Patient Travel Burden (Drive Time) by City/Town

Future State, with Satellite Dispensaries

Drive Time (minutes) to Nearest ATC

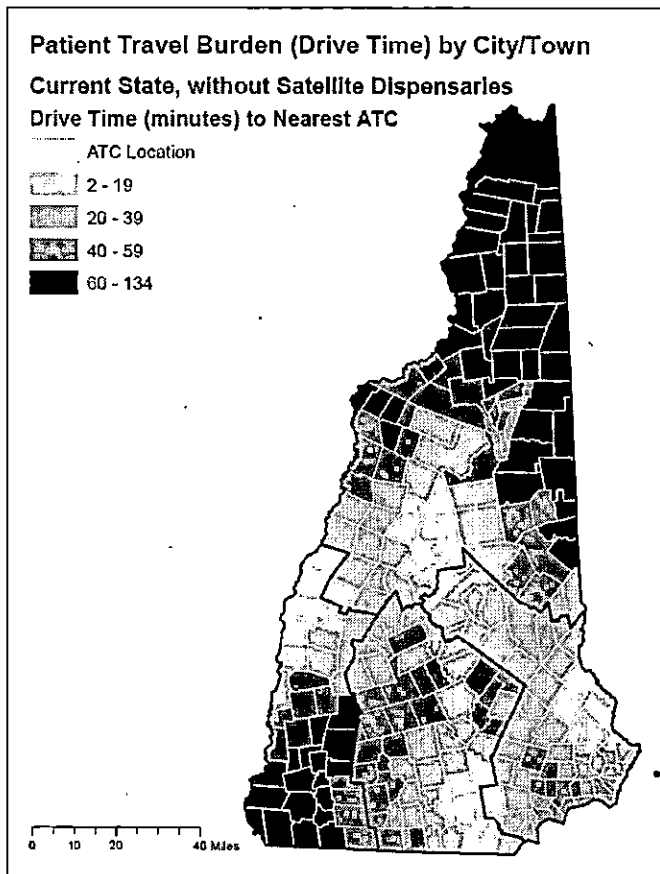


ATC Expansion

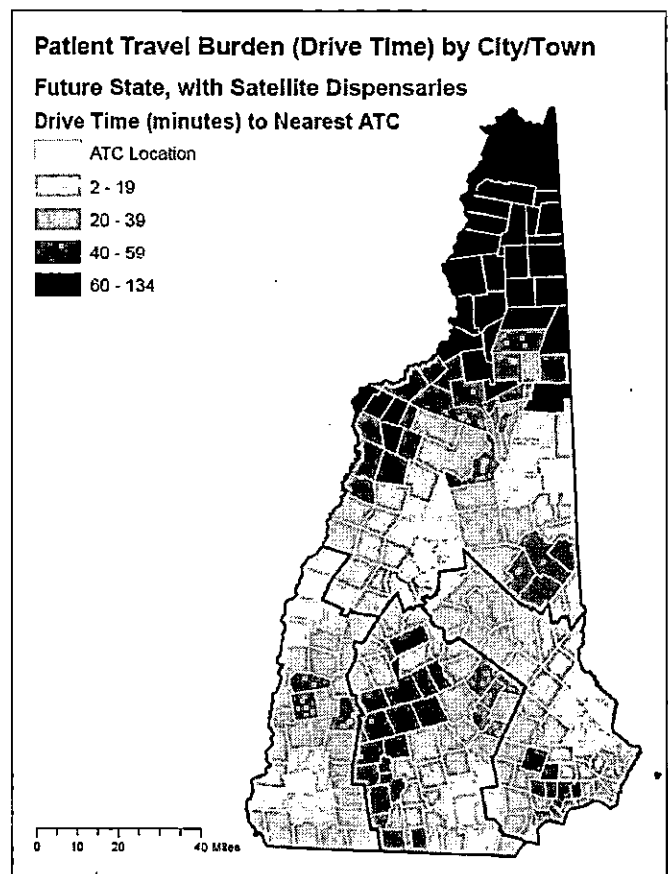
Current State vs. Future State Comparison

A satellite dispensary located in the towns of Keene (Region 3) and North Conway (Region 4) will potentially result in the following improvements for patient access to an alternative treatment center for dispensing of therapeutic cannabis:

- Travel burden (as defined in the reports above) is completely eliminated in Region 3.
- Travel burden (as defined in the reports above) is significantly relieved, but not eliminated, in Region 4.
- Drive time reduction, per round trip, for Region 3 Temescal patients is 459 hours, and for Region 4 Sanctuary patients is 437 hours, with a combined reduction of 896 hours in both regions.
- Mileage reduction, per round trip, for Region 3 Temescal patients is 17,473 miles, and for Region 4 Sanctuary patients is 24,489 miles, with a combined reduction of 41,962 miles in both regions.



Map 1: Current-state drive time from town/city to nearest dispensary (without satellite dispensaries). Black indicates travel burden.



Map 2: Future-state drive time from town/city to nearest dispensary (with satellite dispensaries in Keene and North Conway). Black indicates travel burden.

Voting Sheets

Senate Executive Departments and Administration Committee

EXECUTIVE SESSION

Bill # HB174

Hearing date: _____

Executive session date: _____

Motion of: ITL

VOTE: 5-0

<u>Made by</u> Carson <input checked="" type="checkbox"/>	<u>Seconded</u> Carson <input type="checkbox"/>	<u>Reported</u> Carson <input type="checkbox"/>
<u>Senator:</u> Cavanaugh <input type="checkbox"/>	<u>by Senator:</u> Cavanaugh <input type="checkbox"/>	<u>by Senator:</u> Cavanaugh <input type="checkbox"/>
Chandley <input type="checkbox"/>	Chandley <input type="checkbox"/>	Chandley <input type="checkbox"/>
Reagan <input type="checkbox"/>	Reagan <input type="checkbox"/>	Reagan <input type="checkbox"/>
Rosenwald <input type="checkbox"/>	Rosenwald <input checked="" type="checkbox"/>	Rosenwald <input type="checkbox"/>

Motion of: Consent

VOTE: 5-0

<u>Made by</u> Carson <input type="checkbox"/>	<u>Seconded</u> Carson <input type="checkbox"/>	<u>Reported</u> Carson <input type="checkbox"/>
<u>Senator:</u> Cavanaugh <input type="checkbox"/>	<u>by Senator:</u> Cavanaugh <input type="checkbox"/>	<u>by Senator:</u> Cavanaugh <input type="checkbox"/>
Chandley <input type="checkbox"/>	Chandley <input type="checkbox"/>	Chandley <input type="checkbox"/>
Reagan <input checked="" type="checkbox"/>	Reagan <input type="checkbox"/>	Reagan <input type="checkbox"/>
Rosenwald <input type="checkbox"/>	Rosenwald <input checked="" type="checkbox"/>	Rosenwald <input type="checkbox"/>

<u>Committee Member</u>	<u>Present</u>	<u>Yes</u>	<u>No</u>	<u>Reported out by</u>
Senator Carson, Chairman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Cavanaugh, Vice-Chair	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Chandley	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Reagan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Rosenwald	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Amendments: _____

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE
FOR THE CONSENT CALENDAR

Wednesday, May 22, 2019

THE COMMITTEE ON Executive Departments and Administration

to which was referred **HB 174**

AN ACT relative to alternative treatment center licenses.

Having considered the same, the committee recommends that the Bill

IS INEXPEDIENT TO LEGISLATE

BY A VOTE OF: 5-0

Senator Sharon Carson
For the Committee

This bill would authorize a new alternative treatment center for cannabis in the Hillsborough and Merrimack area of New Hampshire. The Committee believes there are better avenues to address the issue of access such as HB335, which the Committee has unanimously recommended for passage.

Jennifer Horgan 271-2609

FOR THE CONSENT CALENDAR

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

HB 174, relative to alternative treatment center licenses.

Inexpedient to Legislate, Vote 5-0.

Senator Sharon Carson for the committee.

This bill would authorize a new alternative treatment center for cannabis in the Hillsborough and Merrimack area of New Hampshire. The Committee believes there are better avenues to address the issue of access such as HB335, which the Committee has unanimously recommended for passage.

Docket of HB174

Docket Abbreviations

Bill Title: relative to alternative treatment center licenses.*Official Docket of HB174.:*

Date	Body	Description
12/27/2018	H	Introduced 01/02/2019 and referred to Health, Human Services and Elderly Affairs HJ 2 P. 40
1/10/2019	H	Public Hearing: 01/15/2019 01:30 pm LOB 303
1/30/2019	H	Division I Subcommittee Work Session: 02/07/2019 10:00 am LOB 212
1/30/2019	H	Executive Session: 02/07/2019 01:00 pm LOB 205
2/12/2019	H	Committee Report: Ought to Pass for 02/27/2019 (Vote 19-2; CC) HC 13 P. 10
2/27/2019	H	Ought to Pass: MA VV 02/27/2019 HJ 6 P. 14
3/18/2019	S	Introduced 03/14/2019 and Referred to Executive Departments and Administration; SJ 9
3/28/2019	S	Hearing: 04/04/2019, Room 101, LOB, 09:15 am; SC 16
5/22/2019	S	Committee Report: Inexpedient to Legislate; Vote 5-0; CC; 05/30/2019; SC 24
5/30/2019	S	Inexpedient to Legislate, MA, VV === BILL KILLED ===; 05/30/2019; SJ 18

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: HB 174

Senate Committee: E, D + A

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: {Legislative Aides}

Bill version as it came to the committee

All Calendar Notices

Hearing Sign-up sheet(s)

Prepared testimony, presentations, & other submissions handed in at the public hearing

Hearing Report

Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

___ - amendment # ___ ___ - amendment # ___

___ - amendment # ___ ___ - amendment # ___

Executive Session Sheet

Committee Report

Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

___ - amendment # ___ ___ - amendment # ___

___ - amendment # ___ ___ - amendment # ___

Post Floor Action: (if applicable) {Clerk's Office}

___ Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):

___ Enrolled Bill Amendment(s)

___ Governor's Veto Message

All available versions of the bill: {Clerk's Office}

___ as amended by the senate ___ as amended by the house

___ final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Committee Aide

Date

Senate Clerk's Office jm