

Legalization of Cannabis in NM

An overview and panel discussion

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Road to Legalization in 2021

Regular Legislative Session

- 60 day legislative session
- 5 pieces of legislation relating to legalization of recreational cannabis
- 2 bills in the House of Representatives, 3 bills in the Senate
- HB12 Sponsored by Rep. Javier Martinez was on the Senate Calendar upon adjournment

Road to Legalization in 2021

Regular & Special Legislative Session

- Closing Day of the session, Governor MLG announces she will call lawmakers back for a special session to legalize cannabis
- March 26, 2021 the Governor announces the special session will begin on March 30, 2021
- Topics include legalization of cannabis and expungement of criminal records
- 2 day session March 30-31st

Legalization of Cannabis

HB 2 Cannabis Regulation Act

- Sponsored by Rep. Javier Martinez
- Co-sponsors: Rep. Andrea Romero, Rep. Debbie Armstrong, Sen. Katy Duhigg and Sen. Linda Lopez
- Passed 38-32 in the House
- Passed 22-15 in the Senate
- Signed into law on April 12, 2021

Cannabis Regulation Act

Cannabis Control Division

- Created under Regulation and Licensing Department
- Regulation
- Administration
- Collection of Fees
- Administer both Recreational and medical cannabis programs
- Medical Cannabis registry still maintained by DOH

Cannabis Regulation Act

Cannabis Control Division

- September 1, 2021: accept and begin processing license applications for producers, micro businesses and medical producers
- Promulgate rules for licensing and regulating commercial cannabis activity by January 1, 2022
 - Issue Cannabis server permits
 - Accept license applications for all license types
- Allow cannabis retail sales no later than April 1, 2022

Cannabis Regulation Act

CCD Licensing

- License for
 - consumption areas
 - testing and research laboratories
 - Couriers
 - Producers
 - Manufacturers
 - Microbusinesses
 - Training programs
 - Retailers

Cannabis Regulation Act

CCD

- January 1, 2022-December 31, 2025 CCD adopts rules to limit plants licensees may produce
- Licenses are valid for one year
 - May be renewed
 - Denied, suspended or revoked for cause

Cannabis Regulation Act

Cannabis Regulatory Advisory Committee

- In place by September 1, 2021
- Created by Cannabis Control Division (“CCD”)
- Advise on rules and best practices
- Members
 - Chief Public Defender or designee
 - Municipal Police Chief
 - County Sheriff
 - Indian tribe or pueblo
 - Labor organization
 - Qualified patient
 - Other expertise

Cannabis Regulation Act

What is allowed?

- Purchase and possession at one time, by individuals over 21 years of age
 - 2 ounces of cannabis flowers
 - 16 grams of cannabis extract
 - 800 mg of edible cannabis
- May possess greater amounts if stored in a private residence
- 6 mature and 6 immature plants per person (Household limit of 12 plants)

Cannabis Regulation Act

Authority of Local Governments

- Local Governments *MAY*
- Adopt time, place and manner rules
 - Comply with Dee Johnson Clean air act
 - Reasonably limit density of licenses and operating hours
- Allow for a cannabis consumption area if
 - Consumption area is limited to persons over 21 (recreational)
 - Is located minimum distance from school or daycare center
 - Distance limit cannot be more than 300 feet

Cannabis Regulation Act

Authority of Local Governments

- Local Governments ***SHALL NOT***
 - Require licensed premises or consumption area to be ***more than*** 300 feet from school or daycare
 - Require existing licensee to relocate
 - Prevent transportation of cannabis products on public roads by licensee
 - Completely prohibit the operation of a licensee
 - Prohibit or limit signage on premises of a licensee
 - Prohibit a person from producing homegrown cannabis

Cannabis Regulation Act

Taxation

- Excise tax does not apply to Medical Cannabis
- Excise Tax start at 12% through July 1, 2025
- Increases annually by 1% until July 1, 2030
- 18% July 1, 2030
- Local Governments receive 33.33% of Excise Tax
 - Business located with City Limits
 - Business located in County

Cannabis Regulation Act

Employers/Employees

- Employer can
 - Prohibit use at work and discipline an employee for impairment at work
 - Follow federal rules and regulations
 - Adopt and implement a zero tolerance policy related to cannabis use
- Cannabis Regulation Act does not apply to employee of an employer subject to Federal Railway labor act
- Act does not impair or impact collective bargaining

Cannabis Regulation Act

Specific to Lynn and Erin Compassionate Use Act

“Unless a failure to do so would cause the employer to lose a monetary or licensing-related benefit under federal law or federal regulations, it is ***unlawful*** to take an adverse employment action against an applicant or an employee based on conduct allowed under the Lynn and Erin Compassionate Use Act.”

SB 406 2019 Session

Cannabis Regulation Act

Key Dates

- June 29, 2021 legislation becomes law
- No Later than 09/01/2021
 - Create Cannabis Regulatory Advisory Committee
 - CCD accepts and begins processing license applications for producers, micro businesses and medical producers
- No Later than 01/01/2022
 - CCD issues licenses to conduct commercial activity for medical cannabis
 - Begin licensing training and education programs
 - Issue cannabis server permits
 - Accept license applications for all license types
- No Later than 04/01/2022
 - Retail Sale

Questions & Panel Discussion