

# Legalization of Cannabis in NM

An overview and panel discussion

Rep. Javier Martinez, Linda Trujillo Superintendent of RLD,  
AJ Forte NM Municipal League & Larry Horan General Counsel MRCOG

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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?

# Questions & Panel Discussion