

HOUSE BILL 294

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO CANNABIS PRODUCTS; REGULATING THE USE OF COLORS, MATERIALS AND DESIGN ELEMENTS ON PACKAGING AND LABELING OF CANNABIS PRODUCTS THAT ARE SIMILAR TO PRODUCTS SOLD TO MINORS OR THAT COULD BE REASONABLY APPEALING TO MINORS OR THAT ARE COMMONLY ASSOCIATED WITH ENTERTAINMENT MEDIA; PROVIDING THAT THE USE OF ARTIFICIAL COLOR ADDITIVES NOT EXPRESSLY APPROVED BY THE CANNABIS CONTROL DIVISION OF THE REGULATION AND LICENSING DEPARTMENT RENDERS A CANNABIS PRODUCT ADULTERATED; PRESCRIBING A PENALTY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 26-2C-2 NMSA 1978 (being Laws 2021 (1st S.S.), Chapter 4, Section 2, as amended) is amended to read:

"26-2C-2. DEFINITIONS.--As used in the Cannabis
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1 Regulation Act:

2 A. "artificial color additive" means a synthetic
3 food dye or other dye, pigment or substance not derived from
4 natural food sources that is added to a cannabis product to
5 impart color;

6 [A.] B. "cannabis":

7 (1) means all parts of the plant genus
8 *Cannabis* containing a delta-9-tetrahydrocannabinol
9 concentration of more than three-tenths percent on a dry weight
10 basis, whether growing or not; the seeds of the plant; the
11 resin extracted from any part of the plant; and every compound,
12 manufacture, salt, derivative, mixture or preparation of the
13 plant, its seeds or its resin; and

14 (2) does not include:

15 (a) the mature stalks of the plant;
16 fiber produced from the stalks; oil or cake made from the seeds
17 of the plant; any other compound, manufacture, salt,
18 derivative, mixture or preparation of the mature stalks, fiber,
19 oil or cake; or the sterilized seed of the plant that is
20 incapable of germination; or

21 (b) the weight of any other ingredient
22 combined with cannabis to prepare topical or oral
23 administrations, food, drink or other product;

24 [B.] C. "cannabis consumption area" means an area
25 of a licensed premises where cannabis products may be served

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1 and consumed;

2 [C.] D. "cannabis courier" means a person that
3 transports commercial or medical cannabis products to
4 consumers;

5 [D.] E. "cannabis establishment" means:

6 (1) a cannabis testing laboratory;
7 (2) a cannabis manufacturer;
8 (3) a cannabis producer;
9 (4) a cannabis retailer;
10 (5) a cannabis research laboratory;
11 (6) a vertically integrated cannabis
12 establishment;
13 (7) a cannabis producer microbusiness;
14 (8) an integrated cannabis microbusiness; or
15 (9) a cannabis consumption area;

16 [E.] F. "cannabis extract":

17 (1) means a product obtained by separating
18 resins, tetrahydrocannabinols or other substances from cannabis
19 by extraction methods approved by the division; and
20 (2) does not include the weight of any other
21 ingredient combined with cannabis extract to prepare topical or
22 oral administrations, food, drink or another product;

23 [F.] G. "cannabis flowers" means only the flowers
24 of a cannabis plant;

25 [G.] H. "cannabis manufacturer" means a person

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1 that:

2 (1) manufactures cannabis products;
3 (2) packages cannabis products for resale; or
4 (3) purchases, acquires, sells or transports

5 wholesale cannabis products to other cannabis establishments;

6 [H.] I. "cannabis producer" means a person that:

7 (1) cultivates cannabis plants;
8 (2) transports unprocessed cannabis only to
9 other cannabis establishments; or
10 (3) sells cannabis wholesale;

11 [I.] J. "cannabis producer microbusiness" means a
12 cannabis producer at a single licensed premises that possesses
13 no more than two hundred total mature cannabis plants at any
14 one time;

15 [J.] K. "cannabis product" means a product that is
16 or that contains cannabis or cannabis extract, including edible
17 or topical products that may also contain other ingredients;

18 [K.] L. "cannabis research laboratory" means a
19 facility that produces or possesses cannabis products and all
20 parts of the plant genus *Cannabis* for the purpose of studying
21 cannabis cultivation, characteristics or uses;

22 [L.] M. "cannabis retailer" means a person that
23 sells cannabis products to consumers;

24 [M.] N. "cannabis testing laboratory" means a
25 facility that samples, collects and tests cannabis products and

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1 transports cannabis products for the purpose of testing;

2 0. "cartoon" means any drawing, illustration, image
3 or animation that depicts exaggerated, stylized or
4 anthropomorphic features, including animals, creatures or
5 objects with human characteristics, or any other visual device
6 that is designed in a manner that is reasonably appealing to
7 minors, as determined by the division;

8 [N.] P. "commercial cannabis activity":

9 (1) means the cultivation, production,
10 possession, manufacture, storage, testing, researching,
11 packaging and labeling, transportation, couriering, purchase
12 for resale, sale or consignment of cannabis products; and

13 (2) does not include activities related only
14 to the medical cannabis program or to the personal cultivation
15 or use of cannabis products;

16 [θ.] Q. "consumer" means a person twenty-one years
17 of age or older who legally purchases, acquires, owns,
18 possesses or uses a commercial cannabis product not for resale
19 or a person who holds a medical cannabis program registry
20 identification card issued by the department of health or is a
21 reciprocal participant;

22 [P.] R. "contaminant" means pesticides and other
23 foreign material, such as hair, insects or other similar
24 adulterants, in harvested cannabis;

25 [Q.] S. "controlling person":

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(1) means a person that controls a financial or voting interest of ten percent or more of, or an officer or board member of, a cannabis establishment; and

(2) does not include a bank or licensed lending institution;

[R.] T. "cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading or trimming of cannabis;

[S.] U. "department" means the regulation and licensing department;

[T.] V. "director" means the director of the division;

[U.] W. "division" means the cannabis control division of the department;

[V-] X. "dry weight basis", when used in the context of regulation of commercial cannabis activity, means a process by which delta-9-tetrahydrocannabinol concentration is measured relative to the aggregate weight of all parts of the plant genus *Cannabis*, whether growing or not, including the leaves of the plant, the flowers and buds of the plant, the seeds of the plant, the resin of the plant and the stalks of the plant at the point of harvest by a licensee and with no moisture added to the harvested plant;

[W.] Y. "facility" means a building, space or grounds licensed for the production, storage, testing,

1 manufacturing, distribution, sale or consumption of cannabis
2 products;

3 [X.] Z. "financial consideration" means value that
4 is given or received, directly or indirectly, through sales,
5 barter, trade, fees, charges, dues, contributions or donations;

6 [Y.] AA. "homegrown" or "homemade" means grown or
7 made for purposes that are not for resale;

8 [Z.] BB. "illegal cannabis product" means a
9 cannabis product that is:

10 (1) produced or manufactured outside New
11 Mexico;

12 (2) produced, manufactured, distributed or
13 sold in New Mexico by a person not licensed to produce,
14 manufacture, distribute or sell the cannabis product; or

15 (3) produced, manufactured, distributed or
16 sold by a person acting outside the limits of the person's
17 license; provided that "illegal cannabis product" does not
18 include homegrown or homemade cannabis products that comply
19 with the provisions of the Cannabis Regulation Act;

20 [AA.] CC. "immature cannabis plant" means a
21 cannabis plant that has no observable flowers or buds;

22 [BB.] DD. "industry standards" means the prevailing
23 customary standards of business practice in the cannabis
24 industry in jurisdictions within the United States;

25 [CC.] EE. "integrated cannabis microbusiness" means

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1 a person that is licensed to conduct one or more of the
2 following:

3 (1) production of cannabis at a single
4 licensed premises; provided that the person shall not possess
5 more than two hundred total mature cannabis plants at any one
6 time;

7 (2) manufacture of cannabis products at a
8 single licensed premises;

9 (3) sales and transportation of cannabis
10 products produced or manufactured by that person or another
11 cannabis producer microbusiness or integrated cannabis
12 microbusiness;

13 (4) operation of only one retail
14 establishment; and

15 (5) couriering of cannabis products to
16 consumers;

17 [DD.] FF. "licensed premises" means a location that
18 includes:

19 (1) all enclosed public and private areas at
20 the location that are used in the business and includes
21 cannabis consumption areas, offices, kitchens, restrooms and
22 storerooms;

23 (2) all areas outside of a building that are
24 specifically included in the license;

25 (3) all areas of a standalone cannabis

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consumption area, including retail and other areas, whether in enclosed or outside spaces, and including private or members-only clubs where cannabis products are available for sale or consumption; and

(4) with respect to a location that is specifically licensed for the production of cannabis outside of a building, the amount of land that the licensee owns, leases or has a right to occupy that is identified in the application for licensure for cultivation of cannabis; provided that the licensed premises may be decreased but shall not be increased without permission of the division;

[EE.] GG. "local jurisdiction" means a municipality, including a home rule municipality, or county;

[FF.] HH. "manufacture" means to compound, blend, extract, infuse, package and label or otherwise prepare a cannabis product;

[GG.] II. "medical cannabis" means cannabis products used by a qualified patient or reciprocal participant in accordance with the Lynn and Erin Compassionate Use Act;

[III.] JJ. "medical cannabis program" means the program created pursuant to the Lynn and Erin Compassionate Use Act;

[H.] KK. "medical cannabis registry" means the system by which the department of health approves or denies applications and issues and renews registry identification

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1 cards for qualified patients and primary caregivers;

2 [JJ.] LL. "primary caregiver" means a resident of
3 New Mexico who is at least eighteen years of age and who is
4 responsible for managing the well-being of a qualified patient
5 with respect to the medical use of cannabis pursuant to the
6 Lynn and Erin Compassionate Use Act;

7 [KK.] MM. "public space" means any place to which
8 the general public has access;

9 [LL.] NN. "qualified patient" means a resident of
10 New Mexico who holds a registry identification card pursuant to
11 the Lynn and Erin Compassionate Use Act;

12 [MM.] OO. "reciprocal participant" means a person
13 who is not a resident of New Mexico and who holds proof of
14 enrollment by a governmental regulatory authority to
15 participate in the medical cannabis program of another state of
16 the United States, the District of Columbia or a territory or
17 commonwealth of the United States in which the person resides
18 or a person who holds proof of enrollment by a governmental
19 regulatory authority of a New Mexico Indian nation, tribe or
20 pueblo to participate in its medical cannabis program;

21 [NN.] PP. "residence" or "household" means a
22 housing unit and includes any place in or around the housing
23 unit that is not a public space and at which an occupant of the
24 housing unit produces, manufactures, keeps or stores homegrown
25 or homemade cannabis products or stores legally purchased

1 cannabis;

2 [00.] QQ. "retail establishment" means a location
3 at which cannabis products are sold directly to consumers;

4 [PP.] RR. "superintendent" means the superintendent
5 of regulation and licensing;

6 [QQ.] SS. "unprocessed" means unaltered from an
7 original, raw or natural state; and

8 [RR.] TT. "vertically integrated cannabis
9 establishment" means a person that is authorized to act as one
10 or more of the following:

- 11 (1) a cannabis courier;
- 12 (2) a cannabis manufacturer;
- 13 (3) a cannabis producer; and
- 14 (4) a cannabis retailer."

15 SECTION 2. Section 26-2C-17 NMSA 1978 (being Laws 2021
16 (1st S.S.), Chapter 4, Section 17, as amended) is amended to
17 read:

18 "26-2C-17. CANNABIS PRODUCTS--PACKAGING AND LABELING--
19 DIVISION RULEMAKING.--

20 A. Cannabis or cannabis extract included in a
21 cannabis product that is manufactured in compliance with
22 applicable law is not considered to be an adulterant under
23 state law.

24 B. The division shall promulgate rules consistent
25 with industry standards for cannabis products that establish

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1 [labeling and] packaging and labeling requirements [including
2 that].

3 C. Packaging requirements shall include that:

4 (1) packages shall be resealable and child-
5 resistant;

6 (2) cannabis product packaging shall be
7 limited to the use of black and white, including packaging
8 materials, text, backgrounds, logos, symbols and design
9 elements; provided that color may be used only as required or
10 approved by the division for:

11 (a) division-mandated warning statements
12 or safety symbols;

13 (b) a division-approved universal
14 cannabis symbol or other standardized regulatory marks; and

15 (c) division-approved licensee logos
16 that are not designed in a manner that is reasonably appealing
17 to minors;

18 (3) fonts used on cannabis packaging shall be
19 plain, sans-serif and not stylized in a manner that is
20 reasonably appealing to minors;

21 (4) cannabis product packaging shall not
22 include:

23 (a) cartoons;

24 (b) imagery, color schemes or branding
25 elements that mimic or resemble non-cannabis products commonly

marketed to minors;

(c) holographic, metallic, neon,

fluorescent or other reflective or visually dynamic effects; or

(d) any visual presentation determined

by the division to be reasonably appealing to minors;

(5) packaging shall not be shaped or

constructed in a manner that imitates or resembles:

(a) candy, snack food or soft drink

packaging commonly marketed to minors;

(b) toy containers, novelty items or

collectible packaging; or

(c) products commonly associated with

minors' products or entertainment media; and

(6) packages containing edible cannabis

products shall be opaque.

[~~(2)~~ packages and] D. Labels shall:

(1) not be designed to be appealing to a

[child] minor and shall not mimic the brand, design, name, logo

or colorway of a non-cannabis consumer product marketed to

~~[children]~~ minors;

~~[(3) packages and labels shall] (2) not use~~

cartoons or symbols or images, including images of celebrities

or celebrity likenesses, that are commonly used to market to

[e]hildren;

(4) packages containing edible cannabis products

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shall be opaque] minors; and

[~~(5)~~] (3) labels shall include:

(a) for a package containing only cannabis leaf or flower, the net weight of cannabis in the package;

(b) identification of the licensee or licensees that produced or manufactured the cannabis product, the date on which the cannabis was harvested, the type of cannabis product and the date on which the cannabis product was manufactured and packaged;

(c) potency and pesticide use;

(d) a list of pharmacologically active ingredients;

(e) for cannabis products containing non-cannabis ingredients, a list of all ingredients and a disclosure of nutritional information for the product or cannabis extract disclosed in the same manner required under federal law for nutritional labeling for food for human consumption;

(f) a warning if nuts or other known allergens are used in the item or in its manufacture;

(g) a logo designed by the division that is distinctive in design, color, size and location such that the logo notifies a reasonable person that the package contains cannabis;

(h) a warning of possible adverse effects of consumption and the New Mexico poison and drug information center phone number;

(i) an expiration date; and

(j) other information as required by rules promulgated in accordance with the Cannabis Regulation Act."

SECTION 3. Section 26-2C-18.1 NMSA 1978 (being Laws 2024, Chapter 38, Section 11) is amended to read:

"26-2C-18.1. WHEN CANNABIS PRODUCT DEEMED ADULTERATED.--A cannabis product is deemed to be adulterated if:

A. it bears or contains mold, mildew or other deleterious or poisonous substance that may render it injurious to health;

B. it consists in whole or in part of a diseased, contaminated, filthy, impure or infested ingredient or putrid or decomposed substance or if it is otherwise unfit for consumption:

C. it has been produced, prepared, packed or held under unsanitary conditions so that it may have been contaminated with filth or rendered diseased, unwholesome or injurious to health:

D. its container is composed in whole or in part of a poisonous or deleterious substance that may render the contents injurious to health:

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1 E. a valuable constituent has been, in whole or in
2 part, omitted or abstracted from the cannabis product;

3 F. a substance has been substituted in whole or in
4 part that is contrary to the ingredient list on the package
5 unless a notification of substitution is adhered to the
6 packaging;

7 G. damage or inferiority has been concealed in any
8 manner;

9 H. a substance has been added so as to increase the
10 cannabis product's bulk or weight, reduce its quality or
11 strength or make it appear better or of greater value than it
12 is; [or]

13 I. it contains an artificial color additive that
14 has not been expressly approved by the division; or

15 [.] J. the cannabis product is a confectionery, it
16 contains alcohol or other non-nutritive article or substance,
17 ~~[except harmless coloring]~~ flavoring, natural gum, pectin or
18 resinous glaze not in excess of four-tenths of one percent;
19 provided that a confectionery may include less than two and
20 one-fourth percent by weight of alcohol derived solely from the
21 use of flavoring extracts or [to] any chewing gum by reason of
22 its containing harmless non-nutritive masticatory substances."

23 SECTION 4. A new section of the Cannabis Regulation Act
24 is enacted to read:

25 "[NEW MATERIAL] ARTIFICIAL COLOR ADDITIVES AND PACKAGING
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1 AND LABELING MATERIALS--VIOLATIONS--PENALTY.--It is a violation
2 of the Cannabis Regulation Act for a licensee to manufacture,
3 distribute, sell or offer for sale any cannabis product that is
4 adulterated by the use of artificial color additives or that
5 does not comply with packaging and labeling requirements.

6 Violations may be punishable as provided in Section 26-2C-8
7 NMSA 1978. A licensee is liable for offering or selling
8 noncompliant cannabis products regardless of whether the
9 product was manufactured by a third party."

10 **SECTION 5. EFFECTIVE DATE.**--The effective date of the
11 provisions of this act is January 1, 2027.

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