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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 129

SHORT TITLE: Adverse Employment Action & Cannabis

SPONSOR: Sen. Berghmans/Rep. Szczepanski

LAST UPDATE: _____ **ORIGINAL DATE:** 2/3/2026 **ANALYST:** Malone

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	N/A	N/A

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Administrative Office of the Courts

Workforce Solutions Department

Agency or Agencies That Were Asked for Analysis but did not Respond

New Mexico Attorney General

SUMMARY

Synopsis of Senate Bill 129

Senate Bill 129 (SB129) amends the Lynn and Erin Compassionate Use Act, § 26-2B-9 NMSA 1978, to provide that nothing in the section gives a state or political subdivision employer the power to control an employee's use of medical cannabis outside the employee's hours of employment. The amendment protects an employee as long as they remain a qualified patient, unless medical cannabis use is limited by other state law or rules.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The Administrative Office of the Courts (AOC) notes that if SB129 is enacted, there will be minimal administrative costs for statewide update, distribution, and documentation of statutory

changes and that any other fiscal impact on the judiciary would depend upon any enforcement of or challenges to the new provision.

The Workforce Solutions Department (WSD) notes that the agency does not currently play a role in enforcement or regulations pursuant to the Compassionate Use Act, which does not provide a remedy for employees who experience a prohibited employment action. However, protections under the New Mexico Human Rights Act, for which WSD has enforcement responsibility, may be available to an employee who feels an adverse action constitutes discrimination on the basis of a protected status, such as disability. WSD does not anticipate an operating budget impact from any such cases.

SIGNIFICANT ISSUES

Medical cannabis is legal in 38 states. Research from the National Conference of State Legislators (NCSL) finds that states with legal medical and recreational cannabis use continue to trend towards introducing laws that reduce employment barriers for users. However, while about half of the states have policies addressing antidiscrimination for medical cannabis patients, most states do not require any special workplace accommodations for patients. Further, NCSL reports that most states leave policies relating to cannabis use and subsequent disciplinary actions up to individual employers.

AOC observes that SB129 does not address situations where an employee's use of medical cannabis outside of work hours has an impact on their job performance.

CM/ct/dw/sgs