

Legislative Interim Committee:

Courts, Corrections & Justice Committee

Your Protection
Is Our Priority

Linda M. Trujillo, Superintendent



What We Do

We regulate more than 500,000 individuals and businesses in 35 industries, professions and trades across the state. Our goal is to assure that New Mexicans receive quality services from qualified individuals and businesses while also ensuring a fair and prompt administrative process.

Your protection is our priority.

Vision, Mission and Values

RLD's MISSION

To ensure qualified professionals provide quality care and services to all people of New Mexico

RLD's VISION

Unleashing the vitality of New Mexico through responsible and innovative regulation and public protection.

RLD's GUIDING VALUES

Service, Integrity, and Dedication.



CANNABIS CONTROL DIVSION

- The Cannabis Regulation Act (CRA) created a comprehensive regulatory structure for adult use cannabis in the state, including the creation of the Cannabis Control Division (CCD).
- CCD will administer the licensing and regulatory provisions of the CRA and the Lynn and Erin Compassion Use Act (LECUA).
- The Cannabis Regulatory Advisory Committee, created under the CRA, shall advise the CCD on the development of rules.
- The Medical Cannabis Program patient registry, provided under the LECUA, will continue to be maintained by the Department of Health.
- Website: ccd.rld.state.nm.us





TIMELINE: September 1, 2021

Cannabis Regulatory Advisory Committee

- Chief Public Defender Bennett J. Baur, Santa Fe
- District Attorney Mary Carmack-Altwies, Santa Fe
- Municipal Police Chief Phil Smith, Roswell Chief of Police
- County Sheriff Mark Cage, Eddy County Sheriff
- Cannabis Policy Advocacy Organization –
- Labor Organization –
- A Qualified Patient -
- State or Local Agency –
- Indian Nation, Tribe or Pueblo –
- Public Health –
- Regulating Commercial Adult-Use Intoxicating Substance –
- Cannabis Laboratory Science –
- Small Business Development –
- Water Resources –
- Other Relevant Experience –
- Previous Experience as a Cannabis Retailer, Producer, or Manufacturer.
 (non-voting member)



TIMELINE: September 1, 2021

Licensing



 CCD accepts and begins processing license applications for cannabis producers, cannabis producer microbusiness, and properly licensed medical cannabis producers.



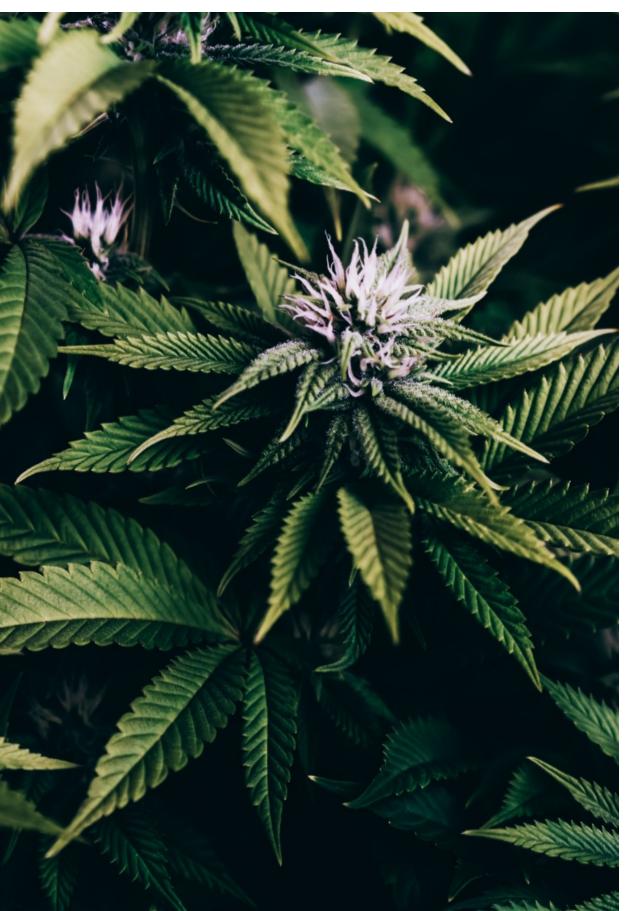
TIMELINE: January 1, 2022

All Other Licenses

Cannabis Establishments:

- a) Testing Laboratory
- b) Manufacturer
- c) Retailer
- d) Research Laboratory
- e) Vertically Integrated Cannabis Establishment
 - i. Produce
 - ii. Manufacture
 - iii. Retailer
 - iv. Courier
- f) Integrated Cannabis Microbusiness
 - i. Produce at 1 site
 - ii. Manufacture at a single premises
 - iii. Operate 1 retail establishment
 - iv. Couriering cannabis products





TIMELINE: January 1, 2022

All Other Licenses

- <u>Cannabis Courier</u>: a person that transports cannabis products to qualified patients, primary caregivers or reciprocal participants or directly to consumers.
- <u>Cannabis Consumption Area</u>: An area where cannabis products may be consumed.
- <u>Server Permit</u>: Allows a person to directly offer, sell or serve cannabis or cannabis products as part of commercial cannabis activity in a cannabis consumption area.
- <u>Cannabis Training and Education Program</u>: A practical or academic curriculum offered by a New Mexico public post-secondary educational institution designed to prepare students for participation in the cannabis industry.
- <u>Cannabis Server Permit Education Provider</u>: Provides cannabis server education courses and examinations.





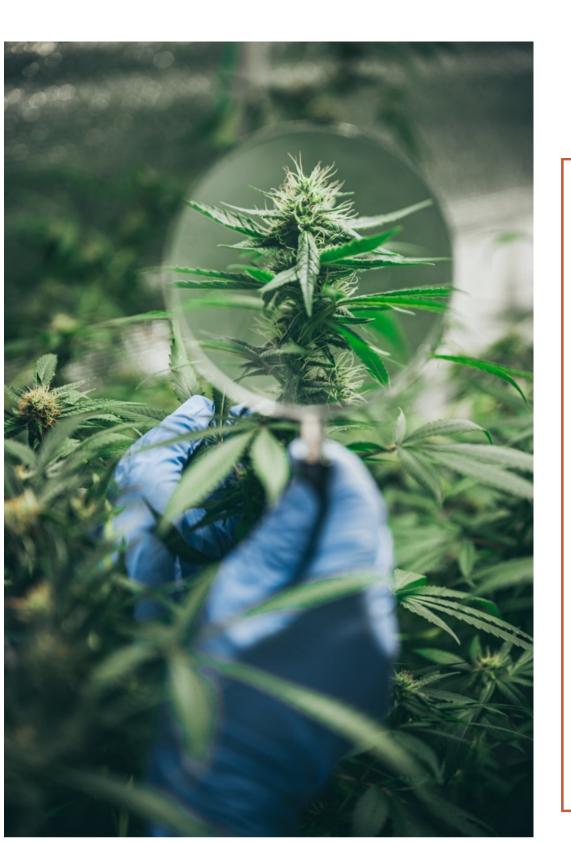
Cannabis Consumption Area

- "Cannabis consumption area" means an area where cannabis products may be served and consumed.
- "Cannabis server permit" means an authorization that allows a person to directly offer, sell or serve cannabis or cannabis products as part of commercial cannabis activity in a cannabis consumption area.
- A licensee may conduct any lawful activity or any combination of lawful activities at a licensed premises; provided that the licensee is not a licensee pursuant to the Liquor Control Act.
- Smoking in a cannabis consumption area on a licensed premises shall be allowed only if the cannabis consumption area is in a designated smoking area or in a standalone building from which smoke does not infiltrate other indoor workplaces or other indoor public places where smoking is otherwise prohibited pursuant to the Dee Johnson Clean Indoor Air Act.



HIGHLIGHTS

RLD'S EFFORTS



- RLD Senior Staff held meetings with Colorado and State of Washington regarding their cannabis efforts.
- The Cannabis Regulators
 Association (CANNRA) is
 a national organization of
 cannabis regulators that
 provides policy makers and
 regulatory agencies with the
 resources to make informed
 decisions when considering
 whether and how to legalize
 and regulate cannabis.
- Working with established producers and across state agencies, RLD collaboratively developed a producer framework.
- On May 25, 2021, Proposed rules posted on website.
- On June 22, 2021, a public rule hearing was held with over 600 participates.
- Public comments were also received via online with over 300 received.

- Through public comment, a public hearing, and ongoing conversations, RLD continues to strengthen the rules to ensure the best possible outcomes.
- On July 7, 2021, resubmitted Proposed Rules were posted on website, and public comment being accepted.
- Public hearing scheduled in-person and virtually on August 6, 2021.



HIGHLIGHTS

RLD'S EFFORTS





- Conducted the first of a series of workshops for individuals who are exploring opportunities in the emerging cannabis industry.
- The purpose of the workshops are to give a broad overview of government agencies and private industry that a cannabis entrepreneur may interacting with and receive support from. Over 500 participated virtually.

Transition

- Successfully transitioned 13 positions from Department of Health (DOH) to RLD.
- Inspections for expansion requests began on Monday, July 12, 2021, and renewal of current licensees is scheduled to begin prior to the end of July 2021.





ECONOMIC IMPACT

Projections



\$300 million in annual sales



11,000 new jobs



\$50 million
in new revenue to
the state budget
is projected to be
generated in the
first year alone



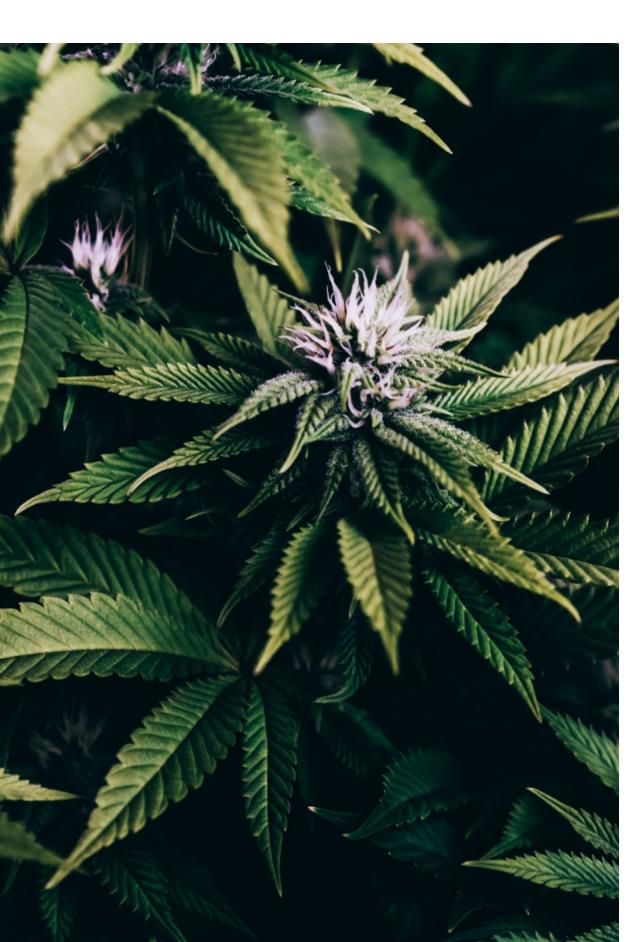


Compliance

The division shall:

- (1) monitor the supply and demand of cannabis products produced in New Mexico by licensees and present annually to the appropriate interim committee of the legislature the impacts of supply on illicit cannabis products markets and adequate supply of cannabis products for qualified patients and reciprocal participants;
- (2) request the department of public safety to enforce the provisions of the Cannabis Regulation Act as deemed necessary; and
- (3) undertake studies and conduct courses of instruction for division employees that will improve the operations of the division and advance its purposes.





Unlicensed Sales

UNLICENSED SALES OF CANNABIS

- A. As used in this section, "traffic" means the:
 - (1) distribution, sale, barter or giving away of cannabis products; or
- (2) possession with intent to distribute, sell, barter or give away cannabis products.
- B. Unless otherwise provided in the Cannabis Regulation Act or the Lynn and Erin Compassionate Use Act, it is unlawful for a person without a license to intentionally traffic cannabis products.

...

E. A person eighteen years of age or older who violates Subsection B of this section and who conducts unlicensed cannabis product sales from a building, room or other area open to the public in a manner that would lead a reasonable person to believe that the area is a cannabis establishment licensed pursuant to the Cannabis Regulation Act is guilty of a fourth degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.





Unlicensed Activity - Penalties

Uniform Licensing Act (ULA) Definition:

"board" means:

- (3) a board, commission or agency that administers a profession or occupation licensed pursuant to Chapter 61 NMSA 1978; and
- (4) any other state agency to which the Uniform Licensing Act is applied by law;

ULA Unlicensed Activity:

- A. A person who is not licensed to engage in a profession or occupation regulated by a board is subject to disciplinary proceedings by the board.
- B. A board may impose a civil penalty in an amount not to exceed one thousand dollars (\$1,000) against a person who, without a license, engages in a profession or occupation regulated by the board. In addition, the board may assess the person for administrative costs, including investigative costs and the cost of conducting a hearing.

Questions?



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Contact Information

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