

HOUSE BILL 128

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

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AN ACT

RELATING TO CANNABIS; CHANGING CANNABIS REGULATION ACT  
DEFINITIONS; PROVIDING POWERS AND DUTIES; INCREASING THE PLANT  
COUNT FOR CANNABIS PRODUCER MICROBUSINESSES; PROVIDING  
PROCEDURES FOR CRIMINAL HISTORY BACKGROUND CHECKS; REMOVING THE  
PROHIBITION AGAINST A PERSON OWNING BOTH A CANNABIS LICENSE AND  
A LICENSE UNDER THE LIQUOR CONTROL ACT; PROHIBITING CO-LOCATION  
OF CANNABIS ACTIVITIES AND ALCOHOLIC BEVERAGE SALES OR SERVICE  
ACTIVITIES TO THE PUBLIC OR MEMBERS OF PRIVATE CLUBS; PROVIDING  
FOR INVESTIGATORY CONFIDENTIALITY; PROVIDING FOR SEIZURE AND  
DESTRUCTION OF ILLEGAL, ADULTERATED OR MISBRANDED CANNABIS  
PRODUCTS; ALLOWING FOR LICENSEE CONVERSION FROM NONPROFIT TO  
FOR-PROFIT CORPORATE STATUS; CHANGING PACKAGING REQUIREMENTS;  
REPLACING LICENSURE WITH REGISTRATION OF CANNABIS TRAINING AND  
EDUCATION PROGRAMS; INCLUDING THE CANNABIS REGULATION ACT IN  
THE RACKETEERING ACT, THE DELINQUENCY ACT AND THE UNIFORM

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1 LICENSING ACT; INCLUDING CANNABIS IN A LIST OF CONTRABAND IN  
2 JAILS AND PRISONS; CREATING CRIMES; PRESCRIBING PENALTIES;  
3 REPEALING A DELAYED REPEAL; AMENDING, REPEALING AND ENACTING  
4 SECTIONS OF THE NMSA 1978.

5  
6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

7 SECTION 1. Section 14-2-1 NMSA 1978 (being Laws 1947,  
8 Chapter 130, Section 1, as amended) is amended to read:

9 "14-2-1. RIGHT TO INSPECT PUBLIC RECORDS--EXCEPTIONS.--  
10 Every person has a right to inspect public records of this  
11 state except:

12 A. records pertaining to physical or mental  
13 examinations and medical treatment of persons confined to an  
14 institution;

15 B. letters of reference concerning employment,  
16 licensing or permits;

17 C. letters or memoranda that are matters of opinion  
18 in personnel files or students' cumulative files;

19 D. portions of law enforcement records as provided  
20 in Section 14-2-1.2 NMSA 1978;

21 E. as provided by the Confidential Materials Act;

22 F. trade secrets;

23 G. attorney-client privileged information;

24 H. long-range or strategic business plans of public  
25 hospitals discussed in a properly closed meeting;

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1 I. tactical response plans or procedures prepared  
2 for or by the state or a political subdivision of the state,  
3 the publication of which could reveal specific vulnerabilities,  
4 risk assessments or tactical emergency security procedures that  
5 could be used to facilitate the planning or execution of a  
6 terrorist attack;

7 J. information concerning information technology  
8 systems, the publication of which would reveal specific  
9 vulnerabilities that compromise or allow unlawful access to  
10 such systems; provided that this subsection shall not be used  
11 to restrict requests for:

12 (1) records stored or transmitted using  
13 information technology systems;

14 (2) internal and external audits of  
15 information technology systems, except for those portions that  
16 would reveal ongoing vulnerabilities that compromise or allow  
17 unlawful access to such systems; or

18 (3) information to authenticate or validate  
19 records received pursuant to a request fulfilled pursuant to  
20 the Inspection of Public Records Act;

21 K. submissions in response to a competitive grant,  
22 land lease or scholarship and related scoring materials and  
23 evaluation reports until finalists are publicly named or the  
24 award is announced; ~~and~~

25 L. information developed or obtained by the

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1 cannabis control division of the regulation and licensing  
2 department during an enforcement investigation; and

3 ~~[E.]~~ M. as otherwise provided by law."

4 SECTION 2. Section 26-2C-1 NMSA 1978 (being Laws 2021  
5 (1st S.S.), Chapter 4, Section 1) is amended to read:

6 "26-2C-1. SHORT TITLE.--~~[Sections 1 through 42 of this~~  
7 ~~act]~~ Chapter 26, Article 2C NMSA 1978 may be cited as the  
8 "Cannabis Regulation Act"."

9 SECTION 3. Section 26-2C-2 NMSA 1978 (being Laws 2021  
10 (1st S.S.), Chapter 4, Section 2) is amended to read:

11 "26-2C-2. DEFINITIONS.--As used in the Cannabis  
12 Regulation Act:

13 ~~[A. "advertisement":~~

14 ~~(1) means a statement or a depiction that is~~  
15 ~~intended to induce the purchase of cannabis products and that~~  
16 ~~is displayed in printed material or on a sign or other outdoor~~  
17 ~~display or presented in a radio, television or other media~~  
18 ~~broadcast or in digital media; and~~

19 ~~(2) does not include:~~

20 ~~(a) a sign or outdoor display or other~~  
21 ~~statement permanently affixed to a licensed premises that is~~  
22 ~~intended to induce the sale of a cannabis product produced or~~  
23 ~~sold on the premises;~~

24 ~~(b) a label affixed to a cannabis~~  
25 ~~product or the covering, wrapper or container of a cannabis~~

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1 ~~product; or~~

2 ~~(c) an editorial or other material~~  
3 ~~printed in a publication when the publication of the editorial~~  
4 ~~or material was not paid for by a licensee and was not intended~~  
5 ~~to promote the sale of cannabis products by a particular brand~~  
6 ~~or company;~~

7 ~~B.]~~ A. "cannabis":

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

15 (2) does not include:

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

22 (b) the weight of any other ingredient  
23 combined with cannabis [~~products~~] to prepare topical or oral  
24 administrations, food, drink or [~~another~~] other product;

25 ~~[C.]~~ B. "cannabis consumption area" means an area

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1 of a licensed premises where cannabis products may be served  
2 and consumed;

3 ~~[D.]~~ C. "cannabis courier" means a person that  
4 transports commercial or medical cannabis products to  
5 ~~[qualified patients, primary caregivers or reciprocal~~  
6 ~~participants or directly to]~~ consumers;

7 ~~[E.]~~ D. "cannabis establishment" means:

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

18 ~~[F.]~~ E. "cannabis extract":

19 (1) means a product obtained by separating  
20 resins, tetrahydrocannabinols or other substances from cannabis  
21 by extraction methods approved by the division; and

22 (2) does not include the weight of any other  
23 ingredient combined with cannabis extract to prepare topical or  
24 oral administrations, food, drink or another product;

25 ~~[G.]~~ F. "cannabis flowers" means only the flowers

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1 of a cannabis plant;

2 [H.] G. "cannabis manufacturer" means a person  
3 that:

- 4 (1) manufactures cannabis products;
- 5 (2) packages cannabis products for resale; or
- 6 ~~[(3) has cannabis products tested by a~~
- 7 ~~cannabis testing laboratory; or~~
- 8 ~~(4)]~~ (3) purchases, acquires, sells or
- 9 transports wholesale cannabis products to other cannabis
- 10 establishments;

11 [F.] H. "cannabis producer" means a person that:

- 12 (1) cultivates cannabis plants;
- 13 ~~[(2) has unprocessed cannabis products tested~~
- 14 ~~by a cannabis testing laboratory;~~
- 15 ~~(3)]~~ (2) transports unprocessed cannabis
- 16 ~~[products]~~ only to other cannabis establishments; or

17 ~~[(4)]~~ (3) sells cannabis ~~[products]~~ wholesale;

18 [J.] I. "cannabis producer microbusiness" means a  
19 cannabis producer at a single licensed premises that possesses  
20 no more than ~~[two]~~ five hundred total mature cannabis plants at  
21 any one time;

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

25 [L.] K. "cannabis research laboratory" means a

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1 facility that produces or possesses cannabis products and all  
2 parts of the plant genus *Cannabis* for the purpose of studying  
3 cannabis cultivation, characteristics or uses;

4 ~~[M.]~~ L. "cannabis retailer" means a person that  
5 sells cannabis products to ~~[qualified patients, primary~~  
6 ~~caregivers or reciprocal participants or directly to]~~  
7 consumers;

8 ~~[N.]~~ ~~"cannabis server permit" means an authorization~~  
9 ~~that allows a person to directly offer, sell or serve cannabis~~  
10 ~~or cannabis products as part of commercial cannabis activity in~~  
11 ~~a cannabis consumption area;~~

12 ~~O.~~ ~~"cannabis server permit education provider"~~  
13 ~~means a person that provides cannabis server education courses~~  
14 ~~and examinations;~~

15 ~~P.]~~ M. "cannabis testing laboratory" means a  
16 ~~[person]~~ facility that samples, collects and tests cannabis  
17 products and transports cannabis products for the purpose of  
18 testing;

19 ~~[Q.]~~ ~~"cannabis training and education program" means~~  
20 ~~a practical or academic curriculum offered by a New Mexico~~  
21 ~~public post-secondary educational institution designed to~~  
22 ~~prepare students for participation in the cannabis industry;~~

23 ~~R.]~~ N. "commercial cannabis activity":  
24 (1) means the cultivation, production,  
25 possession, manufacture, storage, testing, researching,

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1 packaging and labeling, transportation, couriering, purchase  
2 for resale, sale or consignment of cannabis products; and

3 (2) does not include activities related only  
4 to the medical cannabis program [~~to cannabis training and~~  
5 ~~education programs~~] or to the personal cultivation or use of  
6 cannabis products;

7 [~~S.~~] O. "consumer" means a person twenty-one years  
8 of age or older who legally purchases, acquires, owns,  
9 possesses or uses a commercial cannabis product [~~for a purpose~~  
10 ~~other than~~] not for resale or a person who holds a medical  
11 cannabis program registry identification card issued by the  
12 department of health or is a reciprocal participant;

13 [~~T.~~] P. "contaminant" means pesticides and other  
14 foreign material, such as hair, insects or other similar  
15 adulterants, in harvested cannabis;

16 [~~U.~~] Q. "controlling person":

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

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

22 [~~V.~~] R. "cultivation" means any activity involving  
23 the planting, growing, harvesting, drying, curing, grading or  
24 trimming of cannabis;

25 [~~W.~~] S. "department" means the regulation and

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1 licensing department;

2 [X.] T. "director" means the director of the  
3 division;

4 [Y.] U. "division" means the cannabis control  
5 division of the department;

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

15 [AA.] W. "facility" means a building, space or  
16 grounds licensed for the production, [~~possession~~] storage,  
17 testing, manufacturing, [~~or~~] sale or consumption  
18 of [~~cannabis, cannabis extracts or~~] cannabis products;

19 [BB.] X. "financial consideration" means value that  
20 is given or received, directly or indirectly, through sales,  
21 barter, trade, fees, charges, dues, contributions or donations;

22 [CC.] Y. "homegrown" or "homemade" means grown or  
23 made for purposes that are not [~~dependent or conditioned upon~~  
24 ~~the provision or receipt of financial consideration~~] for  
25 resale;

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1                   ~~[DD. "household" means a housing unit and includes~~  
2 ~~any place in or around the housing unit at which an occupant of~~  
3 ~~the housing unit produces, manufactures, keeps or stores~~  
4 ~~homegrown cannabis or homemade cannabis products;]~~

5                   Z. "illegal cannabis product" means a cannabis  
6 product that is:

7                                 (1) produced or manufactured outside New  
8 Mexico;

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

12                                 (3) produced, manufactured, distributed or  
13 sold by a person acting outside the limits of the person's  
14 license;

15 provided that "illegal cannabis product" does not include  
16 homegrown or homemade cannabis products that comply with the  
17 provisions of the Cannabis Regulation Act;

18                   ~~[EE.]~~ AA. "immature cannabis plant" means a  
19 cannabis plant that has no observable flowers or buds;

20                   ~~[FF.]~~ BB. "industry standards" means the prevailing  
21 customary standards of business practice in the cannabis  
22 industry in jurisdictions within the United States;

23                   ~~[GG.]~~ CC. "integrated cannabis microbusiness" means  
24 a person that is ~~[authorized]~~ licensed to conduct one or more  
25 of the following:

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

5 (2) manufacture of cannabis products at a  
6 single licensed premises;

7 (3) sales and transportation of ~~only~~  
8 cannabis products produced or manufactured by that person or  
9 another cannabis producer microbusiness or integrated cannabis  
10 microbusiness;

11 (4) operation of only one retail  
12 establishment; and

13 (5) couriering of cannabis products ~~to~~  
14 ~~qualified patients, primary caregivers or reciprocal~~  
15 ~~participants or directly~~ to consumers;

16 ~~[HH-]~~ DD. "licensed premises" means a location that  
17 includes:

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

22 (2) all areas outside of a building that are  
23 specifically included in the license; ~~[for the production,~~  
24 ~~manufacturing, wholesale sale or retail sale of cannabis~~  
25 ~~products; and]~~

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1                    (3) all areas of a standalone cannabis  
2 consumption area, including retail and other areas, whether in  
3 enclosed or outside spaces, and including private or members-  
4 only clubs where cannabis products are available for sale or  
5 consumption; and

6                    [~~3~~] (4) with respect to a location that is  
7 specifically licensed for the production of cannabis outside of  
8 a building, the [~~entire unit~~] amount of land that [~~is created~~  
9 ~~by subsection or partition of land that~~] the licensee owns,  
10 leases or has a right to occupy that is identified in the  
11 application for licensure for cultivation of cannabis; provided  
12 that the licensed premises may be decreased but shall not be  
13 increased without permission of the division;

14                    [~~HH~~] EE. "local jurisdiction" means a  
15 municipality, including a home rule municipality, or county;

16                    [~~JJ~~] FF. "manufacture" means to compound, blend,  
17 extract, infuse, package and label or otherwise prepare a  
18 cannabis product;

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

22                    [~~LL~~] HH. "medical cannabis program" means the  
23 program created pursuant to the Lynn and Erin Compassionate Use  
24 Act;

25                    [~~MM~~] II. "medical cannabis registry" means the

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1 system by which the department of health approves or denies  
2 applications and issues and renews registry identification  
3 cards for qualified patients and primary caregivers;

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

9 ~~[OO-]~~ KK. "public ~~[place]~~ space" means ~~[a]~~ any  
10 place to which the general public has access ~~[and includes~~  
11 ~~hallways, lobbies and other parts of apartment houses and~~  
12 ~~hotels that do not constitute rooms or apartments designed for~~  
13 ~~actual residence; highways; streets; schools; places of~~  
14 ~~amusement; parks; playgrounds; and places used in connection~~  
15 ~~with public passenger transportation];~~

16 ~~[PP-]~~ LL. "qualified patient" means a resident of  
17 New Mexico who holds a registry identification card pursuant to  
18 the Lynn and Erin Compassionate Use Act;

19 ~~[QQ-]~~ MM. "reciprocal participant" means a person  
20 who is not a resident of New Mexico and who holds proof of  
21 enrollment by a governmental regulatory authority to  
22 participate in the medical cannabis program of another state of  
23 the United States, the District of Columbia or a territory or  
24 commonwealth of the United States in which the person resides  
25 or a person who holds proof of enrollment by a governmental

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1 regulatory authority of a New Mexico Indian nation, tribe or  
2 pueblo to participate in its medical cannabis program;

3 NN. "residence" or "household" means a housing unit  
4 and includes any place in or around the housing unit that is  
5 not a public space and at which an occupant of the housing unit  
6 produces, manufactures, keeps or stores homegrown or homemade  
7 cannabis products or stores legally purchased cannabis;

8 ~~[RR-]~~ OO. "retail establishment" means a location  
9 at which cannabis products are sold ~~[to qualified patients,~~  
10 ~~primary caregivers and reciprocal participants and]~~ directly to  
11 consumers;

12 ~~[SS-]~~ PP. "superintendent" means the superintendent  
13 of regulation and licensing;

14 ~~[TT-]~~ QQ. "unprocessed" means unaltered from an  
15 original, raw or natural state; and

16 ~~[UU-]~~ RR. "vertically integrated cannabis  
17 establishment" means a person that is authorized to act as  
18 ~~[any]~~ one or more of the following:

- 19 (1) a cannabis courier;
- 20 (2) a cannabis manufacturer;
- 21 (3) a cannabis producer; and
- 22 (4) a cannabis retailer."

23 SECTION 4. Section 26-2C-6 NMSA 1978 (being Laws 2021  
24 (1st S.S.), Chapter 4, Section 6, as amended) is amended to  
25 read:

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1 "26-2C-6. LICENSING CANNABIS ACTIVITIES--LIMITATIONS--  
2 MEDICAL CANNABIS LEGACY LICENSING--CANNABIS SHORTAGE FOR  
3 MEDICAL PROGRAM--CONVERSION OF NONPROFIT MEDICAL CANNABIS  
4 CORPORATIONS.--

5 A. The division shall regulate [~~and administer and~~  
6 ~~may collect fees in connection with the administration of~~] the  
7 following in accordance with the Uniform Licensing Act, unless  
8 otherwise provided in the Cannabis Regulation Act:

9 (1) commercial cannabis activity [~~and~~  
10 ~~licensing related to commercial cannabis activity~~];

11 (2) the medical cannabis program, except for  
12 the medical cannabis registry; and

13 (3) all aspects of cannabis relating to  
14 cannabis training and education programs.

15 B. The division [~~shall follow the provisions of the~~  
16 ~~Uniform Licensing Act when licensing or permitting~~] may issue,  
17 renew, deny, suspend or revoke licenses or discipline licensees  
18 for the following:

- 19 (1) cannabis consumption areas;
- 20 (2) cannabis couriers;
- 21 (3) cannabis manufacturers;
- 22 (4) cannabis producer microbusinesses;
- 23 (5) cannabis producers;
- 24 (6) cannabis research laboratories;
- 25 (7) cannabis retailers;



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- 1 (8) cannabis servers;
- 2 (9) cannabis testing laboratories;
- 3 (10) cannabis training and education programs;
- 4 (11) integrated cannabis microbusinesses; and
- 5 (12) vertically integrated cannabis
- 6 establishments.

7 C. The division shall include a clear designation  
8 on all licenses ~~[and permits]~~ that indicates whether the  
9 license ~~[or permit]~~ is for medical cannabis activity,  
10 commercial cannabis activity or both ~~[or for cannabis training~~  
11 ~~and education programs]~~.

12 D. The division shall issue a license to a cannabis  
13 retailer applicant at a discount if the applicant provides  
14 documentation of an agreement to accept cannabis products on  
15 consignment from a cannabis producer microbusiness or an  
16 integrated cannabis microbusiness ~~[licensed pursuant the~~  
17 ~~Cannabis Regulation Act]~~.

18 E. A license is valid for twelve months from the  
19 date the license is issued and may be renewed annually ~~[except~~  
20 ~~that a license issued for a cannabis training and education~~  
21 ~~program is valid until terminated by the licensee or suspended~~  
22 ~~or revoked by the division]~~. A licensee shall notify the  
23 division when the licensee begins or ends operations pursuant  
24 to the license.

25 F. The director shall not renew a license ~~[issued~~

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1 ~~pursuant to the provisions of the Cannabis Regulation Act]~~  
2 until the director receives notification from the secretary of  
3 taxation and revenue or the secretary's designee that on a  
4 certain date:

5 (1) the licensee is not a delinquent taxpayer  
6 pursuant to Section 7-1-16 NMSA 1978 only with respect to the  
7 cannabis excise tax or the gross receipts tax; and

8 (2) there are no unfiled tax returns due with  
9 respect to the cannabis excise tax or the gross receipts tax.

10 G. ~~[No]~~ A license shall not be transferable or  
11 assignable from a licensee to another person. The division  
12 shall not allow a person that is licensed as any type of  
13 cannabis establishment other than a cannabis research  
14 laboratory to hold, directly or indirectly, a cannabis testing  
15 laboratory license.

16 H. A license shall not be subject to execution,  
17 attachment, a security transaction, liens or receivership.

18 ~~[H.]~~ I. Except for verification of age, the  
19 division shall not require licensees to request information  
20 from consumers or impose any residency requirement upon  
21 consumers for the purchase of commercial cannabis products  
22 ~~[pursuant to the commercial cannabis activity authorized by the~~  
23 ~~Cannabis Regulation Act]~~. The division may require licensees  
24 to request information from consumers for the purchase of  
25 medical cannabis products, ~~[pursuant to the medical cannabis~~

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1 ~~program~~] which may include the presentation of legal  
2 identification issued by an authorized governmental entity or  
3 other documents as required by the medical cannabis program.

4 ~~[F.]~~ J. Except as otherwise provided in the  
5 Cannabis Regulation Act, the division shall not limit the  
6 number of licensed premises a licensee may occupy or operate  
7 under a license. Multiple licensees may occupy a single  
8 licensed premises, and the division shall not place any  
9 restriction or prohibition on the number of licensees occupying  
10 a single licensed premises or on the number of licensed  
11 premises of a cannabis establishment except as otherwise  
12 specifically provided for by ~~[the Cannabis Regulation]~~ that  
13 act. A licensee may conduct any lawful activity or any  
14 combination of lawful activities at a licensed premises  
15 ~~[provided that the licensee is not a licensee pursuant to the~~  
16 ~~Liquor Control Act]~~ except that a cannabis licensee shall not  
17 occupy any premises that also houses a business holding a  
18 license under the Liquor Control Act that allows the sale or  
19 giving away of alcoholic beverages by the glass or package,  
20 including growlers, to the public or to members of a private  
21 club or otherwise allows consumption of alcohol on the  
22 premises.

23 K. Smoking in a cannabis consumption area on a  
24 licensed premises shall be allowed only if the cannabis  
25 consumption area is in a designated smoking area or in a

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1 standalone building from which smoke does not infiltrate other  
2 indoor workplaces or other indoor public places where smoking  
3 is otherwise prohibited pursuant to the Dee Johnson Clean  
4 Indoor Air Act.

5 ~~[J.]~~ L. Licensees are specifically allowed to  
6 conduct other licensed activities, including activities  
7 pursuant to the Hemp Manufacturing Act ~~[except for sales of~~  
8 ~~alcoholic beverages]~~ and the Liquor Control Act except for co-  
9 location as specified in Subsection J of this section.

10 ~~[K.]~~ M. A person properly licensed and in good  
11 standing pursuant to the Lynn and Erin Compassionate Use Act on  
12 the effective date of the Cannabis Regulation Act may continue  
13 to operate ~~[under]~~ pursuant to that license for medical  
14 cannabis until comparable licenses for commercial cannabis  
15 activity are available. The division shall determine when  
16 retail sales of commercial cannabis products begin, but no  
17 later than April 1, 2022. A facility of such a licensee, upon  
18 issuance of the applicable cannabis establishment license,  
19 shall constitute licensed premises of the licensee and the  
20 licensee shall be entitled to continued and uninterrupted  
21 operations of the licensed premises. As to activity under the  
22 medical cannabis program, the licensee shall continue to  
23 operate under rules promulgated for the medical cannabis  
24 program until the division promulgates rules for medical  
25 cannabis activity, ~~[except that]~~ and a qualified patient, ~~[a]~~

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1 primary caregiver ~~[and a]~~ or reciprocal participant shall not  
2 be prohibited from purchasing and obtaining cannabis products  
3 ~~[pursuant to]~~ through the medical cannabis program.

4 ~~[E.]~~ N. To address a shortage of cannabis supply in  
5 the medical cannabis program, the division may:

6 (1) require all cannabis establishment  
7 licensees to ensure that at least ten percent of their cannabis  
8 in stock on a monthly basis is designated for sale to qualified  
9 patients, primary caregivers and reciprocal participants;

10 (2) initially take reasonable measures to  
11 expeditiously incentivize increased production of cannabis  
12 plants to remedy a shortage of cannabis supply in the medical  
13 cannabis program;

14 (3) after having first exhausted measures to  
15 increase production of cannabis plants to address the shortage  
16 of cannabis supply in the medical cannabis program, exclude  
17 commercial cannabis activity from the scope of new licenses  
18 issued to initial applicants for a vertically integrated  
19 cannabis establishment, cannabis producer, integrated cannabis  
20 microbusiness, cannabis producer microbusiness or cannabis  
21 manufacturer license, which limitation shall be in force for a  
22 period of at least six months; and

23 (4) require licensees who are licensed to  
24 produce cannabis to produce a specified quota of mature  
25 cannabis plants to be designated for use in the medical

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1 cannabis program; provided that:

2 (a) the division may require a licensee  
3 to devote no more than twenty-five percent of the licensee's  
4 cultivated cannabis plants on a monthly basis for use in the  
5 medical cannabis program; and

6 (b) the division may require specific  
7 tracking of cannabis plants.

8 [M.] O. As used in this section, "shortage of  
9 cannabis supply in the medical cannabis program" means that the  
10 average number of cannabis plants in production in the medical  
11 cannabis program per qualified patient after ~~[the effective~~  
12 ~~date of the Cannabis Regulation Act]~~ June 29, 2021 is  
13 substantially less than the average number of cannabis plants  
14 in production in the medical cannabis program per qualified  
15 patient as of ~~[the effective date of the Cannabis Regulation~~  
16 ~~Act]~~ June 29, 2021, where:

17 (1) the average number of cannabis plants in  
18 production after ~~[the effective date of the Cannabis Regulation~~  
19 ~~Act]~~ June 29, 2021 is measured over a period of three  
20 consecutive months; and

21 (2) the average number of cannabis plants in  
22 production as of ~~[the effective date of the Cannabis Regulation~~  
23 ~~Act]~~ June 29, 2021 is measured over a period of three  
24 consecutive months immediately preceding ~~[the effective date of~~  
25 ~~the Cannabis Regulation Act]~~ June 29, 2021.

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1           ~~[N.]~~ P. A person who is a member of the New Mexico  
2 senate or the New Mexico house of representatives on ~~[the~~  
3 ~~effective date of the Cannabis Regulation Act]~~ June 29, 2021  
4 shall not apply for or be granted a license to engage in any  
5 commercial cannabis activity prior to July 1, 2026.

6           Q. A medical cannabis legacy nonprofit corporation  
7 that was required by the department of health to organize under  
8 the provisions of the Nonprofit Corporation Act in order to  
9 qualify for a medical cannabis license may be converted into a  
10 corporation under the Business Corporation Act, a limited  
11 liability company under the Limited Liability Company Act, a  
12 limited partnership under the Uniform Revised Limited  
13 Partnership Act or a partnership under the Uniform Partnership  
14 Act (1994) upon the nonprofit corporation's filing with the  
15 secretary of state of restated articles of incorporation,  
16 articles of organization, certificate of limited partnership or  
17 statement under Section 54-1A-105 NMSA 1978. The conversion  
18 shall be approved pursuant to an agreement of conversion in the  
19 manner provided for the conversion of a limited liability  
20 company in Section 53-19-60.1 NMSA 1978. To be valid, the  
21 agreement of conversion shall be approved by a majority of the  
22 members of the board of directors of the nonprofit corporation.  
23 Upon conversion, all property owned by the converting entity  
24 remains in the newly converted entity. Any action or  
25 proceeding pending against the converting entity may be

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1 continued as if the conversion had not occurred."

2 SECTION 5. Section 26-2C-7 NMSA 1978 (being Laws 2021  
3 (1st S.S.), Chapter 4, Section 7) is amended to read:

4 "26-2C-7. [~~COMMERCIAL~~] CANNABIS ACTIVITY LICENSING--  
5 APPLICATION--ISSUANCE AND DENIAL OF A LICENSE--SUSPENSION AND  
6 REVOCAATION.--

7 [~~A. A license issued pursuant to the Cannabis~~  
8 ~~Regulation Act shall not be subject to execution, attachment, a~~  
9 ~~security transaction, liens or receivership.~~

10 B.] A. In carrying out its commercial cannabis  
11 activity licensing duties, the division shall:

12 (1) no later than September 1, 2021, accept  
13 and begin processing license applications for cannabis  
14 producers, cannabis producer microbusinesses and any person  
15 properly licensed and in good standing as a licensed cannabis  
16 producer pursuant to the Lynn and Erin Compassionate Use Act;

17 (2) no later than January 1, 2022, accept and  
18 begin processing license applications for all license types;

19 (3) if a cannabis producer or cannabis  
20 producer microbusiness, require as a condition of licensing  
21 [~~pursuant to the Cannabis Regulation Act~~] that the applicant  
22 demonstrate that the applicant has a legal right to a  
23 commercial water supply, water rights or [~~another~~] other source  
24 of water sufficient to meet the water needs as determined by  
25 the division related to the license as evidenced by

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1 documentation from the office of the state engineer of a valid  
2 water right or from a water provider that the use of water for  
3 cannabis production is compliant with that water provider's  
4 rules; and

5 (4) ~~[if an applicant applies for a]~~ for any  
6 type of cannabis producer ~~[license or a cannabis]~~ or  
7 manufacturer license, ~~[in addition to the requirements in~~  
8 ~~Paragraph (3) of this subsection]~~ require ~~[that]~~ the applicant  
9 to submit a plan to use, or demonstrate to the division that  
10 the applicant cannot feasibly use, energy ~~[and]~~ or water  
11 reduction opportunities, including:

12 (a) for a cannabis producer, drip  
13 irrigation and water collection;

14 (b) natural lighting and energy  
15 efficiency measures; and

16 (c) renewable energy generation. ~~[and~~

17 ~~(5) allow commercial cannabis activity retail~~  
18 ~~sales no later than April 1, 2022 and otherwise allow~~  
19 ~~activities authorized by the Cannabis Regulation Act or the~~  
20 ~~medical cannabis program as of the time of licensure of a~~  
21 ~~licensee, so long as a minimum of twenty-five percent of~~  
22 ~~monthly cannabis sales are to qualified patients, primary~~  
23 ~~caregivers and reciprocal participants or sold wholesale to~~  
24 ~~other licensees that meet or exceed the twenty-five percent~~  
25 ~~sales to qualified patients, primary caregivers and reciprocal~~

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1 ~~participants until December 31, 2022.~~

2 ~~G.]~~ B. Once the division deems an application  
3 complete, the division has ninety days to issue or deny a  
4 license application.

5 ~~[D.]~~ C. The division shall deny an application for  
6 an initial license or renewal if ~~[(1)]~~ the application does not  
7 include information required by the division or ~~[(2)]~~ the  
8 applicant does not meet the requirements of the Cannabis  
9 Regulation Act or rules promulgated in accordance with that  
10 act.

11 D. The division may refuse to issue, suspend or  
12 revoke a license of any person who does not meet the  
13 qualifications for licensure, who is not in compliance with the  
14 Cannabis Regulation Act or rules promulgated in accordance with  
15 that act or for whom one or more of the following are  
16 substantially related to the qualifications, functions or  
17 duties of the applicant's or licensee's business in New Mexico:

18 (1) a tax lien related to cannabis activity in  
19 this or another state;

20 (2) a pending investigation or a felony  
21 indictment or conviction of the applicant or licensee or a  
22 controlling person of the applicant ~~[has been convicted of an~~  
23 offense that is substantially related to the qualifications,  
24 functions or duties of the applicant's business provided that]  
25 or licensee in this state or another state or by the federal

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1 government involving fraud, deceit or embezzlement;

2 (3) a pending investigation or a felony  
3 indictment or conviction of the applicant or licensee or a  
4 controlling person of the applicant or licensee involving  
5 producing, manufacturing, distributing, selling or giving away  
6 illegal cannabis products;

7 (4) the denial, suspension or revocation of a  
8 cannabis license in another state that would have the same  
9 result if occurring in New Mexico;

10 (5) a pending investigation or a felony  
11 indictment or conviction for hiring, employing or otherwise  
12 using a person younger than eighteen years of age or a person  
13 of any age who is a victim of trafficking, forced labor or  
14 other exploitation to produce, manufacture, transport or sell  
15 cannabis or a controlled substance;

16 (6) a licensee or controlling person that  
17 after a notice of noncompliance issued by the division refuses  
18 to follow division licensing requirements, state or local  
19 operational rules, public health and safety laws or rules or  
20 other provisions of state law pertaining to cannabis products;  
21 or

22 (7) any other governmental action pending or  
23 taken against an applicant, licensee or controlling person that  
24 in the division's determination makes the person unqualified to  
25 be licensed or involved in a cannabis business in New Mexico.

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1           E. Production, manufacture, distribution, sale or  
2 possession of illegal cannabis product is grounds for denial,  
3 suspension or revocation of a license or for taking any other  
4 disciplinary action allowed by law or rule of the division.

5           F. If the division determines after a review of  
6 pertinent circumstances provided in Subsection D of this  
7 section that the applicant, licensee or controlling person [is]  
8 otherwise [qualified] meets the qualifications for [a license]  
9 licensure and that issuing a license [to the applicant would]  
10 does not compromise the state's cannabis program or the public  
11 health or safety, the division shall [conduct a thorough review  
12 of the conviction, including the nature of the offense,  
13 surrounding circumstances and, any evidence of the applicant's  
14 or controlling person's rehabilitation following the  
15 conviction, and based on that review determine whether the  
16 applicant should be issued a license] issue the license or  
17 close the suspension or revocation case.

18           ~~[E. For purposes of Subsection D of this section,~~  
19 ~~the following are considered substantially related to the~~  
20 ~~qualifications, functions or duties of a person seeking a~~  
21 ~~license:~~

22                     ~~(1) a felony conviction involving fraud,~~  
23 ~~deceit or embezzlement;~~

24                     ~~(2) a felony conviction for hiring, employing~~  
25 ~~or otherwise using a person younger than eighteen years of age~~

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1 to:

2 (a) ~~prepare for sale, transport or carry~~  
3 ~~a controlled substance; or~~

4 (b) ~~sell, give away or offer to sell a~~  
5 ~~controlled substance to any person; and~~

6 (3) ~~any other offense as determined by the~~  
7 ~~division.~~

8 F.] G. A conviction for which the related sentence,  
9 including any term of probation or parole, [~~is~~] has been  
10 completed for the production, possession, use, manufacture,  
11 distribution or [~~dispensing~~] sale or the possession with the  
12 intent to manufacture, distribute or [~~dispense~~] sell cannabis  
13 is not considered substantially related to the qualifications,  
14 functions or duties of a person seeking a license and shall not  
15 be the sole ground on which an application is denied. The  
16 [~~division shall comply with the~~] provisions of the Uniform  
17 Licensing Act and the Criminal Offender Employment Act shall  
18 govern consideration of criminal records required or permitted  
19 by the Cannabis Regulation Act.

20 [G.] H. The division shall deny an application if  
21 an applicant, a controlling person or the premises for which a  
22 license is sought does not qualify for licensure pursuant to  
23 the Cannabis Regulation Act.

24 [H.] I. The division shall not license a person who  
25 has had a license that was issued pursuant to the Cannabis

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1 Regulation Act or the Lynn and Erin Compassionate Use Act  
2 revoked by the division or the department of health in the  
3 three years immediately preceding the date on which the person  
4 filed a new application.

5 ~~[F.]~~ J. Unless otherwise provided in the Cannabis  
6 Regulation Act, a person whose license has been revoked may  
7 reapply for a license after a period of three years. The  
8 division may consider all of the circumstances resulting in the  
9 revocation in determining whether to issue a new license.

10 ~~[J. The division shall adopt rules providing for~~  
11 ~~submission of an applicant's fingerprints to the federal bureau~~  
12 ~~of investigation to conduct a national criminal history~~  
13 ~~background check and to the department of public safety to~~  
14 ~~conduct a state criminal history check for the following~~  
15 ~~licensees:~~

- 16 ~~(1) cannabis manufacturer;~~
- 17 ~~(2) cannabis producer;~~
- 18 ~~(3) cannabis producer microbusiness;~~
- 19 ~~(4) cannabis research laboratory;~~
- 20 ~~(5) cannabis retailer;~~
- 21 ~~(6) cannabis testing laboratory;~~
- 22 ~~(7) integrated cannabis microbusiness; and~~
- 23 ~~(8) vertically integrated cannabis~~  
24 ~~establishment.~~

25 ~~K. The division shall conduct national criminal~~

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1 ~~history background checks and state criminal history checks on~~  
2 ~~the following:~~

3 ~~(1) if an applicant is a limited partnership,~~  
4 ~~each partner of the limited partnership;~~

5 ~~(2) if the applicant is a limited liability~~  
6 ~~company, each member of the limited liability company;~~

7 ~~(3) if the applicant is a corporation, each~~  
8 ~~director and officer of the corporation; and~~

9 ~~(4) any controlling person of the applicant.~~

10 ~~L. Arrest record information received from the~~  
11 ~~federal bureau of investigation and the department of public~~  
12 ~~safety shall be confidential, shall not be considered a public~~  
13 ~~record pursuant to the Public Records Act and shall not be~~  
14 ~~disclosed to persons not directly involved in the decision~~  
15 ~~affecting the applicant.~~

16 ~~M. Electronic live fingerprint scans may be used~~  
17 ~~when conducting criminal history background checks.]"~~

18 SECTION 6. A new section of the Cannabis Regulation Act  
19 is enacted to read:

20 "[NEW MATERIAL] CRIMINAL HISTORY BACKGROUND CHECKS--  
21 PROCESSES AND PROCEDURES.--

22 A. As used in this section:

23 (1) "director" means a person who serves on  
24 the corporate board of directors of a corporation licensed by  
25 the division as a cannabis establishment;

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1 (2) "member and manager" includes those  
2 persons who are members in or managers of a limited liability  
3 company licensed by the division as a cannabis establishment  
4 and who are responsible for the operations of the limited  
5 liability company;

6 (3) "officer" means a president, one or more  
7 vice presidents, a secretary, a treasurer or a secretary-  
8 treasurer or a member of the executive committee, if different  
9 from these named officers, of a corporation licensed by the  
10 division as a cannabis establishment; and

11 (4) "partner" means a person who is a co-owner  
12 of a business licensed by the division as a cannabis  
13 establishment.

14 B. The division shall adopt rules providing the  
15 procedures to be followed for submission of an applicant's  
16 biometric scan to the department of public safety to conduct a  
17 state criminal history background check and for its submission  
18 of the biometric scan to the federal bureau of investigation to  
19 conduct a national criminal history background check for the  
20 following cannabis establishments:

- 21 (1) cannabis courier;
- 22 (2) cannabis manufacturer;
- 23 (3) cannabis producer;
- 24 (4) cannabis producer microbusiness;
- 25 (5) cannabis research laboratory;



- 1 (6) cannabis retailer;
- 2 (7) cannabis testing laboratory;
- 3 (8) integrated cannabis microbusiness;
- 4 (9) vertically integrated cannabis
- 5 establishment; and

- 6 (10) cannabis consumption licensees if
- 7 different from cannabis retailer.

8 C. The division shall require state and national  
9 criminal history background checks for the following persons:

- 10 (1) if an applicant for licensure is a sole
- 11 proprietor business, the sole proprietor;
- 12 (2) if an applicant for licensure is a limited
- 13 partnership, each partner of the limited partnership;
- 14 (3) if the applicant for licensure is a
- 15 limited liability company, each member and manager of the
- 16 limited liability company;
- 17 (4) if the applicant for licensure is a
- 18 corporation, each director and officer of the corporation; and
- 19 (5) any controlling person of the applicant
- 20 for licensure, as defined in Section 26-2C-2 NMSA 1978.

21 D. The division shall use the information from the  
22 criminal history background check to evaluate the applicant's  
23 qualifications for licensure.

24 E. Arrest record information received from the  
25 federal bureau of investigation and the department of public

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1 safety shall be confidential, shall not be considered a public  
2 record pursuant to the Public Records Act and shall not be  
3 disclosed to persons not directly involved in the decision  
4 affecting the applicant."

5 SECTION 7. Section 26-2C-9 NMSA 1978 (being Laws 2021  
6 (1st S.S.), Chapter 4, Section 9) is amended to read:

7 "26-2C-9. APPLICATION AND LICENSING FEES.--

8 A. Every application for the issuance or renewal of  
9 the following licenses shall be accompanied by a license fee  
10 [~~in the following specified amounts~~] as follows:

11 (1) a cannabis courier license, up to one  
12 thousand five hundred dollars (\$1,500) per year and an  
13 additional fee of up to one thousand dollars (\$1,000) per year  
14 for each additional licensed premises of the licensee;

15 (2) a cannabis testing laboratory license, up  
16 to two thousand five hundred dollars (\$2,500) per year and an  
17 additional fee of up to one thousand dollars (\$1,000) per year  
18 for each additional licensed premises of the licensee;

19 (3) a cannabis manufacturer license, two  
20 thousand five hundred dollars (\$2,500) per year and an  
21 additional fee of one thousand dollars (\$1,000) per year for  
22 each additional licensed premises of the licensee;

23 (4) a cannabis producer license, two thousand  
24 five hundred dollars (\$2,500) per year and an additional fee of  
25 one thousand dollars (\$1,000) per year for each additional

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1 licensed premises of the licensee;

2 (5) a cannabis retailer license, two thousand  
3 five hundred dollars (\$2,500) per year and an additional fee of  
4 one thousand dollars (\$1,000) per year for each additional  
5 licensed premises of the licensee;

6 (6) a cannabis research laboratory license,  
7 two thousand five hundred dollars (\$2,500) per year and an  
8 additional fee of one thousand dollars (\$1,000) per year for  
9 each additional licensed premises of the licensee;

10 (7) a vertically integrated cannabis  
11 establishment license, seven thousand five hundred dollars  
12 (\$7,500) per year and an additional fee of one thousand dollars  
13 (\$1,000) per year for each licensed premises of the licensee;

14 (8) a cannabis producer microbusiness license,  
15 up to one thousand dollars (\$1,000) per year;

16 (9) an integrated cannabis microbusiness  
17 license, up to two thousand five hundred dollars (\$2,500) per  
18 year and an additional fee of five hundred dollars (\$500) per  
19 year for each licensed premises of the licensee; and

20 (10) a cannabis consumption area license, up  
21 to two thousand five hundred dollars (\$2,500) per year.

22 B. Except for cannabis producer microbusinesses and  
23 integrated cannabis microbusinesses, a licensee cultivating  
24 cannabis plants shall be assessed an additional annual fee no  
25 greater than fifty dollars (\$50.00) per mature cannabis plant

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1 at the time of licensing or renewal.

2 C. A licensee may increase the number of mature  
3 plants licensed at the time of renewal and one other time per  
4 year in increments of five hundred mature plants. Fees may be  
5 prorated for the remainder of the licensing year.

6 D. ~~[The initial application fee and the annual~~  
7 ~~renewal fee for a vertically integrated cannabis establishment~~  
8 ~~license shall not exceed one hundred twenty-five thousand~~  
9 ~~dollars (\$125,000) for a license for both medical cannabis~~  
10 ~~activity and commercial cannabis activity.]~~ The initial  
11 application fee and the annual renewal fee for a license or  
12 renewal of a license that authorizes only medical cannabis  
13 activity shall be one-half the fee applicable to a license  
14 authorizing both medical cannabis activity and commercial  
15 cannabis activity.

16 E. If a cannabis producer microbusiness or an  
17 integrated cannabis microbusiness enters into a business  
18 arrangement with another licensee with the purpose of or having  
19 the effect of evading the limitations of the licensee's  
20 license, ~~[such]~~ that licensee shall not be eligible for the  
21 lower fee prescribed in Subsection A of this section and shall  
22 pay the per-plant fee prescribed in Subsection B of this  
23 section.

24 F. The division shall collect all renewal fees,  
25 including the renewal fees for all licensed premises, at the

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1 time of renewal of a license.

2 G. The fee for the issuance of a cannabis server  
3 permit shall not exceed thirty-five dollars (\$35.00).

4 H. The division shall deposit all fees collected  
5 pursuant to the Cannabis Regulation Act in the cannabis  
6 regulation fund."

7 SECTION 8. Section 26-2C-10 NMSA 1978 (being Laws 2021  
8 (1st S.S.), Chapter 4, Section 10) is repealed and a new  
9 Section 26-2C-10 NMSA 1978 is enacted to read:

10 "26-2C-10. [NEW MATERIAL] CANNABIS TRAINING AND  
11 EDUCATION PROGRAMS--REGISTRATION WITH DIVISION.--A New Mexico  
12 public post-secondary educational institution may offer a  
13 practical or academic curriculum designed to prepare students  
14 for participation in the cannabis industry. The institution  
15 shall register its cannabis training and education program with  
16 the division, which shall include the information about the  
17 program on its website."

18 SECTION 9. Section 26-2C-17 NMSA 1978 (being Laws 2021  
19 (1st S.S.), Chapter 4, Section 17) is amended to read:

20 "26-2C-17. CANNABIS PRODUCTS--PACKAGING AND LABELING--  
21 DIVISION RULEMAKING.--

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

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1           B. The division shall promulgate rules consistent  
2 with industry standards for cannabis products that establish  
3 labeling and packaging requirements, including that:

4                   (1) packages shall be resealable and child-  
5 resistant [~~compostable and recyclable or made from recycled~~  
6 ~~materials~~];

7                   (2) packages and labels shall not be designed  
8 to be appealing to a child and shall not mimic the brand,  
9 design, name, logo or colorway of a non-cannabis consumer  
10 product marketed to children;

11                   (3) packages and labels shall not use cartoons  
12 or symbols or images, including images of celebrities or  
13 celebrity likenesses, that are commonly used to market to  
14 children;

15                   (4) packages containing edible cannabis  
16 products shall be opaque; and

17                   [~~(3)~~] (5) labels shall include:

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

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

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1 (c) potency and pesticide use;  
2 (d) a list of pharmacologically active  
3 ingredients;

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

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

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

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

19 (i) an expiration date; and

20 (j) other information as required by  
21 rules promulgated ~~[pursuant to]~~ in accordance with the Cannabis  
22 Regulation Act."

23 SECTION 10. Section 26-2C-18 NMSA 1978 (being Laws 2021  
24 (1st S.S.), Chapter 4, Section 18) is amended to read:

25 "26-2C-18. TESTING CANNABIS PRODUCTS--HEALTH AND SAFETY  
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1 OF EMPLOYEES AND CONSUMERS.--

2 A. A cannabis testing laboratory's testing of  
3 cannabis products shall comply with the requirements set forth  
4 in applicable law and rules.

5 B. In consultation with the department of  
6 environment and consistent with industry standards, the  
7 division shall promulgate rules to:

8 (1) [~~ensure that testing of cannabis products~~  
9 ~~occurs~~] require all cannabis producers and cannabis  
10 manufacturers to have their cannabis products tested prior to  
11 distribution to cannabis retailers or for sales by integrated  
12 cannabis microbusinesses;

13 (2) specify how often licensees shall test  
14 cannabis products;

15 (3) specify which persons bear the cost of  
16 testing commercial or medical cannabis products [~~and medical~~  
17 ~~cannabis~~];

18 (4) provide for recordkeeping;

19 (5) establish chain of custody protocols for  
20 the transportation of testing [~~sample transportation~~] samples;

21 (6) ensure that testing samples are  
22 transported and stored in a manner that prevents degradation,  
23 contamination, tampering or diversion;

24 (7) specify protocols for testing sample  
25 collection that ensure accurate test results, including

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1 requiring that testing samples be collected by laboratory staff  
2 trained in the collection of testing [~~sample collection~~]  
3 samples; and

4 (8) require destruction of a tested batch of  
5 cannabis products if the testing samples from the tested batch  
6 indicate noncompliance with applicable health and safety  
7 standards promulgated by the division, unless remedial measures  
8 can bring the cannabis products into compliance with the  
9 standards or the cannabis products can be used for research  
10 purposes.

11 C. Beginning no later than April 1, 2022, the  
12 division shall identify, in consultation with the department of  
13 environment, a set of updated certified reference materials for  
14 which laboratory testing [~~to~~] shall be measured against.

15 D. The division shall work cooperatively with the  
16 department of environment to implement inspection of cannabis  
17 establishments to ensure the health and safety of employees in  
18 accordance with the Occupational Health and Safety Act, [~~and~~]  
19 to determine compliance with rules promulgated by the  
20 environmental improvement board and to protect the health and  
21 safety of consumers."

22 SECTION 11. Section 26-2C-20 NMSA 1978 (being Laws 2021  
23 (1st S.S.), Chapter 4, Section 20) is amended to read:

24 "26-2C-20. ADVERTISING AND MARKETING RESTRICTIONS.--

25 A. As used in this section, "advertising" does not

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1 mean:

2 (1) a sign or outdoor display or other  
3 statement permanently affixed to a licensed premises that is  
4 intended to induce the sale of a cannabis product produced,  
5 manufactured or sold on the licensed premises;

6 (2) a label affixed to a cannabis product or  
7 the covering, wrapper or container of a cannabis product; or

8 (3) an editorial or other material printed in  
9 a publication when the publication of the editorial or material  
10 was not paid for by a licensee and was not intended to promote  
11 the sale of cannabis products by a particular brand or company.

12 B. The division shall promulgate rules consistent  
13 with industry standards that:

14 [~~A-~~] (1) prohibit the advertisement and  
15 marketing of cannabis products:

16 [~~1~~] (a) on radio, television or other  
17 broadcast media, internet pop-ups and mass transit vehicles;  
18 provided that the division shall not prohibit advertising and  
19 marketing to [~~a~~]: 1) subscribers of subscription-based  
20 radio, television or other broadcast media who are twenty-one  
21 years of age or older; or [~~b~~] 2) persons twenty-one years of  
22 age or older who have solicited the advertising or marketing;

23 [~~2~~] (b) that are false, deceptive or  
24 misleading, including making unproven health benefit claims;

25 [~~3~~] (c) that are on billboards,

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1 posters, handbills or other visual media that are located or  
2 can be viewed within three hundred feet of a school, daycare  
3 center or church;

4 [~~(4)~~] (d) that depict consumption by  
5 children or other persons who appear to be younger than twenty-  
6 one years of age;

7 [~~(5)~~] (e) that use predatory marketing  
8 and advertising practices targeting minors; or

9 [~~(6)~~] (f) that are designed using  
10 cartoon characters or to mimic any other product brand; and

11 [~~B-~~] (2) require:

12 [~~(1)~~] (a) all advertisements and  
13 marketing to accurately and legibly identify all persons  
14 responsible for its content; and

15 [~~(2)~~] (b) advertisements in print and  
16 digital communications to be placed only where the audience is  
17 reasonably expected to be twenty-one years of age or older as  
18 determined by reliable, current audience composition data."

19 SECTION 12. Section 26-2C-28 NMSA 1978 (being Laws 2021  
20 (1st S.S.), Chapter 4, Section 28) is amended to read:

21 "26-2C-28. [~~UNLICENSED SALES OF~~] TRAFFICKING CANNABIS  
22 PRODUCTS--PENALTIES.--

23 A. As used in this section, [~~"traffic" means the~~  
24 ~~(1) distribution, sale, barter or giving away of~~] "trafficking  
25 cannabis products" means to:

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1                   (1) produce, manufacture, distribute, courier  
2 or sell illegal cannabis products; or

3                   (2) [~~possession~~] possess with intent to  
4 manufacture, distribute, courier or sell [~~barter or give away~~]  
5 illegal cannabis products.

6                   B. Unless otherwise provided in the Cannabis  
7 Regulation Act or the Lynn and Erin Compassionate Use Act, it  
8 is unlawful for a person [~~without a license~~] to intentionally  
9 traffic cannabis products.

10                  C. In addition to the penalties provided in the  
11 Delinquency Act, a person under eighteen years of age who  
12 violates Subsection B of this section shall be subject to:

13                   (1) attendance at a four-hour evidence-based  
14 drug education and legal rights program at no cost to the  
15 person; or

16                   (2) four hours of community service.

17                  D. Except as otherwise provided in Section [~~14 of~~  
18 ~~the Cannabis Regulation Act~~] 26-2C-14 NMSA 1978, a person  
19 between eighteen and twenty-one years of age [~~or older~~] who  
20 violates Subsection B of this section is guilty of a  
21 misdemeanor and shall be sentenced pursuant to the provisions  
22 of Section 31-19-1 NMSA 1978.

23                  [E. ~~A person eighteen years of age or older who~~  
24 ~~violates Subsection B of this section and who conducts~~  
25 ~~unlicensed cannabis product sales from a building, room or~~

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1 ~~other area open to the public in a manner that would lead a~~  
2 ~~reasonable person to believe that the area is a cannabis~~  
3 ~~establishment licensed pursuant to the Cannabis Regulation Act~~  
4 ~~is guilty of a fourth degree felony and shall be sentenced~~  
5 ~~pursuant to the provisions of Section 31-18-15 NMSA 1978.]~~

6 E. A person twenty-one years of age or older who  
7 traffics cannabis products is guilty of a fourth degree felony  
8 for a first offense. A person who traffics cannabis products  
9 is guilty of a third degree felony for a second offense. A  
10 person who traffics cannabis products is guilty of a second  
11 degree felony for a third and subsequent offense. Sentencing  
12 pursuant to this subsection shall be as provided in Section  
13 31-18-15 NMSA 1978. A conveyance used or intended to be used  
14 for the purpose of trafficking cannabis products or money that  
15 is the fruit or instrumentality of the crime is subject to  
16 forfeiture, and the provisions of the Forfeiture Act apply to  
17 the seizure, forfeiture and disposal of such property."

18 SECTION 13. A new section of the Cannabis Regulation Act  
19 is enacted to read:

20 "[NEW MATERIAL] WHEN CANNABIS PRODUCT DEEMED  
21 ADULTERATED.--A cannabis product is deemed to be adulterated  
22 if:

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

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

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

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

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

14           F. a substance has been substituted in whole or in  
15 part that is contrary to the ingredient list on the package  
16 unless a notification of substitution is adhered to the  
17 packaging;

18           G. damage or inferiority has been concealed in any  
19 manner;

20           H. a substance has been added so as to increase the  
21 cannabis product's bulk or weight, reduce its quality or  
22 strength or make it appear better or of greater value than it  
23 is; or

24           I. the cannabis product is a confectionery, it  
25 contains alcohol or other non-nutritive article or substance

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1 except harmless coloring, flavoring, natural gum, pectin or  
2 resinous glaze not in excess of four-tenths of one percent;  
3 provided that a confectionary may include less than two and  
4 one-fourth percent by weight of alcohol derived solely from the  
5 use of flavoring extracts or to any chewing gum by reason of  
6 its containing harmless non-nutritive masticatory substances."

7 SECTION 14. A new section of the Cannabis Regulation Act  
8 is enacted to read:

9 "[NEW MATERIAL] WHEN CANNABIS DEEMED MISBRANDED.--

10 Cannabis is deemed to be misbranded if:

11 A. its labeling is false or misleading in any  
12 particular;

13 B. it is offered for sale under the name of another  
14 cannabis product;

15 C. it is an imitation of another cannabis product,  
16 unless its label bears, in type of uniform size and prominence,  
17 the word "imitation" and, immediately following, the name of  
18 the cannabis product imitated;

19 D. its container is so made, formed or filled as to  
20 be misleading; or

21 E. the label otherwise does not conform to the  
22 requirements of Section 26-2C-17 NMSA 1978 and labeling rules  
23 promulgated by the division."

24 SECTION 15. A new section of the Cannabis Regulation Act  
25 is enacted to read:

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1           "[NEW MATERIAL] ENFORCEMENT--EMBARGO AND RECALL, SEIZURE  
2 AND CONDEMNATION--PROCEDURES--PENALTIES.--

3           A. The division may:

4                   (1) initiate an investigation of an alleged or  
5 suspected violation of the Cannabis Regulation Act and carry  
6 out unannounced inspections during the division's  
7 investigation;

8                   (2) issue an administrative hold on the  
9 movement of cannabis products under investigation by the  
10 division;

11                   (3) embargo or seize a cannabis product  
12 alleged or suspected of being an illegal cannabis product or a  
13 cannabis product that is adulterated or so misbranded as to be  
14 dangerous or fraudulent; and

15                   (4) petition the district court for  
16 condemnation or for injunctive or equitable relief.

17           B. The division shall give sufficient notice to the  
18 licensee of the division's decision to issue an administrative  
19 hold on the licensee's cannabis products. An administrative  
20 hold shall not be in place for longer than necessary to  
21 complete the investigation; provided that an administrative  
22 hold on misbranded cannabis products that are not considered  
23 dangerous or fraudulent shall last only as long as it takes the  
24 licensee to relabel and repackage the cannabis products as  
25 ordered by the division.

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1           C. Whenever the division has a reasonable belief  
2 that a cannabis product is illegal, adulterated or dangerously  
3 or fraudulently misbranded, the director shall embargo or seize  
4 that cannabis product and may seize the premises where that  
5 cannabis product is located under circumstances provided by  
6 rule of the division. The division may issue a recall order  
7 for cannabis products embargoed for adulteration or dangerous  
8 or fraudulent misbranding or for illegal cannabis products.

9           D. When the division embargoes a cannabis product,  
10 the division shall affix to the cannabis product a tag or other  
11 appropriate marking giving notice that the cannabis product is  
12 or is suspected of being an illegal cannabis product or is  
13 adulterated or dangerously or fraudulently misbranded and that  
14 the cannabis product shall not be removed or disposed of.

15           E. When the division embargoes or seizes a cannabis  
16 product or a premises, the division shall give written notice  
17 to the licensee of the grounds for the seizure.

18           F. The division shall not be required to care for  
19 embargoed or seized cannabis products.

20           G. A licensee aggrieved by an embargo or seizure  
21 may request an administrative hearing within ten calendar days  
22 from the date the embargo was issued or the seizure executed.  
23 The hearing shall be held as provided by rule. The final  
24 agency decision may be appealed pursuant to Section 39-3-1.1  
25 NMSA 1978.

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1           H. When the division determines that an embargoed  
2 or seized cannabis product is illegal, adulterated or  
3 dangerously or fraudulently misbranded, the division shall  
4 petition the district court for condemnation of that cannabis  
5 product.

6           I. If the district court orders condemnation, the  
7 division shall destroy the cannabis product at the licensee's  
8 expense.

9           J. Law enforcement, the New Mexico department of  
10 agriculture, the department of environment and other state  
11 agencies with relevant expertise shall cooperate with the  
12 division at the division's request.

13           K. A person who intentionally, knowingly or  
14 recklessly removes, conceals, destroys or disposes of a  
15 cannabis product subject to an administrative hold or embargo  
16 is guilty of a fourth degree felony and shall be sentenced as  
17 provided in Section 31-18-15 NMSA 1978.

18           L. In addition to the actions provided in this  
19 section, after an administrative hearing pursuant to the  
20 Uniform Licensing Act, the division may take disciplinary  
21 action against a licensee, including:

- 22                   (1) suspension or revocation of the license;  
23                   (2) imposition of an administrative penalty  
24 not to exceed ten thousand dollars (\$10,000); or  
25                   (3) any other disciplinary action allowed

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1 under that act or rule of the division."

2 SECTION 16. Section 26-2C-36 NMSA 1978 (being Laws 2021  
3 (1st S.S.), Chapter 4, Section 36) is amended to read:

4 "26-2C-36. PUBLIC RECORDS AND OPEN MEETINGS.--Except for  
5 information developed or obtained by the division during an  
6 enforcement investigation, records of the division are subject  
7 to the Inspection of Public Records Act. Rulemaking and other  
8 hearings of the division are subject to the Open Meetings Act."

9 SECTION 17. Section 30-22-14 NMSA 1978 (being Laws 1976,  
10 Chapter 15, Section 1, as amended) is amended to read:

11 "30-22-14. BRINGING CONTRABAND INTO PLACES OF  
12 IMPRISONMENT--PENALTIES--DEFINITIONS.--

13 A. Bringing contraband into a prison consists of  
14 knowingly and voluntarily carrying, transporting or depositing  
15 contraband onto the grounds of the penitentiary of New Mexico  
16 or any other institution designated by the corrections  
17 department for the confinement of adult prisoners. Whoever  
18 commits bringing contraband into a prison is guilty of a third  
19 degree felony.

20 B. Bringing contraband into a jail consists of  
21 knowingly and voluntarily carrying contraband into the confines  
22 of a county or municipal jail. Whoever commits bringing  
23 contraband into a jail is guilty of a fourth degree felony.

24 C. As used in this section, "contraband" means:

25 (1) a deadly weapon, as defined in Section

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1 30-1-12 NMSA 1978, or an essential component part thereof,  
2 including ammunition, explosive devices and explosive  
3 materials, but does not include a weapon carried by a peace  
4 officer in the lawful discharge of duties;

5 (2) currency brought onto the grounds of the  
6 institution for the purpose of transfer to a prisoner, but does  
7 not include currency carried into areas designated by the  
8 warden as areas for the deposit and receipt of currency for  
9 credit to a prisoner's account before contact is made with the  
10 prisoner;

11 (3) an alcoholic beverage;

12 (4) a controlled substance, as defined in the  
13 Controlled Substances Act, or cannabis, as defined in the  
14 Cannabis Regulation Act, but does not include a controlled  
15 substance or medical cannabis carried into a prison through  
16 regular prison channels and pursuant to the direction or  
17 prescription of a [~~regularly~~] licensed physician; or

18 (5) an electronic communication or recording  
19 device brought onto the grounds of the institution for the  
20 purpose of transfer to or use by a prisoner.

21 D. As used in this section, "electronic  
22 communication or recording device" means any type of  
23 instrument, device, machine or equipment that is designed to  
24 transmit or receive telephonic, electronic, digital, cellular,  
25 satellite or radio signals or communications or that is

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1 designed to have sound or image recording abilities or any part  
2 or component of such instrument, device, machine or equipment.  
3 "Electronic communication or recording device" does not include  
4 a device that is or will be used by prison or jail personnel in  
5 the regular course of business or that is otherwise authorized  
6 by the warden.

7 E. Nothing in this section shall prohibit the use  
8 of hearing aids, voice amplifiers or other equipment necessary  
9 to aid prisoners who have documented hearing or speech  
10 deficiencies or their visitors. Rules for such devices shall  
11 be established by the warden or director of each jail,  
12 detention center and prison."

13 SECTION 18. Section 30-42-3 NMSA 1978 (being Laws 1980,  
14 Chapter 40, Section 3, as amended by Laws 2009, Chapter 253,  
15 Section 7 and by Laws 2009, Chapter 261, Section 7) is amended  
16 to read:

17 "30-42-3. DEFINITIONS.--As used in the Racketeering Act:

18 A. "racketeering" means any act that is chargeable  
19 or indictable under the laws of New Mexico and punishable by  
20 imprisonment for more than one year, involving any of the  
21 following cited offenses:

22 (1) murder, as provided in Section 30-2-1 NMSA  
23 1978;

24 (2) robbery, as provided in Section 30-16-2  
25 NMSA 1978;

- 1 (3) kidnapping, as provided in Section 30-4-1  
2 NMSA 1978;
- 3 (4) forgery, as provided in Section 30-16-10  
4 NMSA 1978;
- 5 (5) larceny, as provided in Section 30-16-1  
6 NMSA 1978;
- 7 (6) fraud, as provided in Section 30-16-6 NMSA  
8 1978;
- 9 (7) embezzlement, as provided in Section  
10 30-16-8 NMSA 1978;
- 11 (8) receiving stolen property, as provided in  
12 Section 30-16-11 NMSA 1978;
- 13 (9) bribery, as provided in Sections 30-24-1  
14 through 30-24-3.1 NMSA 1978;
- 15 (10) gambling, as provided in Sections  
16 30-19-3, 30-19-13 and 30-19-15 NMSA 1978;
- 17 (11) illegal kickbacks, as provided in  
18 Sections 30-41-1 and 30-41-2 NMSA 1978;
- 19 (12) extortion, as provided in Section 30-16-9  
20 NMSA 1978;
- 21 (13) trafficking in controlled substances, as  
22 provided in Section 30-31-20 NMSA 1978;
- 23 (14) arson and aggravated arson, as provided  
24 in Subsection A of Section 30-17-5 and Section 30-17-6 NMSA  
25 1978;

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1 (15) promoting prostitution, as provided in  
2 Section 30-9-4 NMSA 1978;

3 (16) criminal solicitation, as provided in  
4 Section 30-28-3 NMSA 1978;

5 (17) fraudulent securities practices, as  
6 provided in the New Mexico Uniform Securities Act [~~of 1986~~];

7 (18) loan sharking, as provided in Sections  
8 30-43-1 through 30-43-5 NMSA 1978;

9 (19) distribution of controlled substances or  
10 controlled substance analogues, as provided in Sections  
11 30-31-21 and 30-31-22 NMSA 1978;

12 (20) a violation of the provisions of Section  
13 30-51-4 NMSA 1978;

14 (21) unlawful taking of a vehicle or motor  
15 vehicle, as provided in Section 30-16D-1 NMSA 1978;

16 (22) embezzlement of a vehicle or motor  
17 vehicle, as provided in Section 30-16D-2 NMSA 1978;

18 (23) fraudulently obtaining a vehicle or motor  
19 vehicle, as provided in Section 30-16D-3 NMSA 1978;

20 (24) receiving or transferring stolen vehicles  
21 or motor vehicles, as provided in Section 30-16D-4 NMSA 1978;

22 [~~and~~]

23 (25) altering or changing the serial number,  
24 engine number, decal or other numbers or marks of a vehicle or  
25 motor vehicle, as provided in Section 30-16D-6 NMSA 1978; and

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1                                   (26) trafficking cannabis products, as  
2                                   provided in Section 26-2C-28 NMSA 1978;

3                                   B. "person" means an individual or entity capable  
4                                   of holding a legal or beneficial interest in property;

5                                   C. "enterprise" means a sole proprietorship,  
6                                   partnership, corporation, business, labor union, association or  
7                                   other legal entity or a group of individuals associated in fact  
8                                   although not a legal entity and includes illicit as well as  
9                                   licit entities; and

10                                  D. "pattern of racketeering activity" means  
11                                  engaging in at least two incidents of racketeering with the  
12                                  intent of accomplishing any of the prohibited activities set  
13                                  forth in Subsections A through D of Section 30-42-4 NMSA 1978;  
14                                  provided at least one of the incidents occurred after February  
15                                  28, 1980 and the last incident occurred within five years after  
16                                  the commission of a prior incident of racketeering."

17                                  SECTION 19. Section 32A-2-3 NMSA 1978 (being Laws 1993,  
18                                  Chapter 77, Section 32, as amended) is amended to read:

19                                  "32A-2-3. DEFINITIONS.--As used in the Delinquency Act:

20                                  A. "delinquent act" means an act committed by a  
21                                  child that would be designated as a crime under the law if  
22                                  committed by an adult, not including a violation of Section  
23                                  30-9-2 NMSA 1978, including the following offenses:

24                                  (1) any of the following offenses pursuant to  
25                                  municipal traffic codes or the Motor Vehicle Code:

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1 (a) driving while under the influence of  
2 intoxicating liquor or drugs;

3 (b) failure to stop in the event of an  
4 accident causing death, personal injury or damage to property;

5 (c) unlawful taking of a vehicle or  
6 motor vehicle;

7 (d) receiving or transferring of a  
8 stolen vehicle or motor vehicle;

9 (e) homicide by vehicle;

10 (f) injuring or tampering with a  
11 vehicle;

12 (g) altering or changing of an engine  
13 number or other vehicle identification numbers;

14 (h) altering or forging of a driver's  
15 license or permit or any making of a fictitious license or  
16 permit;

17 (i) reckless driving;

18 (j) driving with a suspended or revoked  
19 license; or

20 (k) an offense punishable as a felony;

21 (2) buying, attempting to buy, receiving,  
22 possessing or being served any alcoholic liquor or being  
23 present in a licensed liquor establishment, other than a  
24 restaurant or a licensed retail liquor establishment, except in  
25 the presence of the child's parent, guardian, custodian or

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1 adult spouse. As used in this paragraph, "restaurant" means an  
2 establishment where meals are prepared and served primarily for  
3 on-premises consumption and that has a dining room, a kitchen  
4 and the employees necessary for preparing, cooking and serving  
5 meals. "Restaurant" does not include an establishment, as  
6 defined in regulations promulgated by the director of the  
7 special investigations unit of the department of public safety,  
8 that serves only hamburgers, sandwiches, salads and other fast  
9 foods;

10 (3) a violation of Section 30-29-2 NMSA 1978,  
11 regarding the illegal use of a glue, aerosol spray product or  
12 other chemical substance;

13 (4) a violation of the Controlled Substances  
14 Act;

15 (5) escape from the custody of a law  
16 enforcement officer or a juvenile probation or parole officer  
17 or from any placement made by the department by a child who has  
18 been adjudicated a delinquent child;

19 (6) a violation of Section 30-15-1.1 NMSA 1978  
20 regarding unauthorized graffiti on personal or real property;  
21 [~~or~~]

22 (7) a violation of an order of protection  
23 issued pursuant to the provisions of the Family Violence  
24 Protection Act; or

25 (8) trafficking cannabis as provided in

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1 Section 26-2C-28 NMSA 1978;

2 B. "delinquent child" means a child who has  
3 committed a delinquent act;

4 C. "delinquent offender" means a delinquent child  
5 who is subject to juvenile sanctions only and who is not a  
6 youthful offender or a serious youthful offender;

7 D. "detention facility" means a place where a child  
8 may be detained under the Children's Code pending court hearing  
9 and does not include a facility for the care and rehabilitation  
10 of an adjudicated delinquent child;

11 E. "felony" means an act that would be a felony if  
12 committed by an adult;

13 F. "misdemeanor" means an act that would be a  
14 misdemeanor or petty misdemeanor if committed by an adult;

15 G. "restitution" means financial reimbursement by  
16 the child to the victim or community service imposed by the  
17 court and is limited to easily ascertainable damages for injury  
18 to or loss of property, actual expenses incurred for medical,  
19 psychiatric and psychological treatment for injury to a person  
20 and lost wages resulting from physical injury, which are a  
21 direct and proximate result of a delinquent act. "Restitution"  
22 does not include reimbursement for damages for mental anguish,  
23 pain and suffering or other intangible losses. As used in this  
24 subsection, "victim" means a person who is injured or suffers  
25 damage of any kind by an act that is the subject of a complaint

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1 or referral to law enforcement officers or juvenile probation  
2 authorities. Nothing contained in this definition limits or  
3 replaces the provisions of Subsections A and B of Section  
4 32A-2-27 NMSA 1978;

5 H. "serious youthful offender" means an individual  
6 fifteen to eighteen years of age who is charged with and  
7 indicted or bound over for trial for first degree murder. A  
8 "serious youthful offender" is not a delinquent child as  
9 defined pursuant to the provisions of this section;

10 I. "supervised release" means the release of a  
11 juvenile, whose term of commitment has not expired, from a  
12 facility for the care and rehabilitation of adjudicated  
13 delinquent children, with specified conditions to protect  
14 public safety and promote successful transition and  
15 reintegration into the community. A juvenile on supervised  
16 release is subject to monitoring by the department until the  
17 term of commitment has expired and may be returned to custody  
18 for violating conditions of release; and

19 J. "youthful offender" means a delinquent child  
20 subject to adult or juvenile sanctions who is:

21 (1) fourteen to eighteen years of age at the  
22 time of the offense and who is adjudicated for at least one of  
23 the following offenses:

24 (a) second degree murder, as provided in  
25 Section 30-2-1 NMSA 1978;

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- 1 (b) assault with intent to commit a  
2 violent felony, as provided in Section 30-3-3 NMSA 1978;
- 3 (c) kidnapping, as provided in Section  
4 30-4-1 NMSA 1978;
- 5 (d) aggravated battery, as provided in  
6 Subsection C of Section 30-3-5 NMSA 1978;
- 7 (e) aggravated battery against a  
8 household member, as provided in Subsection C of Section  
9 30-3-16 NMSA 1978;
- 10 (f) aggravated battery upon a peace  
11 officer, as provided in Subsection C of Section 30-22-25 NMSA  
12 1978;
- 13 (g) shooting at a dwelling or occupied  
14 building or shooting at or from a motor vehicle, as provided in  
15 Section 30-3-8 NMSA 1978;
- 16 (h) dangerous use of explosives, as  
17 provided in Section 30-7-5 NMSA 1978;
- 18 (i) criminal sexual penetration, as  
19 provided in Section 30-9-11 NMSA 1978;
- 20 (j) robbery, as provided in Section  
21 30-16-2 NMSA 1978;
- 22 (k) aggravated burglary, as provided in  
23 Section 30-16-4 NMSA 1978;
- 24 (l) aggravated arson, as provided in  
25 Section 30-17-6 NMSA 1978; or

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1 (m) abuse of a child that results in  
2 great bodily harm or death to the child, as provided in Section  
3 30-6-1 NMSA 1978;

4 (2) fourteen to eighteen years of age at the  
5 time of the offense, who is adjudicated for any felony offense  
6 and who has had three prior, separate felony adjudications  
7 within a three-year time period immediately preceding the  
8 instant offense. The felony adjudications relied upon as prior  
9 adjudications shall not have arisen out of the same transaction  
10 or occurrence or series of events related in time and location.  
11 Successful completion of consent decrees is not considered a  
12 prior adjudication for the purposes of this paragraph; or

13 (3) fourteen years of age and who is  
14 adjudicated for first degree murder, as provided in Section  
15 30-2-1 NMSA 1978."

16 SECTION 20. Section 61-1-2 NMSA 1978 (being Laws 1957,  
17 Chapter 247, Section 2, as amended) is amended to read:

18 "61-1-2. DEFINITIONS.--As used in the Uniform Licensing  
19 Act:

20 A. "board" means:

21 (1) the construction industries commission,  
22 the construction industries division and the electrical bureau,  
23 mechanical bureau and general construction bureau of the  
24 construction industries division of the regulation and  
25 licensing department;

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1 (2) the manufactured housing committee and the  
2 manufactured housing division of the regulation and licensing  
3 department;

4 (3) the crane operators licensure examining  
5 council;

6 (4) a board, commission or agency that  
7 administers a profession or occupation licensed pursuant to  
8 Chapter 61 NMSA 1978;

9 (5) the cannabis control division of the  
10 regulation and licensing department; and

11 [~~(5)~~] (6) any other state agency to which the  
12 Uniform Licensing Act is applied by law;

13 B. "applicant" means a person who has applied for a  
14 license;

15 C. "expedited license", whether by examination,  
16 endorsement, credential or reciprocity, means a license issued  
17 to a person in this state based on licensure in another state  
18 or territory of the United States, the District of Columbia or  
19 a foreign country, as applicable;

20 D. "initial license" means the first regular  
21 license received from a board for a person who has not been  
22 previously licensed;

23 E. "license" means a certificate, permit or other  
24 authorization to engage in a profession or occupation regulated  
25 by a board;

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underscored material = new  
[bracketed material] = delete

1 F. "licensing jurisdiction" means another state or  
2 territory of the United States, the District of Columbia or a  
3 foreign country, as applicable;

4 G. "party" means a respondent licensee, applicant  
5 or unlicensed person who is the subject of a disciplinary  
6 proceeding or the civil administrative prosecutor representing  
7 the state and the board;

8 H. "probation" means to allow, for a stated period  
9 of time, the conduct authorized by a license, subject to  
10 conditions or other restrictions that are reasonably related to  
11 the grounds for probation;

12 I. "regular license" means a license that is not  
13 issued as a temporary or provisional license;

14 J. "revocation" means to prohibit the conduct  
15 authorized by the license for an indefinite period of time; and

16 K. "suspension" means to prohibit, for a stated  
17 period of time, the conduct authorized by the license."

18 SECTION 21. REPEAL.--Laws 2021 (1st S.S.), Chapter 4,  
19 Section 73 is repealed.

20 SECTION 22. EFFECTIVE DATE.--The effective date of the  
21 provisions of this act is July 1, 2024.