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SENATE BILL

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

INTRODUCED BY

Katy M. Duhigg

AN ACT

RELATING TO CANNABIS REGULATION; CHANGING DEFINITIONS;  
PROVIDING POWERS AND DUTIES; 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  
LICENSING ACT; INCLUDING CANNABIS IN A LIST OF CONTRABAND IN

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1 JAILS AND PRISONS; CREATING CRIMES; PRESCRIBING PENALTIES;  
2 REPEALING A DELAYED REPEAL; AMENDING, REPEALING AND ENACTING  
3 SECTIONS OF THE NMSA 1978.

4  
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

8 "14-2-1. RIGHT TO INSPECT PUBLIC RECORDS--EXCEPTIONS.--  
9 Every person has a right to inspect public records of this  
10 state except:

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

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

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

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

20 E. as provided by the Confidential Materials Act;

21 F. trade secrets;

22 G. attorney-client privileged information;

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

25 I. tactical response plans or procedures prepared

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

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

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

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

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

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

24 L. information developed or obtained by the  
25 cannabis control division of the regulation and licensing

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1 department during an enforcement investigation; and

2 [~~L.~~] M. as otherwise provided by law."

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

5 "26-2C-1. SHORT TITLE.--~~[Sections 1 through 42 of this~~  
6 ~~act]~~ Chapter 26, Article 2C NMSA 1978 may be cited as the  
7 "Cannabis Regulation Act"."

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

10 "26-2C-2. DEFINITIONS.--As used in the Cannabis  
11 Regulation Act:

12 [A. ~~"advertisement":~~

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

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

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

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

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

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

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

14 (2) does not include:

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

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

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

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1 and consumed;

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

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

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

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

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

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

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

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1                   [~~H.~~] G. "cannabis manufacturer" means a person  
2 that:  
3                   (1) manufactures cannabis products;  
4                   (2) packages cannabis products for resale; or  
5                   [~~(3) has cannabis products tested by a~~  
6 ~~cannabis testing laboratory; or~~  
7                   ~~(4)]~~ (3) purchases, acquires, sells or  
8 transports wholesale cannabis products to other cannabis  
9 establishments;

10                   [~~H.~~] H. "cannabis producer" means a person that:  
11                   (1) cultivates cannabis plants;  
12                   [~~(2) has unprocessed cannabis products tested~~  
13 ~~by a cannabis testing laboratory;~~  
14                   ~~(3)]~~ (2) transports unprocessed cannabis  
15 [~~products~~] only to other cannabis establishments; or

16                   [~~(4)]~~ (3) sells cannabis [~~products~~] wholesale;  
17                   [~~J.~~] I. "cannabis producer microbusiness" means a  
18 cannabis producer at a single licensed premises that possesses  
19 no more than two hundred total mature cannabis plants at any  
20 one time;

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

24                   [~~L.~~] K. "cannabis research laboratory" means a  
25 facility that produces or possesses cannabis products and all

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1 parts of the plant genus *Cannabis* for the purpose of studying  
2 cannabis cultivation, characteristics or uses;

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

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

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

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

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

22 ~~R.]~~ N. "commercial cannabis activity":

23 (1) means the cultivation, production,  
24 possession, manufacture, storage, testing, researching,  
25 packaging and labeling, transportation, couriering, purchase

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1 for resale, sale or consignment of cannabis products; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25           ~~[DD.]~~ ~~"household" means a housing unit and includes~~

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1 ~~any place in or around the housing unit at which an occupant of~~  
2 ~~the housing unit produces, manufactures, keeps or stores~~  
3 ~~homegrown cannabis or homemade cannabis products;]~~

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

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

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

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

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

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

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

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

25 (1) production of cannabis at a single

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1 licensed premises; provided that the person shall not possess  
2 more than two hundred total mature cannabis plants at any one  
3 time;

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

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

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

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

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

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

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

25 (3) all areas of a standalone cannabis

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

5 [~~3~~] (4) with respect to a location that is  
6 specifically licensed for the production of cannabis outside of  
7 a building, the [~~entire unit~~] amount of land that [~~is created~~  
8 ~~by subsection or partition of land that~~] the licensee owns,  
9 leases or has a right to occupy that is identified in the  
10 application for licensure for cultivation of cannabis; provided  
11 that the licensed premises may be decreased but shall not be  
12 increased without permission of the division;

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

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

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

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

24 [~~MM~~] II. "medical cannabis registry" means the  
25 system by which the department of health approves or denies

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1 applications and issues and renews registry identification  
2 cards for qualified patients and primary caregivers;

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

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

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

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

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1 pueblo to participate in its medical cannabis program;

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

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

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

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

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

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

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

25 "26-2C-6. LICENSING CANNABIS ACTIVITIES--LIMITATIONS--

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1 MEDICAL CANNABIS LEGACY LICENSING--CANNABIS SHORTAGE FOR  
2 MEDICAL PROGRAM--CONVERSION OF NONPROFIT MEDICAL CANNABIS  
3 CORPORATIONS.--

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

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

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

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

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

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

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

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

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

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

24 F. The director shall not renew a license [~~issued  
25 pursuant to the provisions of the Cannabis Regulation Act~~]

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1 until the director receives notification from the secretary of  
2 taxation and revenue or the secretary's designee that on a  
3 certain date:

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

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

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

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

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

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1 identification issued by an authorized governmental entity or  
2 other documents as required by the medical cannabis program.

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

22 K. Smoking in a cannabis consumption area on a  
23 licensed premises shall be allowed only if the cannabis  
24 consumption area is in a designated smoking area or in a  
25 standalone building from which smoke does not infiltrate other

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1 indoor workplaces or other indoor public places where smoking  
2 is otherwise prohibited pursuant to the Dee Johnson Clean  
3 Indoor Air Act.

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

9 ~~[K.]~~ M. A person properly licensed and in good  
10 standing pursuant to the Lynn and Erin Compassionate Use Act on  
11 the effective date of the Cannabis Regulation Act may continue  
12 to operate ~~[under]~~ pursuant to that license for medical  
13 cannabis until comparable licenses for commercial cannabis  
14 activity are available. The division shall determine when  
15 retail sales of commercial cannabis products begin, but no  
16 later than April 1, 2022. A facility of such a licensee, upon  
17 issuance of the applicable cannabis establishment license,  
18 shall constitute licensed premises of the licensee and the  
19 licensee shall be entitled to continued and uninterrupted  
20 operations of the licensed premises. As to activity under the  
21 medical cannabis program, the licensee shall continue to  
22 operate under rules promulgated for the medical cannabis  
23 program until the division promulgates rules for medical  
24 cannabis activity, ~~[except that]~~ and a qualified patient, ~~[a]~~  
25 primary caregiver ~~[and a]~~ or reciprocal participant shall not

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1 be prohibited from purchasing and obtaining cannabis products  
2 ~~[pursuant to]~~ through the medical cannabis program.

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

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

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

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

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

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

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

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

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

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

25 ~~[N.]~~ P. A person who is a member of the New Mexico

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

5 Q. A medical cannabis legacy nonprofit corporation  
6 that was required by the department of health to organize under  
7 the provisions of the Nonprofit Corporation Act in order to  
8 qualify for a medical cannabis license may be converted into a  
9 corporation under the Business Corporation Act, a limited  
10 liability company under the Limited Liability Company Act, a  
11 limited partnership under the Uniform Revised Limited  
12 Partnership Act or a partnership under the Uniform Partnership  
13 Act (1994) upon the nonprofit corporation's filing with the  
14 secretary of state of restated articles of incorporation,  
15 articles of organization, certificate of limited partnership or  
16 statement under Section 54-1A-105 NMSA 1978. The conversion  
17 shall be approved pursuant to an agreement of conversion in the  
18 manner provided for the conversion of a limited liability  
19 company in Section 53-19-60.1 NMSA 1978. To be valid, the  
20 agreement of conversion shall be approved by a majority of the  
21 members of the board of directors of the nonprofit corporation.  
22 Upon conversion, all property owned by the converting entity  
23 remains in the newly converted entity. Any action or  
24 proceeding pending against the converting entity may be  
25 continued as if the conversion had not occurred."

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

3 "26-2C-7. [~~COMMERCIAL~~] CANNABIS ACTIVITY LICENSING--  
4 APPLICATION--ISSUANCE AND DENIAL OF A LICENSE--SUSPENSION AND  
5 REVOCAATION.--

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

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

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

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

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

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

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

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

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

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

16 ~~(5) allow commercial cannabis activity retail~~  
17 ~~sales no later than April 1, 2022 and otherwise allow~~  
18 ~~activities authorized by the Cannabis Regulation Act or the~~  
19 ~~medical cannabis program as of the time of licensure of a~~  
20 ~~licensee, so long as a minimum of twenty-five percent of~~  
21 ~~monthly cannabis sales are to qualified patients, primary~~  
22 ~~caregivers and reciprocal participants or sold wholesale to~~  
23 ~~other licensees that meet or exceed the twenty-five percent~~  
24 ~~sales to qualified patients, primary caregivers and reciprocal~~  
25 ~~participants until December 31, 2022.~~

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

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

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

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

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

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

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

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

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

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

25                   E. Production, manufacture, distribution, sale or

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

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

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

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

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

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

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

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

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

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

23                   ~~[H.]~~ I. The division shall not license a person who  
24 has had a license that was issued pursuant to the Cannabis  
25 Regulation Act or the Lynn and Erin Compassionate Use Act

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1       revoked by the division or the department of health in the  
2       three years immediately preceding the date on which the person  
3       filed a new application.

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

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

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

24               ~~K. The division shall conduct national criminal~~  
25       ~~history background checks and state criminal history checks on~~

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1 ~~the following:~~

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

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

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

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

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

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

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

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

21 A. As used in this section:

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

25 (2) "member and manager" includes those

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1 persons who are members in or managers of a limited liability  
2 company licensed by the division as a cannabis establishment  
3 and who are responsible for the operations of the limited  
4 liability company;

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

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

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

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

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- 1 (7) cannabis testing laboratory;  
2 (8) integrated cannabis microbusiness;  
3 (9) vertically integrated cannabis  
4 establishment; and  
5 (10) cannabis consumption licensees if  
6 different from cannabis retailer.

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

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

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

23 E. Arrest record information received from the  
24 federal bureau of investigation and the department of public  
25 safety shall be confidential, shall not be considered a public

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1 record pursuant to the Public Records Act and shall not be  
2 disclosed to persons not directly involved in the decision  
3 affecting the applicant."

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

6 "26-2C-9. APPLICATION AND LICENSING FEES.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 F. The division shall collect all renewal fees,  
24 including the renewal fees for all licensed premises, at the  
25 time of renewal of a license.

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

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

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

9           "26-2C-10. [NEW MATERIAL] CANNABIS TRAINING AND  
10 EDUCATION PROGRAMS--REGISTRATION WITH DIVISION.--A New Mexico  
11 public post-secondary educational institution may offer a  
12 practical or academic curriculum designed to prepare students  
13 for participation in the cannabis industry. The institution  
14 shall register its cannabis training and education program with  
15 the division, which shall include the information about the  
16 program on its website."

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

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

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

25           B. The division shall promulgate rules consistent  
26 .226670.4SA

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1 with industry standards for cannabis products that establish  
2 labeling and packaging requirements, including that:

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

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

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

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

16 [~~3~~] (5) labels shall include:

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

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

25 (c) potency and pesticide use;

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1 (d) a list of pharmacologically active  
2 ingredients;

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

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

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

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

18 (i) an expiration date; and

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

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

24 "26-2C-18. TESTING CANNABIS PRODUCTS--HEALTH AND SAFETY  
25 OF EMPLOYEES AND CONSUMERS.--

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

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

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

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

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

17                   (4) provide for recordkeeping;

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

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

23                   (7) specify protocols for testing sample  
24 collection that ensure accurate test results, including  
25 requiring that testing samples be collected by laboratory staff

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underscored material = new  
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1 trained in the collection of testing [~~sample collection~~]  
2 samples; and

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

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

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

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

23 "26-2C-20. ADVERTISING AND MARKETING RESTRICTIONS.--

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

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

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

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

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

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

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

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

24                   ~~[(3)]~~ (c) that are on billboards,  
25 posters, handbills or other visual media that are located or

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1 can be viewed within three hundred feet of a school, daycare  
2 center or church;

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

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

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

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

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

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

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

20 "26-2C-28. [~~UNLICENSED SALES OF~~] TRAFFICKING CANNABIS  
21 PRODUCTS--PENALTIES.--

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

25 (1) produce, manufacture, distribute, courier

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1 or sell illegal cannabis products; or

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

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

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

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

15 (2) four hours of community service.

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

22 [~~E. A person eighteen years of age or older who~~  
23 ~~violates Subsection B of this section and who conducts~~  
24 ~~unlicensed cannabis product sales from a building, room or~~  
25 ~~other area open to the public in a manner that would lead a~~

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

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

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

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

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

25 B. it consists in whole or in part of a diseased,

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1 contaminated, filthy, impure or infested ingredient or putrid  
2 or decomposed substance or if it is otherwise unfit for  
3 consumption;

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

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

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

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

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

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

23 I. the cannabis product is a confectionery, it  
24 contains alcohol or other non-nutritive article or substance  
25 except harmless coloring, flavoring, natural gum, pectin or

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

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

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

9 Cannabis is deemed to be misbranded if:

- 10 A. its labeling is false or misleading in any  
11 particular;
- 12 B. it is offered for sale under the name of another  
13 cannabis product;
- 14 C. it is an imitation of another cannabis product,  
15 unless its label bears, in type of uniform size and prominence,  
16 the word "imitation" and, immediately following, the name of  
17 the cannabis product imitated;
- 18 D. its container is so made, formed or filled as to  
19 be misleading; or
- 20 E. the label otherwise does not conform to the  
21 requirements of Section 26-2C-17 NMSA 1978 and labeling rules  
22 promulgated by the division."

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

25 "[NEW MATERIAL] ENFORCEMENT--EMBARGO AND RECALL, SEIZURE

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1 AND CONDEMNATION--PROCEDURES--PENALTIES.--

2 A. The division may:

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

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

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

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

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

25 C. Whenever the division has a reasonable belief

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

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

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

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

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

25 H. When the division determines that an embargoed

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

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

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

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

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

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

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

3           "26-2C-36. PUBLIC RECORDS AND OPEN MEETINGS.--Except for  
4 information developed or obtained by the division during an  
5 enforcement investigation, records of the division are subject  
6 to the Inspection of Public Records Act. Rulemaking and other  
7 hearings of the division are subject to the Open Meetings Act."

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

10           "30-22-14. BRINGING CONTRABAND INTO PLACES OF  
11 IMPRISONMENT--PENALTIES--DEFINITIONS.--

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

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

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

24                   (1) a deadly weapon, as defined in Section  
25 30-1-12 NMSA 1978, or an essential component part thereof,

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1 including ammunition, explosive devices and explosive  
2 materials, but does not include a weapon carried by a peace  
3 officer in the lawful discharge of duties;

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

10 (3) an alcoholic beverage;

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

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

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

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

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

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

16 "30-42-3. DEFINITIONS.--As used in the Racketeering Act:

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

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

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

25 (3) kidnapping, as provided in Section 30-4-1

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

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

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

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

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

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

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

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

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

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

21 [~~and~~]

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

25 (26) trafficking cannabis products, as

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1 provided in Section 26-2C-28 NMSA 1978;

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

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

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

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

18 "32A-2-3. DEFINITIONS.--As used in the Delinquency Act:

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

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

25 (a) driving while under the influence of

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1 intoxicating liquor or drugs;

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

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

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

8 (e) homicide by vehicle;

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

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

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

16 (i) reckless driving;

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

19 (k) an offense punishable as a felony;

20 (2) buying, attempting to buy, receiving,  
21 possessing or being served any alcoholic liquor or being  
22 present in a licensed liquor establishment, other than a  
23 restaurant or a licensed retail liquor establishment, except in  
24 the presence of the child's parent, guardian, custodian or  
25 adult spouse. As used in this paragraph, "restaurant" means an

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

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

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

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

18 (6) a violation of Section 30-15-1.1 NMSA 1978  
19 regarding unauthorized graffiti on personal or real property;

20 [~~or~~]

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

24 (8) trafficking cannabis as provided in  
25 Section 26-2C-28 NMSA 1978;

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

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

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

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

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

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

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1 authorities. Nothing contained in this definition limits or  
2 replaces the provisions of Subsections A and B of Section  
3 32A-2-27 NMSA 1978;

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

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

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

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

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

25 (b) assault with intent to commit a

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1 violent felony, as provided in Section 30-3-3 NMSA 1978;

2 (c) kidnapping, as provided in Section  
3 30-4-1 NMSA 1978;

4 (d) aggravated battery, as provided in  
5 Subsection C of Section 30-3-5 NMSA 1978;

6 (e) aggravated battery against a  
7 household member, as provided in Subsection C of Section  
8 30-3-16 NMSA 1978;

9 (f) aggravated battery upon a peace  
10 officer, as provided in Subsection C of Section 30-22-25 NMSA  
11 1978;

12 (g) shooting at a dwelling or occupied  
13 building or shooting at or from a motor vehicle, as provided in  
14 Section 30-3-8 NMSA 1978;

15 (h) dangerous use of explosives, as  
16 provided in Section 30-7-5 NMSA 1978;

17 (i) criminal sexual penetration, as  
18 provided in Section 30-9-11 NMSA 1978;

19 (j) robbery, as provided in Section  
20 30-16-2 NMSA 1978;

21 (k) aggravated burglary, as provided in  
22 Section 30-16-4 NMSA 1978;

23 (l) aggravated arson, as provided in  
24 Section 30-17-6 NMSA 1978; or

25 (m) abuse of a child that results in

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1 great bodily harm or death to the child, as provided in Section  
2 30-6-1 NMSA 1978;

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

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

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

17 "61-1-2. DEFINITIONS.--As used in the Uniform Licensing  
18 Act:

19 A. "board" means:

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

25 (2) the manufactured housing committee and the

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underscoring material = new  
~~[bracketed material] = delete~~

1 manufactured housing division of the regulation and licensing  
2 department;

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

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

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

10 [~~5~~] (6) any other state agency to which the  
11 Uniform Licensing Act is applied by law;

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

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

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

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

25 F. "licensing jurisdiction" means another state or

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1 territory of the United States, the District of Columbia or a  
2 foreign country, as applicable;

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

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

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

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

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

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

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