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AN ACT

RELATING TO LAW ENFORCEMENT; ESTABLISHING THE ENFORCEMENT
BUREAU WITHIN THE REGULATION AND LICENSING DEPARTMENT;
ENACTING A NEW SECTION OF THE CANNABIS REGULATION ACT
PROVIDING FOR ENFORCEMENT; PROVIDING PENALTIES.

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

SECTION 1. Section 9-16-1 NMSA 1978 (being Laws 1983,
Chapter 297, Section 17) is amended to read:

"9-16-1. SHORT TITLE.--Chapter 9, Article 16 NMSA 1978
may be cited as the "Regulation and Licensing Department
Act"."

SECTION 2. A new section of the Regulation and
Licensing Department Act is enacted to read:

"ENFORCEMENT BUREAU--ENFORCEMENT AGENTS--PEACE
OFFICERS.--

A. The "enforcement bureau" is established within
the office of the superintendent and shall be directed by a
bureau chief appointed by the superintendent pursuant to
Section 9-16-8 NMSA 1978 and who shall report to the
superintendent.

B. The department shall employ enforcement agents
to enforce laws and administrative rules within the scope of
the Cannabis Regulation Act.

C. The bureau chief and enforcement agents

1 employed by the department within the enforcement bureau
2 shall be peace officers and shall have the powers and duties
3 afforded peace officers. The enforcement agents shall report
4 to the bureau chief. The superintendent shall be responsible
5 for final employment decisions for enforcement agents. The
6 bureau chief and enforcement agents shall meet the
7 qualifications for certification pursuant to Section 29-7-6
8 NMSA 1978.

9 D. The enforcement bureau shall investigate
10 alleged violations of law and report its findings to the
11 superintendent and the director of the cannabis control
12 division of the department."

13 SECTION 3. A new section of the Cannabis Regulation Act
14 is enacted to read:

15 "ENFORCEMENT--DIVISION AND ENFORCEMENT BUREAU--ORDERS
16 RESTRICTING MOVEMENT OF GOODS--EMBARGO AND RECALL, SEIZURE
17 AND CONDEMNATION--PROCEDURES--PENALTIES.--

18 A. The division and the enforcement bureau shall
19 enforce the provisions of the Cannabis Regulation Act and may
20 carry out announced and unannounced inspections.

21 B. The division may:

22 (1) respond to tips or allegations of
23 wrongdoing or initiate an investigation on the division's own
24 initiative of an alleged or suspected violation of the
25 Cannabis Regulation Act; provided that the division shall

1 refer possible criminal violations to the enforcement bureau
2 and shall assist that bureau in investigations and
3 inspections;

4 (2) in the course of inspections conducted
5 pursuant to this subsection, for the purpose of laboratory
6 testing, collect and take custody of samples of items
7 suspected to contain cannabis products when those items are
8 suspected of being adulterated, dangerously or fraudulently
9 misbranded or possessed in violation of the Cannabis
10 Regulation Act or other laws of the state; and

11 (3) issue an order restricting the movement
12 of cannabis products that are or are suspected of being
13 adulterated or dangerously or fraudulently misbranded.

14 C. The enforcement bureau may:

15 (1) embargo or take possession of a cannabis
16 product reasonably suspected of being an illegal cannabis
17 product or a cannabis product that is adulterated or so
18 misbranded as to be dangerous or fraudulent;

19 (2) take control pursuant to a warrant
20 issued by a court of competent jurisdiction of the premises
21 where a cannabis product is produced, manufactured or stored;
22 and

23 (3) petition the district court for
24 injunctive or other equitable relief.

25 D. The division shall give sufficient notice to

1 the licensee of the division's decision to issue an order
2 restricting the movement of the licensee's cannabis products.
3 Such an order shall not be in place for longer than necessary
4 to complete the division's or the enforcement bureau's
5 investigation; provided that an order restricting the
6 movement of misbranded cannabis products that are not
7 considered dangerous or fraudulent shall last only as long as
8 it takes the licensee to relabel and repackage the cannabis
9 products as ordered by the division.

10 E. The division may issue a recall order for
11 cannabis products embargoed or subject to an order
12 restricting movement due to adulteration or dangerous or
13 fraudulent misbranding.

14 F. When the enforcement bureau embargoes a
15 cannabis product, the division shall affix or cause the
16 licensee to affix to the cannabis product a tag or other
17 appropriate marking giving notice that the cannabis product
18 is or is suspected of being an illegal cannabis product or is
19 adulterated or dangerously or fraudulently misbranded and
20 that the cannabis product shall not be sold, removed or
21 otherwise disposed of.

22 G. When the enforcement bureau embargoes a
23 cannabis product or seizes a cannabis product or a premises,
24 the bureau shall give written notice to the licensee of the
25 grounds for the embargo or seizure.

1 H. Neither the division nor the enforcement bureau
2 shall be required to care for embargoed or seized cannabis
3 products.

4 I. A licensee aggrieved by an embargo, seizure or
5 recall undertaken pursuant to Subsection B, C or E of this
6 section may request an administrative hearing within ten
7 calendar days from the date that the embargo, seizure or
8 recall was executed. The hearing shall be held before a
9 hearing officer as provided by rule. The final agency
10 decision may be appealed pursuant to Section 39-3-1.1 NMSA
11 1978.

12 J. When the determination is made that an
13 embargoed or seized cannabis product is illegal, adulterated
14 or dangerously or fraudulently misbranded, the division shall
15 petition the district court for condemnation of the cannabis
16 product.

17 K. If the district court orders condemnation, the
18 department shall destroy the cannabis product at the
19 licensee's expense. If the district court does not order
20 condemnation, the enforcement bureau shall have the
21 restrictive tags or markings removed and the affected
22 products released or returned to the licensee or other owner
23 of the products.

24 L. The New Mexico department of agriculture, the
25 department of environment and other state agencies with

1 relevant knowledge and expertise shall cooperate with the
2 division and the enforcement bureau at the regulation and
3 licensing department's request.

4 M. A person who intentionally, knowingly or
5 recklessly:

6 (1) removes, conceals, destroys or disposes
7 of a cannabis product subject to an order restricting the
8 movement or embargo is guilty of a fourth degree felony and
9 shall be sentenced as provided in Section 31-18-15 NMSA 1978;
10 and

11 (2) sells, delivers or transfers a cannabis
12 product subject to recall to another person is guilty of a
13 fourth degree felony and shall be sentenced as provided in
14 Section 31-18-15 NMSA 1978.

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

19 (1) suspension or revocation of the license;

20 (2) imposition of an administrative penalty
21 not to exceed ten thousand dollars (\$10,000) per violation;
22 or

23 (3) any other disciplinary action allowed
24 under that act or rule of the division.

25 O. As used in this section:

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(1) "embargo" means to place in a secure location, accessible only by the licensee, the division and the enforcement bureau, that has continuous video monitoring; and

(2) "enforcement bureau" means the enforcement bureau of the department."

SECTION 4. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2025. _____