

LFC Requester:**Ginger Anderson**

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date Jan. 16, 2024

Bill No: HB64

Sponsor: <u>Rep. Andrea Reeb</u>	Agency Name and Code Number: <u>Regulation and Licensing Department - 420</u>
Short Title: <u>Cannabis Packaging Requirements</u>	Person Writing: <u>Robert Sachs</u>
	Phone: <u>5059488609</u> Email: <u>Robert.Sachs@rld.nm.</u>

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: This bill amends Section 26-2C-17 NMSA 1978 of the Cannabis Regulation Act, titled, “Cannabis Products – Packaging and Labeling – Division Rulemaking –” to clarify packaging requirements for cannabis and cannabis finished products.

The amendments to current law would mandate the Cannabis Control Division (CCD) to promulgate rules requiring:

- that cannabis packaging may not mimic brands, logos, names, or colorways of products that are safe for child consumption;
- that packages and labels shall not use a cartoon, symbol or image, including a celebrity or celebrity likeness that is commonly used to market to minors; and
- that packaging include a warning, including a pictorial representation that the cannabis product is not safe for child consumption.

FISCAL IMPLICATIONS

No fiscal implications.

SIGNIFICANT ISSUES

No significant issues.

PERFORMANCE IMPLICATIONS

No performance implications.

ADMINISTRATIVE IMPLICATIONS

Bill Section 1, amending subsection 26-2C-17(B)(2) NMSA 1978 to specify that packages and labels for cannabis products “shall not mimic the brand, design, name, logo or coloraway of a non-cannabis consumer product of the type that is safe for child consumption.” Given that there are many, many products may be deemed “safe for child consumption”, even when not specifically meant for or marketed for children, the CCD’s required familiarity of all consumer product types will be increased.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

No conflict, duplication, companionship, relationship issues.

TECHNICAL ISSUES

No technical issues.

OTHER SUBSTANTIVE ISSUES

No other substantive issues.

ALTERNATIVES

No alternatives.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The CCD currently has rules that prohibit branding and packaging for cannabis products from mimicking brands, logos, names, and products that are appealing to children. The CCD also currently has rules requiring warning labels notifying consumers that the cannabis products are not meant for consumption by children. Without the passage of this bill, those current rules will remain in effect.

AMENDMENTS

No amendments.