

HOUSE BILL 276

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

INTRODUCED BY

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AN ACT

RELATING TO CANNABIS; ALLOWING LICENSEES PURSUANT TO THE CANNABIS REGULATION ACT AND THE LIQUOR CONTROL ACT TO CONDUCT ANY LAWFUL ACTIVITY OR COMBINATION OF LAWFUL ACTIVITIES AT A LICENSED ESTABLISHMENT EXCEPT FOR THE RETAIL SALE OF ALCOHOLIC BEVERAGES.

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

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

"26-2C-6. LICENSING CANNABIS ACTIVITIES--LIMITATIONS--MEDICAL CANNABIS LEGACY LICENSING--CANNABIS SHORTAGE FOR MEDICAL PROGRAM.--

A. The division shall regulate and administer and may collect fees in connection with the administration of:

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1 (1) commercial cannabis activity and licensing
2 related to commercial cannabis activity;

3 (2) the medical cannabis program, except for
4 the medical cannabis registry; and

5 (3) all aspects of cannabis relating to
6 cannabis training and education programs.

7 B. The division shall follow the provisions of the
8 Uniform Licensing Act when licensing or permitting the
9 following:

- 10 (1) cannabis consumption areas;
- 11 (2) cannabis couriers;
- 12 (3) cannabis manufacturers;
- 13 (4) cannabis producer microbusinesses;
- 14 (5) cannabis producers;
- 15 (6) cannabis research laboratories;
- 16 (7) cannabis retailers;
- 17 (8) cannabis servers;
- 18 (9) cannabis testing laboratories;
- 19 (10) cannabis training and education programs;
- 20 (11) integrated cannabis microbusinesses; and
- 21 (12) vertically integrated cannabis
22 establishments.

23 C. The division shall include a clear designation
24 on all licenses and permits that indicates whether the license
25 or permit is for medical cannabis activity, commercial cannabis

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1 activity or both or for cannabis training and education
2 programs.

3 D. The division shall issue a license to a cannabis
4 retailer applicant at a discount if the applicant provides
5 documentation of an agreement to accept cannabis products on
6 consignment from a cannabis producer microbusiness or an
7 integrated cannabis microbusiness licensed pursuant to the
8 Cannabis Regulation Act.

9 E. A license is valid for twelve months from the
10 date the license is issued and may be renewed annually, except
11 that a license issued for a cannabis training and education
12 program is valid until terminated by the licensee or suspended
13 or revoked by the division.

14 F. The director shall not renew a license issued
15 pursuant to the provisions of the Cannabis Regulation Act until
16 the director receives notification from the secretary of
17 taxation and revenue or the secretary's designee that on a
18 certain date:

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

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

24 G. No license shall be transferable or assignable
25 from a licensee to another person. The division shall not

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1 allow a person that is licensed as any type of cannabis
2 establishment other than a cannabis research laboratory to
3 hold, directly or indirectly, a cannabis testing laboratory
4 license.

5 H. Except for verification of age, the division
6 shall not require licensees to request information from
7 consumers or impose any residency requirement upon consumers
8 for the purchase of cannabis products pursuant to the
9 commercial cannabis activity authorized by the Cannabis
10 Regulation Act. The division may require licensees to request
11 information from consumers for the purchase of cannabis
12 products pursuant to the medical cannabis program, which may
13 include the presentation of legal identification issued by an
14 authorized governmental entity or other documents as required
15 by the medical cannabis program.

16 I. Except as otherwise provided in the Cannabis
17 Regulation Act, the division shall not limit the number of
18 licensed premises a licensee may occupy or operate under a
19 license. Multiple licensees may occupy a single licensed
20 premises and the division shall not place any restriction or
21 prohibition on the number of licensees occupying a single
22 licensed premises or on the number of licensed premises of a
23 cannabis establishment except as otherwise specifically
24 provided for by the Cannabis Regulation Act. A licensee may
25 conduct any lawful activity or any combination of lawful

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1 activities at a licensed premises [~~provided that the licensee~~
2 ~~is not a licensee pursuant to the Liquor Control Act~~]. Smoking
3 in a cannabis consumption area on a licensed premises shall be
4 allowed only if the cannabis consumption area is in a
5 designated smoking area or in a standalone building from which
6 smoke does not infiltrate other indoor workplaces or other
7 indoor public places where smoking is otherwise prohibited
8 pursuant to the Dee Johnson Clean Indoor Air Act.

9 J. Licensees are specifically allowed to conduct
10 other licensed activities, including activities pursuant to the
11 Hemp Manufacturing Act, except for [~~sales~~] the retail sale of
12 alcoholic beverages.

13 K. A person properly licensed and in good standing
14 pursuant to the Lynn and Erin Compassionate Use Act on [~~the~~
15 ~~effective date of the Cannabis Regulation Act~~] June 29, 2021
16 may continue to operate under that license for medical cannabis
17 until comparable licenses for commercial cannabis activity are
18 available. The division shall determine when retail sales of
19 commercial cannabis products begin, but no later than April 1,
20 2022. A facility of such a licensee, upon issuance of the
21 applicable cannabis establishment license, shall constitute
22 licensed premises of the licensee and the licensee shall be
23 entitled to continued and uninterrupted operations of the
24 licensed premises. As to activity under the medical cannabis
25 program, the licensee shall continue to operate under rules

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1 promulgated for the medical cannabis program until the division
2 promulgates rules for medical cannabis activity, except that a
3 qualified patient, a primary caregiver and a reciprocal
4 participant shall not be prohibited from purchasing and
5 obtaining cannabis products pursuant to the medical cannabis
6 program.

7 L. To address a shortage of cannabis supply in the
8 medical cannabis program, the division may:

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

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

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

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

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

9 (b) the division may require specific
10 tracking of cannabis plants.

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

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

24 (2) the average number of cannabis plants in
25 production as of ~~[the effective date of the Cannabis Regulation~~

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1 ~~Act]~~ June 29, 2021 is measured over a period of three
2 consecutive months immediately preceding ~~[the effective date of~~
3 ~~the Cannabis Regulation Act]~~ June 29, 2021.

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

9 SECTION 2. EFFECTIVE DATE.--The effective date of the
10 provisions of this act is July 1, 2024.