SENATE BILL 115

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY
Gerald Ortiz y Pino and Javier Martínez and Jacob R. Candelaria

AN ACT
RELATING TO CONTROLLED SUBSTANCES; ENACTING THE CANNABIS REGULATION ACT; ENACTING THE CANNABIS TAX ACT; CREATING THE CANNABIS CONTROL DIVISION IN THE REGULATION AND LICENSING DEPARTMENT; PROVIDING DUTIES; CREATING THE CANNABIS REGULATORY ADVISORY COMMITTEE; CREATING THE PUBLIC HEALTH AND SAFETY ADVISORY COMMITTEE; ESTABLISHING THE MEDICAL CANNABIS SUBSIDY PROGRAM; REVISIONS LAW ENFORCEMENT REPORTING REQUIREMENTS;
REVISING SECTIONS OF LAW RELATED TO CANNABIS; CREATING THE CANNABIS REGULATION FUND; CREATING THE COMMUNITY GRANTS REINVESTMENT FUND AND THE COMMUNITY GRANTS REINVESTMENT PROGRAM; CREATING THE LOW-INCOME MEDICAL PATIENT SUBSIDY FUND;
CREATING THE CANNABIS WORKFORCE TRAINING FUND; CREATING THE CANNABIS INDUSTRY EQUITABLE OPPORTUNITY INVESTMENT FUND;
CREATING A ROADSIDE DRUG TESTING PILOT PROJECT; CREATING A PUBLIC EDUCATION CAMPAIGN; PROVIDING FOR DISTRIBUTIONS FROM .215924.6GLG
CANNABIS EXCISE TAX REVENUE; AMENDING THE LYNN AND ERIN
COMPASSIONATE USE ACT; PROVIDING AND REVISING PENALTIES;
AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978;
MAKING APPROPRIATIONS.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1
through 46 of this act may be cited as the "Cannabis Regulation
Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
Cannabis Regulation Act:

A. "advertisement":

(1) means a statement or a depiction that is
intended to induce the sale of cannabis and that is displayed
in printed material or on a sign or other outdoor display or
presented in a radio, television or other media broadcast or in
digital media; and

(2) does not include:

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

(b) a label affixed to a cannabis
product or the covering, wrapper or container of a cannabis
product; or
(c) an editorial or other material printed in a publication when the publication of the editorial or material was not paid for by a licensee and was not intended to promote the sale of cannabis by a particular brand or company;

B. "advertising" means the publication or dissemination of an advertisement;

C. "cannabis":

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

(2) does not include:

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

(b) the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink or another product;
D. "cannabis consumption area" means an area within a cannabis retailer's or integrated cannabis microbusiness' licensed premises where cannabis products may be consumed;

E. "cannabis courier" means a person who is licensed by the division only to transport cannabis and cannabis products directly to consumers;

F. "cannabis establishment" means:
   (1) a cannabis courier;
   (2) a cannabis testing laboratory;
   (3) a cannabis manufacturer;
   (4) an integrated cannabis microbusiness;
   (5) a cannabis producer;
   (6) a cannabis retailer;
   (7) a cannabis research laboratory; or
   (8) a cannabis producer microbusiness;

G. "cannabis extract":
   (1) means a product obtained by separating resins from cannabis by solvent extraction using solvents other than vegetable glycerin, such as butane, hexane, isopropyl alcohol, ethanol or carbon dioxide; and
   (2) does not include the weight of any other ingredient combined with cannabis extract to prepare topical or oral administrations, food, drink or another product;

H. "cannabis flowers" means only the flowers of a cannabis plant;
I. "cannabis manufacturer" means a person that is licensed by the division to:

(1) manufacture cannabis products;
(2) package, transport or courier cannabis products;
(3) have cannabis products tested by a cannabis testing laboratory; and
(4) sell and transport cannabis products to other cannabis establishments;

J. "cannabis producer" means a person that is licensed by the division to:

(1) produce cannabis;
(2) have unprocessed cannabis products tested by a cannabis testing laboratory; and
(3) sell and transport unprocessed cannabis only to other cannabis establishments;

K. "cannabis producer microbusiness" means a person that is licensed by the division to:

(1) produce cannabis; provided that the person shall not possess at any one time more than ninety-nine mature cannabis plants;
(2) have unprocessed cannabis tested by a cannabis testing laboratory; and
(3) sell and transport unprocessed cannabis only to other cannabis establishments;
L. "cannabis product":
   (1) means a product that is or that contains cannabis or cannabis extracts, including edible or topical products that may also contain other ingredients; and
   (2) does not include the weight of any other ingredient combined with cannabis or cannabis extracts to prepare topical or oral administrations, food, drink or another product;

M. "cannabis research laboratory" means a facility that is licensed by the division to produce or possess cannabis and all parts of the plant genus Cannabis for the purpose of studying cannabis cultivation, characteristics or uses;

N. "cannabis retailer" means a person that is licensed by the division to sell and courier cannabis products to a consumer in this state;

O. "cannabis server permit education provider" means a person or a public or private school that is licensed by the division to provide cannabis server education courses and examinations;

P. "cannabis testing laboratory" means a facility that is licensed by the division to sample, collect, transport and test cannabis products;

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

R. "commercial cannabis activity":

(1) means the production, possession, manufacture, storage, testing, researching, labeling, transportation, couriering and sale of cannabis and cannabis products; and

(2) does not include activities related only to the medical cannabis program, to cannabis training and education programs or to the personal use of cannabis;

S. "consumer" means a person who purchases, acquires, owns, possesses or uses a cannabis product for a purpose other than resale;

T. "controlling person":

(1) means a person that controls ten percent or more of, or an officer or board member of, a cannabis establishment; and

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

U. "department" means the regulation and licensing department;

V. "director" means the director of the division;

W. "division" means the cannabis control division of the department;

X. "evidence-based drug education program" means a research-based and scientific-evidence-based education program
that has been thoroughly tested and has been shown to
significantly reduce problematic use of substances such as
nicotine, alcohol or drugs or reduce student suspensions or
expulsions related to alcohol or drug use;

Y. "financial consideration" means value that is
given or received, directly or indirectly, through sales,
barter, trade, fees, charges, dues, contributions or donations;

Z. "immature cannabis plant" means a cannabis plant
that has no observable flowers or buds;

AA. "integrated cannabis microbusiness" means a
person that is licensed by the division to:

(1) produce cannabis; provided that the person
shall not possess at any one time more than ninety-nine mature
cannabis plants;

(2) manufacture cannabis extracts using
nonvolatile solvents, alcohol or carbon dioxide or no solvents;

(3) sell and transport only cannabis products
manufactured by the person to other cannabis establishments and
courier those products to consumers;

(4) operate only one cannabis establishment;

and

(5) engage in any other activity authorized by
the division;

BB. "licensed premises" means a location that is
licensed to engage in commercial cannabis activity pursuant to
the Cannabis Regulation Act and includes:

(1) all enclosed public and private areas at
the location that are used in the business operated pursuant to
the license and includes offices, kitchens, restrooms and
storerooms;

(2) all areas outside of a building that the
division has specifically licensed for the production,
manufacturing, wholesale sale or retail sale of cannabis
products; and

(3) with respect to a location that the
division has specifically licensed for the production of
cannabis outside of a building, the entire unit of land that is
created by subsection or partition of land that the licensee
owns, leases or has a right to occupy;

CC. "licensee" means a person issued a license
pursuant to the Cannabis Regulation Act;

DD. "licensee representative" means an owner,
director, officer, manager, employee, agent or other
representative of a licensee, to the extent that person acts in
a representative capacity;

EE. "local jurisdiction" means a municipality, home
rule municipality or county;

FF. "manufacture" means to prepare a cannabis
product;

GG. "marketing" means the act of promoting or
selling a cannabis product or a cannabis-related product or service;

HH. "mature cannabis plant" means a cannabis plant that is not an immature cannabis plant;

II. "medical cannabis" means cannabis products used by a qualified patient in accordance with the Lynn and Erin Compassionate Use Act;

JJ. "medical cannabis program" means the regulated system allowing for the beneficial use of medical cannabis as established in the Lynn and Erin Compassionate Use Act;

KK. "medical cannabis registry" means the system by which the department of health, pursuant to the Lynn and Erin Compassionate Use Act, receives applications for registry identification cards; approves and denies applications; issues and renews registry identification cards; and maintains files related to applicants for and recipients of registry identification cards;

LL. "person" means an individual or a firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver or any other legal or commercial entity;

MM. "primary caregiver" means a resident of New Mexico who is at least eighteen years of age and who has been designated by the qualified patient's practitioner as being necessary to take responsibility for managing the well-being of
a qualified patient with respect to the medical use of cannabis
pursuant to the provisions of the Lynn and Erin Compassionate
Use Act;

NN.  "produce" or "production" means any activity
involving the cultivation of cannabis;

OO.  "public place" means a place to which the
general public has access and includes hallways, lobbies and
other parts of apartment houses and hotels that do not
constitute rooms or apartments designed for actual residence;
highways; streets; schools; places of amusement; parks;
playgrounds; and places used in connection with public
passenger transportation;

PP.  "qualified patient" means a person who has been
diagnosed by a practitioner as having a debilitating medical
condition and has received written certification and a registry
identification card as part of the medical cannabis program;
and

QQ.  "superintendent" means the superintendent of
regulation and licensing.

SECTION 3.  [NEW MATERIAL] CANNABIS CONTROL DIVISION--
DUTIES--RULEMAKING--CANNABIS REGULATORY ADVISORY COMMITTEE.--

A.  The "cannabis control division" is created in
the regulation and licensing department.

B.  The division shall regulate and administer, and
may collect fees in connection with the administration of:
(1) commercial cannabis activity and licensing related to the activity;

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

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

C. No later than January 1, 2021, the division shall promulgate rules necessary for the division to carry out its duties provided in the Cannabis Regulation Act, including:

(1) procedures for the issuance, renewal, suspension and revocation of a license;

(2) qualifications for licensure that are directly and demonstrably related to the operation of a cannabis establishment;

(3) security requirements for a cannabis establishment;

(4) requirements related to:

(a) inspection and monitoring of a cannabis establishment;

(b) a cannabis establishment's recordkeeping and tracking of cannabis from seed until sale;

(c) prevention of the sale or diversion of cannabis products in commercial cannabis activity to a person under the age of twenty-one;

(d) labeling of cannabis products.
packaged, sold or distributed by a cannabis establishment; and

(e) language for labels of cannabis products regarding potential adverse effects;

(5) a provision requiring that each cannabis retailer maintain at all times a supply of medical cannabis products suitable and sufficient to meet the reasonably foreseeable needs of qualified patients as determined by the department of health; provided that in the event of a shortage of cannabis products, qualified patients shall be served before any other consumer; and further provided that unused plants or products reserved for medical cannabis use may be offered to other consumers upon receiving division approval that all reasonably foreseeable medical cannabis needs have been met;

(6) rules on advertising and marketing of cannabis products;

(7) rules on how a licensee may display cannabis products for sale;

(8) procedures that promote and encourage full participation in the cannabis industry governed by the Cannabis Regulation Act by representatives of communities that have been disproportionately harmed by rates of arrest through the enforcement of cannabis prohibitions in law and policy;

(9) procedures that encourage racial, ethnic, gender and geographic diversity among license applicants, licensees and cannabis industry employees;
(10) rules developed in consultation with the department of environment to establish:

(a) health and safety standards applicable to the research and production of cannabis and the manufacture of cannabis products;

(b) standards for quality control, inspection and testing of cannabis products;

(c) standards for food and product safety applicable to cannabis products; and

(d) which additives and ingredients are approved for and prohibited from inclusion in cannabis products; provided that nicotine shall be prohibited;

(11) health and safety standards developed in consultation with the department of health to meet the needs of qualified patients, including those who are immunosuppressed;

(12) rules developed in consultation with the New Mexico department of agriculture and the department of environment to establish:

(a) standards for the use of pesticides in the production of cannabis, including the maximum allowances for pesticides and other foreign material, such as hair, insects or other similar adulterants, in harvested cannabis, except for cannabis produced or harvested for research purposes and not for ingestion;

(b) environmental protections that apply
to all licensees; and

   (c) protocols to ensure licensees'
compliance with federal, state and local laws and ordinances
governing environmental impacts, natural resource protection,
water quality, water supply, hazardous materials, pesticide use
and wastewater discharge;

   (13) a rule providing that each person to whom
a license is issued shall be fully liable and accountable for
the use of the license, including liability for all violations
of the Cannabis Regulation Act and for all taxes charged in
connection with the license; and

   (14) rules developed in consultation with the
workforce solutions department to ensure that licensees comply
with applicable state and federal labor and employment laws.

D. The division shall collect and publish annually
to the appropriate committee of the legislature and on the
division's website a report describing demographic data on
license applicants, controlling persons and employees of
cannabis establishments, including race, ethnicity, gender and
age.

E. No later than September 1, 2020, the division
shall convene a "cannabis regulatory advisory committee" to
advise the division on the development of rules pursuant to the
Cannabis Regulation Act, including best practices and
guidelines that promote economic and cultural diversity in
licensing and employment opportunities and protect public
health and safety while ensuring a regulated environment for
commercial cannabis activity that does not impose unreasonable
barriers that would perpetuate, rather than reduce and
eliminate, the illicit market for cannabis. The cannabis
regulatory advisory committee shall consist of the following
individuals or their designees:

(1) the chief public defender;

(2) a district attorney appointed by the New
Mexico district attorney association;

(3) a county sheriff appointed by the
executive director of New Mexico counties; and

(4) members appointed by the director with the
approval of the superintendent for four-year terms, including a
representative:

(a) of the cannabis industry;

(b) of a cannabis policy advocacy
organization;

(c) of a labor organization;

(d) who is a qualified patient;

(e) from a state or local agency with
relevant expertise as the director and the superintendent deem
appropriate;

(f) with expertise in public health;

(g) with expertise in regulating
commercial activity for adult-use intoxicating substances;

(h) from a community disproportionately
affected by past federal and state drug policies;

(i) with expertise and experience in
cannabis laboratory science;

(j) from an Indian nation, tribe or
pueblo with relevant expertise as the director and the
superintendent deem appropriate; and

(k) with expertise in other relevant
areas as the director and the superintendent deem appropriate.

F. Beginning January 1, 2024, the cannabis
regulatory advisory committee shall publish and provide to the
superintendent and the legislature an annual report detailing
its activities and recommendations made to the division during
the preceding year and noting whether the division implemented
the recommendations. The report shall include a review of the
demographics and geographic diversity of the cannabis industry
workforce and licensees and shall include recommendations, if
necessary, to ensure diversity of the workforce and licensees.
The report shall include a recommendation on whether the
legislature should adjust the cannabis excise tax based on the
following considerations:

(1) demand for cannabis products;

(2) undercutting the illicit cannabis market;

(3) preventing the commercial cannabis market
from undercutting the medical cannabis market;

(4) preventing cannabis use by a person younger than twenty-one years of age; and

(5) preventing cannabis use disorder.

G. Public members of the cannabis regulatory advisory committee shall not be paid but are entitled to receive per diem and mileage as provided for state employees in the Per Diem and Mileage Act.

H. At least once in each of calendar years 2023 through 2026, the division shall convene a meeting to review developments and to coordinate efforts to improve economic and social outcomes related to the legalization and use of commercial and medical cannabis. Meeting participants shall include all members of the cannabis regulatory advisory committee and a representative from:

(1) the department of environment;

(2) the department of health;

(3) the New Mexico department of agriculture;

(4) the department of public safety;

(5) the economic development department; and

(6) the workforce solutions department.

I. No later than April 1, 2021, the division shall promulgate rules relating to cannabis training and education programs, including:

(1) procedures for the issuance, renewal,
suspension and revocation of a license;

(2) qualifications for licensure;

(3) security requirements;

(4) requirements relating to:

(a) inspection and monitoring;

(b) recordkeeping and tracking of

cannabis from seed until it is destroyed or transferred to a

program as authorized by the department of health; and

(c) prevention of the diversion of

cannabis;

(5) rules developed in consultation with the

department of environment to establish health and safety

standards applicable to the production of cannabis; and

(6) rules developed in consultation with the

New Mexico department of agriculture and the department of

environment to establish:

(a) standards for the use of pesticides

in the production of cannabis;

(b) environmental protections; and

(c) protocols to ensure licensees'

compliance with state and local laws and ordinances governing

environmental impacts, natural resource protection, water

quality, water supply, hazardous materials, pesticide use and

wastewater discharge.

SECTION 4. [NEW MATERIAL] DEPARTMENT OF HEALTH--DUTIES--

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MEDICAL CANNABIS SUBSIDY PROGRAM--PUBLIC HEALTH AND SAFETY
ADVISORY COMMITTEE.--

A. No later than January 1, 2021, the department of health shall:

(1) establish the "medical cannabis subsidy program", by which the department of health shall make distributions to provide medical cannabis or subsidies to qualified patients who are New Mexico residents and who are sick and indigent persons and low-income and higher-use patients who need assistance in obtaining medical cannabis; and

(2) promulgate rules to govern the medical cannabis subsidy program.

B. The department of health shall monitor emerging scientific and medical information relevant to the health effects associated with cannabis use and shall monitor changes in cannabis use patterns for children and adults within the state, broken down by county, race and ethnicity.

C. No later than September 1, 2020, the secretary of health shall appoint a "public health and safety advisory committee" composed of professionals with expertise related to cannabis through work, training or research in public health, epidemiology, medicine, medical toxicology, poison control, road safety, occupational safety, environmental safety and emergency medicine.

D. Beginning December 1, 2022, the public health
and safety advisory committee shall provide to the legislature, and the department of health shall publish on its website, an annual report on the health effects of legalizing cannabis for adult use. The report shall include the following elements relating to cannabis use and, as applicable, the demographics of persons who are the subject of the event or report relating to the element:

(1) child access;
(2) road safety and driving while impaired;
(3) workplace safety;
(4) the percentage of emergency room visits and outcomes;
(5) educational needs for children and adults;
(6) consumer and product safety;
(7) the percentage of poison control center calls; and
(8) the impact of cannabis use on rates of alcohol, opioid and other substance abuse.

E. In consultation with qualified patients and primary caregivers, the department shall produce an assessment report annually, which shall be available to the public and that includes at a minimum an evaluation of the:

(1) affordability and accessibility of medical cannabis pursuant to the Lynn and Erin Compassionate Use Act; and
(2) needs of qualified patients who live in rural areas, federal subsidized housing and New Mexico Indian nations, tribes or pueblos.

F. Public members of the public health and safety advisory committee are entitled to per diem and mileage as provided for state employees in the Per Diem and Mileage Act.

SECTION 5. [NEW MATERIAL] DEPARTMENT OF PUBLIC SAFETY--REPORTING REQUIREMENTS.--

A. Within sixty days following the end of each fiscal year, every police and sheriff's department shall report on a form approved by the department of public safety the total number of arrests, citations and penalty assessments for cannabis-related violations broken down by:

   (1) category and penalty level; and
   (2) race, ethnicity, age and gender.

B. Each law enforcement agency shall submit its annual report to the department of public safety.

C. The department of public safety shall compile the reports submitted and shall issue by November 1 of each year an annual report of all cannabis law violations in the state. The report shall aggregate the data for the state and shall disaggregate the data by agency, race, ethnicity, age and gender. The department of public safety shall make all annual reports submitted for previous fiscal years available on the department of public safety's website.

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D. For purposes of this section, "cannabis-related violation" means a violation of any of Sections 31 through 35 of the Cannabis Regulation Act or a violation of Section 66-8-102 or 66-13-3 NMSA 1978 if the basis for the arrest or citation is intoxication due to the use of cannabis.

SECTION 6. [NEW MATERIAL] CANNABIS CONTROL DIVISION--LICENSING CANNABIS ACTIVITIES--LIMITATIONS--MEDICAL CANNABIS GRANDFATHERED LICENSING.--

A. Except as otherwise provided in Subsection K of this section, the division shall begin issuing licenses for commercial cannabis activities no later than April 1, 2021; provided that a person that is not licensed pursuant to Subsection K of this section shall not courier or sell cannabis products until January 1, 2022; and further provided that, until January 1, 2022, and longer if the division deems it necessary, the division may issue temporary licenses.

B. The division shall administer a licensing program for commercial cannabis activities provided for in the Cannabis Regulation Act, the medical cannabis program provided for in the Lynn and Erin Compassionate Use Act and cannabis training and education programs, which shall include licenses for:

1. cannabis manufacturers;
2. cannabis testing laboratories;
3. cannabis research laboratories;
(4) cannabis couriers;
(5) integrated cannabis microbusinesses;
(6) cannabis producers;
(7) cannabis producer microbusinesses;
(8) cannabis retailers;
(9) cannabis training and education programs;

and

(10) cannabis server permit education providers.

C. The division shall include a clear designation on all licenses that indicates whether the license is for medical cannabis activity or for both medical and commercial cannabis activity or for cannabis training and education programs.

D. The division may designate subcategories of licenses based on:

(1) the size of a business; or

(2) for cannabis producers, whether the cannabis is produced indoors, outdoors or in a setting that combines natural light with other light sources.

E. A license is valid for twelve months from the date it is issued and may be renewed annually; provided that a license issued for a cannabis training and education program is valid until terminated by the licensee or suspended or revoked by the division.
F. The division shall not issue any other license provided for in this section to a cannabis research laboratory, a cannabis testing laboratory, a cannabis training and education program licensee or a cannabis server permit education provider licensee.

G. The division shall allow only a cannabis retailer or an integrated cannabis microbusiness to operate a cannabis consumption area.

H. The division shall not issue a license to a natural person who cannot demonstrate continuous residency in New Mexico for at least two years prior to the date on which the person submits a license application. If an applicant is an entity, at least sixty percent of the ownership in the entity shall be held by persons who shall demonstrate continuous residency in New Mexico for two years prior to the date on which the entity submits its license application; provided that the provisions of this subsection shall not apply to an applicant for a cannabis research laboratory, a cannabis testing laboratory, a cannabis training and education program or a person licensed pursuant to the Lynn and Erin Compassionate Use Act.

I. A person may demonstrate continuous residency by providing to the division the following indicating at least two years residency in the state:

   (1) a current license, permit or
identification card issued by the motor vehicle division of the
taxation and revenue department;

(2) proof of voter registration;

(3) evidence that the person has a voluntary, principal or primary place of abode of self in the state to which the person, whenever absent, has the bona fide intention of returning, regardless of the duration of absence. In determining what is a principal or primary place of abode of a person, the following circumstances relating to the person may be considered: business pursuits, employment, income sources, marital status, residence of parents, spouse and children, if any, leaseholds, situs of personal and real property or motor vehicle registration; or

(4) other reasonable evidence as determined by the division.

J. Except as provided in Subsection F of this section and Section 8 of the Cannabis Regulation Act, the division shall not limit the type or number of licenses that a licensee may be issued pursuant to the Cannabis Regulation Act.

K. Any person properly licensed and in good standing pursuant to the Lynn and Erin Compassionate Use Act on the effective date of the Cannabis Regulation Act shall be issued a license pursuant to the provisions of the Cannabis Regulation Act allowing the licensee to continue to conduct medical cannabis activity only. The licensee shall continue to

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operate under rules promulgated for the medical cannabis program until the division promulgates rules for medical cannabis activity.

SECTION 7. [NEW MATERIAL] LICENSEES--SANCTIONS--CIVIL PENALTY.--

A. Any violation of a provision of the Cannabis Regulation Act or a rule adopted by the division by a holder of a license issued pursuant to Subsection B of Section 6 of the Cannabis Regulation Act is grounds for disciplinary action. The division may:

(1) suspend or revoke a license;

(2) impose any intermediate sanction established by rule;

(3) impose a directed plan of correction; or

(4) assess a civil monetary penalty established by rule; provided that a civil monetary penalty shall not exceed a total of ten thousand dollars ($10,000) per violation, and penalties and interest recovered pursuant to the Cannabis Regulation Act on behalf of the state shall be remitted to the state treasurer for deposit in the general fund.

B. The division shall adopt and promulgate rules specifying the criteria for imposition of any sanction and civil monetary penalty.

C. A licensee is liable for the reasonable costs of
a directed plan of correction.

D. The provisions of this section do not apply to occupational health and safety rules promulgated pursuant to Section 20 of the Cannabis Regulation Act.

E. The provisions of this section do not apply to a cannabis training and education program licensee; provided that the division may suspend or revoke the license of a cannabis training and education program for any violation of a provision of the Cannabis Regulation Act or a rule adopted by the division.

SECTION 8. [NEW MATERIAL] COMMERCIAL CANNABIS ACTIVITY LICENSING--TEMPORARY LICENSING--APPLICATION--ISSUANCE AND DENIAL OF A LICENSE.--

A. The holder of a license issued pursuant to the Cannabis Regulation Act has no vested property right in the license, which is the property of the state. A license issued pursuant to the Cannabis Regulation Act is not transferrable from person to person, shall not be leased and shall not be considered property subject to execution, attachment, a security transaction, liens, receivership or all other incidents of tangible personal property under the laws of this state.

B. Beginning no later than January 1, 2021, the division shall issue a temporary license to conduct commercial cannabis activity to a person that holds a license issued
pursuant to Subsection K of Section 6 of the Cannabis
Regulation Act that has applied for a license pursuant to
Subsection C of this section; provided that the person shall
meet requirements established by the division. The
requirements shall include standards for determining whether
the person has the financial and operational ability to engage
in commercial cannabis activities. The requirements shall
ensure that a cannabis retailer maintain at all times a supply
of cannabis products suitable and sufficient to meet the
reasonably foreseeable needs of qualified patients as
determined by the department of health; provided that in the
event of a shortage of cannabis products, qualified patients
shall be served before any other consumer; and further provided
that unused plants or products reserved for medical use may be
offered to other consumers upon receiving department of health
approval that all reasonably foreseeable medical needs have
been met. A person operating under a temporary license shall
continue to operate under rules promulgated for the medical
cannabis program until the division promulgates rules for
commercial cannabis activity. A temporary license to conduct
commercial cannabis activity shall expire on the date that a
license is issued or denied to the temporary license holder
pursuant to Subsection C of this section.

C. In carrying out its commercial cannabis activity
licensing duties, the division shall:

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(1) no later than January 1, 2021, accept and begin processing license applications;

(2) issue a license, or a written notice detailing why an application was denied, no later than ninety days following the day on which the application was submitted to the division;

(3) no later than July 1, 2021, in consultation with the cannabis regulatory advisory committee, develop a plan to encourage racial, ethnic, gender and geographic diversity among licensees; and

(4) require as a condition of licensing that the applicant:

(a) comply with all applicable state and local laws and ordinances;

(b) if applying for a cannabis producer license or cannabis manufacturer license, submit a plan to utilize, or demonstrate to the division that the applicant cannot feasibly utilize, energy and water reduction opportunities, including: 1) for a cannabis producer, drip irrigation and water collection; 2) natural lighting and energy efficiency measures; and 3) renewable energy generation;

(c) demonstrate that the applicant has a legal right to a commercial water supply, water rights or another source of water sufficient to meet the water needs related to the license; and
(d) submit an attestation signed by an authorized representative of a bona fide labor organization stating that the applicant and the labor organization have entered into an agreement providing that: 1) the labor organization shall not engage in picketing, work stoppages, boycotts and other economic interference with the licensee's business; and 2) the applicant shall not interfere in efforts by the labor organization to communicate with, organize or represent the applicant's employees and shall allow the labor organization reasonable access to the applicant's employees during work hours to discuss the employees' rights to representation, employment rights under state law and terms and conditions of employment; provided that the requirements of this subparagraph shall not apply to an application for a license as an integrated cannabis microbusiness or cannabis producer microbusiness.

D. The division shall deny an application for an initial license or renewal if:

(1) the application does not include all information required by the division;

(2) the applicant or a controlling person in the applicant's entity has been convicted of an offense that is substantially related to the qualifications, functions or duties of the applicant entity's business; provided that if the division determines that the controlling person and the
applicant entity are otherwise qualified for a license and that issuing a license to the applicant entity would not compromise public safety, the division shall conduct a thorough review of the conviction, including the nature of the offense, surrounding circumstances and any evidence of the controlling person's rehabilitation following the conviction, and based on that review, determine whether the applicant entity should be issued a license;

(3) the applicant or a controlling person in the applicant's entity has had a license issued pursuant to the Cannabis Regulation Act or the Lynn and Erin Compassionate Use Act revoked by the division or the department of health in the three years immediately preceding the date on which the application was filed; or

(4) the application:

(a) for initial licensure does not include the attestation required pursuant to Subparagraph (d) of Paragraph (4) of Subsection C of this section; or

(b) for renewal does not include an attestation signed by an authorized representative of a bona fide labor organization stating that an agreement required pursuant to Subparagraph (d) of Paragraph (4) of Subsection C of this section is currently in effect; provided that the requirements of this subparagraph shall not apply to an application for a license as an integrated cannabis
microbusiness or cannabis producer microbusiness.

E. For the purposes of Subsection D of this section:

(1) the following are considered substantially related to the qualifications, functions or duties of a business seeking a license:

   (a) a felony conviction involving fraud, deceit or embezzlement;

   (b) a felony conviction for hiring, employing or otherwise using a person younger than eighteen years of age to: 1) prepare for sale, transport or carry a controlled substance; or 2) sell, give away or offer to sell a controlled substance to any person; and

   (c) any other offense as determined by the division, except as provided in Paragraph (2) of this subsection; and

(2) a conviction for which the related sentence, including any term of probation or parole, is completed for the possession, use, manufacture, distribution or dispensing or the possession with the intent to manufacture, distribute or dispense a controlled substance is not considered substantially related to the qualifications, functions or duties of a business seeking a license and shall not be the sole ground on which an application is denied.

F. The division shall deny an application if an
applicant, a controlling person in an applicant's entity or the
premises for which a license is sought does not qualify for
licensure pursuant to the Cannabis Regulation Act.

SECTION 9. [NEW MATERIAL] UNREASONABLE RESTRAINT ON
COMPETITION--PROHIBITED ACTS.--

A. No person shall enter into any agreement to
commit, or by any concerted action commit, any act of boycott,
coercion or intimidation resulting or tending to result in
unreasonable restraint of, or monopoly in, commercial cannabis
activities in this state.

B. It is unlawful for a licensee, directly,
indirectly or through an affiliate, to:

(1) require by agreement or otherwise that
another licensee engaged in a commercial cannabis activity in
the state purchase cannabis from the licensee to the exclusion
in whole or in part of cannabis sold or offered for sale by
other licensees;

(2) induce, through any of the following
means, a licensee engaged in a commercial cannabis activity in
the state to purchase cannabis from the licensee to the
exclusion in whole or in part of cannabis sold or offered for
sale by other licensees:

(a) by acquiring an interest in real or
personal property owned, occupied or used by another licensee
in the conduct of that licensee's commercial cannabis activity,
subject to exceptions that the director may prescribe, having due regard for the free flow of commerce, the purposes of this section and established trade customs not contrary to the public interest;

(b) by furnishing, giving, renting, lending or selling to another licensee equipment, fixtures, signs, supplies, money, services or other thing of value, subject to exceptions that the director may by rule prescribe, having due regard for public health and welfare, the quantity and value of the articles involved and established trade customs not contrary to the public interest and the purposes of this section;

(c) by paying or crediting another licensee for advertising, display or distribution services;

(d) by requiring another licensee to take and dispose of a certain quota or combination of cannabis or cannabis products; or

(e) by offering or giving a bonus, premium or compensation to an officer, employee, agent or representative of another licensee; or

(3) sell, offer for sale or contract to sell to another licensee engaged in a commercial cannabis activity in the state cannabis of any kind or class on consignment or under a conditional sale or on a basis other than a bona fide sale; provided that this paragraph shall not apply to

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transactions involving solely the bona fide return of cannabis for ordinary and usual commercial reasons arising after the cannabis has been sold, including a return of cannabis that is at or near spoilage or expiration date or that was damaged by the licensee, but not including a return of cannabis that was damaged by any other licensee or any other licensee's employees or customers.

SECTION 10. [NEW MATERIAL] LICENSING FEES.--

A. The division shall establish application and licensing fees applicable to licenses for commercial cannabis activity and activity related to medical cannabis. The fees shall not exceed the cost of administering and enforcing the programs established in the Cannabis Regulation Act and the Lynn and Erin Compassionate Use Act, including the administration of the medical cannabis registry by the department of health; provided that:

(1) the fees shall be scaled to reflect the size of a business seeking or renewing a license; and

(2) for a license or renewal of a license that authorizes only medical cannabis activity, the fee shall not exceed one-half of the fee charged for a license or renewal of a license for a similarly sized business that authorizes both commercial and medical cannabis activities.

B. The division shall deposit all fees collected pursuant to the Cannabis Regulation Act in the cannabis...
SECTION 11. [NEW MATERIAL] CANNABIS CONTROL DIVISION--
CANNABIS TRAINING AND EDUCATION PROGRAM LICENSING--SANCTIONS.--

A. The division shall begin licensing cannabis training and education programs no later than July 1, 2021.

B. The division shall administer a licensing program for cannabis training and education programs.

C. Any violation of a provision of the Cannabis Regulation Act or a rule adopted by the division applicable to a person licensed pursuant to this section is grounds for suspension or revocation of the license.

SECTION 12. [NEW MATERIAL] CANNABIS INDUSTRY MANDATORY EDUCATION--APPLICATIONS--PERMIT REQUIRED--EDUCATION PROGRAM APPROVAL REQUIRED--ISSUANCE OR DENIAL OF A PERMIT OR APPROVAL--DEFINITIONS--PENALTIES.--

A. As used in this section:

(1) "cannabis server permit" means an authorization issued by the director to allow a person to offer, sell, serve, dispense, cultivate, manufacture, test or transport cannabis or cannabis products; and

(2) "program" means a cannabis server education course and examination approved by the director to be administered by cannabis server permit education providers.

B. Beginning on January 1, 2022, no person shall offer, sell, serve, dispense, cultivate, manufacture, test ortransport cannabis or cannabis products; and
transport cannabis or cannabis products in connection with a commercial cannabis activity unless that person has obtained a cannabis server permit issued pursuant to this section; provided that a cannabis research laboratory or an employee of the laboratory is not required to obtain or possess a cannabis server permit while performing activities authorized pursuant to a cannabis research laboratory.

C. Beginning no later than December 1, 2021, the division shall issue cannabis server permits to persons eighteen years of age or older who satisfy the requirements of this section.

D. Beginning no later than July 1, 2021, the division may approve programs and issue cannabis server permit education provider licenses. The director shall determine program requirements; provided that:

(1) the program curriculum shall include the following subjects:

(a) state laws and rules relating to cannabis;

(b) safe handling of cannabis products, including strategies to reduce access by persons under twenty-one years of age; and

(c) ethics and customer privacy and rights;

(2) training may be provided in person or
electronically. If the training is provided electronically, students shall have real-time access to an instructor during at least one-half of the instruction period for each subject;

(3) instructors shall have demonstrated knowledge and experience related to the subject matter;

(4) an owner, agent, principal or instructor of a program shall not have a direct or indirect financial interest in a cannabis establishment;

(5) persons or schools seeking a cannabis server permit education provider license shall file an application and submit a nonrefundable application fee of two thousand dollars ($2,000), which shall be deposited into the cannabis regulation fund;

(6) any change to approved program curriculum shall be approved by the director prior to use;

(7) a denial of a license or renewal shall include the reasons for denial and notice that the applicant may appeal the decision pursuant to Subsection O of this section; and

(8) a licensee shall submit an application for renewal each year before the expiration date of the license, which shall include:

   (a) a nonrefundable application fee of two thousand dollars ($2,000), which shall be deposited into the cannabis regulation fund; and
(b) evidence demonstrating compliance
with current requirements for program approval.

E. The director shall require each cannabis server
permit education provider to post a surety bond in the amount
of five thousand dollars ($5,000). The director may, in the
director's discretion, allow a provider to submit other
evidence of financial responsibility satisfactory to the
director in lieu of posting a surety bond.

F. The director shall within thirty days of receipt
of a completed application issue or deny a cannabis server
permit. The director shall issue a permit to each applicant
who obtains a certificate of completion from a program approved
by the director and who provides such other information as the
director may require.

G. The director may, in the director's discretion,
issue temporary cannabis server permits if circumstances
warrant.

H. Every licensee shall have on the licensed
premises at all times a copy of the cannabis server permit of
the licensee and each permit holder then employed by the
licensee and shall make copies available to the director and to
the agents or employees of the department of public safety upon
request; provided that the provisions of this subsection and
Subsection I of this section shall not apply to cannabis
testing laboratory licensees, cannabis research laboratory

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licensees, cannabis training and education program licensees
and cannabis server permit education provider licensees.

I. Failure to produce a copy of a cannabis server
permit is prima facie evidence that the permit has not been
issued and shall subject the licensee to fines and penalties as
determined by rule adopted by the director.

J. A cannabis server permit is the property of the
state and shall be immediately returned to the division upon
termination of employment or upon revocation or termination of
a permit holder's permit or license.

K. Cannabis server permits shall be valid for a
period of three years from the date the permit is issued and
may be renewed upon providing proof that the permit holder has
successfully completed ten hours of continuing education and an
examination as determined by the director.

L. A cannabis server permit holder shall display
the permit on the holder's person at all times when on duty.

M. In addition to any other penalties provided by
law, the following penalties may be imposed for sales to a
person under twenty-one years of age in violation of the
provisions of the Cannabis Regulation Act or rules of the
division:

(1) the director may suspend a cannabis server
permit for a period of thirty days or fine the server in an
amount not to exceed five hundred dollars ($500), or both, when
the director finds that the server is guilty of a first offense
of selling, serving or dispensing a cannabis product to a
person under twenty-one years of age;

(2) the director shall suspend a cannabis server permit for a period of one year when the director finds that the server is guilty of a second offense of selling, serving or dispensing a cannabis product to a person under twenty-one years of age in violation of the Cannabis Regulation Act arising separately from the incident giving rise to the server's first offense;

(3) the director shall permanently revoke a cannabis server permit when the director finds that the server is guilty of a third offense of selling, serving or dispensing a cannabis product to a person under twenty-one years of age in violation of the Cannabis Regulation Act arising separately from the incidents giving rise to the server's first and second offenses; and

(4) no person whose cannabis server permit is suspended pursuant to the provisions of this section shall offer, sell, serve, dispense, cultivate, manufacture, test or transport cannabis or a cannabis product during the period of suspension.

N. Nothing in this section shall be interpreted to waive a licensee's liability that may otherwise arise pursuant to the provisions of the Cannabis Regulation Act.

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0. Any person aggrieved by an action taken by the director pursuant to this section may request and receive a hearing for the purpose of reviewing the action. To obtain a hearing, the aggrieved person shall file a request for a hearing with the director within thirty days after the date the action is taken. Failure to file the request within the specified time is an irrevocable waiver of the right to a hearing, and the action complained of shall be final with no further right to review, either administratively or by a court. Hearings shall be conducted in accordance with the provisions of the Uniform Licensing Act.

SECTION 13. [NEW MATERIAL] LOCAL CONTROL.--

A. A local jurisdiction may:

(1) adopt reasonable time, place and manner rules that do not conflict with the Cannabis Regulation Act or the Dee Johnson Clean Indoor Air Act, including rules that reasonably limit density of licenses and operating times consistent with neighborhood uses;

(2) allow for the smoking, vaporizing and ingesting of cannabis products within an indoor or outdoor cannabis consumption area on the licensed premises of a cannabis retailer or integrated cannabis microbusiness if:

(a) unless licensed pursuant to the Lynn and Erin Compassionate Use Act, access to the cannabis consumption area is restricted to persons twenty-one years of age.
age and older;

(b) cannabis consumption is not visible from any public place or from outside the cannabis consumption area; and

c) the cannabis retailer or integrated cannabis microbusiness is located at a minimum distance as determined by the local jurisdiction, but which distance shall be three hundred feet or more from a school, church or daycare center that was in existence at the time the retailer or microbusiness was licensed; and

(3) limit or prohibit public advertisement and marketing of cannabis products; provided that a local jurisdiction shall not prohibit or unreasonably limit signage attached to or located on licensed premises that identify the premises as a cannabis establishment.

B. A local jurisdiction shall not:

(1) prevent transportation of cannabis products on public roads by a licensee that transports cannabis products in compliance with the Cannabis Regulation Act; or

(2) completely prohibit the operation of any category of license.

SECTION 14. [NEW MATERIAL] LICENSEE PROTECTIONS.--

A. Conduct by a licensee or a licensee representative that is allowed pursuant to a license and conduct by a person who allows property to be used by a
licensee or a licensee representative for conduct allowed pursuant to a license is lawful, not a violation of state or local law and is not a basis for seizure or forfeiture of any property or assets under state or local law.

B. The state or a local jurisdiction shall not impose a criminal, civil or administrative penalty on a licensee or a licensee representative or on a person who allows property to be used by a licensee or a licensee representative pursuant to a license, solely for conduct allowed pursuant to a license.

SECTION 15. [NEW MATERIAL] PROTECTION OF UNDERAGE PERSONS--TRAFFICKING--PENALTIES.--

A. A person who is not a licensee and who is eighteen years of age or older shall not intentionally traffic a cannabis product to a person who is under twenty-one years of age and who is two or more years younger than the person. A person who traffics a cannabis product in violation of this subsection is, for the first offense, guilty of a misdemeanor and shall be sentenced pursuant to Section 31-19-1 NMSA 1978 and, for second and subsequent offenses, guilty of a fourth degree felony and shall be sentenced pursuant to Section 31-18-15 NMSA 1978.

B. A licensee shall not employ a person younger than eighteen years of age to engage in a commercial cannabis activity.
C. Except as allowed in the Cannabis Regulation Act or the Lynn and Erin Compassionate Use Act, a licensee shall not sell a cannabis product to a person younger than twenty-one years of age. The division shall suspend or revoke the license and may fine the licensee in an amount not to exceed ten thousand dollars ($10,000), or both, when the division finds that any licensee or the licensee's employee or agent knowingly has sold, served or given any cannabis product to a person under twenty-one years of age on two separate occasions within any twelve-month period.

D. The establishment of all of the following facts by a licensee prosecuted for a violation of Subsection C of this section shall constitute a defense:

1. that the purchaser falsely represented in writing; by producing a driver's license bearing the purchaser's photograph; by producing a photographic identification card issued by the motor vehicle division of the taxation and revenue department; or by producing a similar identification card issued pursuant to the laws of this state, another state, the federal government or the government of an Indian nation, tribe or pueblo that the person was twenty-one years of age or older;

2. that the purchaser's appearance was such that an ordinary, prudent person would believe that the purchaser was twenty-one years of age or older; and
(3) that the sale was made in good faith, relying upon the purchaser's false written representation, driver's license or identification card produced as provided in Paragraph (1) of this subsection, and with the reasonable belief that the purchaser was actually twenty-one years of age or older.

E. Nothing in this section shall be construed or interpreted to prevent:

(1) the division from enforcing its rules against a licensee;

(2) a state agency from enforcing a law or rule that does not conflict with the Cannabis Regulation Act or rules promulgated pursuant to that act; or

(3) a local jurisdiction from enforcing a local ordinance that does not conflict with the Cannabis Regulation Act or rules promulgated pursuant to that act.

F. For the purposes of this section, "traffic" means the:

(1) distribution, sale, barter or giving away of cannabis; or

(2) possession with intent to distribute, sell, barter or give away cannabis.

SECTION 16. [NEW MATERIAL] DISTRIBUTION AND TRANSPORT.-- The Cannabis Regulation Act shall not be construed to authorize a licensee to transport or distribute, or cause to be
transported or distributed, cannabis products outside of the
state, unless authorized by federal law.

SECTION 17. [NEW MATERIAL] TRANSPORT VIA COURIER.--

A. Only a cannabis retailer, cannabis manufacturer,
integrated cannabis microbusiness or cannabis courier may
courier cannabis products.

B. A consumer who requests courier service shall
maintain a physical or electronic copy of the courier request
for the duration of time that the consumer possesses the
cannabis product that was purchased and received from the
courier and shall make the copy available upon request by the
division or a law enforcement officer.

SECTION 18. [NEW MATERIAL] PACKAGING AND LABELING.--

Before sale or transport via cannabis courier of a cannabis
product, the cannabis product shall be labeled and packaged as
provided in Section 19 of the Cannabis Regulation Act.

SECTION 19. [NEW MATERIAL] CANNABIS PRODUCTS--PACKAGING
AND LABELING--DEPARTMENT OF ENVIRONMENT.--

A. Cannabis products shall be homogenized to ensure
uniform disbursement of cannabinoids throughout the product.

B. Cannabis or cannabis extracts included in a
cannabis product that is manufactured in compliance with
applicable law are not considered to be an adulterant under
state law.

C. The department of environment shall adopt and
promulgate rules for cannabis products that establish labeling and packaging requirements, including that:

(1) packages shall be resealable, child-resistant, compostable and recyclable or made from recycled materials;

(2) packages and labels shall not be designed to be appealing to a child; and

(3) labels shall include:

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

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

(c) serving size, potency and pesticide use;

(d) a list of pharmacologically active ingredients;

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

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

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

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

SECTION 20. [NEW MATERIAL] DEPARTMENT OF ENVIRONMENT--OCCUPATIONAL HEALTH AND SAFETY.--The department of environment shall review and, if necessary, prepare proposed occupational health and safety rules for persons working in the cannabis industry for consideration by the environmental improvement board.

SECTION 21. [NEW MATERIAL] CANNABIS MANUFACTURERS AND RESEARCH AND TESTING LABORATORIES--DEPARTMENT OF ENVIRONMENT--RULEMAKING.--

A. The division, with the assistance of the department of environment, shall promulgate rules to govern the licensing of a cannabis manufacturer, a cannabis research laboratory and a cannabis testing laboratory.

B. The division shall issue licenses as follows:

(1) "cannabis manufacturer" for a site that
manufactures cannabis products;

(2) "cannabis research laboratory" for a facility that produces or possesses cannabis, including all parts of the plant genus Cannabis, for the purpose of studying cannabis cultivation, characteristics or uses. An owner or person with an ownership interest in a cannabis research laboratory license shall not own or have ownership interest in a non-laboratory cannabis establishment licensed pursuant to the Cannabis Regulation Act; and

(3) "cannabis testing laboratory" for a licensee that tests cannabis products. An owner or person with an ownership interest in a cannabis testing laboratory license shall not own or have ownership interest in a non-laboratory cannabis establishment licensed pursuant to the Cannabis Regulation Act.

C. Except as otherwise provided by law, a cannabis product shall not be sold by a licensee unless a representative sample of the cannabis product has been tested by a cannabis testing laboratory to determine:

(1) whether the chemical profile of the sample conforms to the labeled content of compounds, including:

(a) delta-9-tetrahydrocannabinol;
(b) delta-9-tetrahydrocannabinolic acid;
(c) cannabidiol;
(d) cannabidiolic acid;
(e) cannabigerol; and
(f) cannabinol; and
(2) that the presence of contaminants does not exceed harmful levels, including:
(a) residual solvents or chemicals, including explosive gases such as butane and propane, and poisons, toxins or carcinogens such as methanol, methylene chloride, acetone, benzene, toluene and trichloroethylene;
(b) foreign material, including hair, insects or other similar adulterants; and
(c) microbiological impurity, including total aerobic microbial count; total yeast mold count; pseudomonas aeruginosa; aspergillus species; staphylococcus aureus; aflatoxin B1, B2, G1 or G2; or ochratoxin A.
D. Residual levels of volatile organic compounds shall not exceed harmful levels.
E. The testing required by this section shall be performed in a manner consistent with general requirements for the competence of testing and calibration activities, including sampling, using standard methods to ensure conformity, competence and impartiality to test cannabis products.

SECTION 22. [NEW MATERIAL] TESTING CANNABIS PRODUCTS--
DEPARTMENT OF ENVIRONMENT.--
A. A cannabis testing laboratory's testing and sampling of cannabis products shall comply with the

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requirements set forth in applicable law and rules.

B. The division shall develop rules and procedures to:

(1) ensure that testing of cannabis products occurs prior to distribution to cannabis retailers or sales by integrated cannabis microbusinesses;

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

(3) specify which entities bear the cost of testing cannabis products and medical cannabis;

(4) provide for recordkeeping;

(5) establish chain of custody protocols for testing sample transportation;

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

(7) specify protocols for testing sample collection that ensure accurate test results, including requiring that testing samples be collected by laboratory staff trained in testing sample collection; and

(8) require destruction of a harvested batch of cannabis or of cannabis products if the testing samples from the batch or items indicate noncompliance with applicable health and safety standards promulgated by the division, unless remedial measures can bring the cannabis or cannabis products
into compliance with the standards.

C. Beginning no later than April 1, 2021, the department of environment shall identify and annually provide to the division a set of updated certified reference materials for laboratory testing to be measured against.

SECTION 23. [NEW MATERIAL] RESEARCHING CANNABIS--
RULEMAKING.--

A. A cannabis research laboratory's research of cannabis shall comply with the requirements set forth in applicable law and rules.

B. The division shall develop rules and procedures to provide for recordkeeping to ensure that cannabis is not removed from the cannabis research laboratory premises.

SECTION 24. [NEW MATERIAL] ADVERTISING AND MARKETING RESTRICTIONS.--The division shall promulgate rules that:

A. prohibit the advertisement and marketing of cannabis products:

(1) on a billboard, radio, television or other broadcast media; provided that the division shall not prohibit advertising and marketing to:

(a) subscribers of subscription-based radio, television or other broadcast media who are twenty-one years of age or older; or

(b) persons twenty-one years of age or older who have solicited the advertising or marketing;
(2) that is false, deceptive or misleading, including making health benefit claims not supported by the published results of research recognized by the federal food and drug administration;

(3) that depicts consumption by children or other persons who appear to be younger than twenty-one years of age;

(4) that is designed using cartoon characters or to mimic any other product brand;

(5) that is in or on the outside of a public transit vehicle or station;

(6) that is in the form of an unsolicited internet pop-up; or

(7) that is on publicly owned or operated property;

B. require:

(1) all advertisements and marketing to accurately and legibly identify the licensee responsible for its content; and

(2) advertisements in print and digital communications to be placed only where the audience is reasonably expected to be twenty-one years of age or older, as determined by reliable, current audience composition data; and

C. authorize and regulate the content of communications:
(1) provided to adults and persons under twenty-one years of age solely for educational purposes regarding the effects of cannabis use; and

(2) displayed or provided by a licensee in connection with sponsoring a business, community or charitable event; provided that the communication shall not include content designed to promote the use of a cannabis product.

SECTION 25. [NEW MATERIAL] CONTRACTS.--A contract related to operation of a license is enforceable, and a contract entered into by a licensee or a licensee representative for conduct allowed pursuant to a license or entered into by a person who allows property to be used by a licensee or a licensee representative for conduct allowed pursuant to a license shall not be deemed unenforceable on the basis that the conduct allowed pursuant to the license is prohibited by federal law.

SECTION 26. [NEW MATERIAL] PROVISION OF PROFESSIONAL SERVICES.--An attorney, accountant, insurance agent, real estate agent, security guard or other person engaged in a profession subject to state licensure shall not be subject to disciplinary action by a professional association, a state professional board or a state licensing entity because the professional provides professional services or assistance to prospective or licensed cannabis establishments or another person in connection with activity that the professional
reasonably believes complies with the Cannabis Regulation Act and rules promulgated pursuant to that act.

SECTION 27. [NEW MATERIAL] MEDICAL CANNABIS PROVISIONS UNAFFECTED.--Nothing in the Cannabis Regulation Act shall be construed to limit a privilege or right of a qualified patient or a primary caregiver participating in the medical cannabis program.

SECTION 28. [NEW MATERIAL] PROTECTIONS FOR THE USE OF CANNABIS.--

A. Conduct allowed pursuant to the Cannabis Regulation Act shall not in itself constitute grounds for:

(1) intervention, removal or placement into state custody of a child in an individual's care pursuant to the Abuse and Neglect Act; or

(2) the provision of state prevention, diversion or intervention services to that individual's family pursuant to the Family Services Act.

B. A person shall not be denied custody of or visitation or parenting time with a child, and there is no presumption of neglect or child endangerment for conduct allowed pursuant to the Cannabis Regulation Act.

SECTION 29. [NEW MATERIAL] PERSONAL USE OF CANNABIS.--

A. Notwithstanding any other provision of law, the following conduct is lawful for a person who is twenty-one years of age or older and shall not constitute grounds for
detention, search or arrest of a person or for a violation of
probation or parole, and cannabis products that relate to the
conduct are not contraband or subject to seizure or forfeiture
pursuant to the Controlled Substances Act or the Forfeiture
Act:

    (1) possessing, using, being under the
influence of, displaying, purchasing, obtaining or transporting
not more than two ounces of cannabis flowers or sixteen grams
of cannabis extract;

    (2) transferring, without financial
consideration, to a person who is twenty-one years of age or
older not more than two ounces of cannabis flowers or sixteen
grams of cannabis extract;

    (3) possessing not more than two ounces of
cannabis flowers and sixteen grams of cannabis extract within
the person's private residence;

    (4) smoking, ingesting or otherwise consuming
cannabis or cannabis products;

    (5) possessing, using, displaying, purchasing,
obtaining, manufacturing, transporting or giving away to a
person twenty-one years of age or older cannabis paraphernalia;
and

    (6) assisting another person who is twenty-one
years of age or older in, or allowing property to be used in,
any of the acts described in Paragraphs (1) through (5) of this
subsection.

B. Paragraphs (5) and (6) of Subsection A of this section are intended to meet the requirements of 21 U.S.C. Section 863(f) by authorizing, under state law, any person in compliance with this section to manufacture, possess or distribute cannabis paraphernalia.

C. Except as provided in Subsection D of this section, none of the following shall, individually or in combination with each other, constitute reasonable articulable suspicion of a crime:

(1) the odor of cannabis or cannabis extracts or of burnt cannabis or cannabis extracts;

(2) the possession of or the suspicion of possession of cannabis without evidence of quantity in excess of two ounces of cannabis flowers;

(3) the possession of multiple containers of cannabis without evidence of quantity in excess of two ounces of cannabis flowers;

(4) the possession of or the suspicion of possession of cannabis extracts without evidence of quantity in excess of sixteen grams;

(5) the possession of multiple containers of cannabis extracts without evidence of quantity in excess of sixteen grams; or

(6) the possession of cannabis or cannabis extracts.
extracts in proximity to any amount of cash or currency without evidence of cannabis quantity in excess of two ounces of cannabis flowers or cannabis extracts quantity in excess of sixteen grams.

D. Subsection C of this section shall not apply when a law enforcement officer is investigating whether a person is operating or in physical control of a vehicle or watercraft while intoxicated, under the influence of or impaired by alcohol or a drug or any combination thereof in violation of Section 66-8-102 or 66-13-3 NMSA 1978.

SECTION 30. [NEW MATERIAL] LIMITS ON PERSONAL CONSUMPTION--PENALTIES.--

A. Nothing in Section 29 of the Cannabis Regulation Act shall be construed to:

(1) allow a person to smoke cannabis or cannabis products in a public place, except in a cannabis consumption area; or

(2) restrict the ability of an individual or private entity to prohibit conduct otherwise allowed in Section 29 of the Cannabis Regulation Act on the individual's or private entity's privately owned property.

B. A person who violates Paragraph (1) of Subsection A of this section shall be subject to a civil penalty of fifty dollars ($50.00).

C. For purposes of this section, "smoke" means to
inhale, exhale, burn or carry any lighted or heated device or pipe or any other lighted or heated cannabis product intended for inhalation, whether natural or synthetic, in any manner or in any form.

SECTION 31. [NEW MATERIAL] PERSONAL PRODUCTION OF CANNABIS PROHIBITED-- PENALTIES.--

A. Except as provided in the Lynn and Erin Compassionate Use Act and the Cannabis Regulation Act, it is unlawful for a person intentionally to produce cannabis.

B. A person who violates this section with respect to:

(1) up to three mature female cannabis plants and any combination of six seedlings or male plants shall be issued a penalty assessment pursuant to Section 31-19A-1 NMSA 1978 and is subject to a fine of fifty dollars ($50.00); and

(2) more than three mature female cannabis plants and any combination of six seedlings or male plants is guilty of a fourth degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

C. A minor who violates this section with respect to:

(1) up to three mature female cannabis plants and any combination of six seedlings or male plants shall be issued a penalty assessment pursuant to Section 31-19A-1 NMSA 1978 and is subject to a fine of fifty dollars ($50.00); and
(2) more than three mature female cannabis
plants and any combination of six seedlings or male plants
shall be punished pursuant to the provisions of Section

D. As used in this section:

(1) "mature female cannabis plant" means a
female cannabis plant that has an observable flower or bud; and
(2) "minor" means a person who is less than
eighteen years of age.

SECTION 32. [NEW MATERIAL] UNLICENSED SALES OF CANNABIS--

A. Except as allowed in the Cannabis Regulation Act
and the Lynn and Erin Compassionate Use Act, it is unlawful for
a person without a license to intentionally traffic cannabis
products.

B. A person under eighteen years of age who
violates Subsection A of this section shall be subject to:

(1) a fine of one hundred dollars ($100);
(2) attendance at a four-hour evidence-based
drug education program;
(3) four hours of community service; or
(4) restorative justice mediation.

C. Except as otherwise provided in Section 15 of
the Cannabis Regulation Act, a person eighteen years of age or
older who violates Subsection A of this section is guilty of a....
misdemeanor and shall be sentenced pursuant to the provisions of Section 31-19-1 NMSA 1978.

D. A person eighteen years of age or older who violates Subsection A of this section and who conducts unlicensed cannabis product sales from a building, room or other area open to the public in a manner that would lead a reasonable person to believe that the area is a cannabis establishment licensed pursuant to the Cannabis Regulation Act is guilty of a fourth degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

E. As used in this section, "traffic" means the:

(1) distribution, sale, barter or giving away of cannabis products; or

(2) possession with intent to distribute, sell, barter or give away cannabis products.

SECTION 33. [NEW MATERIAL] CANNABIS WITHIN RESTRICTED AREA--PENALTY.--Except as allowed in the Cannabis Regulation Act and the Lynn and Erin Compassionate Use Act, a person shall not possess or intentionally distribute any amount of a cannabis product on the premises of a school, church or daycare center unless the person is a qualified patient or a qualified patient's primary caregiver; provided that this section shall not apply to a person who possesses a cannabis product for authorized purposes on the premises of a licensed cannabis
training and education program. A person who violates this section is guilty of a misdemeanor and shall be sentenced pursuant to the provisions of Section 31-19-1 NMSA 1978.

SECTION 34. [NEW MATERIAL] UNLAWFUL POSSESSION OF CANNABIS--PENALTIES.--Except as allowed in the Cannabis Regulation Act and the Lynn and Erin Compassionate Use Act:

A. a person eighteen years of age or older and younger than twenty-one years of age shall not possess cannabis products. A person who violates this subsection shall be subject to:

1. a fine of seventy-five dollars ($75.00);
2. attendance at a four-hour evidence-based drug education program;
3. four hours of community service; or
4. restorative justice mediation;

B. a person younger than eighteen years of age shall not possess cannabis products. A person who violates this subsection shall be subject to:

1. a fine of fifty dollars ($50.00);
2. attendance at a four-hour evidence-based drug education program;
3. four hours of community service; or
4. restorative justice mediation; and

C. a person twenty-one years of age or older shall not possess more than two ounces of cannabis flowers or more
than sixteen grams of cannabis extracts. A person who violates
this subsection with respect to:

(1) more than two and up to eight ounces of
cannabis flowers or more than sixteen and up to sixty-four
grams of cannabis extracts is guilty of a misdemeanor and shall
be sentenced pursuant to the provisions of Section 31-19-1 NMSA
1978; or

(2) more than eight ounces of cannabis flowers
or more than sixty-four grams of cannabis extracts is guilty of
a fourth degree felony and shall be sentenced pursuant to the

SECTION 35. [NEW MATERIAL] UNLICENSED MANUFACTURING OF
CANNABIS EXTRACTS--PENALTY.--It is unlawful for a person to
manufacture cannabis extracts without a license issued pursuant
to the Cannabis Regulation Act or the Lynn and Erin
Compassionate Use Act. A person who violates this section is
guilty of a fourth degree felony and shall be sentenced
pursuant to the provisions of Section 31-18-15 NMSA 1978.

SECTION 36. [NEW MATERIAL] EXPUNGEMENT OF ARREST AND
CONVICTIO RECORDS--PROCEDURE.--

A. If a person is charged with any offense provided
in Sections 31 through 35 of the Cannabis Regulation Act and
the amount of cannabis product that is the basis of the charge
is two ounces of cannabis flowers or sixteen grams of cannabis
extract or less, whether or not the person is convicted, all

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records held by a court, an agency of the state or a local
jurisdiction that relate to the person's arrest or conviction
shall be automatically expunged two years after the date of the
person's conviction or the date of the person's arrest if there
was no conviction. If the person is or was a juvenile at the
time of the arrest or conviction, the records shall be retained
for two years or until the person is eighteen years of age,
whichever comes first, and shall then be expunged. The records
shall also be removed from any statewide criminal databases.

B. After expungement of records pursuant to
Subsection A of this section, a court, an agency of the state
or a local jurisdiction shall treat the case as if it never
occurred, and all index references to the case shall be
deleted. The court, agency or local jurisdiction shall respond
to an inquiry regarding the case that no record exists with
respect to the referenced person with respect to that case.

SECTION 37. [NEW MATERIAL] EXPUNGEMENT OF ARREST AND
CONVICTION RECORDS--PROCEDURE--RETROACTIVE.--

A. Records held by a court, an agency of the state
or a local jurisdiction that relate to a person's arrest or
conviction for trafficking cannabis in violation of Section
30-31-20 NMSA 1978, distribution of cannabis or possession with
intent to distribute cannabis in violation of Section 30-31-22
NMSA 1978 or possession of cannabis in violation of Section
30-31-23 NMSA 1978 shall not be kept beyond two years from the
date of the person's conviction or from the date of the
person's arrest if there was no conviction. If the person was
a juvenile at the time of the arrest or conviction, the records
shall be retained until the offender is eighteen years of age
and shall then be destroyed. The records shall also be removed
from any statewide criminal databases.

B. If a person whose records would be subject to
expungement pursuant to Subsection A of this section is
incarcerated for an offense listed in that subsection at the
time the person's records would be expunged, the two-year
record retention period shall begin upon the person's release
from incarceration.

C. For the purpose of this section, "records"
includes records of arrests resulting in a criminal proceeding
and records relating to other offenses charged in the
accusatory pleading, whether the defendant was acquitted or
convicted or the charges were dismissed.

SECTION 38. [NEW MATERIAL] RECALL OR DISMISSAL OF
SENTENCES--INCARCERATED PERSONS.--

A. Within thirty days following the effective date
of the Cannabis Regulation Act, a correctional facility, a
county jail or a juvenile correctional facility in which a
person is currently incarcerated for an offense that is no
longer a crime pursuant to the provisions of the Cannabis
Regulation Act, or that would have resulted in a lesser offense

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if that act had been in effect at the time of the offense, shall notify the court that the convicted person's case should be reopened to consider possible recall or dismissal of the person's sentence.

B. A court shall reopen a case pursuant to Subsection A of this section and recall the person's sentence or dismiss the person's sentence because it is legally invalid, unless the court determines that doing so would pose an unreasonable risk of danger to public safety.

C. A person who is resentenced pursuant to this section shall be given credit against the person's new sentence for time already served.

D. A person who is resentenced pursuant to this section shall not be sentenced to a term longer than the person's original sentence and shall not have any charges reinstated that were originally dismissed pursuant to a negotiated plea agreement.

E. A person who has completed the person's sentence for a conviction, whether by trial or negotiated plea, who would not have been guilty of an offense or who would have been guilty of a lesser offense if the Cannabis Regulation Act had been in effect at the time of the offense may notify the court in writing to have the conviction dismissed and sealed because the prior conviction is now legally invalid or redesignated as a penalty assessment citation. The court shall redesignate the
conviction as a penalty assessment citation or dismiss and seal
the conviction as legally invalid because of the enactment of
the Cannabis Regulation Act, unless the court makes a finding
that the conviction is not legally invalid or was not
redesignated as a penalty assessment citation pursuant to that
act.

F. The court clerk shall notify the department of
public safety that a case has been dismissed. Upon notice, the
department of public safety shall erase the arrest record
pertaining to the offense; provided that if the arrest included
multiple charges, only the related charge shall be erased.

G. Nothing in this section is intended to diminish
or abrogate any rights or remedies otherwise available to a
person who was convicted of or incarcerated for an offense.

H. The provisions of this section shall apply
equally to juvenile delinquency adjudications and convictions
of a juvenile person if the juvenile would not have been guilty
of an offense or would have been guilty of a lesser offense as
provided in the Cannabis Regulation Act.

I. No fee or cost of any kind shall be imposed upon
a person whose sentence is reviewed pursuant to this section.

SECTION 39. [NEW MATERIAL] WRIT OF MANDAMUS.—Any person
may commence a legal action for a writ of mandamus to compel
the division to perform its duties pursuant to the Cannabis
Regulation Act.
SECTION 40. [NEW MATERIAL] CANNABIS REGULATION FUND.--

A. The "cannabis regulation fund" is created in the state treasury. The fund consists of appropriations, gifts, grants, donations and fees collected by the division pursuant to the Cannabis Regulation Act and the medical cannabis program administered by the division. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall revert to the general fund.

B. Money in the cannabis regulation fund is subject to appropriation. The legislature may appropriate money in the fund to the division, the department of health, the department of environment, the New Mexico department of agriculture, the taxation and revenue department and the department of public safety to carry out the provisions of the Cannabis Regulation Act and the Lynn and Erin Compassionate Use Act.

SECTION 41. [NEW MATERIAL] COMMUNITY GRANTS REINVESTMENT FUND--COMMUNITY GRANTS REINVESTMENT PROGRAM.--

A. The "community grants reinvestment fund" is created in the state treasury. The fund consists of appropriations, other money deposited in the fund and money otherwise accruing to the fund. Income from the fund shall be credited to the fund. The department of health shall administer the fund, and money in the fund is subject to appropriation to the department of health for the community grants reinvestment program as described in this section. Any
unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund. Money in the community grants reinvestment fund shall be disbursed on warrants signed by the secretary of finance and administration pursuant to vouchers signed by the secretary of health or the secretary's authorized representative.

B. The secretary of health shall establish the "community grants reinvestment program". The community grants reinvestment program shall provide grants to qualified community-based nonprofit organizations and governmental entities for the purposes of:

(1) developing and executing a comprehensive and sustained multilingual public education campaign that promotes abstinence from cannabis for persons under twenty-one years of age, encourages responsible use of cannabis by adults and promotes medical cannabis as a therapeutic option;

(2) reinvesting in communities disproportionately affected by past federal and state drug policies by supporting housing, job placement, mental health treatment, substance use disorder treatment and legal services to address barriers faced by formerly incarcerated persons, including for the expungement of records;

(3) funding public health and substance abuse prevention programming;

(4) funding housing that prioritizes people in
treatment or who are currently using substances;

(5) funding promising practices or evidence-based drug education programming based on the principles of harm reduction, including leadership development, family engagement and youth development, that is designed to prevent and reduce substance use, improve grades kindergarten through twelve school retention and performance and create economic security for families; and

(6) funding research related to medical and adult cannabis use effects or efficacy of medical and commercial cannabis; impacts on public health, health costs associated with cannabis use and whether cannabis use is associated with an increase or decrease in the use of alcohol or other drugs; the effectiveness of treatment for maladaptive cannabis use and the effectiveness of different treatment programs; public safety issues related to cannabis use; the effectiveness of the packaging and labeling requirements and advertising and marketing restrictions on the prevention of underage access to and use of cannabis products; cannabis use rates and maladaptive cannabis use rates for adults and youth and diagnosis rates of cannabis-related substance use disorders; and environmental issues related to cannabis production and the criminal prohibition of cannabis production.

C. A qualified community-based nonprofit organization or governmental entity may apply for a grant from
the community grants reinvestment fund. Applications shall be reviewed by the department of health.

SECTION 42. [NEW MATERIAL] LOW-INCOME MEDICAL PATIENT SUBSIDY FUND.--

A. The "low-income medical patient subsidy fund" is created in the state treasury. The fund consists of appropriations, other money deposited in the fund and money otherwise accruing to the fund. Income from the fund shall be credited to the fund. The department of health shall administer the fund, and money in the fund is subject to appropriation to the department of health. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

B. The low-income medical patient subsidy fund is created for the purpose of supporting qualified patients participating in the medical cannabis program in accordance with the Lynn and Erin Compassionate Use Act who also participate in the medical cannabis subsidy program created pursuant to Section 4 of the Cannabis Regulation Act.

C. Money in the low-income medical patient subsidy fund shall be disbursed on warrants signed by the secretary of finance and administration pursuant to vouchers signed by the secretary of health or the secretary's authorized representative.

SECTION 43. [NEW MATERIAL] CANNABIS WORKFORCE TRAINING
FUND--WORKFORCE SOLUTIONS DEPARTMENT--CANNABIS TRAINING AND EDUCATION PROGRAMS.--

A. The "cannabis workforce training fund" is created in the state treasury. The fund shall consist of appropriations, gifts, grants, donations and bequests made to the fund. Income from the fund shall be credited to the fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

B. The workforce solutions department shall administer the cannabis workforce training fund. Money in the fund is appropriated to that department to develop a plan on how to best prepare persons to engage in any commercial cannabis activity or any activity related to the medical cannabis program, to support public post-secondary educational institutions that choose to participate in a cannabis training and education program and to assist persons in gaining the training and experience necessary to engage in those activities.

C. The workforce solutions department shall develop a plan to assist in preparing persons to engage in any commercial cannabis activity or any activity related to the medical cannabis program. In developing the plan, the workforce solutions department shall request recommendations from members of the cannabis industry and any person or group that the workforce solutions department determines is
appropriate to inform the use of money in the cannabis workforce training fund. The workforce solutions department shall engage in consultation with the economic development department, the department of health, the higher education department and the Indian affairs department to develop the plan. The plan shall include provisions for developing education and customized training concerning any commercial cannabis activity or any activity related to the medical cannabis program to be offered by public post-secondary educational institutions pursuant to the Workforce Training Act. The plan shall include consideration of communities disproportionately affected by past federal and state drug policies, shall include outreach to those communities regarding business and job opportunities in the cannabis industry and shall include an annual evaluation of the participation and success in the industry by individuals from those communities and recommendations on how to improve that participation and success.

D. Expenditures from the cannabis workforce training fund shall be made pursuant to the plan and to the workforce solutions department to pay the costs of developing the plan, to support public post-secondary educational institutions that choose to participate in a cannabis training and education program and to assist persons in gaining the training and experience necessary to engage in those activities.
and for payment of costs associated with persons enrolling and
participating in certified apprenticeship programs, cannabis
training and education programs or for other programs designed
to train or educate persons to participate in any commercial
cannabis activity or any activity related to the medical
cannabis program.

E. Money in the cannabis workforce training fund
shall be expended on warrants of the secretary of finance and
administration pursuant to vouchers signed by the secretary of
workforce solutions or the secretary's designee.

SECTION 44. [NEW MATERIAL] CANNABIS INDUSTRY EQUITABLE
OPPORTUNITY INVESTMENT FUND--ECONOMIC DEVELOPMENT DEPARTMENT.--

A. The "cannabis industry equitable opportunity
investment fund" is created in the state treasury. The fund
consists of appropriations, gifts, grants, donations and
bequests made to the fund. Income from the fund shall be
credited to the fund. Any unexpended or unencumbered balance
remaining at the end of a fiscal year shall not revert to the
general fund.

B. The economic development department shall
administer the cannabis industry equitable opportunity
investment fund, and money in the fund is appropriated to that
department to:

(1) develop and implement a plan to provide
financial assistance to support start-up businesses and to
expand existing businesses in or related to the cannabis industry that are owned by persons from communities disproportionately affected by past federal and state drug policies; and

(2) research and develop and, on or before December 1, 2021, propose new legislation or amendments to existing acts designed to provide financial assistance to support start-up businesses and to expand existing businesses engaged in any commercial cannabis activity or any activity related to the medical cannabis program that are owned by persons from communities disproportionately affected by past federal and state drug policies.

C. Money in the cannabis industry equitable opportunity investment fund shall be expended on warrants of the secretary of finance and administration pursuant to vouchers signed by the secretary of economic development or the secretary's designee.

SECTION 45. [NEW MATERIAL] EXEMPTION FROM CRIMINAL AND CIVIL PENALTIES--RESEARCHERS.--A person shall not be subject to arrest or prosecution, penalized in any manner or denied any right or privilege solely because the person produced, possessed, distributed, dispensed or purchased cannabis from a person licensed pursuant to the Lynn and Erin Compassionate Use Act or the Cannabis Regulation Act if the person produced, possessed, distributed, dispensed or purchased the cannabis
solely for the purpose of research conducted pursuant to the
Lynn and Erin Compassionate Use Act or the Cannabis Regulation
Act.

SECTION 46. [NEW MATERIAL] INDIAN NATIONS, TRIBES AND
PUEBLOS--INTERGOVERNMENTAL AGREEMENTS.--The department may
enter into an intergovernmental agreement with any sovereign
Indian nation, tribe or pueblo located in New Mexico that
elects to implement the provisions of the Cannabis Regulation
Act. The intergovernmental agreement shall provide for:

A. any assistance from the department that an
Indian nation, tribe or pueblo may request in implementing its
own commercial cannabis program within the boundaries of that
Indian nation, tribe or pueblo and that the department agrees
to provide; and

B. guidelines for compliance with department rules
or compliance with separate express provisions of the
intergovernmental agreement to govern the rights and the
responsibilities of the department and an Indian nation, tribe
or pueblo when that Indian nation, tribe or pueblo transports
or sells commercial cannabis outside of the boundaries of that
Indian nation, tribe or pueblo.

SECTION 47. A new section of the Public School Code is
enacted to read:

"[NEW MATERIAL] SUBSTANCE ABUSE EDUCATION.--The department
shall require that, by January 1, 2022, all public and charter
schools annually provide to students in eighth through twelfth grades evidence-based drug education programs that are based on principles of harm reduction and are designed to prevent and reduce substance use and improve school retention and performance.

SECTION 48. [NEW MATERIAL] ROADSIDE DRUG TESTING--PILOT PROJECT.--

A. On or before October 1, 2020, the department of public safety shall establish a pilot project to determine through roadside testing using an oral fluid test instrument whether an individual is operating a vehicle while under the influence of a drug in violation of Section 66-8-102 NMSA 1978. The pilot project established pursuant to this section shall be for a period of one calendar year.

B. Not more than ninety days after the conclusion of the pilot project established pursuant to this section, the department of public safety shall submit a report to the appropriate legislative committee. The report shall include:

   (1) relevant statistical data, including:

      (a) the number of traffic stops resulting in an arrest for operating under the influence of a drug in violation of Section 66-8-102 NMSA 1978 as a result of the pilot project;

      (b) the number and type of convictions resulting from arrests made as a result of the pilot project;
and

    (c) the race, ethnicity, age and gender
of each person arrested or convicted as a result of the pilot
project; and

    (2) an overview of the results of the pilot
project and recommendations regarding whether to continue the
pilot project or to postpone, abandon or implement roadside
testing using an oral fluid test instrument.

SECTION 49. [NEW MATERIAL] SHORT TITLE.--Sections 49
through 56 of this act may be cited as the "Cannabis Tax Act".

SECTION 50. [NEW MATERIAL] DEFINITIONS.--As used in the
Cannabis Tax Act:

   A. "cannabis":

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

    (2) does not include:

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

(b) the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink or another product;

B. "cannabis extract":

(1) means a product obtained by separating resins from cannabis by solvent extraction using solvents other than vegetable glycerin, such as butane, hexane, isopropyl alcohol, ethanol or carbon dioxide; and

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

C. "cannabis product":

(1) means a product that is or that contains cannabis or cannabis extracts, including edible or topical products that may also contain other ingredients; and

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

D. "cannabis retailer" means a person that is licensed by the cannabis control division of the regulation and licensing department to sell and courier cannabis products to a person who purchases, acquires, possesses or uses a cannabis
product for a purpose other than resale;

E. "county area" means that portion of a county located outside the boundaries of any municipality, except that for H class counties, "county area" means the entire county;

F. "department" means the taxation and revenue department; and

G. "licensee" means a person who holds a license issued pursuant to the Cannabis Regulation Act.

SECTION 51. [NEW MATERIAL] CANNABIS EXCISE TAX.--

A. An excise tax is imposed on a cannabis retailer that sells cannabis products in this state on which the tax imposed by this section has not been paid. The tax imposed by this section may be referred to as the "cannabis excise tax".

B. The rate of the cannabis excise tax is nine percent and is applied to the price paid for the cannabis product. If the price paid does not represent the value of the cannabis product, the tax rate shall be applied to the reasonable value of the cannabis product at the time the product was purchased.

C. The cannabis excise tax shall not apply to retail sales of medical cannabis products sold to a qualified patient or to a primary caregiver who presents a registry identification card issued pursuant to the Lynn and Erin Compassionate Use Act at the time of the sale.

SECTION 52. [NEW MATERIAL] MUNICIPAL CANNABIS TAX.--
A. A majority of the members of the governing body of a municipality may enact an ordinance imposing an excise tax on a cannabis retailer that sells cannabis products in the municipality on which the tax imposed by this section has not been paid. The tax imposed pursuant to this section may be referred to as the "municipal cannabis tax".

B. The imposition of an increment of the municipal cannabis tax shall not be subject to referendum.

C. The rate of the municipal cannabis tax shall be no more than four percent, which may be imposed in any number of one-sixteenth percent increments, and is applied to the price of the cannabis product. If the price of the cannabis product does not represent the value of the cannabis product, the tax rate shall be applied to the reasonable value of the cannabis product at the time the cannabis product was purchased.

D. The governing body of a municipality, at the time of enacting an ordinance imposing a municipal cannabis tax, may dedicate the revenue for any municipal purpose.

E. An ordinance enacted pursuant to this section shall include an effective date of July 1 or January 1.

SECTION 53. [NEW MATERIAL] COUNTY CANNABIS TAX.--

A. The majority of the members of the governing body of a county may enact an ordinance imposing an excise tax on a cannabis retailer that sells cannabis products in the
county area on which the tax imposed by this section has not been paid. The tax imposed pursuant to this section may be referred to as the "county cannabis tax".

B. The imposition of an increment of the county cannabis tax shall not be subject to referendum.

C. The rate of the county cannabis tax shall be no more than four percent, which may be imposed in any number of one-sixteenth percent increments, and is applied to the price of the cannabis product. If the price of the cannabis product does not represent the value of the cannabis product, the tax rate shall be applied to the reasonable value of the cannabis product at the time the cannabis product was purchased.

D. The governing body of a county, at the time of enacting an ordinance imposing a county cannabis tax, may dedicate the revenue for any county purpose.

E. An ordinance enacted pursuant to this section shall include an effective date of July 1 or January 1.

SECTION 54. [NEW MATERIAL] DATE PAYMENT DUE.--The taxes imposed pursuant to the Cannabis Tax Act are to be paid on or before the twenty-fifth day of the month following the month in which the taxable event occurs.

SECTION 55. [NEW MATERIAL] ADMINISTRATIVE CHARGE.--The department may deduct an amount not to exceed three percent of the proceeds of the municipal cannabis tax and county cannabis tax as a charge for the administrative costs of collection,
which amount shall be retained by the department for use in
administration of those taxes.

SECTION 56. [NEW MATERIAL] INTERPRETATION OF ACT--
ADMINISTRATION AND ENFORCEMENT OF TAX.--The department shall
administer and enforce the collection of the cannabis excise
tax, municipal cannabis tax and county cannabis tax pursuant to
the Tax Administration Act.

SECTION 57. A new section of the Tax Administration Act
is enacted to read:

"[NEW MATERIAL] DISTRIBUTION--CANNABIS EXCISE TAX.--

A. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to the cannabis industry equitable
opportunity investment fund in an amount equal to six percent
of the net receipts attributable to the cannabis excise tax.

B. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to the low-income medical patient subsidy
fund in an amount equal to twenty percent of the net receipts
attributable to the cannabis excise tax.

C. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to the community grants reinvestment fund in
an amount equal to thirty-five percent of the net receipts
attributable to the cannabis excise tax.

D. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to the cannabis workforce training fund in
an amount equal to three percent of the net receipts
attributable to the cannabis excise tax.

E. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the law enforcement protection fund in an amount equal to sixteen and one-half percent of the net receipts attributable to the cannabis excise tax.

F. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the impaired driving education fund in an amount equal to one and one-half percent of the net receipts attributable to the cannabis excise tax.

G. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the human services department in an amount equal to eighteen percent of the net receipts attributable to the cannabis excise tax for statewide substance use disorder treatment."

SECTION 58. A new section of the Tax Administration Act is enacted to read:

"[NEW MATERIAL] TRANSFER--REVENUES FROM MUNICIPAL CANNABIS TAX AND COUNTY CANNABIS TAX.--

A. A transfer pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each municipality for which the department is collecting a municipal cannabis tax imposed by that municipality in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to the net receipts attributable to the municipal cannabis tax, less any deduction for administrative costs determined and made by the .215924.6GLG
department pursuant to the Cannabis Tax Act.

B. A transfer pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each county for which the department is collecting a county cannabis tax imposed by that county in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to the net receipts attributable to the county cannabis tax, less any deduction for administrative costs determined and made by the department pursuant to the Cannabis Tax Act."

SECTION 59. Section 7-1-2 NMSA 1978 (being Laws 1965, Chapter 248, Section 2, as amended by Laws 2019, Chapter 47, Section 1 and by Laws 2019, Chapter 53, Section 10 and also by Laws 2019, Chapter 270, Section 1) is amended to read:

"7-1-2. APPLICABILITY.--The Tax Administration Act applies to and governs:

A. the administration and enforcement of the following taxes or tax acts as they now exist or may hereafter be amended:

(1) Income Tax Act;
(2) Withholding Tax Act;
(3) Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act;
(5) Liquor Excise Tax Act;
(6) Local Liquor Excise Tax Act;
(7) any municipal local option gross receipts tax or municipal compensating tax;
(8) any county local option gross receipts tax or county compensating tax;
(9) Special Fuels Supplier Tax Act;
(10) Gasoline Tax Act;
(11) petroleum products loading fee, which fee shall be considered a tax for the purpose of the Tax Administration Act;
(12) Alternative Fuel Tax Act;
(13) Cigarette Tax Act;
(14) Estate Tax Act;
(15) Railroad Car Company Tax Act;
(16) Investment Credit Act, rural job tax credit, Laboratory Partnership with Small Business Tax Credit Act, Technology Jobs and Research and Development Tax Credit Act, Film Production Tax Credit Act, Affordable Housing Tax Credit Act and high-wage jobs tax credit;
(17) Corporate Income and Franchise Tax Act;
(18) Uniform Division of Income for Tax Purposes Act;
(19) Multistate Tax Compact;
(20) Tobacco Products Tax Act;
(21) the telecommunications relay service surcharge imposed by Section 63-9F-11 NMSA 1978, which surcharge shall be considered a tax for the purposes of the Tax Administration Act; [and]

(22) the Insurance Premium Tax Act;

(23) the Health Care Quality Surcharge Act;

and

(24) the Cannabis Tax Act;

B. the administration and enforcement of the following taxes, surtaxes, advanced payments or tax acts as they now exist or may hereafter be amended:

(1) Resources Excise Tax Act;

(2) Severance Tax Act;

(3) any severance surtax;

(4) Oil and Gas Severance Tax Act;

(5) Oil and Gas Conservation Tax Act;

(6) Oil and Gas Emergency School Tax Act;

(7) Oil and Gas Ad Valorem Production Tax Act;

(8) Natural Gas Processors Tax Act;

(9) Oil and Gas Production Equipment Ad Valorem Tax Act;

(10) Copper Production Ad Valorem Tax Act;

(11) any advance payment required to be made by any act specified in this subsection, which advance payment shall be considered a tax for the purposes of the Tax
Administration Act;

(12) Enhanced Oil Recovery Act;
(13) Natural Gas and Crude Oil Production Incentive Act; and
(14) intergovernmental production tax credit and intergovernmental production equipment tax credit;

C. the administration and enforcement of the following taxes, surcharges, fees or acts as they now exist or may hereafter be amended:

(1) Weight Distance Tax Act;
(2) the workers' compensation fee authorized by Section 52-5-19 NMSA 1978, which fee shall be considered a tax for purposes of the Tax Administration Act;
(3) Uniform Unclaimed Property Act (1995);
(4) 911 emergency surcharge and the network and database surcharge, which surcharges shall be considered taxes for purposes of the Tax Administration Act;
(5) the solid waste assessment fee authorized by the Solid Waste Act, which fee shall be considered a tax for purposes of the Tax Administration Act;
(6) the water conservation fee imposed by Section 74-1-13 NMSA 1978, which fee shall be considered a tax for the purposes of the Tax Administration Act; and
(7) the gaming tax imposed pursuant to the Gaming Control Act; and
D. the administration and enforcement of all other laws, with respect to which the department is charged with responsibilities pursuant to the Tax Administration Act, but only to the extent that the other laws do not conflict with the Tax Administration Act."

SECTION 60. Section 7-1-6.15 NMSA 1978 (being Laws 1983, Chapter 211, Section 20, as amended by Laws 2015, Chapter 89, Section 1 and by Laws 2015, Chapter 100, Section 1) is amended to read:

"7-1-6.15. ADJUSTMENTS OF DISTRIBUTIONS OR TRANSFERS TO MUNICIPALITIES OR COUNTIES.--

A. The provisions of this section apply to:

(1) any distribution to a municipality pursuant to Section 7-1-6.4, 7-1-6.36 or 7-1-6.46 NMSA 1978;

(2) any transfer to a municipality with respect to any local option gross receipts tax or municipal cannabis tax imposed by that municipality;

(3) any transfer to a county with respect to any local option gross receipts tax or county cannabis tax imposed by that county;

(4) any distribution to a county pursuant to Section 7-1-6.16 or 7-1-6.47 NMSA 1978;

(5) any distribution to a municipality or a county of gasoline taxes pursuant to Section 7-1-6.9 NMSA 1978;

(6) any transfer to a county with respect to
any tax imposed in accordance with the Local Liquor Excise Tax Act;

(7) any distribution to a county from the county government road fund pursuant to Section 7-1-6.26 NMSA 1978;

(8) any distribution to a municipality of gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978; and

(9) any distribution to a municipality of compensating taxes pursuant to Section 7-1-6.55 NMSA 1978.

B. Before making a distribution or transfer specified in Subsection A of this section to a municipality or county for the month, amounts comprising the net receipts shall be segregated into two mutually exclusive categories. One category shall be for amounts relating to the current month, and the other category shall be for amounts relating to prior periods. The total of each category for a municipality or county shall be reported each month to that municipality or county. If the total of the amounts relating to prior periods is less than zero and its absolute value exceeds the greater of one hundred dollars ($100) or an amount equal to twenty percent of the average distribution or transfer amount for that municipality or county, then the following procedures shall be carried out:

(1) all negative amounts relating to any period prior to the three calendar years preceding the year of
the current month, net of any positive amounts in that same
time period for the same taxpayers to which the negative
amounts pertain, shall be excluded from the total relating to
prior periods. Except as provided in Paragraph (2) of this
subsection, the net receipts to be distributed or transferred
to the municipality or county shall be adjusted to equal the
amount for the current month plus the revised total for prior
periods; and

(2) if the revised total for prior periods
determined pursuant to Paragraph (1) of this subsection is
negative and its absolute value exceeds the greater of one
hundred dollars ($100) or an amount equal to twenty percent of
the average distribution or transfer amount for that
municipality or county, the revised total for prior periods
shall be excluded from the distribution or transfers and the
net receipts to be distributed or transferred to the
municipality or county shall be equal to the amount for the
current month.

C. The department shall recover from a municipality
or county the amount excluded by Paragraph (2) of Subsection B
of this section. This amount may be referred to as the
"recoverable amount".

D. Prior to or concurrently with the distribution
or transfer to the municipality or county of the adjusted net
receipts, the department shall notify the municipality or
county whose distribution or transfer has been adjusted pursuant to Paragraph (2) of Subsection B of this section:

(1) that the department has made such an adjustment, that the department has determined that a specified amount is recoverable from the municipality or county and that the department intends to recover that amount from future distributions or transfers to the municipality or county;

(2) that the municipality or county has ninety days from the date notice is made to enter into a mutually agreeable repayment agreement with the department;

(3) that if the municipality or county takes no action within the ninety-day period, the department will recover the amount from the next six distributions or transfers following the expiration of the ninety days; and

(4) that the municipality or county may inspect, pursuant to Section 7-1-8.9 NMSA 1978, an application for a claim for refund that gave rise to the recoverable amount, exclusive of any amended returns that may be attached to the application.

E. No earlier than ninety days from the date notice pursuant to Subsection D of this section is given, the department shall begin recovering the recoverable amount from a municipality or county as follows:

(1) the department may collect the recoverable amount by:

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(a) decreasing distributions or transfers to the municipality or county in accordance with a repayment agreement entered into with the municipality or county; or

(b) except as provided in Paragraphs (2) and (3) of this subsection, if the municipality or county fails to act within the ninety days, decreasing the amount of the next six distributions or transfers to the municipality or county following expiration of the ninety-day period in increments as nearly equal as practicable and sufficient to recover the amount;

(2) if, pursuant to Subsection B of this section, the secretary determines that the recoverable amount is more than fifty percent of the average distribution or transfer of net receipts for that municipality or county, the secretary:

(a) shall recover only up to fifty percent of the average distribution or transfer of net receipts for that municipality or county; and

(b) may, in the secretary's discretion, waive recovery of any portion of the recoverable amount, subject to approval by the state board of finance; and

(3) if, after application of a refund claim, audit adjustment, correction of a mistake by the department or other adjustment of a prior period, but prior to any recovery
of the department pursuant to this section, the total net
receipts of a municipality or county for the twelve-month
period beginning with the current month are reduced or are
projected to be reduced to less than fifty percent of the
average distribution or transfer of net receipts, the secretary
may waive recovery of any portion of the recoverable amount,
subject to approval by the state board of finance.

F. No later than ninety days from the date notice
pursuant to Subsection D of this section is given, the
department shall provide the municipality or county adequate
opportunity to review an application for a claim for refund
that gave rise to the recoverable amount, exclusive of any
amended returns that may be attached to the application,
pursuant to Section 7-1-8.9 NMSA 1978.

G. On or before September 1 of each year beginning
in 2016, the secretary shall report to the state board of
finance and the legislative finance committee the total
recoverable amount waived pursuant to Subparagraph (b) of
Paragraph (2) and Paragraph (3) of Subsection E of this section
for each municipality and county in the prior fiscal year.

H. The secretary is authorized to decrease a
distribution or transfer to a municipality or county upon being
directed to do so by the secretary of finance and
administration pursuant to the State Aid Intercept Act or to
redirect a distribution or transfer to the New Mexico finance
authority pursuant to an ordinance or a resolution passed by the county or municipality and a written agreement of the municipality or county and the New Mexico finance authority. Upon direction to decrease a distribution or transfer or notice to redirect a distribution or transfer to a municipality or county, the secretary shall decrease or redirect the next designated distribution or transfer, and succeeding distributions or transfers as necessary, by the amount of the state distributions intercept authorized by the secretary of finance and administration pursuant to the State Aid Intercept Act or by the amount of the state distribution intercept authorized pursuant to an ordinance or a resolution passed by the county or municipality and a written agreement with the New Mexico finance authority. The secretary shall transfer the state distributions intercept amount to the municipal or county treasurer or other person designated by the secretary of finance and administration or to the New Mexico finance authority pursuant to written agreement to pay the debt service to avoid default on qualified local revenue bonds or meet other local revenue bond, loan or other debt obligations of the municipality or county to the New Mexico finance authority. A decrease to or redirection of a distribution or transfer pursuant to this subsection that arose:

(1) prior to an adjustment of a distribution or transfer of net receipts creating a recoverable amount owed
to the department takes precedence over any collection of any recoverable amount pursuant to Paragraph (2) of Subsection B of this section, which may be made only from the net amount of the distribution or transfer remaining after application of the decrease or redirection pursuant to this subsection; and

(2) after an adjustment of a distribution or transfer of net receipts creating a recoverable amount owed to the department shall be subordinate to any collection of any recoverable amount pursuant to Paragraph (2) of Subsection B of this section.

I. Upon the direction of the secretary of finance and administration pursuant to Section 9-6-5.2 NMSA 1978, the secretary shall temporarily withhold the balance of a distribution to a municipality or county, net of any decrease or redirected amount pursuant to Subsection H of this section and any recoverable amount pursuant to Paragraph (2) of Subsection B of this section, that has failed to submit an audit report required by the Audit Act or a financial report required by Subsection F of Section 6-6-2 NMSA 1978. The amount to be withheld, the source of the withheld distribution and the number of months that the distribution is to be withheld shall be as directed by the secretary of finance and administration. A distribution withheld pursuant to this subsection shall remain in the tax administration suspense fund until distributed to the municipality or county and shall not...
be distributed to the general fund. An amount withheld pursuant to this subsection shall be distributed to the municipality or county upon direction of the secretary of finance and administration.

J. As used in this section:

(1) "amounts relating to the current month" means any amounts included in the net receipts of the current month that represent payment of tax due for the current month, correction of amounts processed in the current month that relate to the current month or that otherwise relate to obligations due for the current month;

(2) "amounts relating to prior periods" means any amounts processed during the current month that adjust amounts processed in a period or periods prior to the current month regardless of whether the adjustment is a correction of a department error or due to the filing of amended returns, payment of department-issued assessments, filing or approval of claims for refund, audit adjustments or other cause;

(3) "average distribution or transfer amount" means the following amounts; provided that a distribution or transfer that is negative shall not be used in calculating the amounts:

(a) the annual average of the total amount distributed or transferred to a municipality or county in each of the three twelve-month periods preceding the current
month;

(b) if a distribution or transfer to a municipality or county has been made for less than three years, the total amount distributed or transferred in the year preceding the current month; or

(c) if a municipality or county has not received distributions or transfers of net receipts for twelve or more months, the monthly average of net receipts distributed or transferred to the municipality or county preceding the current month multiplied by twelve;

(4) "current month" means the month for which the distribution or transfer is being prepared; and

(5) "repayment agreement" means an agreement between the department and a municipality or county under which the municipality or county agrees to allow the department to recover an amount determined pursuant to Paragraph (2) of Subsection B of this section by decreasing distributions or transfers to the municipality or county for one or more months beginning with the distribution or transfer to be made with respect to a designated month. No interest shall be charged."

SECTION 61. Section 7-9-3.5 NMSA 1978 (being Laws 2003, Chapter 272, Section 3, as amended) is amended to read:

"7-9-3.5. DEFINITION--GROSS RECEIPTS.--

A. As used in the Gross Receipts and Compensating Tax Act:
(1) "gross receipts" means the total amount of
money or the value of other consideration received from selling
property in New Mexico, from leasing or licensing property
employed in New Mexico, from granting a right to use a
franchise employed in New Mexico, from selling services
performed outside New Mexico, the product of which is initially
used in New Mexico, or from performing services in New Mexico.
In an exchange in which the money or other consideration
received does not represent the value of the property or
service exchanged, "gross receipts" means the reasonable value
of the property or service exchanged;

(2) "gross receipts" includes:

(a) any receipts from sales of tangible
personal property handled on consignment;

(b) the total commissions or fees
derived from the business of buying, selling or promoting the
purchase, sale or lease, as an agent or broker on a commission
or fee basis, of any property, service, stock, bond or
security;

(c) amounts paid by members of any
cooperative association or similar organization for sales or
leases of personal property or performance of services by such
organization;

(d) amounts received from transmitting
messages or conversations by persons providing telephone or
telegraph services;

(e) amounts received by a New Mexico florist from the sale of flowers, plants or other products that are customarily sold by florists where the sale is made pursuant to orders placed with the New Mexico florist that are filled and delivered outside New Mexico by an out-of-state florist;

(f) the receipts of a home service provider from providing mobile telecommunications services to customers whose place of primary use is in New Mexico if: 1) the mobile telecommunications services originate and terminate in the same state, regardless of where the services originate, terminate or pass through; and 2) the charges for mobile telecommunications services are billed by or for a customer's home service provider and are deemed provided by the home service provider. For the purposes of this section, "home service provider", "mobile telecommunications services", "customer" and "place of primary use" have the meanings given in the federal Mobile Telecommunications Sourcing Act; and

(g) receipts collected by a marketplace provider engaging in business in the state from sales, leases and licenses of tangible personal property, sales of licenses and sales of services or licenses for use of real property that are sourced to this state and are facilitated by the marketplace provider on behalf of marketplace sellers,
regardless of whether the marketplace sellers are engaging in business in the state; and

(3) "gross receipts" excludes:

(a) cash discounts allowed and taken;

(b) New Mexico gross receipts tax, governmental gross receipts tax and leased vehicle gross receipts tax payable on transactions for the reporting period;

(c) taxes imposed pursuant to the provisions of any local option gross receipts tax that is payable on transactions for the reporting period;

(d) any tax imposed pursuant to the Cannabis Tax Act;

(e) any gross receipts or sales taxes imposed by an Indian nation, tribe or pueblo; provided that the tax is approved, if approval is required by federal law or regulation, by the secretary of the interior of the United States; and provided further that the gross receipts or sales tax imposed by the Indian nation, tribe or pueblo provides a reciprocal exclusion for gross receipts, sales or gross receipts-based excise taxes imposed by the state or its political subdivisions;

(f) any type of time-price differential;

(g) amounts received solely on behalf of another in a disclosed agency capacity; and
amounts received by a New Mexico florist from the sale of flowers, plants or other products that are customarily sold by florists where the sale is made pursuant to orders placed with an out-of-state florist for filling and delivery in New Mexico by a New Mexico florist.

B. When the sale of property or service is made under any type of charge, conditional or time-sales contract or the leasing of property is made under a leasing contract, the seller or lessor may elect to treat all receipts, excluding any type of time-price differential, under such contracts as gross receipts as and when the payments are actually received. If the seller or lessor transfers the seller's or lessor's interest in any such contract to a third person, the seller or lessor shall pay the gross receipts tax upon the full sale or leasing contract amount, excluding any type of time-price differential."

SECTION 62. Section 7-9-73.2 NMSA 1978 (being Laws 1998, Chapter 95, Section 2 and Laws 1998, Chapter 99, Section 4, as amended) is amended to read:

"7-9-73.2. DEDUCTION--GROSS RECEIPTS TAX AND GOVERNMENTAL GROSS RECEIPTS TAX--PRESCRIPTION DRUGS--OXYGEN--CANNABIS.--

A. Receipts from the sale of prescription drugs [and], oxygen [and], oxygen services provided by a licensed medicare durable medical equipment provider and cannabis that is purchased in accordance with the Lynn and Erin Compassionate .215924.6GLG
Use Act may be deducted from gross receipts and governmental gross receipts.

B. For the purposes of this section, "prescription drugs" means insulin and substances that are:

(1) dispensed by or under the supervision of a licensed pharmacist or by a physician or other person authorized under state law to do so;

(2) prescribed for a specified person by a person authorized under state law to prescribe the substance; and

(3) subject to the restrictions on sale contained in Subparagraph 1 of Subsection (b) of 21 USCA 353."

SECTION 63. Section 9-16-4 NMSA 1978 (being Laws 1983, Chapter 297, Section 20, as amended) is amended to read:

"9-16-4. DEPARTMENT ESTABLISHED.--The "regulation and licensing department" is created in the executive branch. The department shall not be a cabinet department. The department shall consist of but not be limited to the following divisions:

A. the administrative services division;
B. the construction industries division;
C. the financial institutions division;
D. the securities division;
E. the manufactured housing division; [and]
F. the alcoholic beverage control division; and
G. the cannabis control division."
SECTION 64. Section 24-16-12 NMSA 1978 (being Laws 2007, Chapter 20, Section 4, as amended) is amended to read:

"24-16-12. SMOKING-PERMITTED AREAS.--Notwithstanding any other provision of the Dee Johnson Clean Indoor Air Act, smoking-permitted areas include the following:

A. a private residence, unless it is used commercially to provide child care, adult care or health care or any combination of those activities;

B. a retail tobacco store; provided that, for a retail tobacco store established on or after the effective date of this 2019 act, the store shall be located in a standalone building;

C. a cigar bar; provided that, for a cigar bar established on or after \[the effective date of this 2019 act\] \[June 14, 2019\], the bar shall be located in a standalone building;

D. the facilities of a tobacco manufacturing company licensed by the United States to manufacture tobacco products that are operated by the company in its own name and that are used exclusively by the company in its business of manufacturing, marketing or distributing its tobacco products; provided that secondhand smoke does not infiltrate other indoor workplaces or other indoor public places where smoking is otherwise prohibited under the Dee Johnson Clean Indoor Air Act;
E. a state-licensed gaming facility, casino or bingo parlor;

F. designated outdoor smoking areas;

G. private clubs;

H. hotel and motel rooms that are rented to guests and are designated as smoking-permitted rooms; provided that not more than ten percent of rooms rented to guests in a hotel or motel may be so designated;

I. a site that is being used in connection with the practice of cultural or ceremonial activities by Native Americans and that is in accordance with the federal American Indian Religious Freedom Act, 42 U.S.C. 1996 and 1996a; [and]

J. a theatrical stage or a motion picture or television production set when it is necessary for performers to smoke as part of the production; and

K. an indoor or outdoor cannabis consumption area located on the licensed premises of a cannabis establishment authorized pursuant to the Cannabis Regulation Act."

SECTION 65. A new section of the Lynn and Erin Compassionate Use Act is enacted to read:

"[NEW MATERIAL] INDIAN NATIONS, TRIBES AND PUEBLOS--INTERGOVERNMENTAL AGREEMENTS.--The department may enter into an intergovernmental agreement with any sovereign Indian nation, tribe or pueblo located in New Mexico that elects to implement the provisions of the medical cannabis program established
pursuant to the Lynn and Erin Compassionate Use Act. The intergovernmental agreement shall provide for:

A. any assistance from the department that an Indian nation, tribe or pueblo may request in implementing its own medical cannabis program within the boundaries of that Indian nation, tribe or pueblo and that the department agrees to provide; and

B. guidelines for compliance with department rules or compliance with separate express provisions of the intergovernmental agreement to govern the rights and the responsibilities of the department and an Indian nation, tribe or pueblo when that Indian nation, tribe or pueblo transports or sells medical cannabis outside of the boundaries of that Indian nation, tribe or pueblo."

SECTION 66. Section 26-2B-3 NMSA 1978 (being Laws 2007, Chapter 210, Section 3, as amended) is amended to read:

"26-2B-3. DEFINITIONS.--As used in the Lynn and Erin Compassionate Use Act:

A. "adequate supply" means an amount of cannabis, in any form approved by the department, possessed by a qualified patient or collectively possessed by a qualified patient and the qualified patient's primary caregiver that is determined by rule of the department to be no more than reasonably necessary to ensure the uninterrupted availability of cannabis for a period of three months and that is derived
solely from an intrastate source;

B. "cannabis":

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

(2) does not include the mature stalks of the plant; fiber produced from the stalks; oil or cake made from the seeds of the plant; any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil or cake; the sterilized seed of the plant that is incapable of germination; the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink or another product; or hemp;

[C. "cannabis consumption area" means an area within a licensed premises approved by the department where cannabis may be consumed that complies with rule as established by the department;]

D. "cannabis courier" means a person that is licensed by the department to transport usable cannabis and cannabis products within the state from a cannabis establishment to:
(1) a qualified patient;
(2) a primary caregiver; or
(3) another cannabis establishment;

E. "cannabis establishment" means:
(1) a licensed cannabis courier;
(2) a licensed cannabis testing facility;
(3) a licensed cannabis manufacturer;
(4) a licensed cannabis producer; or
(5) such other person that the department may by rule approve for participation in the medical cannabis program;

F. "cannabis manufacturer" means a person that is licensed by the department to:
(1) manufacture cannabis products;
(2) package, transport or courier cannabis products;
(3) have cannabis products tested by a cannabis testing facility;
(4) purchase, obtain, sell and transport cannabis products to other cannabis establishments; and
(5) prepare products for personal production license holders;

G. "cannabis producer" means a person that is licensed by the department to possess, produce, dispense, distribute and manufacture cannabis and cannabis products and
sell wholesale or by direct sale to qualified patients and primary caregivers;

H. C. "cannabis product":

(1) means a product that contains cannabis, including edible or topical products that may also contain other ingredients; and

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

I. "cannabis testing facility" means a person that is licensed by the department to perform tests of cannabis products to analyze the strength or purity of the items and to collect cannabis samples and transport cannabis products to the cannabis testing facility from cannabis establishments;

J. D. "debilitating medical condition" means:

(1) cancer;

(2) glaucoma;

(3) multiple sclerosis;

(4) damage to the nervous tissue of the spinal cord, with objective neurological indication of intractable spasticity;

(5) seizure disorder, including epilepsy;

(6) positive status for human immunodeficiency virus or acquired immune deficiency syndrome;
(7) admitted into hospice care in accordance with rules promulgated by the department;
(8) amyotrophic lateral sclerosis;
(9) Crohn's disease;
(10) hepatitis C infection;
(11) Huntington's disease;
(12) inclusion body myositis;
(13) inflammatory autoimmune-mediated arthritis;
(14) intractable nausea or vomiting;
(15) obstructive sleep apnea;
(16) painful peripheral neuropathy;
(17) Parkinson's disease;
(18) posttraumatic stress disorder;
(19) severe chronic pain;
(20) severe anorexia or cachexia;
(21) spasmodic torticollis;
(22) ulcerative colitis; or
(23) any other medical condition, medical treatment or disease as approved by the department;

[K-1] E. "department" means the department of health;

[L-1] F. "hemp" means the plant genus Cannabis sativa and any part of the plant, whether growing or not, containing a delta-9-tetrahydrocannabinol concentration of no

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more than three-tenths percent on a dry weight basis;

[M.] "license" means a license issued pursuant to

the Lynn and Erin Compassionate Use Act;

[N.] "licensee" means a person that holds a

personal production license;

[O.] "licensee representative" means an owner,

director, officer, manager, employee, agent or other

representative of a licensee, to the extent that person acts in

a representative capacity;

[P.] "manufacture" means to prepare a cannabis

product for a qualified patient's use;

[Q.] "medical cannabis program" means the

program established pursuant to the Lynn and Erin Compassionate

Use Act for authorization and regulation of the medical use of

cannabis in the state;

[R.] "personal production license" means a

license issued to a qualified patient or to a qualified

patient's primary caregiver participating in the medical

cannabis program to permit the qualified patient or the

qualified patient's primary caregiver to produce or manufacture

cannabis for the qualified patient's use at an address approved

by the department;

[S.] "practitioner" means a person licensed in

New Mexico to prescribe and administer drugs that are subject

to the Controlled Substances Act;
"primary caregiver" means a resident of New Mexico who is at least eighteen years of age and who has been designated by the patient's practitioner as being necessary to take responsibility for managing the well-being of a qualified patient with respect to the medical use of cannabis pursuant to the provisions of the Lynn and Erin Compassionate Use Act;

"produce" means to engage in any activity related to the planting or cultivation of cannabis;

"qualified patient" means a person who has been diagnosed by a practitioner as having a debilitating medical condition and has received written certification and a registry identification card pursuant to the Lynn and Erin Compassionate Use Act on the basis of having been diagnosed, in person or via telemedicine, by a practitioner as having a debilitating medical condition; provided that a practitioner may only issue a written certification on the basis of an evaluation conducted via telemedicine if the practitioner has previously examined the patient in person;

"reciprocal participant" means an individual who holds proof of authorization to participate in the medical cannabis program of another state of the United States, the District of Columbia, a territory or commonwealth of the United States or a New Mexico Indian nation, tribe or pueblo;

"registry identification card" means a
document that the department issues:

(1) to a qualified patient that identifies the bearer as a qualified patient and authorizes the qualified patient to use cannabis for a debilitating medical condition; or

(2) to a primary caregiver that identifies the bearer as a primary caregiver authorized to engage in the intrastate possession and administration of cannabis for the sole use of a qualified patient who is identified on the document;

[Y.] Q. "safety-sensitive position" means a position in which performance by a person under the influence of drugs or alcohol would constitute an immediate or direct threat of injury or death to that person or another;

[Z.] R. "telemedicine" means the use of telecommunications and information technology to provide clinical health care from a site apart from the site where the patient is located, in real time or asynchronously, including the use of interactive simultaneous audio and video or store-and-forward technology, or off-site patient monitoring and telecommunications in order to deliver health care services;

[AA.] S. "THC" means delta-9-tetrahydrocannabinol, a substance that is the primary psychoactive ingredient in cannabis; and

[BB.] T. "written certification" means a statement
made on a department-approved form and signed by a patient's practitioner that indicates, in the practitioner's professional opinion, that the patient has a debilitating medical condition and the practitioner believes that the potential health benefits of the medical use of cannabis would likely outweigh the health risks for the patient."

**SECTION 67.** Section 26-2B-4 NMSA 1978 (being Laws 2007, Chapter 210, Section 4, as amended) is amended to read:

"26-2B-4. EXEMPTION FROM CRIMINAL AND CIVIL PENALTIES FOR THE MEDICAL USE OF CANNABIS.--

A. A qualified patient or a qualified patient's primary caregiver shall not be subject to arrest, prosecution or penalty in any manner for the possession of or the medical use of cannabis if the quantity of cannabis does not exceed an adequate supply; provided that a qualified patient or the qualified patient's primary caregiver may possess that qualified patient's harvest of cannabis.

B. A reciprocal participant shall not be subject to arrest, prosecution or penalty in any manner for the possession of or the medical use of cannabis if the quantity of cannabis does not exceed the limit identified by department rule.

C. The following conduct is lawful and shall not constitute grounds for detention, search or arrest of a person or for a violation of probation or parole, and cannabis products that relate to the conduct are not contraband or
subject to seizure or forfeiture pursuant to the Controlled
Substances Act or the Forfeiture Act:

(1) a qualified patient or primary caregiver
possessing or transporting not more than an adequate supply or
a reciprocal participant possessing or transporting not more
than the limit identified by department rule;

(2) a qualified patient or primary caregiver
purchasing or obtaining not more than an adequate supply from a
lawful source or a reciprocal participant purchasing or
obtaining not more than the limit identified by department
rule;

(3) a qualified patient using or being under
the influence of cannabis; provided that the qualified patient
is acting consistent with law;

(4) a qualified patient or primary caregiver
transferring, without financial consideration, to a qualified
patient or primary caregiver not more than two ounces of
cannabis; or

(5) with respect to cannabis cultivated under
a personal production license, a qualified patient or primary
caregiver possessing, planting, cultivating, harvesting,
drying, manufacturing or transporting cannabis plants or
cannabis products as allowed by department rule; provided that
a qualified patient or primary caregiver who possesses a
personal production license shall not manufacture cannabis

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products using an oil extractor solvent that is stored under pressure [unless the qualified patient or primary caregiver holds a separate license from the department permitting the person to manufacture cannabis products using an oil extractor solvent that is under pressure].

D. Subsection A of this section shall not apply to a qualified patient under the age of eighteen years, unless:

(1) the qualified patient's practitioner has explained the potential risks and benefits of the medical use of cannabis to the qualified patient and to a parent, guardian or person having legal custody of the qualified patient; and

(2) a parent, guardian or person having legal custody consents in writing to:

(a) allow the qualified patient's medical use of cannabis;

(b) serve as the qualified patient's primary caregiver; and

(c) control the dosage and the frequency of the medical use of cannabis by the qualified patient.

E. A qualified patient or a primary caregiver shall be granted the full legal protections provided in this section if the qualified patient or primary caregiver is in possession of a registry identification card. If the qualified patient or primary caregiver is not in possession of a registry identification card, the qualified patient or primary caregiver
shall be given an opportunity to produce the registry identification card before any arrest or criminal charges or other penalties are initiated.

F. A practitioner shall not be subject to arrest or prosecution, penalized in any manner or denied any right or privilege for recommending the medical use of cannabis or providing written certification for the medical use of cannabis pursuant to the Lynn and Erin Compassionate Use Act.

[G. A licensee or licensee representative shall not be subject to arrest, prosecution or penalty, in any manner, for the production, possession, manufacture, distribution, dispensing or testing of cannabis pursuant to the Lynn and Erin Compassionate Use Act. Conduct by a licensee or a licensee representative that is allowed pursuant to a license and conduct by a person that allows property to be used by a licensee or a licensee representative for conduct allowed pursuant to a license is lawful, is not a violation of state or local law and is not a basis for seizure or forfeiture of property or assets under state or local law.

H. ] G. Any property interest that is possessed, owned or used in connection with the medical use of cannabis, or acts incidental to such use, shall not be harmed, neglected, injured or destroyed while in the possession of state or local law enforcement officials. Any such property interest shall not be forfeited under any state or local law providing for the
forfeiture of property except as provided in the Forfeiture Act. Cannabis, paraphernalia or other property seized from a qualified patient or primary caregiver in connection with the claimed medical use of cannabis shall be returned immediately upon the determination by a court or prosecutor that the qualified patient or primary caregiver is entitled to the protections of the provisions of the Lynn and Erin Compassionate Use Act, as may be evidenced by a failure to actively investigate the case, a decision not to prosecute, the dismissal of charges or acquittal.

[1-] H. A state or local government shall not impose a criminal, civil or administrative penalty on a licensee [or a licensee representative] or on a person that allows property to be used by a licensee [or a licensee representative] pursuant to a license, solely for conduct that is allowed pursuant to a license.

[2-] I. A person shall not be subject to arrest or prosecution for a cannabis-related offense for simply being in the presence of the medical use of cannabis as permitted under the provisions of the Lynn and Erin Compassionate Use Act."

SECTION 68. Section 26-2B-5 NMSA 1978 (being Laws 2007, Chapter 210, Section 5, as amended by Laws 2019, Chapter 247, Section 5 and by Laws 2019, Chapter 261, Section 2) is amended to read:

"26-2B-5. PROHIBITIONS, RESTRICTIONS AND LIMITATIONS ON
THE MEDICAL USE OF CANNABIS--CRIMINAL PENALTIES.--

A. Participation in a medical use of cannabis program by a qualified patient or primary caregiver does not relieve the qualified patient or primary caregiver from:

(1) criminal prosecution or civil penalties for activities not authorized in the Lynn and Erin Compassionate Use Act;

(2) liability for damages or criminal prosecution arising out of the operation of a vehicle while under the influence of cannabis; or

(3) criminal prosecution or civil penalty for possession or use of cannabis:

   (a) in the workplace of the qualified patient's or primary caregiver's employment; or

   (b) at a public park, recreation center, youth center or other public place.

B. A person who makes a fraudulent representation to a law enforcement officer about the person's participation in a medical use of cannabis program to avoid arrest or prosecution for a cannabis-related offense is guilty of a petty misdemeanor and shall be sentenced in accordance with the provisions of Section 31-19-1 NMSA 1978.

C. If a licensee or the licensee's representative sells, distributes, dispenses or transfers cannabis to a person not approved by the department pursuant to the Lynn and Erin
Compassionate Use Act or obtains or transports cannabis outside New Mexico, the licensee or the licensee's representative shall be subject to arrest, prosecution and civil or criminal penalties pursuant to state law."

SECTION 69. Section 26-2B-6.1 NMSA 1978 (being Laws 2019, Chapter 247, Section 8) is amended to read:

"26-2B-6.1. PROGRAM REGULATION AND ADMINISTRATION--FEES--[RULEMAKING] LICENSURE--ISSUANCE--REPORTING.--

A. The department shall:

(1) regulate and administer the medical cannabis program; and

(2) collect fees from licensees; provided that the department shall not charge a fee relating to the medical cannabis registry.

B. By December 20, 2019, the secretary of health shall adopt and promulgate rules to establish fees for licenses for cannabis producers, cannabis manufacturers, cannabis couriers, cannabis testing facilities or any other cannabis establishments whose operations are authorized pursuant to the Lynn and Erin Compassionate Use Act.

C. The department shall establish an application and licensing fee for personal production licenses.

D. The department shall administer
for medical cannabis program activity provided for in the Lynn
and Erin Compassionate Use Act, which shall include personal
production licenses. [and licenses for:

(1) cannabis couriers;
(2) cannabis manufacturers;
(3) cannabis producers;
(4) cannabis testing facilities; and
(5) any other activity or person as deemed
necessary by the department.

E. The department shall not issue any other license
provided for in this section to a cannabis testing facility
licensee.

F.] D. In consultation with qualified patients and
primary caregivers, the department shall produce an assessment
report annually, which shall be published to the public and
that includes at a minimum an evaluation of:

(1) the affordability of and accessibility to
medical cannabis pursuant to the Lynn and Erin Compassionate
Use Act; and

(2) the needs of qualified patients who live
in rural areas, federal subsidized housing or New Mexico Indian
nations, tribes or pueblos.

[G. The department shall allow for the smoking,
vaporizing and ingesting of cannabis products within a cannabis
consumption area on the premises if]
(1) access is restricted to qualified patients
and their primary caregivers;

(2) cannabis consumption is not visible from
any public place or from outside the cannabis consumption area;
and

(3) qualified patients who consume cannabis on
the premises have a designated driver or other means of
transportation consistent with current law.

SECTION 70. Section 26-2B-7 NMSA 1978 (being Laws 2007,
Chapter 210, Section 7, as amended) is amended to read:

"26-2B-7. REGISTRY IDENTIFICATION CARDS--DEPARTMENT
RULES--DUTIES--RECIPROCITY.--

A. After consultation with the advisory board, the
department shall promulgate rules in accordance with the State
Rules Act to implement the purpose of the Lynn and Erin
Compassionate Use Act. The rules shall:

(1) govern the manner in which the department
will consider applications for registry identification cards
and for the renewal of identification cards for qualified
patients and primary caregivers;

(2) define the amount of cannabis that is
necessary to constitute an adequate supply, including amounts
for topical treatments;

(3) identify criteria and set forth procedures
for including additional medical conditions, medical treatments
or diseases to the list of debilitating medical conditions that qualify for the medical use of cannabis. Procedures shall include a petition process and shall allow for public comment and public hearings before the advisory board;

(4) set forth additional medical conditions, medical treatments or diseases to the list of debilitating medical conditions that qualify for the medical use of cannabis as recommended by the advisory board;

(5) identify requirements for the licensure of [cannabis producers and cannabis production facilities, cannabis couriers, cannabis manufacturers, cannabis testing facilities and any other cannabis establishments that the department may license] qualified patients to produce cannabis for personal medical use and set forth procedures to obtain licenses;

[(6) develop a distribution system for the medical cannabis program that provides for:

(a) cannabis production facilities

within New Mexico housed on secured grounds and operated by licensees; and

(b) distribution of cannabis to qualified patients or their primary caregivers to take place at locations that are designated by the department and that are not within three hundred feet of any school, church or daycare center that were in existence in that location before the

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licensee distributing medical cannabis nearby was licensed;
provided that this distance requirement shall not apply to
distribution at the home of the qualified patient or primary
caregiver;

(7) identify requirements for testing and
labeling of cannabis and cannabis products for quality
assurance. The department shall adopt and promulgate rules
pursuant to this paragraph by December 20, 2019;

(8) determine additional duties and
responsibilities of the advisory board; and

(9) be revised and updated as necessary.

B. The department shall issue registry
identification cards to a patient and to the primary caregiver
for that patient, if any, who submit the following, in
accordance with the department's rules:

(1) a written certification;

(2) the name, address and date of birth of the
patient;

(3) the name, address and telephone number of
the patient's practitioner; and

(4) the name, address and date of birth of the
patient's primary caregiver, if any.

C. The department shall verify the information
contained in an application submitted pursuant to Subsection B
of this section and shall approve or deny an application within
thirty days of receipt. The department may deny an application only if the applicant did not provide the information required pursuant to Subsection B of this section or if the department determines that the information provided is false. A person whose application has been denied shall not reapply for six months from the date of the denial unless otherwise authorized by the department.

D. The department shall issue a registry identification card within five days of approving an application, and a card shall expire three years after the date of issuance.

E. A registry identification card shall contain:

(1) the name and date of birth of the qualified patient and primary caregiver, if any;

(2) the date of issuance and expiration date of the registry identification card; and

(3) other information that the department may require by rule.

F. A person who possesses a registry identification card shall notify the department of any change in the person's name, qualified patient's practitioner, qualified patient's primary caregiver or change in status of the qualified patient's debilitating medical condition within ten days of the change.

G. Possession of or application for a registry
identification card shall not constitute probable cause or give
rise to reasonable suspicion for a governmental agency to
search the person or property of the person possessing or
applying for the card.

H. The department shall maintain a confidential
file containing the names and addresses of the persons who have
either applied for or received a registry identification card.
Individual names on the list shall be confidential and not
subject to disclosure, except:

(1) to authorized employees or agents of the
department as necessary to perform the duties of the department
pursuant to the provisions of the Lynn and Erin Compassionate
Use Act;

(2) to authorized employees of state or local
law enforcement agencies, but only for the purpose of verifying
that a person is lawfully in possession of a registry
identification card; [otr]

(3) to the cannabis control division of the
regulation and licensing department; or

[(3+) (4) as provided in the federal Health
Insurance Portability and Accountability Act of 1996.

I. By March 1, 2020, the secretary of health shall
adopt and promulgate rules relating to medical cannabis program
reciprocity. The department may identify requirements for the
granting of reciprocity, including provisions limiting the
period of time in which a reciprocal participant may participate in the medical cannabis program.

J. A reciprocal participant:

(1) may participate in the medical cannabis program in accordance with department rules;

(2) shall not be required to comply with the registry identification card application and renewal requirements established pursuant to this section and department rules;

(3) shall at all times possess proof of authorization to participate in the medical cannabis program of another state, the District of Columbia, a territory or commonwealth of the United States or a New Mexico Indian nation, tribe or pueblo and shall present proof of that authorization when purchasing cannabis from a person licensed pursuant to the Cannabis Regulation Act; and

(4) shall register with a person licensed pursuant to the Cannabis Regulation Act for the purpose of tracking sales to the reciprocal participant in an electronic system that is accessible to the department."

SECTION 71. Section 29-13-3 NMSA 1978 (being Laws 1983, Chapter 289, Section 3, as amended) is amended to read:

"29-13-3. DISTRIBUTION OF CERTAIN INSURANCE COLLECTIONS AND CANNABIS EXCISE TAXES--LAW ENFORCEMENT PROTECTION FUND CREATED.--There is created in the state treasury the "law
enforcement protection fund". Ten percent of all money received for fees, licenses and penalties from life, general casualty and title insurance business pursuant to the New Mexico Insurance Code shall be paid monthly to the state treasurer and credited to the fund. Sixteen and one-half percent of all money received for excise taxes pursuant to Section 57 of this 2020 act shall be transferred monthly to the state treasurer and credited to the fund. On or before June 30 of each year, the state treasurer shall transfer to the general fund any balance in the law enforcement protection fund in excess of one hundred thousand dollars ($100,000) that is not obligated for expenses in that current fiscal year."

SECTION 72. Section 30-31-2 NMSA 1978 (being Laws 1972, Chapter 84, Section 2, as amended) is amended to read:

"30-31-2. DEFINITIONS.--As used in the Controlled Substances Act:

A. "administer" means the direct application of a controlled substance by any means to the body of a patient or research subject by a practitioner or the practitioner's agent;

B. "agent" includes an authorized person who acts on behalf of a manufacturer, distributor or dispenser. It does not include a common or contract carrier, public warehouseperson or employee of the carrier or warehouseperson;

C. "board" means the board of pharmacy;

D. "bureau" means the narcotic and dangerous drug
section of the criminal division of the United States
department of justice, or its successor agency;

E. "controlled substance" means a drug or substance
listed in Schedules I through V of the Controlled Substances
Act or rules adopted thereto;

F. "counterfeit substance" means a controlled
substance that bears the unauthorized trademark, trade name,
imprint, number, device or other identifying mark or likeness
of a manufacturer, distributor or dispenser other than the
person who in fact manufactured, distributed or dispensed the
controlled substance;

G. "deliver" means the actual, constructive or
attempted transfer from one person to another of a controlled
substance or controlled substance analog, whether or not there
is an agency relationship;

H. "dispense" means to deliver a controlled
substance to an ultimate user or research subject pursuant to
the lawful order of a practitioner, including the
administering, prescribing, packaging, labeling or compounding
necessary to prepare the controlled substance for that
delivery;

I. "dispenser" means a practitioner who dispenses
and includes hospitals, pharmacies and clinics where controlled
substances are dispensed;

J. "distribute" means to deliver other than by

administering or dispensing a controlled substance or controlled substance analog;

K. "drug" or "substance" means substances recognized as drugs in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States or official national formulary or any respective supplement to those publications. It does not include devices or their components, parts or accessories;

[L. "hashish" means the resin extracted from any part of marijuana, whether growing or not, and every compound, manufacture, salt, derivative, mixture or preparation of such resin;]

M. [L. "hemp" means the plant Cannabis sativa L. and any part of that plant, including seeds and all derivatives, extracts, cannabinoids, isomers, acids, salts and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol concentration of not more than three-tenths percent on a dry weight basis;]

[N. "manufacture" means the production, preparation, compounding, conversion or processing of a controlled substance or controlled substance analog by extraction from substances of natural origin or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of its
container, except that this term does not include the
preparation or compounding of a controlled substance:

(1) by a practitioner as an incident to
administering or dispensing a controlled substance in the
course of the practitioner's professional practice; or

(2) by a practitioner, or by the
practitioner's agent under the practitioner's supervision, for
the purpose of or as an incident to research, teaching or
chemical analysis and not for sale;

(0.) "marijuana" means all parts of the plant
cannabis, including any and all varieties, species and
subspecies of the genus Cannabis, whether growing or not, the
seeds thereof and every compound, manufacture, salt,
derivative, mixture, or preparation of the plant or its seeds.
It does not include the mature stalks of the plant, hashish,
tetrahydrocannabinols extracted or isolated from marijuana,
fiber produced from the stalks, oil or cake made from the seeds
of the plant, any other compound, manufacture, salt,
derivative, mixture or preparation of the mature stalks, fiber,
oil or cake, or the sterilized seed of the plant that is
incapable of germination; or the plant Cannabis sativa L., and
any part of the plant, whether growing or not, containing a
delta-9-tetrahydrocannabinol concentration of no more than
three-tenths percent on a dry weight basis;

P. ) N. "narcotic drug" means any of the following,
whether produced directly or indirectly by extraction from substances of vegetable origin or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis:

(1) opium and opiate and any salt, compound, derivative or preparation of opium or opiate;

(2) any salt, compound, isomer, derivative or preparation that is a chemical equivalent of any of the substances referred to in Paragraph (1) of this subsection, except the isoquinoline alkaloids of opium;

(3) opium poppy and poppy straw, including all parts of the plant of the species Papaver somniferum L. except its seeds; or

(4) coca leaves and any salt, compound, derivative or preparation of coca leaves, any salt, compound, isomer, derivative or preparation that is a chemical equivalent of any of these substances except decocainized coca leaves or extractions of coca leaves that do not contain cocaine or eegonine;

[Q-] O. "opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability. "Opiate" does not include, unless specifically designated as controlled under Section 30-31-5 NMSA 1978, the dextrorotatory isomer of .215924.6GLG
3-methoxy-n-methylmorphinan and its salts, dextromethorphan.

"Opiate" does include its racemic and levorotatory forms;

[R-] P. "person" means an individual, partnership, corporation, association, institution, political subdivision, government agency or other legal entity;

[S-] Q. "practitioner" means a physician, certified advanced practice chiropractic physician, doctor of oriental medicine, dentist, physician assistant, certified nurse practitioner, clinical nurse specialist, certified nurse-midwife, prescribing psychologist, veterinarian, euthanasia technician, pharmacist, pharmacist clinician or other person licensed or certified to prescribe and administer drugs that are subject to the Controlled Substances Act;

[T-] R. "prescription" means an order given individually for the person for whom is prescribed a controlled substance, either directly from a licensed practitioner or the practitioner's agent to the pharmacist, including by means of electronic transmission, or indirectly by means of a written order signed by the prescriber, bearing the name and address of the prescriber, the prescriber's license classification, the name and address of the patient, the name and quantity of the drug prescribed, directions for use and the date of issue and in accordance with the Controlled Substances Act or rules adopted thereto;

[U-] S. "scientific investigator" means a person
registered to conduct research with controlled substances in
the course of the person's professional practice or research
and includes analytical laboratories;

[V.] "ultimate user" means a person who lawfully
possesses a controlled substance for the person's own use or
for the use of a member of the person's household or for
administering to an animal under the care, custody and control
of the person or by a member of the person's household;

[W.] "drug paraphernalia" means all equipment,
products and materials of any kind that are used, intended for
use or designed for use in planting, propagating, cultivating,
growing, harvesting, manufacturing, compounding, converting,
producing, processing, preparing, testing, analyzing,
packaging, repackaging, storing, containing, concealing,
injecting, ingesting, inhaling or otherwise introducing into
the human body a controlled substance or controlled substance
analog in violation of the Controlled Substances Act. It
includes:

(1) kits used, intended for use or designed
for use in planting, propagating, cultivating, growing or
harvesting any species of plant that is a controlled substance
or controlled substance analog or from which a controlled
substance can be derived;

(2) kits used, intended for use or designed
for use in manufacturing, compounding, converting, producing,
processing or preparing controlled substances or controlled
substance analogs;  
(3) isomerization devices used, intended for
use or designed for use in increasing the potency of any
species of plant that is a controlled substance;  
(4) testing equipment used, intended for use
or designed for use in identifying or in analyzing the
strength, effectiveness or purity of controlled substances or
controlled substance analogs;  
(5) scales or balances used, intended for use
or designed for use in weighing or measuring controlled
substances or controlled substance analogs;  
(6) diluents and adulterants, such as quinine
hydrochloride, mannitol, mannite dextrose and lactose, used,
intended for use or designed for use in cutting controlled
substances or controlled substance analogs;  
(7) separation gins and sifters used, intended
for use or designed for use in removing twigs and seeds from,
or in otherwise cleaning and refining, marijuana;  
(8) blenders, bowls, containers, spoons and
mixing devices used, intended for use or designed for use in
compounding controlled substances or controlled substance
analogs;  
(9) capsules, balloons, envelopes and other
containers used, intended for use or designed for use in
packaging small quantities of controlled substances or
controlled substance analogs;

(10) containers and other objects used,
intended for use or designed for use in storing or concealing
controlled substances or controlled substance analogs;

(11) hypodermic syringes, needles and other
objects used, intended for use or designed for use in
parenterally injecting controlled substances or controlled
substance analogs into the human body;

(12) objects used, intended for use or
designed for use in ingesting, inhaling or otherwise
introducing marijuana, cocaine, hashish or hashish oil into the
human body, such as:

(a) metal, wooden, acrylic, glass,
stone, plastic or ceramic pipes, with or without screens,
permanent screens, hashish heads or punctured metal bowls;

(b) water pipes;

(e) carburetion tubes and devices;

(d) smoking and carburetion masks;

(e) roach clips, meaning objects used to
hold burning material, such as a marijuana cigarette, that has
become too small to hold in the hand;

(f) miniature cocaine spoons and cocaine
vials;

(g) chamber pipes;
(h) carburetor pipes;
(i) electric pipes;
(j) air-driven pipes;
(k) chilams;
(l) bongs; or
(m) ice pipes or chillers; and

(13) in determining whether an object is drug paraphernalia, a court or other authority should consider, in addition to all other logically relevant factors, the following:

(a) statements by the owner or by anyone in control of the object concerning its use;

(b) the proximity of the object, in time and space, to a direct violation of the Controlled Substances Act or any other law relating to controlled substances or controlled substance analogs;

(c) the proximity of the object to controlled substances or controlled substance analogs;

(d) the existence of any residue of a controlled substance or controlled substance analog on the object;

(e) instructions, written or oral, provided with the object concerning its use;

(f) descriptive materials accompanying the object that explain or depict its use.
(g) the manner in which the object is
displayed for sale; and

(h) expert testimony concerning its use;

X-] U. "controlled substance analog":

(1) means a substance other than a controlled
substance that has a chemical structure substantially similar
to that of a controlled substance in Schedule I, II, III, IV or
V or that was specifically designed to produce effects
substantially similar to that of controlled substances in
Schedule I, II, III, IV or V. Examples of chemical classes in
which controlled substance analogs are found include the
following:

[(1)] (a) phenethylamines;
[(2)] (b) N-substituted piperidines;
[(3)] (c) morphinans;
[(4)] (d) ecgonines;
[(5)] (e) quinazolinones;
[(6)] (f) substituted indoles; and
[(7)] (g) arylcycloalkylamines; and

[Specifically excluded from the definition of "controlled
substance analog" are those]

(2) does not include substances that are
generally recognized as safe and effective within the meaning
of the Federal Food, Drug, and Cosmetic Act or have been
manufactured, distributed or possessed in conformance with the
provisions of an approved new drug application or an exemption for investigational use within the meaning of Section 505 of the Federal Food, Drug, and Cosmetic Act;

[Y-] W. "human consumption" includes application, injection, inhalation, ingestion or any other manner of introduction;

[Z-] W. "drug-free school zone" means a public school, parochial school or private school or property that is used for a public, parochial or private school purpose and the area within one thousand feet of the school property line, but it does not mean any post-secondary school; and

[AA-] X. "valid practitioner-patient relationship" means a professional relationship, as defined by the practitioner's licensing board, between the practitioner and the patient."

SECTION 73. Section 30-31-6 NMSA 1978 (being Laws 1972, Chapter 84, Section 6, as amended) is amended to read:

"30-31-6. SCHEDULE I.--The following controlled substances are included in Schedule I:

A. any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters and ethers, unless specifically exempted, whenever the existence of these isomers, esters, ethers and salts is possible within the specific chemical designation:

(1) acetylmethadol;
(2) allylprodine;
(3) alphacetylmethadol;
(4) alphameprodine;
(5) alphamethadol;
(6) benzethidine;
(7) betacetylmethadol;
(8) betameprodine;
(9) betamethadol;
(10) betaprodine;
(11) clonitazene;
(12) dextromoramide;
(13) dextrorphan;
(14) diampromide;
(15) diethylthiambutene;
(16) dimenoxadol;
(17) dimepheptanol;
(18) dimethylthiambutene;
(19) dioxaphetyl butyrate;
(20) dipipanone;
(21) ethylmethyithiambutene;
(22) etonitazene;
(23) etoxeridine;
(24) furethidine;
(25) hydroxypethidine;
(26) ketobemidone;
(27) levomoramide;
(28) levophenacylmorphan;
(29) morpheridine;
(30) noracymethadol;
(31) norlevorphanol;
(32) normethadone;
(33) norpipanone;
(34) phenadoxone;
(35) phenampramide;
(36) phenomorphan;
(37) phenoperidine;
(38) piritramide;
(39) proheptazine;
(40) properidine;
(41) racemoramide; and
(42) trimeperidine;

B. any of the following opium derivatives, their salts, isomers and salts of isomers, unless specifically exempted, whenever the existence of these salts, isomers and salts of isomers is possible within the specific chemical designation:

(1) acetorphine;
(2) acetyldihydrocodeine;
(3) benzylmorphine;
(4) codeine methylbromide;
(5) codeine-N-oxide;
(6) cyprenorphine;
(7) desomorphine;
(8) dihydromorphine;
(9) etorphine;
(10) heroin;
(11) hydromorphinol;
(12) methyldesorphine;
(13) methyldihydromorphine;
(14) morphine methylbromide;
(15) morphine methylsulfonate;
(16) morphine-N-oxide;
(17) myrophine;
(18) nicocodeine;
(19) nicomorphine;
(20) normorphine;
(21) pholcodine; and
(22) thebacon;

C. any material, compound, mixture or preparation that contains any quantity of the following hallucinogenic substances, their salts, isomers and salts of isomers, unless specifically exempted, whenever the existence of these salts, isomers and salts of isomers is possible within the specific chemical designation:

(1) 3,4-methylenedioxy amphetamine;
(2) 5-methoxy-3,4-methylenedioxy amphetamine;
(3) 3,4,5-trimethoxy amphetamine;
(4) bufotenine;
(5) diethyltryptamine;
(6) dimethyltryptamine;
(7) 4-methyl-2,5-dimethoxy amphetamine;
(8) ibogaine;
(9) lysergic acid diethylamide;

[(10) marijuana;]
(10) mescaline;
[(11) peyote, except as otherwise provided in the Controlled Substances Act;]
[(12) N-ethyl-3-piperidyl benzilate;]
[(13) N-methyl-3-piperidyl benzilate;]
[(14) psilocybin;]
[(15) psilocyn;]
[(16) tetrahydrocannabinols;]
[(17) hashish;]
[(18) synthetic cannabinoids, including:

(a) 1-[2-(4-(morpholinyl)ethyl]-3-(1-naphthoyl)indole;]
(b) 1-butyl-3-(1-naphthoyl)indole;
(c) 1-hexyl-3-(1-naphthoyl)indole;
(d) 1-pentyl-3-(1-naphthoyl)indole;
(e) 1-pentyl-3-(2-methoxyphenylacetyl)
indole;

(f) cannabicyclohexanol (CP 47, 497 and
homologues: 5-(1,1-dimethylheptyl)-2-[(1R,3S)
-3-hydroxycyclohexyl]-phenol (CP-47,497); and 5-(1,
1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol;

(g) 6aR,10aR)-9-(hydroxymethyl)
-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,
10a-tetrahydrobenzo[c]chromen-1-ol);

(h) dexamabinol, (6aS,10aS)
-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)
-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol;

(i) 1-pentyl-3-(4-chloro naphthoyl)
indole;

(j) (2-methyl-1-propyl-1H-indol-3-yl)
-1-naphthalenyl-methanone; and

(k) 5-(1,1-dimethylheptyl)-2-(3-hydroxy

cyclohexyl)-phenol;

[(20)] (17) 3,4-methylenedioxymethcathinone;
[(21)] (18) 3,4-methylenedioxypyrovalerone;
[(22)] (19) 4-methylmethcathinone;
[(23)] (20) 4-methoxymethcathinone;
[(24)] (21) 3-fluoromethcathinone; and
[(25)] (22) 4-fluoromethcathinone;

D. the enumeration of peyote as a controlled
substance does not apply to the use of peyote in bona fide
religious ceremonies by a bona fide religious organization, and
members of the organization so using peyote are exempt from
registration. Any person who manufactures peyote for or
distributes peyote to the organization or its members shall
comply with the federal Comprehensive Drug Abuse Prevention and
Control Act of 1970 and all other requirements of law; and

[E. the enumeration of marijuana,
tetrahyrdocannabinols or chemical derivatives of
tetrahyrdocannabinol as Schedule I controlled substances does
not apply to:

(1) hemp pursuant to rules promulgated by the
board of regents of New Mexico state university on behalf of
the New Mexico department of agriculture;

(2) cultivation of hemp by persons pursuant to
rules promulgated by the board of regents of New Mexico state
university on behalf of the New Mexico department of
agriculture;

(3) tetrahyrdocannabinols or chemical
derivatives of tetrahyrdocannabinols, including
tetrahyrdocannabinols or chemical derivatives of
tetrahyrdocannabinols with concentrations of up to five percent
as measured using a post-decarboxylation method and based on
percentage dry weight, possessed by a person in connection with
the cultivation, transportation, testing, researching,
manufacturing or other processing of the plant Cannabis sativa

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L., or any part of the plant whether growing or not, if authorized pursuant to rules promulgated, pursuant to the Hemp Manufacturing Act, by the board of regents of New Mexico state university on behalf of the New Mexico department of agriculture or the department of environment;

(4) tetrahydrocannabinols or chemical derivatives of tetrahydrocannabinols, including tetrahydrocannabinols or chemical derivatives of tetrahydrocannabinols in any concentration possessed by a person in connection with the extraction of tetrahydrocannabinols or chemical derivatives of tetrahydrocannabinols, if authorized pursuant to rules promulgated, pursuant to the Hemp Manufacturing Act, by the board of regents of New Mexico state university on behalf of the New Mexico department of agriculture or the department of environment;

(5) the use of marijuana, tetrahydrocannabinols or chemical derivatives of tetrahydrocannabinol by certified patients pursuant to the Controlled Substances Therapeutic Research Act or by qualified patients pursuant to the provisions of the Lynn and Erin Compassionate Use Act; or

(6) the use, dispensing, possession, prescribing, storage or transport of a prescription drug that the United States food and drug administration has approved and
that contains marijuana, a tetrahydrocannabinol derivative or a chemical derivative of tetrahydrocannabinol; and

F-1 E. controlled substances added to Schedule I by rule adopted by the board pursuant to Section 30-31-3 NMSA 1978."

SECTION 74. Section 30-31-7 NMSA 1978 (being Laws 1972, Chapter 84, Section 7, as amended) is amended to read:

"30-31-7. SCHEDULE II.--

A. The following controlled substances are included in Schedule II:

(1) any of the following substances, except those narcotic drugs listed in other schedules, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by combination of extraction and chemical synthesis:

(a) opium and opiate, and any salt, compound, derivative or preparation of opium or opiate;

(b) any salt, compound, isomer, derivative or preparation thereof that is chemically equivalent or identical with any of the substances referred to in Subparagraph (a) of this paragraph, but not including the isoquinoline alkaloids of opium;

(c) opium poppy and poppy straw; and

(d) coca leaves and any salt, compound,
derivative or preparation of coca leaves, and any salt, compound, derivative or preparation thereof that is chemically equivalent or identical with any of these substances, but not including decocainized coca leaves or extractions that do not contain cocaine or ecgonine;

[(e) marijuana, but only for the use by certified patients pursuant to the Controlled Substances Therapeutic Research Act or by qualified patients pursuant to the provisions of the Lynn and Erin Compassionate Use Act; and]

(f) tetrahydrocannabinols or chemical derivatives of tetrahydrocannabinol, but only for the use by certified patients pursuant to the Controlled Substances Therapeutic Research Act or by qualified patients pursuant to the provisions of the Lynn and Erin Compassionate Use Act.

Marijuana, tetrahydrocannabinols or chemical derivatives of tetrahydrocannabinol shall be considered Schedule II controlled substances only for the purposes enumerated in the Controlled Substances Therapeutic Research Act or the Lynn and Erin Compassionate Use Act.

(2) any of the following opiates, including their isomers, esters, ethers, salts and salts of isomers, whenever the existence of these isomers, esters, ethers and salts is possible within the specific chemical designation:

(a) alphaprodine;

(b) anileridine;
(c) bezitramide;
(d) dihydrocodeine;
(e) diphenoxylate;
(f) fentanyl;
(g) hydromorphone;
(h) isomethadone;
(i) levomethorphan;
(j) levorphanol;
(k) meperidine;
(l) metazocine;
(m) methadone;
(n) methadone--intermediate,
4-cyano-2-dimethylamino-4, 4-diphenyl butane;
(o) moramide--intermediate,
2-methyl-3-morpholino-1, l-diphenyl-propane-carboxylic acid;
(p) oxycodone;
(q) pethidine;
(r) pethidine--intermediate--A,
4-cyano-1-methyl-4-phenylpiperidine;
(s) pethidine--intermediate--B,
ethyl-4-phenyl-piperidine-4-carboxylate;
(t) pethidine--intermediate--C,
1-methyl-4-phenylpiperidine-4-carboxylic acid;
(u) phenazocine;
(v) piminodine;

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(w) racemethorphan; and
(x) racemorphan;

(3) unless listed in another schedule, any material, compound, mixture or preparation that contains any quantity of the following substances having a potential for abuse associated with a stimulant effect on the central nervous system:

(a) amphetamine, its salts, optical isomers and salts of its optical isomers;
(b) phenmetrazine and its salts;
(c) methamphetamine, its salts, isomers and salts of isomers; and
(d) methylphenidate; and

(4) controlled substances added to Schedule II by rule adopted by the board pursuant to Section 30-31-3 NMSA 1978.

B. Where methadone is prescribed, administered or dispensed by a practitioner of a drug abuse rehabilitation program while acting in the course of the practitioner's professional practice, or otherwise lawfully obtained or possessed by a person, such person shall not possess such methadone beyond the date stamped or typed on the label of the container of the methadone, nor shall any person possess methadone except in the container in which it was originally administered or dispensed to such person, and such container
shall include a label showing the name of the prescribing
physician or practitioner, the identity of methadone, the name
of the ultimate user, the date when the methadone is to be
administered to or used or consumed by the named ultimate user
shown on the label and a warning on the label of the methadone
container that the ultimate user must use, consume or
administer to the ultimate user the methadone in such
container. Any person who violates this subsection is guilty
of a felony and shall be punished by imprisonment for not less
than one year nor more than five years, or by a fine of up to
two thousand dollars ($5,000), or both."

SECTION 75. Section 30-31-21 NMSA 1978 (being Laws 1972,
Chapter 84, Section 21, as amended) is amended to read:

"30-31-21. DISTRIBUTION TO A MINOR.--Except as authorized
by the Controlled Substances Act, no person who is eighteen
years of age or older shall intentionally distribute a
controlled substance to a person under the age of eighteen
years. Any person who violates this section with respect to

[A. marijuana is:

(1) for the first offense, guilty of a third
degree felony and shall be sentenced pursuant to the provisions
of Section 31-18-15 NMSA 1978; and

(2) for the second and subsequent offenses,
guilty of a second degree felony and shall be sentenced
pursuant to the provisions of Section 31-18-15 NMSA 1978; and
B. any other] a controlled substance enumerated in
{Schedules} Schedule I, II, III or IV or a controlled substance
analog of any controlled substance enumerated in Schedule I,
II, III or IV is:

{1} A. for the first offense, guilty of a second
degree felony and shall be sentenced pursuant to the provisions
of Section 31-18-15 NMSA 1978; and

{2} B. for the second and subsequent offenses,
guilty of a first degree felony and shall be sentenced pursuant
to the provisions of Section 31-18-15 NMSA 1978."

SECTION 76. Section 30-31-22 NMSA 1978 (being Laws 1972,
Chapter 84, Section 22, as amended) is amended to read:

"30-31-22. CONTROLLED OR COUNTERFEIT SUBSTANCES--
DISTRIBUTION PROHIBITED.--

A. Except as authorized by the Controlled
Substances Act, it is unlawful for a person to intentionally
distribute or possess with intent to distribute a controlled
substance or a controlled substance analog except a substance
enumerated in Schedule I or II that is a narcotic drug, a
controlled substance analog of a controlled substance
enumerated in Schedule I or II that is a narcotic drug or
methamphetamine, its salts, isomers and salts of isomers. A
person who violates this subsection with respect to:

(1) [marijuana or] synthetic cannabinoids is:

(a) for the first offense, guilty of a
fourth degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978;

(b) for the second and subsequent offenses, guilty of a third degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978;

(c) for the first offense, if more than one hundred pounds is possessed with intent to distribute or distributed or both, guilty of a third degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978; and

(d) for the second and subsequent offenses, if more than one hundred pounds is possessed with intent to distribute or distributed or both, guilty of a second degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978;

(2) any other controlled substance enumerated in Schedule I, II, III or IV or a controlled substance analog of a controlled substance enumerated in Schedule I, II, III or IV except a substance enumerated in Schedule I or II that is a narcotic drug, a controlled substance analog of a controlled substance enumerated in Schedule I or II that is a narcotic drug or methamphetamine, its salts, isomers and salts of isomers, is:

(a) for the first offense, guilty of a third
degree felony and shall be sentenced pursuant to the provisions
of Section 31-18-15 NMSA 1978; and

(b) for the second and subsequent offenses,
guilty of a second degree felony and shall be sentenced
pursuant to the provisions of Section 31-18-15 NMSA 1978; and

(3) a controlled substance enumerated in
Schedule V or a controlled substance analog of a controlled
substance enumerated in Schedule V is guilty of a misdemeanor
and shall be punished by a fine of not less than one hundred
dollars ($100) or more than five hundred dollars ($500) or by
imprisonment for a definite term not less than one hundred
eighty days but less than one year, or both.

B. It is unlawful for a person to distribute gamma
hydroxybutyric acid or flunitrazepam to another person without
that person's knowledge and with intent to commit a crime
against that person, including criminal sexual penetration.
For the purposes of this subsection, "without that person's
knowledge" means the person is unaware that a substance with
the ability to alter that person's ability to appraise conduct
or to decline participation in or communicate unwillingness to
participate in conduct is being distributed to that person.
Any person who violates this subsection is:

(1) for the first offense, guilty of a third
degree felony and shall be sentenced pursuant to the provisions
of Section 31-18-15 NMSA 1978; and

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(2) for the second and subsequent offenses, guilty of a second degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

C. Except as authorized by the Controlled Substances Act, it is unlawful for a person to intentionally create or deliver, or possess with intent to deliver, a counterfeit substance. A person who violates this subsection with respect to:

(1) a counterfeit substance enumerated in Schedule I, II, III or IV is guilty of a fourth degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978; [and]
or

(2) a counterfeit substance enumerated in Schedule V is guilty of a petty misdemeanor and shall be punished by a fine of not more than one hundred dollars ($100) or by imprisonment for a definite term not to exceed six months, or both.

D. A person who knowingly violates Subsection A or C of this section while within a drug-free school zone with respect to:

(1) [marijuana or] synthetic cannabinoids is:

(a) for the first offense, guilty of a third degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978;

(b) for the second and subsequent offenses,
guilty of a second degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978;

(c) for the first offense, if more than one hundred pounds is possessed with intent to distribute or distributed or both, guilty of a second degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978; and

(d) for the second and subsequent offenses, if more than one hundred pounds is possessed with intent to distribute or distributed or both, guilty of a first degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978;

(2) any other controlled substance enumerated in Schedule I, II, III or IV or a controlled substance analog of a controlled substance enumerated in Schedule I, II, III or IV except a substance enumerated in Schedule I or II that is a narcotic drug, a controlled substance analog of a controlled substance enumerated in Schedule I or II that is a narcotic drug or methamphetamine, its salts, isomers and salts of isomers, is:

(a) for the first offense, guilty of a second degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978; and

(b) for the second and subsequent offenses, guilty of a first degree felony and shall be sentenced pursuant
to the provisions of Section 31-18-15 NMSA 1978;

   (3) a controlled substance enumerated in
Schedule V or a controlled substance analog of a controlled
substance enumerated in Schedule V is guilty of a fourth degree
felony and shall be sentenced pursuant to the provisions of
Section 31-18-15 NMSA 1978; and

   (4) the intentional creation, delivery or
possession with the intent to deliver:

      (a) a counterfeit substance enumerated in
Schedule I, II, III or IV is guilty of a third degree felony
and shall be sentenced pursuant to the provisions of Section
31-18-15 NMSA 1978; [and] or

      (b) a counterfeit substance enumerated in
Schedule V is guilty of a misdemeanor and shall be punished by
a fine of not less than one hundred dollars ($100) nor more
than five hundred dollars ($500) or by imprisonment for a
definite term not less than one hundred eighty days but less
than one year, or both.

E. Notwithstanding the provisions of Subsection A of
this section, distribution of a small amount of [marijuana or]
synthetic cannabinoids for no remuneration shall be treated as
provided in Paragraph (1) of Subsection B of Section 30-31-23
NMSA 1978."

SECTION 77. Section 30-31-23 NMSA 1978 (being Laws 1972,
Chapter 84, Section 23, as amended) is amended to read:

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"30-31-23. CONTROLLED SUBSTANCES--POSSESSION

PROHIBITED.--

A. It is unlawful for a person intentionally to possess a controlled substance unless the substance was obtained pursuant to a valid prescription or order of a practitioner while acting in the course of professional practice or except as otherwise authorized by the Controlled Substances Act. It is unlawful for a person intentionally to possess a controlled substance analog.

B. A person who violates this section with respect to:

(1) up to one-half ounce of marijuana shall be issued a penalty assessment, pursuant to Section 3 of this 2019 act and is subject to a fine of fifty dollars ($50.00);

(2) more than one-half ounce but up to and including one ounce of marijuana is, for the first offense, guilty of a petty misdemeanor and shall be punished by a fine of not less than fifty dollars ($50.00) or more than one hundred dollars ($100) and by imprisonment for not more than fifteen days, and, for a second or subsequent offense, is guilty of a misdemeanor and shall be punished by a fine of not less than one hundred dollars ($100) or more than one thousand dollars ($1,000) or by imprisonment for a definite term of less than one year, or both;

(3) more than one ounce but less than eight
ounces of marijuana is guilty of a misdemeanor and shall be
punished by a fine of not less than one hundred dollars ($100)
or more than one thousand dollars ($1,000) or by imprisonment
for a definite term of less than one year, or both; or

(4) eight ounces or more of marijuana is guilty
of a fourth degree felony and shall be sentenced pursuant to
the provisions of Section 31-18-15 NMSA 1978.

C. A person who violates this section with
respect to:

(1) one ounce or less of synthetic cannabinoids
is, for the first offense, guilty of a petty misdemeanor and
shall be punished by a fine of not less than fifty dollars
($50.00) or more than one hundred dollars ($100) and by
imprisonment for not more than fifteen days, and, for the
second and subsequent offenses, is guilty of a misdemeanor and
shall be punished by a fine of not less than one hundred
dollars ($100) or more than one thousand dollars ($1,000) or by
imprisonment for a definite term less than one year, or both;

(2) more than one ounce and less than eight
ounces of synthetic cannabinoids is guilty of a misdemeanor and
shall be punished by a fine of not less than one hundred
dollars ($100) or more than one thousand dollars ($1,000) or by
imprisonment for a definite term less than one year, or both;
or

(3) eight ounces or more of synthetic
cannabinoids is guilty of a fourth degree felony and shall be
sentenced pursuant to the provisions of Section 31-18-15 NMSA
1978.

[D-] C. A minor who violates this section with
respect to the substances listed in this subsection is guilty
of a petty misdemeanor and, notwithstanding the provisions of
Sections 32A-1-5 and 32A-2-19 NMSA 1978, shall be punished by a
fine not to exceed one hundred dollars ($100) or forty-eight
hours of community service. For the third or subsequent
violation by a minor of this section with respect to those
substances, the provisions of Section 32A-2-19 NMSA 1978 shall
govern punishment of the minor. As used in this subsection,
"minor" means a person who is less than eighteen years of age.
The provisions of this subsection apply to the following
substances:

(1) synthetic cannabinoids;

(2) any of the substances listed in Paragraphs
[20] (17) through [25] (22) of Subsection C of Section
30-31-6 NMSA 1978; or

(3) a substance added to Schedule I by a rule of
the board adopted on or after March 31, 2011 if the board
determines that the pharmacological effect of the substance,
the risk to the public health by abuse of the substance and the
potential of the substance to produce psychic or physiological
dependence liability is similar to the substances described in
Paragraph (1) or (2) of this subsection.

   [E.] D. Except as provided in Subsections B [E] and F of this section, and for those substances listed in Subsection [F] E of this section, a person who violates this section with respect to any amount of any controlled substance enumerated in Schedule I, II, III or IV or a controlled substance analog of a substance enumerated in Schedule I, II, III or IV is guilty of a misdemeanor and shall be punished by a fine of not less than five hundred dollars ($500) or more than one thousand dollars ($1,000) or by imprisonment for a definite term less than one year, or both.

   [F.] E. A person who violates this section with respect to phencyclidine as enumerated in Schedule III or a controlled substance analog of phencyclidine; methamphetamine, its salts, isomers or salts of isomers as enumerated in Schedule II or a controlled substance analog of methamphetamine, its salts, isomers or salts of isomers; flunitrazepam, its salts, isomers or salts of isomers as enumerated in Schedule I or a controlled substance analog of flunitrazepam, including naturally occurring metabolites, its salts, isomers or salts of isomers; gamma hydroxybutyric acid and any chemical compound that is metabolically converted to gamma hydroxybutyric acid, its salts, isomers or salts of isomers as enumerated in Schedule I or a controlled substance analog of gamma hydroxybutyric acid, its salts, isomers or
salts of isomers; gamma butyrolactone and any chemical compound
that is metabolically converted to gamma hydroxybutyric acid,
its salts, isomers or salts of isomers as enumerated in
Schedule I or a controlled substance analog of gamma
butyrolactone, its salts, isomers or salts of isomers; 1-4
butane diol and any chemical compound that is metabolically
converted to gamma hydroxybutyric acid, its salts, isomers or
salts of isomers as enumerated in Schedule I or a controlled
substance analog of 1-4 butane diol, its salts, isomers or
salts of isomers; or a narcotic drug enumerated in Schedule I
or II or a controlled substance analog of a narcotic drug
enumerated in Schedule I or II is guilty of a fourth degree
felony and shall be sentenced pursuant to the provisions of

[G-] F. Except for a minor as defined in Subsection
[D] C of this section, a person who violates Subsection A of
this section while within a posted drug-free school zone,
excluding private property residentially zoned or used
primarily as a residence and excluding a person in or on a
motor vehicle in transit through the posted drug-free school
zone, with respect to:

(1) one ounce or less of [marijuana or]
synthetic cannabinoids is, for the first offense, guilty of a
misdemeanor and shall be punished by a fine of not less than
one hundred dollars ($100) or more than one thousand dollars
($1,000) or by imprisonment for a definite term less than one
year, or both, and for the second or subsequent offense, is
guilty of a fourth degree felony and shall be sentenced
pursuant to the provisions of Section 31-18-15 NMSA 1978;

(2) more than one ounce and less than eight
ounces of marijuana or synthetic cannabinoids is guilty of a
fourth degree felony and shall be sentenced pursuant to the
provisions of Section 31-18-15 NMSA 1978;

(3) eight ounces or more of marijuana or
synthetic cannabinoids is guilty of a third degree felony and
shall be sentenced pursuant to the provisions of Section
31-18-15 NMSA 1978;

(4) any amount of any other controlled substance
enumerated in Schedule I, II, III or IV or a controlled
substance analog of a substance enumerated in Schedule I, II,
III or IV, except phencyclidine as enumerated in Schedule III,
a narcotic drug enumerated in Schedule I or II or a controlled
substance analog of a narcotic drug enumerated in Schedule I or
II, is guilty of a fourth degree felony and shall be sentenced
pursuant to the provisions of Section 31-18-15 NMSA 1978; and

(5) phencyclidine as enumerated in Schedule III,
a narcotic drug enumerated in Schedule I or II, a controlled
substance analog of phencyclidine or a controlled substance
analog of a narcotic drug enumerated in Schedule I or II is
guilty of a third degree felony and shall be sentenced pursuant
to the provisions of Section 31-18-15 NMSA 1978."

SECTION 78. Section 30-31-28 NMSA 1978 (being Laws 1972, Chapter 84, Section 28) is amended to read:

"30-31-28. CONDITIONAL DISCHARGE FOR POSSESSION AS FIRST OFFENSE.--

A. If [any] a person, who has not previously been convicted of violating the laws of [any] a state or [any] laws of the United States relating to narcotic drugs, [marijuana] hallucinogenic or depressant or stimulant substances, is found guilty of a violation of Section [23] 30-31-23 NMSA 1978, after trial or upon a plea of guilty, the court may, without entering a judgment of guilty and with the consent of the person, defer further proceedings and place [him] the person on probation upon reasonable conditions and for a period, not to exceed one year, as the court may prescribe.

B. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against the person and discharge [him] the person from probation before the expiration of the maximum period prescribed from the person's probation.

C. If during the period of [his] probation the person does not violate [any of] the conditions of the probation, then upon expiration of the period the court shall discharge such person and dismiss the proceedings against [him] the person.
Discharge and dismissal under this section shall be without court adjudication of guilt, but a nonpublic record shall be retained by the attorney general solely for the purpose of use by the courts in determining whether or not, in subsequent proceedings, the person qualifies under this section. A discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime, including the penalties prescribed under this section for second or subsequent convictions or for any other purpose. Discharge and dismissal under this section may occur only once with respect to [any] a person.

D. Upon the dismissal of a person and discharge of the proceedings against [him] the person under this section, a person, if [he was] not over eighteen years of age at the time of the offense, may apply to the court for an order to expunge from all official records all recordation relating to [his] the arrest, indictment or information, trial, finding or plea of guilty, and dismissal and discharge pursuant to this section except nonpublic records filed with the attorney general. If the court determines, after hearing, that the person was dismissed and the proceedings against [him] the person discharged and that [he] the person was not over eighteen years of age at the time of the offense, it shall enter the order. The effect of the order shall be to restore the person, in the contemplation of the law, to the status [he] the person.
occupied before the arrest or indictment or information. No
person in whose behalf an order has been entered shall be held
thereafter under any provision of any law to be guilty of
perjury or otherwise giving a false statement by reason of
his failures to recite or acknowledge such
arrest, or indictment or information or trial in response to
any inquiry made of him for any purpose."

SECTION 79. Section 30-31-34 NMSA 1978 (being Laws 1972,
Chapter 84, Section 33, as amended) is amended to read:
"30-31-34. FORFEITURES--PROPERTY SUBJECT.--The following
are subject to forfeiture pursuant to the provisions of the
Forfeiture Act:

A. all raw materials, products and equipment of any
kind, including firearms that are used or intended for use in
manufacturing, compounding, processing, delivering, importing
or exporting any controlled substance or controlled substance
analog in violation of the Controlled Substances Act;

B. all property that is used or intended for use as a
container for property described in Subsection A of this
section;

C. all conveyances, including aircraft, vehicles or
vessels that are used or intended for use to transport or in
any manner to facilitate the transportation for the purpose of
sale of property described in Subsection A of this section;

D. all books, records and research products and
materials, including formulas, microfilm, tapes and data that
are used or intended for use in violation of the Controlled
Substances Act;

E. narcotics paraphernalia or money that is a fruit
or instrumentality of the crime; and

F. notwithstanding Subsection C of this section and
the provisions of the Forfeiture Act:

   (1) a conveyance used by a person as a common
carrier in the transaction of business as a common carrier
shall not be subject to forfeiture pursuant to this section
unless it appears that the owner or other person in charge of
the conveyance is a consenting party or privy to a violation of
the Controlled Substances Act;

   (2) a conveyance shall not be subject to
forfeiture pursuant to this section by reason of an act or
omission established for the owner to have been committed or
omitted without the owner's knowledge or consent;

   (3) a conveyance is not subject to forfeiture
for a violation of law the penalty for which is a misdemeanor;

   (4) a forfeiture of a conveyance encumbered by a
bona fide security interest shall be subject to the interest of
a secured party if the secured party neither had knowledge of
nor consented to the act or omission [and

G. all drug paraphernalia as defined by Subsection V
of Section 30-31-2 NMSA 1978]."

SECTION 80. A new section of the Traffic Safety Act is amended to read:

"[NEW MATERIAL] IMPAIRED DRIVING EDUCATION FUND CREATED.--

A. The "impaired driving education fund" is created as a nonreverting fund in the state treasury. The fund consists of appropriations, other money deposited in the fund and money otherwise accruing to the fund. Income from the fund shall be credited to the fund.

B. The bureau shall administer the impaired driving education fund. Money in the fund is appropriated to the bureau to develop and execute a comprehensive and sustained multilingual public education campaign that promotes road safety and discourages driving while impaired due to the use of cannabis.

C. Money in the impaired driving education fund shall be disbursed on warrants of the secretary of finance and administration pursuant to vouchers signed by the chief or the chief's authorized representative."

SECTION 81. Section 66-7-506 NMSA 1978 (being Laws 1978, Chapter 35, Section 493, as amended) is amended to read:

"66-7-506. BUREAU--FUNCTIONS--POWERS--DUTIES.--The bureau shall have the following powers and duties:

A. organize, plan and conduct a statewide program of activities designed to prevent accidents and to reduce the
incidence of DWI in New Mexico;

B. coordinate activities and programs of the
departments, divisions and agencies of this state now engaged
in promoting traffic safety;

C. provide accident prevention information and
publicity to all appropriate media of information and develop
other means of public information;

D. cooperate with all public and private agencies and
organizations interested in the promotion of traffic safety and
accident prevention;

E. serve as a clearinghouse for all traffic safety
materials and information used throughout this state;

F. cooperate in promoting research, special studies
and analysis of problems concerning the safety and welfare of
the citizens of New Mexico;

G. cooperate fully with national safety organizations
in bringing about greater effectiveness in nationwide accident
prevention activities and programs;

H. make studies and suitable recommendations, through
the chief and the secretary of transportation, to the
legislature concerning safety regulations and laws;

I. prepare and submit each year a written report to
the governor concerning the activities of the bureau and
activities concerning assistance to local organizations and
officials;
J. institute and administer a statewide motorcycle training program funded as provided for in Section 66-10-10 NMSA 1978;

K. institute and administer an accident prevention course for elderly drivers as provided for in Section 59A-32-14 NMSA 1978;

L. cooperate with the public education department to develop a regulatory framework for instructional and administrative processes, including licensure requirements for instructors, and a curriculum for instruction in defensive driving with a DWI education and prevention component to be offered statewide in secondary schools as an elective;

M. institute and administer a DWI prevention and education program for elementary and secondary school students, funded as provided for in Section 66-5-35 NMSA 1978;

N. include at least two hours of DWI prevention and education training in all driver education courses approved by the bureau; [and]

O. include a DWI recidivism prevention component in all driver rehabilitation programs for alcohol or drugs approved by the bureau; and

P. develop and execute a comprehensive and sustained multilingual public education campaign that promotes road safety and discourages driving while impaired due to the use of cannabis."
SECTION 82. [NEW MATERIAL] COOPERATION OF AGENCIES.--All state agencies shall cooperate with the cannabis control division of the regulation and licensing department in carrying out the provisions of the Cannabis Regulation Act.

SECTION 83. TEMPORARY PROVISION--TRANSFER.--On July 1, 2020, any unexpended or unencumbered balance in the medical cannabis fund is transferred to the cannabis regulation fund.

SECTION 84. REPEAL.--Section 9-7-17.1 NMSA 1978 (being Laws 2012, Chapter 42, Section 1) is repealed.

SECTION 85. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2020.