

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 10

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

AN ACT

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

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

SECTION 1. A new section of the Regulation and Licensing  
Department Act is enacted to read:

"~~[NEW MATERIAL]~~ ENFORCEMENT BUREAU--ENFORCEMENT AGENTS--  
PEACE OFFICERS.--

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

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

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

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

16           SECTION 2. A new section of the Cannabis Regulation Act  
17 is enacted to read:

18           "[NEW MATERIAL] ENFORCEMENT--DIVISION AND ENFORCEMENT  
19 BUREAU--ORDERS RESTRICTING MOVEMENT OF GOODS--EMBARGO AND  
20 RECALL, SEIZURE AND CONDEMNATION--PROCEDURES--PENALTIES.--

21           A. The division and the enforcement bureau shall  
22 enforce the provisions of the Cannabis Regulation Act and may  
23 carry out announced and unannounced inspections.

24           B. The division may:

25                 (1) respond to tips or allegations of

1 wrongdoing or initiate an investigation on the division's own  
 2 initiative of an alleged or suspected violation of the Cannabis  
 3 Regulation Act; provided that the division shall refer possible  
 4 criminal violations to the enforcement bureau and shall assist  
 5 that bureau in investigations and inspections;

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

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

16 C. The enforcement bureau may:

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

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

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

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

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

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

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

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1 the embargo or seizure.

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

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

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

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

23 L. The New Mexico department of agriculture, the  
 24 department of environment and other state agencies with  
 25 relevant knowledge and expertise shall cooperate with the

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1 division and the enforcement bureau at the regulation and  
2 licensing department's request.

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

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

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

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

17 (1) suspension or revocation of the license;

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

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

22 O. As used in this section:

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

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

3                   **SECTION 3. EFFECTIVE DATE.**--The effective date of the  
4 provisions of this act is July 1, 2025.

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