



October 15, 2024

Economic and Rural Development and Policy Committee

Clay Bailey, Superintendent
New Mexico Regulation and Licensing Department

OUR PRIORITY IS YOUR PROTECTION



MISSION

Promote public confidence in professional, occupational services, trades, and industries by finding innovative solutions for business in the interest of public safety and economic vitality.



NMRLD

NEW MEXICO
REGULATION &
LICENSING DEPARTMENT

What We Do

We regulate more than 400,000 individuals and businesses across New Mexico that fall under seven divisions.

Our goal is to assure that New Mexicans receive quality services from qualified individuals and businesses while also ensuring a fair and prompt administrative process.



Mission of the Cannabis Control Division

The Cannabis Control Division's mission is to ensure the health and safety of all New Mexicans by responsibly licensing and regulating all commercial cannabis operations in the State of New Mexico. The division administers a regulatory structure that encourages a robust, responsible, and legitimate cannabis market while preserving safe consumer access to cannabis by implementing strong enforcement measures to prevent illicit and unsafe cannabis activity.

Cannabis Control Division Team

Director's Office: 3

Licensing: 5

Administrative: 4

Legal: 5

Compliance: 13

Total: 30 Employees

Cannabis Revenue Update

Between April 1, 2022, and September 30, 2024, New Mexico cannabis retailers sold approximately **\$1.3 billion** in adult-use and medical cannabis combined.

Medical:

Approximately \$416,000,000

Adult-Use:

Approximately \$944,000,000

Top 10 Cities

April 1, 2022 - September 30, 2024

City	Medical Sales	Adult-Use Sales	Total Sales ↓
▶ ALBUQUERQUE	\$168,825,789.93	\$275,021,925.33	\$443,847,715.28
▶ LAS CRUCES	\$35,343,558.29	\$60,637,947.47	\$95,981,505.82
▶ SANTA FE	\$35,829,468.71	\$59,141,726.83	\$94,971,195.57
▶ SUNLAND PARK	\$5,457,171.32	\$89,004,676.40	\$94,461,847.70
▶ HOBBS	\$10,574,995.29	\$59,254,179.72	\$69,829,175.03
▶ RIO RANCHO	\$18,450,887.48	\$23,816,594.22	\$42,267,481.71
▶ CARLSBAD	\$10,446,152.30	\$29,884,309.14	\$40,330,461.44
▶ CLOVIS	\$11,566,628.02	\$27,175,504.35	\$38,742,132.41
▶ FARMINGTON	\$6,840,842.46	\$28,661,725.75	\$35,502,568.21
▶ ALAMOGORDO	\$14,241,392.42	\$17,968,638.85	\$32,210,031.27

Licensing Update

As of 10/1/24

TOTAL PARENT LICENSES (BUSINESS ENTITIES): 1,556	
Vertically Integrated	170
Micro Integrated	323
Producer	217
Micro Producer	231
Manufacturer	250
Retail	276
Courier	56
Consumption Area	28
Testing Laboratory	5
Research Laboratory	0

TOTAL APPROVED LICENSED PREMISES: 3,071	
Producer	400
Micro Producer	675
Manufacturer	900
Retailer	1006
Consumption Area	28
Courier	56
Testing Laboratory	6
Research Laboratory	0

Administrative Authority

The Cannabis Control Division operates pursuant to the **Cannabis Regulation Act** and the **Lynn and Erin Compassionate Use Act**. The procedures for exercising the CCD's administrative authority are governed by the **Uniform Licensing Act (ULA)**, which establishes the standardized processes for administrative actions, including fines, and denying, suspending or revoking licenses.

ENFORCEMENT ACTIONS ISSUED

Settlements: 19

Pending Hearings: 1

Revoked Licenses: 10

Fines Issued: \$4,294,924.78

Fines Collected: \$353,952,73

33 Total Notices of
Contemplated
Action Issued as of
September 30, 2024

Authority and Action on Unlicensed Activity

- The Cannabis Control Division may issue Notices of Contemplated Action (NCA's) to individuals engaging in unlicensed commercial cannabis activities and may impose civil monetary penalties of up to \$10,000.00 per violation.
- Such NCA's may propose administrative penalties to include fines, license suspension, license revocation, or other sanctions based on violations of law believed to have been committed by a licensee or unlicensed party.
- Unlicensed activity is criminal and could result in felony charges by law enforcement.
- Engaging in unlicensed commercial cannabis activities can also be grounds for disqualification from obtaining a cannabis license in the future.

Temporary Restraining Orders and Preliminary Injunctions Sought by the CCD

PURSUANT TO §61-1-25.1 NMSA 1978 OF THE UNIFORM LICENSING ACT [THIS PROVISION ENACTED BY 2023 HB 384]

District Court Requests

Preliminary Injunctions filed: 5
Orders granted: 2
Under review: 1
Awaiting hearing: 2

COMPLIANCE UPDATE

Retail Inspections: 854

Producer Inspections: 731

Manufacturer Inspections: 640

Consumption Area Inspections: 7

2,232 inspections
performed between
1/1/2024 - 9/30/2024

Legislative Amendments

SB 6 - 2024 Regular Session

Amendments to the Cannabis Regulation Act via Senate Bill 6 include:

- Language intended to provide authority for the Cannabis Control Division of the NMRLD to obtain federal criminal history background check information on applicants. (The FBI denied the CCD access to the federal criminal history database information following enactment Cannabis Regulation Act in 2021)
- Increasing criminal penalties for unlicensed cannabis activity
- Clarifying the amount of cannabis products that would result in a trafficking charge and increasing criminal penalties associated with trafficking
- Expanding the list of crimes that would prevent someone from getting a cannabis license
- Allowing individuals to possess both a license issued under the liquor control act and a license issued under the cannabis regulation act while prohibiting the co-location of the two license types
- Changing cannabis packaging requirements to further protect youth from accessing cannabis products
- Continuing the CCD's authority to limit the number of plants that a cannabis producer licensee may grow at any one time

2025 Legislative Proposals

- The RLD is requesting additional authority that will give the RLD the ability to **embargo, seize, and destroy** illicit, adulterated, or misbranded cannabis products.
 - This would include an expansion of the CCD's administrative authority as well as providing the RLD with special investigators with law enforcement authority to go after unlicensed operators and criminal law violators.
- 7 Special Agent positions requested within the RLD with law enforcement authority to hold unlicensed operators and criminal law violators accountable
- 10 additional Compliance Officer inspector positions within the CCD
- Necessary equipment (including vehicles, technology, etc.) to allow these employees to properly perform their duties



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