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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**56th Legislature, 2nd Session, 2024**

<b>Bill Number</b>	<u>SJCS/SB6</u>	<b>Sponsor</b>	<u>Duhigg/Romero, A.</u>
<b>Tracking Number</b>	<u>.227831.1</u>	<b>Committee Referrals</b>	<u>SCC/SJC/SFC</u>
<b>Short Title</b>	<u>Cannabis Regulation Changes</u>		
<b>Analyst</b>	<u>Hathaway</u>	<b>Original Date</b>	<u>2/2/2024</u>
		<b>Last Updated</b>	<u></u>

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**BILL SUMMARY**

Synopsis of Bill

The Senate Judiciary Committee Substitute for Senate Bill 6 (SJCS/SB6) amends the Cannabis Regulation Act to change definitions, make changes to licensing, allow for licensing denials and disciplinary actions, update background check requirements, update licensing fees, make changes related to packaging and labeling, clarify language related to the trafficking of cannabis products, and repeal an existing date on governance related to plant count so the Regulation and Licensing Department (RLD) can continue to set maximum cannabis plant counts in perpetuity.

The Legislative Education Study Committee (LESL) analysis of SJCS/SB6 is limited to education matters and issues concerning school-aged children. As it relates to these topics, SJCS/SB6: 1) adds a new section of law allowing for cannabis training and education programs at public postsecondary educational institutions; 2) amends current law to strengthen language that packaging is child-resistant; and 3) amends current law to more specifically include packaging requirements to prohibit designs that may be appealing to a child.

**FISCAL IMPACT**

The bill does not contain an appropriation.

As noted in agency analysis, RLD reports that its Cannabis Control Division (CCD) would be able to carry out the additional administrative responsibilities concerning federal background checks of licensees without the need for additional staff positions. RLD notes no other anticipated operational costs.

RLD also anticipates revenue will increase slightly, by approximately \$30 thousand per year, due to the removal of the \$125 thousand licensing maximum. It projects that number may increase year-over-year as New Mexico's cannabis market matures and cannabis production licensees increase. The CCD estimates the year-over-year increase in licensing revenue under the proposed changes in SJCS/SB6 will be approximately \$10 thousand each year.

## SUBSTANTIVE ISSUES

LESC analysis of SJCS/SB6 is limited to issues related to education matters and school-aged children.

Section 9 of SJCS/SB6 repeals existing language and proposes the enactment of a new Section 26-2C-10 NMSA 1978 to state that public postsecondary educational institutions may offer “a practical or academic curriculum designed to prepare students for participation in the cannabis industry.” Public postsecondary educational institutions that offer these curriculums are required to register their cannabis training and education programs with CCD and the division must include the information on its website.

Section 10 of SJCS/SB6 amends current law to strengthen packaging requirements related to children. Current law requires that packages are child resistant and are not designed to be appealing to a child, however, SJCS/SB6 proposes adding language that clarifies packaging:

- Shall not mimic the brand, design, name, logo, or colorway of a non-cannabis consumer product marketed to children;
- Shall not use cartoons, symbols, or images—including images of celebrities or celebrity likeness—that are commonly used to market to children; and
- Shall be opaque for packages containing edible cannabis products.

**Cannabis Use in Adolescence.** The American Academy of Child and Adolescent Psychiatry [reports](#) that as of September 2023, teenage marijuana use is at its highest in 30 years. Further, the Federal Trade Commission (FTC) and the federal Food and Drug Administration (FDA) have [issued cease and desist letters](#) to companies using packaging that mimic popular snacks and candy consumed by children. Both the FTC and FDA have noted that calls to poison control centers about accidental cannabis ingestion have increased, especially in states where cannabis is legal. New Mexico passed legislation legalizing recreational adult use in 2021, which went into effect in 2022. In its analysis of SJCS/SB6, the New Mexico Department of Health (DOH) writes: “in New Mexico, cannabis-related calls to the New Mexico Poison Control Center have increased over time with the number of calls increasing from 84 cases in 2015 to 216 calls in 2022. Of the 216 cannabis-related calls in New Mexico in 2022, 50 [percent] of calls were for patients aged 10 years or younger.” The FTC and FDA note younger children are particularly at risk, which aligns with DOH reporting of calls related to young children. Examples of packaging being used are shown below:



Source: Federal Trade Commission

DOH notes stricter rules for packaging, labeling, and advertising has been recommended to reduce potential harms. The provisions of SJCS/SB6 appear to align with recommendations to reduce the appeal of cannabis products to children, including the use of opaque packaging, prohibiting the use of packaging that looks like mainstream food products, and prohibiting the use of cartoons and other figures that might appeal to children. DOH also writes, however, that “the bill does not include rules to require packaging to be plain and a single uniform color, or to prohibit the use of bright colors.”

### **ADMINISTRATIVE IMPLICATIONS**

Public postsecondary educational institutions, if they chose to offer curriculums designed to prepare students for participation in the cannabis industry, would need to develop curriculums and register these programs with the CCD. The CCD would need to collect information about these registrations and post the information on its website.

Current manufactures of cannabis products would need to adhere to the proposed provisions of SJCS/SB6 to comply with packaging requirements to deter children.

### **RELATED BILLS**

Conflicts with House Bill 128, Cannabis Regulation Changes, which also proposes changes to the Cannabis Regulation Act.

Relates to House Bill 63, Cannabis School Use Prevention Resource Act, which would enact the Cannabis School Use Prevention Resource Act.

Relates to House Bill 64, Cannabis Packaging Requirements, which requires packaging requirements similar to SJCS/SB6 related to children.

Relates to \*House Bill 65, Cannabis Crime Reasonable Suspicion, which amends the Cannabis Regulation Act to remove limitations on what may constitute reasonable suspicion of a crime involving cannabis.

Relates to House Bill 66, Cannabis Delinquency Act, which amends the Cannabis Regulation Act to include cannabis use, possession, and production by a minor as a delinquent act.

Relates to Senate Bill 99, Remove Incremental Cannabis Tax, which removes provisions of law that raise the cannabis excise tax.

Relates to Senate Bill 274, Cannabis Compliance Bureau, which creates a compliance bureau related to cannabis.

### **SOURCES OF INFORMATION**

- LESC Files
- New Mexico Department of Justice (DOJ)
- Secretary of State (SOS)
- Regulation and Licensing Department (RLD)
- Department of Health (DOH)