

LFC Requester:

Noah Montano

### AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

#### SECTION I: GENERAL INFORMATION

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** January 24, 2025

*Check all that apply:*

**Bill Number:** HB10

Original  Correction   
Amendment  Substitute

**Sponsor:** Rep. Doreen Y. Gallegos,  
Rep. Javier Martinez, Rep.  
Gail Armstrong, Rep. Marian  
Matthews, Rep. Art DeLa  
Cruz

**Agency Name and Code Number:** 305 – New Mexico  
Department of Justice

**Person Writing Analysis:** Victor A. Hall

**Short Title:** RLD CANNABIS  
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#### SECTION II: FISCAL IMPACT

##### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) indicate expenditure decreases)

##### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

**BILL SUMMARY**

Synopsis:

House Bill 10 Committee Substitution (“HB10CS”) proposes significant changes to HB10. First, under **Section 1**, HB10CS simplifies the law enforcement scheme contemplated in HB10 by designating enforcement agents as peace officers that must meet certification pursuant to NMSA 1978, Section 29-7-6.

Next, HB10CS simplifies some of the language within HB10 **Section 2** (*see Section 2(C)(2), Section 2(E), Section 2 (F)*). However, some of HB10CS includes provisions protecting a licensee’s property in the event that such seized products are not ordered condemned, mandating return of seized products to the licensee. **Section 2(K)**.

Lastly, HB10CS removes the appropriation of \$1,500,000.00 from HB10.

**FISCAL IMPLICATIONS**

N/A

**SIGNIFICANT ISSUES**

HB10CS contemplates mandatory cooperation between the NM department of agriculture, department of environment, and other state agencies. However, what constitutes “cooperation” is not clear from HB10CS as currently drafted.

HB10CS proposes language that calls for destruction of condemned products pursuant to district court order “at the licensee’s expense.” This language does not specify exactly what expense would be incurred; either just the destruction of the product or other expenses incurred in its confiscation and destruction. This section could be clarified as to what is included in the “licensee’s expense.”

HB10CS references the Uniform Licensing Act regarding the actions taken provided to this section. Additionally, pursuant to the Cannabis Regulation Act, “[a] person aggrieved by an action taken by the division pursuant to this section may request and receive a hearing with the superintendent for the purpose of reviewing the action in accordance with the Uniform Licensing Act. NMSA 1978, §26-2C-8(E). Notably, the Uniform Licensing Act affords a licensee twenty days to request a hearing. *See* NMSA 1978, §61-1-14(D)(3). However, HB10CS establishes a

different timeline for a licensee aggrieved by an embargo, seizure, or recall; this provision only allows for a request for hearing with ten days. **Section 2(I)**. This provision may conflict with the provisions of the Uniform Licensing Act and the Cannabis Regulation Act.

#### **PERFORMANCE IMPLICATIONS**

None noted.

#### **ADMINISTRATIVE IMPLICATIONS**

None noted.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

##### Related Bills:

HB 112 Cannabis Licensure Changes

HB 230 Cannabis Testing Certain Employees

SB 89 Remove Cannabis Tax Incremental Increases

SB 152 County Petition for Cannabis License Pause

#### **TECHNICAL ISSUES**

None noted.

#### **OTHER SUBSTANTIVE ISSUES**

None noted.

#### **ALTERNATIVES**

None noted.

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

#### **AMENDMENTS**

N/A