LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov (Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared:	February 1, 2025	Check all that apply:			
Bill Number:	HB230	Original X	Correction		
		Amendment _	Substitute		

Sponsor:	Reena Szczepanski and Elizabeth "Liz" Thomson	Agency Na and Code Number:		artment	evelopment
Short Title:	Medical Cannabis Employment Protection Act	Person Wi	riting	Yuriria	Morales-Mangone yuriria.morales@edd.nm.g

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropr	iation	Recurring	Fund Affected	
FY25	FY26	or Nonrecurring		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring	Fund
FY25	FY26	FY27	or Nonrecurring	Affected

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

<u>Synopsis:</u> HB230 amends NMSA 1978, Section 26-2B-9 to clarify the conditions under which employers may conduct drug testing for cannabis use among employees who are qualified patients under the Lynn and Erin Compassionate Use Act. It establishes protections against employment discrimination based solely on cannabis use and outlines the requirements for determining impairment in the workplace. Additionally, it mandates the creation of guidelines to assist employers in developing fair and effective workplace policies.

The bill strengthens employee protections while maintaining workplace safety standards. By shifting the focus from cannabis testing to actual impairment, promotes fair employment practices and helps prevent discrimination against medical cannabis patients.

FISCAL IMPLICATIONS

While the bill protects employees and clarifies cannabis testing limitations, it creates new fiscal and administrative burdens for state agencies and employers. Ensuring effective implementation will require funding for guideline development, employer education, and regulatory oversight.

Potential need for additional staff or resources to manage compliance and provide education to employers.

Private and public employers may face expenses related to revising drug testing policies, training staff on impairment assessments, and implementing new workplace safety procedures.

Businesses may need to purchase or adopt more advanced cannabis impairment testing tools, depending on availability and necessity.

The state may experience increased costs associated with legal challenges or enforcement actions related to improper terminations or disputes over impairment determinations.

Employers may also face legal expenses if employees challenge workplace decisions based on subjective impairment assessments.

SIGNIFICANT ISSUES

While the Medical Cannabis Employment Protections Act aims to balance workplace safety and employee rights, several significant issues may arise in its implementation:

Lack of a Standardized Cannabis Impairment Test

- a. Unlike alcohol, cannabis impairment is harder to measure
- b. The bill relies on "objective evidence" of impairment, but without standardized criteria, enforcement may be inconsistent and lead to legal disputes.

The Department of Health and Workforce Solutions Department must develop clear guidelines, but delays in implementation could create uncertainty. Without adequate enforcement mechanisms, some employers may continue zero-tolerance policies, leading to legal challenges.

Policymakers may need to refine definitions, clarify enforcement mechanisms, and provide employers with clearer impairment assessment tools to ensure smooth implementation. Transparent communication and fair application of impairment assessments can help foster a balanced and inclusive work environment.

PERFORMANCE IMPLICATIONS

An employer may take adverse employment action against a qualified patient only if the employer has established objective evidence that the employee was impaired by cannabis while performing work-related duties.

Such evidence may include but is not limited to:

- 1. Observable signs of impairment, such as confusion, lack of coordination, or other behavioral indicators.
- 2. Documented patterns of unsafe work performance or accidents.
- 3. Verified reports from supervisors or colleagues regarding impaired behavior

The success of the bill depends on effective policy implementation, employer compliance, and the development of reliable impairment assessment methods. While there are potential risks to workplace safety and productivity, these can be mitigated through clear guidelines, employer training, and proactive state agency oversight. If executed properly, the act could improve workplace protections while maintaining performance standards.

ADMINISTRATIVE IMPLICATIONS

The Workforce Solutions Department must stay updated on advancements in cannabis impairment testing and relay this information to employers.

The Department of Health and Workforce Solutions Department must work together to develop objective standards for workplace impairment assessment.

State agencies will need to conduct outreach efforts. Employers must update internal policies and train HR professionals and supervisors on assessing impairment objectively.

The Workforce Solutions Department may need to establish a reporting or oversight mechanism to track compliance and handle employer inquiries.

Government agencies may need to coordinate with legal experts to ensure that guidelines align with evolving state and federal regulations.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

Employers may struggle to establish objective and legally defensible impairment criteria, leading to inconsistent enforcement.

Large corporations may have HR departments and legal teams to navigate the requirements, but small businesses may lack the resources to update policies, train employees, and properly assess impairment.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS