

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 10

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

DISCUSSION DRAFT

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. Section 9-16-1 NMSA 1978 (being Laws 1983,
Chapter 297, Section 17) is amended to read:

"9-16-1. SHORT TITLE.--~~[Sections 17 through 29 of this
act]~~ Chapter 9, Article 16 NMSA 1978 may be cited as the
"Regulation and Licensing Department Act"."

SECTION 2. A new section of the Regulation and Licensing
Department Act is enacted to read:

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

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

6 B. The department shall employ enforcement agents
7 to enforce laws and administrative rules within the scope of
8 the Cannabis Regulation Act.

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

17 D. The enforcement bureau shall investigate alleged
18 violations of law and report its findings to the superintendent
19 and the director of the cannabis control division of the
20 department."

21 **SECTION 3.** A new section of the Cannabis Regulation Act
22 is enacted to read:

23 "[NEW MATERIAL] ENFORCEMENT--DIVISION AND ENFORCEMENT
24 BUREAU--ORDERS RESTRICTING MOVEMENT OF GOODS--EMBARGO AND
25 RECALL, SEIZURE AND CONDEMNATION--PROCEDURES--PENALTIES.--

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1 A. The division and the enforcement bureau shall
 2 enforce the provisions of the Cannabis Regulation Act and may
 3 carry out announced and unannounced inspections.

4 B. The division may:

5 (1) respond to tips or allegations of
 6 wrongdoing or initiate an investigation on the division's own
 7 initiative of an alleged or suspected violation of the Cannabis
 8 Regulation Act; provided that the division shall refer possible
 9 criminal violations to the enforcement bureau and shall assist
 10 that bureau in investigations and inspections;

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

18 (3) issue an order restricting the movement of
 19 cannabis products that are or are suspected of being
 20 adulterated or dangerously or fraudulently misbranded.

21 C. The enforcement bureau may:

22 (1) embargo or take possession of a cannabis
 23 product reasonably suspected of being an illegal cannabis
 24 product or a cannabis product that is adulterated or so
 25 misbranded as to be dangerous or fraudulent;

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

4 (3) petition the district court for injunctive
5 or other equitable relief.

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

16 E. The division may issue a recall order for
17 cannabis products embargoed or subject to an order restricting
18 movement due to adulteration or dangerous or fraudulent
19 misbranding.

20 F. When the enforcement bureau embargoes a cannabis
21 product, the division shall affix or cause the licensee to
22 affix to the cannabis product a tag or other appropriate
23 marking giving notice that the cannabis product is or is
24 suspected of being an illegal cannabis product or is
25 adulterated or dangerously or fraudulently misbranded and that

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1 the cannabis product shall not be sold, removed or otherwise
 2 disposed of.

3 G. When the enforcement bureau embargoes a cannabis
 4 product or seizes a cannabis product or a premises, the bureau
 5 shall give written notice to the licensee of the grounds for
 6 the embargo or seizure.

7 H. Neither the division nor the enforcement bureau
 8 shall be required to care for embargoed or seized cannabis
 9 products.

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

17 J. When the determination is made that an embargoed
 18 or seized cannabis product is illegal, adulterated or
 19 dangerously or fraudulently misbranded, the division shall
 20 petition the district court for condemnation of the cannabis
 21 product.

22 K. If the district court orders condemnation, the
 23 department shall destroy the cannabis product at the licensee's
 24 expense. If the district court does not order condemnation,
 25 the enforcement bureau shall have the restrictive tags or

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1 markings removed and the affected products released or returned
2 to the licensee or other owner of the products.

3 L. The New Mexico department of agriculture, the
4 department of environment and other state agencies with
5 relevant knowledge and expertise shall cooperate with the
6 division and the enforcement bureau at the regulation and
7 licensing department's request.

8 M. A person who intentionally, knowingly or
9 recklessly:

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

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

18 N. In addition to the actions provided in this
19 section, after an administrative hearing pursuant to the
20 Uniform Licensing Act, the division may take disciplinary
21 action against a licensee, including:

22 (1) suspension or revocation of the license;

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

25 (3) any other disciplinary action allowed

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1 under that act or rule of the division.

2 0. As used in this section:

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

6 (2) "enforcement bureau" means the enforcement
7 bureau of the department."

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

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