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HOUSE BILL 10

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

INTRODUCED BY

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and Marian Matthews and Art De La Cruz

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; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Regulation and Licensing
Department Act is enacted to read:

"NEW MATERIAL] ENFORCEMENT BUREAU--ENFORCEMENT AGENTS--
CERTIFIED LAW ENFORCEMENT OFFICERS.--

A. The "enforcement bureau" is established within
the office of the superintendent and shall be considered a law
enforcement agency as defined in Paragraph (2) of Subsection P
of Section 9-19-14 NMSA 1978 and shall be directed by a bureau
chief appointed by the superintendent pursuant to Section

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1 9-16-8 NMSA 1978 and who shall report to the superintendent.

2 B. The department shall employ enforcement agents
3 to enforce laws and administrative rules within the scope of
4 the industries and professions regulated by the department and
5 by the boards and commissions administratively attached to the
6 department. The bureau chief and enforcement agents employed
7 by the department within the enforcement bureau shall be
8 certified law enforcement officers as defined by Paragraph (1)
9 of Subsection P of Section 9-19-14 NMSA 1978. The enforcement
10 agents shall report to the bureau chief. The superintendent
11 shall be responsible for final employment decisions for
12 enforcement agents.

13 C. An enforcement agent shall have the same power
14 as other law enforcement officers, including the power to
15 maintain public order, to undertake a lawful warrantless search
16 and seizure and to arrest someone for a crime. A warrant for
17 the arrest of a person shall be issued upon a sworn complaint.

18 D. The enforcement bureau shall investigate alleged
19 violations of law and report its findings to the
20 superintendent, division directors and boards and commissions
21 as determined by the bureau chief.

22 E. The superintendent may require enforcement
23 agents to receive additional law enforcement training related
24 to cannabis and licensed professions and occupations within the
25 jurisdiction of the department."

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1 SECTION 2. A new section of the Cannabis Regulation Act
2 is enacted to read:

3 "[NEW MATERIAL] ENFORCEMENT--DIVISION AND ENFORCEMENT
4 BUREAU--ORDERS RESTRICTING MOVEMENT OF GOODS--EMBARGO AND
5 RECALL, SEIZURE AND CONDEMNATION--PROCEDURES--PENALTIES.--

6 A. The division and the enforcement bureau shall
7 enforce the provisions of the Cannabis Regulation Act and may
8 carry out announced and unannounced inspections.

9 B. The division may:

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

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

23 (3) issue an order restricting the movement of
24 cannabis products that are or are suspected of being
25 adulterated or dangerously or fraudulently misbranded.

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1 C. The enforcement bureau shall investigate cases
2 referred to that bureau as directed by the chief of the
3 enforcement bureau and may:

4 (1) embargo or take possession of a cannabis
5 product reasonably suspected of being an illegal cannabis
6 product or a cannabis product that is adulterated or so
7 misbranded as to be dangerous or fraudulent;

8 (2) take control pursuant to a warrant of the
9 premises where a cannabis product is produced, manufactured or
10 stored; and

11 (3) petition the district court for injunctive
12 or other equitable relief.

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

23 E. The division may issue a recall order for
24 cannabis products embargoed due to adulteration or dangerous or
25 fraudulent misbranding.

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1 F. When the division embargoes a cannabis product,
2 the division shall affix to the cannabis product a tag or other
3 appropriate marking giving notice that the cannabis product is
4 or is suspected of being an illegal cannabis product or is
5 adulterated or dangerously or fraudulently misbranded and that
6 the cannabis product shall not be sold, removed or otherwise
7 disposed of.

8 G. When the division embargoes a cannabis product
9 or the enforcement bureau seizes a cannabis product or a
10 premises, the division or bureau shall give written notice to
11 the licensee of the grounds for the embargo or seizure.

12 H. Neither the division nor the enforcement bureau
13 shall be required to care for embargoed or seized cannabis
14 products.

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

22 J. When the determination is made that an embargoed
23 or seized cannabis product is illegal, adulterated or
24 dangerously or fraudulently misbranded, the division shall
25 petition the district court for condemnation of the cannabis

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1 product.

2 K. If the district court orders condemnation, the
3 department shall destroy the cannabis product at the licensee's
4 expense.

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

10 M. A person who intentionally, knowingly or
11 recklessly:

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

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

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

- 24 (1) suspension or revocation of the license;
25 (2) imposition of an administrative penalty

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1 not to exceed ten thousand dollars (\$10,000) per violation; or

2 (3) any other disciplinary action allowed
3 under that act or rule of the division.

4 0. As used in this section:

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

8 (2) "enforcement bureau" means the enforcement
9 bureau of the department."

10 SECTION 3. APPROPRIATION.--One million five hundred
11 thousand dollars (\$1,500,000) is appropriated from the general
12 fund to the regulation and licensing department for expenditure
13 in fiscal year 2026 to enforce the provisions of the Cannabis
14 Regulation Act, including expenditures necessary to complete
15 the duties associated with embargo, seizure, storage, testing
16 and destruction of cannabis products as provided in that act
17 and the purchase or rental of necessary equipment and
18 facilities and payment of necessary contractual agreements for
19 enforcement purposes. Any unexpended or unencumbered balance
20 remaining at the end of fiscal year 2026 shall revert to the
21 general fund.

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

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