

HOUSE BILL 346

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

INTRODUCED BY

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AN ACT

RELATING TO HEMP; PROVIDING REGULATORY AUTHORITY OVER HEMP
FINISHED PRODUCTS AT RETAIL AND SEMI-SYNTHETIC AND SYNTHETIC
CANNABINOIDS; BANNING THE RECEIPT, POSSESSION, ADVERTISING,
MARKETING OR SALE OF SEMI-SYNTHETIC AND SYNTHETIC CANNABINOIDS
IN NEW MEXICO; REQUIRING THE ENVIRONMENTAL IMPROVEMENT BOARD TO
ADOPT RULES REGULATING HEMP EXTRACTS AND HEMP FINISHED PRODUCTS
AT RETAIL; PRESCRIBING PENALTIES; DECLARING AN EMERGENCY.

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

SECTION 1. Section 76-24-4 NMSA 1978 (being Laws 2019,
Chapter 116, Section 2) is amended to read:

"76-24-4. DEFINITIONS.--As used in the Hemp Manufacturing
Act:

A. "board" means the board of regents of New Mexico
state university;

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1 B. "breeder" means a person who conducts research
2 to develop new hemp varieties;

3 C. "Cannabis sativa L." means the plant Cannabis
4 sativa L. and any part of the plant, whether growing or not;

5 D. "consumer" means a person who is a member of the
6 public, takes possession of a hemp finished product, is not
7 functioning in the capacity of a hemp manufacturer or hemp
8 producer and does not offer the hemp finished product for
9 resale;

10 [~~D.~~] E. "hemp" means the plant Cannabis sativa L.
11 and any part of that plant, including seeds and all
12 derivatives, extracts, cannabinoids, isomers, acids, salts and
13 salts of isomers, whether growing or not, with a THC
14 concentration of not more than three-tenths percent [on a dry
15 weight basis;

16 ~~E. "hemp-derived material" means any material~~
17 ~~containing THC in any concentration derived from Cannabis~~
18 ~~sativa L. through any activity authorized pursuant to the Hemp~~
19 ~~Manufacturing Act] or a concentration allowed by federal law,~~
20 ~~whichever is greater, based on dry weight;~~

21 F. "hemp extract" means oil and extracts derived
22 from hemp, containing THC in any concentration, including
23 cannabidiol, cannabidiolic acid and other identified and
24 non-identified compounds;

25 G. "hemp finished product" means a [~~hemp~~] product

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1 for human ingestion or inhalation that [~~is intended for retail~~
2 ~~sale and containing~~] contains hemp or hemp extracts [~~that~~
3 ~~includes food, food additives and herbs for human use,~~
4 ~~including consumption that has a THC content of not more than~~
5 ~~three-tenths percent~~] and is intended to be provided to
6 consumers;

7 H. "hemp manufacturer" means a person that
8 extracts, processes or engages in other manufacturing
9 activities regarding hemp, including manufacturing
10 [~~intermediate hemp-derived products~~] hemp extract and hemp
11 finished products;

12 I. "hemp producer" means a person that cultivates
13 and harvests hemp and includes a person that cultivates hemp
14 plants for transfer to other hemp producers;

15 [~~J. "intermediate hemp-derived product" means oil~~
16 ~~and extracts, including cannabidiol, cannabidiolic acid and~~
17 ~~other identified and non-identified compounds derived from~~
18 ~~hemp~~]

19 J. "hemp retailer" means a person that provides
20 hemp finished products directly to consumers;

21 K. "ingestion" means the process of taking food,
22 drink or another substance into the body by swallowing or
23 absorbing it;

24 [~~K.~~] L. "manifest" means a form used for
25 identifying the quantity, composition, origin, routing and

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1 destination of hemp-derived materials during transportation;
2 ~~[and]~~

3 M. "semi-synthetic cannabinoid" means a substance
4 that is created by a chemical reaction that converts one
5 cannabinoid extracted from Cannabis sativa L. directly into a
6 different cannabinoid; provided that "semi-synthetic
7 cannabinoid" does not include a cannabinoid produced via
8 decarboxylation of naturally occurring acidic forms of
9 cannabinoids, such as tetrahydrocannabinolic acid, into the
10 corresponding neutral cannabinoid, such as THC, through the use
11 of heat or light without the use of chemical reagents or
12 catalysts and that results in no other chemical change;

13 N. "synthetic cannabinoid" means a cannabinoid-like
14 compound that was produced by using chemical synthesis,
15 chemical modification or chemical conversion; provided that
16 "synthetic cannabinoid" does not include:

17 (1) a compound produced through the
18 decarboxylation of naturally occurring cannabinoids from their
19 acidic forms; or

20 (2) a semi-synthetic cannabinoid; and

21 ~~[E.]~~ O. "THC" means delta-9-tetrahydrocannabinol as
22 measured using a post-decarboxylation method and based on
23 percentage dry weight."

24 **SECTION 2.** Section 76-24-8 NMSA 1978 (being Laws 2019,
25 Chapter 116, Section 6, as amended) is amended to read:

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1 "76-24-8. HEMP MANUFACTURERS--PERMITS--RULES--
2 REQUIREMENTS.--

3 A. The department of environment shall issue
4 permits pursuant to rules [~~issued under~~] adopted in accordance
5 with Subsection C of this section to extract, process or engage
6 in other manufacturing activities regarding hemp, including
7 manufacturing [~~intermediate hemp-derived products~~] hemp extract
8 and hemp finished products.

9 B. Except as specified in Subsection I of this
10 section, a person shall not extract, process or engage in other
11 manufacturing activities regarding hemp, including
12 manufacturing [~~intermediate hemp-derived products~~] hemp extract
13 and hemp finished products without a permit issued by the
14 department of environment or a license issued pursuant to
15 Subsection C of Section 76-24-10 NMSA 1978.

16 C. [~~The department of environment~~] Beginning July
17 1, 2025, the environmental improvement board shall adopt rules
18 that include:

19 (1) procedures for the issuance, denial,
20 renewal, suspension and revocation of a permit issued by the
21 department of environment to manufacture hemp products,
22 including permit terms and procedures for appeal of a denial,
23 suspension or revocation that include notice and opportunity
24 for a hearing;

25 (2) qualifications for permitting that include

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1 health, sanitation, safety and security;

2 (3) proficiency standards and requirements for
3 storage, recordkeeping and inspections;

4 (4) requiring, and providing a process for,
5 the use or disposal of ~~[hemp-derived material]~~ hemp extract and
6 hemp finished products containing THC levels of more than
7 three-tenths percent; and

8 (5) fees not to exceed the lesser of one
9 thousand dollars (\$1,000) or the cost of administration of a
10 permit issued pursuant to this section.

11 D. Rules adopted prior to July 1, 2025 by the
12 department of environment shall remain in effect until the
13 environmental improvement board adopts its rules.

14 ~~[D.]~~ E. A hemp manufacturer that produces
15 ~~[intermediate hemp-derived products]~~ hemp extract or hemp
16 finished products intended for human consumption by ~~[eating or~~
17 ~~drinking]~~ ingestion are subject to the provisions of the Food
18 Service Sanitation Act and the New Mexico Food Act.

19 ~~[E.]~~ F. Hemp finished products produced by a hemp
20 manufacturer holding a permit issued pursuant to this section
21 shall not be deemed adulterated as that term is used in the
22 Food Service Sanitation Act and the New Mexico Food Act.

23 ~~[F.]~~ G. Fees collected pursuant to this section
24 shall be deposited in the environmental health fund.

25 ~~[G.]~~ H. A permit issued pursuant to this section

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1 does not relieve the holder of the permit of the responsibility
2 to obtain other licenses or permits as required by law.

3 I. A person engaged in the manufacturing or use of
4 hemp seed or hemp seed derivatives for products intended for
5 human food is not subject to the provisions of this section,
6 but shall be subject to the provisions of the Food Service
7 Sanitation Act and the New Mexico Food Act.

8 J. Hemp finished products manufactured pursuant to
9 this section shall not have a THC concentration of more than
10 three-tenths percent or a concentration allowed by federal law,
11 whichever is greater.

12 K. A hemp manufacturer shall not receive, possess,
13 offer, advertise, market or sell products containing semi-
14 synthetic cannabinoids or synthetic cannabinoids."

15 SECTION 3. Section 76-24-9 NMSA 1978 (being Laws 2019,
16 Chapter 116, Section 7) is amended to read:

17 "76-24-9. TRANSPORTING HEMP, [~~AND HEMP-DERIVED MATERIALS~~]
18 HEMP EXTRACT OR HEMP FINISHED PRODUCTS--MANIFEST--RULES--
19 REQUIREMENTS.--

20 A. A person shall not transport hemp unless during
21 such transportation the person has in the person's immediate
22 possession a harvest certificate for that hemp provided by the
23 licensed grower.

24 B. A person shall not transport [~~hemp-derived~~
25 ~~materials~~] hemp extract unless during such transportation the

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1 person has in the person's immediate possession a manifest
2 issued by a person licensed pursuant to the Hemp Manufacturing
3 Act or other applicable law.

4 C. The department of environment shall establish a
5 manifest system and any other reasonable means necessary to
6 ensure that [~~hemp-derived materials~~] hemp extract originating
7 from a person permitted pursuant to Section [~~6 of the Hemp~~
8 ~~Manufacturing Act are~~] 76-24-8 NMSA 1978 is identifiable during
9 transport and that the [~~materials are~~] hemp extract is
10 transported only between persons licensed, permitted or
11 otherwise authorized to possess [~~hemp-derived materials~~] hemp
12 extract pursuant to the Hemp Manufacturing Act or other
13 applicable law.

14 D. [~~A person that transports hemp-derived materials~~
15 ~~or food additive hemp finished products intended for human~~
16 ~~consumption by eating or drinking~~] Except for a person who
17 transports hemp finished products for personal use, the
18 transportation of hemp extract or hemp finished products
19 intended for human ingestion shall be subject to the provisions
20 of the Food Service Sanitation Act and the New Mexico Food Act.

21 E. Transporting hemp [~~or hemp-derived material~~]
22 without a harvest certificate shall constitute a petty
23 misdemeanor, punishable by a fine of up to five hundred dollars
24 (\$500).

25 F. Product in excess of eight ounces that has the

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1 appearance of hemp and is in the possession of a person
2 suspected of violating the provisions of Subsection E of this
3 section may be seized by a law enforcement agency until such
4 time as the agency is able to identify the product, in
5 cooperation with the department of environment or the New
6 Mexico department of agriculture, but for no longer than five
7 days.

8 G. As used in this section, "harvest certificate"
9 means a certificate, license, permit or other document pursuant
10 to rules adopted under the Hemp Manufacturing Act for use
11 during transportation of hemp [~~or hemp-derived material~~]
12 whether in the possession of a person or electronically
13 verified by a law enforcement agency."

14 SECTION 4. Section 76-24-10 NMSA 1978 (being Laws 2019,
15 Chapter 116, Section 8) is amended to read:

16 "76-24-10. INDIAN NATIONS, TRIBES AND PUEBLOS--NO STATE
17 REGULATION--COOPERATIVE OR JOINT POWERS AGREEMENTS--RECOGNITION
18 OF TRIBALLY ISSUED LICENSES.--

19 A. The state acknowledges that federally recognized
20 Indian nations, tribes and pueblos located wholly or partially
21 within New Mexico may, pursuant to Section 10113 of the federal
22 Agriculture Improvement Act of 2018, and as a matter of their
23 inherent tribal sovereignty, develop their own plans for the
24 regulation of the production of hemp on their own tribal lands,
25 and that those plans shall be developed in compliance with the

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1 federal Agriculture Improvement Act of 2018.

2 B. The New Mexico department of agriculture and the
3 department of environment may enter into cooperative agreements
4 or joint powers agreements with federally recognized Indian
5 nations, tribes and pueblos located wholly or partially within
6 New Mexico that seek the state's assistance in developing hemp
7 production plans that are acceptable to the director of the New
8 Mexico department of agriculture and the department of
9 environment, or in the regulation of hemp production on tribal
10 lands, or in the testing of hemp plants for THC, or the
11 transportation of hemp or ~~[hemp-derived material]~~ hemp extract;
12 provided that no such agreement shall purport to give the state
13 any jurisdiction over any such activities or material on tribal
14 lands.

15 C. A cooperative agreement or joint powers
16 agreement may include provisions recognizing a tribally issued
17 license that authorizes manufacturing on tribal lands,
18 including the extraction, processing or engaging in other
19 manufacturing activities regarding hemp, including
20 manufacturing ~~[intermediate hemp-derived products]~~ hemp extract
21 and hemp finished products under Section ~~[6 of the Hemp~~
22 ~~Manufacturing Act]~~ 76-24-8 NMSA 1978."

23 SECTION 5. A new section of the Hemp Manufacturing Act is
24 enacted to read:

25 "[NEW MATERIAL] HEMP RETAILERS--RULES--REQUIREMENTS.--
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1 A. Beginning July 1, 2025, the environmental
2 improvement board shall adopt rules for hemp retailers that
3 include:

4 (1) requirements for hemp products received,
5 possessed, offered, advertised, marketed or sold;

6 (2) labeling requirements;

7 (3) facility registration;

8 (4) purchasing, storage and recordkeeping
9 requirements;

10 (5) inspection and enforcement by the
11 department of environment; and

12 (6) procedures for appeal that include a
13 notice of opportunity for a hearing in response to enforcement
14 actions taken by the department of environment.

15 B. Rules adopted prior to July 1, 2025 by the
16 department of environment shall remain in effect until the
17 environmental improvement board adopts its rules.

18 C. Hemp retailers shall not receive, possess,
19 offer, advertise, market or sell hemp finished products that
20 have a THC concentration of more than three-tenths percent or a
21 concentration allowed by federal law, whichever is greater, or
22 hemp finished products containing semi-synthetic cannabinoids
23 or synthetic cannabinoids.

24 D. A person shall not act as a hemp retailer
25 without meeting the requirements of this section and rules

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1 adopted in accordance with this section."

2 SECTION 6. A new section of the Hemp Manufacturing Act is
3 enacted to read:

4 "[NEW MATERIAL] PENALTY.--

5 A. A person who violates a provision of the Hemp
6 Manufacturing Act or a rule of the department of environment or
7 the environmental improvement board is guilty of a petty
8 misdemeanor and shall be sentenced as provided in Section
9 31-19-1 NMSA 1978.

10 B. In addition, whenever on the basis of any
11 information the department of environment determines that a
12 person has violated, is violating or threatens to violate any
13 provision of Section 76-24-8 or 76-24-9 NMSA 1978 or Section 5
14 of this 2025 act or rules or permit conditions adopted in
15 accordance with those sections, the department may:

16 (1) issue a compliance order that states with
17 reasonable specificity the nature of the violation or
18 threatened violation, that requires compliance immediately or
19 within a specified time period and that assesses a civil
20 penalty for any past or current violation, or both; or

21 (2) commence a civil action in district court
22 for appropriate relief, including a temporary or permanent
23 injunction.

24 C. A compliance order may include suspension or
25 revocation of a permit issued by the department of environment.

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1 The department may assess a penalty of not to exceed one
2 thousand dollars (\$1,000) for each violation."

3 SECTION 7. EMERGENCY.--It is necessary for the public
4 peace, health and safety that this act take effect immediately.

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