Gov. Lujan Grisham proposes recreational pot legalization

Written by Staff Reports Friday, 31 January 2020 04:43



Could mean dismissal of legal cases

SANTA FE – Gov. Michelle Lujan Grisham announced her support for a measure to legalize recreational cannabis in N. M. for adults aged 21 and older Jan. 16. She considers it a vehicle to create thousands of jobs and hundreds of millions of dollars in revenue for needed public services all across the state.

Legalization would generate an estimated 11,000 new jobs in agriculture, manufacturing, regulation and retail, where sales would reach \$620 million by the fifth year, according to an independent analyst. A mature medical/adult-use cannabis industry would generate some \$100 million in annual revenue for state and local governments.

"The Legislature has the opportunity to pass the largest job-creation program in New Mexico in a decade," Lujan Grisham said. "Skeptics have been right to preach study and patience. I agree with their caution - and that's why we haven't rushed into this issue. But if we are clear-eyed about the risks, we have to be clear-eyed about the opportunity."

New polling indicates 75 percent of New Mexicans favor legalization, and 65 percent approve of legalized sales in their own towns. Support crosses all demographic and political lines and includes all four corners of the state, as well as the Rio Grande corridor. Polling has also shown cannabis will provide opportunity for young New Mexicans to stay and work here in the state.

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The governor's proposal, the Cannabis Regulation Act, House Bill 160, is based on a report by the Cannabis Legalization Working Group, a bipartisan task force she appointed to study the issue in 2019. The task force held 30-plus hours of public meetings and received 200-plus pages of public comment from all across the state before issuing a framework for testing, regulation, public health and public safety.

"We appreciate the governor's leadership on this critical issue," Rep. Javier Martinez said. "N.M. has the opportunity to be a leader with a legalization framework that enhances the medical cannabis program and ensures equity for all New Mexicans."

Nine other states and the Wash. D. C. have already legalized recreational cannabis, and the governor's proposal is informed by missteps some early adopters made regarding tax rates and regulatory infrastructure. For example, some states set tax rates that were so high, buyers turned to the black market. This proposal calls for a 20 percent tax rate to prevent that, while still producing some \$100 million in tax revenue in five years' time.

Economic Development Secy. Alicia Keyes said recreational cannabis is another initiative to help diversify the New Mexico economy.

"We know some of those new jobs would be at businesses in eastern New Mexico and in agricultural-rich parts of the state. So this measure fits perfectly with spreading wealth and creating jobs in all corners of New Mexico," Keyes said.

New Mexico's agricultural community has shown interest in cannabis as an alternative crop if it becomes legal, said Agriculture Secy. Jeff Witte.

"This is especially true of new and beginning farmers who are looking for potentially higher-value crops that might use less water than traditional N. M. crops and that can be economic on smaller acreages," Witte said.

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The initiative requires robust testing to ensure that all cannabis products sold in N.M. are free of contamination and clearly labeled as to THC dosage, just as a can of beer or a bottle of wine warns consumers of alcohol content. In both cases, accurate labeling prevents unintended overdoses. The proposal includes restrictions on advertisements targeted at youth.

Additionally, the proposal requires investments in training to help law enforcement officers identify impaired driving of all kinds, not just cannabis-induced. In other states that made similar investments, DWI rates and teen use of cannabis both went down.

"It's critical that people know legalizing recreational use does not mean legalizing impaired driving," N.M. State Police Chief Tim Johnson cautioned.

New Mexico has been regulating and managing legal medical cannabis for more than a decade. Last year, producers sold almost three times more medical cannabis than chile.

"It's time to stop pretending cannabis is not already a part of our economy and culture," the gov. said. "The thousands of New Mexicans who work in, supply and serve our medical cannabis program are employers; they are doctors; they are entrepreneurs; they are our neighbors."

State Regulation and Licensing Supt. Marguerite Salazar said her agency is ready to provide the appropriate oversight for rule-making, licensure and even-handed enforcement.

"N.M. is ready to lead the nation in implementing a successful cannabis market that stimulates business growth and preserves safe consumer access," Salazar said.

The governor's proposal will protect the medical cannabis program by exempting medical users from the tax and requiring growers to serve the medical market before selling in the recreational market.

Under the proposal, local jurisdictions are empowered to adopt reasonable time, place and

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manner operational rules. The initiative includes conviction and arrest-record expungement provisions, and provides for a mechanism for possible recall and dismissal of cases of individuals incarcerated for cannabis-related offenses.

The legislation contemplates several funds aimed at smoothing the transition into a legalized recreational environment, among them a cannabis workforce training fund, a low-income medical patient subsidy fund, a law enforcement protection fund, and an impaired-driving education fund.

And, among other highlights, the proposal provides a mechanism for entering into intergovernmental agreements with any sovereign tribe or pueblo that elects to implement the Cannabis Regulation Act.