



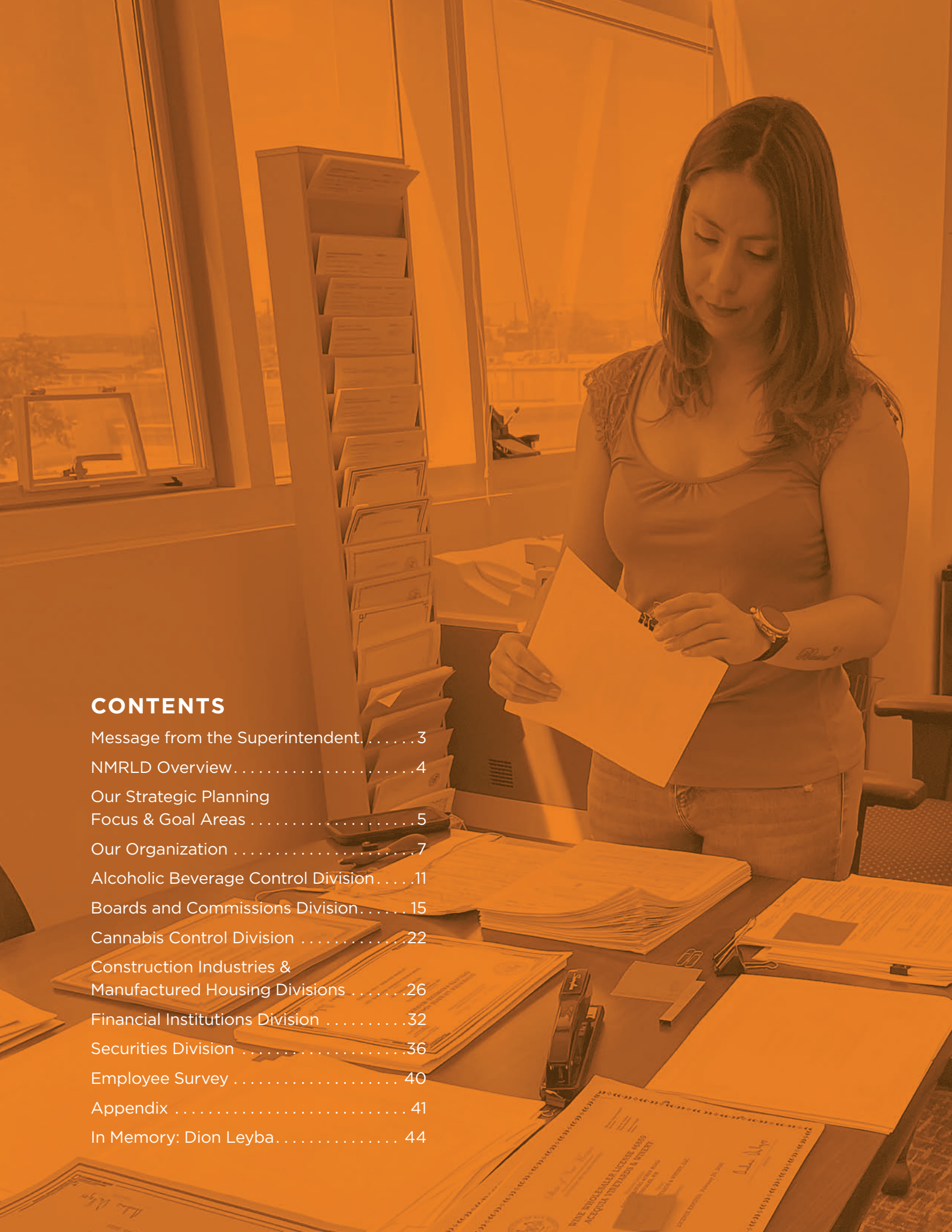
NMRLD

**NEW MEXICO
REGULATION &
LICENSING DEPARTMENT**



2023 STRATEGIC PLAN

2022 ANNUAL REPORT



CONTENTS

Message from the Superintendent.....	3
NMRLD Overview.....	4
Our Strategic Planning Focus & Goal Areas	5
Our Organization	7
Alcoholic Beverage Control Division.....	11
Boards and Commissions Division.....	15
Cannabis Control Division	22
Construction Industries & Manufactured Housing Divisions	26
Financial Institutions Division	32
Securities Division	36
Employee Survey	40
Appendix	41
In Memory: Dion Leyba.....	44



MESSAGE FROM THE SUPERINTENDENT

I am excited to introduce NMRLD's 2023 strategic plan and 2022 Annual Report that exemplifies and makes our mission, vision, values, and priorities central to our organizational dynamic and direction.

NMRLD continues to focus on promoting public confidence in professional, occupational services, trades, and industries by finding innovative solutions for business in the interest of public safety and economic vitality.

NMRLD's plan is anchored by:

- Quality Customer Service
- Accuracy and Accountability
- Respect and Recognition for the Indigenous People and Tribal Lands where we now live, work and play.

I welcome any feedback from our stakeholders and look forward to serving all New Mexicans as we continue to advance our state forward.

LINDA M. TRUJILLO
Superintendent





NEW MEXICO REGULATION AND LICENSING DEPARTMENT

WHAT WE DO

We regulate more than 500,000 individuals and businesses in 35 industries, professions and trades across the state. Our goal is to assure that New Mexicans receive quality services from qualified individuals and businesses while also ensuring a fair and prompt administrative process.

Our priority is your protection.

EMPOWERING THE VITALITY OF NEW MEXICO ENTERPRISE.

Mission

To promote public confidence in professional, occupational services, trades, and industries by finding innovative solutions for business in the interest of public safety and economic vitality.

Guiding Principles

- Quality customer service
- Accuracy and accountability
- Respect and recognition for the Indigenous People and tribal lands where we now live, work, and play.

OUR STRATEGIC PLANNING FOCUS & GOAL AREAS

BUDGET/FISCAL

- Implement a quality assurance process for online revenue transactions.
- Increase collaboration with divisions, ASD, and Office of the Superintendent in refinement of the budget development process.

COMMUNITY ENGAGEMENT

- Breakdown barriers to licensure to increase the diversification of NM's economy, revenue, and employment.
- Develop and implement a communication plan to foster meaningful relationships with the community, elected officials, the business community, and Tribal governments to inform sound policy and decision making.
- Communicate with internal and external constituencies to identify strategies to improve customer service and reduce regulatory barriers.
- Improve transparency of NMRLD's operations through public-facing website to efficiently provide data and annual reports, including online performance dashboards.

CONSUMER EDUCATION

- Expand online workshops to provide technical assistance for consumers.
- Implement a comprehensive consumer education program.
- Expand consumer protection outreach to include environmental impact.



HUMAN RESOURCES

- Develop and implement training and retention strategies to maintain a team of licensing specialist and public safety inspectors.
- Develop career ladders and training programs to focus on the lifecycle of employee talent to include employee retention and development to reduce NMRLD's vacancy rate.
- Develop and implement recruitment and retention programs through flex schedules, alternative work schedules, flex locations and telework opportunities.
- Formalize agency wide employee handbook and systematize onboarding and exit record keeping.

INFORMATION TECHNOLOGY

- Establish consistent standards, practices and governance for cybersecurity, data management, licensing amendments or additions, and online payments.
- Continue implementation of enterprise-oriented application development platforms that will lead to process and workflow efficiencies and improvements to NMRLD's core business processes.
- Develop and implement IT infrastructure for occupational and professional licensing
- Collaborate with DoIT to modernize communication systems to improve customer service.



- Collaborate with Securities, FID, and ABC to address IT deficiencies
- Diversify cybersecurity strategies to address changing internal and external threats.
- Ensure reliable network, data, project portfolio, and application development.

LICENSING

- Ensure equitable access to NMRLD information by individuals with limited English proficiency.
- Facilitate discussions with key partners and stakeholders to reduce licensing barriers and increase information sharing.

OPERATIONS

- Implement continuous improvement strategies to improve efficiency and customer service.
- Create, track, and expand employee training and development programs, with a focus on leadership development.
- Initiate compensation classification analysis for CID to ensure internal equity and balanced workloads, adjust to market conditions and ensure career advancement pathways.





OUR ORGANIZATION

OFFICE OF THE SUPERINTENDENT

Linda Trujillo, Superintendent
Victor Reyes, Deputy Superintendent

The Office of the Superintendent provides leadership and support to NMRLD's eight divisions. Functions include Legal, Information Technology, Human Resources, Communications, and Legislative Services.

ADMINISTRATIVE SERVICES DIVISION (ASD)

Stuart Hamilton, Acting Director

The Administrative Services Division provides all department Financial Services and provides support to the divisions in coordination with other state agencies. The Financial Services function includes fiscal support and oversight, financial advice, accounting, budget preparation and management, procurement, and fleet/telecommunication services.

ALCOHOLIC BEVERAGE CONTROL DIVISION (ABC)

Andrew Vallejos, Director

The Alcoholic Beverage Control Division focuses to protect the health, safety and welfare of all New Mexicans and visitors to the state, by responsibly regulating the sale, service and public consumption of alcohol. The division takes seriously every complaint alleging potential violations of liquor control laws and works closely with the Special Investigations Unit of the Department of Public Safety in investigating and prosecuting such violations.

BOARDS AND COMMISSIONS DIVISION (BCD)

Joseph Dworak, Director

This Division has oversight of over 35 different professions and specialized trades. Each board and commission operate under its own set of rules and its own professional licensing requirements, which are established by law. The Governor of New Mexico appoints members to the various boards and commissions and those members work closely with the RLD Superintendent to protect consumer rights while promoting good business practices, that lead to continued economic growth.

CANNABIS CONTROL DIVISION (CCD)

Carolina Barrera, Acting Director

The Cannabis Regulation Act created a comprehensive licensing, taxing and enforcement regulatory structure for adult use cannabis in the state that is administered by the Cannabis Control Division. The CCD administers the CRA and the licensing and regulatory provisions of the Medical Cannabis Program that was created by the Lynn and Erin Compassion Use Act (LECUA).

CONSTRUCTION INDUSTRIES DIVISION (CID)

Clay Bailey, Director

This Division collaborates with the general public, trade organizations, municipalities, local code officials, contractors, subcontractors, architects, design professionals, LP Gas distributors and homeowners, to assist economic growth in New Mexico and protect life and ensure property safety.

FINANCIAL INSTITUTION DIVISION (FID)

Mark Sadoswki, Director

The Financial Institutions Division works to protect public interest and preserve public trust by regulating the business of state-chartered credit unions, savings and loans associations and the financial activities of life care institutions under its supervision.

MANUFACTURED HOUSING DIVISION (MHD)

Clay Bailey, Director

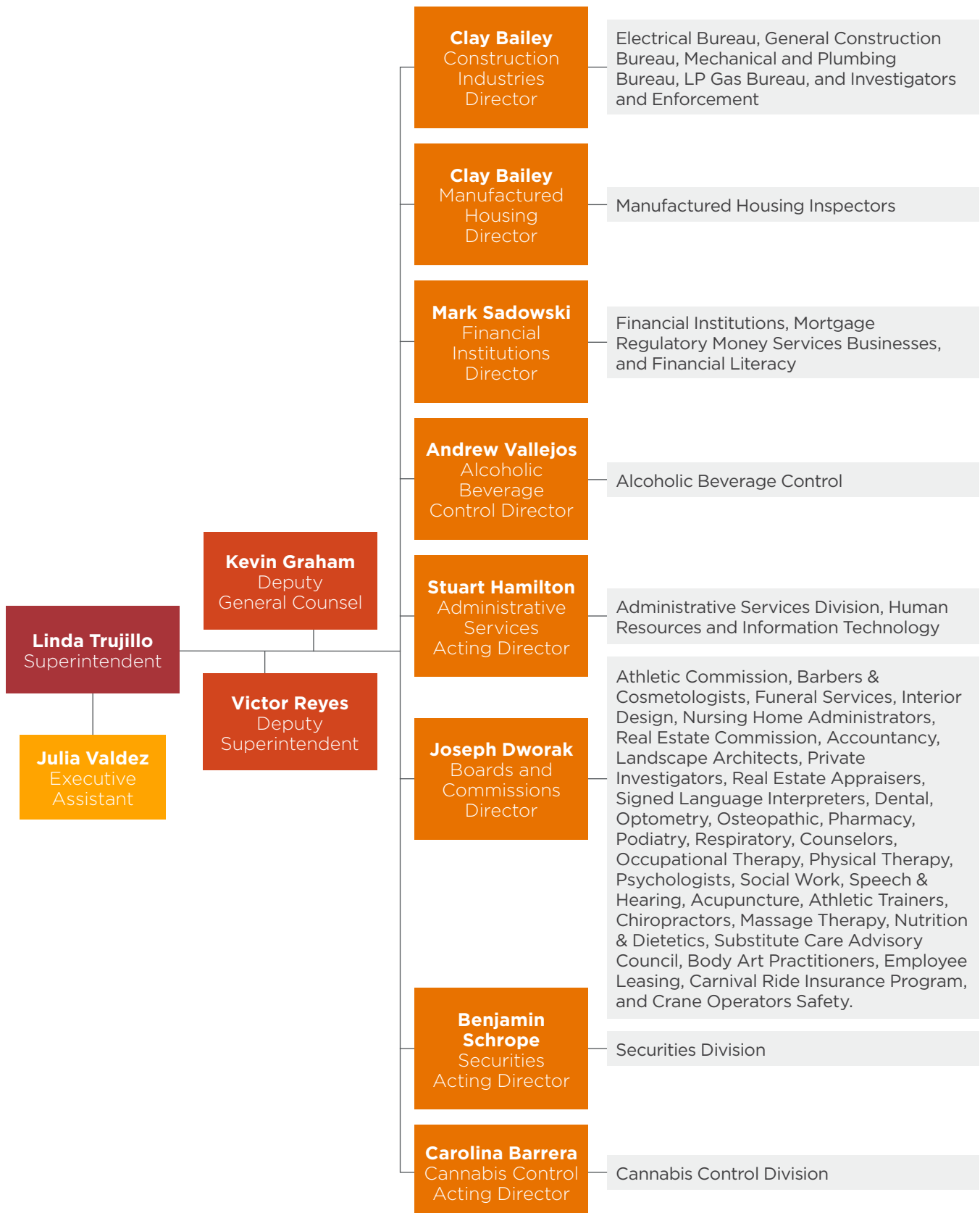
The Manufactured Housing Division regulates manufacturers, dealers, brokers, salespersons, installers and repairmen to ensure compliance of federal and state law in the manufacture and installation of manufactured homes.

SECURITIES DIVISION (SECURITIES)

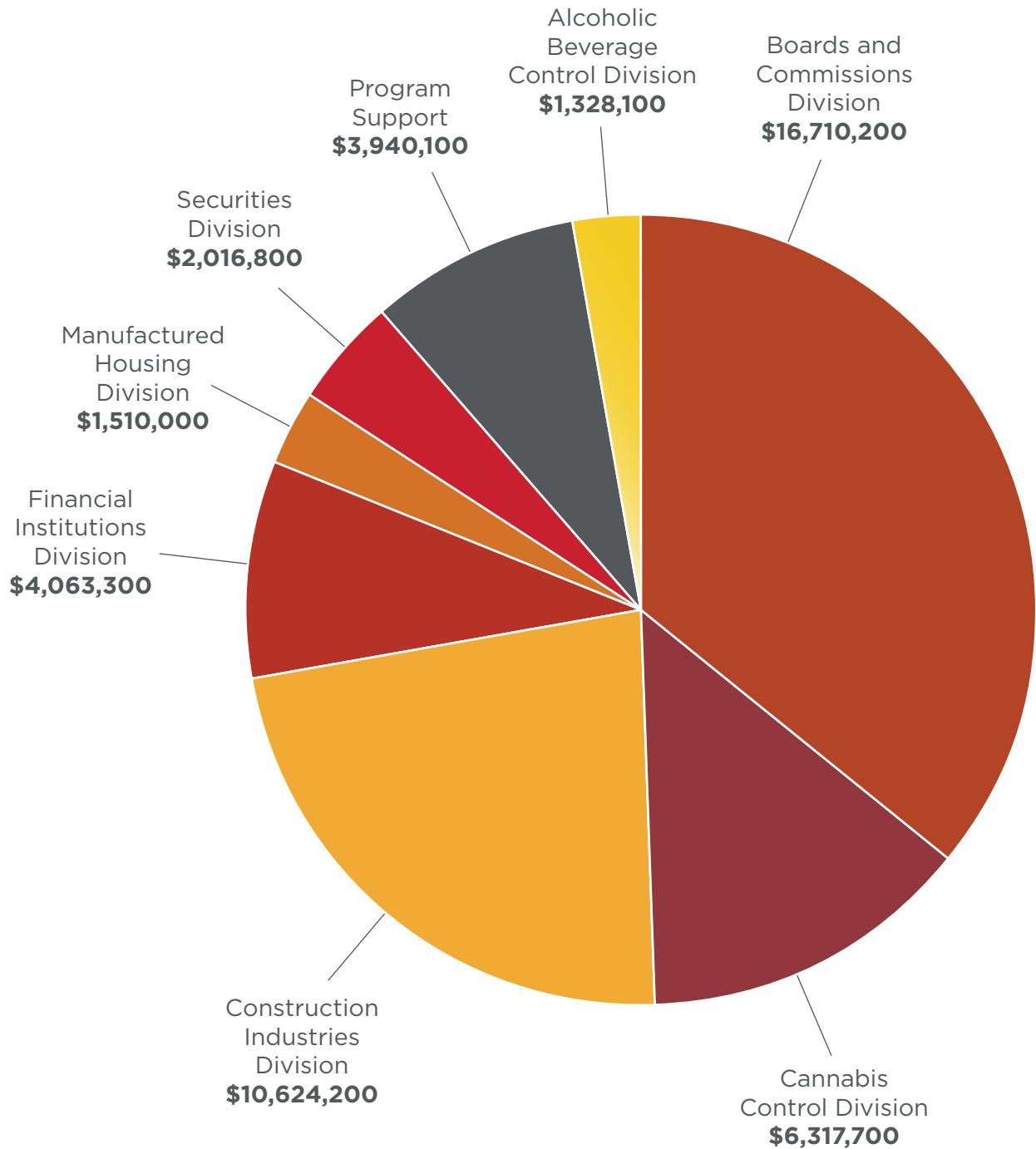
Benjamin Schrope, Acting Director

The division seeks to preserve and strengthen a free and competitive securities market for New Mexico, increase investor confidence and thereby encourage the formation of capital, to promote integrity, fairness, and full disclosure in financial services.

OUR ORGANIZATIONAL STRUCTURE



OUR ANNUAL BUDGET



TOTAL BUDGET: \$46,510,400



ALCOHOLIC BEVERAGE CONTROL DIVISION

FTE

15

BUDGET

\$1,328,100

NMRLD’s Alcoholic Beverage Control Division is responsible for regulating the manufacture, transportation, distribution, sale, service, and public consumption of alcoholic beverages by licensing establishments and servers who sell or serve alcohol to the public. The Division’s primary goal is to protect the health, safety, and welfare of the residents of and visitors to New Mexico while allowing for responsible economic growth. The Division is also responsible for adjudication of citations issued by the Department of Public Safety, Special Investigations Unit (SIU) for violations of the Liquor Control Act. Division staff answers questions from both in-state and out-of-state industry members who are operating in New Mexico as well as those who wish to become licensed in the State.

DESCRIPTION OF SERVICES

The Alcoholic Beverage Control Division issues and regulates 34 different license types each of which is required prior to operating within the broad spectrum of the liquor industry. Licensees range from small brewers, winegrowers and craft distillers to wholesalers, restaurants, bars, package stores, direct shippers, and common carriers, to name but a few. The Division issues liquor licenses for the entire state. Before issuing a license, the Division staff: review liquor license applications to ensure they are complete and correct; conduct preliminary hearings; work with the SIU to post public notice signs at the proposed liquor location; work with local governing bodies for public hearings; ensure that applicants are qualified to hold a license; collect all fees; and ensure that the license requested by the applicant is, in fact, the appropriate license type for the proposed business model. Issued licenses are renewed annually for in-state license holders and every three years for non-resident manufacturers and common carriers. Licenses cannot be renewed if the license holder is delinquent in the payment of taxes due the State.

The Division also reviews for approval applications for permits for public and private celebrations that take place away from a regular licensed premises. These special event permits are issued for events such as the Albuquerque International Balloon Fiesta, the Wine and Chile Festival, and for weddings and graduation parties. The Division processes over 5,000 applications annually.

The Division issues or renews approximately 25,000 Alcohol Server Permits annually to individuals who sell or serve alcohol in establishments such as grocery stores, convenience stores, bars, or restaurants. Every server is required to take an approved class that covers the alcohol related laws of New Mexico as well as responsible serving



practices. A primary focus is the requirement that servers must ensure that they do not sell or serve alcohol to minors or to intoxicated persons. Server permits must be renewed every three years; however, a permit may not be renewed for a server who does not comply with the Parental Responsibility Act. The Division also licenses the providers and instructors who provide the server training classes. Class schedules are maintained on the Division website.

The ABC works closely with the Special Investigations Unit of the Department of Public Safety (SIU) to ensure that license holders operate responsibly. In the event that citations are issued, ABC reviews the citations to determine if fines and penalties are warranted. Fines are assessed in accordance with the established fine schedule and can be as high as \$10,000 per offense. Suspensions of alcohol sales may also be imposed. ABC makes every effort to work with our license holders to prevent violations from occurring, but the Division receives between 300 to 400 citations annually.

PROGRAM GOALS & OBJECTIVES

- Provide timely and efficient licensing processes to customers and clients.
- Provide information in person, through correspondence, and through the ABC website that is accurate and reliable.
- Process citations in a fair and impartial manner.
- Continue to stay fully staffed and with as little turnover as possible.
- Create career paths for employees to encourage stability and institutional memory and expertise.

STRATEGIC ACTIONS

- Continually upgrade the internal processes and requirements to break down needless or unnecessary barriers to licensure
- Provide pro-active trainings on key topics to customers and to the industry.
- Continue to provide best practices to ensure liquor consumption is performed safely and responsibly.
- Meet regularly with all members of the New Mexico Alcohol industry to ensure compliance and to encourage a free flow of information between ABC and the industry.
- Continue coordination with SIU to insure fair enforcement of the Liquor Control Act.
- Continue to encourage local option districts to plan for liquor control within their jurisdiction to meet the needs and concerns of their communities.

RECENT HIGHLIGHTS & MAJOR ACCOMPLISHMENTS

Provided training on all aspects of obtaining and using a special dispenser permit and public and private celebration permits.

Worked with the key members of the craft brewing to implement the recent changes to the liquor control act regarding craft brewing industry.

Implemented changes to Small Brewers/Wineries/Craft Distillers to allow for full reciprocity of craft liquor products.

Issued the first “Restaurant with Spirits” license.

Implemented new changes to Liquor Control Act (navigating Covid restrictions; Sunday sales - hours)

PERFORMANCE MEASURES	FY21 Actual	FY22 Budget	FY23 Request
Number of days to process a dispenser license	117	120	120
Number of days to resolve an administrative citation that does not require a hearing	177	160	160
Number of days to issue a restaurant beer and wine liquor license	118	120	120
Number of days to process a craft distiller's license	129	130	130

LICENSEES	71,552 TOTAL
------------------	---------------------

LIQUOR	Licenses
3rd Party Delivery Permit	2
Bed & Breakfast	3
Canopy	87
Club	136
Common Carrier	275
Craft Distiller	31
Craft Distiller Off-Site	13
Delivery Permit	36
Direct Shipment Permit	1,104
Dispenser	792
Governmental	77
Instructor Certification	5
Inter-Local Dispenser	413
Lottery	18
Manufacturer	2
Non-Resident	891
Provider Certification	4
Public Service	11
Rectifier	3

Restaurant A	538
Restaurant A + NM Spirits	69
Restaurant B	62
Retailer	71
Rural Dispenser	26
Rural Retailer	4
Server Certification	64,920
Small Brewer	110
Small Brewer Limited Wholesaler	5
Small Brewer Offsite	56
Wholesaler	74
Wine Bottler	0
Wine Grower	73
Wine Grower Offsite	36
Wine Wholesaler	26

TOBACCO	Licenses
Distributor	46
Manufacturer	10
Retailer	1,523

Statutory Authority - See appendix for a comprehensive listing.



BOARDS AND COMMISSIONS DIVISION

NMRLD's Boards and Commissions Division is comprised of 28 different administratively attached professional and occupational licensing boards and commissions, divided between newly created Health Licensing and Professional Licensing Bureaus. The Division is responsible for day-to-day operations of licensing individuals qualified to practice in the state; protecting health and public safety through monitoring complaints and related investigations; and serving support roles for the boards and commissions that promulgate rules governing these professions and that take disciplinary action against licensed and unlicensed individuals.

FTE

92.4

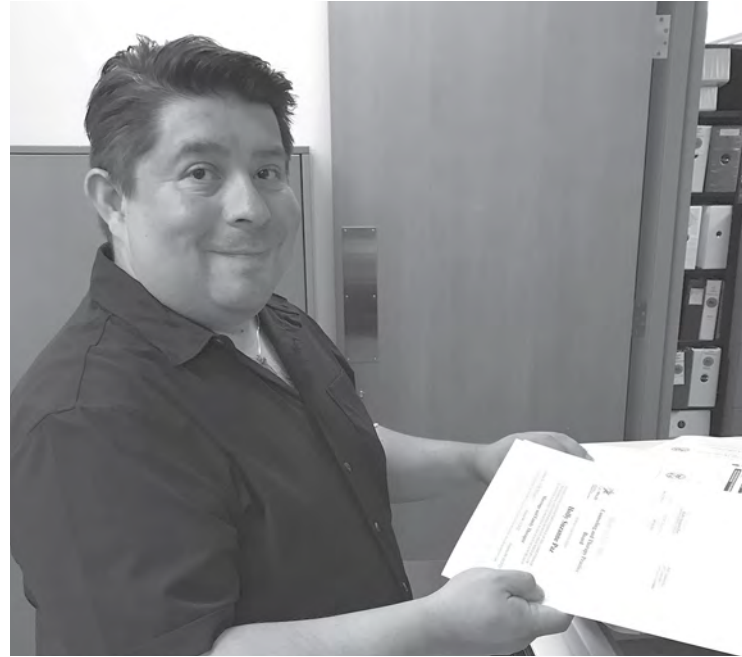
BUDGET

\$16,710,200

The boards and commissions under each of the Division's Bureaus include:

Health Licensing Bureau

- Advisory Board of Respiratory Care
- Athletic Trainer Practice Board
- Board of Acupuncture and Oriental Medicine
- Board of Dental Health Care
- Board of Examiners for Occupational Therapy
- Board of Optometry
- Board of Psychologist Examiners
- Board of Podiatry
- Board of Social Work Examiners
- Chiropractic Board
- Counseling and Therapy Practice Board
- Massage Therapy Board
- Physical Therapy Board
- Speech-Language Pathology, Audiology & Hearing Aid Dispensing Practices Board



Professional Licensing Bureau

- Athletic Commission
- Board of Barbers and Cosmetologists
- Board of Body Art Practitioners
- Board of Funeral Services
- Board of Interior Design
- Board of Landscape Architects
- Home Inspectors Board
- Nursing Home Administrators Board
- Nutrition and Dietetic Practice Board
- Public Accountancy Board
- Private Investigations Advisory Board
- Real Estate Appraisers Board
- Real Estate Commission
- Signed Language Interpreting Practices Board



DESCRIPTION OF SERVICES

Each health and professional licensing board and commission operates under the authority of a distinct enabling statute, referred to as a practice act, which provide regulation of certain professions in order to protect public health and safety and help ensure consumer trust of those licensed professionals. These boards and commissions – with the exception of the Division’s two advisory boards – are granted authority under each respective practice act to promulgate rules and issue discipline against licensed and unlicensed individuals who violate provisions of the law. Staff within the Division and Bureaus provide service to both the boards and commissions in their statutory duties but also to applicants, current licensees, and the general public.

Service to Public Body (Board or Commission) Members:

Division staff assigned to boards and commissions provide support and guidance to the appointed members of each public body for their responsibilities related to public meetings, conducting rulemakings, and issuing discipline. These duties are managed by various staff, including board administrators, licensing staff, compliance and investigative staff, and include:

- Preparing meeting notices, agendas, and minutes in accordance with the New Mexico Open Meetings Act and relevant practice act;
- Monitoring regulatory changes, preparing rulemaking reports, recommending changes to current rules, and guiding public bodies through the rulemaking process, including adoption of new rules;
- Providing recommended disciplinary actions to the public body;
- Overseeing administrative disciplinary hearings to ensure due process and other legal requirements are met;

- Assisting with committee meetings, officer meetings, and other collaboration throughout the year with members and other third parties to prepare for public meetings or address other matters related to regulation of the profession;
- Consulting counsel at the Office of the Attorney General and officers on other sensitive matters between public meetings that do not require action of the public body; and
- Acting as a contact to the public body and resource for outside organizations, including the state legislature and committees, trade associations, government agencies, and other groups.

Service to the Public (applicants, licensees, and the general public):

Day-to-day operation of the Division, Bureaus, and licensing matters associated with each board and commission are managed by staff, who are charged with following and executing the respective practice acts and rules, and related state laws. These responsibilities, which include public-facing roles and also operational obligations, comprise a majority of the Division’s daily work, and include:

- Receiving and processing applications (initial and renewal) for licensure, and issuing licenses when all requirements are satisfied;
- Receiving public complaints and conducting investigations;
- Conducting inspections of establishment and other compliance review;
- Conducting outreach through the Division’s website, email announcements, board reports, and other public engagements to communicate with applications, licensees, and the general public on subjects related to the licensing and regulation of the professions;

- Receiving and processing records requests pursuant to the Inspection of Public Records Act;
- Overseeing record management, including retention and destruction, and complying with the State Records Act;
- Developing processes, procedures, applications, forms and documents related to licensing, discipline and other administrative matters;
- Analyzing statutes and rules, identifying needed changes to the law, and providing feedback and recommendations to the legislature and executive;
- Compiling and submitting budget requests for the entire Division, and working with the executive, legislature and related committees on necessary changes to budget based on projected licensing revenue and operational needs;
- Processing all financial matters related to the operation of the division, board and commission expenses, and provide accurate accounting; and
- Collaborating with other organizations, governmental agencies, and other groups as needed to maintain professional networks and resources related to regulation of the profession and connections to overall public safety.
- Eliminate the need for paper applications and payment for all professions in the new system;
- Replace any remaining licensing forms with fillable PDFs available, as appropriate, on the website;
- Create communication schedules for applicants and licenses subject to renewals to include standardized messaging (automated in the licensing system or manually sent by staff) regarding application and renewal status as well as providing information regarding licensure and clear role of the regulation of licenses;
- Develop and maintain internal procedures for the intake of licensing applications and complaints, assignment of staff, deadlines, regular reports and audits in order to streamline processes ensure greater accountability; and
- Redesign all board and commission webpages with standardized structure and expectations on information to be included on each, including initial licensing requirements, renewal requirements, board and meeting information, license lookup and verification requests, complaints and compliance actions, resources, and staff information.

PROGRAM GOALS & OBJECTIVES

Reform the Licensing Process

- Complete the next phase of the new digital licensing system on schedule with full functionality for initial and renewal applications, payment, updating records, public complaint form, disciplinary tracking and history;
- Complete recruitment and hiring of reclassified positions from second round of reclassification and new position requests connected to Division reorganization;
- Implement new orientation process to help ensure smooth introduction of new employees to the Division;
- Complete comprehensive job duties and responsibilities documents for every

Implement the 2022 Reorganization Plan

classification and working title within the Division; and

- Enable new positions within the Health Licensing Bureau and related investigative staff by establishing monthly group meetings; identifying internal and external partners to assist with strategy and planning of new roles.

Engage and Empower Division and Bureau Staff

- Review annual budget and identify opportunities for training and professional conferences, and set training priorities for the entire year for staff and board members;
- Establish expectations for manager, supervisor, team, groups, and staff meetings for the entire year for the Division;
- Develop and provide at least two trainings focused on rulemaking, annual rulemaking reports, and expectations to address out-of-date, redundant, unnecessary, and otherwise problematic rules; and
- Provide written expectations for staff supervisors and conduct quarterly manager-supervisor staff meetings to discuss and share issues.

Physical and Office Improvements

- Continue to reform support in the Division through the newly established operations and administrative support team by incorporating additional responsibilities and processes related to equipment, supplies, facilities, fleet, technology, phones, mail, website, purchases, travel, accounting, onboarding, and other related areas;
- Continue to evaluate real-time needs of staff and prioritize opportunities to support staff and improve efficiency through access to appropriate equipment and supplies, from computers and desk risers to office supplies and work stations; and

- Complete first phase of large-scale floor plan redesign to address long-standing security, safety, and practical needs of the division, including new reception area with secure access and sound reduction, replacing dated workstation walls and desks to maximize existing floor space, provide needed privacy, and create more practical areas based on operational needs.

External Coalition Building

- Board and commission members will receive more regular communication from senior leadership in the division, including email updates and presentations at least one public meeting per year;
- Create and maintain current lists of all state and national professional and trade associations, prominent education programs in the state, and other external organizations that may be considered resources or training opportunities;
- Reestablish regular meetings with Directors at the Office of the Attorney General and Division management, and also between OAG counsel and staff for boards and commissions; and
- Create and maintain contacts within state government, as appropriate, to leverage networking.

Legislative Initiatives

- Identify further barriers in the licensing process that requires legislative action and prepare recommendations each year, including redundant or unnecessary provisions, dated requirements or fee structures; and opportunities to create greater consistencies within the individual practice acts, Uniform Licensing Act, and other applicable statutes.

RECENT HIGHLIGHTS & MAJOR ACCOMPLISHMENTS

Executed a large reorganization that included changes to working titles, reclassifications, creation of two bureaus, and expanding the scope of services provided by the Division.

On boarded six boards and commissions to a new licensing system that allows applicants and current licensees to apply for and renew licenses and submit payments online, eliminating paper forms, mail, and processing of physical checks (one board averaged nearly 1,000 physical checks for renewals per month alone).

Cross-trained over two dozen staff as part of a consolidation and realignment of staff previously divided between finance, licensing, and board administrator groups into more specialized and efficient teams supervised together based on their respective boards under either the health licensing bureau or professional licensing bureau.

Redesigned the phone system of the Division and implemented a new model with additional automated features, practical call groups, options to direct dial staff or groups, simplification of adding/removing staff, accountability metrics, and measures to expedite call answering and resolution of issues.

Completed a number of needed changes to workstations including moving approximately half of the staff to be in close proximity to newly created bureaus and teams, installation of updated computers and monitors for nearly half the Division, and installation of new desk risers and office chairs to improve workplace environment for employees.

Instituted monthly trainings open to all Division staff, conducted trainings for specific staff groups, and prioritized the ongoing responsibility to engage and train staff through internal and external sources.

Introduced new standardized expectation for boards and commissions and staff to conduct an annual business meeting with set items and training for their first meeting of the calendar year, a staff presentation of an annual budget and licensing fee report in the second quarter, and a staff presentation of an annual rulemaking report in the third quarter of each year.

- Participated in the state-wide internship program and hired summer interns who will provide valuable service and obtain hands-on experience in a dynamic office.
- Created and implemented a number of standardized procedures and policies for the Division to create more continuity, reduce redundancies, simplify training, and provide improved customer service.

PERFORMANCE MEASURES	FY21 Result	FY22 Target	FY23 Recommendation
Percent of initial applications and renewals processed within three days of receipt of completed application	83%	95%	95%
Non-compliant barber and cosmetology establishments brought into compliance within 90 days	5	5	5
Percentage of pharmacy board licensed facilities inspected annually	28%	75%	75%
Number of non-compliant body art establishments brought into compliance within 90 days	5	3	3

BOARDS & COMMISSIONS **104,230 TOTAL**

	Licenses		
Accountancy	3,262	Landscape Architects	187
Acupuncture & Oriental Medicine	850	Massage Therapy	3,506
Athletic Commission	434	Nursing Home Admins	182
Athletic Trainers	175	Nutrition & Dietetics	543
Barbers & Cosmetology	15,151	Occupational Therapy	1,614
Body Art Practitioners	644	Optometry	293
Carnival Rides	100	Pharmacy	26,766
Chiropractors	602	Physical Therapy	3,250
Counseling & Therapy	4,808	Podiatry	158
Crane Operators	887	Private Investigators	6,178
Dental	7,905	Psychology	838
Employee Leasing	1894	Real Estate Appraisers	1,081
Funeral Services	648	Real Estate Commission	14,891
Home Inspectors	196	Respiratory	1,532
Interior Design	63	Signed Language Interpreters	219
		Social Work Board	4,814
		Speech/Lang/Hearing	2,264

Statutory Authority - See appendix for a comprehensive listing.



CANNABIS CONTROL DIVISION

NMRLD’s Cannabis Control Division was created in 2021 with the signing of the Cannabis Regulation Act, which legalized adult-use and commercial sales of cannabis in New Mexico and tasked the division with licensing and regulating the industry to safeguard public health and safety.

FTE

30

BUDGET

\$6,317,700

Among its duties as mandated by the Act are establishing:

- rules that set limitations on the quantity of cannabis that may be possessed and cultivated by individuals age 21 and over, and identifies where cannabis can be stored;
- standards and determinations on requirements for reserving cannabis supply for medical patients;



- qualifications and procedures for licensure of cannabis establishments;
- security requirements for cannabis establishments;
- requirements for the inspection and monitoring of cannabis establishments, recordkeeping, tracking plant sales, and deterring access to cannabis by persons under age 21;
- protocols for compliance with state and local laws governing food and product safety, occupational health and safety, environmental impacts, natural resource protection, water use, quality and supply, hazardous materials, pesticide use and water discharge;
- standards for quality control and product safety that include the inspection and testing of cannabis products for potency and contaminants;
- rules for the display, packaging, labeling, advertising and marketing of cannabis products;

- health and safety standards for cannabis products;
- standards for food and product safety for cannabis products;
- rules relating to cannabis training and education programs;
- protocols for promoting social equity for representatives of underserved or rural communities, communities that have been disproportionately harmed by rates of arrest through the enforcement of cannabis prohibition, and agricultural producers from economically disadvantaged communities.

DESCRIPTION OF SERVICES

The Cannabis Control Division regulates and licenses cannabis producers, manufacturers, retailers, couriers and testing and research laboratories operating in the medical and adult-use markets to ensure public health and safety. To achieve this, the division establishes rules pertaining to licensing, promoting social equity, compliance and enforcement.

Rules

The division works to establish rules for the cannabis industry based on best practices through a process that invites input from the public and industry stakeholders in order to make informed decisions. The Cannabis Regulatory Advisory Committee assists in this process by examining issues and making recommendations to the division. The division imposes emergency rules when appropriate and follows the state process for rulemaking by publishing and conducting public hearings on proposed laws.

Licensing

The Cannabis Control Division issues licenses to cannabis producers, microbusiness producers, integrated microbusinesses, manufacturers, retailers, consumption areas, vertically integrated

establishments, couriers, and testing and research laboratories. Licenses are good for one year, beginning on the date of issuance. While application for most licenses is conducted online, CCD staff assists applicants and licensees through the initial licensing process and renewal process in subsequent years. The division works collaboratively with the Department of Public Safety, Office of the State Engineer, Environment Department, Department of Agriculture, the State Fire Marshall, other state agencies, and governing leaders of Indian Nations, Tribes and Pueblos to assist applicants to get licensed.

Social Equity

As mandated by the Cannabis Regulation Act, the division works to promote and encourage participation in the cannabis industry by people in communities disproportionately harmed by enforcement of cannabis prohibition, rural communities likely to be impacted by cannabis production, and agricultural producers from economically disadvantaged communities. The CCD also establishes procedures for promoting and encouraging racial, ethnic, gender and geographic diversity and New Mexico residency for those participating in the cannabis industry. Consequently, the division has set up a program aimed at assisting qualified applicants by assigning them a licensing specialist to help them navigate the process and support them in getting their business in a position to succeed.

Compliance

The division works to ensure compliance by monitoring cannabis activities, conducting site inspections, working with local governments, and responding to consumer complaints. Division compliance officers are trained on requirements for cannabis establishments, laws and rules pertaining to display, packaging and labeling, advertising and marketing, recording sales, fire safety, security, and occupational health and safety standards. When violations

are discovered, CCD staff works with the licensee to quickly become compliance.

Enforcement

The division investigates reports of violations of the Cannabis Regulatory Act. If a violation is discovered, CCD staff will either work with the violating party to correct the issue, or notify the Department of Public Safety for suspected illegal activity.

PROGRAM GOALS & OBJECTIVES

The Cannabis Control Division strives to ensure the public's health and safety is protected as New Mexico adopts a new industry based on legalizing cannabis possession and adult-use sales. It is the objective of the division to provide quality customer service, to serve as a resource for local governments and the public, and to thoroughly investigate allegations of misconduct and swiftly act on incidences found to be out of compliance with state laws and division rules.

To meet these objectives it is the goal of the division to streamline the application process to make it easily understood and user friendly. This includes:

- responding to questions and concerns in a professional and timely manner;
- maintaining a website that informs and educates the public and provides a licensing platform for applicants;
- assisting applicants through the licensing process;
- creating opportunities for social equity applicants;
- educating current licensees to ensure they remain in compliance with state laws and CCD rules;
- educating applicants, licensees, and the public about cannabis and the laws

pertaining to legalized cannabis in New Mexico; and

- serving as a resource for local governments with regard to licensing cannabis establishments and adopting ordinances to ensure cannabis laws are properly applied.

STRATEGIC ACTIONS

- Continually upgrade internal processes for licensing cannabis establishments;
- Investigate allegations of non-compliance;
- Consider input from the Cannabis Regulatory Advisory Committee, industry stakeholders and members of the public to amend laws and adopt rules governing the industry; and
- Develop a social equity program that benefits applicants disproportionately impacted by cannabis prohibition, and those from rural communities, and agricultural producers from economically disadvantaged communities.

LICENSEES		1,018
	Licensees	
Producer	211	
Micro Producer	196	
Manufacturer	164	
Retailer	349	
Premises	60	
LNPP (issued through data migration from DOH records)	34	
Consumption Area	2	
Courier	0	
Testing laboratories	2	

Statutory Authority – See appendix for a comprehensive listing.

RECENT HIGHLIGHTS & MAJOR ACCOMPLISHMENTS

Created on June 29, 2021, the Cannabis Control Division successfully launched commercial sales of cannabis in New Mexico nine months later.

The start of commercial sales in New Mexico was one of the most successful of any state in the country in terms of sales, totaling \$2.7 million the first day and nearly \$40 million the first month.

Met the mandates of the Cannabis Regulation Act by establishing rules for licensing; packaging, labeling, advertising, marketing and commercial display of cannabis products, food product safety, quality control, inspection and testing cannabis products, plant limits and plant fees, processes to address potential shortages in cannabis supply in the medical program.

Starting from scratch, the division assembled a quality staff to launch recreational sales, assist licensees in starting new businesses, and attend to the day-to-day operations of the division.

Provided training for staff in the areas of licensing, compliance, occupational health and safety.

Entered into intergovernmental agreements with the Picuris Pueblo and the Pojoaque Pueblo to support participation in the recreational cannabis industry.

Issued more than 800 licenses to cannabis producers, manufacturers, and retailers.



CONSTRUCTION INDUSTRIES AND MANUFACTURED HOUSING DIVISIONS

FTE

113 CID
16 MHD

BUDGET

\$10,624,175
CID
\$1,510,000
MHD

NMRLD’s Construction Industries Division (CID) and the Manufactured Housing Division (MHD) enforce building codes throughout the State to ensure that all structures are safe for public utilization and personal habitation. CID is comprised of four trade bureaus, the General Construction Bureau, the Mechanical Bureau, the Electrical Bureau, and the LP Gas Bureau. The division licenses roughly 18,650 contracting businesses and more than 41,000 certificate holders in seventy-eight different licensing classifications. MHD regulates 1500 active contractors, 169 salespersons, and more than thirty-one licensing classifications, through its offices located in Santa Fe, Albuquerque and Las Cruces, while also providing licensing, plan review and permitting services online.



CID and MHD work in concert with the Construction Industries Commission and the Manufactured Housing Committee to update building codes, set continuing education standards for licensees and inspectors and to address complaints filed against licensees for alleged code violations. CID also operates the New Mexico's statewide Recycled Metals Program, legislatively instituted to ensure compliance within the areas of restricted and regulated metals. This program has been credited with reducing metals thefts in the state.

DESCRIPTION OF SERVICES

CID licenses contractors and certifies qualifying parties of contractors, journeymen, and inspectors throughout the State. CID conducts plan reviews, issues permits, and provides inspection services for contractors, homeowners and for all public building projects, including public schools. MHD licenses contractors, installers, manufacturers, dealers, and salespersons to ensure that the New Mexico Manufactured Housing Act, its regulations, codes, and HUD standards are met. MHD monitors the production plants where manufactured homes are constructed and MHD provides plan review, permitting and inspection services for individual manufactured homes.

With an emphasis on fulfilling its mandate and mission, CID's customers served include the general public, with CID interacting with trade organizations, municipalities, local code officials, contractors, subcontractors, architects, design professionals, Liquefied Petroleum ("LP") Gas distributors, and homeowners building or remodeling their own homes. The LP Gas trade bureau also provides inspection services for construction as well as New Mexico's booming film industry, the concert industry, seasonal chili roasters, transportation vehicles ranging from large transports to bobtails, bulk storage facilities, special events such as the Albuquerque International Balloon Fiesta and the State fair at Expo New Mexico, as well as anywhere an LP gas cylinder is exchanged or filled throughout the entire state. MHD's customers include the federal government, the general public, trade organizations, contractors, subcontractors, architects and design professionals. The Recycled Metals Program enforces the Sale of Recycled Metals Act in order to combat metal theft. CID and its trade bureaus, along with MHD, travel all 120,000 square miles of the State, and in the process, the majority of all construction related safety inspections, typically within 48 hours of an inspection request.



CONSTRUCTION INDUSTRIES DIVISION

PROGRAM GOALS & OBJECTIVES

- CID’s primary and enduring goals are to ensure public safety and foster economic growth while helping to preserve New Mexico’s multi-cultural values, CID strives to promote innovations in the industry by providing consistent and reliable building code interpretations, timely inspections and exceptional customer service.
- CID continues its efforts of collaboration with industry, customers and all interested stakeholders in part by provide a neutral forum which fosters open discourse about critical issues associated with the division’s legislatively prescribed duties and mission.
- CID will facilitate an annual Inspectors Summit for all state Certified Inspectors.
- Provide quarterly bureau training for inspection and administrative staff to enhance knowledge, efficiency and consistency in all facets of customer service.
- Seek support for OSHA safety training for all certified state inspectors.
- A renewed commitment to continuously review codes so as to promote the protection of life, property and the

general welfare of people in New Mexico. To adopt and enforce adopted codes and ensure compliance while keeping up to date with current industry practices and advancing technology.

STRATEGIC ACTIONS

- Replacement of outdated computer equipment and software;
- Replacement of high mileage fleet vehicles;
- Filling vacant positions and creating additional inspector positions throughout New Mexico; and
- Adopting current codes for building, plumbing, mechanical, and electrical.

LICENSEES		57,325 TOTAL
		Licensees
Qualifying Parties		23,595
Qualifying Parties LP		1,830
Journeyman Licenses		15,771
Licensee - Companies		15,491
Licensee LP		638

RECENT CID HIGHLIGHTS & MAJOR ACCOMPLISHMENTS including Trades Bureaus and the Recycled Metals program

Deliver quality and timely services related to budgets, vendor payments, capital outlay, personnel transactions, legal and information technology support.

Provide comprehensive and regular (monthly and annually) budget reporting.

Ensure adequate training and educational attainment support for DFA employees in response to industry shortages, CID continues to implement expedited temporary Journeyman Certificates to better meet demand.

CID was a major contributor to ensuring the citizens of Rio Arriba County were able to obtain lifesaving propane for heating, cooking and bathing when an LP Gas supplier failed to meet their obligations. Because of this issue in Rio Arriba County, Governor Lujan-Gresham signed SB141 to ensure the states constituents would not be left in this situation again.

CID was able to implement a new online permitting system. This system allows contractors to see in real time where their plans and permitting progress is, when the inspection has been scheduled, and if the inspection has passed or failed.

CID/MHD has continued to keep the construction industry moving forward in a positive and safe manner while dealing with Covid-19.

CID investigations and enforcement team continues to conduct investigations of both unlicensed and licensed activity. The team works diligently to ensure that the constituents of New Mexico are protected from individuals who would prey upon them.

The LP Gas Bureau continues to work with and inspect film industry projects, which use LP Gas in creating explosions and fires on movie sets and special events. For 2022 there will be an access of 100 special events that will be inspected by the LP Gas Bureau. The bureau also assists and inspects for New Mexico's beloved seasonal Chile roasters ensuring the safety of the operators and the state's citizens and visitors.

In line with the Governor's mission to move forward with green energy and conservation initiatives, the General Construction Bureau while working with industry was able to update and adopt the 2018 energy conservation code. The preciously adopted energy conservation code was 2009.

CID continues to work with the cannabis industry regarding permitting, planning, inspections and extraction. CID encourages cannabis related businesses to consult with a licensed contractor to ensure full compliance with state and local regulations.

The Recycled metals Program continues and builds on its partnership with Albuquerque Police Department and Santa Fe District Attorney's Office in investigating and prosecuting metal theft.

Maintain positive employee morale through employee engagement and appreciation activities.

Create successful pipeline and succession plan for key positions.

Ensure Performance Management processes are designed and implemented to align and maximize individual's performance with DFA goals.

MANUFACTURED HOUSING DIVISION

PROGRAM GOALS & OBJECTIVES

- MHD aspires to ensure that licensees receive top-tier services, delivered in a professional and collegial manner.
- MHD is committed to ensuring that federal and state laws are enforced.
- MHD will update and improve processes for reviewing and identifying outdated or obsolete rules, thereby maintaining a compliance scheme consistent with evolving laws and regulations.
- Timely inspections will remain a priority and inspections will be scheduled to maximize production and efficiency while ensuring that MHD permits are issued and inspections are competently conducted.
- MHD strives to maximize efficient timeliness of services to consumers, including conducting home inspections no later than seven days from the date of a request and to quickly respond to inquiries regarding permits, inspections and consumer issues.

- MHD’s leadership is committed growing and maintaining sufficient staffing levels so that consumers and licensees are served in a professional and expeditious manner. MHD staff will be encouraged to take advantage of specialized training to enhance skills and knowledge while providing inspectors with an opportunity to stay informed and up-to-date on new products, revised codes, industry standards and HUD requirements.
- MHD strives to implement a competitive salary schedule designed to obtain and retain top talent.

STRATEGIC ACTIONS

- MHD will review the Manufactured Housing Act and its regulations and work to update provisions in line with current industry best practices focused on protecting life and property.
- MHD plans to create additional positions, both for inspectors and administrators,

PERFORMANCE MEASURES (CID AND MHD)	FY21 Result	FY22 Budget	FY23 Request
Percent of all installation of manufactured home inspections performed within seven days of request	80%	95%	95%
Percent of commercial plans reviewed within ten working days	90%	92%	92%
Percent of residential plans reviewed within five working days	90%	95%	95%
Percent of all construction inspections performed within three days of inspection request	85%	95%	95%
Time to final action, referral or dismissal of complaint, in months	7	8	8



RECENT MHD HIGHLIGHTS & MAJOR ACCOMPLISHMENTS

MHD is devoted to the concept of dual and multiple inspector certifications as a means of streamlining inspections.

MHD continues to work with CID to create, identify and implement efficiencies for electrical inspections in order to remove the need for inspections by both MHD and CID.

Creation of a new MHD permitting and licensing database system with enhanced functionality and improved records management and retention.

throughout New Mexico to ensure that services are delivered at a level that meets demand.

- Increase training opportunities for MHD employees in the new database system and assist consumers and licensees in using the updated technology as a means to modernize and maximize economic growth for the industry.
- MHD plans to replace outdated computer equipment and software and to provide training for staff to promote competencies in the MHD work.
- Replace high mileage/problem vehicles.

LICENSEES

1,553 TOTAL

Statutory Authority - See appendix for a comprehensive listing.



FINANCIAL INSTITUTIONS DIVISION

FTE

39

BUDGET

\$4,063,300

NMRLD’s Financial Institutions Division (FID) is responsible for licensing and oversight of many of the financial services providers operating within New Mexico. It is FID’s primary focus to effectively regulate the financial industries within its jurisdiction to ensure the safety and soundness of the financial sector here in New Mexico. A stable financial sector, overseen through stable regulation, supports economic development while protecting consumers who utilize the services of the state’s licensed and chartered financial institutions.



DESCRIPTION OF SERVICES

FID, in partnership with its federal regulatory counterparts, serves New Mexico consumers and regulated financial services industries. New Mexico's citizens and their abilities to access to reliable financial products and services are the Division's first priority. FID works diligently to safeguard consumer rights through education and training, assisting in mediation when applicable, and instituting enforcement actions against providers, if necessary.

FID regulates more than 21,000 financial services entities. These entities receive prompt licensing and timely examinations with swift complaint resolution. All depository institutions are closely supervised and examined to assure the safety and soundness of the public's deposits and the healthy growth and performance of the State's economy.

PROGRAM GOALS & OBJECTIVES

- Augment examination and support personnel.
- Advance examination staff through continued training.
- Review and modernize related statutes and administrative rules.
- Develop knowledge, skills, and abilities of staff through cross-training for succession planning purposes.

STRATEGIC ACTIONS

Goal #1: Augment examination and support personnel to meet the increasing need for effective supervision due to the growth in the number of licensees, the growth of regulated depositories and their increase in risk assets and product offerings, evolving cybersecurity concerns, and to meet regulatory performance objectives and maintain a stable financial system for New Mexico consumers.

Strategies:

- Secure additional funding to expand the examination and support staff;
- Develop a hybrid model to conduct effective cybersecurity examination program across all industries; and
- Meet with regulated entities and conduct discussions to identify and communicate current concerns and trends.

Goal #2: Further the advancement of our examination staff through continued training.

Strategies:

- Continue sending the bank and trust examination staff to all levels of the FDIC, Cannon Trust School, and the Conference of State Bank Supervisors' (hereinafter referred to as CSBS) training programs.
- Continue sending credit union examination staff to all levels of National Credit Union Association training programs.

- Send the small loan examination staff to available examination schools provided by National Association of Consumer Credit Administrators.
- Train and certify the mortgage examination staff through continuing education.
- Expand the internal training programs provided by each of the industry managers and chief examiner.
- Continue utilizing the online examination courses and education programs provided to state regulators through CSBS.
- Finalize the training manuals for each sector within the Division, to ensure that a proper training program is established and followed.

Goal #3: Continue reviewing current state statutes under the Division’s jurisdiction for uniformity with the newly enacted federal laws. Initiate the review and revision process of the administrative code as it pertains to the statutes of industries under the Division’s supervision.

Strategies:

- Conduct roundtable discussions with industry representatives to identify and communicate current concerns and trends.
- Propose legislation that addresses conflicts with Federal law as well as other laws within the Division’s purview.
- Establish a working group within the Division inclusive of legal counsel, industry managers, and examiners to review and propose rules changes of the current administrative code.
- Establish timely deadlines and benchmarks to effectively manage ongoing revisions to the administrative code.
- Follow proper procedures for rule writing to ensure accuracy and effectiveness.

RECENT HIGHLIGHTS & MAJOR ACCOMPLISHMENTS

The Financial Institutions, in conjunction with the Securities Division and federal law enforcement, announced in April 2022 that Christopher Jensen-Tanner, the former owner of Roswell Escrow Services, was arraigned in federal court on a 38-count indictment charging him with 34 counts of wire fraud and four counts of engaging in monetary transactions in property derived from the specified unlawful activity. The case arose out of an FID initiated investigation of Roswell Escrow Services in October 2019. The extent of the alleged fraud was in excess of \$2 million. If convicted, Jensen-Tanner faces up to 20 years in prison for each count of wire fraud and up to 10 years in prison for each count of engaging in monetary transactions in property derived from the specified unlawful activity, for a total sentence of up to 720 years. The trial date has not yet been set.

In May 2022, more than \$1.1 million was received from a settlement agreement with Cincinnati Insurance and the Evanston Insurance Company to provide compensation to victims of criminal activity that took place at the Desert State Life Management trust company. The settlement is part of the on-going fight that the FID has been pursuing for over five years on behalf of the victims of Paul Donisthorpe, former CEO and owner of Desert State Life Management. Mr. Donisthorpe is currently serving a 12-year federal sentence for his crimes.

For calendar year 2021, FID collected a total of almost \$9.7 million in revenue, which was a 17.2% increase over calendar year 2020. During that same period, the number of licensees increased by 42.8%.

- Propose legislative to adopt the Money Transmission Modernization Act.
- This is a multi-year goal with a five-year horizon.

Goal #4: Rebuild strong candidates for succession plan due to significant loss of institutional knowledge recently and expected continuation over the next calendar year.

Strategies

- Look at alternative means to fill gaps in the interim to include contract labor/other state assistance.
- Expand staffing levels and institute increased pay-bands to be more commensurate with the knowledge, skills, and abilities required by FID’s statutory mandates, varied disciplines, and increasingly complex products and services available in the financial market.
- Cross-train staff in the examinations and oversight of related fields to ensure coverage (i.e., bank and credit union cross train/non-depository areas cross train).

LICENSEES		20,595 TOTAL
	Licenses	
Escrow Companies	27	
Mortgage Companies	512	
Mortgage Company Branches	1,358	
Mortgage Loan Originators	11,633	
State Chartered Banks	29	
State Chartered Trust Companies	12	
State Chartered Credit Unions	18	
Endowed Care Cemeteries	16	
Collection Agencies	544	
Collection Agency Branches	400	
Collection Agency Managers	15	
Repossessor Agents	31	
Motor Vehicle Sales Finance Companies	200	
Small Loan Companies	452	
Check Cashing Companies	20	
Currency Exchangers	1	
Money Transmitters	175	
MSB Authorized Delegates	5,152	

PERFORMANCE MEASURES	FY21 Result	FY22 Approved	FY23 Request
Percent of statutorily complete applications processed within 90 days by type of application	97.7%	97%	97%
Percent of state-chartered banks, state-chartered credit unions, independent trust companies, small loan companies, mortgage loan companies, mortgage loan branches, and escrow companies examined	57.7%	95%	95%
Number of financial literacy outreach sessions conducted on a quarterly basis, targeting vulnerable populations	11	8	8

Statutory Authority - See appendix for a comprehensive listing.



SECURITIES DIVISION

FTE

21

BUDGET

\$2,016,800

NMRLD’s Securities Division seeks to enable a safe and reliable capital market within New Mexico through the licensing of professionals; regulation of sales and offers to sell securities; investigation and prosecution of fraud and market misconduct; and education of consumers, investors, and businesses seeking to raise capital within the state. The division strives to preserve and strengthen a free and competitive securities market for New Mexico and to increase investor confidence, thereby encouraging capital formation and promoting integrity and full disclosure in the investment industry.

The division accomplishes these goals by:

- Licensing stock brokers and investment advisers;
- Reviewing various categories of investments to ensure issuers raising capital from New Mexican investors are following state laws;
- Identifying, impeding, and if necessary prosecuting violators of state laws governing investment capital;
- Educating New Mexicans about raising capital and investing.

DESCRIPTION OF SERVICES

The Securities Division regulates and licenses individuals and companies whose businesses involve the offering, selling, and purchasing of securities within the state, as well as other professionals who seek to provide investment advice to New Mexico residents. Through its work, in FY21, the division generated \$22,609,625 in revenue from registrations, renewals and penalties.

The Securities Division is comprised of the following units:

Consumer Protection and Investor Education

One of the most effective forms of investor protection is investor outreach and education. The division develops and implements educational programs, creates and publishes informative presentations, and participates in outreach events across the state to help New Mexicans learn about smart investing strategies and how to avoid falling victim to fraud.

Enforcement

The division investigates and prosecutes administrative, civil and criminal actions against individuals and entities for violating state securities laws. The division employs certified

law enforcement officers, forensic accountants and attorneys who help to stop white-collar criminal activity in New Mexico. The division takes allegations of investor fraud seriously and investigates such allegations and complaints made by the public. The division often works collaboratively with state and federal law enforcement officials.

Compliance

The division is responsible for reviewing all public, non-traded offerings of securities to determine whether offerings conform to relevant legal requirements. Registered offerings are reviewed to determine whether they provide a fair allocation of risk between investors and promoters, and to ensure that the offering documents adequately provide notice of required material information to potential investors.

The division conducts routine and for-cause examinations of industry participants to ensure compliance with state requirements and industry standards.

PROGRAM GOALS & OBJECTIVES

The Security Division's strategic plan continues to call for a greater emphasis on educating the public and industry regarding the dangers posed by securities fraud. Many New Mexicans' lives have significantly changed over the last two years; including an increase in social isolation, as well as an increase in communicating, working and learning through digital means. This isolation creates additional risks of financial exploitation that the division hopes to minimize through its modified outreach and education. Additionally, the sizable population of elderly New Mexicans requires a high level of services from the division. The population of vulnerable adults is growing. Meeting these needs will be challenging with the present staffing and budgetary levels.

Due to the rapid rise in new forms of investments, including crypto currency and interest bearing crypto accounts, the division has worked closely with other jurisdictions to investigate and institute enforcement actions concerning unlawful conduct and consider new forms of regulation.

- Conduct industry outreach to deter and prevent senior financial exploitation;
- Maintain open dialogue and productive working relationship with industry participants; and
- Create securities-specific job classifications.

STRATEGIC ACTION

- Provide investor education targeting demographic groups who are traditional victims of fraud (seniors, veterans, millennials, etc.);
- Continue to develop and prosecute securities fraud;
- Deepen investigative collaborations with state and federal law enforcement agencies;
- Craft investor education programs aimed at raising awareness and investment literacy for all New Mexicans;

REGISTRANTS		159,659 TOTAL
	Registrants	
Broker-Dealer Firms	1,399	
Broker-Dealer Agents	153,845	
Investment Advisor Firms	85	
Investment Advisor Firms Federally Registered And Notice Filed With Division	1,212	
Investment Advisor Representatives	3,118	

PERFORMANCE MEASURES	FY21 Actual	FY22 Budget	FY23 Request
Percent of investment adviser registrants examined annually	30%	33%	33%
Percent of complaints logged and assigned within two days of receipt of written complaint, then investigated and a course of action determined no later than four months from receipt of complaint	10%	50%	50%
Total revenue collected from licensing, in millions	\$22.6	\$23.6	\$23.6
Monies awarded or recovered through criminal or administrative prosecutions or settlements	\$176.9	\$250	\$250
Number of investor education events focused on fraud protection	8	14	14

Statutory Authority - See appendix for a comprehensive listing.

RECENT HIGHLIGHTS & MAJOR ACCOMPLISHMENTS

The Securities Division administered 182,629 filings and collected \$22,609,625.00 in FY 2021. However, the Division continues to rely on an obsolete software program and hopes to update its software to enable more efficient and reliable administration.

The division issued an order authorizing broker-dealers to remotely conduct required annual examinations of their single-agent branch offices located in the state for 2022. The division initially authorized these types of remote/digital examinations in 2020. Since then, similar changes in regulations have been made in other states and at the federal level.

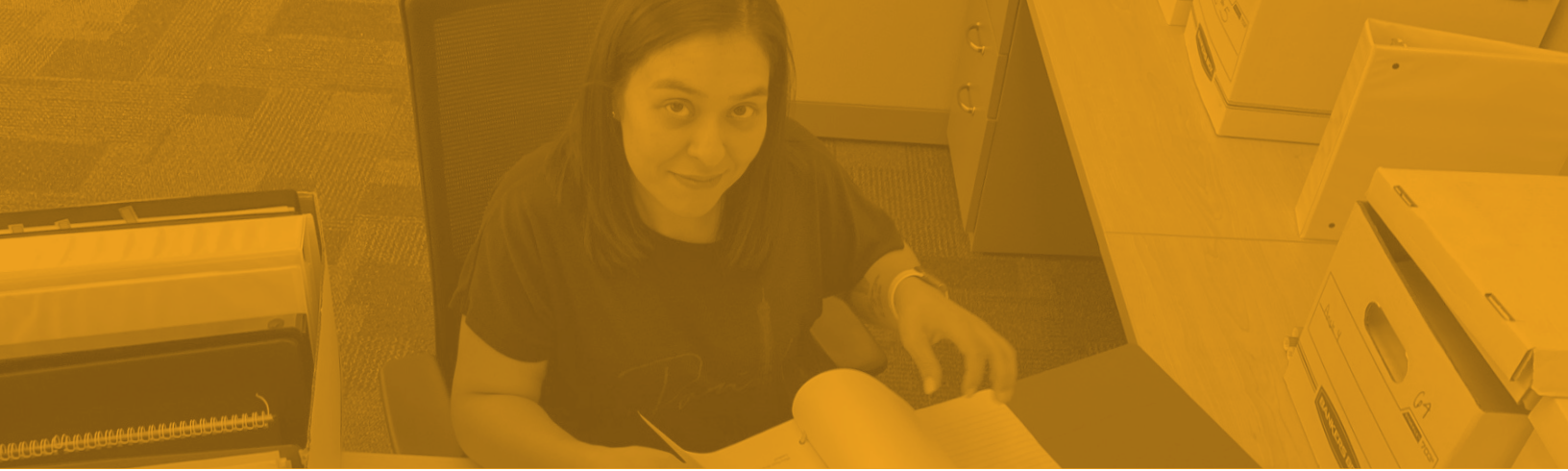
The division conducted 24 exams of registered investment advisors. The division has since hired a much-needed securities examiner to assist in routine and for-cause examinations and anticipates an increase in such examinations.

On April 4, 2022, the division entered into a consent order with BlockFi Lending LLC (“BlockFi”), a digital-asset financial services company. The settlement agreement resolved a multi-jurisdictional investigation concerning unlawful activity in connection to BlockFi’s sales of securities to retail investors. As of December 31, 2021, BlockFi had 1,233 investors from New Mexico. Under the terms of the order, BlockFi consented to pay a \$943,396.22 civil penalty, cease and desist further unregistered activity and properly register any new investment products it intended to offer or sell.

The division is currently participating in 10 multi-jurisdiction investigations and actions. Five of these investigations involve digital asset lending and precious metals. Unlawful activity associated with digital assets and precious metals has significantly increased over the last year.

The division has spearheaded a number of educational programs designed to reduce in incidence of financial fraud by targeting specific demographics.



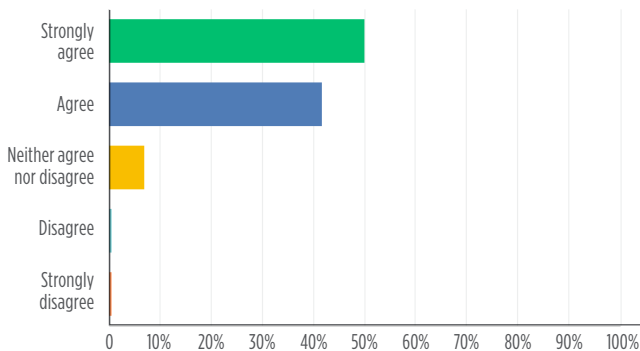


EMPLOYEE SURVEY

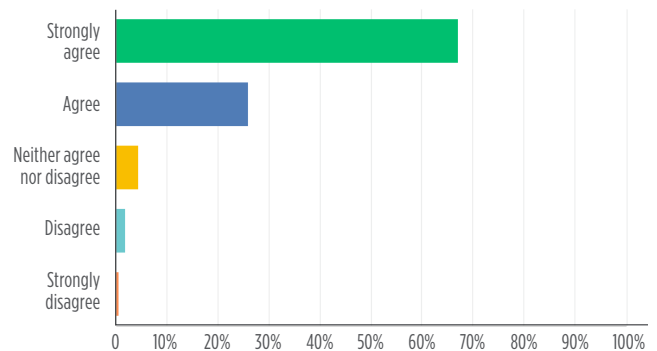
AT NMRLD, WE BELIEVE IN CONTINUAL GROWTH AND DEVELOPMENT.

To take the pulse on important topics like employee satisfaction and department culture, an annual employee survey is conducted. This survey provides us a better understanding of how our employees view what is happening within the department and provide insight on how we can do things better. Below is a snapshot of the 2022 NMRLD Employee Survey.

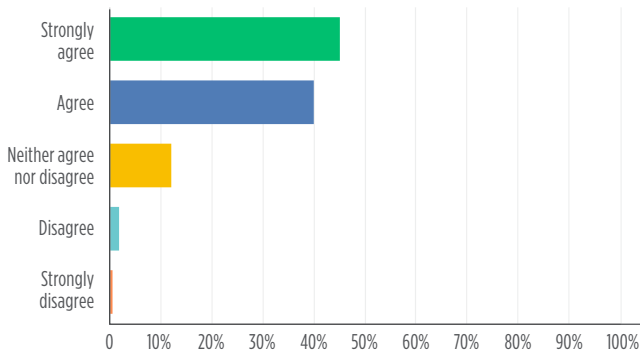
Q1: I like the kind of work I do.



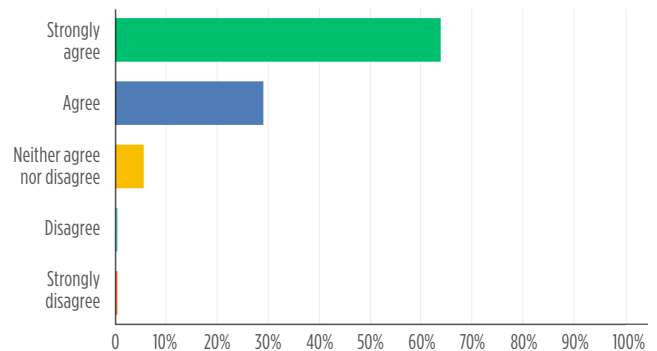
Q7: When needed, I am willing to put in the extra effort to get a job done.



Q2: My work gives me a feeling of personal accomplishment.



Q13: The work I do is important.



APPENDIX: STATUTORY AUTHORITY

Alcoholic Beverage Control Division

- Section 60-3A-7 through 60-3A-11 NMSA 1978 Liquor Control Act, General Provisions
- Section 60-6A-1 through 60-6A-35 NMSA 1978 Liquor Control Act, State Licenses
- Section 60-6B-1 through 60-6B-21 NMSA 1978 Liquor Control Act, License Provisions
- Section 60-6C-1 through 60-6C-9 NMSA 1978 Liquor Control Act, Suspension and Revocation of Licenses
- Section 60-6E-1 through 60-6E-12 NMSA 1978 Liquor Control Act, Alcohol Server Education
- Section 60-7A-1 through 60-7A-25 NMSA 1978 Liquor Control Act, Offenses
- Section 60-7B-1 through 60-7B-13 NMSA 1978 Liquor Control Act, Regulation of Sales and Service of Minors
- Section 60-8A-1 through 60-8A-19 NMSA 1978 Liquor Control Act, Trade Practices
- Section 61-1-1 through 60-1-35 NMSA 1978 Tobacco Products Act

Boards and Commissions Division

- Public Accountancy Board 61-28B-1 through 29
- Board of Acupuncture and Oriental Medicine 61-14A-1 through 22
- Athletic Commission 60-2A-1 through 34
- Athletic Trainers Practice Board 61-14D-1 through 19
- Board of Barbers and Cosmetologists 61-17A-1 through 25
- Board of Body Art Practitioners 61-17B-1 through 18
- Counseling and Therapy Practice Board 61-9A-1 through 30
- Chiropractic Board 61-4-1 through 17
- Board of Dental Health Care 61-5A-1 through 61-5A-30 and 61-5B-1 through 11
- Employee Leasing Program 60-13A-1 through 14
- Board of Funeral Services 61-32-1 through 31
- Board of Interior Design 61-24C-1 through 17
- Board of Landscape Architects 61-24B-1 through 17
- Board of Massage Therapy 61-12C-1 through 28
- Board of Nursing Home Administrators 61-13-1 through 17
- Nutrition and Dietetics Practice Board 61-7A-1 through 15
- Board of Examiners for Occupational Therapy 61-12A-1 through 24
- Board of Optometry 61-2-1 through 18

- Board of Osteopathic Medicine 61-10-1 through 22
- Board of Pharmacy 61-11-1 through 29
- Physical Therapy Board 61-12D-1 through 19
- Board of Podiatry 61-8-1 through 17
- Private Investigations Advisory Board 61-27B-1 through 36
- State Board of Psychologist Examiners 61-9-1 through 19
- Real Estate Appraisers Board 61-62-1.1 thru 14, 61-30-1 through 24, 47-14-1 through 23
- Real Estate Commission 61-29-1 through 29
- Advisory Board of Respiratory Care Practitioners 61-12B-1 through 17
- Signed Language Interpreting Practices Board 61-34-1 through 17
- Board of Social Work Examiners 61-31-1 through 25
- Speech-Language Pathology, Audiology & Hearing Aid Dispensing Practices Board 61-14B-1 through 25

Cannabis Control Division

- NMSA 1978, Section 26-2B-1, et seq. - Lynn and Erin Compassionate Use Act
- NMSA 1978, Section 26-2C-1, et seq. - Cannabis Regulation Act

Construction Industries and Manufactured Housing Division

- NMSA 1978, Section 60-13-1 et seq. - Construction Industries Licensing Act
- NMSA 1978, Section 70-5-1 et seq. - Liquefied Petroleum Gas and Compressed Natural Gas Act
- NMSA 1978 Section 60-14-1 et seq. - Manufactured Housing Act
- NMSA 1978, Section 57-30-1et seq. - Sale of Recycled Metals Act

Financial Institutions Division

- §58-1-1 through 58-1-85 NMSA 1978 Banking Act
- § 58-1A-1 through 58-1A-8 NMSA 1978, Consumer Credit Banking Act
- § 58-1B-1 through 58-1B-11 NMSA 1978, Interstate Bank Acquisitions Act
- § 58-1C-1 through 58-1C-13 NMSA 1978, Interstate Bank Branching Act
- §58-2-1 through 58-2-8 NMSA 1978, Insurance of Bank Deposits
- §58-3-1 through 58-3-4 NMSA 1978, Accounts
- §58-4-1 through 58-4-13 NMSA 1978, Merger and Consolidations of Banks
- §58-5-1 through 58-5-11 NMSA 1978, Organization and Management
- §58-6-1 through 58-6-5 NMSA 1978, Miscellaneous Loans

- §58-7-1 through 58-7-9 NMSA 1978, New Mexico Bank Installment Loan Act
- §58-8-1 through 58-8-3 NMSA 1978, National Housing Act
- §58-9-1 through 58-9-13 NMSA 1978, Trust Company Act
- §58-10-10 through 58-10-111 NMSA 1978, Savings and Loan Act
- §58-11-1 through 58-11-65 NMSA 1978, Credit Union Act
- §58-11A-1 through 58-11A-7 NMSA 1978, Leasing of Safe Deposit Facilities
- §58-12-1 through 58-12-15 NMSA 1978, Credit Union Share Insurance Companies
- §58-13A-1 through 58-13A-22 NMSA 1978, Model State Commodity Code
- §58-15-1 through 58-15-39 NMSA 1978, Small Loan Business Act
- §58-16-1 through 58-16-18 NMSA 1978, Remote Financial Services Units
- §58-17-1 through 58-17-21 NMSA 1978, Endowed Care Cemetery Act
- §58-19-1 through 58-19-14 NMSA 1978, Motor Vehicle Sales Finance Act
- §58-21-1 through 58-21-32 NMSA 1978, Mortgage Loan Company Act
- §58-21B-1 through 58-21B-24 NMSA 1978, Mortgage Loan Originator Licensing Act
- §58-21A-1 through 58-21A-14 NMSA 1978, Home Loan Protection Act
- §58-21-1 through 58-22-23 NSMA 1978, Escrow Company Act
- §58-26-1 through 58-26-8 NMSA 1978, Interstate Depository Institutions
- §58-32-101 through 58-32-1004 NMSA 1978, Uniform Money Services Act

Securities Division

- NMSA 1978, § 58-13C-101 Through 58-13C-105 General Provisions
- NMSA 1978 § 58-13C-201 Through 58-13C-204 Exemptions from Registration
- NMSA 1978, § 58-13C-301 Through 58-13C-307 Registration of Securities and Notice Filing of Federally Covered Securities
- NMSA 1978, § 58-13C-401 Through 58-13C-412 Broker-Dealers, Agents, Investment Advisers, Investment Adviser Representatives, and Federal Covered Investment Advisers
- NMSA 1978, § 58-13C-501 Through 58-13C-510 Fraud and Liability
- NMSA 1978, § 58-13C-601 Through 58-13C-611 Administration and Judicial Review

APPENDIX: ACTIVITIES

Boards and Commissions Division

Accountancy:

- Transitioned CPA firms to online renewal.
- Revised all applications and forms on the RLD website for accuracy and consistency.
- Implemented a new monitoring system for required Peer Reviews. This monitoring system will ensure licensed firms are statutorily compliant based on the services offered to the public.

Athletic Commission:

- Sanctioned one of the biggest Muai Tai promotions in the world. It has been over 6 years since we have sanctioned a Professional Muai Tai event.

Body Art:

- Changed rules to clarify training requirements
- Increased training hours for Permanent Make-Up Technician
- Decreased hours for Tattoo Artists
- Added additional requirements to Sponsors and apprentices

Chiropractic Board:

- Adopted rules to update the Board name and to correct many typographical and grammatical errors.

Board of Dental Health Care:

- Created a PMP committee to review Pharmacy Board quarterly report and determine if a complaint should be initiated against the doctor.
- Drafted rules to be adopted by the end of 2019
- Drafted rules to be in compliance with SB 221
- Worked on proposed rules for Dental Therapist for legislation passed during the 2019 legislative session.
- On March 13 of this year, the appeal by Pacific Dental against the Board's 2017 adoption of rules pertaining to record-keeping by non-dentist owners and interference by non-dentists pertaining to clinical judgment and contractual referrals, including lab services, was denied. The ruling was unanimous decision by the NM Court of Appeals. The decision of the Board to adopt these rules was affirmed.
- The board has worked closely with New Mexico Dental Association (NMDA) to publish in quarterly journal ongoing news, updates and reminders, as a result the number of complaints has reduced.

Optometry:

- Changed rules to include expedited licensure for applicants licensed in other states and removed penalty fees for each year license was expired

Board of Osteopathic Medicine:

- Licenses were transitioned to a tri-annual renewal period; renewal is now in compliance with board statute.

Board of Optometry:

- Manage contracts for Civil Legal Services and staff the Civil Legal Services Commission

Pharmacy:

- Board Inspectors, as law enforcement officers, manned three sites during each of two DEA drug takeback events, and collected more than 2,000 pounds of unwanted medication. According to national data, unused controlled substances are the major source of diverted controlled substances associated with misuse, abuse, and overdose death.
- To combat the opioid overdose epidemic, board staff worked with Department of Health (DOH) staff to develop and implement the state-wide naloxone standing order for Opioid Treatment Programs, in order to increase in naloxone accessibility and distribution. Board staff continue to work with the DOH to improve naloxone access, including through hospital emergency departments, and for no-cost naloxone availability from clinics and pharmacies.
- Implemented by regulation an allowance for inpatient hospital pharmacy dispensing to patients on discharge; for improved transitions of care, medication availability, and associated patient outcomes. The new allowance also specifically includes naloxone dispensing (including under statewide standing order), to help decrease opioid overdose deaths.
- Cross-commissioned law enforcement officers statewide to administer New Mexico Methamphetamine Special Information System (NMMSIS), all trained to handle cases on the state and federal level. The expanded NMMSIS server is funded by The High Intensity Drug Trafficking Area program.
- Updated the Pharmacy Act for classes of registration, licensure, and penalties; to harmonize with federal law (the

- Drug Supply Chain and Security Act) in order to protect the public from contaminated, adulterated, counterfeit, or otherwise harmful drugs. Further updated the Pharmacy Act for pharmacist intern licensure prerequisites to align with current College of Pharmacy curriculum and improve pharmacist intern training.
- The DOH receives a quarterly data extract of the PMP database from the board, which allows for a variety of data analyses. Through the PMP, quarterly reports are sent to each NM prescribing practitioner licensing board to enable oversight regarding individual practitioner PMP utilization, as well as potentially high risk prescribing of controlled substances, particularly opioids and benzodiazepines. Practitioners are provided with this same information on an individualized basis, to promote an understanding of prescribing patterns and PMP utilization. To increase the PMP utilization, the board has collaborated with the DOH and other entities to promote, facilitate, and implement PMP integration into Electronic Health Records and Pharmacy Management Systems.
- These integrations allow a provider/pharmacist to view this critical compliance and clinical tool at the point of service without a separate system to query a patient's PMP report.
- Convened committees which are actively updating the board's compounding regulations, consistent with updates to the United States Pharmacopeia (USP) as it pertains to non-sterile, sterile, and hazardous drugs. USP standards compliance protects the health and safety of the public, including NM residents who receive compounded sterile preparations and persons subject to potential exposure to hazardous drugs. Collaborated with the Board of Veterinary Medicine regarding the incorporation of USP into their recognized standards of practice and inspections, to protect animals who receive compounded sterile preparations, and protect from hazardous drug exposure.
- Board staff participated in item writing, evaluation and screening for the North American Pharmacist Licensure Examination, and the Multistate

Pharmacy Jurisprudence Examination, to be used nationally and for NM pharmacist applicants in order that only qualified persons are permitted to engage in the practice of pharmacy.

- Eliminated licensure fees to minimize employment barriers for active military service members, and active duty spouses for relocation to New Mexico.
- The board investigated more than 90 cases during fiscal year (FY) 2019.

Psychology

Changed rules to include:

- Allow for an Approved Supervision program of Internship or postdoctoral work;
- Provide for the expedited license for members of military services or their family;
- Allow for telephonic or tele supervision;
- Require Prescribing Psychologists to register and comply with the Prescription Monitoring Program;

Reduced licensee fees for the following:

- Renewal fee from \$600 to \$500

- Inactive fee from \$150 to \$50
- First year license renewal from \$300 to \$250.

Physical Therapy

- Added dry needling in the practice of physical therapy

Podiatry Board

- The board repealed and replaced rules to acknowledge national changes to residency, modernization of verification practices and other changes and clarify continuing education

Private Investigations Board

- The PI Board has finally implemented a process to address trainers and curriculum.
- Continuously improve review processes with direction for our new legal counsel.
- Implemented better security measures regarding backgrounds and sensitive information.

Real Estate Appraisers

- The REAB passed the ASC Audit with minor areas of concern.

Real Estate Commission

- Reduced paperwork by fully implementing online license renewals. Increased broker access to continuing education requirements by live streaming Commission meetings and disciplinary hearings statewide. Enhanced consumer protection by strengthening property management education, compliance, and reporting requirements.
- Referred several property management cases to the Attorney General's Office for criminal prosecution.
- Increased broker and public access to licensing laws and rules by posting the Real Estate License Law and Commission Rules on the Commission web site.





IN MEMORY

DION LEYBA

1967-2021

The Department experienced a tremendous loss this past November 2021, with the passing of Dion Leyba, a Team Leader in the Boards and Commissions Division's Santa Fe office. Known for his relentless

positivity and an unforgettable grin, Dion served our state and the staff he supervised with grace and humility. Despite facing a seemingly unending task of managing the Division's licensing process, Dion rarely seemed fazed by the volume of work or normal challenges that came from it. Co-workers were known to visit Dion during the day not only for the bottomless bowl of chocolate on his desk, but to connect with a genuine friend. The impact of Dion's absence is still felt by the Division and many other staff who were all part of his extended work family. We share so many fond memories of Dion and continue to keep his wife, three daughters, and his family and friends in our thoughts as we recognize how fortunate we are to have known and worked alongside such a wonderful person.



NMRLD

**NEW MEXICO
REGULATION &
LICENSING DEPARTMENT**

RLD.nm.gov