

REGULAR COMMITTEE MEETING
New Mexico Cannabis Regulatory Advisory Committee (C-RAC)
Las Cruces City Hall
700 N. Main Street, 2nd Floor, Room 2007 B&C Las Cruces, NM
April 11, 2024, at 1:00 PM

DRAFT MEETING MINUTES

I. CALL MEETING TO ORDER

Chair Moore called the New Mexico Cannabis Regulatory Advisory Committee meeting to order at 1:03 pm.

A. Roll Call

Roll call was taken, and a quorum was determined present.

MEMBERS PRESENT:

Bart Faris
Chris Duvall
Debbi Moore
Dr. Steven Jenison
Esther Lopez
Harold Trujillo
Kim Stewart
Nina Wells
Phillip Sanchez
Ryan McConnell (Proxy for: Rachael Speegle)

MEMBERS ABSENT:

Bennett Baur
Christopher Williams
David McDermid
Ginger Baker
Lou Ann Branch
Mary Carmack-Altwies
Nathan Paolinelli
Phillip Smith

NMRLD STAFF PRESENT:

Todd Stevens, CCD Director
Robert Sachs, CCD Counsel
Joone Tena, CCD Secretary

II. APPROVAL OF AGENDA – April 11, 2024, C-RAC Meeting Agenda

Member Kim Stewart made a **MOTION** to approve the April 11, 2024, Special Board Meeting Agenda. Member Bart Farris **SECONDED** the motion. Motion **PASSED** by **UNANIMOUS APPROVAL**.



III. APPROVAL OF MINUTES - September 29, 2023, C-RAC Meeting Minutes

Member Nina Wells made a **MOTION** to approve the September 29, 2023, Special Board Meeting Minutes. Member Kim Stewart **SECONDED** the motion. Motion **PASSED** by **UNANIMOUS APPROVAL**.

IV. PUBLIC COMMENT

- Martin Ridgeway mentioned the overwhelming amount of tars in cannabis. Possibly the nutrients, pesticides, or improper flushing techniques.
- Nicole Fuchs, one of the founders of the Southwest Trade Association. Mentioned the checkpoints. One border check bust could send a business spiraling. Reports of over \$300,000 lost revenue in Las Cruces. The checkpoint at Truth or Consequences is now open and performing inspections.
- Karina Miramontes, in the cannabis industry for over 25 years. Karina commended testing for heavy metals. Also, challenging with no testing labs in the south. Border checkpoint concerns. Mentioned that State Police are acting as federal agents. Whether they are enforcing state law or federal law is unclear.
- Robert Duran with Headspace Distribution has had 2 seizures. There was also a threat that if the transport vehicles are seen again, they will also be seized. Currently, 30 employees' jobs are in jeopardy.
- Nathan Silva co-founder of Mylars. Mentioned a possible injunction to be filed via the Governor's office from previous border patrol agents. Found it concerning that there is very little to no interdepartmental communication regarding these seizures.
- Tim Pitts, City of Las Cruces representative, from an economic perspective the seizures are unfairly detrimental to operations. Fearing loss of gross receipt taxes, business opportunities, excise tax, etc.
- Scott Krahling mentioned not only the fear for the industry but, a genuine fear as a consumer when approaching border checkpoints. Described the uncomfortable situation and how medicine shouldn't be seen the same across the board. Concerned that the current seizures are benefiting the illicit market.
- Chad Lazano longtime advocate operates a podcast. Regaled a story of a state police officer in Gallup who pulled over a vehicle. The officer in a dual capacity mentions that he is also a Drug Task Force agent with Homeland Security. Feels like we can't trust the police if they are not on the side of the citizens.
- Duke Rodriguez, owner of Ultra Health mentioned that he has had both cash and product seized. Mentioned everyone took the risk when the CRA was passed. Anything within 60+ miles of the border would be subject to inspection. It is a known business risk. Commended the CBP for their professionalism and the opportunity to create a process on how to conduct. Although there is no prosecution, there is an uncomfortable detainment period. There is a form to request a refund. It is guaranteed that you will never get your refund.
- Robbie Tafoya, with Desert Flower Growers expressed being one of the smaller micro-producers and emphasizes that north of the border is what is keeping his business competitive. The border checkpoint is forcing businesses to congest in Las Cruces.



V. ANNOUNCEMENTS

1. Governor Signed Senate Bill 6

Robert Sachs detailed the recently passed legislation in February. The new legislation will be effective July 1, 2024.

2. NM-Plus Rollout Next Month

Director Todd Stevens detailed the launch of the new licensing platform NM-Plus that will be taking place in late May. Mentioned that licensees will now be able to pay fees virtually. Application turnover will be much quicker allowing staff to be more attentive to phone calls. Tutorial videos will be paired with the rollout to assist licensees. After the rollout, all licensees will be issued a new license number. Lastly, licensees will be required to register their business on the new platform which may require additional information from the previous software.

VI. DIVISION REPORT

A. Licensing Update

Director Todd Stevens reported the following licensing initiatives taken by the Division:

Between April 1, 2022, and April 1, 2024, New Mexico cannabis retailers reported the following sales:

- Medical Sales: \$345,189,176
- Recreational Sales: \$719,367,488
- Total: \$1,064,556,664

Between April 1, 2023, and April 1, 2024, New Mexico cannabis retailers reported the following sales:

- Medical Sales: \$157,992,851
- Recreational Sales: \$417,798,800
- Total: \$575,791,651

Top Cities for Market Sales: April 1, 2022 - April 1, 2024

<u>City</u>	<u>Medical</u>	<u>Recreational</u>	<u>Total</u>
Albuquerque	\$139,215,323.74	\$213,727,626.64	\$352,942,950.38
Las Cruces	\$29,657,600.05	\$47,821,235.00	\$77,478,835.06
Santa Fe	\$30,199,957.82	\$46,856,765.66	\$77,056,723.48
Sunland Park	\$4,393,982.33	\$61,937,419.58	\$66,331,401.91

Top Cities for Market Sales: April 1, 2023 – April 1, 2024

<u>City</u>	<u>Medical</u>	<u>Recreational</u>	<u>Total</u>
Albuquerque	\$63,668,452.64	\$117,377,510.80	\$181,045,963.40
Sunland Park	\$2,092,207.69	\$42,493,495.59	\$44,585,703.28
Las Cruces	\$13,058,384.23	\$25,412,084.97	\$38,470,469.20
Santa Fe	\$12,949,112.22	\$24,655,550.79	\$37,604,663.01



Total Pending Applications: 310

Vertically Integrated: 21

Retailer: 2

Manufacturer: 4

Producer: 15

Independent Licenses: 225

Retailer: 26

Manufacturer: 48

Producer: 45

Producer Microbusiness: 59

Micro Integrated: 64

Retailer: 18

Manufacturer: 22

Producer Microbusiness: 24

Consumption Area: 28

Courier: 12

Testing Laboratory: 7

Research Laboratory: 0

Total Approved Premises: 3,366

Vertically Integrated: 168

Retailer: 429

Manufacturer: 328

Producer: 159

Micro Integrated: 327

Retailer: 211

Manufacturer: 288

Producer Microbusiness: 225

Independent Premise License: 1,231

Retailer: 379

Manufacturer: 282

Producer: 239

Producer Microbusiness: 243

Consumption Area: 26

Courier: 55

Testing Laboratory: 6

Research Laboratory: 1

B. Compliance Update

Compliance Initiatives Taken by the Division

Director Todd Stevens reported the following compliance initiatives taken by the Division:

Total Inspections Conducted Between January 1, 2024 – April 1, 2024: 737

Retail Inspections: 319

Producer Inspections: 231

Manufacturer Inspections: 187

Total Notices of Contemplated Action Issued in 2023: 24

Settlements Entered: 12

Pending Settlement Negotiation: 3

Pending Hearings: 0

Revoked Licenses: 7

Preliminary Injunctions: 2

Director Todd Stevens reported the recent seizures at checkpoints prompting the following:

Member Bart Faris made a **MOTION** to advise the CCD to approach the Governor's Office to report on the possibility of an injunction being filed to stop the seizures. Member Dr. Steven Jenison **SECONDED** the motion. Motion **PASSED** by **UNANIMOUS APPROVAL**.



C. Legislative Update

Robert Sachs reported the following RLD 2024 Legislative changes:

- Modified the statutory language to appeal to DPS for federal background checks.
- Sunset to the plant count also known as the repeal of the repeal gives the CCD the authority to set a maximum plant count.
- Added enhanced criminal penalties relevant to repeat offenders.
- Implemented clarification that integrated micro-businesses can wholesale between one another. The previous language only permitted products grown in-house to be sold.
- Cleaned up language that now permits a licensee to carry both a cannabis license and a liquor license. Although operating on the same premises is not permitted.
- Licensed non-profit legacy licensees can now convert to for-profit.
- Added criteria that would give the CCD more authority to deny, suspend, or revoke.

VII. OLD BUSINESS

Nominations for Vice-Chair

Member Bart Faris made a **MOTION** to nominate Esther Lopez as Vice-Chair. Member Kim Stewart **SECONDED** the motion. Motion **PASSED** with one **RECUSAL** from Member Esther Lopez.

VIII. NEW BUSINESS

A. Summary of Legislative Session

Detailed in Section VI, Item C.

B. Annual Open Meetings Act Resolution 2024

Member Bart Faris made a **MOTION** to adopt the 2024 Annual Open Meetings Act Resolution. Member Esther Lopez **SECONDED** the motion. Motion **PASSED** by **UNANIMOUS APPROVAL**.

IX. FUTURE MEETING DATE

July 18, 2024 (Rio Grande Conference Room) Santa Fe, New Mexico

X. ADJOURNMENT

The meeting adjourned at 3:04 pm.

Approved by:



Esther Lopez, Vice Chair

7-18-24
Date

