

HB356



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**Bill Analysis 2019 Regular Session**

**SPONSOR:** Rep. Javier Martínez - House Co-sponsors D. Armstrong, Ely, Maestas, A. Rubio, and Senate Co-sponsors Ortiz y Pino

**SHORT TITLE:** Cannabis Regulation Act

**SYNOPSIS OF BILL:** Establishes a comprehensive regulatory framework for the use, production, and sale, of cannabis and cannabis products in New Mexico for adults over 21 years of age. Prohibits cannabis use in public places. Uses tax proceeds to create a Community Reinvestment Fund for job placement, mental health treatment, substance use disorder treatment, and more; a Cannabis Health and Safety Fund for public education to promote road safety and responsible use of cannabis for adults and discourage youth use and to support low-income medical cannabis patients; a Cannabis Research Fund and increases the revenue of the Local DWI Grants Fund.

**STRENGTHS:**

The criminalization of cannabis stopped making sense a long time ago. The experience of ten other states and the District of Columbia with legalization makes it clear that it's time to enact this sensible reform. This bill will increase public safety while providing economic benefits to our state, including giving young New Mexican entrepreneurs a reason to stay in state. In states that criminalize cannabis, adolescents consistently say that it's easier for them to acquire cannabis than alcohol. In Colorado, where cannabis was legalized in 2012, fewer young people now use cannabis than they did in 2009, and they do so at a rate that is lower than the national average. HB 356 also would help fund community reinvestment including education for drug misuse prevention. Legalization of cannabis would decrease the number of people caught up in the criminal justice system and would require law enforcement agencies document race and ethnicity data for cannabis violations that remain illegal, to begin to address racial disparities in cannabis-related arrests known to exist across the nation. See "The War on Cannabis in Black and White," American Civil Liberties Union (2013). From a fiscal perspective, projections for legal cannabis sales in the first year in New Mexico are more than \$423 million dollars. With a proposed excise tax of 9%, this would generate \$60 million dollars in tax revenue. At a time when New Mexico is wrestling with a budgetary crisis, these bills could help dramatically improve the fiscal health of our state.

**ADDITIONAL INFO:**

For more information on the potential economic benefits of cannabis legalization in New Mexico see "Legalization of Cannabis for Social Use: New Mexico Market Analysis," O'Donnell Economics and Strategy (2016) updated 2018, as well as "New Mexico and Industrial Hemp: Economic Opportunity for Our Future," One New Mexico (2015).

<b><u>S</u>afer</b>	<b><u>A</u>political</b>	<b><u>F</u>iscally-Responsible</b>	<b><u>E</u>vidence Based</b>	<b>Grade</b>
<p>Legalizing and regulating cannabis is the most effective way to keep New Mexicans safer.</p> <p>The current cannabis scheme based on prohibition is completely unregulated with no proof of age required at purchase, and no health and safety regulations.</p> <p>The criminalization of cannabis use also disproportionately harms young people and people of color, sponsors violence and corruption, and fails to curb youth access</p> <p>Cannabis product testing and packaging is becoming a standard requirement for legalized cannabis markets. This means consumers are better informed about the cannabis they use and educated on how to keep it out of the reach of children. Labeling requires the NM Drug Poison Control Center hotline number.</p>	<p>Polling suggests support for legalization cuts across all ideologies and political parties. 63% of NM residents, and a majority of residents in all quadrants of the state support the legalization, regulation, sales to adults 21 &amp; over, and taxation of cannabis.</p>	<p>With a proposed surtax of 9% this would generate in excess of \$30 million dollars in tax revenue in the first year alone. A majority of the revenues of this tax will be reinvested back into the community to support youth, mental health, substance misuse, job training, research, road safety, and public education.</p> <p>Furthermore, under prohibition, New Mexico wastes public safety resources dealing with cannabis violations when the focus should be on violent, serious crime.</p>	<p>Nine states and the District of Columbia have legalized cannabis for adults to use socially. Data from these states suggest regulation of cannabis is working.</p> <p>For example: The 2018 Rise Above Colorado Youth Survey confirms the rates of teens' marijuana use remains consistent: "Despite the concerns, numerous studies conducted both nationally and within the state have found that usage of marijuana and other substances among youth in Colorado is either consistent with previous levels or even lower than the pre-legalization periods.</p> <p>A recent study in the American Journal of Public Health found that Colorado and Washington, the first two states to legalize, have fatal crash rates similar to comparable states without legal marijuana.</p>	<p style="text-align: center;"><b>A</b></p>