



Office of the Governor

**MICHELLE LUJAN GRISHAM**

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**Gov. Lujan Grisham legalizes adult-use cannabis**  
*Historic measure ushers in new era of economic opportunity and social justice*

SANTA FE – Gov. Michelle Lujan Grisham on Monday formally enacted adult-use cannabis legalization in the state of New Mexico, signing into law an historic measure approved by the state Legislature after the governor called them into a special session for that purpose late last month.

“The legalization of adult-use cannabis paves the way for the creation of a new economic driver in our state with the promise of creating thousands of good paying jobs for years to come,” said **Gov. Lujan Grisham**. “We are going to increase consumer safety by creating a bona fide industry. We’re going to start righting past wrongs of this country’s failed war on drugs. And we’re going to break new ground in an industry that may well transform New Mexico’s economic future for the better.”

**New jobs, new revenue**

The sales of adult-use recreational cannabis could amount to \$318 million in the first year, creating over several years what could be more than 11,000 new jobs, according Dr. Kelly O'Donnell, independent economist and public finance expert. Preliminary estimates are that the excise tax will raise at least \$20 million for the general fund in the first full fiscal year, with significant growth in subsequent years. Local governments will also benefit from the added revenue.

“As we look to rebound from the economic downturn caused by the pandemic, entrepreneurs will benefit from this great opportunity to create lucrative new enterprises, the state and local governments will benefit from the added revenue and, importantly, workers will benefit from the chance to land new types of jobs and build careers,” said **Gov. Lujan Grisham**.

“Today, New Mexico seized a once-in-a-lifetime opportunity to establish a multi-million industry with a framework that’s right for our state and will benefit New Mexicans for generations to come,” said **Rep. Javier Martínez**. “Not only are we launching a burgeoning industry that will strengthen our economy, create jobs and generate tax dollars, but we are doing so in an equitable way that will curb the illicit market and undo some damage of the failed war on drugs.”

### **A well regulated industry spurs economic activity, creates revenue for state and local government and protects the public**

The governor’s signature today launches an administrative process that will culminate in the launch of commercial sales for adults no later than April 1, 2022. The issuance of licenses to conduct commercial cannabis activity will begin no later than Jan. 1, 2022.

“This is a major new program for the state that will have a positive impact on job growth and the economy, but it does require smart regulation in order to protect the public and entrepreneurs seeking to get into the business,” said **Sen. Katy Duhigg**. “I’m proud of the work we did to ensure that we are creating a fair and equitable program that has a low barrier to entry. At the same time, proper regulation and oversight will keep our successful medical cannabis program intact and help new businesses grow while keeping consumers safe.

Gross receipts tax and local taxes apply to the value of the adult-use purchase. Medical cannabis, meanwhile, is and will remain exempt from GRT and excise taxes.

“This is the right model for New Mexico because it creates a local, sustainable and regulated industry while at the same time protecting what’s near and dear to all us, including public health, road safety and the well-being of our youth,” said **Superintendent Linda M. Trujillo** of the state Regulation and Licensing Department, which will oversee and manage the new industry.

New Mexico becomes the latest state in the U.S. to legalize adult-use cannabis, and is only the fifth state to enact it through its state Legislature.

“The standardization and statewide regulation that comes with a bona fide industry will protect consumers,” said **Trujillo**. “In addition, local jurisdictions will be able to enact reasonable zoning, land use and other business requirements.”

### **Protecting public safety, health, consumers and N.M. youth**

The legislation creates a Public Health Advisory Board to monitor cannabis use and data pertaining to the health effects of legalizing cannabis. In addition, the Department of Health is required to provide annual reports, including information on youth access, driving and road safety, workplace safety, consumer and product safety and emergency room visits involving cannabis.

“Protections for our children are an essential part of this plan and include strict restrictions of packaging, labeling and advertising, as well as stiff penalties for anyone selling cannabis to persons younger than 21,” said **Sen. Linda Lopez**.

The legislation was sponsored by Rep. Javier Martinez, Rep. Andrea Romero, Rep. Debbie Armstrong, Sen. Linda Lopez and Sen. Katy Duhigg.

“The legalization of cannabis is ultimately a public health measure. When we regulate the industry, we can control the product quality, protect consumers, and bring down the dangerous illicit market in our state,” said **Rep. Debbie Armstrong**. “This law includes dozens of necessary safeguards to protect our youth, ensure adequate supply for the medical program, and will bring in additional funds for programs, services, and research to support the health and wellbeing of New Mexicans.”

### **Expungement of convictions**

Surrounded by legislative sponsors and advocates outside the state Capitol, Gov. Lujan Grisham, who has advocated for legalization since taking office, signed legislation that will authorize the expungement of old low-level cannabis convictions from the record of what is expected to be tens of thousands of New Mexicans and make possible the potential early release of low-level convicted cannabis offenders who are currently incarcerated.

“Thousands of people, and a disproportionate number of them from communities of color, have been wronged by this country’s failed war on drugs,” said **Sen. Jerry Ortiz y Pino**. “We will all benefit from our state’s smart, fair and equitable new approach to past low-level convictions.”

“For decades, our communities of color have been discriminated against for minor cannabis offenses, so we must ensure that those who would not be arrested today do not continue to be incarcerated or held back by criminal records for acts that are no longer crimes,” said **Rep. Andrea Romero**. “By ensuring equity and social justice in our cannabis legalization, we are saying ‘enough’ to the devastating ‘War on Drugs’ that over-incarcerated and over-penalized thousands of New Mexicans.”

This important social justice measure was sponsored by Sen. Lopez, Sen. Duhigg, Rep. Martinez, Rep. Romero and Sen. Jerry Ortiz y Pino.

“The signing of the cannabis legalization and expungement package will ensure equitable opportunities for farmers and other small businesses, and long overdue justice – including automatic expungement—for those with past cannabis arrests or convictions,” said **Emily Kaltenbach, Senior Director, Resident States and New Mexico, Drug Policy Alliance**. “We thank the Governor and our legislative allies for not taking ‘no’ for an answer and stopping at nothing until we were able to get justice for

New Mexico communities – particularly Hispanic/Latinx, Black, Native and Indigenous – that have been immensely harmed by cannabis prohibition.”

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“This legislation is a major, major step forward for our state,” said **Gov. Lujan Grisham**. “Legalized adult-use cannabis is going to change the way we think about New Mexico for the better – our workforce, our economy, our future. We’re ready to break new ground. We’re ready to invest in ourselves and the limitless potential of New Mexicans. And we’re ready to get to work in making this industry a successful one.”

The governor’s signature on the final bills to have reached her desk from the special session caps an incredibly productive spring 2021 legislative season, during which the Legislature and governor delivered a series of significant policy achievements, including many that were either campaign promises and/or longstanding priorities of the governor.

On top of the passage of a constitutional amendment ballot measure that would authorize an additional portion of the state’s Land Grant Permanent Fund for early childhood education, and in addition to long-sought social welfare measures, the Legislature [authorized and governor enacted](#) almost \$1 billion in direct pandemic relief for individuals and businesses across the state, including \$200 million in small business grants, \$500 million in small business loans, a tax holiday for hospitality businesses and restaurants, a \$600 tax rebate for working families and [a sweeping tax overhaul that will amount to a significantly boosted tax rebate](#) for tens of thousands of New Mexico middle-class families.

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