Non-Profit Producer License Application

Application Submission

For an application to be considered, a completed application must be submitted electronically to the Medical Cannabis Program at LCMedical.cannabis@state.nm.us. Applications will not be accepted by the Department of Health after June 28, 2021.

It is the applicant's sole responsibility to ensure their application is complete.

Additional Terms and Conditions:

The Department may disqualify any applicant who:

- Fails to submit a completed application;
- Submits incomplete, false, inaccurate, unresponsive, or misleading information; or,
- Submits materials that are illegible in whole or in part;

The decision of the Department to disqualify an applicant or to not award a producer license to an applicant shall be final. In accordance with Department rule, and except as otherwise provided by law, there shall be no right to judicial review of a licensure determination by the Department.

An applicant awarded a producer license shall operate in accordance with the representations made in its application. A licensee who fails to operate in accordance with the representations of its approved application may have its licensure revoked, suspended, or subject to other penalties.

Communications with the Department

All questions about the application process must be forwarded to the Department by email only to LCMedical.cannabis@state.nm.us.

In evaluating an application, the Department reserves the ability to conduct interviews, contact references, and contact state regulators in any other state(s) where the applicant, applicant’s backers or others associated with the applicant have engaged in, or sought to be engaged in, the state’s medical cannabis program. The Department also reserves the right to visit proposed production or distribution locations, as well as those of other cannabis-related businesses associated with the applicant or the applicant’s backers, directors or personnel.

The Department reserves the right to waive minor irregularities in any application, and to request clarifications or modifications to an application that otherwise substantially meets the requirements of 7.34.4 NMAC.
After completing the review and scoring of the applications and conducting any other analysis it considers necessary, the Department shall determine whether to issue or deny the license. The Department’s decision shall be final.

How to Apply

- Familiarize yourself with the provisions of the Lynn and Erin Compassionate Use Act, NMSA 1978, §26-2B-1 et seq., and the Department of Health’s Medical Cannabis Program rules that are contained at 7.34.3 NMAC and 7.34.4 NMAC.
- Complete the Non-Profit Producer License Application Form.
- Prepare comprehensive responses, and provide relevant responsive materials (as applicable), for each item requested in these instructions, which includes Appendices A and B.
- Be sure to number all the pages in the application sections and ensure the materials in the application are typewritten in a legible, comprehensible manner, utilizing a font size of no less than 12 points in the main body of all portions of the application.
- All attachments, exhibits or other information produced in response to the application must include a header referencing the item number and a subpart of the application to which it responds so it is clear to the Department that all requested information is provided.
- Please note that contents of the application may be subject to disclosure, in accordance with the New Mexico Inspection of Public Records Act, NMSA 1978, §14-2-1 et seq.
- The application must be in a searchable Adobe PDF document.

Required Information and Materials

The following information and materials must be submitted as part of the completed application.

A. SUMMARY INTRODUCTION

The application must include a brief summary (no longer than five double-spaced pages) of the applicant’s qualifications, experience and industry knowledge relevant to the development and operation of a medical cannabis production business.

B. PRODUCTION PLAN

A copy of the applicant’s Production Plan must be included with the application.

A licensee must operate in accordance with the Production Plan submitted as part of its application unless the Department approves a modification to the Production Plan in writing.

In addition to any other requirements contained in the rules found at 7.34.4 NMAC, note that the Production Plan in an application must include the following information:

1. The applicant’s plan for the growth, cultivation, and harvesting of medical cannabis, including anticipated number of plants, method(s) of cultivation (e.g., greenhouse, hydroponic, indoor vs. outdoor, etc.).
2. If the applicant intends to cultivate cannabis using a hydroponic method: a description of the water source to be used, as well as the type and extent of water filtration to be used, as applicable, including proof of water rights or water use in accordance with applicable local and state requirements for water use;

3. An explanation of how the applicant will limit employee exposure to potentially unsafe chemicals or other unsafe conditions;

4. A description of the applicant’s expected production capacity, to include any ability of the applicant to expand capacity within the anticipated production location;

5. The street address of the anticipated production facility;

6. A description of the equipment that shall be used in the production of cannabis;

7. Documents sufficient to establish the applicant is authorized to conduct business in New Mexico including business licenses,

8. Documents sufficient to establish state and local building, fire and zoning requirements and local ordinances are met for the proposed location of the production facility including fire and occupancy permits;

9. If the property is not owned by the applicant, provide a written statement signed by the property owner and landlord certifying that they have consented to the applicant operating a production facility on the premises;

10. Any text and graphic materials that will be shown on the exterior of the proposed production facility;

11. A description of the proposed production facility showing streets, property lines, buildings, parking areas, and outdoor areas, if applicable, that are within the same block as the production facility;

12. A report from a surveyor, or an attestation from a county or municipal zoning official, demonstrating that buildings to be used by the applicant are not within 300 feet of any school, church, or daycare center, or sufficient distance as indicated by local ordinances;

13. An appropriately labeled diagram or written description of the proposed production facility, which shall, at a minimum, identify the following:

   a. The location and square footage of the area where cannabis to be grown/cultivated;

   b. The square footage of the areas where cannabis to be harvested;

   c. The square footage of the areas where cannabis to be packaged and labeled;

   d. The square footage of the areas where cannabis to be produced and manufactured;
e. The square footage of the overall production facility;

f. The square footage and location of areas to be used as storerooms or stockrooms;

g. The location of any approved safes or approved vaults that are to be used to store cannabis;

h. The location of the toilet facilities;

i. The location of all break rooms and personal belonging lockers; and

j. The locations of all areas that may contain cannabis or cannabis-derived products, showing walls, partitions, counters and all areas of ingress and egress. Said diagram shall also reflect all production, propagation, vegetation, flowering, harvesting, storage and manufacturing areas.

14. A written acknowledgement that production, at any time, shall not exceed the total of mature female plants, seedlings, and male plants that the nonprofit entity has been approved by the Department to produce, and that inventory of usable cannabis shall reflect current patient needs;

15. A description of the applicant’s knowledge of U.S. Environmental Protection Agency agricultural worker protection standards;

16. A description of the applicant’s knowledge of New Mexico Department of Agriculture pesticide registration, licensing and use requirements; and

17. A detailed description of any air treatment or other system that will be installed and used to reduce off-site odors.

C. BUSINESS PLAN

A copy of the applicant’s Business Plan must be included with the application.

A licensee must operate in accordance with the Business Plan submitted as part of the producer’s application, unless the Department approves a modification to the business plan in writing. In addition to any other requirements contained in the rules found at 7.34.4 NMAC, note that the Business Plan must show how the applicant intends to fund its operations and become a successful producer, including information concerning costs for staff, water, other utilities, technology, and its funding sources.

D. SALES AND DISTRIBUTION PLAN

A copy of the applicant’s Sales and Distribution Plan must be included with the application.

A licensee must operate in accordance with the Sales and Distribution Plan submitted as part of the producer’s application unless the Department approves a modification to the Sales and Distribution Plan in writing.

In addition to any other requirements contained in the rules found at 7.34.4 NMAC, note that the Sales and Distribution Plan must identify the applicant’s plan for the safe distribution of cannabis.
and cannabis-derived products; the facilities and equipment that will be used in the distribution of cannabis and cannabis-derived products, and distribution criteria for qualified patients or primary caregivers appropriate for cannabis services that describes the method by which and locations at which distribution will occur.

The Sales and Distribution Plan must also include the following:

1. A description of anticipated places of distribution;

2. A description of cannabis and cannabis-derived products anticipated to be distributed;

3. Any plans for delivery by the applicant or use of courier services for the purpose of delivery, including the anticipated cost to patients for the delivery service;

4. The applicant’s marketing plan, including any web materials and educational materials such as brochures, posters, or promotional items;

5. A description and sample of the packaging of the usable cannabis and cannabis-derived products that the nonprofit producer shall utilize, including a label that satisfies the labeling requirements of this rule;

6. A detailed description of the proposed method of transportation of cannabis and cannabis-derived products;

7. A description of measures to be taken by the applicant to ensure the confidentiality of patients and primary caregivers and information that could identify qualified patients and primary caregivers;

8. A description of the private entity’s means for educating the qualified patient and the primary caregiver on the limitations of the right to possess and use cannabis;

9. A description of the means the private entity shall employ to make qualified patients or the primary caregiver aware of the quality of the product;

10. A description of ingestion options of usable cannabis and cannabis-derived products provided by the private entity;

11. A description of inhalation techniques that shall be provided to qualified patients for the private entity’s cannabis and cannabis-derived products;

12. A description of potential side effects and how the private entity will educate qualified patients and the qualified patient’s primary caregivers regarding potential side effects patients for the applicant’s cannabis and cannabis-derived products;

13. A description of the means the private entity shall employ to make qualified patients or the primary caregiver aware of how to report adverse events related to medical cannabis use;

14. A description of the means the private entity shall employ to make qualified patients or the primary caregiver aware of how to report concerns regarding the private entity’s products and services;

15. A written acknowledgement that production, at any time, shall not exceed the total of
mature female plants, seedlings contained in any production licensed issued to the applicant;

16. An attestation that no one is permitted to consume medical cannabis or cannabis-derived products on the production or distribution location of the private entity, if the applicant receives a producer license;

17. An attestation that if the applicant becomes licensed, the applicant will require the presentation of a department-issued identification card and a valid New Mexico photo identification card or a passport from every purchaser before selling or otherwise distributing medical cannabis or cannabis derived products to qualified patients and primary caregivers; and

18. A properly labeled diagram or written description of the proposed distribution location(s), which shall, at a minimum, identify the following:

   a. The total square footage of the building;
   b. The layout of areas to be accessible to the public, and areas to be accessible only by employees and authorized personnel;
   c. The square footage and location of areas to be used as storerooms or stockrooms;
   d. The location of any approved safes or approved vaults that are to be used to store cannabis;
   e. The location of the toilet facilities;
   f. The location of all break rooms and personal belonging lockers; and
   g. The locations of all areas that may contain cannabis or cannabis products that shows walls, partitions, counters and all areas of ingress and egress.

E. SECURITY PLAN

A copy of the applicant’s Security Plan must be included with the application.

A licensee must operate in accordance with the Security Plan submitted as part of the producer’s application unless the Department approves a modification to the Security Plan in writing.

In addition to any other requirements contained in the rules found at 7.34.4 NMAC, note that the Security Plan must include:

1. a detailed description of the methods and device or series of devices that shall be used to provide security in production and distribution locations;

2. a detailed description of any processes and/or controls that will be implemented to prevent the diversion, theft or loss of medical cannabis;

3. a detailed description of the measures and procedures that the producer will follow to ensure that access to the production facility premises will be limited only to employees;

4. a detailed description of the services to be offered by the selected security company at all production and distribution locations; and

5. a detailed description of the process that the private entity will take to ensure that access to the production facility premises will be limited only to employees and authorized persons.
F. QUALITY ASSURANCE PLAN

A copy of the applicant’s Quality Assurance Plan must be included with the application.

A licensee must operate in accordance with the Quality Assurance Plan submitted as part of the producer’s application unless the Department approves a modification to the Quality Assurance Plan in writing.

In addition to any other requirements contained in the rules found at 7.34.4 NMAC, note that the Quality Assurance Plan must include:

1. the applicant’s methods and processes to ensure purity;
2. the applicant’s methods and processes to ensure consistency of dose;
3. the applicant’s arrangements for routine testing by a department approved laboratory;
4. the means and processes the applicant shall employ to make qualified patients and primary caregivers aware of how to report adverse events related to medical cannabis use to the Department; and
5. the means and processes the applicant shall employ to make qualified patients and primary caregiver aware of how to report concerns regarding a producer’s products to the Department.

G. FINANCIAL AND ORGANIZATIONAL INFORMATION

A copy of the applicant’s Financial and Organizational Information must be included with the application.

A licensee must operate in accordance with the organizational structure submitted as part of the producer’s application unless the Department approves a modification to the organizational structure in writing.

In addition to information submitted in the Application Form any other requirements contained in the rules found at 7.34.4 NMAC, note that the Organizational Structure Materials must include:

1. a copy of the applicant’s articles of incorporation;
2. a copy of the applicant’s by-laws;
3. a copy of the applicant’s current business license;
4. a copy of the applicant’s Tax and Revenue registration certificate;
5. a copy of a certificate of good standing from the New Mexico Taxation and Revenue Department; certification from the New Mexico Secretary of State that the applicant is a nonprofit corporation in good standing pursuant to Section 53-8-1 et seq. NMSA 1978;
6. written verification that the applicant’s board of directors includes (at a minimum) five voting members, including one medical provider limited to a physician (MD or DO), a registered nurse, nurse practitioner, licensed practical nurse, or physician assistant, and three patients currently qualified under department regulations and the Lynn and Erin Compassionate Use Act, NMSA 1978, Section 26-2B-1 et seq.;

7. any agreements between any two or more members of the applicant that relate in any manner to the assets, property or profit of the applicant or any other comparable documents, that relate to the structure, organization, management or control of the applicant;

8. a current organizational chart for the applicant that includes position descriptions and the names of all persons holding each position in the chart, to the extent such positions have been filled;

9. resumes for all persons holding the positions list in the organizational chart. To the extent such information is not revealed by a resume, include additional pages with each resume setting out the employee’s particular skills, education, experience or significant accomplishments that are relevant to owning or operating a production facility;

10. a copy of all compensation agreements with producer backers, directors, owners, officers, other supervisory employees, and any other persons required to complete Appendices A and B. For purposes of this application, a compensation agreement includes any agreement that provides, or will provide, a benefit to the recipient whether in the form of salary, wages, commissions, fees, stock options, interest, bonuses or otherwise;

11. a detailed description of the nature, type, terms, covenants and priorities of all outstanding loans, mortgages, trust deeds, pledges, lines of credit, notes, or other forms of indebtedness issued or executed, or to be issued or executed, in connection with the medical cannabis operations of the applicant;

12. complete copies of all federal, state and foreign (with translation) tax returns filed by the applicant for the last three years, or for such period the applicant has filed such returns if less than three years;

13. complete copies of the most recently filed federal, state and foreign (with translation) tax returns filed by each: (i) producer backer; and (ii) each backer member identified in Section B of Appendix A; and

14. a financial statement setting forth the elements and details of all business transactions connected with the application.

H. PERSONNEL MATERIALS

A copy of the applicant’s Personnel Materials must be included with the application.

In addition to any other requirements contained in the rules found at 7.34.4 NMAC, note that the Personnel Materials submitted with the application must include:

1. Separate nationwide and statewide criminal history screening documentation for employees
and contractors of the applicant;

2. Copies of personnel policies and procedures developed, implemented, and to be maintained on the premises of the private entity’s facilities, and verification that the applicant will comply with such policies and procedures;

3. Samples of the personnel records to be retained by the private entity for each employee as required by this rule, including:
   a. application for employment;
   b. state and federal employment documentation; and
   c. a written job descriptions or employment contracts developed for all employee positions, to include duties, authority, responsibilities, qualifications, and supervision;

4. A training curriculum to be maintained on-site (unless the applicant intends to enter into contractual relationships with outside resources capable of meeting employee training needs) that addresses, at a minimum, the following topics:
   a. state and federal confidentiality laws, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA);
   b. professional conduct and ethics;
   c. the Lynn and Erin Compassionate Use Act and Department of Health rules;
   d. informational developments in the field of medical use of cannabis; and
   e. employee safety and security training addressing, at a minimum, the proper use of the security measures and controls that have been adopted, and specific procedural instructions on how to respond to an emergency, including a robbery or violent accident; and

5. Proof of HIPAA training for all individuals associated with the applicant’s medical cannabis operations, including all board members, persons having direct or indirect authority over management or policies, and employees.

I. AGRICULTURAL AND PRODUCTION EXPERIENCE

In addition to any other requirements contained in the rules found at 7.34.4 NMAC, the following material related to the applicant’s agricultural and production experience must be included with the application:

A detailed description of the skill, knowledge and experience of the applicant in agriculture and other production techniques required to produce medical cannabis. For purposes of this response, the applicant may include the experience of any person employed by the applicant, including the person’s name and position with the applicant.