

N.M. Proposing Changes in Medical Marijuana Program (UPDATED):

By Sue Major Holmes, Associated Press

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Some medical marijuana growers in New Mexico say proposed changes to the state's program, which include new fees imposed on producers, weren't adequately considered and would destroy small-scale licensed growers.

The state Department of Health announced proposed changes to the program's regulations in late summer, and revised them after growers and patients criticized the changes during a September hearing.

A hearing on the latest plan is set for Thursday in Santa Fe.

Health Department officials have said they want to raise fees to pay for administering the program, which until now has been funded from other agency programs.

"We tried to project income in such a way that it will support the program substantially, especially given the current budget situation," Health Secretary Dr. Alfredo Vigil said.

Initially, the agency proposed creating a new annual fee equal to 7 percent of a producer's yearly gross receipts. The department scuttled that plan after objections that the fee in essence doubled the gross receipts tax growers already pay.

The agency now proposes an annual fee based on how long a grower has operated, ranging from \$5,000 for producers licensed for less than a year up to \$30,000 for those licensed for more than three years.

Santa Fe grower Len Goodman said a fixed dollar amount will allow large, well-capitalized producers such as himself to continue but will kill small ones.

"Every community in New Mexico should be able to have a small-scale producer to take care of small needs. That fee precludes that," he said.

However, one large producer, SFINM, in comments prepared for the hearing, said the proposed rules are well thought out and that the proposed renewal fees are realistic.

The attorney for the newly formed New Mexico Medical Cannabis Producers' Guild, Paul Livingston of Placitas, contended in a recent letter to Vigil that the department failed to adequately consider the costs or justification for its proposals — in particular, the increased fees on the licensed, nonprofit growers.

The guild, only about three months old, is too new to have developed a position on the plan, Livingston said in an interview.

However, he said there's "a general feeling it's unreasonable to demand a fee" without detailing how it would be spent and without addressing other concerns growers have.

Producers also are upset the state did not propose raising the current limit on the amount of medical marijuana they can have — 95 mature plants and seedlings and enough inventory of medical marijuana to meet the needs of current patients.

Growers contend the limit is not enough to handle the more than 2,800 active patients the state has licensed. New Mexico has 17 growers, six of them licensed just last month.

Producers suggested increasing the limit to 200 plants or more.

Goodman said it was "an enormous disappointment" the department did not propose higher plant limits.

He said he's the state's largest producer, but his business runs out within hours of a crop being ready. It takes two weeks to produce the next one, he said.

"We need plants because our patients need medicine," he said.

SFINM, however, said plant numbers are sufficient and increasing them to more than 100 "invites federal scrutiny."

Vigil said the proposed changes to the regulations were "fine-tuning" the program.

New Mexico's medical marijuana law "was carefully crafted to make it a conservative, medical program," Vigil said.

"I don't think we're restructuring the program any radical or significant way," he said.

Vigil said he hoped final regulations would be in place soon, but Livingston said he'd prefer a study of the program's medical, legal and economic aspects before regulations change.