



**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
CANNABIS COMMISSION**

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A meeting of the CNMI Cannabis Commission will be held on **Tuesday, November 16, 2021 at 10:30 A.M.** at the Office of the CNMI Cannabis Commission Conference Room located at Ascencion Ct., Bldg. 1341, Capitol Hill, Saipan.

**AGENDA**

- I. Call to Order
- II. Roll Call/Determination of Quorum
- III. Consideration and adoption of Agenda
- IV. Consideration and adoption of Minutes from prior meetings
- V. Public comment
  
- VI. New Business
  1. 2021 CNMICC Citizen-Centric Report
  
- VII. Old Business
  1. Final Discussion to amend proposed regulations §180-10.1-360 Notification of Changes, §180-10.1-415 Procedure on Revocation or Suspension of License, (Part 1700 Penalties) §180-10.1-1701 Legislative Mandate, §180-10.1-1705 Suspension of Penalties, §180-10.1-1710 Definitions, §180-10.1-1715 Licensee Liability, §180-10.1-1720 Multiple Offenses from Single Action or Omission, §180-10.1-1725 Self-reporting Determination, §180-10.1-1730 Determination of Offense Level, §180-10.1-1735 Mandatory Offense Levels, §180-10.1-1740 Penalties, §180-10.1-1745 Burden of Proof, §180-10.1-1750 No Hearing Necessary for Determinations
  
- VIII. Managing Director's Report
  
- IX. Executive Session
  1. Legal matters – AAG
  
- X. Adjournment

Copies of this notice and agenda have been posted at the Administration Building Entrance Hall and [www.cnmicannabis.org](http://www.cnmicannabis.org), the CNMI Cannabis Commission's official website.

Written comments on the agenda may be submitted to the Office of the CNMI Cannabis Commission located at Ascencion Ct., Bldg. 1341, Capitol Hill, Saipan or emailed to [info@cnmicannabis.org](mailto:info@cnmicannabis.org) on or before the meeting date. Oral testimony may also be presented during the meeting on Tuesday, November 16, 2021.

**CNMI Cannabis Commission  
Regular Session Meeting Minutes  
November 16, 2021**

**I. Call to Order**

Chairwoman Nadine Deleon Guerrero called the CNMI Cannabis Commission's meeting to order at 10:35 a.m., which was held at the Office of the CNMI Cannabis Commission Conference Room located at Ascencion Ct., Bldg. 1341, Capitol Hill, Saipan.

**II. Roll Call/Determination of Quorum**

Chairwoman Nadine Deleon Guerrero called roll of the commissioners:

Vice Chairman Mathew Deleon Guerrero, representing Saipan, was present; Secretary Journie Hofschneider, representing Tinian, was present; Member Thomas Songsong, representing Rota, was present; and Commissioner Valentino Taisacan, representing Northern Islands, was present.

Chairwoman confirmed quorum with all five commissioners present via Zoom video conference. Managing Director Monique Sablan and AAG Keith Chambers were also in attendance via Zoom video conference.

**III. Consideration and adoption of Agenda**

Chairwoman opened the floor for the adoption or amendment of the agenda. Hearing no comment, Chairwoman motioned to adopt today's agenda, seconded by Secretary. All commissioners voted in favor of the motion, motion carried.

**IV. Consideration and adoption of Minutes of prior meetings**

Chairwoman conveyed that in the previous meeting, meeting audio files were being assembled for forwarding to Member Songsong, but was unsure if that was accomplished.

MD asked Member Songsong if he received any meeting audio files from the administrative assistant Ms. Babauta. Member Songsong replied that he did not see anything in his email. MD apologized and mentioned that it will be resent.

Member Songsong reminded the commission members that the January 29, 2021 meeting minutes was pending adoption as it is awaiting the Vice Chairman's amendment, which the Vice Chairman acknowledged and expressed that he will forward the amendments to the January 29, 2021 meeting minutes. Chairwoman acknowledged then moved on to public comment.

## **V. Public Comment**

Chairwoman opened the floor for public comment. MD reported that there were no members of the public present for public comment. Chairwoman announced the same.

## **VI. New Business**

### **1. CNMICC Citizen-Centric Report**

Chairwoman inquired with the MD if the commission's Citizen Centric Report (CCR) was completed and ready to present.

MD acknowledged that it is and commenced its introduction, i.e., mandated by law, exhibited the CNMICC's history, mission, public laws, commissioners and staff, detailed the establishment of divisions, types and number of commercial and non-commercial cannabis applications and licenses, fiscal year 2021 budget, finances and funding sources, collections, challenges, the crucial need for a cannabis tracking system, statuses of applications and licenses, funding needs of the Tinian and Rota satellite offices, the conduct of informational/educational campaigns, collaboration with law enforcement agencies, etc., and concluded that the CCR was ready for submittal.

Chairwoman congratulated the MD for her amazing work with the CCR's design and informative presentation, however, expressed the importance of noting that the commission's collection figures excludes taxes and other fees associated with entering the cannabis industry, which include:

- Monthly business gross revenue collections through the Division of Revenue and Taxation of the Department of Finance; and
- Fees associated with the zoning authority, Commonwealth Utilities Corporation, etc.

... Which are important to capture actual revenues and not only perceived through the commission's licensing fees, and suggested that information be noted in the CCR. MD acknowledged.

Chairwoman opened the floor to the commission members for questions or comments on the CCR. No question or comments was offered, and the MD was subsequently congratulated for her marvelous work.

## VII. Old Business

1. Final Discussion to amend proposed regulations §180-10.1-360 Notification of Changes, §180-10.1-415 Procedure on Revocation or Suspension of License, (Part 1700 Penalties) §180-10.1-1701 Legislative Mandate, §180-10.1-1705 Suspension of Penalties, §180-10.1-1710 Definitions, §180-10.1-1715 Licensee Liability, §180-10.1-1720 Multiple Offenses from Single Action or Omission, §180-10.1-1725 Self-reporting Determination, §180-10.1-1730 Determination of Offense Level, §180-10.1-1735 Mandatory Offense Levels, §180-10.1-1740 Penalties, §180-10.1-1745 Burden of Proof, §180-10.1-1750 No Hearing Necessary for Determinations

Chairwoman explained that the subject matter was formalized in the agenda because it was not indicated in the previous public notice meeting agenda, and did not want any issues arising out of an uninformed public or licensee, especially involving the charging of fees for non-compliance and penalties, etc.; thereby today's meeting was scheduled to formally address the matter and another meeting scheduled for Friday, November 19, 2021 to consider and vote on, which were posted in the commission's website.

Chairwoman continued that the finalized document on the proposed regulatory amendments that was discussed in length in the last meeting was referred to all commission members for review and input, and that she was satisfied with the finalized document and asked the commission members if they had any question, comment or to address it further; she then asked the AAG if it was required to read aloud the proposed regulatory amendments for the record.

AAG replied that it may be summarized, not necessarily read formally verbatim, and that it should be discussed again as in the last meeting at least before voting on it because it was said that the proposed regulatory amendments was not specifically listed in last week's agenda. Chairwoman acknowledged.

Vice Chairman agreed, reiterated and summarized the proposed regulatory amendments as was discussed in the commission's previous meeting of November 10, 2021 as follows: Application processing process, identification of an applicant, licensee representative, notification to the commission of changes to ownership interests, location, operations, business trade name or logo, online media presence, ability to deny, procedures for revocation and suspension, etc.

MD interjected and inquired with the Vice Chairman and AAG regarding her LSR that sought clarification on the topic of "preponderance of evidence." A brief discussion and

explanation followed with the AAG relating to evidentiary standards, reasonable explanation, clear convincing evidence, evidence shown to be above a majority, preponderance of evidence of all the evidence collected, civil standards, etc.

Vice Chairman asked the AAG's clarification on the issue of burden of proof and preponderance of evidence standard referring to as strict rules of evidence, and any conflicts with the use of the two terms "burden of proof" and "preponderance of evidence," which the AAG momentarily discussed and explained.

Vice Chairman thanked the AAG for his explanation and then continued and concluded with the summarization of the proposed regulatory amendments to part 600, section 601 on privileges and prohibitions, and part 1700, sections 1705, 1710, 1715, 1720, 1725, 1730, 1735, 1740 on penalties, definitions, licensee liability, multiple offenses, self-reporting, determination of offense levels, mandatory offense levels, and penalties.

Chairwoman thanked the Vice Chairman for his overview of the proposed regulatory amendments, and then asked the MD if she received an LSR response relating to "limitations on penalties."

MD replied that it did not relate to penalty limits and then asked the AAG about it and other pending LSRs. Questions followed with the AAG on the pending LSRs, and discussions on the proposed penalty amounts, and amount limits on penalties.

Chairwoman then asked the MD if moving forward with the proposed regulatory amendments without a fee schedule, which has yet to be developed, was satisfactory in addressing encounters and concerns with managing her duties. The MD replied that she is satisfied with its adoption as it incorporates penalties and offense levels, which will assist with the enforcement of violations.

Chairwoman concluded that she is then satisfied with pushing the proposed regulatory amendments forward and asked the other commission members if they had any concerns or issues for discussion. Hearing no comment, the Chairwoman asked if there was any motion to consider voting on this matter in the next board meeting scheduled for Friday, November 19, 2021.

Vice Chairman motioned to take the proposed regulatory amendments to the commission's next scheduled meeting for a vote, seconded by the Secretary. All commissioners voted in favor of the motion, motion carried.

Chairwoman reiterated the scheduled meeting set for Friday, November 19, 2021, and thanked the Vice Chairman, Secretary, and MD for their work and in notifying the commission members of the need to address issues encountered in the course of the MD's duties.

### **VIII. Managing Director's Report**

MD reported that she received a text message regarding a local restaurant's post on Instagram of what was referred to as "liquid marijuana" from a concerned citizen; she assigned commission enforcement staff to conduct an inquiry with the restaurant owner or staff, including reviewed their menu, which was not a listed item, to make a determination on the matter; the product item is a beverage termed liquid marijuana, and research conducted described it as not containing marijuana or THC, and thus concluded that the restaurant and beverage did not and was not infused with marijuana or THC. The Secretary added that her research on it also described the same, a non-marijuana infused beverage.

MD continued that the aforementioned restaurant confirmed that its liquid marijuana beverage is not marijuana infused and that they do not conduct any marijuana business on its premises; the restaurant establishment was also informed of regulations and repercussions pertaining to social media postings of marijuana advertising, products and or sales.

MD mentioned the receipt of an LSR response describing the commission's ability to levy civil penalties, and communicated the matter of the "start-up inventory" clause of the regulations that is going to lapse in January, and asked if the commission members desired to address that particular regulation, because a few applicants inquired about that reporting requirement on inventory of items, e.g., equipment, supplies, assets, etc., however, that it could be a separate topic of discussion in another meeting.

MD apologized for delays with commission members' compensation as accessing abnormalities were encountered with the MUNIS system, but it is being promptly addressed.

MD continued that in the appendix for the marijuana lounge class 1 or 2 applications, one requirement is the submittal of a BEH (Bureau of Environmental Health) permit with the application packet, and mentioned that she discussed the matter with BEH who answered that in order for BEH to conduct an inspection for the issuance of a BEH permit, a food establishment must be at least 90% completed or close to being ready to operate or pre-

operational; the one issue with marijuana lounge applications is that would be a required document in reaching the approval-in-principal (AIP) stage or level, otherwise the application would be considered incomplete without the BEH permit, and therefore sought the commission members' consensus if it would agree with accepting a marijuana lounge applicant's BEH permit after an AIP is issued or after the commission's conduct of its first inspection for operational readiness. MD further explained the situation and justified streamlining of this process affecting marijuana lounge applicants.

Chairwoman, Vice Chairman, Secretary and MD further discussed the BEH and commission's processes and the alignment of those processes in meeting timelines.

Chairwoman and commission members were all in agreement with the MD's recommendation for the acceptance of BEH permits after an AIP is issued or after the commission concludes its first inspection for operational readiness for marijuana lounge applicants. MD thanked the commissioners for agreeing with that process and concluded that she had no further matters to report.

Chairwoman thanked the MD and asked the commission members if they had any question or matters to discuss, including legal matters for executive session.

## **IX. Executive Session**

### **1. Legal matters – AAG**

No executive session was held during this meeting.

## **X. Adjournment**

Hearing no further question, comment or discussion, Chairwoman motioned to adjourn meeting, seconded by Secretary. All commissioners voted in favor of the motion, motion carried. Meeting adjourned at 11:53 a.m.