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COMMONWEALTH of the NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

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

A meeting of the CNMI Cannabis Commission will be held on **Thursday, January 30, 2020, at 10:30 A.M.** at the office of the Commonwealth Casino Commission Conference Room at the Springs Plaza on Middle Road.

AGENDA

- I. Call to Order
- II. Roll Call/Determination of Quorum
- III. Consideration and adoption of Agenda
- IV. Consideration and adoption of Minutes of prior meetings
- V. Public Comment
- VI. Old Business
 1. Continue Discussion on Commercial Regulations
 2. Homegrown FAQs and Homegrown Program rollout
 3. Commission Bylaws, AG's response to LSR
 4. Media Plan: KKMP live discussion
 5. Application Process for Homegrown Registry applicants
 6. Commercial application draft discussion
 7. Supplemental budget proposal presentation to House
 8. Agency meeting discussion with Rev & Tax
 9. Various LSRs to AG's office for consideration
 10. Legal Counsel Representation
- VII. New Business
 1. Special Advisor's Report
 2. Director's Report
- VIII. Adjournment

Copies of this notice and agenda have been posted at the Administration Building Entrance Hall, House of Representative Entrance Hall, Senate Entrance Hall and the CNMI Casino Commission Office.

Written comments on the agenda may be submitted to the CNMI Cannabis Commission, through the Office of the Governor, on or before the meeting date. Oral testimony may be presented during the meeting on Thursday January 30, 2020.

CNMI Cannabis Commission

Regular Session Meeting Minutes

January 30, 2020

I. Call to Order

The CNMI Cannabis Commission was called to order by Chairwoman Nadine Deleon Guerrero at 10:39 a.m. on January 30, 2020, in the Commonwealth Casino Commission Conference Room, Saipan.

II. Roll Call/Determination of Quorum

Nadine Deleon Guerrero, Commissioner representing Saipan
Matthew Deleon Guerrero, Commissioner representing Saipan
Valentino Taisacan Jr., Commissioner representing Northern Islands
Journie Hofschneider, Commissioner representing Tinian
Thomas Songsong, Commissioner representing Rota

Joseph Deleon Guerrero, Special Advisor (SA) on Cannabis Industry for the Office of the Governor

Monique B. Sablan, Managing Director

Keisha Blaise, Assistant Attorney General

III. Consideration and Adoption of Agenda

- Chairwoman made a motion to amend the agenda to include discussion for CTS under new business; Secretary seconded. No discussion. All members were in favor, motion carried.

IV. Consideration and Adoption of Minutes of Prior Meeting

- Secretary made a motion to table the January 23rd minutes to the following meeting. Vice Chairman seconded it. No discussion. All Members voted in favor of the motion.

V. Public Comment

Treasurer Taisacan, verified that there were no members of the public present; therefore, no public comments were made to the Commission.

VI. Old Business

1. Discussion on Commercial regulations – Summary of status by Chairwoman:

- o Briefed Keisha - Submitted Homegrown Marijuana Regulations (HMR) and HMR FAQs, AG provided feedback and suggested amendments and changes; since then, the documents have been updated to include the suggestions and members are to review and agree to adopt for the regulations
- o For commercial regulations, we are 80-85% completed and have forwarded packages to the AG's office for review as of December 23, 2019. We are currently waiting for a response from AG, including legal sufficiency, proper citations, proper references to codes.

RECESS Chairwoman recessed the meeting at 10:48 a.m.

IN SESSION Chairwoman brought the meeting back in session at 10:59 a.m.

- o Vice Chairman went over micro producers draft regulations with the members:
 - In order to engage indoor/outdoor production or combo of the two, they would have to enter in an agreement with a licensed wholesaler
 - Sell and transport - cannot give to anyone other than a marijuana wholesaler in which the micro producer has a valid agreement
 - Members need to determine what the agreement looks like: ie. Written, includes length of term of contract
 - Micro producers operating procedures are identical to producers

- Changes: there is no growth site limitation, there is plant limitation, and the concept about segregating their retail opportunities to wholesalers
- Chairwoman elevated whether we should limit micro producers and have rationale for that decision; Vice Chairman suggested we do not limit the number because we won't be regulating the individual micro producers, the wholesalers will. We could put a limit on wholesalers and lounges.
- Question was raised on how it would work in Tinian and Rota if there was no interest for a wholesaler. Members discussed perhaps making exceptions for what constitutes a "wholesaler" for these islands. Additionally, the local hire requirement, would there be enough local hires to sustain the commercial licenses. Commissioner Songsong commented that there is not a lot of interest in farming in younger generations.
- MD brought up workshops, and safe growing.
- Commissioner Songsong suggested NMC CREES for agricultural workshops that would be relevant to people wanting to learn how to cultivate.
- Members discussed the challenge/limitations of import and exporting between islands; Vice Chairman suggested adding a line to the bylaws or early parts of regulations where we talk about the limitation on imports and exports, that maybe we add a line that states, "for the purposes of these regulations, inter-island transport does not constitute importing and exporting." **A/AG Keisha Blaise will look into sea and air transportation of cannabis surrounding the member's questions.**
- Members asked Keisha for clarification around the Commission's authority/limitations to enforce private residences. She confirmed that we have no authority and DPS will be the enforcement agency.
- Members asked Keisha for clarification around someone reapplying for a Homegrown Marijuana Registry (HMR) card when it has been revoked due to three violations of law/regulations and when the law states we cannot prohibit someone from applying. **A/AG Keisha Blaise will get back to us on that question.** SA added that the Commission can issue a fine (under statute) to the card holder, if necessary.

- Commissioner Songsong elevated a question he received from the public: Will having a HMR card interfere with a person's rifle ownership? SA confirmed that there is some information in the 003 legislative intent findings, but not in the statute has prohibitions.
- Vice Chairman requested to discuss lounges starting with Class 1 (similar structure to retail licenses) - under #3. "Return Marijuana Items under Sell and Deliver" strike "retailer"
- #4 – strike "immature plants" and "seeds"
- For consideration (a) 4 to add: Class 1 lounges are able to purchase and receive useable marijuana from producer, wholesaler, processor, retailer or from a research certificate holder
- Members discussed lounges being required to buy from a retailer where the product would have been tested.
- Commissioner Songsong mentioned that there are tools out in the market for wholesalers to be able to test product. The question is where do we require testing? Ie. Point of sale, retailer
- Secretary mentioned that the lounge licensees would have a liability to be responsible for patron conduct and monitoring their consumption. Knowing the potency of product served out of package and displaying the ingredients and potency of a product on a menu, for example, is necessary in a lounge. In a retailer, the patron reads the labelling that would have the specific information and would make their decision based on the advertised information on the package.
- CLASS 2 LOUNGES: In discussion of Class 2 lounges, Chairwoman asked legal whether patrons would have to sign a waiver to remove the liability from the licensee if for example the marijuana they brought to the premises was laced. **A/AG Keisha Blaise stated that she would research into it.**
- Commissioner Songsong mentioned that people would not want to apply for a Class 2 lounge but rather have them smoke at their residences/farms, offering it as a destination/alternate venue. Vice Chairman mentioned that if the landowner charged for people to stop and smoke on their property, then they would need to apply for a lounge. If it is free, then it is not necessary.

- Vice Chairman added that no one can sell immature marijuana plants.
- Vice Chairman went over purchasing access for all license types:
 - Producer has wholesaler, processor, retailer, and lounge access
 - Wholesaler has processor and retailer access
 - Processor has retail access
 - Retail has lounge and customer-facing access
- Members discussed interest in people wanting to open a producer and have a lounge on site – this way the patrons can see how product is manufactured and then consume the product in the lounge.

2. Homegrown FAQs and Homegrown Program rollout

- SA went over all changes made to the HMR FAQs and regulations based on the feedback received from AG
- Secretary clarified that multiple card holders can reside in the same household; however, they may not have the same cultivation site. Ie. One can cultivate at the residence and one can grow at their farm.
- Members discussed Commissioner Songsong’s previous question about whether by law, we are required to publish the application process. Deputy AG previously clarified that we would have to show her the process and application for a determination to be made. The Commission would like clarification if we are bound by law to publish. Commissioner Songsong mentioned that when Public Lands published Village Homestead rules and regulations, it was accompanied by the application and the process. It is uncertain if the Commission would need to publish the process.
- Application update: MD has the draft HMR application and Secretary has a draft commercial application. Secretary requested MD share her version with her for review and consistency

- Prior to moving to adopt the HMR regulations, SA confirmed that we should have the application completed first. Additionally, he suggested an educational component for applicants to complete prior to approval. A Term & Condition Handbook will be developed by SA and MD which can be used to educate applicants prior to being approved for a HMR card.
- Members discussed process mapping the HMR application process, including the educational handbook that would be required prior to rolling out the registry.
- Secretary provided MD with the link to British Columbia's cannabis regulation website that includes the term and condition handbook for reference. SA and MD will work on the handbook for the HMR card.
- Equipment required to print the HMR cards was discussed; however, Secretary suggested they just be downloadable, printable cards. Although there was concern by the senate regarding fraudulent cards being issued, Secretary provided her experience working in BC and advised that there was never an issue with fraudulent licenses being created. Inevitably it would require Commission staff to validate an individual's card to determine if it is legitimate. Members agreed to investigate resources from other agencies in order to accommodate printing the HMR card for applicants.
- SA mentioned that we cannot reference the regulations in the handbook until it is published; however, we can cite the law.
- Members agreed that one cultivation site is permissible per lot; landowners have the option to sub-divide if they wish to. Commissioner Songsong mentioned that subdividing would be a significant cost to Rota residents because they would have to pay for Saipan surveyors to fly there and conduct the process of subdividing the lots.
- Members agreed to table the bylaws for now.

3. **Media Plan: KKMP live discussion**

- Chairwoman summarized the topics we will share on air at KKMP: current status of the Commission, HMR privileges and prohibitions, satellite offices and penalties and fines.

4. Application Process for Homegrown Registry applicants and Commercial application draft discussion

- MD and Secretary are still working on the draft applications for HMR and commercial. (tabled)

5. Supplemental budget proposal presentation

- Vice Chairman summarized that due to potential austerity and Corona virus, may be best to look at implementing things we can right now by accessing other resources. He suggested we prioritize necessary staffing resources and see what agencies can assist. The 2021 budget will include overall operational and staffing requirements. MD advised we have the budget for an Executive Secretary and office space; office equipment is necessary through procurement.

6. Agency meeting discussion with Rev & Tax

- Chair asked the question to legal counsel whether we need to come up with tax codes for filing BGRs.
- Vice Chairman discussed cannabis excise tax; however, this topic requires further discussion with the legislature.
- Rev and tax will determine how to apply a surcharge, they will produce the form, how to segregate cannabis-related businesses and where to locate a cannabis business in the industry structure.
- Vice Chairman suggested we prohibit non-profit entities from applying.

7. Various LSRs to AG's office for consideration - update

- MD summarized the LSRs – 1) assistance from Deputy Attorney General – she delegated A/AG Keisha Blaise or A/AG Mike Ernest 2) Do we need to publish the Homegrown as an official publication – Keisha said she wanted to see the draft to determine 3) Limits of the Commission's authority – in relation to local law enforcement; Keisha confirmed that we do not have any authority. Criminal cases should be forwarded to DPS then if evidence, forward for prosecution to AG. This goes for any complaints received from the public regarding Homegrown Registry. The Commission does not

have authority to inspect a card holder's residence/cultivation site.

- Members asked if enforcement staff went into a lounge and noticed minors present or any other contraventions that may be criminal, who is responsible for enforcing and what are the limits of the commission's enforcement team? **A/AG Keisha Blaise said she will respond formally.**

8. Legal Counsel Representation

- A/AG Keisha Blaise will assist the commission unless otherwise advised.

NEW BUSINESS

1. Special Advisor's Report – no updates

2. Director's Report – provided update regarding office space bids; met with Office of Revenue and Budget to discuss procurements and TAs; updated members on the cannabis spending plan

RECESS

- Chairwoman recessed the meeting at 3:25PM until January 31st at 7:30 am at KKMP headquarters.