



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

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A regular meeting of the CNMI Cannabis Commission will be held on **Friday, July 29, 2022, at 10:30 A.M.** at the office of the CNMI Cannabis Commission Conference Room at Ascension 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 of prior meetings
- V. Public Comment
- VI. Acting Chair Report
 1. Communications
 2. Committee Organization
- VII. New Business
 1. Discussion and Voting on Amendments to:
 - i. § 180-10.3.101 Establishment of Homegrown Marijuana Registry
 - ii. § 180-10.3.105 Homegrown Marijuana Privileges; Prohibitions
 - iii. § 180-10.3.110 Maintenance of Homegrown Marijuana Registry
- VIII. Old Business
 1. Job Vacancy Announcement for Managing Director Position
 2. Job Vacancy Announcement for Executive Secretary to the Commission
 3. Discussion on Regulatory Amendments
- IX. Acting Managing Director's Report
- X. Executive Session
 1. Discussion with Legal Counsel on pending or anticipated legal matters
- 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 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 Ascension Ct., Bldg. 1341, Capitol Hill, Saipan or emailed to info@cnmicannabis.org on or before the meeting date. Oral testimony may also be presented during the meeting on Friday, July 29, 2022.

CNMI Cannabis Commission
Regular Session Meeting Minutes
July 29, 2022

I. Call to Order

The Acting Chair Mathew Deleon Guerrero called the CNMI Cannabis Commission's meeting to order at 10:37 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

The acting chair called roll of the commissioners:

Secretary Journie Hofschneider, representing Tinian, was present;
Treasurer Valentino Taisacan, representing the Northern Islands, was present via Zoom;
and Member Songsong, representing Rota, was present via Zoom.

The acting chair confirmed quorum and said that he is serving as the acting chairman effective this month following the resignation of Chairwoman Nadine Deleon Guerrero.

The Assistant Attorney General, Ms. Keisha Blaise, was present while the Acting Managing Director, Mr. Erik Basa, was absent due to illness.

III. Consideration and adoption of Agenda

Secretary Hofschneider motioned to amend the agenda with an addition to new business regarding *appointment of board member to the commission*, and an addition to executive session on *commission staffing*, which was seconded by Treasurer Taisacan. There was no discussion. All commissioners voted in favor of the motion; motion carried.

IV. Consideration and adoption of Minutes of prior meetings

The acting chair indicated that Member Songsong sent the October 29, 2021, meeting minutes review and asked if there was a motion for its adoption.

Secretary Hofschneider expressed that she is not ready to adopt the October 29, 2021, meeting minutes. The acting chair then tabled the October 29, 2021, minutes to the next meeting.

Member Songsong mentioned that there was another meeting minutes that was sent earlier for review.

The acting chair acknowledged that those were the April 27, 2022, and May 26, 2022, meeting minutes, and that the commission is without the June and July 2022 meeting minutes.

Secretary Hofschneider asked Member Songsong about the pending September 29, 2021, meeting minutes in which he replied that his search of the commission's google shared drive showed that the audio recording was absent, missing.

Secretary Hofschneider then mentioned that the May 26, 2022, meeting minutes may have been adopted, but not the April 27, 2022.

The acting chair said that he would reconfirm adopted minutes and then motioned to adopt the May 26, 2022, and April 27, 2022, meeting minutes. Member Songsong reiterated that the May 26, 2022, meeting minutes was adopted during the commission's June 24, 2022, meeting. The acting chair indicated that the April minutes was an important one as that was when the commission postponed the hearing, which is a conversation that will be discussed later today.

The acting chair then motioned to adopt the April 27, 2022, meeting minutes, seconded by the secretary. There was no discussion. All commissioners voted in favor of the motion; motion carried.

The acting chair specified that he would look into the outstanding meeting minutes for proper accounting of what needs to be adopted and reiterated the tabling of the October 29, 2021, minutes for the next meeting.

V. Public Comment

The acting chair opened the floor for public comment and subsequently announced that there were no members of the public present for public comment, and then mentioned that the acting managing director was unable to attend today's meeting due to illness.

VI. Acting Chair Report

1. Communications

The acting chair expressed that to recap on communications that has been happening since the last meeting so that everybody is on the same page and understands what is going on, there has been several communications between him and the acting managing director relating to the budget and are going through a process of making sure that employees are trained with the Munis System, and to figure out the commission's budget

allocation; some issues arose not necessarily with the commission's budget but with how the budget is laid out; at the current moment, the commission has ARPA allocation of about \$234,000 remaining and the question of whether or not the commission expended some of its separate sources of funds; recall that there was a time in which the Saipan and Northern Islands Legislative Delegation, sponsored by the cannabis chair, appropriated \$25,000 to the commission for office equipment and repairs, which the current sheets from finance say that the commission has not touched any of that; there is a need to ensure that the commission verifies its accountability and that it is not a fiscal year limitation, so the commission may use it whenever there is a need for it; everything else of the \$200,000 is slated for personnel but there is a deficit in one of the accounts, it is a weird finance system that the commission needs to work out.

The acting chair stated that met with AAG Dela Cruz who was assigned to the commission for the hearing that was supposed to be on April 27th, which will be discussed a little more in executive session; also met with the governor to discuss the appointment of an acting managing director because Mr. Erik Basa will have to go on leave off-island in the beginning of August; the commission is looking at Ms. Janina Maratita to take the role of acting managing director for the ten day period during Erik's absence; nothing is anticipated to happen but she's expected to be checking in at the governor's office, and if the commission has any questions, Janina will be the acting.

2. Committee Organization

The acting chair indicated that since this is the first meeting since the chairwoman's resignation, in reviewing the regulations, there are no provisions for assumption of duties, only for election of officers; for the interim period between now and September when the commission has its annual elections, the commission will not have an official chair, unless the commission wants to change those regulations; it will just be him in an acting capacity and wanted to make that known to the commission, and that there is a commission vacancy; he added that Secretary Hofschneider is still assisting with application processing and permitting, and so for decisions, the commission will rely primarily on him, Member Songsong and Treasurer Taisacan for decisions on applications for the time being.

The acting chair stated that is all he had to report and asked if anyone had any questions or discussions. There were no questions or comments. The acting chair thanked the commission for their patience with this new role as the meeting is being run.

VII. New Business

1. Discussion and Voting on Amendments to:

i. § 180-10.3.101 Establishment of Homegrown Marijuana Registry

The acting chair expressed that the commission has been working with the managing director in trying to better streamline the process and have better use of resources as it relates to homegrown, and would like to provide a little background, which Secretary Hofschneider could fill in further; the homegrown numbers are not very solid and there has been a lot of issues with the processing of homegrown applications because of the requirements that are not necessarily required by the statute, but are required by regulations; homegrown is not the forefront of a lot of the commission's effort but wanted to take the time to discuss some issues and to work through potentially voting on amendments today that would streamline that process.

Secretary Hofschneider specified that one of the issues with the homegrown application and regulations require that the applicant provide proof of ownership or right to occupy the premises, documentation in the form of a lease, deed, deed of gift, warranty deed, purchase or sale of probate documents, certificate of title, etc.; what she and the Acting Managing Director Erik Basa have come across is that the majority of the applicants' land documents or titles are not in the correct names or updated of the applicant and are still identified under the deceased original landowner(s) [of which they are or may be heirs of the property]; applicants are having difficulties in providing these required documents and has become frustrating for them; they are unfamiliar with land documents or are not well versed or unsure of what to provide even with help from others, and still find it challenging to provide what is needed; additionally, the homegrown application asks for signed rental agreements with the landlord or owner but the commission does not verify if the landlord is the correct person or authority even with a signed a rental agreement; there seems to be a little bit of a gap too because anyone can sign a rental agreement for another and it is proving to be challenging; as the commission starts getting the educational training out there with Tinian and Rota DPS and customs, they will be enforcing more, which could lead to the commission receiving more homegrown applications, which means the commission needs to tighten this process to make it easier for everyone; the commission will also not have to use its resources to try and decipher whether or not old land documents or land use agreements are compliant with requirements; AAG Blaise has been helping with responses to the commission's LSR in providing options and guidance as to how applicants can potentially meet those requirements, and the commission's determination if it satisfies requirements; a lot of resources have already gone into reviewing these applications, and so the AAG is assisting with providing a checklist to help simplify that question relating to legal landownership, authority over property, etc.; with the change of regulations and the checklist, it would help simplify that process for applicants, just to update the

commission of those challenges and what is being considered as far as amending regulations once there is a better idea of what that would potentially look like.

The acting chair asked the secretary if she felt the commission is in a position to talk about amending the regulations now or wait for the checklist. The secretary and AAG entered a brief conversation about the subject the matter...

The acting chair stated that it is to get an understanding of where the biggest holdups are and asked if it is the extent to which the commission administratively requires the information or is it the regulatory requirements that is prohibiting the allowances of making it simpler.

Secretary Hofschneider expressed that the regulation requires proof of ownership, e.g., probated or un-probated property, wills, etc.; there is a need for the applicant's acknowledgement that they have these things and the commission not having to analyze property ownership documents in trying to piece together ownership, it should be clear from the onset; there were several documents and cases that had to be looked up and pieced together, whether or not what scenario fits in with respect to the response of ownership; there are many different scenarios and it could be simplified by specifying to provide x, y and z, for example.

The acting chair asked if it would help to go through what is in the regulations in terms of 101 (b), and then read the following homegrown regulatory requirements:

(b) *"To register, individuals must provide to the Commission:"*

1. *"Names and information of all individuals located in the household;"*

The acting chair expressed that this was fine.

2. *"Any forms required by the Commission and any information identified in the form that is required to be submitted;"*

3. *"A map or sketch of the premises, including the defined boundaries of the premises and the village, street and relative location of the household or cultivation site;"*

The acting chair asked if the commission needed a sketch or map. The secretary acknowledged that a map is needed for verification of location, similar to commercial requirement.

The acting chair indicated that the commission is good with regulatory items 1, 2 and 3 so far, or to get that out into discussion if the commission considers amendments, and then went on to read regulatory item 4.

4. *“A description of the growing operation including growing media, a description equipment to be used in the production, and whether the production will be indoor, outdoor or both.”*

The acting chair asked if the commission needed this or to add it to commission requirements and potentially...Secretary Hofschneider said that this seems to confuse people and expressed that if home growers choose to use a hose, soil, and pot, she is okay with that.

The acting chair indicated that things are being listed down and motions to be made later, but for now it seems that item 4 is up for question.

5. *“Proof of right to occupy the premises: (i) If the legal household is a rental unit, provide: (A) Agreement from the landlord or owner permitting the growing of marijuana on the premise (B) Signed rental agreement with the landlord or owner.”*

Secretary Hofschneider said that this area seems to be problematic. The acting chair responded that this will be placed for discussion.

6. *“Description of measures taken to ensure: (i) The plants are secure from access by a person under the age of 21 and unauthorized access.”*

The acting chair asked if the commission wants to keep this or have it up for discussion. The secretary expressed that it should be kept because it is one of the biggest issues that everybody has, accessibility to minors is one of the biggest things in the law.

The acting chair concluded that those are the major requirements under the homegrown registry regulations; there are items 4 and 5, the question is does the commission have any ideas of amending, repealing, or restructuring those things.

Member Songsong expressed that the question of asking about growing media and how one grows at home, does not see why the commission must ask home growers that question; it seems like micromanaging on how one would grow at home and suggested that it be stricken from the requirements.

The acting chair indicated that there is a question in trying to recollect and looking into the law as to whether or not the landlord, the landowner requirement was a statutory

requirement, and expressed that there is work around there; relating back to item number 4 as was discussed, asked if there was an official motion on item 4 on growing operation, grow media, etc.

The secretary said that she feels the commission does not need to know how home growers cultivate and asked Member Songsong and Treasurer Taisacan for their opinion about repealing this requirement, which both commissioners agreed for its repeal.

The acting chair proceeded to the *right to occupy the premises* and noted that if the commission were to take out some of those regulatory requirements, if the commission is required to ask for it, it does not prevent the commission from asking for it in regulatory item number 2 of the requirements, and still have it as a requirement.

The acting chair asked if anybody had any amendments or recommendations for requirement item number 5, *proof of right to occupy the premises*. A brief discussion followed on the subject matter... The acting chair subsequently asked if there was a motion that could be made official for section 101 (b).

Secretary Hofschneider motioned to amend section 101 (b) of the regulations under the Homegrown Marijuana Registry to repeal requirements 4 and 5, which are:

- *“A description of the growing operation including growing media, a description of equipment to be used in the production, and whether production will be indoor, outdoor or both.”*
- *“Proof of right to occupy the premises.”*

The acting chair reiterated that there was a *motion to repeal 101 (b)(4) and 101 (b)(5) of the Homegrown Marijuana Registry regulations*. Treasurer Taisacan seconded the secretary’s motion. There was no further discussion. All commissioners voted in favor of the motion; motion carried.

The acting chair then mentioned that it will be included in the upcoming register for the repeal of those items.

ii. § 180-10.3.105 Homegrown Marijuana Privileges; Prohibitions

The acting chair asked if there was a desire to amend this section considering it is being repealed out of 101 (b) and reiterated that it is on 101 (d)(1), subparagraph iii.

Secretary Hofschneider *motioned to repeal 101 (d)(1)(iii), description of the growing operation used in the production*, seconded by Treasurer Taisacan. There was no further discussion. All commissioners voted in favor of the motion; motion carried.

iii. § 180-10.3.110 Maintenance of Homegrown Marijuana Registry

The acting chair briefly went over the maintenance of the registry and statutory requirements. There were no questions on the subject matter.

Member Songsong raised a point for the commission's attention on a certain matter that may not necessarily require repeal but that the commission could remain silent on, is the fact that there is a provision stipulating that a home grower's useable marijuana does not exceed eight (8) ounces [§ 180-10.3105 (2)(i)]; considering 16 ounces equals 1 pound, one or two mature plants could produce more than eight ounces, up to one pound, and growing six mature plants at any one time will far exceed eight ounces of useable marijuana; the commission shouldn't dictate how a home grower should space out plant cultivation periods to be in compliance with the 8 ounce restriction of useable marijuana at home; this is just for the commission and law enforcement's knowledge to be aware of that fact, that as long as the useable marijuana is/was derived from the home grow, home growers should not be penalized for having more than eight ounces of useable marijuana at home.

The acting chair acknowledged and mentioned it needs to be addressed and is looking into the statutory limitations of eight ounces of useable marijuana as a home grow or as an individual; he subsequently indicated that he does not think the commission has regulatory penalties for enforceable actions when it comes to homegrown anyway and that all the penalty structure is based on commercial, and whether or not the commission should enforce this provision.

The acting chair asked if there was a motion to do something about this section [maintenance of homegrown marijuana registry]; the intent being that what the commission is trying to do right is simplify the homegrown registration process so that individuals understand what is required of them, to not make it burdensome or discouraging from complying with the law, not inadvertently causing people to be outside of the law because of the way the regulations is structured; this section and other sections hits a couple of those items and asked if there was any consensus the from group as far as making a motion to amend this section.

Hearing no motion, the acting chair said that this matter will be added for review and discussed in subsequent meetings, possibly in the August meeting if the commission comes up with any ideas.

2. Discussion on upcoming appointments to commission

Secretary Hofschneider briefly pointed out that this was just to note for the acting managing director that the month of September is around the corner and the need to inform the administration that there is a vacant commission seat.

VIII. Old Business

1. Job Vacancy Announcement for Managing Director Position

The acting chair said that he has been following up on this announcement that expired on July 15th, and within that time period, there were no applicants, but after that time period, the commission received one application; the commission has recrafted the job vacancy announcement with an amendment to extend its announcement to August 15th; the commission could officially receive the application that it received but it is a question of whether or not the commission is interested in doing more broad ranging announcement of the vacancy, including through the Office of Personnel Management, press release, etc.

Discussions followed on avoiding continuous job vacancy announcement extensions, proceeding with entertaining the review of the one applicant's application, scheduling the process if deemed appropriate...

The acting chair indicated that if there was no opposition to proceed with the review of the one applicant, assigned Secretary Hofschneider if she would conduct a preliminary review of the application to see if the applicant meets the initial criteria of the commission. All commissioners acknowledged in agreement.

2. Job Vacancy Announcement for Executive Secretary to the Commission

The acting chair said that in the process of looking into the staffing requirements for the managing director and in reviewing how it has progressed, previously with the last managing director's job responsibilities and the needs of the commission, the idea he wants to put on the table emulates a little to the casino commission's structure where there is an executive secretary that reports to the commission for regular administrative duties that should necessarily be the responsibility of the managing director; it would be out of the commissioners account, not the commission account,

and would be at the commissioners discretion to hire; this job vacancy announcement has its opening date of today and closing date on August 17th for a cannabis commission executive secretary with similar responsibilities, i.e., transcribing, formatting, retrieving, copying, all these administrative duties, research, maintaining schedule, welcoming guests for meetings, the person that is putting all these things together, notifications, etc.; a lot of that the former managing director was doing when it relates to the commissioners, and transitioning so that the managing director comes in and is primarily monitoring and supervising staff and functions; in reviewing what is the commission's budget, it seems there is availability of funds to assume the cost.

The acting chair asked if there were any comments for consideration and if the commission is okay with moving forward and announcing the position. All commissioners agreed with proceeding with the announcement of the job vacancy for the executive secretary position.

3. Discussion on Regulatory Amendments

The acting chair said that he wanted to add this section to every meeting so that if there are any amendments seen necessary, if there is any discussion the commission wanted to have, what certain sections of the regulations mean, etc., that it can be covered under this section; it is an open floor if anybody has anything to talk about, and potentially in making amendments to the regulations; or, in the next meeting if anyone has anything to talk about, this is the section that it should be covered under.

There was no discussion on regulatory amendments other than what was covered earlier under the Homegrown Marijuana Registry.

IX. Acting Managing Director's Report

The acting chair indicated the Acting Managing Director Mr. Erik Basa was unable to attend the commission meeting today but will provide his report upon his return; the commission will have his report that would typically be provided in this meeting.

X. Executive Session

- 1. Discussion with Legal Counsel on pending or anticipated legal matters**
- 2. Discussion on Personnel**

The acting chair motioned to move into executive session at 11:33 a.m., seconded by the secretary. All commissioners voted in favor of the motion; motion carried.

The acting chairman announced exiting executive session and back to regular session at 12:33 p.m. and stated that discussions involved legal service requests and responses, and that there was no mention of any outgoing litigation or cases, or discussions of any of the actions relating to those elements but related to discussions on enforcement actions.

XI. Adjournment

Secretary Hofschneider motioned for meeting adjournment, seconded by Treasurer Taisacan. All commissioners voted in favor of the motion; motion carried.

The CNMICC's July 29, 2022, meeting adjourned at 12:34 p.m.