



**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, September 23, 2022, at 2:00 P.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

- VII. New Business

- VIII. Old Business
 1. Discussion on Regulatory Amendments

- IX. Acting Managing Director's Report

- X. Executive Session
 1. Discussion on personnel

- 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, September 23, 2022.

**CNMI Cannabis Commission
Regular Session Meeting Minutes
September 23, 2022**

I. Call to Order

The Acting Chair Mathew Deleon Guerrero called the CNMI Cannabis Commission's meeting to order at 2:00 p.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

Acting Chair Mathew Deleon Guerrero called roll of the commissioners,

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

The acting chair subsequently confirmed quorum of the commissioners in today's meeting. The Acting Managing Director Erik Basa and Assistant Attorney General Keisha Blaise were also present via Zoom.

III. Consideration and adoption of Agenda

Secretary Hofschneider motioned for the adoption of the agenda, seconded by Member Songsong. There was no discussion. All commissioners voted in favor of the motion; motion carried.

IV. Consideration and adoption of Minutes of prior meetings

Member Songsong stated that if there are no amendments to the drafted meeting minutes, he motioned for the adoption of the November 16 and 19, 2021, meeting minutes; seconded by Secretary Hofschneider. There was no discussion. All commissioners voted in favor of the motion; motion carried.

V. Public Comment

The acting chair opened the floor for public comment. The acting managing director subsequently reported that there were no members of the public present for public comment, and the acting chair announced the same.

VI. Acting Chair Report

The acting chair updated the commission in that the commission, in its previous August 2022 meeting, voted to withdraw the notice of violation issued to cannabis licensee Common Wealth Cannabis, with the assistance of AAG Dela Cruz in which the notice of that action was issued and received by licensee.

The acting chair continued that discussions have been taking place with the managing director on renewals and the process of moving forward with the next fiscal year coming up, and thanked the acting managing director for putting all the paperwork together and making sure things are lined-up, and indicated that it is worth noting that in the prior fiscal year, the commission had one employee, which was Mr. Erik Basa after the previous Managing Director Monique Sablan departed; this coming fiscal year, Mr. Dominique Pangelinan is being transferred from the Office of the Governor's account into the cannabis commission's account, so the commission will have two employees; in addition, the commission is moving forward on the action of the board's decision to open the position for an executive secretary, which in review, it is in the purview of the managing director to hire, so the Acting Managing Director Erik Basa has the forward end; an applicant was interviewed who accepted the position, and because of the timelines on when this process is occurring, it does not make any sense for the new hire to begin earlier than October 1st, and because of routing concerns and administrative procedures associated with contract renewals, the acting managing director has communicated with the applicant that employment start date is anticipated to be October 1st.

The acting chair mentioned that he was recently informed that the commission is doing very well with its power bill and wanted everybody to know that; the commission originally had concerns a while ago about a large expense on water from a leak that was happening when the commission first moved in to its office building, and that is no longer a concern, thanks to a transfer from another department's credits, and that is a good update for everybody to be aware of; outside of that, he has not heard any action on the commission's limits request to the legislature and that the commission will continue to follow-up and see what action can be achieved in the coming months.

The floor was open for any questions anyone might have so far. There were no questions or comments.

The acting chair continued that he has not heard any information about any new appointments to the commission and indicated that there was one vacant seat and that this is a continuing conversation to ensure that the administration is aware that the commission has a vacant seat and would like to see it filled, and will keep the commissioners updated on the matter in meetings ahead; there is a need for the

commission to consider that there is a possibility and worth considering that the commission may have a vacancy for the Northern Islands seat, which is the possibility that has to be acknowledged within the year and that the issues related the quorum should one of us have a conflict or be unable to participate in a meeting if the commission is down to three commissioners, that is a sign that the commission need to start working out, mitigate against as much as possible, just keeping that in mind.

The acting chair concluded that outside of what was just reported, if there are no questions, move on to new business in which there is none, and will talk a little more in the acting managing director's report about license renewals coming up this month, which is sort of the reason why the commission has no applications to review at the current moment, and then moved on to old business.

VII. New Business

There was no new business discussed.

VIII. Old Business

1. Discussion on Regulatory Amendments

The acting chair opened the floor for any discussion on amendments to regulations on any items worth discussing for future votes or future action. There were no matters raised by the other members.

The acting chair then mentioned that there is one area he would like to discuss, which is related to advertisements; the commission needs to review the regulations relating to advertisements and the commission's definitions of what falls into the commission's definitions of when an advertisement actually occur or what the commission considers advertisement, especially in the realm of Instagram, social media, etc.; in reviewing some of the licensees' social media pages and account, the commission needs to consider having a firmer definition of "what is a post" and "what is an advertisement," when do they have to include the information related to disclosures of "age of 21;" the commission has three requirements...[paused – pulled up regulations on laptop and shared screen]...two elements that needs to be clarified, what are the appropriate measures to ensure individuals visiting a website are 21 years of age and above, that is something that needs to be discussed and clarified at the commission's end towards regulating and enforcing this provision; there are examples of different means being used by licensees, notice within their bio that says 21 years of age and older, capabilities to do page locking or age verification on social media accounts is very limited, and so the commission needs

to have some discussion and clarity as it gets to the regs that talk about what is the appropriate measure that we are looking for so that the managing director and staff can properly look towards.

In particular, the acting chair expressed that he wants to talk about advertising restrictions stipulated in 1110 (c), which is, *“The licensee must include the following statement in all print, billboard, television, radio and internet advertising [in font size legible to the viewer]:”*

1. *“Do not operate a vehicle or machinery under the influence of this drug”.*
2. *“For use only by adults twenty-one years of age and older.”*
3. *“Keep out of the reach of children.”*

This is an area that the commission is going to make a memo out to licensees and remind them of these elements and would like to have a discussion with the team as to when it relates to internet advertising, what the commission would constitute as an internet ad, is a post an ad, is a reel an ad, is a story an ad, when they are not paying for it, when they are not doing any of the going through ad agencies, not going through a process; when does the commission actually require this information, and if anything, does the commission just want to make it a requirement on all posts, but take out 1 and 3, and make sure that the commission has at least the one element that we can put a disclaimer or does the commission want to place all three requirements there.

Secretary Hofschneider considered that every post, reel, story, etc., is from an actual site, whatever platform, is a form of marketing, similar intention as advertising one way or the other, and opined agreeing to the acting chair’s statement of the elimination of 1 and 3 regulatory requirements and to have it for “use only by adults twenty-on years of age and older.”

The acting chair acknowledged and indicated that this may be two parts, in notification to the licensees about the capability of these sections of the regulations, that the commission can discuss with them that if there is a post that is unpaid, that it needs to do what it can to ensure that there is going to be measures to ensure that viewers are 21 years of age or older, and that could be as simple as or require in every post a one liner that says, *“Must be 21 or older.”*

The acting chair expressed that he’s been working with the acting managing director on working through the communication channels on this with all of the licensees to ensure that bases are being covered and consistent in the commission’s notifications to licensees, and asked the acting managing director if the commission’s recently passed regulations requiring notification of the presence of social media account, if he received any

information from any of the licensees about their social media accounts about any changes to it, anything relating to their social media presence.

The acting managing director replied that there are no daily changes, the last information was the basic notification of what social media platform is being used, what addresses they have, etc.

The acting chair requested Secretary Hofschneider's assistance in working with the acting managing director to incorporate some of her ideas on the social media communication to licensees, including the commission's logo that the acting managing director is also working on.

The acting chair stated that is one item on the agenda that he wants to make sure the commission processes the notification to licensees, a regular notice, one of them notices that need to come out in this framework that would be serialized so the notification can be referred back to; elections are coming up and licensees need to be notified of prohibited sales during election day and the possibility of having two election days this year, and making sure there is coverage on both of them; unsure if notification numbers are being captured but wants to be in a position where notifications that were sent can be referenced, cataloging it so that if there is a violation, the commission not only has it in regulations, but also the ability to cite notification date and the formal notification that was sent.

Discussions continued between Secretary Hofschneider and the acting chair on notifications, receipt of notification, emailed notifications, the first two notifications to be sent are for advertising and election day(s), separate from standard administrative notifications on renewals.

The acting chair stated that he would like to include for the next meeting's agenda to consider a language that would amend 1110 (c) for possible consideration in the next meeting in October.

The AAG shared being that advertising is not shown in the definition section, suggested to possibly consider adding it just so that there is a published authority as to what advertising is for future licensees. The acting chair and secretary acknowledged.

The acting chaired asked the AAG if the commission must have a standard by which advertisement is defined or would there ever be an occasion which the definition would be questioned on advertising.

The AAG expressed that the commission could look to Oregon, unsure if Oregon's advertisement is defined, if not, black law's dictionary could be looked into and could provide the acting chair information on that.

The acting chair concluded that was what he wanted to discuss on regulatory amendments and would have some items for consideration in the October meeting or sooner depending on whether the commission would want to call a special meeting for this sort of thing.

Secretary Hofschneider briefly read out OLCC's (Oregon Liquor and Cannabis Commission) advertising definition and the acting chair asked that it be shared.

The acting chair subsequently indicated that the matrix of violations from Oregon was shared in the previous meeting and is still being worked through and would like to include it in the next meeting to get everybody's confirmation that it is pretty accurate and an approved document for the commission to follow.

IX. Acting Managing Director's Report

The acting managing director reported on current activities within the commission's three divisions as follows:

- Permit and Licensing: There are nine (9) active licensees with the inclusion of the licensing approval of Top Shelf, LLC., and that notifications to licensees for license renewals were sent in which four of them have submitted applications for renewal while the other five have acknowledged receipt of the renewal notice; there are four (4) inactive applications, six (6) pending applications, ten (10) approval-in-principal (AIPs) in which one AIP under the Tu Group has had their AIP extended another year due to their company's plan to downsize.
- Enforcement: Mr. Kelby Royal, the enforcement officer in charge, receives and maintains the producers and retailers' monthly reports and compiles them to spreadsheet in which all licensee reports and spreadsheet of the reports have been uploaded to the shared folder; if the commission has any questions on those reports or suggestions on improving the spreadsheet reports or how it should be reported to please let him know; with the citation booklet, if the commission has reviewed it, have no questions and are satisfied as it is, he will communicate with Chief Prosecutor Chestor Hinds to initiate its process.

The acting chair acknowledged that if any other member of the commission do not have any issues with the citation booklet or have any additional changes, asked that it

be moved along through the channels and communicated with Mr. Hinds, and thanked the acting managing director for his work on it.

- Administrative: During ending of this fiscal year, outstanding balances are being reconciled for the commission's vendors with procurement procedures and working through the new Munis financial system; employment contracts have been routed and are currently with the Office of Management and Budget, which will be held at OMB until the budget is passed, which includes the employment contract of the commission's new hire employee.

The acting managing director concluded that he received a memo from the Historic Preservation Office that the commission's office building is considered an historical building and that HPO has received funding and has given the commission notice that if there are repairs, renovations, or future improvements to the building, the commission could be reimbursed of those expenses, and then expressed that the commission's office building could use a little more improvement, which is something he is planning with the HPO.

The acting chair asked if there are any questions for the acting managing director. There were no questions. The acting chair indicated that the good news is that none of the licensees are looking to not renew and subsequently expressed moving into executive session followed by his motion to move into execution session at 2:38 p.m., which as seconded by Secretary Hofschneider. All commissioners voted in favor of the motion; motion carried.

X. Executive Session

1. Discussion on Personnel

The acting chair announced exiting executive session and entering regular session at 4:05 p.m. and summarized the discussion in executive session related to personnel hiring of the managing director, the review of interviews and scores, and the potential hiring of a managing director with more information forthcoming.

XI. Adjournment

Secretary Hofschneider motioned for meeting adjournment, seconded by Member Songsong. All commissioners voted in favor of the motion; motion carried. The CNMICC's September 23, 2022, meeting adjourned at 4:06 p.m.