



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
CANNABIS COMMISSION

P.O. BOX 500135 Saipan, MP 96950  
Email: [info@cnmicannabis.org](mailto:info@cnmicannabis.org)

---

A regular meeting of the CNMI Cannabis Commission will be held on **Wednesday, December 14 2022, at 10:30 AM.** 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
  1. Managing Director Hiring Process
  2. License Approval Process – Without Quorum
  
- VIII. Old Business
  1. DPS Training Request – Tinian and Rota
  2. Website
  3. CNMCC Regulatory Bulletin – Discounts Discussions
  4. Amendment to § 180-10.1-050 – Nominal Price Definition Discussion and Vote
  5. Amendment to § 180-10.1-701(b)(6) – Nominal Price Definition Discussion and Vote
  6. Discussion on Regulatory Amendments
  
- IX. Acting Managing Director's Report
  
- X. Executive Session
  
- 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](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 Ascension 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 Wednesday, December 14, 2022.

**CNMI Cannabis Commission**  
**Regular Session Meeting Minutes**  
**December 14, 2022**

**I. Call to Order**

Acting Chairman Mathew Deleon Guerrero called the CNMI Cannabis Commission's meeting to order at 10:30 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**

Acting chair called roll of the commissioners:

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

Acting chair announced that all members were presents and confirmed quorum. Acting Managing Director Erik Basa, Administrative Specialist Natasha Palacios and AAG Keisha Blaise were also in attendance.

**III. Consideration and adoption of Agenda**

Acting chair asked if there was any motion to adopt the agenda. Secretary motioned to adopt the agenda, seconded by the treasurer. There was no discussion, all commissioners voted in favor of the motion, motion carried.

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

Acting chair thanked Member Songsong for working on prior meeting minutes and asked if he had any motion to adopt minutes of prior meetings.

Member Songsong acknowledged and stated that if the commissioners were fine with the February 25, 2022 meeting minutes, he would like to make a motion for its adoption, seconded by the secretary.

There was no discussion, all commissioners voted in favor of the motion, motion carried.

**V. Public Comment**

Acting chair opened the floor for public comment, recognized the presence of AAG Keisha Blaise, and then acknowledged the presence of members of the public from Rota

(via Zoom) for public comment and asked that as much as possible comments be limited to five minutes.

Mr. Cris Ogo greeted the commissioners, introduced the other members with him as Messrs. Gabriel Frank Manglona and Atson Poll, and went on to say that his purpose for commenting is to share an idea as was already shared with the Acting Managing Director Erik Basa (Acting MD) is to help in some way boost the local economy with a planned Rota Buds Festival, a 420 event tentatively scheduled for April 20, 2023; the subject event is about homegrown cannabis since there is no cannabis retail dispensary on the island of Rota. Mr. Ogo then passed the floor to Mr. Manglona to provide some insight into what they have been doing so far.

Mr. Manglona greeted the commissioners then mentioned that they have been communicating with a lot of people on Rota about a planned Rota Buds Festival 420 event and that Homegrown Marijuana Registry applications were handed out and thanked Commissioner Songsong for providing applications. Mr. Manglona continued to say that a lot of people are supportive of the proposed cannabis event and that several private land owners have expressed interest in assisting with the event by offering private land space to host the event, and that things seem to be looking good so far.

Mr. Ogo reentered the conversation and mentioned that over twenty individuals they communicated with and supported the idea received Homegrown Marijuana Registry applications and were advised that participants in the proposed event must be a permitted home grower; the issue they have at the moment is that they are unable to move forward with the event without an authorization to hold the event from the commission, and indicated that they reviewed the cannabis regulations and then recited a section of the cannabis regulations on cannabis events fee, which was read aloud as, *“The commission shall charge a reasonable fee and require any condition that is deemed necessary for the issuance of the permit.”*

This is the area Mr. Ogo expressed wanting discussion and reiterated that the proposed event is a homegrown event and would like to open the conversation with the commission so that they have a clear understanding of the regulation relating to *“reasonable fee,”* considering that the proposed event will comprise of a small group of home growers who could help the economy in a small way with visitors to the event from Guam and Saipan; the issue is the *event fee*, which is a \$500 application fee and a \$1,500 permit fee for a total of \$2,000, on top of other associated costs with operations and logistics for the event set-up they would incur; event fees is the number one issue and asked to hear from the commission how is this event going to be if it is comprised of home growers and not cannabis businesses or dispensary.

Acting chair responded that typically in public comments, there isn't necessarily a dialogue, but thinks in terms of hearing the commenter making a briefing; on the fee part, the purpose of the fee, one of the concerns in dealing with marijuana events is ensuring compliance not just with the regulations but the law, i.e., no persons under the age of 21, no alcohol sales during these events, etc., and so in deciding what the fee is, it needs to be in the ability to afford some of these additional regulatory compliance checks; so having this event in Rota, it adds a little more additional complications on the commission in ensuring that all the regulations are appropriately followed by everybody and not necessarily just by the hosts of the event, and that is a logistical and regulatory issue that the permit fee is intended to cover.

Mr. Ogo acknowledged and thanked the acting chair for explaining the event fee and continued that they have a target date of January 10, 2023 for sponsors to be informed of the event but they cannot move forward until they have a clear picture of the necessary things they need to do before they apply for a cannabis event permit; they are working on a budget for this event and asked the commission as to what it would consider for an event fee because the regulations states a "reasonable fee," and to please bear in mind that Rota's population is only approximately 1,890 people and that they are banking visitors from other islands, however, they are unable to anticipate the number of visitors into Rota for the event although they can anticipate Rota community participants.

Acting chair asked Mr. Ogo that he reviewed the regulations as he mentioned...  
*(Inaudible; commenter's internet connection was cut off at 13:21 of audio recording).*

Acting chair commended Member Songsong for his outreach with the Homegrown Marijuana Registry. Member Songsong replied that all he did was provided them copies of homegrown applications.

RECESS: Acting chair called for brief recess for the purpose of waiting for the public commenters to reconnect into Zoom.

Mr. Ogo returned, apologized for the disconnection and went on to say that they want to start their event promotion advertisement but seeks guidance from the commission, hopefully by January 10, 2023 so they have a clear idea on what needs to be done, and reiterated that their main concern is the event fee because the event is about home growers and want to make sure that everyone that received an Homegrown Marijuana Registry application and participates in the event are following the law and regulations; many individuals are excited about the event and are waiting for results, and so what is holding them up is just listening to the commissioners/policy makers and see what we can

do about that issue, and then asked if there was any questions from the commissioners for them and are open to answer questions.

Acting chair thanked Mr. Ogo and his group for their effort with the Homegrown Marijuana Registry public outreach, and asked when they plan on hosting the event. Mr. Ogo replied on 4/20 (April 20, 2023).

Acting chair explained that the possible best course of action so that the commission has a full scope and understanding about the event, and in making sure that the correct regulations are being applied to the event that will be hosted, what is required by regulations is a “*special events plan*,” which will explain about the venue, what commercial activities would be happening there, what are the protections, etc., and that is probably at this point in time the most important document, and from that plan once reviewed, the commission can then help guide what is possible for the event; the commission has reasonable pull on the date of the event and there is also the 30-day notice requirement on the commission’s side to let the public know 30-days in advance of when the event occurs; as soon as details from the special events plan is received and reviewed by the acting managing director, the commission can start working on how to get this working.

Mr. Ogo acknowledged understanding of the 30-day notice requirement, then indicated that he provided the acting MD a google map of the proposed event location in case the commissioners want to know where the event is going to be held, that it is away from schools and is located in an unpopulated area on private land, and are working to simplify this process for both parties and within regulatory guidelines; his group will have up to March 2023 because of the 30-day notice requirement and will continue communicating with the acting MD.

Acting chair thanked Mr. Ogo for his effort in putting this temporary event together and reiterated the need for the special events plan that is detailed in the regulations 1510 in order to have a full scope of the proposed event and all the elements the commission is looking for, for consideration; it is going through that list in the regulation and providing that plan, and soon as that plan is received, the commission can start discussion.

Mr. Ogo thanked the acting chair for the information and mentioned that they will prepare that package as required by regulation and then said his farewell.

Acting chair expressed to Mr. Ogo that they are welcome to continue to stay on through the commission’s meeting. Mr. Ogo replied that he needed to leave to continue recruiting more people for the Homegrown Marijuana Registry.

Acting chair asked if there were any others for public comment. Acting MD subsequently reported that there were no other members of the public present for public comment.

## **VI. Acting Chair Report**

Acting chair reported that in preparation for next fiscal year and the budget call, he will be working with the acting MD on the commission's budget, costs, and related matters needing to go through procurement, and then asked if there were any questions for him on that matter. There were no questions or discussion.

## **VII. New Business**

### **1. Managing Director Hiring Process**

Acting chair stated that the commission would potentially want to start issuing the job vacancy announcement by January 2023 and informed the acting MD that he could start coordinating that process with the Office of Personnel Management.

Acting chair raised a question about the hiring process with the AAG, if the commission does not have quorum with its traditional members and the law says the commission hires a managing director, is that an official action on the commission; is a full quorum required or can it be delegated to the acting chair or chair.

The AAG replied that as chair, he is proposing to create a hiring committee? Would all the members of the commission be a part of the committee?

Acting chair indicated that he proposes to create a hiring and licensing committee with a quorum of two members that will be responsible for determining whether or not licenses will be approved or not... and continued his explanation on this proposed licensing committee... *(Muffled audio)*

Acting chair asked Member Songsong if he caught what was discussed about the licensing committee and task structure. Member Songsong apologized that he could hardly hear the discussion. The acting chair reiterated to Member Songsong that under the current structure, the commission as a whole reviews and approves licenses after the managing director's review and completion of other tasks; what he would like to propose is the establishment of a licensing committee with less members and a different quorum structure so that the licensing committee can receive and review

applications, and give approval or make decisions on the matters so that things can progress, which could also provide the opportunity to have other committees, e.g., appeals committee, etc., and that would also ideally help the commission keep things moving forward if issues arise related to funds.

Member Songsong acknowledged and agreed with the acting chair's proposal for the establishment and delegation of two member committees for application review and licensing approval authority.

Discussions continued on the managing director's role in the process, the committee being supported by the board, addressing the arising of issues... *(Muffled audio)*

Acting chair mentioned the importance of having this committee option now in that if the commission is unable to get a full board approval of a delegation of authority, the commission can't... *(Muffled audio)*

AAG stated that all of the important decisions are made by the full board and asked that this matter be discussed in executive session.

Acting chair acknowledged the AAG and then stated that he is moving both items 1 and 2 under new business into executive session so that discussion could continue... *(Muffled audio)*

## **2. License Approval Process – Without Quorum**

### **VIII. Old Business**

#### **1. DPS Training Request – Tinian and Rota**

*(Muffled audio; staggered connection/breaking up; acting chair and acting MD spoke.)*

#### **2. Website**

*(Muffled audio; staggered connection/breaking up)*

#### **3. CNMICC Regulatory Bulletin – Discounts Discussions**

Acting chair mentioned that there seems to be an internet connection issue... then continued indicating that there are two questions for discussion, whether or not a percentage should be set for what is a nominal price; the regulations say that retailers cannot offer any one item for a nominal price, promotion discounts... *(Muffled audio; staggered connection/breaking up)*



Acting chair asked Member Songsong if he is hearing them okay or is the connection breaking up. Member Songsong replied that the discussion/connection is breaking up and staggered, but is putting together pieces of the conversation puzzle.

*(Audio now clear/improved)*

Acting chair continued that they were at the conversation point where Commissioner Hofschneider was saying that this is a bad idea.

Secretary Hofschneider expressed that it would be arbitrary to come up with a specific percentage number, but when the regulations was developed for promotion discounts, producers and lounges, especially lounges, when patrons are served, to ensure that a promotional scheme is not being developed that encourages over intoxication; the other thing is, and the commission is probably not there yet, favoring or giving promotions to a specific company, inducements for example, where a company is giving product to a licensee who is promoting it specifically for that company's product at a lounge; a lounge can obtain products from different licensees, businesses may try to make deals with lounges to promote their product more than others.

Acting chair asked the secretary then that would be a bad thing? Secretary replied that it depends, she dealt with it in British Columbia, Canada, at her former employment, but it is not in the CNMI's cannabis regulations.

Acting chair asked if in British Columbia, the intent is to prohibit something like that from happening. Secretary replied yes, just to give fair market to everyone, it is something being thought of, the commission is not there yet but it may be considered; as a business person, that could be a worthwhile consideration if it was found that a licensee was promoting others; more information will be gathered on that subject matter for later discussion.

Acting chair expressed that the Secretary brought up a point that there is value in talking about nominal discounts on the lounge level, because the commission only has restrictions on promotional pricing for retail and no provision on promotional pricing for lounges; the potentiality is that the regulatory interests in all this discussion isn't necessarily their selling price, it's the price that they're reporting, being different than the price that they're actually selling, and if the prices are extremely low, for instance, and it is difficult to figure out how they are making any money, then it does raise the question as to are they selling it for tax evasion

purposes, are they selling it more than they are actually getting, are they receiving items from unlicensed persons, so making sure the commission is monitoring and has some guidelines for nominal pricing is important.

Secretary acknowledged the acting chair's good point and she shared the provision on promotions for cannabis retail stores in British Columbia, which she read as, "*Activities not permitted: Inducements – a licensee is not permitted to ask for or seek financial or other benefits from a license holder or marketer in exchange for selling or promoting their products; for example, as licensee must not pay or bribe money or other benefits to secure their purchase, request money from the licensee...*"; maybe not for consideration right now, but may be considered at a later time because that is a promotional mechanism, which may start to happen.

Acting chair acknowledged the Secretary's comment and then stated that for the purposes of this agenda, he would move/motion to table agenda items 4 and 5 under old business, seconded by the treasurer.

Acting chair asked if there were any discussion on the tabling of the above-mentioned agenda items on amending the nominal price regulations. There were no further discussion, all commissioners voted in favor of the motion, motion carried.

**4. Amendment to § 180-10.1-050 – Nominal Price Definition Discussion and Vote**

This agenda item was tabled as motioned above.

**5. Amendment to § 180-10.1-701(b)(6) – Nominal Price Definition Discussion and Vote**

This agenda item was tabled as motioned above.

**6. Discussion on Regulatory Amendments**

Acting chair asked if the commission would consider in the next meeting to entertain amendments to class 1 lounges that incorporates the nominal pricing in the language. Secretary acknowledged yes and suggested the inclusion of producers.

Acting chair acknowledged the inclusion of producers and indicated that the provisions on retailers is that they may not sell marijuana items at a nominal price for promotional purposes, so that section in its entirety could be applied for both producers and lounges.

Secretary inquired if it would be applicable to wholesalers as well. Discussions followed on wholesalers and processors, performing a service, product manufacturing... acting chair indicated that he had similar concerns with producers and processors; for example, are producers pricing appropriately for their own tax purposes, how much are they selling one item to the other, are they appropriately accounting for that sale.

Acting chair stated that this discussion will be added to the next meeting with the draft language added to the amendments, which should be for sections 805 of the regulations for processors, 615 for micro-producers, 600 for producers, 900 for wholesalers, and 1001 for lounges.

Acting chair asked if any other items were brought up, mentioned that he had a discussion with an event on Rota about regulations and fees, and expressed that right now the fee for events is \$2000.00 for a ten day event, and asked if there was any discussion on that or for its addition in the next meeting's agenda. There were no comments.

Acting chair concluded that he wanted to add to the discussion that the regulations have no say as to the inter-island transport of marijuana items, and just to reiterate, the commission advises everybody interested in holding a cannabis event or conducting cannabis businesses in the other islands that they should consult their attorneys about that (inter-island transport) for guidance.

## **IX. Acting Managing Director's Report**

The acting MD reported that things are similar as last reported as far as active licenses with nine licensees, four inactive, and five pending; some of the pending applicants are going through the zoning process and/or awaiting application completion with required documents.

Acting Chairman asked if there is a wholesaler applicant in the process. Acting MD acknowledged that there is, however, based on his last conversation, they decided to downsize; it was not clarified or they are not clear as to whether they will pursue a wholesaler license, however, they were granted an extension to their approval-in-principal (AIP) wholesaler application.

Secretary suggested that it may be worthwhile to reach out to the wholesaler applicant to find out their intent so that this matter may be entered into the commission's next meeting to further discuss any wholesaler issue.

Acting MD continued that with AIPs, the Tu Group has two applications/AIPs that were set to expire on November 30; based on their communications, they changed their entire floor plan, so they requested an extension and are now working through the zoning processes and are still moving forward with their application and license for a class 1 lounge and retail store.

Acting chair asked if there were any new applicants, and when was the micro-producer application received. Acting MD reported that there were a few new applicants and does not recall the exact date of the micro-producer application but it was submitted since 2021.

Acting MD continued that producer licensee Top Shelf requested a site inspection earlier this month for their expanded vegetating room, which was inspected and advised of appropriate security measures, e.g. security locks, building surveillance, etc., and once those measures are addressed, they will contact the commission for a second inspection for compliance purposes, which is for their existing class 3 producer license.

Acting MD mentioned two AIP applicants for class 2 and 3 producer license informed him that they will also be submitting retail applications sometime in the following month, and applications were received yesterday for a class 1 lounge and retail license in Garapan.

Discussion followed on the Rota group and their proposed cannabis event (Rota Buds Festival), the statute and regulations provided to them, and the need to know from them how exactly are they commercializing this event; is there going to be sales of marijuana, who are the sellers of marijuana items, entry charges, etc.

Acting MD concluded his report on the conduct of enforcement inspections and other administrative duties.

Acting chair asked the acting MD which licenses so far are the most complicated for enforcement and inspection; is retail or producer more taxing on staff with hours of time. Acting MD mentioned that producers would be more taxing because it is larger.

Acting chair asked if there are no further questions, is there a motion to move into executive session. Secretary then motioned to move into executive session, seconded by treasurer. All commissioners voted in favor of the motion, motion carried.

## **X. Executive Session**

## **1. Legal matters – AAG**

Acting chair announced exiting executive session and back into regular session, which initiated the conversation of new business on the managing director hiring process, and made a motion to grant the acting chair authority to create a committee for the selection and hiring of the managing director; the committee would be quorum with two members, but comprise of at least three members of the commission and the authority given to them would be to conduct interviews, make selections, and hire the managing director on behalf of the commission; that is his motion, seconded by treasurer.

Acting chair asked if there were any discussions. Hearing none, all commissioners voted in favor of the motion, motion carried.

Acting chair announced the second item and made a motion to delegate authority to allow the acting chair to create the license committee with at least three members of the commission, with quorum of two members that would review license applications brought forth from the commission's managing director and make decisions on commercial applications, seconded by treasurer.

Acting chair asked if there were any discussion. Hearing none, all commissioners voted on favor of the motion, motion carried.

Acting chair stated that he will draft the order and creation of those committees, the vacancy announcement, and the members appointed will be the three of us (Commissioners Deleon Guerrero, Hofschneider and Songsong).

Acting chair announced that before making a motion to adjourn, he would like to thank Treasurer Valentino Taisacan for his service to the commission and wished him the best in his new endeavor as mayor of the Northern Islands, and wished everyone a happy new year.

## **XI. Adjournment**

Secretary motioned to adjourn meeting, seconded by Treasurer Taisacan. All commissioners voted in favor of the motion, motion carried. Meeting adjourned at 12:00 p.m.