



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

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A meeting of the CNMI Cannabis Commission will be held on **Wednesday, March 16, 2022 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. Discussion and Voting of Final Adoption into Regulation for Promulgation into the Commonwealth Register as voted and approved by the CNMICC Board during its Public Meeting held on November 19, 2021 as follows:
 - a. §180-10.1-360 Notification of Changes
 - b. §180-10.1-415 Procedure on Revocation or Suspension of License
 - c. §180-10.1-1701 Legislative Mandate
 - d. §180-10.1-1705 Suspension of Penalties
 - e. §180-10.1-1710 Definitions
 - f. §180-10.1-1715 Licensee Liability
 - g. §180-10.1-1720 Multiple Offenses from Single Action or Omission
 - h. §180-10.1-1725 Self-reporting Determination
 - i. §180-10.1-1730 Determination of Offense Level
 - j. §180-10.1-1735 Mandatory Offense Levels
 - k. §180-10.1-1740 Penalties
 - l. §180-10.1-1745 Burden of Proof
 - m. §180-10.1-1750 No Hearing Necessary for Determinations

- VII. Managing Director's Report

- VIII. Executive Session
 1. Legal matters – AAG

- IX. Adjournment

Copies of this notice and agenda have been posted at the Administration Building Entrance Hall, the House of Representatives Entrance Hall, the House of 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 Ascencion 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 Wednesday, March 16, 2022.

**CNMI Cannabis Commission
Regular Session Meeting Minutes
March 16, 2022**

I. Call to Order

Chairwoman Nadine 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

Chairwoman called roll of the commissioners:

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

Chairwoman announced that all five commissioners were present via Zoom video conference and confirmed quorum. Managing Director (MD) Monique Sablan was also present in this meeting via Zoom.

III. Consideration and adoption of Agenda

Chairwoman mentioned that section 310 Processing was inadvertently not included under agenda item VI (1), which is also part of today's promulgation of regulations into the Commonwealth Register, and expressed understanding that advanced announcement is required when matters are to be voted on.

MD mentioned that it may be tolerable since the commission is at its final stage of its regulations promulgation, that there was no public comment received on any of the proposed regulatory amendments, and today's vote is on its certification/adoption, which the commission previously voted for its approval on November 19, 2021.

Vice Chairman mentioned that there does not seem to be a need to list out all the separate provisions, which the commission is approving because it was issued under a single request for amendments under the register, and not under two or more separate registers; he added that it may be worth making an amendment to the agenda indicating that the commission is approving the regulations that were published under this register, and then asked the MD for the publication/volume of under this register.

MD replied that it is Volume 44, No. 1, published on January 28, 2022.

Vice Chairman requested the Chairwoman if he would amend the agenda to correct the typographical error of agenda item VI (1) under new business. Chairwoman acknowledged.

Vice Chairman motioned to amend agenda item VI (1) under new business to classify the commission's voting action as *promulgating the regulations contained in Volume 44, No. 1, of the Commonwealth Register published on January 28, 2022*, which was seconded by the Secretary. All commissioners voted in favor of the motion, motion carried.

IV. Consideration and adoption of Minutes from prior meetings

Chairwoman stated that the commission is looking to adopt the below listed meeting minutes dates that were amended, and opened the floor for any discussion:

- January 29, 2021;
- June 24, 2021;
- June 25, 2021; and
- July 01, 2021

Hearing no comment/discussion, Vice Chairman motioned to adopt the above meeting minutes dates, seconded by Treasurer. All commissioners voted in favor of the motion, motion carried.

Chairwoman mentioned that she will look into her records for the August 27, 2021 meeting minutes understanding that the first half of that meeting was missing or inadvertently unrecorded. MD indicated that she will look into the matter as well.

V. Public Comment

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

VI. New Business

- 1. Discussion and Voting of Final Adoption into Regulation for Promulgation into the Commonwealth Register as voted and approved by the CNMICC Board during its Public Meeting held on November 19, 2021 as follows:**

Agenda amendment: *To vote on the promulgation of the regulations contained in Volume 44, No. 1, of the Commonwealth Register published on January 28, 2022.*

- a. §180-10.1-360 Notification of Changes**
- b. §180-10.1-415 Procedure on Revocation or Suspension of License**
- c. §180-10.1-1701 Legislative Mandate**
- d. §180-10.1-1705 Suspension of Penalties**
- e. §180-10.1-1710 Definitions**
- f. §180-10.1-1715 Licensee Liability**
- g. §180-10.1-1720 Multiple Offenses from Single Action or Omission**
- h. §180-10.1-1725 Self-reporting Determination**
- i. §180-10.1-1730 Determination of Offense Level**
- j. §180-10.1-1735 Mandatory Offense Levels**
- k. §180-10.1-1740 Penalties**
- l. §180-10.1-1745 Burden of Proof**
- m. §180-10.1-1750 No Hearing Necessary for Determinations**

Chairwoman announced the amendment of this agenda item to vote on the promulgation into the regulations as contained in Volume 44, No. 1, of the Commonwealth Register published on January 28, 2022, and that she did not receive any public comment on the proposed regulatory amendments through email or the commission's website, and then asked the MD if any members of the public provided her office any comments on the proposed amendments to the regulations, for the record.

MD replied that she did not receive any public comment on the subject matter during the thirty day public comment period.

Hearing no further comment or discussion on the matter, the Chairwoman motioned for the adoption and promulgation into regulations the amendments to the above-listed sections of the regulations, which included *§180-10.1-310 Processing*, seconded by the Vice Chairman. All commissioners voted in favor of the motion, motion carried.

VII. Managing Director's Report

MD reported the following bullet points:

- No new Approval-in-Principal letters were issued to pending applicants and no new applications were received; everything remains the same as last reported with respect to applications, and that pending applications are moving along through the application processes;

- An applicant will discontinue the furtherance of its application and that the applicant has not taken the initiative to provide the commission an official withdrawal letter even though the applicant had received several notifications about the commission's official withdrawal process in which two months had past; as a result, a letter of application denial letter will be issued to the applicant for reasons that the application is incomplete and the applicant is no longer interested in furthering its application in order for the application to be labeled as inactive and closed;
- Presentation to the House Committee on Cannabis went well and productive in that a lot of information was provided to the legislators, in addition to public exposure through KKMP radio station, which provided the public information about the cannabis commission;
- Conversed with Logistics, a seed-to-retail cannabis tracking system (CTS) company, which is one of the commission's licensee's CTS of choice, to have an idea of what the CTS company had to offer that would assist the commission's compliance division;

MD then asked the commissioners that since the commission does not have a CTS system, and that many producer class 2 licensees, including smaller producers have acquired their own CTS system, with the exception of the commission's largest producer class 3, if it would consider as policy or promulgation into regulation that large producer class 3 be required to obtain a CTS system considering the fact that smaller producers are able to acquire one in order to conform with compliance and accountability requirements, in addition to report generation derived from CTS data; she expressed uncertainty, however, if this can be imposed upon a licensee, but it is a thought for consideration.

Member Songsong suggested that offering an incentive could also be considered for those acquiring or that have acquired a cannabis tracking system since there is a cost associated with CTS, and that incentive could be offered in the form of discounted fee(s) as allowed by the CNMI's cannabis public law. MD acknowledged that she will explore that suggestion.

Secretary added that this may require further thought and discussion, that larger producers being required to have a CTS, and since producers are restricted to sell to retailers, inquired with the MD if retailer reports could be screened to cross reference with what producers report.

MD replied that she just wants to ensure that - one thing that is unique about Logistics' system is that whatever data is entered into a CTS cannot be taken out or deleted - that is kind of where she is at right now in that it is just a thought but she will do more research to grasp what this will

look like, understanding that she seems to be singling out producers class 3, she is contemplating on the matter only because of their being the largest producers/product yielders.

Secretary added that the reality also is that licensees can be audited at any time. MD acknowledged.

Vice Chairman added that from looking at the regulations, the prior regulations relating to CTS that the commission had in place (document was shared for viewing), what the commission originally had before it was taken out from the final regulations was similar in the condensed version on CTS applicability; if we read through this, there was no unified system articulated except under section (g), where a secondary CTS system was allowed; there may be a possibility on whether or not we could, we could do anything if it helps the regulations and the safety of tracking products, it should be a regulated industry, and in this section if we look at what was written originally, it could apply to just requiring the use of a CTS as a primary inventory framework system; there are other electronic POS (Point of Sale) systems, i.e., Square system, where it prohibits making changes to any former record, transactions cannot be deleted, one would have to refund the transaction for instance; it is believed that is the same with Logistics and most of the POS systems that are being used, and that in itself is a leap and gains ahead of cash registers.

Vice Chairman asked the MD that he wants to know how producers are tracking sales now.

MD replied that two retailers use IndicaOnline, a cannabis Point of Sale system, whereas - Vice Chairman interrupted and asked about those without a CTS or POS system - MD replied that those without CTS or POS are able to provide the commission with a breakdown of sales through their monthly reports, but data could be added or removed. Vice Chairman asked how they are doing it though.

MD replied that they are doing it through a regular POS system and expressed uncertainty of the exact type of system, but said that it is certainly not a cannabis related POS system; even new producers are getting on board with Logistics, and not only Logistics, but also for the sake that it is available on island right now; although the commission plans on acquiring a CTS, at the moment she sees this being an issue if the commission does not have some sort of requirement with the utilization of some form of cannabis tracking system.

Vice Chairman indicated that what the MD is talking about is making it a requirement for licensees to have a CTS, and expressed agreement with the MD, and added that it would be nice to know what system is being used for those without CTS.

MD explained that those without CTS are basically using excel spreadsheet as their POS system, and that the good thing about IndicaOnline and Logistics cannabis tracking systems is that it offers different levels of subscription packages, so it is fairly affordable.

Chairwoman agreed that CTS should be required, however, if the commission acquires CTS, a dedicated IT person would be needed and well versed with the commission's regulations, understanding what is required from licensees and knowing how to administer the CTS program.

Discussions continued on interagency communications, meeting, and partnerships (with OIT and OPD) over IT personnel and cannabis tracking, CTS system training and report generation, and the MD's suggestion that CTS regulations be implemented in current regulations, with the exception of micro-producers.

MD noted that Logistics is not a full seed-to-sale system, but an integrated system that is able to integrate into larger software programs, seed-to-sale cannabis tracking systems, such as Metric, and expressed that for the time being, Logistics seem to be the choice for licensees, and once the commission acquires its CTS system, at least we know that their system can integrate into the commission's CTS.

Vice Chairman presented an idea that if the commission develops an application for certified POS or CTS systems, and that is placed in the commission's website, it is sent to known contacts, they apply and tell us what their system can and cannot do; a simple application, it can be added to a list and the requirements are to the licensees that they have to obtain a POS or CTS system that has been approved by the commission. MD added, as in offering them a list to choose from.

Vice Chairman expanded on how their system can incorporate into a larger regulatory system if the commission does not have the funds to acquire a CTS, part of the application process is portability into a unified system; possibly do a new license, but because it is not in the law, perhaps no fee is charged for applying, to see whether or not it meets commission requirements long term; a two-step process incorporating that into whatever regulatory amendments the commission might be doing. MD acknowledged liking the idea and will look into formulating that process and application.

Chairwoman asked the Vice Chairman if he was talking about an RFI (Request for Information). Vice Chairman acknowledged and explained that it would not be lengthy, and that we know that there are interested people in the area, and instead of a massive publication, the commission specifies that if there is interest in being a certified provider of cannabis tracking or whatever it would be called, the form would be made available, and if a form is obtained, the form will include the interested party in the list, which identifies the path forward because of certain

regulatory requirements that requires licensees to have some kind of cannabis tracking system; so if they want to be in this list, the form must be filled and submitted to the commission where a determination will be made as to whether or not they would be able to fall under the list or not; if the commission decides on doing that, then we need to make sure the attorney general's office involvement, because if anyone is denied for whatever reason, there may be good reason to sue.

Chairwoman clarified that this is then for possible vendors. Vice Chairman acknowledged yes for them and that the commission is not acquiring anything, we are just narrowing the scope of what is acceptable for them.

- MD concluded her report that the commission is launching its law enforcement training tomorrow along with Chief Prosecutor Mr. Chester Hinds of the Criminal Division; half of the presentation will incorporate introduction of the CNMI Cannabis Commission, its various licenses and her role; the other half of the presentation will have Mr. Hinds go through the fines, penalties, and imprisonment terms defined in the cannabis act in dealing with unlicensed non-commercial related, i.e., consuming cannabis in the presence of a minor, trafficking, processing marijuana illegally; this training event is tailored to front liners, e.g., police patrol, boating safety, etc., in which three training sessions will take place starting with the Department of Public Safety with twenty participants per session, and the following month of April, training sessions will take place with Customs with thirty participants; it is law enforcement training for a safer community.

Vice Chairman requested the MD, relating to the cannabis tracking systems discussed earlier, that she connects with the AAG on the matter so that there is awareness in the event the matter is discussed further.

MD acknowledged and mentioned that she has been meeting with the AAG a lot lately relating to licenses, and praised the AAG's helpfulness.

Chairwoman thanked the MD for her report and stated that the legal counsel was not present in today's meeting, and then opened the floor for any question or matters needing further discussion. There was no further comment/discussion.

VIII. Executive Session

1. Legal matters – AAG

There was no executive session held during this meeting.

IX. Adjournment

Chairwoman motioned to adjourn meeting, seconded by the Secretary and then announced that the commission's next meeting is scheduled for Friday, March 25, 2022.

All commissioners voted in favor of the motion, motion carried. Meeting adjourned at 11:21 a.m.