



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

P.O. BOX 500135 Saipan, MP 96950
Email: info@cnmicannabis.org

A special meeting of the CNMI Cannabis Commission will be held on **Friday, June 25, 2021 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. Housekeeping rules
- V. Public comment

- VI. New Business
 1. **Cannabis Licensing Application No. App No. C0221-0016-SPN:** Common Wealth Cannabis, LLC. dba Common Wealth Cannabis' Dispensary & Lounge's application for a Lounge Class 2 license; discussion and approval
 2. **Cannabis Licensing Application No. App No. C0221-0020-SPN:** Common Wealth Cannabis, LLC. dba Common Wealth Cannabis Dispensary & Lounge's application for a Retailer license; discussion and approval
 3. **Cannabis Licensing Application No. App No. C0321-0021-SPN:** LuMar, LLC. dba CannaMariana's application for a Retailer license; discussion and approval
 4. **Cannabis Licensing Application No. App No. C0321-0022-SPN:** LuMar, LLC. dba CannaMariana's application for a Producer Class 1 license; discussion and approval

- VII. Executive Session
 1. Legal matters – AAG

- VIII. Adjournment

Copies of this notice and agenda have been posted at the Administration Building Entrance Hall, the House of Representatives Entrance Hall, the Senate Entrance Hall and the CNMICC official website.

Written comments on the agenda may be submitted to the CNMI Cannabis Commission, through the Office of the Governor or emailed to info@cnmicannabis.org on or before the meeting date. Oral testimony may be presented during the meeting on Friday, June 25, 2021.

CNMI Cannabis Commission
Special Meeting Minutes
June 25, 2021

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 opened the meeting by greeting everyone in attendance, introduced herself by stating her name and title, and proceeded to call roll of the commissioners as follows:

Vice Chairman Matthew 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 (video conference - zoom).

Chairwoman confirmed quorum with all five commissioners present. Managing Director Monique Sablan and AAGs Mike Ernest and Keith Chambers were also present in the meeting.

III. Consideration and adoption of Agenda

Chairwoman motioned to amend today's agenda including yesterday's agenda to reflect the correct spelling of an applicant, LuMar, LLC. dba "*CanaMariana's*" (spelled with one "n") versus what was misspelled in today's agenda, seconded by Secretary; all commissioners voted in favor of the amendment, motion carried.

Chairwoman additionally motioned to add a fifth line item on to today's agenda under new business line item number 6 of yesterday's agenda to discuss and vote on amending § 180-10.1-615 of the regulations relating to micro-producer and wholesale licensee agreement requirement, seconded by Treasurer; all commissioners voted in favor of the motion, motion carried.

Chairwoman asked if there were any discussion before moving on. MD requested the addition of a Managing Director's Report, Chairwoman acknowledged and then motioned to add agenda line item VIII. Managing Director's Report, seconded by Secretary; all commissioners voted in favor of the motion, motion carried.

Chairwoman motioned for the adoption of today's agenda as amended with the above-mentioned correction and additions, seconded by Treasurer; all commissioners voted in favor of the motion, motion carried.

IV. Housekeeping Rules

Chairwoman announced the commission's housekeeping rules it would like to discuss before proceeding with the meeting and asked Managing Director Monique Sablan (MD) to proceed with detailing those rules.

MD welcomed the meeting participants and announced her presenting some rules of engagement during the meeting, i.e., those wishing to speak will have the opportunity to do so and to identify oneself by stating full name for the record, address the commission and not members of the audience, debate avoidance, keeping brief oral comments, no demands for answers to specific questions from a specific member of the commission or audience, all questions must be addressed to the commission, no voting from a member of the audience, etc.

Chairwoman asked everyone in attendance if there were any questions with the commission's rules; hearing no questions, Chairwoman moved to public comment.

V. Public Comment

Chairwoman opened the floor for public comment and offered meeting attendees the opportunity to comment if they wish. No public comment was offered other than from a meeting attendee thanking the commission for their meeting attendance. Chairwoman subsequently closed the floor for public comment and proceeded to the next agenda item.

VI. New Business

- 1. Cannabis Licensing Application No. App No. C0221-0016-SPN:** Common Wealth Cannabis, LLC. dba Common Wealth Cannabis' Dispensary & Lounge's application for a Lounge Class 2 license; discussion and approval

Chairwoman introduced the above-referenced cannabis application and asked MD to proceed with its presentation.

MD introduced the applicant to the commission, and then mentioned the issuance of an approval-in-principal letter, identified its Chief of Operations contact person, and summarized the applicant's application information, e.g., displayed the establishment's

floor plan layout and inspection photographs, signage, the updating of the establishment's premises lot number based on its latest approved and recorded survey map, its operating business hours, products and amenities, and other relevant information, e.g., the establishment's security identification check-in area, service counter and consumer consumption area, and explained that a Lounge Class 2 license allows a patron to bring outside marijuana into the establishment for consumption.

MD concluded that the conditions were discussed with the applicant before licensing, and thus recommended conditional approval for Cannabis Licensing Application No. C0221-0016-SPN (Lounge Class 2), which is subject to a follow up inspection scheduled for July 12, 2021 to ascertain operational readiness.

Chairwoman thanked MD for her presentation and opened the floor for discussion or questions from any commission member.

Vice Chairman inquired with MD about the conditional approval, that that's an approval and license at the point of voting with conditions, should they not meet the conditions, what would be the ramifications.

MD responded that the license would not be issued until conditions have been met, and that it's a conditional approval, not a conditional license, i.e., license approval is recommended to be issued, but actual license issuance will not occur until those conditions, e.g., security camera set-up and operational, etc., are met by the scheduled July 12th inspection date, which was agreed upon by the applicant and MD; and if the second inspection does not meet the specified conditions, it will be classified as a failed inspection, and therefore, unable to be licensed.

Chairwoman asked Member Songsong if he had questions for the applicant. Member Songsong acknowledged and mentioned that he shared some points with the commission and MD, and anticipates the MD sharing them with the applicant, and then thanked the applicant for his interest and entrepreneurship in the CNMI cannabis industry.

Chairwoman thanked MD and then asked the applicant if he had any questions for the commission. The applicant had no questions. Hearing no other discussion, the Chairwoman motioned to vote on the MD's recommendation for conditional approval for licensing of Cannabis Licensing Application No. C0221-0016-SPN (Lounge Class 2), seconded by Vice Chairman; all commissioners voted in favor of the motion, motion carried.

MD proceeded to call roll of the commission members to vote on the motion as follows:

- Member Songsong voted yes;
- Treasurer Taisacan voted yes;
- Secretary Hofschneider was recused from voting as she assisted with the application review and inspection under the MD;
- Vice Chairman Deleon Guerrero voted yes;
- Chairwoman Deleon Guerrero voted yes.

MD reported to the Chairwoman the commission's unanimous yes vote; the applicant was congratulated. Chairwoman subsequently moved on to the next agenda item.

2. Cannabis Licensing Application No. App No. C0221-0020-SPN: Common Wealth Cannabis, LLC. dba Common Wealth Cannabis Dispensary & Lounge's application for a Retailer license; discussion and approval

Chairwoman announced the above-referenced application for retailer license and moved for the MD's presentation.

MD presented the same applicant of the preceding presentation on his other application for a retailer license on the same premises/business establishment adjoining his proposed marijuana Lounge Class 2, mentioned the issuance of an approval-in-principal letter, described the establishment's floor plans/layout, patron entry and exit points, security identification area and security camera placements, business hours, scope of operations, marijuana items and related accessories for sale, limited access and storage areas for authorized personnel, and other relevant information.

MD concluded with her recommendation for conditional approval of Cannabis Licensing Application No. C0221-0020-SPN, which is subject to a follow-up inspection (2nd inspection) scheduled for July 12, 2021 to confirm security standards/operability have been met, and to secure updated photographs of the premises (the same conditional approval as for its proposed Lounge Class 2 establishment).

Chairwoman thanked MD for her presentation and opened the floor for any questions from commission members.

Vice Chairman related to the law/regulations for the applicant's mindfulness on product label/packaging requirement of marijuana items that they must be labeled as "*Untested Product,*" until the point that there is a licensed cannabis testing laboratory to test marijuana products. Chairwoman and Vice Chairman asked the applicant general questions about its floor plans, patron entry, passages and exit areas, and waste disposal.

Chairwoman subsequently motioned to vote on the MD's recommendation for conditional approval of Cannabis Licensing Application No. C0221-0020-SPN for a marijuana retailer license, seconded by Treasurer; all commissioners voted in favor of the motion, motion carried.

MD proceeded to call roll of the commission members to vote on the motion as follows:

- Member Songsong voted yes;
- Treasurer Taisacan voted yes;
- Vice Chairman Deleon Guerrero voted yes;
- Chairwoman Deleon Guerrero voted yes;
- Secretary Hofscheider was recused from voting as she assisted with the application review and inspection under the MD.

MD reported to the Chairwoman the commission's unanimous yes vote. The applicant was congratulated on his conditional approval for licensure.

3. Cannabis Licensing Application No. App No. C0321-0021-SPN: LuMar, LLC. dba CanaMariana's application for a Retailer license; discussion and approval

Chairwoman announced proceeding with the above-referenced application.

MD introduced the representatives/owners of the proposed marijuana retail business, and summarized their application's scope of operations, marijuana items and related accessories for sale, location, displayed its floor plan layout, secured storage and limited access areas, patron passage through its other adult only vape shop business adjoining the proposed marijuana retailer shop, identification check in counter, and their staff required training through Green CulturEd, an online eLearning cannabis training institution, and other relevant information.

MD reiterated the Vice Chairman's earlier statement on the law/regulatory requirement of marijuana product labeling/packaging must be labeled "*Untested Product*" until such time a licensed laboratory is available for marijuana product testing.

MD concluded with recommending approval for retailer licensing of Cannabis Licensing Application No. C0321-0021-SPN. Chairwoman thanked MD and opened the floor for any questions from commission members.

Vice Chairman expressed appreciation for the applicant's implementation of staff cannabis training requirements and inquired with the MD if she asked the applicant about the cannabis training curriculum.

MD replied that she did not ask for the full curriculum, but that it could be provided, however, during her site inspection, the applicant showed her the Green CulturEd website and its various cannabis training certifications offered, and how the applicant entered a CNMI option that is now featured in that website.

Vice Chairman continued with a general inquiry on the restocking of marijuana supplies during business hours. MD responded that her discussion with the applicant indicated that there will be no movement of marijuana products during regular business hours from its secured storage area through its vape shop business and into its marijuana retail shop, and that any or all restocking will be performed before business operating hours.

Vice Chairman asked the applicant where his marijuana retail shop records/books would be kept. The applicant responded that they have a small office space in the business establishment and an extra office space upstairs where records would be kept on the premises, including keeping digital copies of them.

Chairwoman asked Member Songsong if he had any question, Member Songsong replied having no question. Hearing no other question, Chairwoman motioned to vote on MD's recommendation for approval of Cannabis Licensing Application No. C0321-0021-SPN for a marijuana retailer license, seconded by Treasurer; all commissioners voted in favor of the motion, motion carried.

MD proceeded to call roll of the commission members to vote on the motion as follows:

- MD recused Secretary Hofschneider from voting as she participated with the application review and inspection under the MD;
- Member Songsong voted yes;
- Treasurer Taisacan voted yes;
- Vice Chairman Deleon Guerrero voted yes;
- Chairwoman Deleon Guerrero voted yes.

MD reported to the Chairwoman the commission's unanimous yes vote. The commission then congratulated the applicant.

4. Cannabis Licensing Application No. App No. C0321-0022-SPN: LuMar, LLC. dba CanaMariana's application for a Producer Class 1 license; discussion and approval

Chairwoman announced the above-referenced application of the same applicant presented earlier at the same business establishment/premises.

MD informed the applicant that if there is anything that she may have missed or misrepresented during the course of her presentation of their application to please bring it to her attention.

MD proceeded with the applicant's proposed marijuana Producer Class I cultivation area at the same premises described in her preceding presentation, that it is an indoor cultivation operation in grow tents, and explained that a Producer Class I license authorizes up to 750 square feet of cultivation space, however, the applicant in this case has indicated that his grow space in grow tents will only occupy about 32 square feet.

MD described the cultivation medium, business location, displayed floor plan/layout, marijuana cultivation grow tents and secured storage areas, and mentioned the applicant's initiative in implementing his own cannabis tracking system (CTS), in addition to his work with that CTS company in establishing/featuring the CNMI in its CTS.

MD continued detailing their water reverse osmosis system, secure magnetic key card doorways and operability even during power outages, interior and exterior security camera placements, the applicant's ability to access security camera footage from his phone or office, displayed inspection photographs, drying and curing rooms, and other relevant information.

Secretary described the applicant's CTS user friendliness and the applicant's demonstration of its functionality with tracking marijuana seedlings, clones and mother plants; MD inserted its ability to document new inventoried plants and the ability to print labels for each plant, thus, track marijuana plants from seed to sale.

MD concluded recommending for approval of Cannabis Licensing Application No. C0321-0022-SPN for a Producer Class I license.

Chairwoman thanked MD for her presentation and asked the commission members if they had any questions.

Vice Chairman asked the applicant about his two card access verification system if it requires two persons to be present.

The applicant explained that his system requires two separate cards, one for management and the other for shift personnel and that the card is trackable and is able to distinguish whose card was scanned accessing limited access areas, which must go through a couple magnetic key card doorways to access secured areas, requiring two cards.

Vice Chairman asked the applicant, for the purposes of enforcement, should an enforcement officer enter and seek access to limited access or secured areas, would there be any concerns should one card not be present.

The applicant responded no concerns because there will always be a supervisor rank individual who will be present along with an employee who will have access and that there will always be two cards present; at no time will there just be a single person during business hours as it could pose a safety risk for a single employee or management; the only time access to secured areas is going to happen is before or after business operating hours and at no time during business hours, and expressed that his SOP requires two individuals to open and two individuals to close the business establishment at the same time.

Vice Chairman asked the applicant's anticipated marijuana yield from his grow tents. The applicant answered with an estimation of 2 -3 pounds per harvest and intends to cultivate his own varietal craft cannabis, but has consulted with other licensed producers to buy and resale, and expressed that he is primarily established to sell other licensed producer's marijuana product.

Vice Chairman asked the applicant if he plans to sell seeds. The applicant replied not for the time being but foresees it as a possibility in the future, and that as a retailer understands that he may be able to sell plants, clones, in its vegetative state and not a flowering/maturing plant, although he has not planned plant sales, but considers that an option.

MD responded that she will verify the permissibility to sell plants under the applicant's retailer or producer licenses.

Chairwoman inquired about cannabis waste disposal. The applicant stated that he'll catch all his waste on-site which will be entered into a biodegradable bin and composted until decomposed and disposed, and until such time the commission has established policies for its disposal.

MD pointed out that the applicant's cannabis tracking system, once an entry is made, it cannot be altered and all entered information is archived. The applicant added that destroyed/waste plants are also entered information into his CTS.

Chairwoman asked Member Songsong if he had any question. Member Songsong acknowledged and asked the applicant about his standard operating procedures' mention of quality control and flower bud inspection for insects and mold, but did not note any mention of pest management strategies, and understanding his indoor cultivation in grow tents, there are instances of pests such as spider mites, and asked if he had any pest control strategy or planned use of pesticides, if any, as there are concerns with public health and product safety.

The applicant stated that he will use all natural, organic, non-chemical pesticides, and that to him, IPM (Integrated Pest Management) starts with preventative measures, it's about keeping his grow areas clean, that will be the only grower and will grow in grow tents that is less likely to have pest problems as opposed to open areas, and explained that one will get spider mites if there is no good protocols in place, and reiterated his application of natural, organic, non-chemical pesticides when applicable.

Member Songsong thanked and appreciated the applicant's response with the use of natural, organic, non-chemical based pesticides, if needed.

Vice Chairman asked the applicant's anticipated first sale. The applicant replied, "As soon as there is product." Vice Chairman then asked if he had a foreseeable timeline for his own produced product other than from other licensees.

The applicant responded that he is hearing from one of the licensees that they may have product ready by mid-July, while other licensees may be ready in late July, and that he will be ready to purchase as soon as he is licensed; as for his own producer licensed grow, he will push for a quick 90-day grow as soon as licensed with some auto-flowering seeds and at the same time start other seeds to develop mother plants for his plant cloning, and so for this auto-flowering cannabis, he estimates harvest in the September time frame, and ability to cut clones from mother plants by November, depending on a number of factors.

Vice Chairman stated that although it is not a regulatory requirement, the commission is considering a way to monitor quantities/volume sold and prices sold, and so with initial sales it would be helpful to have communications between the commission and retailers because we have ideas on different components that hopefully will help contain supply and market saturation, one of them for example is limitation on licenses, or the

wholesaler process and building up a wholesale network that could have adjustable capacities so that there are controls on them, but the commission does not have adequate information on market prices, quantities sold, or demand, so it would be great to have that communication, although it is not a requirement, just through cooperation.

The applicant responded that he gladly shares this information, and is considering limiting sales or quantities sold to begin with, and that for him it's not about buy and get high, the attraction is about the excitement of being legally able to walk in a marijuana retail store and buy without distress, so he wants the people to feel comfortable initially, and is considering an initial moderate price of approximately \$18 - \$20 a gram, \$60 - \$65 on 1/8 ounce, \$110 on 1/4 ounce; the unknown is the tax, and that is the pretext price, then throw in the BGR is where he would figure product pricing, which he estimated at around \$24 and some cents per gram.

Vice Chairman expressed to the applicant that for verification purposes on taxes, there is discussion with the legislature and the Department of Revenue and Taxation about this, and that there is no regulations right now governing surtax and that it would be interesting to figure out with your experience while going through it what those requirements would be, because there is reason to suggest it is a surtax which is not an additional tax.

The applicant stated that that does not bring in any money for the CNMI, every state has its cannabis tax, and that when he runs his register receipt with his POS (Point-of-Sale cannabis tracking system), it provides a breakdown for taxes, one can literally see what the tax rates are; when he calls up Hawaii's tax rate, it's 12% tax on medicinal marijuana and then there is a sales tax on that product; he stated that he is confident that consumers are willing to pay \$24 per gram of marijuana because on the street right now, consumers are paying \$100 for approximately 5 grams of poor quality cannabis.

Having no further question or discussion, Chairwoman motioned to vote for the approval of Cannabis Licensing Application No. C0321-0022-SPN for marijuana Producer Class I license, seconded by Treasurer; all commissioners voted in favor of the motion, motion carried.

MD proceeded to call roll of the commission members to vote on the motion as follows:

- Member Songsong voted yes for approval;
- Treasurer Taisacan voted yes for approval;
- Vice Chairman Deleon Guerrero voted yes;

- Chairwoman Deleon Guerrero voted yes.

MD reiterated for the record that Secretary Hofschneider was recused from voting as she assisted with the application review and inspection of the proposed business establishment and premises under the MD, and then reported to the Chairwoman of the commission's unanimous yes vote. The applicant was congratulated and informed of general licensing issuance information.

RECESS: Chairwoman called for recess at 11:59 a.m., and subsequently called the meeting back to order and in session at 12:20 p.m.

5. Discussion and vote on the proposed amendment of § 180-10.1-615 relating to micro-producer and wholesale licensee agreement requirement

Chairwoman announced the above-referenced agenda item and requested the Vice Chairman's reiteration of discussions leading to the commission's consideration on amending this section of the regulation.

Vice Chairman stated that the goal is to amend § 180-10.1-615 on micro-producers, the first amendment is a small technical correction striking out the word "and" on (a) (5) (ii) and the second larger amendment is adding subsection (e) under 615 to read:

- *"Licensees licensed to operate in municipalities with no fewer than eight thousand (8,000) residents, as defined by the most recent census, and no licensed wholesaler, may obtain a micro-producer license under the requirements set forth in § 180-10.1-601, granted that micro-producer licensees shall not possess more than twenty-five (25) mature marijuana plants."*

Vice Chairman explained that § 180-10.1-601 which it references, is the privileges and prohibitions section of general marijuana producers, which would allow them to plant, grow, cultivate marijuana and sell to a licensed premises of a marijuana processor, retailer, lounge, laboratory, or research certificate holder.

Secretary asked that in the absence of a wholesaler and the existence of a licensed micro-producer, if a wholesaler license is issued in that municipality, would there be a requirement for an existing or future micro-producer to go into an agreement with the licensed wholesaler?

Vice Chairman responded that obviously the micro-producer could do whatever they want, enter into an agreement with a licensed wholesaler or not, but it is not a regulatory requirement.

Chairwoman added that as long as the latest census data show a municipality's population of no fewer than 8,000 residents, micro-producers in that municipality will not be required to go through the wholesaler agreement requirement, and then asked the rationale behind the 8,000 population number.

Vice Chairman responded that it could have been 3,000, 5,000, or 8,000, and that a population of 8,000 seems to be a reasonable number, a small market yet large enough to make an industry work at a larger scale when there is a larger population; obviously there is no micro-producer applicant on Tinian and Rota right now and their population is around 2,000 or so, but also if they have zero demand for now for both the wholesaler and micro-producer licenses, or even interest in a micro-producer license with a population of 2,000, what is the middle ground between generating enough domestic demand to necessitate a production at that level, and what is the cap at which the excess of that would be good to have some market power within the applicants, so 8,000 seems to be a reasonable number.

Chairwoman and MD briefly discussed with Member Songsong the possible visitation of an interested group out of Singapore through their local Rota representative, and the nearing term expirations of Member Songsong and Treasurer Taisacan in September 2021. Chairwoman subsequently continued discussion on the proposed micro-producer regulatory amendment and expressed support for the amendment.

Vice Chairman then motioned for the approval and adoption of the amendments to § 180-10.1-615 as discussed and explained, seconded by Secretary; all commissioners voted in favor of the motion, motion carried.

MD called roll of the commission members to vote on the motion as follows:

- Member Songsong voted yes;
- Treasurer Taisacan voted yes;
- Secretary Hofschneider voted yes;
- Vice Chairman Deleon Guerrero voted yes;
- Chairwoman Deleon Guerrero voted yes.

MD reported to the Chairwoman the commission's unanimous yes vote.

Vice Chairman requested for discussion the proposed draft amendments to the CNMI Cannabis Public Laws 20-66 and 21-05 that were previously discussed. The Vice Chairman expressed the time interest involved and made a motion to amend the agenda to discuss the subject matter further, seconded by Chairwoman; all commissioners voted in favor of the Vice Chairman's motion, motion carried.

6. Discussion on the proposed amendments of CNMI Public Laws 20-66 and 21-05

Vice Chairman stated that the main issue is the license renewal period, and the sooner the proposed amendments are sent out at least for review by members of the legislature, it would be beneficial for the commission, and briefed the commission members as follows:

- In the passage of Public Law 21-05, the governor submitted a list of recommendations within his transmittal letter for amendments, in addition to the ones the commission put together, which were referenced in the findings; and out of the governor's list, some of them were complicated to address, not necessarily time sensitive, but should be revisited, and one in particular that was possibly easy to address was the mention of the *display of cannabis within a public setting, and it does not permit medical marijuana patients who are under 18 years of age from viewing products*, and so a lot of areas were looked at, areas where if one was under 18 who has a medical marijuana recommended would be prohibited from doing a certain number of things, so this is an area that can be probably reviewed later, but it is one of the more broader ranging ones.
- The second amendment is amending 53012 to cut out the line that says *the commission shall not deny a person under the age of 21 from obtaining a Homegrown Marijuana Registry card*.
- The third amendment is to get rid of the *September 30 deadline*, and should be underlined, *shall be issued for a period of one (1) year*, underlined, *from the date of official licensure*, that's the addition; so it's *one (1) year from the date of official licensure*, and also added on top *for all licenses both current and those issued after this act*, so hopefully that covers existing licenses.
- The fourth amendment is changing 53074 to allow within the exemptions of public lands, the following lands located in the Northern Islands; and (e) was to get rid of the three (3) hour waiting requirement for examination of books, this allows the commission's review of books at any reasonable time.
- The fifth amendment is on security, this is a line that would *allow for discretion on sharing security information with an OGA*; section 3 is the *regulatory revolving fund* established within the Commonwealth Treasury, a CNMI Cannabis Commission regulatory body account set-up for all monies received directly to the

corporation in payment of fees pursuant to the act, as amended, any fines shall be deposited to the fund, the Chairperson shall be the expenditure authority, the revolving fund shall be available for expenditure without fiscal year limitations, and the commission's revolving fund account shall be audited on an annual basis.

Vice Chairman expressed concern before another license approval cycle is subsection (j) under 310 which says *failure to comply with these processing requirements*, which are the foundation of how we do our licensures, *may result with the application being denied*; it is citing 310 (j) as the failure to comply, within 310 (j), so that needs to be changed, to take out, just because it says that is a requirement for denial, and that is where we talk about denials, so that is where we might consider voting on it, to strike-out (j), and just indicate 310. Commission members continued discussion on the subject matter.

Hearing no further question/discussion, Chairwoman moved on to the Managing Director's Report.

VII. Executive Session

1. Legal Matters - AAG

There were no legal matters discussed.

VIII. Managing Director's Report

MD reported a foreseeable future budget through meetings with the Office of Management and Budget (OMB) that the commission will receive ARPA funds up to year 2024; how the OMB determined the sum to allot was based on their halving of departmental 2019 budgets, and being that the commission did not have a 2019 budget, the OMB utilized the commission's 2020 budget; the proposed ARPA funds will provide the commission reasonable funds to support operations in addition to funding full time employees.

MD continued that employee positions being planned to open are administrative assistant, permitting and licensing, enforcement/compliance, an IT personnel, and possibly a commission legal counsel if funding is sufficient; current fiscal year budget is able to fund the hiring of a permitting/licensing and administrative staff sometime in July, while fiscal year 2022 budget could support the hiring of additional staff, e.g., enforcement, IT and legal counsel, and that on top of the ARPA funding, there is also local funding support.

MD concluded her report that she was contacted by the DETF (Drug Enforcement Task Force) concerning their request for verification whether a person was a homegrown registry card holder, who she verified not to be, was then subsequently arrested for violating CNMI marijuana law and trafficking; communications with a DETF officer indicated that a lot of marijuana plants were confiscated and that based on individually bagged dried marijuana flowers, it was reasonably concluded that marijuana was being illegally sold.

Vice Chairman stated that this is an area where the commission wants to track, the number of marijuana related arrests that have occurred with cooperation between the commission and DETF. MD acknowledged.

MD thanked the Vice Chairman for his assistance in seeking an acting managing director to cover her period of absence during maternity leave beginning sometime on July 6, 2021, and went over administrative matters she'll carry out with the acting manager director before going on leave.

Chairwoman inquired about any pending homegrown registry applications. MD replied that there are three (3) applications pending and is in communication with them for document submission to complete application, while one (1) pending applicant is off island for medical reasons, and that the applications will be handled accordingly with the incoming staff; discussions continued on administrative matters to be undertaken before the MD goes on leave.

IX. Adjournment

Hearing no further discussion, Chairwoman motioned to adjourn meeting, seconded by Treasurer; all commissioners voted in favor of the motion, motion carried. Meeting adjourned at 1:14 p.m.