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COMMONWEALTH of the NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CANNABIS COMMISSION

A meeting of the CNMI Cannabis Commission will be held on **Monday, July 27, 2020, at 10:30 A.M.** at the office of the Commonwealth Casino Commission Conference Room at the Springs Plaza on Middle Road.

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 Finalization of application receipt and review processes
 2. Concerns Re: proposed opening date of Tuesday, August 4th, 2020
 3. Director's Report
- VII. Old Business
 1. Discussion and Adoption of Homegrown Registry application
 2. Discussion and Adoption of Commercial Applications
- 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 the CNMI Casino Commission Office.

Written comments on the agenda may be submitted to the CNMI Cannabis Commission, through the Office of the Governor, on or before the meeting date. Oral testimony may be presented during the meeting on Monday, July 27, 2020.

CNMI Cannabis Commission
Regular Session Meeting Minutes
July 27, 2020

I. Call to Order

The CNMI Cannabis Commission was called to order by Chairwoman Nadine Deleon Guerrero at 10:34 a.m. on July 27, 2020, in the Commonwealth Casino Commission Conference Room, Saipan.

II. Roll Call/Determination of Quorum

Nadine Deleon Guerrero, Commissioner representing Saipan
Matthew Deleon Guerrero, Commissioner representing Saipan
Valentino Taisacan Jr., Commissioner representing Northern Islands (unexcused absence)
Journie Hofschneider, Commissioner representing Tinian (attending by Zoom Meeting)
Thomas Songsong, Commissioner representing Rota (attending by Zoom Meeting)
Joseph Deleon Guerrero, Special Advisor (SA) on Cannabis Industry for the Office of the Governor
Mike Ernest, Attorney General
Keisha Blais, Attorney General
Monique B. Sablan, Managing Director (MD)
Alexis Hofschneider, Legislative Secretary to Senate Committee on Cannabis

III. Consideration and Adoption of Agenda

- Vice Chairman made a motion to amend the agenda to include a discussion on the resolution on the limitation of licenses to new business; Treasurer seconded; no discussion and all members voted in favor of the motion.
- Vice Chairman added Legal Counsel's Report under new business; Chairwoman seconded. No discussion and all members voted in favor of the motion.

IV. Consideration and Adoption of Minutes of Prior Meeting

- Secretary made a motion to table minutes for: March 10, June 9, and June 23; Treasurer seconded; no discussion. Minutes tabled.

V. Public Comment

- SA, verified that there were no members of the public present; therefore, no public comments were made to the Commission.

VI. New Business

1. Discussion and Finalization of application receipt and review processes

- MD went over the Homegrown Marijuana Registry (HMR) application process including the checklist for licensing requirements and discussed the application submittal process. Ie. Where the applications will be submitted temporarily as the CNMICC does not have an available office

space on Saipan and Tinian (Rota office will be at the DNLR admin office). Vice Chairman raised the question of why we could not receive the applications by mail. MD explained that one of the steps of the application review is for CNMICC staff to first determine that it is administratively complete prior to accepting it and in addition, the fee would be required prior to submitting. Chairwoman was not in favor of mailing in the applications due to complications that could arise with applicants stating that they mailed the application; however, the CNMICC did not receive it. MD stated that she sought clarification on interpretation from A/AG Keisha Blais whether the CNMICC has to issue the HMR card once the application was received (based on the statute). Keisha advised that the CNMICC has the discretion to interpret and apply the law as we seem fit and that it would not make sense to issue a card without first reviewing the application. Members agreed with reviewing the application first.

- Chairwoman indicated that the tentative date to start accepted applications is August 4, 2020. Rota office is ready to open, Saipan applicants will submit their applications to the Casino Commission service window. The Tinian office will be located at the old Tinian Municipal Counsel Office; however, renovations are required first.
- Members discussed setting up email accounts for each island for interested applicants/public to contact the CNMICC for specific questions for their region. This is to assist with the volume of questions that could be answered at the regional level as opposed to MD having to field all questions received in the media inbox. MD advised that office hours for receiving applications would be from 9-4 pm.
- MD provided an update from her discussion with Keisha about the statute that all licenses expire September 30th of each year. Members discussed amending the law so that a license expires a year from the date of issuance instead of September 30th of each year. In addition, if a HMR card is issued in August 2020, that for the first year of implementation, we would not require them to reapply September 30, 2020 (it would be valid until September 30th).
- Members discussed receiving complaints from the public regarding HMR cultivation sites. Without inspecting these sites, it is up to the card holder to adhere to the law. If a complaint is determined by the CNMICC to warrant further review, the CNMICC will work with DPS (with guidance from AG) to assess the cardholder's suitability to continue to hold the card.
- Vice Chairman discussed different options for receiving fees for application submittal. He provided different options based on the lack of staff the CNMICC has and the amount of steps an application would have to take to pay the application fee to Treasury and submit the application to the CNMICC intake office.
- SA suggested we request for assistance for staff from the Governor or from another agency. MD contacted Robert Hunter (for a lateral

transfer); however, due to COVID and furloughed employees, this may be problematic.

- Members asked Keisha if the CNMICC is mandated to ensure compliance with the HMR cardholders (is the CNMICC the responsible body for enforcement). Keisha advised that the CNMICC should accept the application, issue the license upon completion, and maintain the registry system. She suggested that if someone complains about a cardholder, to work with DPS. She reminded Members that the applicant completes the application and answers the CNMICC's specific questions regarding adherence to the laws and that the applicant signs the application that the information provided is accurate and true. In her opinion, this would be sufficient to follow up with any evidence that the cardholder is not complying with rules and regulations.
- Application Payments: MD suggested creating an application payment certification form for applicants to take to treasury and have certified by them as paid. Secretary will work on creating application, license and homegrown payment certification form. The completed payment certification and receipt of payment would be submitted with the application.
- Secretary asked why applications could not be emailed. MD advised that there are downsides to receive applications by email especially if applications are incomplete and Chairwoman added that there would be security issues online. MD would like to see the applications go online in the future but for right now, all applications are to be submitted to an office. If an applicant only submits the HMR application without the fee, the card will not be issued until payment is complete.
- MD advised that for now we will have all commercial application fees going to acct #46510 and licensing fees to acct #46520.
- MD went over the commercial license applications with the Members.

2. Concerns Re: proposed opening date of Tuesday, August 4, 2020

- Chairwoman advised that each applicant is required to print their own applications due to limited resources.

RECESS

Chairwoman called recess at 12:09 p.m. and called the meeting back to order at 12:20 p.m.

- Vice Chairman raised the 5-year residency requirement and SA asked who would be able to meet the residency requirement. It was identified that this requirement would need to be added to the regulations.
- Members discussed the interpretation of "applicant" in the statute and reviewed all mention of the 5-year requirement to determine who must meet this requirement. Secretary mentioned that she created the appendices with the requirement for a minimum of one (shareholder, director, officer etc.) individual to meet the 5-year requirement. Vice Chairman wanted to ensure the appendices requirements aligns with the statute.
- Statute says 10 days as a deadline to submit incomplete documents.

- MD asked if prior to issuing a license (after review of the application) if she is to present the application to the board. SA clarified that the application process is delegated to the MD and the Commissioners would be the appeal board and would not be involved with processing of the applications.
- MD clarified that the applications will be received by Tinian and Rota and the Commissioners (in the absence of staff) will mail them to MD.
- Commissioner Songsong recommended as a courtesy to notify the public of an application in residential areas. Secretary commented that if we are going to incorporate a public consultation process that it should be for all regions and in our regulations so that it is clearly defined as to what factors the CNMICC will consider when deciding to approve or deny an application. Vice Chairman commented that the statute does give the CNMICC the authority to hold public hearings and review an applicant/application in public if there is a concern to allow for deliberation. Chairwoman commented that if a commercial license application received in a residential area, then that is the case where the CNMICC requires that public notice goes out to the community and have a meeting line-iteming the application. Public hearings will be on a case-by-case basis likely if there is public opposition.

3. Discuss resolution for limitations on licenses

- Vice Chairman discussed the draft resolution for limiting licenses issued which would have to be agreed to and signed off by all members of the board. He suggested no limits on micro producers; however, producers due to the scale of the operation, wholesalers, retailers (zero right now because there is no approved zone for retailers), laboratories due to the significant capital expense. He mentioned Garapan core being an approved cannabis zone.
SA suggested we can implement another resolution if the market shows a need for an amendment to what we approve.
Members discussed proposed options and rationale for each proposal.
- Tinian and Rota Commissioners do not want to impose a limit of numbers of licenses issued until they have a better idea of how the market will be.

4. Legal Counsel's Report

- If a Saipan applicant attempts to drop an application off at the Casino Commission service desk and it is not in a Manila envelope, Mike Ernest would accept them in person on behalf of the commission without the envelope.

5. Director's Report

- Chairwoman gave an update regarding the Saipan office: requires paint, water blasting and she had an electrician look over the entire building.
- Website is still under construction.

VII. Old Business

1. Discussion and Adoption of Homegrown Registry application
2. Discussion and Adoption of Commercial Applications
 - Secretary needs to update the applications to include payment information and make a license fee form.
 - Members discussed that applicants are required to pay up front
 - Members voted to approve all applications and agreed to implement them at the same time. All members voted in favor. (August 4)

Adjournment

Chairwoman made a motion to adjourn the meeting; Vice Chairman seconded; no discussion. Meeting was adjourned at 3:12 pm.