



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS CANNABIS COMMISSION

CITIZEN CENTRIC REPORT ²⁰/₂₀

TAULAMWAAR SENSIBLE CNMI CANNABIS ACT OF 2018



The CNMI Cannabis Commission ("Commission") was created by CNMI Public Law 20-66, as amended by CNMI Public Law 21-05, that legalized the possession, use and sale of cannabis in the Commonwealth.

COMMISSIONERS



Pursuant to Public Law 20-66, five members were appointed to serve as Commissioners:

CHAIRMAN:

Nadine Deleon Guerrero, Saipan

VICE-CHAIRMAN:

Matthew Deleon Guerrero, Saipan

SECRETARY:

Journie Hofschneider, Tinian

TREASURER:

Valentino Taisacan, Northern Islands

MEMBER:

Thomas Songsong, Rota

The Commission was duly organized and began its duties on September 12, 2019.

MANAGING DIRECTOR



The head of administration of the Commission is led by a Managing Director who shall be responsible for organizing the work of the Commission in a manner that will ensure its efficient and effective operation. The Managing Director shall have such other duties as may be assigned or delegated by the Commission. The Managing Director serves at the pleasure of the Commission.

MANAGING DIRECTOR:

Monique Boyer Sablan

MISSION



"To Regulate the Cannabis Industry by implementing and administering the laws and regulations enabling safe, responsible adult personal use of Cannabis and to capture a revenue stream that can contribute towards the overall economic progress in the Commonwealth."

CNMICC



The Commonwealth of the Northern Mariana Islands became the first United States Territory to legalize marijuana for recreational, medicinal, and commercial use through the passage of CNMI Public Law 20-66, or the Taulamwaar Sensible CNMI Cannabis Act, which was later amended in CNMI Public Law 21-05.

The Commission is delegated the authority under P.L. 20-66 and P.L. 21-05 to promulgate and implement regulations pertaining to the purchase, sale, production, processing, transportation, or delivery of any marijuana items in the CNMI.

Implementation and enforcement of these regulations will cover all populations with the Northern Mariana Islands. The variety of commercial structures available to the industry will require a significant amount of resources to hire and train the necessary staff, procure the requisite equipment and software products, and maintain sufficient operational resources to ensure the creation of a safe and viable industry.

CONTENT

PROGRESS: CANNABIS HMR AND CCL	2
FINANCES: BUDGET & REVENUE	3
CHALLENGES & PROJECTIONS	4



TIMELINE OF EVENTS



September 21, 2018:

Taulamwaar Sensible CNMI Cannabis Act of 2018 was signed into law (CNMI Public Law 20-66)

August 21, 2019:

Taulamwaar Sensible CNMI Cannabis Act of 2018 was amended (CNMI Public Law 21-05)

September 12, 2019:

The Commission organized and selected its officers

November 12, 2019:

The Commission hires the Managing Director

March 10, 2020:

The Commission adopts the CNMI Cannabis Proposed and Emergency Rules and Regulations

June 23, 2020:

The Commission officially adopts the Proposed Cannabis Rules and Regulations

July 28, 2020:

Certification of the Cannabis Rules and Regulations is published into the Commonwealth Register Volume 42, No. 7

August 4, 2020:

CNMI Cannabis Commission launches and begins the intaking of the commercial Cannabis Licensing applications and the noncommercial Homegrown Marijuana Registry applications

Non-Commercial.

Homegrown Marijuana Registry.



Commercial.

Cannabis Licensing.



COMMERCIAL CANNABIS LICENSING

Cannabis Licensing (commercial)

Dependent on the type of license issued by the Commission, a licensed cannabis business will be authorized to commercially cultivate, manufacture, store, distribute, allowing for onsite consumption, or sell marijuana to a person 21 years of age or older within the Commonwealth.

The Commission is able to issue out the following types of commercial cannabis licenses:

- Marijuana Producer License (Class 1, 2, or 3)
- Marijuana Micro Producer License
- Marijuana Wholesale License
- Marijuana Processor
- Marijuana Retailer License
- Marijuana Lounge License (Class 1 or 2)

August 2020 - September 2020

of Cannabis Licensing Applications Received:

- Marijuana Producer, Class 1: (1)
- Marijuana Producer, Class 3: (4)
- Marijuana Wholesale: (1)
- Marijuana Processor: (1)
- Marijuana Retailer: (2)
- Marijuana Lounge, Class 1: (2)

of Cannabis Licenses Issued:

- All applications are currently pending processing & review



HEMIGROWN MARIJUANA REGISTRY

Homegrown Marijuana Registry (non-commercial)

Individuals who are 21 years of age or older are mandated by Commonwealth law to register for a Homegrown Marijuana Registry Card in order to produce, process, keep, or store homegrown marijuana at a household or cultivation site for noncommercial purposes.

August 2020 - September 2020

of HMR Applications Received:

- Saipan: 7
- Tinian: 1
- Rota: 1

of HMR Applications Approved & HMR Cards Issued:

- Saipan: 7
- Tinian: 1
- Rota: 1



FINANCES

BUDGET



Pursuant to CNMI Public Law 21-08, the CNMI Cannabis Commission initially received a total appropriation of **\$551,479** for fiscal year 2020. Due to unforeseen economic downturn, the Commission was subjected to the overall proportionate reduction in the allotment like all branches, offices, agencies and instrumentalities of the Commonwealth. The adjustment in overall revenue triggered an over 40% proportionate reduction across all branches and activities in the Commonwealth. Due to these austerity measures, the total CNMCC appropriation for personnel and all others was adjusted to **\$295,867** for FY 2020.

EXPENDITURES



Table A.

1501/1501A

Total Budget for FY2020 (after budget cut): \$295,867.00

Personnel Expenditures:	
Wages & Salaries	\$ 39,115.00
FICA Contribution	\$ 2,425.00
Health Insurance	\$ 4,145.00
Medicare Contributions	\$ 567.00
Total:	\$ 46,252.00

All Others Expenditures:	
Advertising	\$ 62.00
Communications	\$ 562.00
Printing and Photocopying	\$ 200.00
Travel	\$ 5,145.00
Repair and Maintenance	\$ 6,002.00
Utilities - Power & Water	\$ 2,455.00
Supplies - Office	\$ 633.00
Supplies - Operations	\$ 802.00
Improvements	\$ 6,322.00
Office Furniture	\$ 4,525.00
Board & Other	\$277,289.00
Transportation	\$ 1,915.00
Total:	\$305,912.00

Total FY2020 Personnel & All Others Expenditures: \$352,164.00

Table A. reflects the expenditures for personnel and all other costs for FY2020.

Personnel Expenditures were utilized to compensate for the Managing Director's yearly salary. Costs reflects the 16 hour biweekly cut due to austerity measures.

All Other Expenditures were utilized to cover costs for the CNMICC Commissioners salary pursuant to P.L. 20-66/21-05. Expenditures also include travel and transportation for Tinian and Rota Commissioners to attend official Commission board meetings. Partial of the budget was utilized for the renovation, repairs, and improvements of the CNMI Cannabis Commission official office located in Capitol Hill, Saipan as well as the purchasing of necessary supplies to support daily operations.

REVENUE



Table B.

1501B - 46531

Homegrown Marijuana Registry Application Fees Collected: FY2020

Application Fee	Applications Submitted	Total HMR Cards Issued	Total
\$75	9	9	\$675

1501B - 46510

Cannabis Licensing Application Fees Collected: FY2020

Application type	Application Fee	Applications Submitted	Collected
Producer Class 1	\$500	1	\$500
Producer Class 3	\$1,000	4	\$4,000
Processor	\$1,000	1	\$1,000
Wholesaler	\$250	1	\$250
Retailer	\$1,000	2	\$2,000
Lounge Class 1	\$1,500	2	\$3,000
Total:		11	\$10,750

Total Application Fees Collected from Aug. 2020 - Sept. 2020: \$11,425

Table B. reflects the total **application fees** collected by the Commission for the Homegrown Marijuana Registry and Commercial Cannabis Licensing, which the CNMICC began collecting on August 4, 2020.

From August 2020 - September 2020, the Commission has collected a total amount of **\$11,425** in application fees alone for both programs.

If approved for Commercial Cannabis licensure, applicants will be required to pay a separate licensing fee before receiving their official license. Commercial Cannabis Licensing applications are still being processed and under review.



CHALLENGES & PROJECTIONS

CHALLENGES



Inadequate Funding

Due to the current decrease in funding, the CNMICC has been challenged to work within our means to ensure proper and efficient operations in Saipan, Tinian and Rota.

These budgetary setbacks have resulted in in:

- Inability to purchase a Cannabis Tracking System (CTS) to enable real time tracking of cannabis within the CNMI. CTS is a vital component in all the legalized states in the US, as it provides a unified way to report how a licensee produces, packages, labels, delivers, transports, sells, or disposes of Cannabis. CTS would majorly play a key role in preventing legal cannabis from being diverted into the illicit market and would ensure that illegally-grown product out of the legal supply.
- Inability to hire staffing for all divisions under the Commission which may result in a reduction of FTEs under the assumption the Commission does not need personnel; for the purposes of documentation, the Commission is unable to fill FTE positions due to the reduction of funding caused by austerity
- Personal payments by the Commissioners and Managing Director for additional operational supplies and needed building improvements.
- Lack of funding to provide training to build capacity within the Commission.
- Inability to establish official satellite offices in Tinian and Rota.
- Lack of designated legal counsel. Although the Attorney General has verbally consented to the hiring of an Attorney, the Commission does not have the budgetary means to do so. Without adequate legal representation, the Commission's progress is significantly stifled due to insufficient legal guidance.
- The Cannabis Act under Public Law 20-66 and Public Law 21-05 needs to be amended to further enhance the implementation of duties assigned to the Commission, such as earmarking revenue generated to be used to assist with personnel and operational costs to ensure the Commission has adequate staffing and resources.



WHAT'S TO COME

Upcoming Regulations:

- Research Certificate Holder
- Marijuana Events - Temporary Permitting
- Marijuana Testing Facility (Laboratory)

Training and Presentations:

- Introduction to the Cannabis Industry
- Public Educational Outreach
- Agency Enforcement Training

Official Cannabis Licensing

Continued Issuance of Homegrown Marijuana Registry Cards



PARTNERSHIPS

- CNMI Office of the Governor and Lt. Governor
- CNMI Department of Public Safety
- CNMI Department of Finance
- Office of the Mayor of Tinian and Aguiguan
- CNMI DLNR - Rota Branch
- CNMI DOF - Treasury
- CNMI DOF - Division of Customs
- CNMI DOF - Taxation and Revenue
- CNMI Commerce - ABTC
- CNMI Drug Enforcement Taskforce
- Commonwealth Casino Commission
- CNMI Department of Labor
- CNMI Scholarship Office



CONTACT US

P.O. Box 500135
 Saipan, MP 96950
 (670) 488-2627
www.governor.gov/priorities/cannabis

Saipan:
info@cnmicannabis.org

Tinian:
cannabistinian@gmail.com

Rota:
thomas.cnmicannabiscomm@gmail.com