



LEGALIZED BY



Public Law 20-66

Taulamwaar Sensible
CNMI Cannabis Act of 2018

Public Law 21-05

Amendments to
Public Law 20-66

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)

MANAGEMENT



Managing Director

Monique Boyer Sablan

STRUCTURE



**Division of
Administrative Services**

Jayda Babauta

**Division of
Permitting & Licensing**

Erik Basa

**Division of Enforcement
& Investigations**

Kelby Royal
Dominic Pangelinan

PROGRESS 2

FINANCES 3

**CHALLENGES &
PROJECTIONS 4**

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 of 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 CNMI Cannabis Commission ("Commission") has been delegated the authority under CNMI 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 cover all populations within the Northern Mariana Islands. The variety of commercial structures available to the industry revolved around marijuana businesses looking to cultivate, manufacture, store, distribute, allow for onsite consumption, or sale of marijuana to a person 21 years of age or older within the Commonwealth.

COMMISSIONERS:

Pursuant to Public Law 20-66, five members were appointed to serve as Commissioners to promulgate such rules and regulations, as may be necessary to fulfill the intent, policies and purposes of the Cannabis Act. 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.

DIVISIONS OF THE COMMISSION:

The *Division of Administrative Services* is responsible for planning and coordinate activities that help the office organization run efficiently. The specific responsibilities vary, but this division is responsible for maintaining the office as well as supervising activities that include customer service, purchasing, record keeping, inventory, and office upkeep.

The *Division of Permitting and License* reviews, investigates, inspects and processes Cannabis Commercial License applications, Homegrown Marijuana Registry applications and other related requirements or supplemental applications. The findings from this division are then presented reviewed by the Managing Director and presented to the Board for decision making. In addition, the division is responsible for monitoring and observing marijuana applicants and business establishment activities as well as homegrown marijuana registrants and report incidents or other deviations from the Cannabis Act and the Rules & Regulations.

The *Division of Enforcement and Investigations* is responsible for investigating and enforcing to ensure compliance from all cannabis applicants, commercial licensees and homegrown registrants. In addition, the division is also in charge of overseeing, monitoring and observing marijuana business establishment activities as well as homegrown marijuana registrants and address incidents or other deviations from the Cannabis Act and the Rules & Regulations. It is also responsible for creating and maintaining partnerships with local law enforcements to assist with criminal related violations.

HOMEGROWN MARIJUANA REGISTRY



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.

SEPTEMBER 2020 - SEPTEMBER 2021

Homegrown Marijuana Registry Applications Received :

- Saipan: 18
- Tinian: 1
- Rota: 1

Pending Homegrown Marijuana Registry Applications: 3

Inactive Homegrown Marijuana Registry Cards: 2

Active Homegrown Marijuana Registry Cards: 15



SCAN TO LEARN MORE ABOUT THE HOMEGROWN MARIJUANA REGISTRY!

COMMERCIAL CANNABIS LICENSING

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)

Application Processing stages:

- Administrative Review
- Incomplete Letter Issuance, if any
- Compliance Review
- Approval-in-Principle
- Inspection
- Board Hearing and Decision



SCAN TO LEARN MORE ABOUT COMMERCIAL CANNABIS LICENSING!



SEPTEMBER 2020 - SEPTEMBER 2021

Cannabis Licensing Applications Received:

- Marijuana Micro Producer: 1
- Marijuana Producer, Class 1: 3
- Marijuana Producer, Class 2: 1
- Marijuana Producer, Class 3: 4
- Marijuana Wholesale: 1
- Marijuana Processor: 1
- Marijuana Retailer: 6
- Marijuana Lounge, Class 1: 3
- Marijuana Lounge, Class 2: 1

Cannabis Licensing Applications Pending: 8*

(*Commission is awaiting submission of incomplete documents from applicant)

Cannabis Licensing Applications in Approval-In-Principle: 8*

(*Commission is awaiting applicant's request to schedule an inspection)

Commercial Cannabis Licenses Issued:

- Marijuana Producer, Class 1: 2
- Marijuana Producer, Class 3: 1
- Marijuana Retailer: 3
- Marijuana Lounge, Class 2: 1



SLIDER MARIANAS, LLC. DBA T-MARIANAS

MARIJUANA PRODUCER CLASS 1
LICENSED ON MARCH 11, 2021



SAIPAN SELECT, LLC. DBA SAIPAN SELECT

MARIJUANA PRODUCER CLASS 3
MARIJUANA RETAILER
LICENSED ON MAY 13, 2021



LUMAR, LLC DBA CANAMARIANA'S

MARIJUANA PRODUCER CLASS 1
MARIJUANA RETAILER
LICENSED ON JULY 2, 2021



COMMON WEALTH CANNABIS DBA COMMON WEALTH CANNABIS DISPENSARY & LOUNGE

MARIJUANA RETAILER
LICENSED ON JULY 16, 2021
MARIJUANA LOUNGE CLASS 2
LICENSED ON JULY 21, 2021

FY2021 BUDGET

Pursuant to CNMI Public Law 21-35, the CNMI Cannabis Commission initially received a total appropriation of **\$235,108** for fiscal year 2021. The insufficient funding provided by PL. 21-35 was a direct result of the Commonwealth's efforts in fighting against the COVID-19 pandemic, which has caused an unforeseeable economic downturn. The Commission continued to be subjected to the overall proportionate reduction in the allotment like all branches, offices, agencies and instrumentalities of the Commonwealth. The shortage of funding affected the overall personnel, all others and mandated compensation for the Commission board members. Towards the tail-end of the fiscal year, the Commission received some additional funding from ARPA to alleviate the office's monetary shortfalls for personnel and all others. With that additional funding, the Commission was able to hire its first staff under the permitting and licensing division as well as purchase much needed office supplies. The total budget amount for the Commission at the end of fiscal year 2021 amounted to **\$352,663**.

Table A.

Total Budget for FY2021:		\$352,663
Personnel Expenditures:		
Wages & Salaries		\$48,154.00
Personnel Insurance		\$81.00
401K DC Ret.		\$197.00
FICA Contribution		\$2,985.00
Health Insurance		\$5,015.00
Medicare Contributions		\$698.00
Total:		\$57,130.00
All Others Expenditures:		
Communications		\$1,600.00
Travel		\$4,152.00
Utilities - Power		\$1,121.00
Supplies - Office		\$226.00
Supplies - Operations		\$1,547.00
Office Furniture		\$1,598.00
Public Auditor		\$1,164.00
Board & Compensation		\$275,000.00
Total:		\$286,408.00
Total FY2021 Personnel & All Others Expenditures:		\$343,538

EXPENDITURES

Table A. reflects the expenditures for personnel and all other costs for FY2021.

Personnel Expenditures were utilized to compensate for the Managing Director's yearly salary. Costs reflects the 16 hour biweekly cut due to austerity measures up until March 2021, when the measures were lifted. Funding was also utilized to pay the salary of the first Commission staff hire for the remainder of the year (July - September 2021).

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 Commissioner to assist with application inspections and attend official Commission board meetings. Additionally, the remainder of expenses were utilized to for operational needs such as office power, supplies, furniture and the public auditor fees.

FEE COLLECTIONS*

Table B. Commercial Cannabis Licensing (CCL) Application fees are nonrefundable and vary in cost depending the type of license being sought. The Commission collected 23 applications and a total of **\$21,250** in application fees from September 2020 - September 2021. Among those CCL applications, 7 applications were licensed and the Commission collected a total of **\$30,000** from licensing fees. Application & Licensing fees collected: **\$51,250**.

Table B.

TYPES OF COMMERCIAL CANNABIS LICENSES	APP FEES	APPS RECEIVED	APP FEES COLLECTED	LICENSE FEES	LICENSED	LICENSED FEES COLLECTED
Marijuana Micro Producer	\$250.00	1	\$250.00	\$500.00	0	\$0.00
Marijuana Producer Class 1	\$500.00	4	\$2,000.00	\$1,000.00	2	\$2,000.00
Marijuana Producer Class 2	\$750.00	1	\$750.00	\$3,700.00	0	\$0.00
Marijuana Processor	\$1,000.00	5	\$5,000.00	\$6,500.00	1	\$6,500.00
Marijuana Wholesaler	\$250.00	1	\$250.00	\$2,000.00	0	\$0.00
Marijuana Processor	\$1,000.00	1	\$1,000.00	\$4,500.00	0	\$0.00
Marijuana Retailer	\$1,000.00	6	\$6,000.00	\$6,000.00	3	\$18,000.00
Marijuana Lounge Class 1	\$1,500.00	3	\$4,500.00	\$5,000.00	0	\$0.00
Marijuana Lounge Class 2	\$1,500.00	1	\$1,500.00	\$3,500.00	1	\$3,500.00
		23	\$21,250.00		7	\$30,000.00

Table C. Homegrown Marijuana Registry (HMR) application fee is \$75 per year and is nonrefundable. The Commission collected 20 new applications from August 2020-September 2021 amounting to **\$1,500** in new application fees. Out of the 20 new applications, there are currently 15 active Homegrown Registry cards. To date, 7 out of the 15 having already undergone the first renewal successfully amounting to an additional **\$525** in renewal fees collected. Total fees collected for the timeframe is **\$2,025**.

Table C.

Application/Renewal Fee	Applications Collected	Applications Pending	Renewal Applications Received	HMR Cards Inactive	HMR Cards Active	Application Fees Collected	Renewal Fees Collected	TOTAL FEES COLLECTED
\$ 75.00	20	3	7	2	15	\$ 1,500.00	\$ 525.00	\$ 2,025.00

*For the purpose of reporting, please note that the application and licensing fees collected are not considered revenues generated. These fees are considered regulatory fees that do not reflect the collection of licensees' BGR, Cannabis Tax, etc.



SCAN FOR
COMMERCIAL
CANNABIS FEE
SCHEDULE

SCAN FOR
HOMEGROWN
MARIJUANA
REGISTRY FAQs



CHALLENGES

In FY2021, the Commission continued to face many challenges due to the ongoing economic shortfall all departments across the government experienced from the COVID-19 pandemic. During this time, the Commission faced numerous challenges, including, but not limited to the following:

- 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.
- Lack of funding to adequately staff the Commission in creating delays in processing of applications;
- Lack of funding to establish and staff satellite offices in Tinian and Rota;
- Lack of funding to provide training to build capacity within the Commission;
- Lack of designated legal counsel. Although the Attorney General has provided written consent 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.
- Need for amendments to P.L. 20-66, P.L. 21-05, and the Cannabis Regulations to further enhance the implementation of duties assigned to the Commission, such as earmarking fees collected through processing applications, issuing licenses, and imposing fines to be used to assist with personnel and operational costs.



Issuance of the first ever Commercial Cannabis License for a Marijuana Producer Class 1



Commission after a presentation on the Cannabis Industry for the 21st Senate Gaming & Cannabis Committee



Permitting & Licensing and Enforcement & Investigations team during an on-site visit of a Marijuana Producer and Retailer

UPCOMING

REGULATIONS.

Adoption and Certification of Penalties/Fines for Civil Violations in the Cannabis Rules & Regulations

Adoption and Certification of Notification of Change

EDUCATION/OUTREACH.

Seminar and/or webinar with cannabis industry stakeholders from public and private sector

"What's Legal, CNMI?" educational social media campaign



Continued commercial and noncommercial cannabis training for local law enforcement (CNMI DPS, Customs Services and other regulatory agencies)

Conduct educational and informational outreach in Tinian and Rota

PERMITTING & LICENSING.

Further the licensing of commercial cannabis businesses

Further the issuance of Homegrown Marijuana Registry cards to eligible

ENFORCEMENT & INVESTIGATIONS.

Establishing an enforcement taskforce/partnership with local law enforcement agencies

Established data with information regarding the first year of sales for first licensees

Establishing a licensing guidebook

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