



CNMI Cannabis Commission



Citizen-Centric Report: FY2022

ABOUT US

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.

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.

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 Sablan

Division of Permitting & Licensing

Erik Basa

Division of Enforcement & Investigations

*Kelby Royal
Dominic Pangelinan*

1

About Us

2

Our Progress

3

Our Finances

4

Way Forward

2

Our Progress

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 2021 - SEPTEMBER 2022

Homegrown Marijuana Registry Applications Received:

Saipan: 7
Tinian: 1
Rota: 0

Pending Homegrown Marijuana Registry Applications: 2

Inactive Homegrown Marijuana Registry Cards: 8

Active Homegrown Marijuana RegistryCards: 20



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!



COMMERCIAL CANNABIS LICENSING

Cannabis Licensing Applications Received:

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

Cannabis Licensing Applications Pending: 6*

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

Cannabis Licensing Applications in Approval-In-Principle: 2*

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

Commercial Cannabis Licenses Issued:

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



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

3

Our Finances

FISCAL YEAR 2022

Pursuant to CNMI Public Law 22-08, the CNMI Cannabis Commission received a total appropriation of \$267,791 for fiscal year 2022. The funding provided by PL. 22-08 came during the second year of the COVID-19 pandemic. The funding supported the overall personnel, all others and mandated compensation for the Commission board members. During the fiscal year, the Commission received additional funding through the revised budget adjusting the total amount by \$29,367. With the appropriated funding, the Commission was able to continue the operations of the Commission 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 \$555,439.

Table A.

Personnel Expenditures	
Wages & Salary	\$ 43,100.72
Personnel Insurance	\$ 529.83
401K DC Ret.	\$ 1,211.06
FICA Contribution	\$ 2,672.19
Health Insurance	\$ 1,229.88
Medicare Contributions	\$ 625.01
Total:	\$ 49,368.69

All Others Expenditures	
Communications	\$ 1,199.88
Travel	\$ 1,895.50
Utilities - Power	\$ 2,000.00
Supplies - Office	\$ 3,171.63
Supplies - Operations	\$ 760.56
Food Items	\$ 1,728.00
Technology	\$ 1,520.00
Repair & Cleaning	\$ 785.00
Printing & Advertising	\$ 1,652.00
Public Auditor	\$ 3,970.00
Board & Compensation	\$ 238,634.08
Total:	\$ 257,316.65

Total FY 2022 Personnel & All Others Expenditures: \$306,685.34

Table B.

Types of Commercial Cannabis Licenses	APP FEES	APPS RECEIVED	APP FEES COLLECTED	LICENSE FEES	LICENSED	LICENSE FEES COLLECTED
Marijuana Micro Producer	\$ 250	0	\$ -	\$ 500	0	\$ -
Marijuana Producer Class 1	\$ 500	1	\$ 500	\$ 1,000	2	\$ 2,000
Marijuana Producer Class 2	\$ 750	2	\$ 1,500	\$ 3,700	2	\$ 7,400
Marijuana Producer Class 3	\$ 1,000	2	\$ 2,000	\$ 6,500	2	\$ 13,000
Marijuana Processor	\$ 250	0	\$ -	\$ 200	0	\$ -
Marijuana Wholesaler	\$ 1,000	0	\$ -	\$ 4,500	0	\$ -
Marijuana Retailer	\$ 1,000	0	\$ -	\$ 6,000	3	\$ 18,000
Marijuana Lounge Class 1	\$ 1,500	0	\$ -	\$ 5,000	0	\$ -
Marijuana Lounge Class 2	\$ 1,500	0	\$ -	\$ 3,500	0	\$ -
		5	\$ 4,000		9	\$ 40,400

EXPENDITURES

Table A. reflects the expenditures for personnel and all other costs for FY2022.

Personnel Expenditures were utilized to compensate for the Managing Director's yearly salary and the Commission Staff. Costs reflect the resignation of the Managing Director during the fiscal year and the reduction in personnel expenses during the period in which the position was vacant.

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 5 applications and a total of \$4,000 in application fees from September 2021 - September 2022. Among those CCL applications, 9 applications were licensed and the Commission collected a total of \$40,400 from licensing fees. These figures include renewal applications and licenses.

*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.

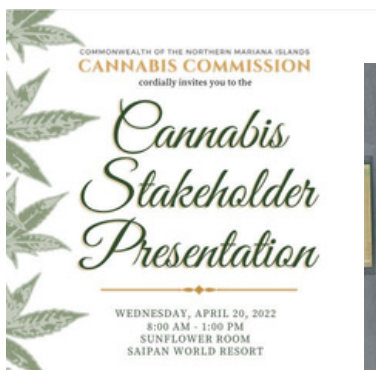
4

Way Forward

CHALLENGES

In FY2022, the Commission continued to face many challenges due to the ongoing economic shortfall the entire CNMI experienced from the COVID19 pandemic. During this time, the Commission faced numerous challenges, including, but 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;
- No staff satellite offices in Tinian and Rota;
- Lack of opportunity 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.
- Resignation of the Managing Director and Commission Chair
- 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



The Commission held the first Cannabis Stakeholder Presentation to government agencies and departments to increase awareness of the Commissions regulations, rules, and responsibilities



Photo with Governor Ralph DLG. Torres and Cannabis Licensee Saipan Select during the issuance of their license by the Commission

UPCOMING

Satellite Offices

With additional funding provided through ARPA and other resources, the Commission seeks to establish satellite offices and resources in Tinian and Rota

Regulations

Adoption and Certification of revised sections of the Cannabis Rules & Regulations to increase enforcement capabilities

Staffing

Continue to hire and develop Commission staff, filling the roles of Managing Director, Administrative Officer, and Enforcement Manager

Education & Outreach

With new staff, the Commission seeks to resume its education & outreach program to government organizations, and cannabis industry stakeholders.

Permitting & Licensing

With the hopeful resumption of tourism and the recovery of the CNMI economy, the Commission sees opportunity for additional licenses of commercial cannabis businesses

Enforcement & Investigations

Expanding outreach and regulatory awareness among commercial cannabis licensees and ensuring a strong and robust enforcement framework for the industry

Establishing Cannabis Tracking System

Instituting a Commonwealth-wide Cannabis Tracking System to monitor and regulate the commercial sale of marijuana

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