CITIZEN-CENTRIC REPORT FY 2024



CNMI CANNABIS COMMISSION



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Who We Are

The Commonwealth of the Northern Mariana Islands (CNMI) became the first United States Territory to legalize marijuana for recreational, medicinal, and commercial use through the passage of CNMI Public Law 20-66, known as the Taulamwaar Sensible CNMI Cannabis Act. This law was subsequently amended by CNMI Public Law 21-05. The CNMI Cannabis Commission (hereafter referred to as "the Commission") has been granted the authority under both CNMI P.L. 20-66 and P.L. 21-05 to formulate and implement regulations concerning the purchase, sale, production, processing, transportation, or delivery of any marijuana items within the CNMI.

The implementation and enforcement of these regulations apply to all populations within the Northern Mariana Islands. The industry encompasses a variety of commercial structures aimed at marijuana businesses engaged in cultivation, manufacturing, storage, distribution, onsite consumption, or sales of marijuana to individuals aged 21 years or older within the Commonwealth.



Commissioners

In accordance with Public Law 20-66,
five individuals were appointed to serve as
Commissioners, tasked with the responsibility of
formulating the necessary rules and regulations to
fulfill the intent, policies, and purposes of the
Cannabis Act. The Commission was duly organized
and commenced its duties on September 12, 2019.





Managing Director

The administrative leadership of the Commission is managed by a Managing Director, who is responsible for organizing the Commission's work to ensure efficient and effective operations. The Managing Director also has additional duties as assigned or delegated by the Commission and serves at the pleasure of the Commission.

DIVISIONS OF THE COMMISSION

ADMINISTATIVE SERVICES

The Division of Administrative Services is responsible for planning and coordinating activities that ensure the efficient operation of the office organization. Specific responsibilities may vary, but this division is primarily tasked with maintaining the office and supervising activities that include customer service, purchasing, record-keeping, inventory management, and general office upkeep.



This division reviews, investigates, inspects, and processes applications for Cannabis Commercial Licenses, Homegrown Marijuana Registries, and other related or supplemental requirements. The findings from this division are presented and reviewed by the Managing Director before being submitted to the Board for decisionmaking. Furthermore, the division monitors and observes the activities of marijuana applicants and business establishments, as well as homegrown marijuana registrants, reporting any incidents or deviations from the Cannabis Act and associated Rules & Regulations.

ENFORGEMENT AND INVESTIGATIONS

The Division of Enforcement and Investigations is responsible for ensuring compliance among all cannabis applicants, commercial licensees, and homegrown registrants.

This division also oversees and monitors the activities of marijuana businesses and homegrown marijuana registrants, addressing any incidents or deviations from the Cannabis Act and the associated Rules & Regulations.

Additionally, it is responsible for cultivating and maintaining partnerships with local law enforcement to address criminal-related violations.



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

Juan T. Iguel - (Northern Islands)

Vice Chairwoman

Journie M. Hofschneider - (Tinian)

Secretary

Thomas L. Songsong (Rota)

Treasurer

Joseph S. Rios (Saipan)

Member

Jose B. Palacios (Saipan)

<u>Management</u>

Managing Director

Mikiotti N. Evangelista

Executive Secretary

Natasha M. Palacios

Inspector

Erik O. Basa



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.

October 2023 - September 2024

Description	Count
Homegrown Marijuana Registry Applications Received	6
New Homegrown Marijuana Registry Cards	2
Active Homegrown Marijuana Registry Cards	3
Renewed Homegrown Marijuana Registry Cards	4

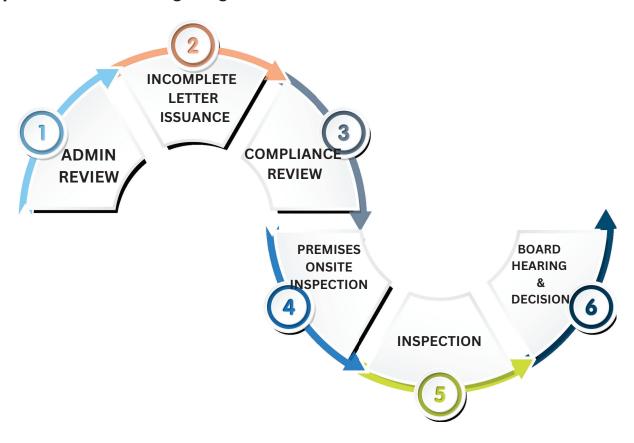
Commercial Cannabis Licensing depending on the type of license issued by the Commission, a licensed cannabis business will be authorized to commercially cultivate, manufacture, store, distribute, allow for onsite consumption, or sell marijuana to a person 21 years of age or older within the Commonwealth.

The Commission is authorized to issue the following types of licenses:

Commercial Cannabis License:

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

Application Processing Stages:



Cannabis Licensing Applications Received:

- Marijuana Producer (Class 1): 1
- Marijuana Producer (Class 2): 0
- Marijuana Producer (Class 3): 0
- Marijuana Lounge: 0
- Marijuana Processor: 1
- Marijuana Retailer: 2

Cannabis License Applications Pending: 3

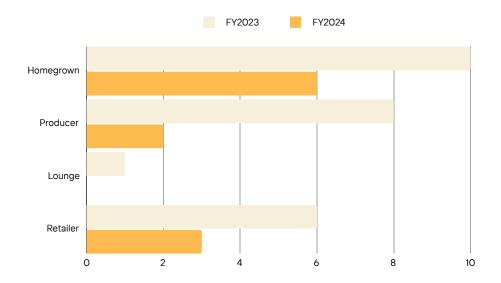
Cannabis Licensing Applications in premises onsite inspection: **1** Commercial Cannabis Licenses Issued: **6**

- Marijuana Producer (Class 1): 1
- Marijuana Producer (Class 2): 1
- Marijuana Producer (Class 3): 0
- Marijuana Lounge: 0
- Marijuana Processor: 2
- Marijuana Retailer: 3





Licensee Overview

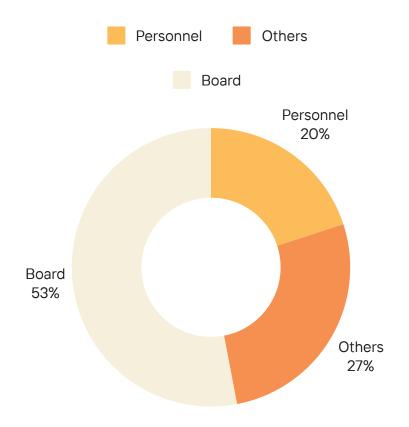


• Producer Moratorium implemented January 04, 2024.

FISGAL YEAR 2024 LIGHNSHES



Expenditures



House Bill No. 23-89, SD1, was signed into law by Governor Arnold I. Palacios on May 20, 2024, becoming **Public Law No. 23-20**. This law appropriated \$517,868.14 to the CNMI Cannabis Commission.

This law would allow, for the first time since its inception, the CNMI Cannabis Commission to become fully self-sustainable throughout Fiscal Year 2025.

Plans for Fiscal Year 2025







- 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
- Establishing a revolving account would help in purchasing 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
- Regulations: Adoption and Certification of revised sections of Cannabis Rules & increase enforcement capabilities
- Staffing: Continue to hire and develop Commission staff; filling the roles for Enforcement and Compliance
 Officers



Reach Out

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