



**The Senate**  
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE  
P.O. BOX 500129  
SAIPAN, MP 96950

**STANDING COMMITTEE REPORT NO. 20-62**

**Date: March 19, 2018**  
**RE: Senate Bill 20-62**

Honorable Arnold I. Palacios  
President of the Senate  
Twentieth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

Dear Mr. President:

Your Committee on Judiciary, Government and Law, to which was referred Senate Bill 20-62, entitled:

To regulate Cannabis in the Northern Mariana Islands; and for other purposes.

begs leave to report as follows:

**I. RECOMMENDATION:**

After considerable discussion and deliberation, your Committee recommends the passage of Senate Bill 20-62 in the form of Senate Substitute 1.

**II. ANALYSIS:**

**A) Purpose:**

The purpose of Senate Bill 20-62 is to regulate the use of cannabis in the Commonwealth of the Northern Mariana Islands. Specifically, the purpose of Senate Bill 20-62 includes the following:

- To create a CNMI Cannabis Commission;
- To allow the personal, medicinal, and commercial use of cannabis or marijuana in the Commonwealth provided that such activity occurs pursuant to this Act or pursuant to the laws of a Senatorial District;

- To create a hemp industry in the Commonwealth;
- To eliminate the problems caused by the prohibition and uncontrolled manufacture, delivery, and possession of marijuana in the Commonwealth;
- To protect the safety, welfare, health, and peace of the people of the Commonwealth by prioritizing the Commonwealth's limited law enforcement resources in the most effective, consistent, and rational way;
- To permit persons licensed, controlled, and regulated by the CNMI Cannabis Commission to legally manufacture and sell marijuana items to persons 21 years of age and older subject to the provisions of this Act;
- To permit doctors and their patients to make decisions about the use of medicinal marijuana without undue governmental interference;
- To establish a comprehensive regulatory framework concerning marijuana under existing Commonwealth law;
- To declare that in the interest of enacting rational policies for the treatment of all variations of the cannabis plant, hemp should be regulated separately from strains of cannabis with higher delta-9 tetrahydrocannabinol (THC) concentrations of 0.3% ; and
- To declare that it is necessary to ensure consistency and fairness in the application of this Act throughout the Commonwealth; therefore, the matters addressed by this Act are, except as specified herein, matters of the Commonwealth of the Northern Marianas Islands' concern.

B) Committee Findings:

Your Committee finds that more than half of the states in the United States of America and the territories of Guam, Puerto Rico and the District of Columbia have legalized the use of cannabis or marijuana for medicinal or recreational purposes, or both. These states and territories now regulate the use of marijuana in controlled and safe establishments designed to provide access to marijuana products to medical marijuana patients and to keep marijuana products out of the hands of persons under the age of 21 years old.

Your Committee further finds that research and studies have demonstrated that there are legitimate medical uses for marijuana and strong reasons to continue studying the plant's medicinal uses. There are at least two active chemicals in marijuana that have medicinal applications. Those are cannabidiol (CBD), which impacts the brain without a high and tetrahydrocannabinol (THC), which has pain-relieving properties and is largely responsible for the high. For the following medical benefits, numerous studies have shown that there is good evidence for the following:

- The best-supported medicinal use of marijuana as a treatment for chronic pain.
- The strong evidence that medical cannabis can help with muscle spasms.
- It does not seem to harm lung capacity, and may even improve it.
- It may be of some use in treating glaucoma, or it may be possible to derive a drug from marijuana for this use.

- It may help control epileptic seizures.
- It decreases the symptoms of Dravet's Syndrome, a severe seizure disorder.
- Based on cell cultures, compounds found in marijuana stop the spread of cancer cells.
- It may decrease anxiety in low doses.
- THC may slow the progression of Alzheimer's disease.
- The drug eases the pain of multiple sclerosis.
- It seems to lessen side effects from treating hepatitis C and increase treatment effectiveness.
- Marijuana may help with inflammatory bowel diseases.
- It relieves arthritis discomfort.
- Marijuana users tend to be less obese compared to someone who does not use marijuana, as their bodily response to processing sugar is better.
- Cannabis soothes tremors for people with Parkinson's disease.
- Marijuana may help veterans suffering from PTSD.
- Animal studies suggest that marijuana may protect the brain after a stroke.
- Marijuana might even protect the brain from concussions and trauma.
- It can help eliminate nightmares.
- Cannabis reduces some of the pain and nausea from chemotherapy and stimulates appetite.
- Marijuana can help people who are trying to cut back on drinking alcohol.
- Medical marijuana legalization seems to have reduced opioid overdose deaths.

Your Committee also finds that states that have legalized the use of marijuana for medicinal and recreational purposes have collected a substantial amount of revenue, which has allowed some states to: (1) improve public infrastructure; (2) provide financial assistance for schools, educational equipment and building maintenance; (3) create an array of employment opportunities in the cannabis or related industry; (4) construct affordable public housing; and (5) provide individuals with the option to seek alternative medical care at an affordable rate to treat pain and suffering for post-traumatic stress disorder (PTSD), cancer, epilepsy, and other medical conditions.

Additionally, the socioeconomic impact of the cannabis industry resulted in: (1) a decrease or stabilization of associated crimes; (2) reduction of the black market operations resulting in decreased access of marijuana among the youth; and (3) a drastic reduction of 25% in addiction and death rates in the opioid crisis occurring across the United States.

Your Committee further finds that marijuana has been widely used in the Commonwealth. It is reported that the CNMI ranks the second highest among the world with a marijuana usage of 22.5% according to the World Health Organization (WHO). Based on our local population, it is estimated that 1 out of 4 persons in the CNMI has either grown or consumed marijuana for purposes of medicinal, agricultural, or personal use. However, the absence of marijuana regulations in the Commonwealth allows the

existing marijuana black market operators to target persons under 21 years of age with total disregard to the safety, health and wellbeing of the youth in the Commonwealth. The absence of marijuana regulations also prevents the Commonwealth government from imposing licenses, fees and taxes relative to the production and use of marijuana in the Commonwealth.

Your Committee finds that several amendments were made to Senate Bill 20-62 prior to the commencement of the public hearings. On October 10, 2017, your Committee adopted Senate Bill 20-62, in the form of Senate Draft 1 during the committee meeting and agreed that the newly adopted Senate Bill 20-62, Senate Draft 1 would be presented to CNMI departments, agencies, private organizations, and the general public for review, comments, and recommendations.

Your Committee further finds that given the complex nature of this subject, it was the sole intention of the author to give the people an opportunity to vote on the enactment of Senate Bill 20-62, Senate Draft 1. Section 102 of Senate Bill 20-62 intended to allow the people of each respective senatorial district to vote to approve the provisions proposed in Senate Bill 20-62, Senate Draft 1, which is somewhat a similar approach used by most of the states that have legalized marijuana. However, the Office of the CNMI Attorney General informed your Committee that providing for approval of the voters in Section 102 of Senate Bill 20-62 "follows neither the standard legislative process nor the constitutionally prescribed voter initiative method. The bill either inhibits the constitutionally mandated review of the law by the governor, or it does not follow the proper procedure, ballot language, and number of votes to pass as an initiative. As such, Section 102 of SB 20-62 needs to be removed or amended."

Your Committee finds that the CNMI Constitution does not provide for legislatively referred Commonwealth statutes; therefore, your Committee decided to ask the individuals that attended the public hearings whether or not the Senate should delete Section 102 of Senate Bill 20-62, Senate Draft 1 as recommended by the CNMI Attorney General or file the bill and wait for someone to start a popular initiative to legalize marijuana. The overwhelming response by those who testified at the public hearings was for the Senate to delete Section 102 and pass the bill in the Legislature.

Therefore, based on the testimonies received at the public hearings, your Committee agreed to delete Section 102 in its entirety and proceed with the review of Senate Bill 20-62, Senate Draft 1. Additionally, the comments of the Office of the Attorney General resulted in the filing of Senate Legislative Initiative 20-2, which proposes to amend Article IX of the Commonwealth Constitution to add a new section authorizing legislative referrals for the people to approve general laws applicable to the Commonwealth.

Your Committee further finds that on January 4, 2018, U.S. Attorney General Jefferson B. Sessions, III issued a memorandum rescinding all memos issued under the Obama

administration relating to enforcement of federal marijuana laws, including the Cole memo dated August 29, 2013, which was used as guidance for states to follow to prevent interference by the U.S. Department of Justice. However, the memo issued by U.S. Attorney General Jefferson B. Sessions, III did not state that the federal government would immediately prosecute states or territories that have legalized the use of marijuana. By rescinding the Obama administration memos, the U.S. Department of Justice reverts to the pre-Obama administration guidelines for enforcement of federal marijuana laws, which gives federal prosecutors the discretion to determine such enforcement. Nevertheless, despite the memorandum of U.S. Attorney General Jefferson B. Sessions, III, the state of Vermont became the first state to legalize the use of marijuana through the legislative process.

Your Committee finds that with the increasing number of patients diagnosed with various types of cancer in the Commonwealth and the numerous studies that have proven the medicinal benefits of marijuana, the passage of Senate Bill 20-62, Senate Draft 1 is very timely and may even be a matter of life and death for some people. As a legislative body, it is our responsibility to consider and undertake all reasonable measures to protect and provide for the health, safety, and wellbeing of the people. Countless research has proven that the medicinal value contained in cannabinoids found in cannabis, or marijuana, offer patients an alternative form of treatment that may prolong their life, ease their stress, increase a patient's appetite, and relieve the pain and suffering associated with various medical conditions experienced on a daily basis and especially during the final days of a person's life.

Your Committee also finds that cultural and ancestral history of the people of the Commonwealth includes the skillful hands and minds of cultivating the lands. The passage of Senate Bill 20-62, Senate Draft 1 and the establishment of the regulations for a cannabis industry in the Commonwealth will provide our local farmers and local entrepreneurs a unique opportunity to create a new agricultural industry and succeed in a business designed on the foundation of farming.

Additionally, your Committee finds that based on the written comments on Senate Bill 20-62, Senate Draft 1, the testimonies received at the public hearings on the proposed bill and the federal guidelines regarding state legalization of marijuana, the main concern was ensuring that strict fines and penalties are in place to discourage or deter the distribution, use, and possession of marijuana by persons under the age of 21 should Senate Bill 20-62 become law.

The proposed legislation has been amended accordingly, carefully considering and incorporating all comments, recommendations and concerns received and all the information gathered by the Committee. It is for this reason that your Committee strongly supports the intent of Senate Bill 20-62 in the form of Senate Substitute 1, which incorporates the amendments, set forth in the Senate Draft 1 version and all the new substantial amendments.

C) Legislative History:

Senator Sixto K. Igisomar introduced Senate Bill 20-62 on August 3, 2017 and the bill was subsequently referred to the Senate Standing Committee on Judiciary, Government, and Law for disposition.

Senate Bill 20-62, is a product that has embraced the sentiments of the people in the Commonwealth based on comments received during public hearings conducted for Senate Bill 19-06, which sought to regulate the use of marijuana for medicinal purposes only. The outweighing support by the testimonies provided during those hearings, resulted in the filing of Senate Bill 19-06 to allow for continuous research and drafting that resulted in the introduction of Senate Bill 19-106.

Senate Bill 19-106 incorporated provisions to regulate the use of marijuana for both medicinal and recreational purposes in the Commonwealth, including the memorandums issued as a form of guidance provided by the federal government. However, due to unforeseen reasons, Senate Bill 19-106 was filed with the assurance that the legislation would be reintroduced during the Twentieth Northern Marianas Commonwealth Legislature.

On October 10, 2017, your Committee adopted Senate Bill 20-62, Senate Draft 1 that incorporated certain recommended amendments. Subsequently, the Committee presented Senate Bill 20-62, Senate Draft 1 to the CNMI departments, agencies, private organizations and the general public for review, comments and recommendations. Your Committee also held public hearings on Senate Bill 20-62, Senate Draft 1 on Rota, Tinian, and Saipan

After much deliberation and consideration of the comments and recommendations received, your Committee agreed to incorporate additional amendments to Senate Bill 20-62, Senate Draft 1, which is now converted to Senate Bill 20-62, Senate Substitute 1. Furthermore, your Committee adopted Senate Bill 20-62, Senate Seubstitute 1 and recommended the adoption of a committee report to present its findings to the full body of the Senate.

D) Public Hearing(s) and Comment(s):

Your Committee received oral testimonies pertaining to Senate Bill 20-62 during respective committee meetings listed below. Bulleted points of oral testimonies provided during these respective meetings have been attached as “**ATTACHMENT A: Committee Meetings**”.

1. Thursday, September 28, 2017 at 10:00 a.m. in the Senate Chamber of the Honorable Jesus P. Mafnas Memorial Building, Capitol Hill, Saipan
  - Ambrose M. Bennett, Speaking on behalf of the Executive Branch
  - Dr. John Doyle, Personal Testimony

2. Tuesday, October 10, 2017 at 3:30 p.m. in the Senate Chamber of the Honorable Jesus P. Mafnas Memorial Building, Capitol Hill, Saipan
  - Marissa Flores Ada, Personal Testimony
  - Carolyn Peter Hosono, Personal Testimony
  - Dr. John Doyle, Personal Testimony
  - Dr. Daniel Lamar, Personal Testimony
  - Anthony Calvo, Personal Testimony
  - Bernard Sablan Guerrero, Personal Testimony
  - Ted Deleon Guerrero, Personal Testimony
  - Ambrose M. Bennett, Personal Testimony

Your Committee conducted several public hearings in an effort to get the sentiments of the community regarding Senate Bill 20-62, Senate Draft 1. Listed below are individuals who provided oral testimonies and attached as "**ATTACHMENT B: Public Hearings**" are bulleted points of the oral testimonies presented to the Committee.

1. Tuesday, October 17, 2017 at 6:00 p.m. at the Senate Chamber of the Honorable Jesus P. Mafnas Memorial Building, Capitol Hill, Saipan
  - Reuben Chong, Lead Clinician, SAR Program
  - Diego Kaipat, Personal Testimony
  - Mariano Fajardo, Personal Testimony
  - Carolyn Peter Hosono, Personal Testimony
  - Dr. John Doyle, Personal Testimony
  - Gary Sword, Personal Testimony
  - Jack Camacho Muna, Personal Testimony
  - Martin Ezra Teregeyo, Personal Testimony
  - Marissa Flores Ada, Personal Testimony
  - Ron Smith, Personal Testimony
  - Gerry Hemley, Personal Testimony
  - Keoni Hosono, Personal Testimony
2. Monday, October 23, 2017 at 6:00 p.m. at the Honorable Pedro P. Tenorio Multi-Purpose Center, Susupe, Saipan
  - Vivian Sablan, Division of Youth Services Administrator
  - Vinni Orsini, Personal Testimony
  - Carlos Sablan, Personal Testimony
  - Romeo Orsini, Personal Testimony
  - Gerard Van Gils, Personal Testimony
  - John Reyes Castro, Personal Testimony
  - Laura Sablan Muna, Personal Testimony
  - Celine Orsini, Personal Testimony
  - Jason Wakeham, Personal Testimony

- Father Kenneth Hezel, Pastor of Kristo Rai Church
  - Ivan Medlin, Personal Testimony
  - Shirley Scott, Personal Testimony
  - Shayne Villanueva, Personal Testimony
  - Marissa Flores Ada, read testimony on behalf of Rhetta Sue Sablan Hamilton
  - Sheila Babauta, Personal Testimony
  - Rachel Wilkins, Personal Testimony
  - Matthew Benson, Personal Testimony
  - Martin Ezra Teregeyo, Personal Testimony
  - Dr. John Doyle, Personal Testimony
  - Ambrose Bennett, Personal Testimony
  - Keoni Hosono, read testimony on behalf of Dr. Helen Taro-Atalig, MD
  - Keoni Hosono, Personal Testimony
  - Soo Peng (sp?), Personal Testimony
  - Martin Ezra Teregeyo, Personal Testimony
  - Dr. John Doyle, Personal Testimony
3. Friday, October 27, 1027 at 2:00 p.m. at the Tinian Courthouse, San Jose, Tinian
- Honorable Joey Patrick San Nicolas, Mayor of Tinian and Aguiguan
  - Honorable Antonio Sn. Borja, Chairman, 16th Tinian Municipal Council
  - Guillermo C. Borja, Personal Testimony
  - Matthew Masga, Personal Testimony
  - Reynaldo Cing, Personal Testimony
  - Jose Muna Dela Cruz, Personal Testimony
  - Kimberly Hinds, Personal Testimony
  - David Evangelista, Personal Testimony
  - Marjorie Daria, Resident Director, Tinian Health Center
  - Lawerence Duponcheel, Personal Testimony
  - Bruce Castro Blanton, Personal Testimony
  - Richard Farrell, Personal Testimony
  - Frederick Dela Cruz, Personal Testimony
  - Robert S. Reyes, Personal Testimony
  - Joe Camacho, Personal Testimony
  - Antonio Borja, Personal Testimony
  - Vincent Aguon Muna, Personal Testimony
  - Karl Nabors, Personal Testimony
  - Allen Manglona, Personal Testimony
  - Keith Nabors, Personal Testimony
  - Richard Shai Lazaro, Personal Testimony
  - Vincent King, Personal Testimony

4. Monday, February 26, 2018 at 6:00 p.m. at the Mayor's Conference Room of the Honorable Antonio C. Atalig Memorial Library, Songsong, Rota

- David Mundo Santos, Chief of Staff of the Mayor's Office
- Honorable Ivan T. Mereb, Jr., Council Secretary of the 16<sup>th</sup> Rota Municipal Council
- Thomas Mendiola, Personal Testimony
- Jeremy Atalig, Personal Testimony
- Jude Arriola, Personal Testimony

Additionally, written testimonies presented to your Committee have been received and recorded accordingly as "**ATTACHMENT C: Oral Testimonies**" by the following:

1. Reuben Chong, Lead Clinician, SAR Program (*Ref. No.: JGL-PH-SB2062SD1-OT-101717-1*)
2. Gary Sword, Personal Testimony (*Ref. No.: JGL-PH-SB2062SD1-OT-101717-2*)
3. Vivian Sablan, Division of Youth Services Administrator (*Ref. No.: JGL-PH-SB2062SD1-OT-102317-1*)
4. Laura Sablan Muna, Personal Testimony (*Ref. No.: JGL-PH-SB2062SD1-OT-102317-2*)
5. Father Kenneth Hezel, Pastor of Kristo Rai Church (*Ref. No.: JGL-PH-SB2062SD1-OT-102317-3*)
6. Dr. Helen Taro-Atalig, MD, Personal Testimony (*Ref. No.: JGL-PH-SB2062SD1-OT-102317-4*)
7. Honorable Joey P. San Nicolas, Mayor of Tinian and Aguiguan (*Ref. No.: JGL-PH-SB2062SD1-OT-102717-1*)
8. Honorable Antonio Sn. Borja, Chairman of the 16<sup>th</sup> Tinian Municipal Council (*Ref. No.: JGL-PH-SB2062SD1-OT-102717-2*)
9. Guillermo C. Borja, Personal Testimony (*Ref. No.: JGL-PH-SB2062SD1-OT-102717-3*)
10. Kimberly Hinds, Personal Testimony (*Ref. No.: JGL-PH-SB2062SD1-OT-102717-4*)
11. Marjorie Daria, Resident Director of Tinian Health Center (*Ref. No.: JGL-PH-SB2062SD1-OT-102717-5*)

Your Committee received several documents from persons who provided their oral testimonies during the aforementioned public hearings to aide during deliberations on Senate Bill 20-62, Senate Draft 1. The following documents are hereby attached and filed accordingly as "**ATTACHMENT D: Supporting Documents**" for review.

1. Reference Number: **JGL-RL-SB2062SD1-DOC-101717-1**
  - Annual Causes of Death in the United States
  - Marijuana Laws in States
  - Election 2016-Marijuana Ballot Results
  - Tobacco, Alcohol, and Marijuana Comparison- Sorry, which one is illegal again?
  - Government and Private Commissions Supporting Marijuana Law Reform

- CHCC Health and Vital Statistics, Cancer Causes of Death, CY 2010-2015
2. Reference Number: **JGL-RL-SB2062SD1-DOC-101717-2**
- Marinol 5 mg Prices- Brand Version
  - Marinol (Dronabinol) Capsules
  - MedicineNet.com: Dronabinal (Marinol, THC): Side Effects and Dosing
  - The GoodRx Prescription Savings Blog
3. Reference Number: **JGL-RL-SB2062SD1-DOC-101717-3**
- Support for SB 20-62: The CNMI Cannabis Act of 2018
  - Recent Research on Medical Marijuana
  - Marijuana Policy Project
  - Colorado and Washington: Life After Legalization and Regulation
  - So Far, So Good: What we know about marijuana legalization in Colorado, Washington, Alaska, Oregon, and Washington, D.C.
  - Petition in Support of CNMI Cannabis Act of 2018
  - ASPET- Pharmacological Reviews: The Endocannabinoid System as an Emerging Target of Pharmacotherapy
4. Reference Number: **JGL-RL-SB2062SD1-DOC-102317-1**
- Benefits of Legalization
5. Reference Number: **JGL-RL-SB2062SD1-DOC-102317-2**
- Link Between Adolescent Pot Smoking and Psychosis Strengthens
6. Reference Number: **JGL-RL-SB2062SD1-DOC-022318-1**
- Chapter 475B- Cannabis Regulation (Oregon State Law)
  - Memorandum: Deputy Attorney General James M. Cole; 08/29/2013
  - Memorandum: Attorney General Jefferson B. Sessions, III; 01/04/2018
7. Reference Number: **JGL-RL-SB2062SD1-DOC-022618-1**
- Alcohol and Drug Free Workplace Policy NMIAC10-20.2-414

Your Committee received written comments attached and filed accordingly as “ATTACHMENT E: Written Comments” by the following:

1. Ambrose M. Bennett, letter dated August 18, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-081717*)
2. Ambrose M. Bennett, Protest to SB 20-62, comment received September 28, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-092817*)
3. Douglas Hartig, Office of the Public Defender, letter received October 2, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-100217*)

4. Ambrose M. Bennett, emailed comment received October 8, 2017 (*Ref.: No. JGL-RL-SB2062SD1-WC-100817*)
5. Ambrose M. Bennett, emailed comment received October 11, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-101117*)
6. Ambrose M. Bennett, emailed comment received October 15, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-101517*)
7. Mildred Sikebert, Division of Youth Services- Rota, letter dated October 17, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-101717-1*)
8. Lauri Ogumoro, Commonwealth Healthcare Corporation Board of Trustees Chair, letter dated October 17, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-101717-2*)
9. Shelane Borja, Special Assistant for Youth Affairs, emailed comment received October 23, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-102317*)
10. Edward Manibusan, Office of the Attorney General, letter dated October 25, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-102517*)
11. Esther Muna, Commonwealth Healthcare Corporation Chief Executive Officer, letter dated October 27, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-103017*)
12. Honorable Efraim M. Atalig, Mayor of Rota, letter dated October 18, 2017 (*Ref. No.: JGL-RL-SB2062SD1-WC-021218*)
13. Ambrose M. Bennett, emailed comment received February 22, 2018 (*Ref. No.: JGL-RL-SB2062SD1-WC-022218*)

F) Estimated Fiscal Cost:

The enactment of Senate Bill 20-62, Senate Substitute 1 proposing to establish and regulate a cannabis industry in the Commonwealth will require additional expenses from the Commonwealth government for law enforcement training to implement the laws of the cannabis industry and in the form of seed funding to organize the CNMI Cannabis Commission as they work on adopting the rules and regulations of the cannabis industry until such time that the industry generates revenue. However, given the numerous reports and studies resulting from the legalized use of marijuana in the United States, the Commonwealth government is expected to realize an increase in revenue collection as a result of the establishment of the cannabis industry. More importantly, the funding subsidized by the Commonwealth government to commence the operations of the CNMI Cannabis Commission in order to jump start the cannabis industry is a minimal financial burden compared to the cost of saving and prolonging a person's life who is battling a debilitating medical condition and ensuring the use of marijuana stays in the hands of responsible adults.

G) Summary of Senate Substitute 1:

Your Committee has taken into account the comments and recommendations received from CNMI departments, agencies, private organizations and the general public and has further amended Senate Bill 20-62, Senate Draft 1. The additional Committee amendments are substantial and therefore the bill must be converted to Senate Bill 20-62,

Senate Substitute 1. The Senate Bill 20-62, Senate Substitute 1 amendments include the following:

1. Corrected typographical and technical errors in the title and text of the bill and renumbered sections, subsections, and paragraphs as necessary in the bill.
2. Added the word “cannabis” before the word marijuana in some sections to clarify that cannabis and marijuana are synonymous.
3. Deleted Section 102 (Approval of Voters) as a result of the comments by the CNMI Attorney General that this section contravenes the governor’s authority to approve legislation pursuant to Article II, Section 7 of the Constitution of the CNMI and the approval of the voters is not consistent with the popular initiative requirements of Article IX, Section 1 of the Constitution. See CNMI Attorney General Letter dated October 25, 2017. (*Ref. No.: JGL-RL-SB2062SD1-WC-102517*)
4. Renumbered Section 102 as the Purposes section of the bill.
5. Renumbered Section 103 as the Legislative Intent of the bill and added a new number ten to read as follows: “(10) Prevent drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use.”
6. Amended Section 105(d) to clarify that the commission will be called the “CNMI Cannabis Commission.”
7. Amended Section 105(hh) to clarify that the definition of mature marijuana plant includes that “a mature marijuana plant has observable flowers or buds.”
8. Amended Section 105 to add a new definition for “minor” to read as follows: “(l) “Minor” means a person under the age of 21 years old for purposes of this chapter.”
9. Amended Section 105 to add a new definition for “useable marijuana” to read as follows: “(t) (1) ‘Useable marijuana’ means the dried leaves and flowers of marijuana. (2) ‘Useable marijuana’ does not include: (A) Marijuana seeds; B) The stalks and roots of marijuana; or (C) Waste material that is by-product of producing or processing marijuana.”
10. Amended Section 106 to clarify that only certain sections pertaining to the marijuana licensees do not apply to homegrown marijuana, added a new subsection (2) to authorize up to 8 ounces of useable marijuana to be produced, possessed or stored at a household, and amended the limits of marijuana products with regard to production, possession, storage, delivery, transporting, or gifting such products by persons in a household or medical marijuana patients. The new limits are: 1 ounce of marijuana, 8 ounce usable marijuana, 16 ounces of

marijuana product in solid form, 72 ounces of marijuana product in liquid form, 5 grams of marijuana extract, and 6 immature marijuana plants except for medical marijuana patients who will be allowed to grow up to 12 mature plants and 24 immature plants.

11. Deleted paragraph (9) of Section 106(a) to establish the new marijuana product limits and to clarify that new marijuana product limits also apply to homegrown and homemade marijuana products for persons in a household, and medical marijuana patients.
12. Amended Section 106(b) by adding two new sections to read as follows: "(4) A person may not sell homegrown marijuana or plants, marijuana products or marijuana items to any person for consideration., and (5) Any homegrown marijuana or plants, marijuana products or items that are delivered as a gift must be accepted by the recipient in order for the transfer to be complete."
13. Deleted the phrase "within a two-year period" in Section 106(b)(6) to clarify that the second or subsequent offense penalty can be imposed without any time frame limitation.
14. Amended Section 107 to increase the number of commissioners to seven, increase the number of commissioners appointed by the governor to five, mandated that the commissioners be appointed within 90 days after the effective date of this Act, to make all the provisions of 1 CMC § 2901 apply to the CNMI Cannabis Commission, to establish the compensation of the commissioners pursuant to 1 CMC § 8247, and to establish a quorum of four commissioners.
15. Amended Section 108 to add a new section (p) to read as follows: "(p) To conduct an annual summit with the Commonwealth Healthcare Corporation, the Department of Public Safety, the Department of Lands and Resources and other stakeholders in the government and private sectors to discuss the regulation of cannabis in the Commonwealth." Additionally, amending subsection (q) to require the commission to adopt rules and regulations within 180 days after the commission's organizational meeting.
16. Amended Section 109 to add an alternative to a bachelor's degree requirement as follows: "four years work experience in the cannabis industry, agricultural or related industry." In addition, reducing the executive director's salary and capping it at \$70,000, which shall be commensurate with the person's educational background and work experience and to require the hiring of an executive director within 60 days after the commission's organizational meeting.
17. Amended Section 112 to reduce the marijuana registry card fee to \$5.00 per person, to require the commission to establish rules and regulations for the

marijuana registry within 120 days after the commission's organizational meeting. However, if the regulations are not ready in 120 days, persons 21 years or older may begin to grow homegrown marijuana pursuant to the Act but they still have to obtain a registry card when the regulations are adopted.

18. Amended Section 118 to impose the new marijuana product limits for purposes of selling, purchasing, transporting, and possession in public by retailers and persons 21 years of age or older as follows: 1 ounce of marijuana in public, 16 ounces of marijuana product in solid form, 72 ounces of marijuana product in liquid form, 5 grams of marijuana extract, and 6 immature marijuana plants.
19. Amended Section 121 to clarify that upon adoption of the licensing regulations, the commission shall begin receiving applications, to make the 10-year residency requirement apply for a period of 10 years, and to clarify that military or educational absence from the CNMI does not change a person's CNMI residency.
20. Amended Section 122 to require a marijuana micro producer to sell marijuana only to licensed marijuana establishments and to prohibit a marijuana micro producer from selling marijuana to the general public or a person without a license pursuant to this Act.
21. Amended Section 130 to clarify the definition of a minor and to impose a second or subsequent offense penalty for the prohibition against smoking marijuana in presence of minors.
22. Amended Section 134 to change the expiration date of licenses to September 30 of each year.
23. Amended Section 135 to mandate micro producers to deliver marijuana only to licensed premises.
24. Amended Section 136(e) to establish the annual license fee of \$4,500.00.
25. Amended Section 145 by adding a new subsection (a) to read as follows: "(a) A person may not import marijuana items into the Commonwealth or export marijuana items from the Commonwealth." Also added a definition for "export" and amended the penalties sections to make the prohibition consistent with the penalties found in the statutes of the state of Oregon.
26. Amended Section 146 to add a penalty provision to strengthen the prohibition.
27. Deleted the original Section 147 and inserted a new Section 147 to make prohibition consistent with the penalties found in the statutes of the state of Oregon and to strengthen the prohibition. The new section reads as follows,

“Section 147. Prohibition regarding person who is visibly intoxicated; prohibition against allowing consumption of marijuana by person under 21 years of age on private property; penalty.”

28. Amended Section 148 to add a penalty provision to strengthen the prohibition.
29. Deleted the original Section 149 and inserted a new Section 149 to make prohibition consistent with the penalties found in the statutes of the state of Oregon and to strengthen the prohibition. The new section reads as follows, “Section 149. Prohibition against person under 21 years of age possessing, attempting to purchase or purchasing marijuana item; penalty.”
30. Amended Section 153 to clarify that except for marijuana producers and micro producers, licenses or licensee representatives may not possess mature marijuana plants.
31. Amended Section 154 to clarify the definition of a minor, to add a second or subsequent offense for possession of marijuana in a public place, to add a federal building or property on the list of marijuana free zones, and to authorize marijuana researchers at the Northern Marianas College to possess up to 16 ounces of marijuana for research purposes.
32. Inserted a new Section 155 to authorize and regulate the temporary use of marijuana items to be displayed, possessed, sold, purchased, used and/or consumed at a private place for a special event pursuant to the provisions of this Act.
33. Amended Section 159 by combining the authority of local delegation provisions set forth in Section 159 and the original Section 176 and deleting the duplicative provisions and the provisions pertaining to the people voting on marijuana regulations in respective local delegation districts.
34. Amended Section 167 by adding definitions for “consumes” and “marijuana items.”
35. Amended Section 168 to make the penalty provisions consistent with the state of Oregon marijuana laws.
36. Deleted the original provision and inserted a new Section 170 to read as follows, “Section 170. Unlawful Possession of Marijuana by person under 21 years of age.”
37. Deleted the original provision and inserted a new Section 171 to read as follows, “Section 171. Unlawful Possession of Marijuana by person 21 years or older.”
38. Inserted a new Section 172 to read as follows, “Section 172. Trafficking Marijuana.”

39. Inserted a new Section 174 to read as follows, "Section 174. No Qualifying Certificate for Marijuana Businesses."
40. Inserted a new Section 175 to read as follows, "Section 175. Commonwealth Public Lands Shall Not be Leased or Used for Cannabis (Marijuana or Hemp) Businesses."
41. Deleted the original Section 176 because the relevant provisions of this section were combined with Section 159.
42. Amended the new Section 176 to clarify that only US citizen workforce may be hired by marijuana licenses.
43. Amended the new Section 177 to clarify that this Act is modeled after the marijuana laws of the state of Oregon and other states that have legalized marijuana.
44. Deleted the original Section 174 because this Act will become operative if passed by the legislature and approved by the governor.

H) Section by Section Analysis:

Section 1 states the Findings of the proposed legislation.

Section 2 of the proposed legislation seeks to amend Title 4, Division 5 of the Commonwealth Code by adding a new Chapter 20 to establish and regulate cannabis in the Northern Mariana Islands and to authorize the use of cannabis for medicinal and recreational purposes in the Commonwealth. This section was carefully reviewed and amended to guarantee (1) adherence to federal guidelines; (2) consistency with the marijuana laws of the state of Oregon and other state marijuana laws; (3) stricter penalties against the use, possession, and distribution of marijuana items by persons under the age of 21; and (4) location restrictions for marijuana retailers and lounges establishing commercial businesses within a close proximity to residential and school zones.

Section 3 of the proposed legislation amends 6 CMC § 3177 by adding a new subsection (h) allowing consumption of marijuana on-site on licensed marijuana lounges.

Section 4 of the proposed legislation accordingly repeals and renumbers the following sections: (a) 6 CMC § 2114(c)(13); (b) 6 CMC § 2141(c); and (c) 6 CMC § 2142(c).

Section 5 states the Severability of the proposed legislation.

Section 6 states the Savings Clause of the proposed legislation.

Section 7 states the Effective Date of the proposed legislation.

I) Legal Analysis/Issues:

Senate Bill 20-62, Senate Substitute 1 is consistent with the Constitution and laws of the Commonwealth of the Northern Mariana Islands. However, Senate Bill 20-62, Senate Substitute 1 may be inconsistent with federal law, which includes marijuana as a Schedule 1 drug and that possession of marijuana, is considered a violation of federal law.

Notwithstanding the federal marijuana laws and the recent memo issued by U.S. Attorney General Jefferson B. Sessions, III, nine states and the District of Columbia have legalized recreational or personal use of marijuana in their state or territory. Twenty-nine states and the territories of Guam and Puerto Rico and the District of Columbia have legalized medical marijuana in their state or territory.

In 2013, the Obama administration announced it would not stand in the way of states that legalize marijuana, so long as officials acted to keep marijuana from migrating to places where it remained outlawed and keep marijuana out of the hands of criminal gangs and children. That memo, written by then-Deputy Attorney General James M. Cole dated August 29, 2013, had cleared up some of the uncertainty about how the federal government would respond as states began allowing sales for recreational and medical purposes. However, on January 4, 2018, the Trump administration lifted an Obama-era policy that kept federal authorities from enforcing federal marijuana laws in states where marijuana is legal. U.S. Attorney General Jefferson B. Sessions, III instructed federal prosecutors to use the pre-2013 guidelines regarding marijuana crimes and will now leave it up to federal prosecutors to decide what to do when state laws are contrary to federal marijuana laws.

On January 22, 2018, the state of Vermont became the first state to legalize marijuana after U.S. Attorney General Jefferson B. Sessions, III issued his memo regarding federal marijuana laws. The state of Vermont is also the first state to legalize marijuana through its legislature. To date, federal prosecutors have not done anything regarding the new Vermont marijuana legalization or any other existing state marijuana legalization law. As it stands, it is uncertain what the new federal policy on marijuana will entail in the next year or so, or whether federal prosecutors will begin challenging states that have already legalized marijuana. In the meantime, other states have vowed to continue their plans to legalize marijuana notwithstanding the Trump administration's new marijuana policy, which could change again in three years with a new administration.

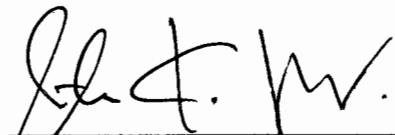
**III. CONCLUSION:**

Your Committee finds that the numerous research, studies, and testimonies echoing the medicinal benefits of marijuana has resulted in the sweeping legalization of medical marijuana across the United States. As more and more patients are diagnosed with severe medical

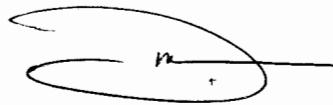
conditions causing immense pain and suffering, it is encouraging that many people across the nation now have the opportunity to seek alternative care that not only treats their ailments, but is also affordable for them. Similarly, the Commonwealth must also provide the people with medical alternatives and treatment such as medicinal marijuana at an affordable cost.

Through the passage of Senate Bill 20-62, Senate Substitute 1, medical marijuana patients and persons who are 21 years old or older may grow or possess marijuana items with limitations to use for medical or recreational purposes. Medical marijuana patients will not have to purchase marijuana items at a pharmacy, which spikes up the cost of medicinal marijuana. Moreover, the revenue that may be collected through the license fees and taxation of marijuana can be used to address the many medical and social tribulations affecting our islands, the economy, and our community. The passage of this legislation will also give Commonwealth residents living abroad who are consuming medical marijuana as an alternative treatment, the opportunity to come back to the Commonwealth to be with their family and loved ones without worrying about the lack of legal access to marijuana for medicinal purposes. It is for all these reasons that your Committee strongly recommends the passage of the proposed legislation in the form of Senate Bill 20-62, Senate Substitute 1.

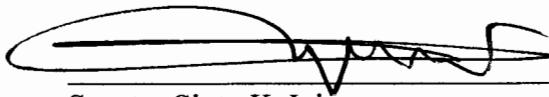
Respectfully submitted,



Senator Steve K. Mesngon  
Chairperson



Senator Francisco Q. Cruz  
Vice-Chairperson

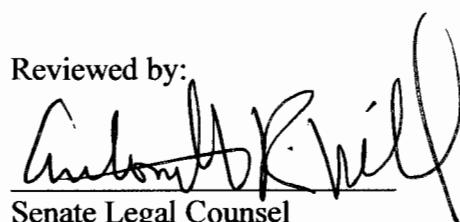


Senator Sixto K. Igisomar  
Member

Senator Justo S. Quitugua  
Member

Senator Teresita A. Santos  
Member

Reviewed by:



Senate Legal Counsel

**TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

**SECOND REGULAR SESSION, 2017**

**S. B. No. 20-62, SS1**

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**A BILL FOR AN ACT**

To regulate cannabis in the Northern Mariana Islands; and  
for other purposes.

**BE ENACTED BY THE TWENTIETH NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1         **Section 1. Findings.** The Legislature finds that 29 U.S. States, including the  
2 territory of Guam, Puerto Rico and the District of Columbia have legalized cannabis or  
3 marijuana for medical purposes since 1996. Furthermore, 9 states, including the District  
4 of Columbia have legalized marijuana for personal use since 2012. The number of states  
5 and territories that elected to regulate marijuana in a manner similar to alcohol is  
6 expected to continue to grow as public support for marijuana legalization, nationally, is  
7 currently around 60% and rising.

8         The Legislature further finds that states that have set up regulated markets for  
9 marijuana with time, age, and place of sale restrictions, product testing, labeling, and  
10 other precautions relative to providing a safe product for responsible adult consumers,  
11 have observed real and significant benefits to public health, safety, and quality of life for  
12 all residents. These benefits include; (1) alternative treatment for pain and suffering for  
13 those afflicted with debilitated illnesses, such as post-traumatic stress disorder (PTSD),  
14 cancer, epilepsy, and a host of other conditions, many of which are not effectively treated  
15 with synthetic prescription medications. In this respect, marijuana has become a life-  
16 saving and enhancing medical alternative; (2) a 25% reduction in accidental overdoses,  
17 addiction, and abuse, as medical marijuana has provided a safer alternative to far more  
18 harmful and dangerous prescription narcotics, providing evidence that approving the  
19 responsible adult use of marijuana can combat the deadly opioid crisis currently  
20 experienced in the United States. Furthermore, there is real evidence to suggest that  
21 allowing for the adult use of marijuana will help to alleviate the level of

1       methamphetamine (ICE) use and abuse in the CNMI; (3) decreases in youth access to  
2       marijuana and usage rates among the youth; (4) decreases in violent crime as marijuana is  
3       manufactured and sold in approved facilities by licensed businesses; (5) decreases in fatal  
4       car crashes as marijuana becomes a popular, and much safer, alternative to alcohol and  
5       other recreational drugs; and (6) substantial revenues generated by the growth,  
6       processing, and sale of marijuana and hemp products, with the introduction of the legal  
7       marijuana industry that has created over 100,000 new jobs, nationally, providing funding  
8       for many government and social programs

9              The Legislature finds that according to the World Health Organization (WHO),  
10          the CNMI. has the second highest marijuana usage rates in the world, at 22.5%. In  
11          essence, approximately 1 in 4 persons in the CNMI either grow or consume marijuana for  
12          medical, agricultural, and personal purposes, despite the federal and local prohibition of  
13          the plant. Meanwhile, reports of problems associated with marijuana use are close to  
14          none. In 2015, Senate Bill 19-06 was introduced to allow for the medical use of  
15          marijuana, which received overwhelming support during public hearings for the bill. In  
16          addition, many of the citizens who came forth to provide their testimony shared their  
17          concern that due to the small number of citizens who would qualify for the medical use of  
18          marijuana, a medical-only policy would not allow for the economy of scale that would  
19          ensure a viable program that could economically support the production, manufacturing,  
20          regulating, and retailing of marijuana products. The individuals with medical needs  
21          highly recommended access to marijuana for therapy and medicinal use by way of simply  
22          boiling the leaves or roots in hot water and to consume as tea. In essence, many CNMI  
23          residents support a fully regulated market for the responsible adult use of marijuana,  
24          which does not penalize the residents for using a substance that is far safer than alcohol.  
25          Public feedback during the public hearing of Senate Bill 19-06 highly recommended  
26          marijuana legislation that will decriminalize or allow for personal and commercial use,  
27          and for a hemp industry.

28              Therefore, the Legislature finds that it is in our best interest to move marijuana  
29          into a regulated and controlled market for responsible adult personal use, allowing for the

1 creation of jobs and the capturing of a new revenue stream that can be used to fund public  
2 safety programs, public school infrastructure and programs, supporting the retirement  
3 fund, and other government and social programs, such as drug abuse treatment;  
4 furthermore, providing an effective alternative medicine for those suffering from medical  
5 conditions; and allowing for the development of an industrial hemp industry here in the  
6 CNMI. In this respect, this Act encompasses the recognized best management practices  
7 employed by other states and territories to control and regulate marijuana and industrial  
8 hemp for responsible adults. This Act complies with the federal guidelines concerning  
9 marijuana enforcement that were developed by the U.S. Department of Justice in 2014.  
10 Furthermore, this Act has been adapted to meet local needs and conditions with input  
11 from medical professionals, law enforcement, patients, growers, advocates, and others  
12 who participated in public hearings and committee meetings. This Act further allows for  
13 local municipalities to decide for themselves how they wish to regulate non-medical  
14 marijuana businesses through zoning and local laws that describe time, place, and manner  
15 regulations. This Act is intended to authorize the regulation and control of marijuana for  
16 responsible adults twenty-one years and older, to improve public safety and the quality of  
17 life – health, education and welfare – for all CNMI residents.

18       **Section 2. Amendment.** Subject to codification by the CNMI Law Revision  
19 Commission, Title 4, Division 5 of the Commonwealth Code is amended by adding a  
20 new Chapter 20 to read as follows:

21                   **“CHAPTER 20. CANNABIS REGULATION.”**

22       **Section 101. Short Title.** This Act may be cited as the “CNMI Cannabis Act of  
23 2018.”

24       **Section 102. Purposes.**

25       The Legislature declares that the purposes of this Act are:

26       (a) To create a CNMI Cannabis Commission;

27       (b) To allow the personal, medicinal, and commercial use of cannabis or  
28 marijuana in the CNMI provided that such activity occurs pursuant to this chapter or  
29 pursuant to the laws of a Senatorial District;

- (c) To create a hemp industry for the CNMI;
- (d) To eliminate the problems caused by the prohibition and uncontrolled manufacture, delivery, and possession of marijuana in this Commonwealth;
- (e) To protect the safety, welfare, health, and peace of the people of this Commonwealth by prioritizing the Commonwealth's limited law enforcement resources in the most effective, consistent, and rational way;
- (f) To permit persons licensed, controlled, and regulated by the CNMI Cannabis Commission to legally manufacture and sell marijuana to persons 21 years of age and older subject to the provisions of this Act;
- (g) To permit doctors and their patients to make decisions about the use of medicinal marijuana without undue governmental interference;
- (h) To establish a comprehensive regulatory framework concerning marijuana under existing Commonwealth law;
- (i) To declare that in the interest of enacting rational policies for the treatment of all variations of the cannabis plant – hemp should be regulated separately from strains of cannabis with higher delta-9 tetrahydrocannabinol (THC) concentrations of 0.3%; and
- (j) To declare that it is necessary to ensure consistency and fairness in the application of this Act throughout the Commonwealth of the Northern Marianas Islands; therefore, the matters addressed by this Act are, except as specified herein, matters of the Commonwealth of the Northern Marianas Islands' concern.

### **Section 103. Legislative Intent.**

22 The Legislature intends that the provisions of this Act, together with the other  
23 provisions of existing Commonwealth law, will:

24 (a) Provide the people of the Northern Mariana Islands with the opportunity to  
25 establish an industry based on the production and potential exportation of marijuana  
26 should the federal government choose to legalize marijuana;

(b) Allow each Senatorial District through their respective Local Delegation to determine what is appropriate for its people, land, and economy in regards to marijuana use.

- 1                             (c) Prevent the distribution of marijuana to minors and persons under 21 years of  
2                             age;  
3                             (d) Prevent revenue from the sale of marijuana from going to criminal enterprises,  
4                             gangs, and cartels;  
5                             (e) Prevent the unlawful diversion of marijuana from this Commonwealth to other  
6                             States and Territories of the United States;  
7                             (f) Prevent marijuana activity that is legal under Commonwealth law from being  
8                             used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;  
9                             (g) Prevent violence and the use of firearms in the cultivation and distribution of  
10                            marijuana;  
11                            (h) Prevent the unpermitted growing of marijuana on public lands and the  
12                            attendant public safety and environmental dangers posed by marijuana production on  
13                            public lands;  
14                            (i) Prevent the possession and use of marijuana on federal property; and  
15                            (j) Prevent drugged driving and the exacerbation of other adverse public health  
16                            consequences associated with marijuana use.

17                         **Section 104. Limitations.** This Act may not be construed:

- 18                           (a) To amend or affect in any way any Commonwealth or federal law pertaining  
19                           to employment matters;  
20                           (b) To amend or affect in any way any Commonwealth or federal law pertaining  
21                           to landlord-tenant matters;  
22                           (c) To prohibit a recipient of a federal grant or an applicant for a federal grant  
23                           from prohibiting the manufacture, delivery, possession, or use of marijuana to the extent  
24                           necessary to satisfy federal requirements for the grant;  
25                           (d) To prohibit a party to a federal contract or a person applying to be a party to a  
26                           federal contract from prohibiting the manufacture, delivery, possession, or use of  
27                           marijuana to the extent necessary to comply with the terms and conditions of the contract  
28                           or to satisfy federal requirements for the contract;  
29                           (e) To require a person to violate a federal law; or

1                   (f) To exempt a person from a federal law or obstruct the enforcement of a federal  
2                   law.

3                   **Section 105. Definitions.** As used in this Act:

4                   (a) “Cannabis” means a genus of flowering plants that includes three putative  
5                   varieties; cannabis sativa, cannabis indica, and cannabis ruderalis. The cannabis genus  
6                   has two main species popularly known as cannabis sativa and cannabis indica:

7                   (1) Cannabis sativa plants are known to stretch to extraordinary heights of  
8                   up to 20 feet when grown outside, and have much longer vegetation periods. Once  
9                   the plant begins to flower, it can take anywhere from ten to sixteen weeks to fully  
10                  mature. Since vegetation periods are so long, these plants typically produce a  
11                  much higher yield than indica strains (3 ounces to 1 pound per plant), but possess  
12                  a lower THC percentage than indica on average (around 12-16%);

13                  (2) Cannabis indica are short and stout in composure (2-4 feet tall), and  
14                  typically yield smaller (1.5 to 2.5 ounces per plant), higher quality crops (~18%  
15                  THC) than cannabis sativa. The plants are believed to have originated in the  
16                  Middle East (Pakistan & Afghanistan), and thrive in cooler environments. Indica  
17                  strains are typically darker green than sativa and have shorter, fatter leaves.

18                  (3) The main active ingredient in cannabis is called delta-9  
19                  tetrahydrocannabinol, commonly known as THC. This is the part of the plant that  
20                  gives the “high.” There is a wide range of THC potency between cannabis  
21                  products.

22                  (4) Cannabis is used in three main forms: marijuana, hashish and hash oil.  
23                  Marijuana is made from dried flowers and leaves of the cannabis plant. It is the  
24                  least potent of all the cannabis products and is usually smoked or made into edible  
25                  products like cookies or brownies. Hashish is made from the resin (a secreted  
26                  gum) of the cannabis plant. It is dried and pressed into small blocks and smoked.  
27                  It can also be added to food and eaten. Hash oil, the most potent cannabis product,  
28                  is a thick oil obtained from hashish. It is also smoked.

29                  (5) Cannabis is usually smoked in hand-rolled cigarettes (known as

1        "joints") or in special water pipes ("bongs"). These pipes or bongs can be bought  
2        or made from things such as orange juice containers, soft drink cans or even toilet  
3        paper rolls.

4            (b) "Caregiver" means a person who is 21 years of age or older who is  
5        responsible for the medical marijuana patient's needs to the production, processing,  
6        keeping, or storage of homegrown marijuana at a household or cultivation site.

7            (c) "Commerce" means the Department of Commerce.

8            (d) "Commission" means the Cannabis Commission.

9            (e) "Consumer" means a person who purchases, acquires, owns, holds, or uses  
10      marijuana items other than for the purpose of resale.

11           (f) "Commonwealth" or "CNMI" means the Commonwealth of the Northern  
12      Mariana Islands.

13           (g) "Cultivation site" means a site in which marijuana is produced other than a  
14      household for non-commercial purposes. A cultivation site may include but is not limited  
15      to a farm, ranch, land parcel, lot, greenhouse, warehouse, building, room, or container.

16           (h) "Debilitating medical condition" means:

17                (1) cancer, glaucoma, positive status for human immunodeficiency virus  
18      (HIV), acquired immune deficiency syndrome (AIDS), hepatitis C, amyotrophic  
19      lateral sclerosis, Crohn's disease, ulcerative colitis, agitation of Alzheimer's  
20      disease, post-traumatic stress disorder, or the treatment of these conditions;

21                (2) a chronic or debilitating disease or medical condition or its treatment  
22      that produces one or more of the following: stroke, diabetes, Parkinson's disease,  
23      Wilson's disease, traumatic brain injury, ADD/ADHD, muscular dystrophy (MD),  
24      cerebral palsy, asthma, and other types of immune-modulated inflammatory  
25      diseases, cachexia or wasting syndrome; severe, debilitating pain; severe nausea;  
26      seizures; or severe and persistent muscle spasms, including, but not limited to,  
27      those characteristic of multiple sclerosis; or

28                (3) any other serious medical condition or its treatment provided for by the  
29      Commission regulation in consultation with the Commonwealth Healthcare

1           Corporation (CHCC) or other medical professionals.

2           (i) “Division of Agriculture” means the Department of Lands and Natural  
3 Resources Division of Agriculture.

4           (j) “Controlled substance” means a drug or its immediate precursor classified in  
5 Schedules I through V by 6 CMC §§ 2111-2123. The term “controlled substance,” as used  
6 in the Commonwealth Code does not include marijuana.

7           (k) (1) “Financial consideration,” except as provided in paragraph (2) (b) of  
8 this subsection, means value that is given or received directly or indirectly  
9 through sales, barter, trade, fees, charges, dues, contributions or donations.

10           (2) “Financial consideration” does not mean any of the following:

11                 (i) Homegrown marijuana made by another person.

12                 (ii) Homemade marijuana products made by another person.

13           (l) “Hemp” means the plant of the genus cannabis and any part of the plant,  
14 whether growing or not, with a delta9-tetrahydrocannabinol concentration that does not  
15 exceed three tenths percent (0.3%) on a dry weight basis for any part of the plant  
16 cannabis, or per volume or weight of marijuana product, or the combined percent of  
17 delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant  
18 cannabis regardless of moisture content.

19           (m) “Homegrown” or “homemade” means grown or made by a person 21 years  
20 of age or older for noncommercial purposes.

21           (n) “Homegrown marijuana registry” means a record maintained by the  
22 Commission of the names and addresses of persons who are 21 years of age or older or  
23 medical marijuana patients authorized to produce, process, keep, or store homegrown  
24 marijuana at a household or a cultivation site for non-commercial purposes.

25           (o) “Homegrown marijuana registry card” means a card issued by the  
26 Commission to a person who is 21 years of age or older or a medical marijuana patient  
27 that is authorized to produce, process, keep, or store homegrown marijuana at a  
28 household or a cultivation site for noncommercial purposes.

29           (p) “Household” means a housing unit, and includes any place in or around the

1 housing unit at which the occupants of the housing unit are producing, processing,  
2 keeping, or storing marijuana, marijuana products, or marijuana extracts, whether  
3 homemade or purchased.

4 (q) "Housing unit" means a house, an apartment, a mobile home, a group of  
5 rooms, or a single room that is occupied as separate living quarters, in which the  
6 occupants live and eat separately from any other persons in the building and which have  
7 direct access from the outside of the building or through a common hall.

8 (r) "Immature marijuana plant" means a marijuana plant with no observable  
9 flowers or buds.

10 (s) "Licensee" means any person holding a license issued under this Act, or any  
11 person holding a license or permit issued under any regulation promulgated pursuant to  
12 this Act.

13 (t) "Licensee representative" means an owner, director, officer, manager,  
14 employee, agent, or other representative of a licensee, to the extent such person acts in  
15 such representative capacity.

16 (u) "Marijuana" means all parts of the plant of the genus cannabis, the seeds  
17 thereof, and every compound, manufacture, salt derivative, mixture, or preparation of the  
18 plant and its seeds whether growing or not, regardless of moisture content, other than  
19 marijuana extracts. "Marijuana" does not include hemp, nor does it include fiber  
20 produced from the stalks, oil or cake made from the seeds of the plant, sterilized seed of  
21 the plant which is incapable of germination, or the weight of any other ingredient  
22 combined with marijuana to prepare topical or oral administrations, food, drink, or other  
23 product.

24 (v) "Marijuana establishment" means an entity licensed by the Commission as a  
25 marijuana producer, marijuana lounge, marijuana testing facility, marijuana processor, a  
26 marijuana retailer, or a marijuana wholesaler.

27 (w) "Marijuana extract" or "Marijuana concentrate" means a product obtained by  
28 separating resins from marijuana by solvent extraction, using solvents other than water or  
29 vegetable glycerin, such as butane, hexane, isopropyl alcohol, ethanol, and carbon

1 dioxide: which is produced only by a licensed marijuana establishment.

2 (x) (1) "Marijuana flowers" means the flowers of the plant cannabis family  
3 Moraceae.

4 (2) "Marijuana flowers" does not include any part of the plant other than  
5 the flowers.

6 (y) "Marijuana items" means marijuana, marijuana products, and marijuana  
7 extracts.

8 (z) (1) "Marijuana leaves" means the leaves of the plant Cannabis family  
9 Moraceae.

10 (2) "Marijuana leaves" does not include any part of the plant other than  
11 the leaves.

12 (aa) "Marijuana Lounge" means an entity licensed by the Commission to sell and  
13 /or allow for the on-site consumption of marijuana items.

14 (1) "Class 1" means an entity licensed to sell marijuana items for on-site  
15 consumption.

16 (2) "Class 2" means an entity licensed to allow for the on-site  
17 consumption of marijuana items, but for which the sale of marijuana items is  
18 prohibited.

19 (bb) "Marijuana processor" means a person who processes marijuana items in this  
20 Commonwealth.

21 (cc) "Marijuana producer" means a person who produces marijuana in this  
22 Commonwealth.

23 (dd) (1) "Marijuana products" means products that contain marijuana or  
24 marijuana extracts and are intended for consumption, that include, but are not  
25 limited to being edible, drinkable, or topical.

26 (2) "Marijuana products" does not mean:

27 (i) Marijuana, by itself; or

28 (ii) A marijuana extract, by itself.

29 (ee) "Marijuana retailer" means a person who sells marijuana items to a consumer

1       in this Commonwealth.

2           (ff) "Marijuana testing facility" means an entity licensed by the Commission to  
3 analyze and certify the safety and potency of marijuana items.

4           (gg) "Marijuana wholesaler" means a person who purchases marijuana items in  
5 this Commonwealth for resale to a person other than a consumer in this Commonwealth,  
6 such as a licensed marijuana establishment.

7           (hh) "Mature marijuana plant" means any marijuana plant that is not an immature  
8 marijuana plant. A mature marijuana plant has observable flowers or buds.

9           (ii) "Medical marijuana" or "medicinal marijuana" means marijuana used by a  
10 person for medical or medicinal purposes.

11          (jj) "Medical Marijuana patient" means a person who uses marijuana as  
12 recommended by a doctor or other medical authority in the treatment of a debilitating  
13 medical condition or any other medical condition.

14          (kk) "Micro producer" means a person with a micro production license to produce  
15 marijuana in this Commonwealth.

16          (ll) "Minor" means a person under the age of 21 years old for purposes of this  
17 chapter.

18          (mm) "Noncommercial" means not dependent or conditioned upon the provision  
19 or receipt of financial consideration.

20          (nn) "Person" means any natural person, corporation, professional corporation,  
21 nonprofit corporation, cooperative corporation, profit or nonprofit unincorporated  
22 association, business trust, limited liability company, general or limited partnership, joint  
23 venture, or any other legal entity.

24          (oo) "Premises" or "licensed premises" or "marijuana establishment" means a  
25 location licensed under this Act and includes:

26           (1) All enclosed areas at the location that are used in the business operated  
27 at the location, including offices, kitchens, rest rooms and storerooms, including  
28 all public and private areas;

29           (2) All areas outside of a building that the Commission has specifically

1           licensed for the consumption, production, processing, wholesale sale, or retail sale  
2           of marijuana items; and

3           (3) For a location that the Commission has specifically licensed for the  
4           production of marijuana outside of a building, the entire lot or parcel, that the  
5           licensee owns, leases, or has a right to occupy.

6           (pp) (1) "Processes" means:

7                 (i) The processing, compounding, or conversion of marijuana into  
8                 marijuana products or marijuana extracts;

9                 (ii) The processing, compounding, or conversion of marijuana,  
10               either directly or indirectly by extraction from substances of natural origin,  
11               or independently by means of chemical synthesis, or by a combination of  
12               extraction and chemical synthesis;

13                 (iii) The packaging or repackaging of marijuana items; or

14                 (iv) The labeling or relabeling of any package or container of  
15               marijuana items.

16           (2) "Processes" does not include:

17                 (i) The drying of marijuana by a marijuana producer, if the  
18               marijuana producer is not otherwise processing marijuana; or

19                 (ii) The packaging and labeling of marijuana by a marijuana  
20               producer in preparation for delivery to a marijuana processor, marijuana  
21               retailer, marijuana wholesaler, or marijuana lounge.

22           (qq) (1) "Produces" means the manufacture, planting, cultivation, growing, or  
23               harvesting of marijuana.

24           (2) "Produces" does not include:

25                 (i) The drying of marijuana by a marijuana processor, if the  
26               marijuana processor is not otherwise producing marijuana; or

27                 (ii) The cultivation and growing of an immature marijuana plant by  
28               a marijuana processor, marijuana lounge, marijuana wholesaler, or  
29               marijuana retailer if the marijuana processor, marijuana lounge, marijuana

1                   wholesaler, or marijuana retailer purchased or otherwise received the plant  
2                   from a licensed marijuana producer.

3                 (rr) "Public place" means a place to which the general public has access and  
4                 includes, but is not limited to, beaches, hallways, lobbies and other parts of apartment  
5                 houses and hotels not constituting rooms or apartments designed for actual residence, and  
6                 highways, streets, schools, places of amusement, parks, playgrounds and premises used in  
7                 connection with public passenger transportation.

8                 (ss) "Sale" or "sold" means:

9                   (1) Any transfer, exchange or barter, in any manner or by any means, for a  
10                  consideration, and includes and means all sales made by any person. It includes a  
11                  gift by a person engaged in the business of selling marijuana, for advertising, as a  
12                  means of evading this Act, or for any other purpose.

13                 (2) If a marijuana producer also holds one or more processor licenses, one  
14                  or more wholesale licenses, one or more marijuana lounge licenses, or one or  
15                  more retail licenses, a sale of marijuana flowers, marijuana leaves, or immature  
16                  marijuana plants will be deemed to occur if and when the marijuana producer  
17                  processes or takes any other action with respect to such marijuana flowers,  
18                  marijuana leaves, or immature marijuana plants for which a processor license,  
19                  wholesale license, marijuana lounge license, or retail license is required,  
20                  regardless of whether the marijuana producer continues to own or possess the  
21                  marijuana flowers, marijuana leaves, or immature marijuana plants.

22                 (tt) (1) "Useable marijuana" means the dried leaves and flowers of marijuana.

23                 (2) "Useable marijuana" does not include:

24                   (A) Marijuana seeds;  
25                   (B) The stalks and roots of marijuana; or  
26                   (C) Waste material that is by-product of producing or processing  
27                  marijuana.

28                 **Section 106. Applicability of Certain Provisions of this Act to Homegrown**  
29                 **Marijuana and Homemade Marijuana Products.**

1                     (a) Section 111, Section 113, Section 114, Sections 115-117, Sections 119-127,  
2       Sections 131-138, Sections 140-144, Section 148, Sections 150-153, Sections 155-156,  
3       Section 165 and Sections 173-176 of this Act does not apply:

4                     (1) To the production, processing, keeping, or storage of homegrown  
5       marijuana at a household for non-commercial purposes by one or more persons 21  
6       years of age and older, if the total of homegrown marijuana at the household or  
7       cultivation site does not exceed six (6) mature marijuana plants and NO MORE  
8       THAN TWELVE (12) immature plants at any time. The marijuana produced by  
9       the person's marijuana plants must remain in the same secure location where the  
10      marijuana was cultivated or secured at a person's household and such person  
11      holds a homegrown marijuana registry card issued by the Commission.

12                   (2) To the production, processing, keeping, or storage of useable  
13      marijuana at a household for non-commercial purposes by one or more persons 21  
14      years of age and older, if the total amount of usable marijuana at the household or  
15      cultivation site does not exceed eight (8) ounces of useable marijuana at any time.

16                   (3) To the production, processing, keeping, or storage of homegrown  
17      marijuana at a household for non-commercial purposes by a medical marijuana  
18      patient or the patient's caregiver who may exceed the six (6) mature marijuana  
19      plant limit but not more than twelve (12) mature plants and twenty-four (24)  
20      immature plants should the patient's physician deem it necessary and practical for  
21      the effective treatment of the medical marijuana patient; provided that any  
22      additional marijuana produced by the person's marijuana plants in excess of one  
23      (1) ounce of marijuana or eight (8) ounces of useable marijuana must remain in  
24      the same secure location where the marijuana was cultivated or secured at a  
25      person's household and such person holds a homegrown marijuana registry card  
26      issued by the Commission, and a document with a physician statement  
27      recommending the use of marijuana for medicinal use showing the name of the  
28      patient or the caregiver.

29                   (4) To the making, processing, keeping, or storage of marijuana products

1 at a household by one or more persons 21 years of age and older, that are properly  
2 identified and properly secured to ensure in an enclosed, locked space that  
3 persons under 21 years of age do not possess a key.

4 (5) To the delivery, possession, transport, or gifting of not more than one  
5 (1) ounce of any marijuana at any given time by a person 21 years of age and  
6 older to another person 21 years of age or older for noncommercial purposes.

7 (6) To the delivery, possession, transport, or gifting of not more than  
8 Sixteen (16) ounces of any marijuana products in solid form at any given time by  
9 a person 21 years of age or older to another person 21 years of age or older for  
10 noncommercial purposes.

11 (7) To the delivery, possession, transport, or gifting of not more than  
12 seventy-two (72) ounces of any marijuana products in liquid form at any given  
13 time by a person 21 years of age or older to another person 21 years of age or  
14 older for noncommercial purposes.

15 (8) To the delivery, possession, transport, or gifting of not more than five  
16 (5) grams of marijuana extracts at any given time by a person 21 years of age or  
17 older to another person 21 years of age or older for noncommercial purposes.

18 (9) To the delivery, possession, transport, or gifting of not more than six  
19 (6) immature marijuana plants at any given time by a person 21 years of age or  
20 older to another person 21 years of age or older for noncommercial purposes.

21 (10) To the transportation of any amount of harvested homegrown  
22 marijuana from a person's cultivation site being directly transported to the  
23 person's household at any given time by one or more persons 21 years of age or  
24 older, whereas the harvested homegrown marijuana will be secured at the  
25 person's household.

26 (11) To the making, processing, keeping, or storage of homemade  
27 marijuana extracts or marijuana concentrates at a household by one or more  
28 persons 21 years of age and older if the marijuana extracts or concentrates were  
29 produced using only water or vegetable glycerin solvents or other forms of non-

1 solvent extraction processing methods, as described in Section 157(a) of this Act.

2 (b) This Section is subject to the following terms:

3       (1) Marijuana plants shall be cultivated in a location where the plants are  
4 not subject to public view without the use of binoculars, aircraft, or other optical  
5 aids.

6       (2) A person who cultivates marijuana must take reasonable precautions to  
7 ensure the plants are secure from unauthorized access and access by a person  
8 under the age of 21. For purposes of illustration and not limitation, cultivating  
9 marijuana in an enclosed, locked space that persons under 21 years of age do not  
10 possess a key to constitutes reasonable precautions.

11       (3) Marijuana cultivation may only occur on property lawfully in  
12 possession, either by appropriate lease or actual ownership, of the cultivator or  
13 with the consent of the person in lawful possession of the property.

14       (4) A person may not sell homegrown marijuana or plants, marijuana  
15 products or marijuana items to any person for consideration.

16       (5) Any homegrown marijuana or plants, marijuana products or items that  
17 are delivered as a gift must be accepted by the recipient in order for the transfer to  
18 be complete.

19       (6) A person who violates this section while otherwise acting in  
20 compliance with this Act is guilty of a violation punishable by a civil infraction  
21 punishable by a fine of \$100 for a first offense. If the person is found guilty of a  
22 second offense, then their marijuana will be confiscated and they will be fined  
23 \$500. If a person is found guilty of a third offense, their marijuana will be  
24 confiscated and then the person will be guilty of a misdemeanor punishable by a  
25 fine of up to \$1,000 and thirty (30) days of imprisonment, including revocation of  
26 their homegrown marijuana registry card.

27 **Section 107. CNMI Cannabis Commission.**

28       (a) The CNMI Cannabis Commission is hereby established as a regulatory agency  
29 of the government of the Commonwealth of the Northern Mariana Islands.

1                   (b) Appointment of Commissioners and Term. The Commission shall consist of  
2 seven commissioners.

3                   (1) The Governor shall appoint from the Third Senatorial District five  
4 members to the Commission, subject to the advice and consent of the Saipan and  
5 Northern Islands Legislative Delegation. Provided that one of the five members  
6 appointed by the Governor shall be a voter from the Northern Islands and selected  
7 by the Northern Islands' Mayor.

8                   (2) The Mayor of Rota shall appoint from the First Senatorial District one  
9 member to the Commission, subject to the advice and consent of the Rota  
10 Legislative Delegation.

11                  (3) The Mayor of Tinian and Aguiguan shall appoint from the Second  
12 Senatorial District one member to the Commission, subject to the advice and  
13 consent of the Tinian and Aguiguan Legislative Delegation.

14                  (4) Each member shall serve a term of four years, except that of the  
15 members first appointed, two shall serve a term of two years, and three shall serve  
16 a term of four years, which shall be determined by lottery at the first meeting of  
17 the Commission.

18                  (5) The first members of the Commission shall be appointed as provided  
19 in this section within 90 days after the effective date of this Act.

20                  (6) Any vacancy shall be filled in the same manner as the original  
21 appointment and for the unexpired term thereof. No member shall serve more  
22 than two consecutive terms. A member removed from the Commission for cause  
23 shall not be re-appointed to the Commission.

24                  (c) Qualifications of Commissioners.

25                  (1) Each member shall be a citizen or national of the United States and  
26 shall be a resident of and registered to vote in the Senatorial District from which  
27 they were appointed.

28                  (2) A Commission member must be an adult, and possess a good moral  
29 character, and at least two Commission members must at least have a bachelor's

1           degree in any field of study from a postsecondary educational institution  
2           accredited in the United States or must have at least five years' work experience  
3           in the following areas: business management, government management, or  
4           financial management.

5           (3) No person may be appointed who has been convicted of a crime,  
6           excepting traffic offenses, in any jurisdiction of the United States, the  
7           Commonwealth or any foreign country carrying a maximum sentence of more  
8           than six months, or any crime or offense involving moral turpitude unless a full  
9           pardon has been granted.

10          (4) No individual may serve as a member of the Commission, if such  
11         individual, or a parent or child of such individual, holds or is an applicant for any  
12         license under this title or holds any direct or indirect financial interest in any  
13         person or entity that holds or is an applicant for any license under this title.

14          (5) The requirements of 1 CMC § 2901 shall apply to the Commission.

15          (d) Removal of Commissioner for Cause Only. The Governor may, for cause  
16         only, suspend or remove any Commission member, without regard to who appointed said  
17         member, subject to judicial review by the Superior Court, which may stay such removal  
18         or suspension pending such review.

19          (e) Membership on the Commission shall be automatically forfeited upon  
20         violation of subsection (3) of this section, upon conviction of a felony, or upon conviction  
21         of any crime or offense involving moral turpitude.

22          (f) The Commission shall not be considered an agency of local government for  
23         purposes of Article VI, Section 8, of the Constitution.

24          (g) Compensation – upon availability of Funds. Members of the Commission  
25         shall each be compensated pursuant to 1 CMC § 8247. In addition, the Commissioners  
26         shall be reimbursed for their actual, necessary, and reasonable expenses incurred in the  
27         performance of their duties. All travel will be subject to 1 CMC § 7407.

28          (h) The members of the Commission shall elect their chairman, vice chairman,  
29         secretary and treasurer for terms of one year, beginning from the effective date of their

1 term.

2                   (i) Quorum. The minimum number of members needed to constitute a quorum for  
3 the conduct of Commission business shall be four members; provided at least one  
4 member of the Senatorial District of Tinian or Rota is counted in the quorum. The  
5 Commission is encouraged to adopt rules and regulations to provide for the appearance at  
6 meetings telephonically or via videoconference by members who are not physically  
7 present at the meeting. A member who appears telephonically or via videoconference  
8 pursuant to Commission rule or regulation shall be deemed present to constitute a  
9 quorum.

10                  (j) The members of the Commission are not employees of the Commission or the  
11 Commonwealth government.

12                 **Section 108. Powers and Duties of the Commission.** The Cannabis  
13 Commission has the powers and duties specified in this Act, and also the powers  
14 necessary or proper to enable it to carry out fully and effectually all the purposes of this  
15 Act. The jurisdiction, supervision, powers and duties of the Commission extend to any  
16 person who buys, sells, produces, processes, transports, or delivers any marijuana items  
17 within this Commonwealth. The Commission shall have all the powers and authority  
18 necessary to carry out the purposes of this chapter, including, without limitation, the  
19 responsibility:

20                  (a) To conduct hearings pertaining to the violation of this chapter or regulations  
21 promulgated hereto; including hearings for the purpose of approving marijuana or hemp  
22 licenses and other business allowed under this chapter.

23                  (b) To promulgate such rules and regulations, as may be necessary to fulfill the  
24 intent, policies and purposes of this chapter. The Commission may use such rules and  
25 regulations to interpret, enlarge upon, except provisions defining the authority and  
26 powers of the Commission, or define, or any provision of this chapter to the extent that  
27 such provision is not specifically defined by this chapter. The rules and regulations shall,  
28 at a minimum, provide for the following:

29                  (1) A code of ethics for the members of the Commission and its officers

1           and employees.

2           (2) Supervision, monitoring and investigation or other means to ensure the  
3           suitability and compliance with the legal, statutory and contractual obligations of  
4           owners, operators, and employees of marijuana or hemp businesses and other  
5           persons licensed under this chapter.

6           (3) The examination, supervision and monitoring of the continuing fiscal  
7           and financial capability and transactions of marijuana or hemp businesses owners,  
8           operators, concessionaires and other parties with any direct relation to the  
9           marijuana or hemp business operators and to protect the public in the event that  
10          such capability is significantly diminished.

11          (4) To collaborate in the definition, coordination and execution of the  
12          social, environmental and economic policies for the operations of the marijuana  
13          and hemp businesses.

14          (5) To authorize and certify all the equipment, facilities, and tools or  
15          utensils used by the operations of marijuana or hemp businesses.

16          (6) To issue licenses for marijuana and hemp businesses and other  
17          authorized activities under this act.

18          (7) To examine, supervise and monitor the eligibility of all authorized and  
19          licensed marijuana and hemp businesses or activities authorized under this act;  
20          including their partners and principal employees.

21          (8) To investigate and penalize any administrative infractions practiced  
22          according to the appropriate substantial and procedural legislations.

23          (9) To ensure that the relationship of the licensed marijuana and hemp  
24          businesses and individuals or entities authorized for personal or medicinal use of  
25          marijuana with the government and the public is in compliance with the  
26          Commission's regulations and provides the highest interest to Commonwealth.

27          (10) The exclusion and removal of undesirable persons from the marijuana  
28          and hemp businesses.

29          (11) Civil penalties for the violation of provisions or regulations imposed

1           under this chapter.

2           (12) Penalties for the late payment of applicable fines, or fees.

3           (c) To levy fines and penalties for the violation of provisions of this chapter and  
4           the regulation promulgated by the Commission.

5           (d) To require and demand access to and inspect, examine, photocopy, and audit  
6           all papers, books and records of the license marijuana and hemp businesses on its  
7           premises or elsewhere as practical, including inspecting the gross income produced by  
8           the marijuana and hemp businesses and verification of their income, and all other matters  
9           affecting the enforcement of the Commission's policy or as required pursuant to this  
10          chapter.

11          (e) For the types of licenses or permits to be covered by the marijuana and hemp  
12          license and their structure.

13          (f) The Commission shall not regulate personal cultivation of marijuana.

14          (g) To regulate the purchase, sale, production, processing, transportation, and  
15          delivery of marijuana items in accordance with the provisions of this Act.

16          (h) To grant, refuse, suspend or cancel licenses for the sale, processing, or  
17          production of marijuana items, or other licenses in regard to marijuana items, and to  
18          permit, in its discretion, the transfer of a license of any person.

19          (i) To investigate and aid in the prosecution of every violation of Commonwealth  
20          statutes relating to marijuana items, and cooperate in the prosecution of offenders before  
21          the Superior Court for the Commonwealth of the Northern Mariana Islands.

22          (j) To adopt such regulations as are necessary and feasible for carrying out  
23          the intent and provisions of this Act and to amend or repeal such regulations. When such  
24          regulations are adopted they shall have the full force and effect of law.

25          (k) To exercise all powers incidental, convenient or necessary to enable it to  
26          administer or carry out any of the provisions of this Act.

27          (l) To regulate and prohibit any advertising by manufacturers, processors,  
28          wholesalers or retailers of marijuana items by the medium of newspapers, letters,  
29          billboards, radio or otherwise.

1                         (m) To regulate the use of marijuana items for scientific, pharmaceutical,  
2 manufacturing, mechanical, industrial and other purposes.

3                         (n) To adopt separate regulations as are necessary and feasible for the  
4 development of a medical marijuana program.

5                         (o) To adopt separate regulations as are necessary and feasible for the  
6 development of a hemp program for strains of cannabis that do not exceed three tenths  
7 percent (0.3%) on a dry weight basis of any part of the plant cannabis, or per volume or  
8 weight of marijuana product, or the combined percent of delta-9-tetrahydrocannabinol  
9 and tetrahydrocannabinolic acid in any part of the plant cannabis regardless of moisture  
10 content.

11                         (p) To conduct an annual summit with the Commonwealth Healthcare  
12 Corporation, the Department of Public Safety, the Department of Lands and Natural  
13 Resources and other stakeholders in the government and private sectors to discuss the  
14 regulation of cannabis in the Commonwealth.

15                         (q) The Commission shall prescribe forms and adopt such rules and regulations as  
16 the Commission deems necessary for the implementation and administration of this Act  
17 within 180 days after the commission's organizational meeting.

18                         (r) The Commission has no power to purchase, own, sell, or possess any  
19 marijuana items.

20                         **Section 109. Executive Director.**

21                         (a) The Commission shall hire an Executive Director who will be responsible for  
22 the overall administration of the Commission and the supervision of the marijuana and  
23 hemp licensee and others pursuant to this chapter.

24                         (b) Qualification of the Executive Director. The Executive Director shall possess  
25 the following minimum qualification:

26                                 (1) A bachelor's degree from a United States accredited educational  
27 institution or equivalent, or four years work experience in the cannabis,  
28 agricultural or related industry; and

29                                 (2) Five years work experience - professional, administrative or

1           management in government or private sectors; and  
2           (3) Good ethical and moral character; and  
3           (4) The Commission shall not hire any person for the Executive Director's<sup>1</sup>  
4           position who has been convicted of a crime in any jurisdiction of the United  
5           States, or any foreign country carrying a minimum sentence of imprisonment of  
6           more than six months, excepting traffic offenses.  
7           (5) The Executive Director shall not have any interest, directly or  
8           indirectly, in any business under the jurisdiction of the Commission.  
9           (c) The Executive Director shall be the head of the administration of the  
10          Commission, and subject to the general oversight and direction of the Commission, shall  
11          organize the work of the Commission in a manner that will ensure its efficient and  
12          effective operation and, subject to the budgetary authority, the Executive Director may  
13          hire and terminate such staff necessary to carry out the purpose of the Commission. Such  
14          staff shall be exempt from the civil service. The Executive Director shall obtain such  
15          equipment, rent or build such additional office space, and generally make such regular  
16          office expenditure and acquisitions as necessary to establish and maintain a working  
17          office suitable for the Commission to effectively function pursuant to this chapter.  
18           (d) The Executive Director shall have such other duties as may be assigned or  
19           delegated by the Commission.  
20           (e) The Executive Director serves at the pleasure of the Commission.  
21           (f) The Executive Director's annual salary shall be determined by the  
22          Commission, subject to availability of funds, but in no event shall it exceed \$70,000.00  
23          per year. The director's salary shall be commensurate with his or her educational  
24          background and work experience. The Executive Director shall be reimbursed for actual,  
25          necessary, and reasonable expenses incurred in the performance of his or her duties as  
26          allowed by the Commission, but in any event not to exceed \$25,000.00 in  
27          reimbursements per calendar year. All travel will be subject to 1 CMC §7407.  
28           (g) The Commission shall hire an executive director within sixty (60) days after  
29          the Commission's organizational meeting.

1           **Section 110. Rules and Regulations.**

2           The Commission shall promulgate rules and regulations to carry out the purposes  
3       of this chapter, including but not limited to, Marijuana or Hemp promotional activities;  
4       compliance and internal controls, and control of the financial suitability of licensed  
5       operators. The Commission may, in addition to any other purpose, use such rules and  
6       regulations to interpret, enlarge upon, or define any provision of this title.

7           **Section 111. Powers and Duties of the Division of Agriculture.**

8           The Department of Lands and Natural Resources, Division of Agriculture shall  
9       assist and cooperate with the Commission to the extent necessary for the Commission to  
10      carry out its duties and the authority under this Act.

11          **Section 112. Homegrown Marijuana Registry.**

12          (a) The Commission shall establish a homegrown marijuana registry for all  
13       persons who are 21 years of age or older or medical marijuana patients that are  
14       authorized to produce, process, keep, or store homegrown marijuana at a household or a  
15       cultivation site.

16          (b) The Commission shall maintain a record of the homegrown marijuana registry  
17       which shall include the names and addresses of registrants, and other pertinent  
18       information related to the personal cultivation of homegrown marijuana at a household or  
19       a cultivation site.

20          (c) The Commission shall provide renewable annual registry cards to qualified  
21       persons and shall assess an annual registration fee of \$5.00 per person.

22          (d) All information obtained by the Commission regarding the records of the  
23       homegrown marijuana registrants shall remain confidential, never be released to the  
24       public, and shall only be available to CNMI government agencies charged with carrying  
25       out the provisions of this act.

26          (e) The Commission shall not prohibit nor deny persons aged 21 or older from  
27       obtaining a homegrown marijuana registry card. Whereas, in the event that the  
28       Commission does not develop, implement or maintain the homegrown marijuana registry  
29       system within 120 days after the Commission's organizational meeting, this should not

1 prohibit any persons 21 years of age or older from the cultivation of homegrown  
2 marijuana, as long as the marijuana is cultivated in accordance with the guidelines  
3 defined in this Act and the person obtains a homegrown marijuana registry card when  
4 made available by the Commission.

5           **Section 113. No Liability for Official Acts.**

6           No member of the Commonwealth government may be sued for doing or omitting  
7 to do any act in the performance of duties as prescribed in this Act.

8           **Section 114. Powers; Licenses; Federal Law.**

9           (a) Neither the Commission or the Division of Agriculture may refuse to perform  
10 any duty under this Act on the basis that manufacturing, distributing, dispensing,  
11 possessing, or using marijuana is prohibited by federal law.

12           (b) The Commission may not revoke or refuse to issue or renew a license under  
13 this Act on the basis that manufacturing, distributing, dispensing, possessing, or using  
14 marijuana is prohibited by federal law.

15           (c) The Commission may limit the number of available licenses under this Act if  
16 it determines that doing so is necessary for the safe and effective regulation of marijuana  
17 in the Commonwealth of the Northern Mariana Islands.

18           (d) The Commission may issue a license to a CNMI government entity or  
19 municipality subject to the provisions of this Act.

20           (e) The Commission shall not issue licenses to businesses that existed prior to the  
21 effective date of this act.

22           **Section 115. Contracts.**

23           No contract shall be unenforceable on the basis that manufacturing, distributing,  
24 dispensing, possessing, or using marijuana is prohibited by federal law.

25           **Section 116. Licenses and Licensee Representatives.**

26           Licensees and licensee representatives may produce, deliver, and possess  
27 marijuana items subject to the provisions of this Act. The production, delivery, and  
28 possession of marijuana items by a licensee or a licensee representative in compliance  
29 with this Act shall not constitute a criminal or civil offense under Commonwealth law.

1           **Section 117. Purchaser's Qualifications.**

2           No licensee or licensee representative may sell or deliver any marijuana items to  
3       any person under 21 years of age who does not possess a valid recommendation for  
4       marijuana issued by a doctor licensed to practice medicine in the Northern Mariana  
5       Islands, or by a country of origin for the non-CNMI resident patient.

6           **Section 118. Limitations Applied.**

7           (a) Licensed marijuana retailers and marijuana lounges are prohibited from  
8       selling items in excess of the following limits, to consumers at any one time per  
9       transaction:

- 10              (1) 1 ounce of marijuana.  
11              (2) 16 ounces of marijuana product in solid form.  
12              (3) 72 ounces of marijuana product in liquid form.  
13              (4) 5 grams of marijuana extract.  
14              (5) 6 immature marijuana plants.

15           (b) Consumers are prohibited from purchasing items from a marijuana  
16       establishment in excess of the following limits, at any one time per transaction:

- 17              (1) 1 ounce of marijuana.  
18              (2) 16 ounces of marijuana product in solid form.  
19              (3) 72 ounces of marijuana product in liquid form.  
20              (4) 5 grams of marijuana extract.  
21              (5) 6 immature marijuana plants.

22           (c) Persons 21 years of age or older are allowed to transport the following items  
23       for noncommercial purposes at any given time which must not exceed:

- 24              (1) 1 ounce of marijuana.  
25              (2) 16 ounces of marijuana product in solid form.  
26              (3) 72 ounces of marijuana product in liquid form.  
27              (4) 5 grams of marijuana extract.  
28              (5) 6 immature marijuana plants.

29           (d) Persons 21 years of age or older are allowed to possess in public the

1 following items at any given time, so long as the items are not made viewable or exposed,  
2 and for noncommercial purposes, are not to exceed:

- 3                   (1)     1 ounce of marijuana.
- 4                   (2)     16 ounces of marijuana product in solid form.
- 5                   (3)     72 ounces of marijuana product in liquid form.
- 6                   (4)     5 grams of marijuana extract.

7                   **Section 119. Requiring Identification from Certain Purchasers.**

8                   All licensees and licensee representatives, before selling or serving marijuana  
9 items to any person about whom there is any reasonable doubt of the person's having  
10 reached 21 years of age, shall require such person to produce one of the following pieces  
11 of identification:

- 12                  (a) The person's valid passport.
- 13                  (b) The person's valid motor vehicle operator's license, whether issued in this  
14 Commonwealth or by any other State or Territory, so long as the license has a picture of  
15 the person, and the person's date of birth.
- 16                  (c) A REAL ID compliant identification card issued by the Commonwealth or by  
17 another State or Territory.
- 18                  (d) A United States military identification card.
- 19                  (e) Any other identification card issued by the Commonwealth that bears a picture  
20 of the person, the name of the person, the person's date of birth and a physical description  
21 of the person.

22                  **Section 120. False Concealment of Age; Statement of Age as a Defense.**

- 23                  (a) No person shall produce any piece of identification that would falsely indicate  
24 the person's age.
- 25                  (b) If a piece of identification is offered as evidence in any administrative or  
26 criminal prosecution of a licensee or licensee representative for sale or service of  
27 marijuana items to a person not having reached 21 years of age, the licensee or licensee  
28 representative shall be found to have committed no crime or other wrong unless it is  
29 demonstrated that a reasonable person would have determined that the identification

1 exhibited was altered or did not accurately describe the person to whom the marijuana  
2 items were sold or served.

3           **Section 121. The Commission's Licensing Duties.**

4           (a) Upon adoption of the licensing regulations, the Commission shall begin  
5 receiving applications for the licensing of persons to produce, process, and sell marijuana  
6 within the Commonwealth. Upon receipt of a license application, the Commission shall  
7 not unreasonably delay the processing, approval, or rejection of the application or, if the  
8 application is approved, the issuance of the license.

9           (b) The licenses described in this Act shall be issued by the Commission, subject  
10 to its regulations and restrictions and the provisions of this Act.

11           (c) The Commission may not license any premise that is located within a distance  
12 of 500 feet from any church, hospital, medical clinic, public or private school building,  
13 daycare center, or youth center that is in existence at the time the license is issued.

14           (d) The Commission may not license a premise that does not have defined  
15 boundaries. A licensed premise need not be enclosed by a wall, fence or other structure,  
16 but the Commission may require that any licensed premises be enclosed as a condition of  
17 issuing or renewing a license. The Commission may not license premises that are mobile.

18           (e) The Commission may not issue licenses to applicants without proof of  
19 continued CNMI residency within the past 10 years prior to the effective date of the act.  
20 This provision will expire after ten (10) years of the acts passage unless extended by the  
21 Legislature through enactment of law. Disruption of continued residency shall not be  
22 applicable to U.S. Citizens or CNMI permanent residents who left the CNMI and are  
23 abroad for military service or academic post-secondary education or other technical and  
24 agricultural traits enhancement or training.

25           **Section 122. Production License.**

26           (a) The production of marijuana is subject to regulation by the Commission.

27           (b) A marijuana producer must have a production license issued by the  
28 Commission for the premises at which the marijuana is produced.

29           (c) A marijuana producer who possesses no more than twenty-five (25) mature

1     marijuana plants may acquire a micro production license, instead of a production license,  
2     issued by the Commission for the premises at which the marijuana is produced. A  
3     marijuana micro producer shall sell marijuana to licensed marijuana establishments. A  
4     marijuana micro producer is prohibited from selling marijuana to the general public or a  
5     person without a license pursuant to this Act.

6                 **Section 123. Processor License.**

- 7                 (a) The processing of marijuana items is subject to regulation by the Commission.  
8                 (b) A marijuana processor must have a processor license issued by the  
9     Commission for the premises at which marijuana items are processed.

10                **Section 124. Wholesale License.**

- 11                (a) The wholesale sale of marijuana items is subject to regulation by the  
12     Commission.  
13                (b) A marijuana wholesaler must have a wholesale license issued by the  
14     Commission for the premises at which marijuana items are received, kept, stored, or  
15     delivered.

16                **Section 125. Retail License.**

- 17                (a) The retail sale of marijuana items is subject to regulation by the Commission.  
18                (b) A marijuana retailer must have a retail license issued by the Commission for  
19     the premises at which marijuana items are sold.

20                **Section 126. Marijuana Lounge License.**

- 21                (a) Marijuana lounges licensed to sell and/or allow for the on-site consumption of  
22     marijuana, marijuana extracts, or marijuana products is subject to regulation by the  
23     Commission.  
24                (b) A marijuana lounge licensee must have a “Class 1” or “Class 2” marijuana  
25     lounge license issued by the Commission for the premises at which marijuana, marijuana  
26     extracts, and marijuana products are received, kept, stored, delivered, sold or consumed.  
27                (c) A marijuana lounge licensee may not sell, distribute or allow the consumption  
28     of alcohol on the marijuana lounge premises.  
29                (d) No persons under the age of 21 may be allowed to enter a marijuana lounge,

1       unless that individual meets the requirements of subsection (f) of this Section.

2           (e) Licensed marijuana lounges shall be exempted from Public Law No. 16-46,  
3       the “Smoke-free Air Act of 2008”, to allow for on-site consumption of marijuana,  
4       marijuana extracts, and marijuana products.

5           (f) Exemptions to this section are applied for:

6              (1) A person between the age of 18 and 20 years of age in possession of a  
7       valid identification, accompanied with a medical form or any documentation  
8       validating the person as a medical marijuana patient will be allowed on the  
9       premises of a marijuana lounge with a “Class 1” or “Class 2” license; and

10             (2) A person under 18 years of age in possession of a valid identification,  
11       accompanied with a medical form or any documentation validating the person as a  
12       medical marijuana patient, and is accompanied by a parent(s) or legal guardian,  
13       will be allowed only in a marijuana lounge with a “Class 2” license.

14       **Section 127. Marijuana Testing Facility License.**

15           (a) The testing of marijuana items is subject to regulation by the Commission.

16           (b) A marijuana testing facility must have a marijuana testing facility license  
17       issued by the Commission for the premises at which marijuana items are analyzed.

18       **Section 128. Employment Protections.**

19           (a) Upon enactment of this Act, it shall be henceforth unlawful for employers to  
20       discriminate against employees based upon personal preference regarding the  
21       consumption of marijuana items. Indication of THC consumption on pre-employment  
22       drug screens shall no longer be used as a basis for denial of employment.

23           (b) No part of this Act in any way protects an employee from the consequences  
24       for the use of marijuana items while on duty or at the place of employment. Employers  
25       retain the right to handle employees based upon company policies regarding on-the-job  
26       intoxication and impairment from alcohol and drugs, including marijuana items.

27       **Section 129. Child Custody Protections.**

28       Upon enactment of this Act, it shall be henceforth unlawful for parents or legal  
29       guardians of a minor child/children to be discriminated against or penalized by any

1 government or private agency based upon personal preference regarding the consumption  
2 of marijuana items.

3           **Section 130. Prohibition Against Smoking Marijuana in the Presence of  
4 Minors.**

5           (a) It is unlawful for any person to smoke marijuana in the presence of a person  
6 under 21 years of age in a household, vehicle or in an enclosed space, with exemptions  
7 applied to a medical marijuana patient.

8           (b) A violation of subsection (a) of this section is punishable by a fine of \$250 for  
9 the first offense, or \$1,000 for a second and subsequent offense.

10          **Section 131. Examination of Books and Premises of Licensees.**

11          (a) The Commission has the right, without prior notice to the owner or the agent  
12 of the owner, to make an examination of the books and may at any time make an  
13 examination of the premises of any person licensed under this Act, for the purpose of  
14 determining compliance with this Act and the rules of the Commission.

15          (b) The Commission shall not require the books of any licensee to be maintained  
16 on the premises of the licensee. However, the owner or the agent of the owner must be  
17 capable of producing the books of the licensee within three hours of the Commission  
18 exercising its right to make an examination of the books.

19          **Section 132. Multiple Licenses.**

20          Except for micro producers and marijuana testing facilities, the same person may  
21 hold one or more marijuana producer licenses, one or more marijuana processor licenses,  
22 one or more marijuana wholesaler licenses, one or more marijuana lounge licenses, and  
23 one or more marijuana retailer licenses, or a combination of licenses from each category  
24 of marijuana establishment types. Micro producers shall hold only one (1) micro  
25 production license and marijuana testing facilities shall hold only one (1) marijuana  
26 testing license.

27          **Section 133. Characteristics of License.**

28          (a) A license granted under this Act shall:

29           (1) Be a purely personal privilege.

- 1                             (2) Be valid for the period stated in the license.
- 2                             (3) Be renewable in the manner provided in this Act, except for a cause  
3                             which would be grounds for refusal to issue such license as provided by this Act.
- 4                             (4) Be revocable or suspendible as provided in this Act.
- 5                             (5) Be transferable from the premises for which the license was originally  
6                             issued to another premises subject to the provisions of this Act, any rules of the  
7                             Commission and local regulation.
- 8                             (6) Cease upon the death of the licensee, except as provided in subsection  
9                             (b) of this section.
- 10                            (7) Not constitute property.
- 11                            (8) Not be alienable.
- 12                            (9) Not be subject to attachment or execution.
- 13                            (10) Not descend by the laws of testate or intestate devolution.
- 14                            (b) The Commission may, by order, provide for the manner and conditions under  
15                             which:
- 16                            (1) Marijuana items left by any deceased, insolvent or bankrupt person or  
17                             licensee, or subject to a security interest, may be foreclosed, sold under execution  
18                             or otherwise disposed of.
- 19                            (2) The business of any deceased, insolvent or bankrupt licensee may be  
20                             operated for a reasonable period following the death, insolvency or bankruptcy.
- 21                            (3) A business licensed pursuant to this Act subject to a security interest  
22                             may be continued in business by a secured party for a reasonable period after  
23                             default on the indebtedness by the debtor.
- 24                           **Section 134. License Terms; Licenses Issued for Less than a Year;**
- 25                           **Determination Fees.**
- 26                           (a) Except as otherwise provided in this section, all licenses under this Act and  
27                             renewals thereof shall be issued for a period of one year which shall expire on September  
28                             30 of each year.
- 29                           (b) Notwithstanding subsection (a) of this section, a license issued for the first

1 time to an applicant may be issued for less than a year. The fee for a license issued for  
2 less than a year under this subsection is the annual license fee prescribed by this Act.

3           **Section 135. Delivery of Marijuana.**

4           A marijuana producer, micro producer, marijuana processor, or marijuana  
5 wholesaler shall deliver marijuana items only to or on a licensed premise. The sale of  
6 marijuana items under any license issued by the Commission for retail sales by a licensee  
7 shall be restricted to the premises described in the license, but deliveries may be made by  
8 the marijuana retailer to consumers pursuant to bona fide orders received on the licensed  
9 premises prior to delivery.

10          **Section 136. Application for License; Rules; Fees.**

11          (a) Any person desiring a license or renewal of a license under this Act shall  
12 make application to the Commission upon forms to be furnished by the Commission  
13 showing the name and address of the applicant, the names and addresses of the  
14 applicant's employees, location of the place of business that is to be operated under the  
15 license, and such other pertinent information as the Commission may require. No license  
16 shall be granted or renewed until the applicant has complied with the provisions of this  
17 Act and the rules of the Commission.

18          (b) The Commission may reject any application that is not submitted in the form  
19 required by rule. The Commission shall give applicants an opportunity to be heard if an  
20 application is rejected.

21          (c) The Commission shall give applicants an opportunity to be heard if it refuses  
22 to issue or renew a license under this Act.

23          (d) The Commission shall assess a nonrefundable fee for processing a new or  
24 renewal application for any license authorized by this Act. The application processing fee  
25 shall be \$250.

26          (e) Except as provided in subsection (g) of this section, the annual license fee for  
27 any license, except a micro production license, granted by this Act shall be \$4,500. The  
28 license fee is nonrefundable and shall be paid by each applicant upon the granting or  
29 committing of a license.

1                   (f) The annual license fee for a micro production license shall not exceed  
2       \$500.00. The license fee is nonrefundable and shall be paid by each applicant upon the  
3       granting or committing of a license.

4                   (g) The Commission may, by regulation, increase any license fee provided for by  
5       this Act. The Commission may increase a license fee if the licensing fees are not  
6       adequate to compensate for the cost of regulating marijuana.

7                   **Section 137. Grounds for Refusing to Issue License.**

8                   (a) The Commission may not license any applicant under the provisions of this  
9       Act if the applicant is under 21 years of age.

10                  (b) The Commission may refuse to license any applicant under the provisions of  
11      this Act, or under standards developed by the appropriate regulatory body, based on  
12      considerations including, but not limited to:

13                  (1) That the applicant or any of its employees:

14                      (i) Has made false statements to the Commission.

15                      (ii) Is incompetent or physically unable to carry on the  
16      management of the establishment proposed to be licensed.

17                      (iii) Did not have a good record of compliance with this Act or  
18      any rule of the Commission adopted pursuant thereto.

19                      (iv) Is not the legitimate owner of the business proposed to be  
20      licensed, or other persons have ownership interests in the business which  
21      have not been disclosed.

22                      (v) Is unable to understand the laws of Commonwealth relating to  
23      marijuana or the rules of the Commission.

24                      (vi) Has a demonstrated history of changing the ownership or name  
25      of a prior business so as to avoid fines, penalties, payment of judgments,  
26      or applications for renewal.

27                      (vii) Is determined to be unsuitable for licensure based on any  
28      rationale the Commission, or any other regulatory body, determines  
29      provided that determination is reasonable, articulable, non-discriminatory,

1                   and subject to review.

2                 (c) Notwithstanding subparagraph (b) of this section, in determining whether the  
3                 Commission may refuse to license an applicant, the Commission may not consider the  
4                 prior conviction of the applicant or any owner, director, officer, manager, employee,  
5                 agent, or other representative of the applicant for:

6                 (1) The manufacture of marijuana, if:

7                         (i) The date of the conviction is more than ten years before the date  
8                         of the application; and

9                         (ii) The person has not been convicted more than once for the  
10                  manufacture or delivery of marijuana;

11                 (2) The delivery of marijuana to a person 21 years of age or older, if:

12                         (i) The date of the conviction is more than ten years before the date  
13                         of the application; and

14                         (ii) The person has not been convicted more than once for the  
15                  manufacture or delivery of marijuana; or

16                 (3) The possession of marijuana.

17                 **Section 138. Grounds for Cancellation or Suspension of License.**

18                 The Commission may cancel or suspend any license issued under this Act, if the  
19                 Commission finds or has reasonable ground to believe any of the following to be true:

20                 (a) That the licensee:

21                         (1) Has violated any provision of this Act or any rule of the  
22                  Commission adopted pursuant thereto.

23                         (2) Has made any false representation or statement to the  
24                  Commission in order to induce or prevent action by the Commission.

25                         (3) Has maintained an unsafe or insanitary establishment.

26                         (4) Is insolvent or incompetent or physically unable to carry on the  
27                  management of the establishment of the licensee.

28                         (5) Has misrepresented to a customer or the public any marijuana  
29                  items sold by the licensee.

(6) Since the granting of the license, has been convicted of a felony, of violating any of the marijuana laws of this Commonwealth, general or local, or of any misdemeanor or violation of any municipal ordinance committed on the licensed premises.

(b) That there is any other reason that, in the opinion of the Commission, based on public convenience or necessity, warrants canceling or suspending such license.

### **Section 139. Administration by the Commission.**

9           The Commission shall administer this Act, and shall prescribe forms and make  
10 such rules and regulations as it deems necessary to enforce this Act.

**Section 140. Statements by Marijuana Producers as to Quantities Sold.**

On or before the 20th day of each month, every marijuana producer shall file with the Commission a statement of the quantities of marijuana flowers, marijuana leaves, and immature marijuana plants sold by the marijuana producer during the preceding calendar month. Given the difficulty in communication, the reporting requirement may be altered by regulation for islands north of Saipan.

**17                  Section 141. Estimate by the Commission When Statement not Filed or**  
**18    False Statement Filed.**

If any marijuana producer fails, neglects or refuses to file a statement required by Section 140 of this Act or files a false statement, the Commission shall estimate the quantities of marijuana flowers, marijuana leaves, and immature marijuana plants sold by the marijuana producer thereon. The marijuana producer shall be estopped from complaining of the quantities so estimated.

### **Section 142. Records to be Kept by Marijuana Producers.**

25 Every marijuana producer shall keep a complete and accurate record of all sales  
26 of marijuana flowers, marijuana leaves, and immature marijuana plants, and a complete  
27 and accurate record of the number of ounces of marijuana flowers produced, the number  
28 of ounces of marijuana leaves produced, the number of immature marijuana plants  
29 produced, and the dates of production. The records shall be in such form and contain such

1 other information as the Commission may prescribe.

2           **Section 143. Inspection of Marijuana Producers' Records; Records to be  
3 Kept for Prescribed Period.**

4           (a) The Commission may, at any time, examine the books and records of any  
5 marijuana producer, and may appoint auditors, investigators and other employees that the  
6 Commission considers necessary to enforce its powers and perform its duties under this  
7 Act.

8           (b) Every marijuana producer shall maintain and keep for two years all records,  
9 books and accounts required by this Act and shall provide copies of those records, books  
10 and accounts to the Commission when requested by the Commission.

11           **Section 144. Failure to Maintain Records.**

12           (a) No marijuana producer shall falsify the statement required by Section 140 of  
13 this Act.

14           (b) No person shall:

15               (1) Refuse to permit the Commission or any of its representatives to make  
16 an inspection of the books and records authorized by this Act;

17               (2) Fail to keep books of account prescribed by the Commission or  
18 required by this Act;

19               (3) Fail to preserve the books for five years for inspection of the  
20 Commission; or

21               (4) Alter, cancel or obliterate entries in the books of account for the  
22 purpose of falsifying any record required by this Act to be made, maintained or  
23 preserved.

24           **Section 145. Prohibition Against Importing and Exporting Marijuana.**

25           (a) A person may not import marijuana items into the Commonwealth or export  
26 marijuana items from the Commonwealth.

27           (b) Marijuana items may not be imported into this Commonwealth or exported  
28 from this Commonwealth by any licensee or licensee representative unless permitted by  
29 the Commission. The Commission may not pass a regulation permitting the importation

1 or exportation of marijuana items unless the Attorney General certifies to the  
2 Commission that the importation and exportation of marijuana items will not violate  
3 federal law.

4 (c) For purposes of this Act, “export” includes placing a marijuana item in any  
5 mode of transportation for hire, such as luggage, mail or parcel delivery, even if the  
6 transportation of the marijuana item is intercepted prior to the marijuana item leaving the  
7 Commonwealth.

8 (d) Except as provided in subsection (e) of this section, a violation of this section  
9 is punishable by a fine of \$250 for the first offense, or \$1,000 for a second and  
10 subsequent offense.

11 (e) A violation of this section is:

12 (1) Punishable by imprisonment of not more than five (5) years and a fine  
13 of not less than \$5,000 or both, if the importation or exportation:

14 (A) Is not for consideration and the person holds a license as a  
15 producer, processor, wholesaler, retailer or marijuana lounge issued  
16 pursuant to this Act; or

17 (B) Concerns an amount of marijuana items that exceeds the  
18 applicable maximum amount specified in Section 171 (a)(1)-(7) of this  
19 Act.

20 (2) Punishable by imprisonment of not more than ten (10) years and fine  
21 of \$25,000, or both, if the importation or exportation:

22 (A) Is for consideration and the person holds a license as a  
23 producer, processor, wholesaler, retailer or marijuana lounge issued  
24 pursuant to this Act; or

25 (B) Concerns an amount of marijuana items that exceeds 16 times  
26 the applicable maximum amount specified in Section 171 (a)(1)-(7) of this  
27 Act.

28 **Section 146. Prohibition Against Giving Marijuana Item as a Prize.**

29 (a) Marijuana items may not be given as a prize, premium or consideration for a

1 lottery, contest, game of chance or skill, or competition of any kind.

2                 (b) Violation of this section is punishable by imprisonment up to one (1) year or a  
3 fine of \$1,000, or both.

4                 **Section 147. Prohibition regarding person who is visibly intoxicated;  
5 prohibition against allowing consumption of marijuana by person under 21 years of  
6 age on private property; penalty.**

7                 (a) A person may not sell, give or otherwise make available a marijuana item to a  
8 person who is visibly intoxicated.

9                 (b) (1) A person who exercises control over private real property may not  
10 knowingly allow a person under 21 years of age to consume a marijuana item  
11 on the property, or allow another person under 21 years of age to remain on  
12 the property if the person under 21 years of age consumes a marijuana item  
13 on the property.

14                 (2) This subsection:

15                         (A) Applies only to a person who is present and in control of the  
16 location at the time the consumption occurs; and

17                         (B) Does not apply to the owner of rental property, or the agent of  
18 an owner of rental property, unless the consumption occurs in the  
19 individual housing unit in which the owner or agent resides.

20                 (c) Any person found in violation of this section may be punished by  
21 imprisonment of up to one (1) year or a fine of not more than \$1,000, or both.

22                 **Section 148. Misrepresentation by Licensee and Others; Maintenance of  
23 Disorderly Conduct.**

24                 (a) No person shall make false representations or statements to the Commission in  
25 order to induce or prevent action by the Commission.

26                 (b) No licensee of the Commission shall maintain a noisy, lewd, disorderly or  
27 insanitary establishment or supply impure or otherwise deleterious marijuana items.

28                 (c) No licensee of the Commission shall misrepresent to a customer or to the  
29 public any marijuana items.

1                   (d) Violation of this section is punishable by imprisonment of up to one (1) year  
2 or a fine of not less than \$1,000, or both.

3                   **Section 149. Prohibition against person under 21 years of age possessing,  
4 attempting to purchase or purchasing marijuana item; penalty.**

5                   (a)       (1) A person under 21 years of age may not possess, attempt to purchase  
6 or purchase a marijuana item.

7                   (2) For purposes of this subsection, purchasing a marijuana item includes  
8 accepting a marijuana item, and possessing a marijuana item includes consuming  
9 a marijuana item, provided that the consumption of the marijuana item occurred  
10 no more than 24 hours before the determination that the person consumed the  
11 marijuana item.

12                  (b) Except as authorized under this Act, or as necessary in an emergency, a person  
13 under 21 years of age may not enter or attempt to enter any portion of a premises that is  
14 posted or otherwise identified as being prohibited to the use of persons under 21 years of  
15 age.

16                  (c)       (1) Except as provided in paragraph (2) of this subsection, a person who  
17 violates subsection (a) or (b) of this section is punishable by a fine of \$250 for the  
18 first offense, or \$1,000 for a second and subsequent offense.

19                  (2) A person who violates subsection (a) of this section by reason of  
20 possessing a marijuana item while the person is operating a motor vehicle is  
21 punishable by a fine \$500 for the first offense, or \$2,000 for a second and  
22 subsequent offense.

23                  (d) In addition to and not in lieu of any other penalty established by law:

24                   (1) The court shall require a person who violates subsection (a) of this  
25 section to perform not less than 80 hours but not more than 250 hours community  
26 service; and

27                   (2) The court shall order that, when a person violates subsection (a) of this  
28 section, the person's driving privileges and right to apply for driving privileges be  
29 suspended for up to one (1) year.

1                 (e) In addition to and not in lieu of any penalty established by law, the court may  
2 order a person who violates this section to undergo assessment and treatment. The court  
3 shall order a person to undergo assessment and treatment if the person has previously  
4 been found to have violated this section.

5                 (f) The prohibitions of this section do not apply to a person under 21 years of age  
6 who is acting under the direction of the Commission or under the direction of CNMI  
7 enforcement agencies for the purpose of investigating possible violations of laws  
8 prohibiting sales of marijuana items to persons who are under 21 years of age.

9                 (g) The prohibitions of this section do not apply to a person under 21 years of age  
10 who is acting under the direction of a licensee for the purpose of investigating possible  
11 violations by employees of the licensee of laws prohibiting sales of marijuana items to  
12 persons who are under 21 years of age.

13                 (h)         (1) A person under 21 years of age is not in violation of, and is immune  
14 from prosecution under, this section if:

15                         (A) The person contacted emergency medical services or a CNMI  
16 Law enforcement agency in order to obtain medical assistance for another  
17 person who was in need of medical assistance because that person  
18 consumed a marijuana item and the evidence of the violation was obtained  
19 as a result of the person's having contacted emergency medical services or  
20 a law enforcement agency; or

21                         (B) The person was in need of medical assistance because the  
22 person consumed a marijuana item and the evidence of the violation was  
23 obtained as a result of the person's having sought or obtained the medical  
24 assistance.

25                 (i) The prohibitions of this section do not apply to a person under 21 years of age  
26 who has a valid recommendation for marijuana issued by a doctor licensed in the  
27 Northern Mariana Islands, or by a country of origin for the non-CNMI resident patient.

28                 **Section 150. Compliance with Standards.**

29                 (a) No marijuana items shall be sold or offered for sale within this

1 Commonwealth unless such marijuana items comply with the minimum standards fixed  
2 pursuant to law.

3                 (b) The Commission may require a marijuana producer, marijuana processor, or  
4 marijuana wholesaler to provide a laboratory analysis demonstrating to the satisfaction of  
5 the Commission that particular marijuana items comply with the minimum standards in  
6 this Commonwealth. The Commission may also require marijuana retailers and  
7 marijuana lounges to provide laboratory analysis of marijuana items for inspection and  
8 investigatory purposes. The Commission may also gather random samples of marijuana  
9 items from marijuana establishments for inspection and investigatory purposes.

10                 (c) No marijuana items offered for sale within this Commonwealth may be altered  
11 or tampered with in any way by any person not licensed to do so by the Commission.

12                 (d) The Commission may prohibit the sale of any marijuana items for a  
13 reasonable period of time while it is determining whether the marijuana items comply  
14 with minimum standards in this Commonwealth.

15                 (e) The Commission shall by regulation prohibit the sale of any marijuana items  
16 during elections.

17                 **Section 151. Use of Misleading Mark or Label on Container; Injurious or  
18 Adulterated Ingredients; and Labeling Requirements.**

19                 (a) No licensee shall use or allow the use of any mark or label on the container of  
20 any marijuana items which are kept for sale, if the container does not precisely and  
21 clearly indicate the nature of its contents or in any way might deceive any customer as to  
22 the nature, composition, quantity, age or quality of such marijuana items. Marijuana  
23 items that have been tested and satisfactorily complied with the minimum standards set  
24 forth by the Commission shall bear a label that reads: "CERTIFIED"; and whereas, in the  
25 absence of a marijuana testing facility or in the absence of testing a marijuana item,  
26 marijuana establishments are required to mark or label the marijuana item with a  
27 disclaimer that clearly reads: "UNTESTED PRODUCT". All marijuana items which are  
28 kept for sale shall bear a label that reads: "This product has not been evaluated by the  
29 FDA."

1                   (b) The Commission may prohibit any licensee from selling any brand of  
2 marijuana items which in its judgment is deceptively labeled or branded as to content, or  
3 contains injurious or adulterated ingredients.

4                   (c) The Commission must, by regulation, specify and require marijuana  
5 establishments to comply with labeling standards and container standards when selling or  
6 distributing marijuana, marijuana extracts, or marijuana products at a marijuana  
7 establishment. Furthermore, the Commission may require the delivery of educational  
8 materials to consumers who purchase marijuana products. Marijuana products' labels and  
9 containers must include the following:

- 10                   (1) The length of time it typically takes for a product to take effect;  
11                   (2) The amount of marijuana the product is considered the equivalent to;  
12                   (3) Ingredients and possible allergens;  
13                   (4) A nutritional fact panel;

14                   (5) Opaque, child resistant packaging, which must be designed or  
15 constructed to be significantly difficult for children under five years of age to  
16 open and not difficult for normal adults to use properly as defined by 16 C.F.R.  
17 1700.20 (1995); and

18                   (6) Marijuana products must be clearly identifiable, when practicable, with  
19 a standard symbol indicating that it contains marijuana; and

20                   (7) The Commission shall define the amount of delta-9  
21 tetrahydrocannabinol that constitutes a single serving in a marijuana product and  
22 the marijuana product must clearly indicate the number of servings in the  
23 container.

24                   **Section 152. Minimum Age Requirement.**

25                   (a) A licensee may not employ any person under 21 years of age in any part of  
26 any licensed premises.

27                   (b) During any inspection of a licensed premises, the Commission may require  
28 proof that a person performing work at the premises is 21 years of age or older. If the  
29 person does not provide the Commission with acceptable proof of age upon request, the

1 Commission may require the person to immediately cease any activity and leave the  
2 premises until the Commission receives acceptable proof of age. This subsection does not  
3 apply to a person temporarily at the premises to make a service, maintenance or repair  
4 call or for other purposes independent of the premises operations.

5 (c) If a person performing work has not provided proof of age requested by the  
6 Commission under subsection (b) of this section, the Commission may request that the  
7 licensee provide proof that the person is 21 years of age or older. Failure of the licensee  
8 to respond to a request made under this subsection by providing acceptable proof of age  
9 for a person is *prima facie* evidence that the licensee has allowed the person to perform  
10 work at the licensed premises in violation of the minimum age requirement.

11       **Section 153. Prohibition Against Certain Licensee Possessing Mature**  
12 **Marijuana Plants.**

13       (a) Except for licensed marijuana producers and micro producers and their  
14 licensee representatives, no licensee or licensee representative may possess a mature  
15 marijuana plant.

16       (b) No licensee or licensee representative may sell a mature marijuana plant.

17       **Section 154. Prohibition Against Use of Marijuana in Public Place.**

18       (a) It is unlawful for any person to engage in the use of marijuana items in a  
19 public place or in the presence of a person under 21 years of age.

20       (b) A violation of subsection (a) of this section is punishable by a fine of \$250 for  
21 the first offense, \$1,000 for a second and subsequent offense.

22       (c) Marijuana Free Zones. It is unlawful for any person who does not possess a  
23 valid recommendation for marijuana issued by a physician in the Commonwealth to  
24 engage in the use of marijuana or to possess marijuana in any of the following locations:

25           (1) Any government building;

26           (i) This provision will not be applicable to any government entity  
27 acting to carry out its duties under the law;

28           (2) Any school or school property, whether public or private;

29           (3) The Northern Marianas College or any property of the Northern

1 Marianas College, except that the Northern Marianas College may permit the  
2 possession or use of marijuana on its premises for purposes of research;

3 (4) Any business establishment licensed to serve alcohol; and

4 (5) Any federal building or property.

5 (d) An individual possessing marijuana in accordance with subsection (c)(3) of  
6 this section may not possess more than sixteen (16) ounces of marijuana.

7 (e) A violation of subsection (c) of this section is punishable by a fine of \$500 for  
8 the first offense, or \$1,000 for a second or subsequent offense.

9 **Section 155. Permit for Temporary Use of Marijuana Items at Special  
10 Events.**

11 (a) Notwithstanding any law to the contrary, the Commission may issue a permit  
12 allowing the temporary use of marijuana items to be displayed, possessed, sold,  
13 purchased, used and/or consumed at a private place for a special event pursuant to the  
14 provisions of this Act.

15 (1) If the permit is for the temporary use of marijuana items to be  
16 displayed, possessed, sold, purchased, used and/or consumed at a private place for  
17 a special event, then the permit will only be issued for the use of marijuana items  
18 by authorization of the premise owner, landlord or operator and the permit  
19 applicant must describe the date, time and place that marijuana items may be  
20 displayed, possessed, sold, purchased, used and/or consumed on the premises; and

21 (2) If the permit is issued for a special event, then the Commission may  
22 issue a permit for the displaying, possessing, selling, purchasing, using and/or  
23 consuming of marijuana items by individuals, businesses, and others on the  
24 premises of the event.

25 (3) The Commission shall not issue a permit for the temporary use of  
26 marijuana items at a special event that is located within 500 feet of any school,  
27 child daycare, drug or alcohol treatment facility, or public pools.

28 (4) The Commission shall not issue a permit for the temporary use of  
29 marijuana items at a special event on public property, residential areas, or at

1           events that serve alcohol.

2           (5) The Commission shall require from all permit applicants a special  
3           event plan that include, but is not limited to, ventilation and odor-control plans,  
4           detailed preparations for marijuana waste disposal, prevention of underage entry  
5           to the consumption area, over intoxication by patrons, driving while intoxicated  
6           and illegal distribution of marijuana at a special event.

7           (b) The Commission may not issue a permit under this section for a period greater  
8           than ten (10) days per calendar year. The Commission must provide a public notice thirty  
9           (30) days prior to granting a permit under this section.

10          (c) The Commission may charge a reasonable fee and require any condition that it  
11         deems reasonable or necessary for the issuance of a permit.

12          **Section 156. Possession of Marijuana in Correctional Facility Prohibited.**

13          (a) It is unlawful for any person to possess or engage in the use of marijuana  
14         items in a correctional facility.

15          (b) A violation of subsection (a) of this section is punishable by up to five (5)  
16         years imprisonment and a fine of up to \$5,000.

17          **Section 157. Unlawful Marijuana Extraction; Penalties.**

18          (a) No person, other than a licensed marijuana processor complying with this Act  
19         and the Commission regulations, may perform solvent-based extractions on marijuana  
20         using solvents other than water or vegetable glycerin.

21          (b) A person who violates this section is guilty of a felony punishable by up to  
22         three (3) years in prison and a fine of up to \$5,000.

23          **Section 158. Marijuana Laws Supersede and Repeal Inconsistent CNMI  
24         Laws.**

25          This Act, designed to operate uniformly throughout the Commonwealth, shall be  
26         paramount and superior to and shall fully replace and supersede any and all CNMI laws  
27         inconsistent with it. Such laws are repealed.

28          **Section 159. Authority of Local Legislative Delegations.**

29          (a) Local Legislative Delegations, in accordance with 1 CMC §§ 1401-1409, may

1 enact marijuana regulation laws, as provided by this section, pertaining exclusively to  
2 matters within their respective senatorial district.

3                 (b) Local Legislative Delegations may adopt reasonable time, place and manner  
4 regulations of the nuisance aspects of establishments that sell marijuana to consumers.  
5 The Local Legislative Delegation may establish civil penalties for violation of a local law  
6 governing the time, place, and manner of a marijuana establishment that may operate in  
7 such senatorial district.

8                 (c) Local Legislative Delegations may establish a schedule of local annual  
9 operating and registration fees for marijuana establishments.

10                 (d) The authority granted to Local Legislative Delegations by this section is in  
11 addition to, and not in lieu of, the authority granted by Commonwealth law and the  
12 Constitution of this Commonwealth.

13                 **Section 160. Duty of Law Enforcement to Enforce and Inform the Attorney  
14 General.**

15                 The Department of Public Safety and all law enforcement officers within the  
16 Commonwealth shall enforce this Act and assist the Commission in detecting violations  
17 of this Act and apprehending offenders. Each law enforcement officer having notice,  
18 knowledge or reasonable ground of suspicion of any violation of this Act shall  
19 immediately notify the Department of Public Safety, the Commission, and the Office of  
20 the Attorney General of such violation.

21                 **Section 161. Confiscation of Marijuana and Property.**

22                 (a) Whenever any officer arrests any person for violation of this Act, the officer  
23 may take into possession all marijuana items, and other property which the person so  
24 arrested has in possession, or on the premises, which is apparently being used in violation  
25 of sections of this Act.

26                 (b) If the person so arrested is convicted, and it is found that the marijuana items,  
27 and other property has been used in violation of Commonwealth law:

28                         (1) The marijuana items shall be forfeited to an appropriate  
29 Commonwealth or local law enforcement agency, and shall be delivered by the

court or officer to the law enforcement agency; and

(2) Subject to other applicable law, the other property shall be forfeited to the Commission, and shall be delivered by the court or officer to the Commission.

(c) The Commission is authorized to destroy or make such other disposition of property it receives under paragraph (2) of subsection (b) of this section as it deems to be in the public interest. In any such case, all such property, including fixtures, chairs, tables, cash registers, music devices, gambling devices, furniture, furnishings, equipment and facilities for the storing, serving or using of marijuana items shall be confiscated and forfeited to the Commonwealth, and the clear proceeds shall be deposited in the General Fund.

## **Section 162. Duty to Notify the Commission of Conviction of Licensee.**

The CNMI Superior Court and the Attorney General, immediately upon the conviction of any licensee of the Commission of a violation of any provision of this Act or the violation of any other law of this Commonwealth or local law of any municipality therein, in which violation marijuana had any part, shall notify the Commission thereof. The Attorney General or any law enforcement agency shall notify the Commission of any acts, practices or other conduct of any such licensee which may be subversive of the general welfare or contrary to the spirit of this Act and shall recommend such action necessary to revoke the license of the licensee.

### **Section 163. Property and Places as Common Nuisances.**

Any room, house, building, boat, structure or place of any kind where marijuana items are sold, manufactured, bartered or given away in violation of Commonwealth law, or where persons are permitted to resort for the purpose of using marijuana items in violation of Commonwealth law, or any place where marijuana items are kept for sale, barter or gift in violation of Commonwealth law, and all marijuana items or property subject to confiscation under this Act kept and used in such a place is a common nuisance. Any person who maintains or assists in maintaining such common nuisance or knowingly suffers or permits such nuisance to exist in any place of which the person is the owner, manager or lessor, shall be guilty of a violation of this Act.

1           **Section 164. Lien on Place used to Unlawfully Handle Marijuana.**

2           If it is proved that the owner of any building or premises knowingly has suffered  
3           the same to be used or occupied for the manufacture, sale or possession of marijuana  
4           items, contrary to the provisions of this Act, such building or premises are subject to a  
5           lien for, and may be sold to pay all fines and costs assessed against their occupants for  
6           any violation of this Act. The lien shall be enforced immediately by civil action in any  
7           court having jurisdiction by the Attorney General.

8           **Section 165. Governor Authorized to Suspend License.**

9           In case of invasion, disaster, insurrection, riot, or imminent danger thereof, the  
10          Governor may, for the duration of such invasion, disaster, insurrection, riot, or imminent  
11          danger thereof, immediately suspend without notice any license in the Commonwealth  
12          granted under this Act.

13          **Section 166. Penalties.**

14          (a) Except where other punishment is specifically provided for in sections of this  
15          Act, violation of any provision of this Act is punishable by up to one (1) year  
16          imprisonment and a fine of up to \$2,500.00.

17          (b) Violation of any regulation promulgated pursuant to this Act is punishable by  
18          up to one (1) year imprisonment and a fine of up to \$2,500.00.

19          **Section 167. Use of Marijuana While Driving; Penalty.**

20          (a) A person commits the offense of use of marijuana items while driving if the  
21          person consumes any marijuana items while driving a motor vehicle upon a highway or  
22          operating a boat, vessel, aircraft, or other motorized device used for transportation.

23          (b) "Consumes" includes the inhalation of smoke from a marijuana item by a  
24          driver or operator of a motor vehicle, boat, vessel, aircraft, or other motorized device  
25          used for transportation.

26          (c) "Marijuana item" has the meaning given that term in Section 105 of this  
27          chapter.

28          (d) The offense described in this section, use of marijuana items while driving,  
29          may be fined of up to \$500, or have his or her driver's license suspended for up to six (6)

1 months, or both, for the first violation.

2 (e) Any person found in violation of this section may be fined not more than  
3 \$1,000 or have his or her driver's license suspended for up to one (1) year, or both for  
4 each second or subsequent violation.

5 (f) A prosecution for using marijuana items while driving a motor vehicle does  
6 not preclude a prosecution for driving under the influence of marijuana items while  
7 driving a motor vehicle.

8 **Section 168. Unlawful Manufacture of Marijuana.**

9 (a) Except for licensees and licensee representatives, and except for a person  
10 acting within the scope of and in compliance with Section 106(a) of this Act, it is  
11 unlawful for any person to manufacture marijuana.

12 (b) Unlawful manufacture of marijuana is punishable by imprisonment of up to  
13 six (6) months and a fine of up to \$500, if a person 21 years of age or older manufactures  
14 marijuana at a household for noncommercial purposes or at a cultivation site and the total  
15 number of marijuana plants exceeds six (6) mature marijuana plants but does not exceed  
16 twelve (12) mature marijuana plants. If a person has a previous conviction for violation  
17 of this section, then unlawful manufacture of marijuana punishable by this subsection is  
18 punishable by imprisonment up to one (1) year and a fine of up to \$1,000.

19 (c) Unlawful manufacture of marijuana is punishable by up to five (5) years  
20 imprisonment and a fine of up to \$5,000, if a person 21 years of age or older  
21 manufactures marijuana at a household for noncommercial purposes or at a cultivation  
22 site and

23 (1) The total number of homegrown marijuana plants is more than twelve  
24 (12) and less than thirty (30); or

25 (2) The total amount of marijuana product in solid form, liquid form or  
26 marijuana extract exceeds twice the applicable limitation amount specified in  
27 Section 118 of this chapter.

28 (d) Unlawful manufacture of marijuana is punishable by up to ten (10) years  
29 imprisonment and a fine of up to \$10,000, if a person 21 years of age or older

1 manufactures marijuana at a household for noncommercial purposes or at a cultivation  
2 site and the total number of homegrown marijuana plants is thirty (30) or more.

3                 (e) As used in this section, the term "household" has the meaning given to them  
4 in this Act.

5                 **Section 169. Unlawful Delivery of Marijuana.**

6                 (a) Except for licensees and licensee representatives as defined in this Act, and  
7 except for a person acting within the scope of and in compliance with Section 106(a) of  
8 this Act, it is unlawful for any person to deliver marijuana.

9                 (b) Unlawful delivery of marijuana is:

10                         (1) Punishable by up to one (1) year imprisonment and a fine of up to  
11 \$5,000 if the delivery is for consideration.

12                         (2) Punishable by up to six (6) months imprisonment and a fine of up to  
13 \$1,000 if the delivery is for no consideration.

14                 (c) Notwithstanding subsection (b) of this section, unlawful delivery of marijuana  
15 is punishable by a fine of \$500 if the delivery is for no consideration and consists of less  
16 than one (1) avoirdupois ounce of the dried leaves, stems and flowers of the plant  
17 cannabis family Moraceae.

18                 (d) Notwithstanding subsections (b) and (c) of this section, unlawful delivery of  
19 marijuana is:

20                         (1) Punishable by up to five (5) years imprisonment and a fine of up to  
21 \$5,000 if the delivery is to a person under 18 years of age and the defendant is at  
22 least 18 years of age and is at least three years older than the person to whom the  
23 marijuana is delivered and the defendant was previously convicted of any crime  
24 involving the sale or delivery of marijuana to a person under 18 years of age; or

25                         (2) Punishable by up to one (1) year imprisonment and a fine of up to  
26 \$5,000 if the delivery is to a person under 18 years of age and the defendant is at  
27 least 18 years of age and is at least three years older than the person to whom the  
28 marijuana is delivered; or

29                         (3) Punishable by up to six (6) months imprisonment and a fine of up to

1           \$1,000 if the delivery:

2                 (i) Is for consideration;

3                 (ii) Consists of more than four (4) ounces of the dried leaves, stems

4                 and flowers of the plant cannabis family Moraceae; and

5                 (iii) Is to a person who is 18 years of age or older, but less than 21

6                 years of age unless the person has a valid doctor's recommendation for the

7                 use of marijuana for medicinal purposes; or

8                 (4) Punishable by up to thirty (30) days imprisonment and a fine of up to

9                 \$500 if the delivery:

10                 (i) Is for no consideration;

11                 (ii) Consists of less than five (5) grams of the dried leaves, stems

12                 and flowers of the plant cannabis family Moraceae; and

13                 (iii) Is to a person who is 18 years of age or older.

14           **Section 170. Unlawful Possession of Marijuana by person under 21 years of**

15           **age.**

16           (a) Except for licensees and licensee representatives, and except for a person

17           acting within the scope of and in compliance with Section 106(a) of this Act, it is

18           unlawful for any person under 21 years of age to possess, knowingly or intentionally:

19                 (1) More than 1 ounce of marijuana in a public place.

20                 (2) More than 8 ounces of usable marijuana at a household.

21                 (3) More than 16 ounces of solid marijuana products.

22                 (4) More than 72 ounces of liquid marijuana products.

23                 (5) More than 5 grams of marijuana extracts.

24                 (6) More than 6 mature marijuana plants.

25                 (7) More than 12 immature marijuana plants.

26           (b) Except as provided in subsection (c) of this section, unlawful possession of a

27           marijuana item by a person under 21 years of age is punishable by imprisonment of not

28           more than one (1) year and a fine of \$1,000.

29           (c) Unlawful possession of a marijuana item by a person under 21 years of age is

1 punishable by imprisonment of up to five (5) years and a fine of up to \$5,000, if the  
2 amount possessed is:

3                   (1) More than 16 times the applicable maximum amount specified in  
4 subsection (a)(1), (3), (4), (5) or (6) of this subsection;

5                   (2) More than eight pounds of usable marijuana in a public place; or

6                   (3) More than one-quarter ounce of marijuana extract that was not  
7 purchased from a marijuana retailer that holds a license issued pursuant to this  
8 Act.

9                   (d) The prohibition of this section does not apply to a person under the age of 21  
10 years if the person has a valid recommendation for marijuana issued by a doctor licensed  
11 in the Northern Mariana Islands or by a country of origin for the non-CNMI resident  
12 patient.

13                  **Section 171. Unlawful Possession of Marijuana by person 21 years or older.**

14                  (a) Except for licensees and licensee representatives, and except for a person  
15 acting within the scope of and in compliance with Section 106(a) of this Act, it is  
16 unlawful for any person 21 years of age or older knowingly or intentionally to possess:

17                   (1) More than 1 ounce of marijuana in a public place.

18                   (2) More than 8 ounces of usable marijuana at a household.

19                   (3) More than 16 ounces of solid marijuana products.

20                   (4) More than 72 ounces of liquid marijuana products.

21                   (5) More than 5 grams of marijuana extracts.

22                   (6) More than 6 mature marijuana plants.

23                   (7) More than 12 immature marijuana plants.

24                  (b) A violation of subsection (a) of this section is:

25                   (1) Punishable by up to thirty (30) days imprisonment and a fine of up to  
26 \$1,250.00, if the amount possessed is not more than two times the applicable  
27 maximum amount specified in subsection (a) of this section; or

28                   (2) Punishable by up to one (1) year imprisonment and a fine of up to  
29 \$2,500.00, if the amount possessed is more than two times, but not more than four

1 times, the applicable maximum amount specified in subsection (a) of this section;  
2 or

3 (3) Punishable by up to five (5) years imprisonment and a fine of up to  
4 \$5,000.00, if the amount possessed is more than four times the applicable  
5 maximum amount specified in subsection (a) of this section.

6 **Section 172. Trafficking Marijuana.**

7 (a) Except for licensees and licensee representatives, it shall be unlawful for any  
8 person knowingly or intentionally to manufacture, deliver, distribute, dispense, or possess  
9 with intent to manufacture, deliver, distribute, dispense or possess marijuana or marijuana  
10 items.

11 (b) Except as otherwise provided in Section 168, Section 169, Section 170,  
12 Section 171 of this Act, any person who violates subsection (a) of this section is  
13 punishable as follows:

14 (1) Punishable by imprisonment of up to ten (10) years and a fine of up to  
15 \$25,000, if the amount is less than 50 plants or 50 kilograms;

16 (2) Punishable by imprisonment of up twenty (20) years and a fine up to  
17 \$50,000, if the amount is 50-99 plants or 50-100 kilograms;

18 (3) Punishable by imprisonment of up to forty (40) years and a fine of  
19 \$100,000, if the amount is 100-999 plants or 100-1,000 kilograms; or

20 (4) Punishable by imprisonment of forty (40) years to life imprisonment,  
21 if the amount is 1,000 or more plants or more than 1,000 kilograms.

22 **Section 173. Marijuana Tax and Fees.**

23 (a) The Northern Marianas Commonwealth Legislature (Legislature) shall enact  
24 taxes and fees to be levied upon marijuana items sold or otherwise transferred by a  
25 marijuana producer to a marijuana processor or to a marijuana wholesaler or retailer at a  
26 rate to be determined by the Legislature thereafter, and shall direct the Department of  
27 Finance to establish procedures for the collection of all taxes levied.

28 (b) The Legislature shall enact a marijuana excise tax to be levied and collected  
29 equal to a percentage of the selling price on each retail sale in the Commonwealth of

1 marijuana items. This tax is the obligation of the licensed marijuana retailer, and is  
2 separate and in addition to general Commonwealth and local taxes that apply to retail  
3 sales of tangible personal property, and is part of the total retail price to which general  
4 Commonwealth and local taxes apply.

5 (c) Any marijuana item subject to tax under this section may be exempted from  
6 such tax if such marijuana item or product is purchased by a person with a valid  
7 identification and a medical form or any documentation validating the person as a  
8 medical marijuana patient.

9 **Section 174. No Qualifying Certificate for Marijuana Businesses.**

10 The Investment Incentive Act of 2000 (Public Law 12-32), as amended and  
11 codified at 4 CMC §§ 50201 *et seq.*, shall not be applicable to any marijuana business or  
12 establishment in the CNMI and licensed pursuant to this chapter, and such marijuana  
13 businesses and establishments shall not be eligible for a qualifying certificate.

14 **Section 175. Commonwealth Public Lands Shall Not be Leased or Used for**  
15 **Cannabis (Marijuana or Hemp) Businesses.** The Department of Public Lands and all  
16 other government entities shall not lease or use public lands for the purpose of  
17 establishing cannabis (marijuana or hemp) businesses or establishments. This section  
18 does not apply to existing public land leases with existing hotels or commercial buildings.

19 **Section 176. Work Force Participation by U.S. Citizens and CNMI and U.S.**  
20 **Permanent Residents.**

21 Notwithstanding 3 CMC §§ 4525 and 4526, the personnel workforce of any  
22 employer licensed to do business pursuant to this Act shall consist of 100% U.S. citizens,  
23 U.S. permanent residents, and CNMI permanent residents and their immediate relatives.

24 **Section 177. Interpretation.**

25 This Act is modeled after the marijuana laws of Oregon and other states that have  
26 legalized marijuana. The Commonwealth Judiciary, the Attorney General, the  
27 Commission, and any other government entity of the Commonwealth may consider case  
28 precedent in Oregon to be persuasive when interpreting this Act."

29 **Section 3. Amendment.** 6 CMC § 3177 is amended by adding a new subsection

1       (h) to read as follows:

2                 “(h) Licensed marijuana lounges to allow for on-site consumption of  
3                 marijuana, marijuana extracts, and marijuana products.”

4       **Section 4. Repealer.** The following statutes are repealed and the remaining  
5       sections shall be renumbered accordingly:

6                 “(a) 6 CMC § 2114(c)(13);  
7                 (b) 6 CMC § 2141(c); and  
8                 (c) 6 CMC § 2142(c).”

9       **Section 5. Severability.** If any provision of this Act or the application of any  
10      such provision to any person or circumstance should be held invalid by a court of  
11      competent jurisdiction, the remainder of this Act or the application of its provisions to  
12      persons or circumstances other than those to which it is held invalid shall not be affected  
13      thereby.

14       **Section 6. Savings Clause.** This Act and any repealer contained herein shall not  
15      be construed as affecting any existing right acquired under contract or acquired under  
16      statutes repealed or under any rule, regulation, or order adopted under the statutes.  
17      Repealers contained in this Act shall not affect any proceeding instituted under or  
18      pursuant to prior law. The enactment of the Act shall not have the effect of terminating,  
19      or in any way modifying, any liability, civil or criminal, which shall already be in  
20      existence on the date this Act becomes effective.

21       **Section 7. Effective Date.** This Act shall take effect upon its approval by the  
22      Governor or becoming law without such approval.

Date: 08/03/17

Introduced By: /s/  
Sen. Sixto K. Igisomar

Reviewed for Legal Sufficiency by:

/s/ Antonette R. Villagomez  
Senate Legal Counsel