



RALPH DLG. TORRES
Governor

VICTOR B. HOCOG
Lieutenant Governor

COMMONWEALTH of the NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

The Honorable Rafael S. Demapan
Speaker
House of Representatives
Twentieth Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

21 SEP. 2018

*Rec'd by Pedro Tawai
9/23/18 7:35pm*

The Honorable Arnold I. Palacios
President
The Senate
Twentieth Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Speaker Demapan and Senate President Palacios:

This is to inform you that I have signed into law with the exception of several disapproved items, **House Bill No. 20-178: HD4** entitled, "To regulate cannabis in the Northern Mariana Island by establishing the Taulamwaar Sensible CNMI Cannabis Act of 2018; and for other purposes."

I agree with the Legislature's findings in **H.B. 20-178: HD4** that a regulated cannabis market would benefit the health, safety, and overall quality of life for our residents by 1) providing alternative treatments for pain to those afflicted with debilitating illnesses such as cancer and post-traumatic stress disorder; 2) reducing the amount of accidental overdoses, addiction, and abuse from more harmful narcotics like opioids and the market's likeliness to assist in alleviating the level of methamphetamine use in the CNMI; 3) decreasing youth access to marijuana through strict regulation and enforcement; 4) decreasing violent crime throughout our islands as marijuana will be manufactured and sold in approved businesses and facilities; and 5) allowing for the potential generation of substantial revenue through the growing, processing, and sale of marijuana and hemp products in order to fund public safety, our retirement fund, public schools, and other governmental and social programs. Moreover, this industry will create more job opportunities for our residents and will aid us in our efforts to diversify our island economy.

It is necessary to note that this Act was modeled after the Oregon Cannabis Act and attempts to comply with the federal guidelines concerning marijuana enforcement as was developed by the Department of Justice in 2014. Accompanying my approval, however, are serious concerns I have regarding some of **H.B. 20-178: HD4**'s proposals. As such, I have disapproved the following parts of the enactment for the foregoing reasons:

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Ralph DLG. Torres | CNMI Office of the Governor

HOUSE CLERK'S OFFICE
RECEIVED BY
DATE 9/24/18 TIME 8:48am

VETOED PARTS OF THE ENACTMENT

Section 112 (c):

This provision sought to require the Cannabis Commission to provide renewable annual registry cards to qualified persons in compliance with the bill as well as the Cannabis Commission's regulations to produce, process, keep, or store homegrown marijuana at a household or a cultivation site. Further, it provided that the commission shall assess an annual registration fee of \$5.00 per person. It is in the best interest of our Commonwealth that the annual registration fee of \$5.00 is insufficient and should be increased to offset enforcement and administrative costs related to this Act, therefore, I must respectfully veto parts of this provision, and I encourage the Legislature to assess a fair and more appropriate fee within a companion bill for the annual registration of homegrown marijuana growers within the CNMI.

Section 114 (d):

This provision sought to allow the commission to issue a license to a CNMI government entity or municipality in the Commonwealth of the Northern Mariana Islands. This section leaves the door open for the Commonwealth and its subdivisions to engage in permitted growing of marijuana or hemp on public lands. On the premise of this section, the Commonwealth government is poised to be a market participant in the industry rather than limiting its role to the enforcement of CNMI laws and regulations. The foregoing provision has the potential to raise a red flag to the U.S. Department of Justice that the Commonwealth does not have a robust regulatory system and warrants close monitoring once this bill is approved. For this reason, I must respectfully veto this provision.

Section 114 (e):

This provision sought to prohibit the commission from issuing licenses to businesses that existed prior to the effective date of this Act. This specific section, alongside a 10-year residency requirement for licensee applicants would adversely deter the potential growth of our cannabis market as its plain reading provides that only new businesses may attain licenses. The Legislature has failed to express its reasoning for denying existing businesses any prospective license offered in by this Act. As such, I must respectfully veto this provision. It is in the best interest of the Commonwealth to have a fair and free market in which new and existing businesses can equally apply for a license.

Section 136 (d):

This provision sought to require the commission to assess a nonrefundable fee for processing a new or renewable application for any license under this Act. Additionally, the provision mandates that the application processing fee be blanketed at \$250 for applicable license applicants (all except marijuana home growers). A blanketed application fee for *all* licenses offered by this Act is unfair to the diverse group of applicants of one or more of the assorted licenses offered; thus, I must respectfully veto parts this provision.

I strongly recommend that the Legislature implement separate application fees for the various licenses to be made available in accordance with the reasonable enforcement and administrative costs of each license's purpose and objectives.

Section 136 (e):

This provision sought to require the commission to assess a blanket and nonrefundable annual license fee of \$4,500 to applicable license applicants (except marijuana home growers) upon the granting or committing of a license. For the same reasons mentioned in Section 136 (d), I find that it is unreasonable to assess a blanket license fee for *all* licenses approved by the commission despite each license's differing purposes and objectives. Therefore, I also urge the Legislature to implement separate license fees for the various licenses offered with consideration to fairness. Moreover, I strongly recommend that all annual license fees be increased to a reasonable amount greater than the proposed \$4,500 fee, in order to assist our government's imperative efforts to properly regulate and enforce the new industry. I suggest that this respective body review and model existing fee scales set forth by other U.S. jurisdictions who have adopted similar Acts. For these reasons, I must respectfully veto parts this provision.

Section 4. Amendment:

This provision sought to amend 4 CMC § 1402(a), Excise Tax. is amended by adding a new subsection (21) and renumbering the existing subsection (21) as follows:

“(21) Cannabis and marijuana as defines in the CNMI Cannabis Act of 2018, including cannabis and marijuana manufactured, grown, and entirely derived from sources within the Commonwealth 10 percent ad valorem.

(22) All other goods, commodities, resources, or merchandise not otherwise provided by law, five percent ad valorem.”

Because an increase in the proposed excise tax percentages is in the best interests of the people of our Commonwealth, I must respectfully veto parts of this provision. Furthermore, I strongly encourage the Legislature to seriously consider the implementation of other reasonable taxes on the market. In addition, I request that the Legislature make expressly clear all applicable taxes specific to all growers, manufacturers, producers, wholesalers, retailers, and consumers in a supplemental legislation.

Additional Comments:

Although only the aforementioned provisions of this bill have been line item vetoed, I strongly urge this Legislative body to work closely with my office as well as the Office of Attorney General to create supplemental legislations that will address **H.B. 20-178: HD4**'s numerous legal issues and other practical issues that apply.

Section 107 (b), for example, must be addressed immediately as the provision states that “[t]he commission shall consist of five Commissioners[.]”, however, in Section 107 (b)(4) the Act

states that “[e]ach member shall serve a term of four years, except that of the members first appointed, one member shall serve a term of two years, three members shall serve a term of three years and three members shall serve a term of four year, which shall be determined by lottery at the first meeting of the Commission.” The Legislature must clarify how many commissioners will serve on the commission and how long each member will serve.

Likewise, Section 104 of the bill states “This Act may not be construed: (a) To amend or affect in any way Commonwealth of federal law pertaining to employment matters;” This section must be expanded on in detail through the clear outlining of the Act’s effects on public and private employment in follow-up legislation and/or the commission’s regulations.

Legal Issues:

It is my hope that in working together, we will be able to ensure that our new cannabis industry is legally sound and fulfills the “robust regulatory system” standard envisioned by the United States Department of Justice for all U.S. jurisdictions who have opted to regulate cannabis.

Accordingly, we must make certain that our Commonwealth is well-equipped with the necessary tools to combat the anticipated regulatory and enforcement challenges ensuing the enactment of **H.B. 20-178: HD4**. For this reason, I have provided a summary of legal issues concerning this bill as was brought forth by the Attorney General. As such, I strongly suggest that the following issues be immediately acknowledged in follow-up legislations regarding this bill:

I. Marijuana in the Home, Schools, and Public Places

An enforcement issue is the prevention of marijuana distribution to minors. Although the age of minority is below 21 years old, the protection appears to end there, because the bill allows a substantial number of marijuana plants at residences (higher than Oregon) and broad exceptions for the possession and use by marijuana medical patients. This bill would allow a total of 18 marijuana plants for recreational homegrown marijuana; by contrast, Oregon places a limit of four plants per residence. For homegrown medical marijuana, the bill would allow a total of up to 36 plants in a single residence while the Oregon limit is nor more than six plants.

It is important to note that unlike Oregon, this bill does not have separate restrictions for medical marijuana; Oregon’s license for medical marijuana growers limits a patient to only six plants. Also, unlike Oregon, under Section 118 licensed sellers may sell significant amounts of marijuana products to customers *per transaction* (irrespective of the possibility that several transactions may occur in a day); Oregon’s “at any one time” rule is limited to one transaction per day, per customer. Without any meaningful statutory controls over the cultivation and use of marijuana at residences and the significant number of plants in each home, the exposure of minors to marijuana increases the likelihood of minors using marijuana.

The bill views a medical marijuana patient as an exception to several restrictions on marijuana possession and use. In Section 117, minors from other countries are allowed to buy marijuana if they can furnish a “valid recommendation” from a doctor license in their “country of origin.” In a “class 2 marijuana lounge,” persons under 18 may enter the lounge where marijuana

is sold and may be consumed on-site so long as they are accompanied by a parent or legal guardian and have proof of being a medical marijuana patient pursuant to Section 126(f); however, the bill does not define what is a “class 2 license” and does not explain the reason for allowing such minors into the premises. Another exception is in Section 130 that prohibits smoking marijuana in the presence of a person under the age of 21, but not with a medical marijuana patient. Notwithstanding the payable offense in Section 154 prohibiting the use of marijuana in the presence of minors in public places or property, medical marijuana patients will be allowed to possess and use marijuana at any government building, any school or school property (whether public or private); the Northern Marianas College; any bar or restaurant serving alcohol, etc. The bill would even allow medical marijuana patients to smoke in federal buildings and on federal property. In contrast, Oregon prohibits marijuana use and possession at all public places and does not even require employers to accommodate medical marijuana patients to use marijuana in the workplace.

II. Weak Restrictions on Homegrown Marijuana

In Section 108(f), the Cannabis Commission has no authority to regulate “personal cultivation of marijuana” creating a loophole in the enforcement of restrictions in the bill on activities relating to “homegrown marijuana and homemade marijuana products.” Other parts of the bill suggest that homegrown marijuana would not be subject to regulatory controls. Section 112(e) directs the commission to issues a homegrown marijuana registry card as a matter of right to a person age 21 and up and in the absence of any such card would not affect the legal right to grow marijuana if the person complies with the statute.

Furthermore, the bill delegates full authority to the Cannabis Commission to provide regulations on licensing the various activities related to cannabis, from production, wholesale, retail, marijuana lounge operations, to marijuana testing facilities. But Section 136(e) and (f) implies that *even without regulations* in effect, the commission may grant *or commit* a license whereupon an annual license fee of \$4,500 (and \$500 for micro production license applicants) must be paid. The foregoing provisions should be strengthened to require regulations to be promulgated and adopted before any license may be issued.

III. Durational Residency Requirement

Section 121(e) requires applicants to have resided in the CNMI for 10 years prior to the effective date of the Act. If challenged, the 10-year durational residency requirement must survive scrutiny under the Equal Protection clause. See *Graham v. Richardson*, 403 U.S. 365, 371 (1971). It is unlikely that the 10-year requirement will be upheld as the bill does not provide a rationale for the residency requirement.

IV. Alienage Discrimination

Section 175 provides that only U.S. citizens, permanent residents, and CNMI permanent residents and their immediate families may work in the new industry. Classifications based on alienage would be subject to close judicial scrutiny pursuant to the Fourteenth Amendment. *Sugarman v. Dougall*, 413 US 634, 93 S.Ct. 2842 (1973). Under such scrutiny, the Court examines “the substantiality of the State’s interest in enforcing the stature in question and to the narrowness

of the limits within which the discrimination is confined.” *Id.* Here, the restriction is likely unconstitutional as no rationale is articulated in the bill for restriction.

V. *Religious Entanglement Clause*

Section 154 mandates that medical marijuana patients may possess or use marijuana in any school campus regardless of whether it is public or private. Some of the schools are run by religious organizations; the mandate may be viewed as “excessive entanglement” between government and religion thus violating the Establishment Clause of Section 2 of Article I of the NMI Constitution. See *Lemon v. Kutzman*, 403 U.S. 602 (1971). For example, if a religiously affiliated private school policy prohibits the possession or use of marijuana without exception, the Constitution guarantees its rights to enforce the policy without regard to Section 154.

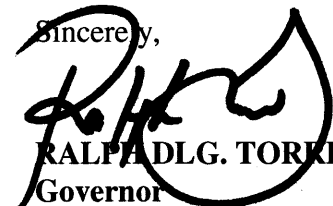
Legal Issues Conclusion:

The growing consensus among the States Attorneys General is that there should be state regulation of marijuana consistent with the enforcement priorities of the federal government, which envisions a “robust regulatory system.” States that fall short of meeting DOJ’s expectations run the risk of a DOJ challenge to the state regulatory structure. This bill, without supplemental legislation to address its many shortcomings will likely subject the Commonwealth to close federal scrutiny on its implementation and enforcement.

Thus, we must consider the impact that this bill will have on law enforcement in the Commonwealth. Primarily, our law enforcement agencies must be given the ample time and resources to be trained and better prepared to enforce the new regulatory regime for cannabis in the Commonwealth. I, along with the Attorney General, recommend that the Legislature and their legal counsels, review a presentation prepared by HIDTA on a recent assessment of Colorado’s experience with the legalization of recreational marijuana and the increased incidences of traffic fatalities related to marijuana. We also recommend your reassessment of the entire Oregon state statute on recreational and medical marijuana, specifically Oregon’s enforcement efforts which differs significantly from the approach of **H.B. 20-178: HD4**.

My office and the Office of the Attorney General stand ready to assist the Legislature in providing for meaningful and effective regulation of marijuana use in the Commonwealth. As always, I appreciate your partnership and swift action on this critical matter. Together, we can create a robust regulatory system that ensures the viability of this industry, as well as addresses our public safety and public health concerns

With the exception of the aforementioned vetoed portions, this bill becomes **Public Law No. 20-66**. Copies bearing my signature are forwarded for your reference.

Sincerely,

RALPA DLG. TORRES
Governor



Twentieth Legislature
of the
Commonwealth of the Northern Mariana Islands
IN THE HOUSE OF REPRESENTATIVES

FIRST DAY, FOURTH REGULAR SESSION

AUGUST 8, 2018

H. B. No. 20-178, HD4

AN ACT

**TO REGULATE CANNABIS IN THE NORTHERN MARIANA ISLANDS
BY ESTABLISHING THE TAULAMWARR SENSIBLE CNMI
CANNABIS ACT OF 2018; AND FOR OTHER PURPOSES.**

**Be it enacted by the Twentieth Northern Marianas
Commonwealth Legislature:**

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

7 The Legislature further finds that states that have set up regulated markets for
8 marijuana with time, age, and place of sale restrictions, product testing, labeling, and other
9 precautions relative to providing a safe product for responsible adult consumers, have
10 observed real and significant benefits to public health, safety, and quality of life for all
11 residents. These benefits include; (1) alternative treatment for pain and suffering for those
12 afflicted with debilitated illnesses, such as post-traumatic stress disorder (PTSD), cancer,

HOUSE BILL 20-178, HD4

1 epilepsy, and a host of other conditions, many of which are not effectively treated with
2 synthetic prescription medications. In this respect, marijuana has become a life-saving and
3 enhancing medical alternative; (2) a 25% reduction in accidental overdoses, addiction, and
4 abuse, as medical marijuana has provided a safer alternative to far more harmful and
5 dangerous prescription narcotics, providing evidence that approving the responsible adult use
6 of marijuana can combat the deadly opioid crisis currently experienced in the United States.
7 Furthermore, there is real evidence to suggest that allowing for the adult use of marijuana
8 will help to alleviate the level of methamphetamine (ICE) use and abuse in the CNMI; (3)
9 decreases in youth access to marijuana and usage rates among the youth; (4) decreases in
10 violent crime as marijuana is manufactured and sold in approved facilities by licensed
11 businesses; (5) decreases in fatal car crashes as marijuana becomes a popular, and much
12 safer, alternative to alcohol and other recreational drugs; and (6) substantial revenues
13 generated by the growth, processing, and sale of marijuana and hemp products, with the
14 introduction of the legal marijuana industry that has created over 100,000 new jobs,
15 nationally, providing funding for many government and social programs

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

HOUSE BILL 20-178, HD4

1 responsible adult use of marijuana, which does not penalize the residents for using a
2 substance that is far safer than alcohol. Public feedback during the public hearing of Senate
3 Bill 19-06 highly recommended marijuana legislation that will decriminalize or allow for
4 personal and commercial use, and for a hemp industry. Furthermore, a similar legislation,
5 namely Senate Bill No. 20-62, was introduced by Senator Sixto K. Igisomar in 2017 to allow
6 for personal, medicinal, and commercial use of cannabis or marijuana and hemp industry in
7 the CNMI. Throughout its journey through the legislative process, majority of the written
8 and/or oral feedback received by the Legislature highly recommended the passage of Senate
9 Bill No. 20-62. Due to some revenue-generating provisions contained in the Senate Bill, the
10 legislation was introduced in the House of Representatives in order to allow for these
11 revenue-generating provisions to be in accordance with Article II, Section 5(a) of the
12 Commonwealth Constitution.

13 Therefore, the Legislature finds that it is in our best interest to move marijuana into a
14 regulated and controlled market for responsible adult personal use, allowing for the creation
15 of jobs and the capturing of a new revenue stream that can be used to fund public safety
16 programs, public school infrastructure and programs, supporting the retirement fund, and
17 other government and social programs, such as drug abuse treatment; furthermore, providing
18 an effective alternative medicine for those suffering from medical conditions; and allowing
19 for the development of an industrial hemp industry here in the CNMI. In this respect, this Act
20 encompasses the recognized best management practices employed by other states and
21 territories to control and regulate marijuana and industrial hemp for responsible adults. This
22 Act complies with the federal guidelines concerning marijuana enforcement that were
23 developed by the U.S. Department of Justice in 2014. Furthermore, this Act has been adapted
24 to meet local needs and conditions with input from medical professionals, law enforcement,
25 patients, growers, advocates, and others who participated in public hearings and committee
26 meetings. This Act further allows for local municipalities to decide for themselves how they
27 wish to regulate non-medical marijuana businesses through zoning and local laws that
28 describe time, place, and manner regulations. This Act is intended to authorize the regulation
29 and control of marijuana for responsible adults twenty-one years and older, to improve public

HOUSE BILL 20-178, HD4

1 safety and the quality of life – health, education and welfare – for all CNMI residents.

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

5 **“CHAPTER 20. CANNABIS REGULATION.**

6 **Section 101. Short Title.** This Act may be cited as the “Taulamwaar Sensible
7 CNMI Cannabis Act of 2018.”

8 **Section 102. Purposes.** The Legislature declares that the purposes of this Act
9 are:

- 10 (a) To create a CNMI Cannabis Commission;
- 11 (b) To allow the personal, medicinal, and commercial use of cannabis or
12 marijuana in the CNMI provided that such activity occurs pursuant to this chapter or
13 pursuant to the laws of a Senatorial District;
- 14 (c) To create a hemp industry for the CNMI;
- 15 (d) To eliminate the problems caused by the prohibition and uncontrolled
16 manufacture, delivery, and possession of marijuana in this Commonwealth;
- 17 (e) To protect the safety, welfare, health, and peace of the people of this
18 Commonwealth by prioritizing the Commonwealth’s limited law enforcement
19 resources in the most effective, consistent, and rational way;
- 20 (f) To permit persons licensed, controlled, and regulated by the CNMI
21 Cannabis Commission to legally manufacture and sell marijuana to persons 21 years
22 of age and older subject to the provisions of this Act;
- 23 (g) To permit doctors and their patients to make decisions about the use of
24 medicinal marijuana without undue governmental interference;
- 25 (h) To establish a comprehensive regulatory framework concerning marijuana
26 under existing Commonwealth law;
- 27 (i) To declare that in the interest of enacting rational policies for the treatment
28 of all variations of the cannabis plant – hemp should be regulated separately from
29 strains of cannabis with higher delta-9 tetrahydrocannabinol (THC) concentrations of

HOUSE BILL 20-178, HD4

1 0.3%; and

2 (j) To declare that it is necessary to ensure consistency and fairness in the
3 application of this Act throughout the Commonwealth of the Northern Marianas
4 Islands; therefore, the matters addressed by this Act are, except as specified herein,
5 matters of the Commonwealth of the Northern Marianas Islands' concern.

6 **Section 103. Legislative Intent.**

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

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

12 (b) Prevent the distribution of marijuana to minors and persons under 21 years
13 of age;

14 (c) Prevent revenue from the sale of marijuana from going to criminal
15 enterprises, gangs, and cartels;

16 (d) Prevent the unlawful diversion of marijuana from this Commonwealth to
17 other States and Territories of the United States;

18 (e) Prevent marijuana activity that is legal under Commonwealth law from
19 being used as a cover or pretext for the trafficking of other illegal drugs or other
20 illegal activity;

21 (f) Prevent violence and the use of firearms in the cultivation and distribution
22 of marijuana;

23 (g) Prevent the unpermitted growing of marijuana on public lands and the
24 attendant public safety and environmental dangers posed by marijuana production on
25 public lands;

26 (i) Prevent the possession and use of marijuana on federal property; and

27 (j) Prevent drugged driving and the exacerbation of other adverse public
28 health consequences associated with marijuana use.

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

HOUSE BILL 20-178, HD4

1 (a) To amend or affect in any way any Commonwealth or federal law
2 pertaining to employment matters;

3 (b) To amend or affect in any way any Commonwealth or federal law
4 pertaining to landlord-tenant matters;

5 (c) To prohibit a recipient of a federal grant or an applicant for a federal grant
6 from prohibiting the manufacture, delivery, possession, or use of marijuana to the
7 extent necessary to satisfy federal requirements for the grant;

8 (d) To prohibit a party to a federal contract or a person applying to be a party
9 to a federal contract from prohibiting the manufacture, delivery, possession, or use of
10 marijuana to the extent necessary to comply with the terms and conditions of the
11 contract or to satisfy federal requirements for the contract;

12 (e) To require a person to violate a federal law; or

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

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

16 (a) "Cannabis" means a genus of flowering plants that includes three putative
17 varieties; cannabis sativa, cannabis indica, and cannabis ruderalis. The cannabis genus
18 has two main species popularly known as cannabis sativa and cannabis indica:

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

26 (2) Cannabis indica are short and stout in composure (2- 4 feet tall),
27 and typically yield smaller (1.5 to 2.5 ounces per plant), higher quality crops
28 (~18% THC) than cannabis sativa. The plants are believed to have originated
29 in the Middle East (Pakistan & Afghanistan), and thrive in cooler

HOUSE BILL 20-178, HD4

1 environments. Indica strains are typically darker green than sativa and have
2 shorter, fatter leaves.

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

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

15 (5) Cannabis is usually smoked in hand-rolled cigarettes (known as
16 “joints”) or in special water pipes (“bongs”). These pipes or bongs can be
17 bought or made from things such as orange juice containers, soft drink cans or
18 even toilet paper rolls.

19 (b) “Caregiver” means a person who is 21 years of age or older who is
20 responsible for the medical marijuana patient’s needs to the production, processing,
21 keeping, or storage of homegrown marijuana at a household or cultivation site.

22 (c) “Commerce” means the Department of Commerce.

23 (d) “Commission” means the Cannabis Commission.

24 (e) “Consumer” means a person who purchases, acquires, owns, holds, or uses
25 marijuana items other than for the purpose of resale.

26 (f) “Commonwealth” or “CNMI” means the Commonwealth of the Northern
27 Mariana Islands.

28 (g) “Cultivation site” means a site in which marijuana is produced other than a
29 household for non-commercial purposes. A cultivation site may include but is not

HOUSE BILL 20-178, HD4

1 limited to a farm, ranch, land parcel, lot, greenhouse, warehouse, building, room, or
2 container.

3 (h) "Debilitating medical condition" means:

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

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

17 (3) any other serious medical condition or its treatment provided for by
18 the Commission regulation in consultation with the Commonwealth
19 Healthcare Corporation (CHCC) or other medical professionals.

20 (i) "Division of Agriculture" means the Department of Lands and Natural
21 Resources Division of Agriculture.

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

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

28 (2) "Financial consideration" does not mean any of the following:

29 (i) Homegrown marijuana made by another person.

HOUSE BILL 20-178, HD4

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

2 (l) "Hemp" means the plant of the genus cannabis and any part of the plant,
3 whether growing or not, with a delta9-tetrahydrocannabinol concentration that does
4 not exceed three tenths percent (0.3%) on a dry weight basis for any part of the plant
5 cannabis, or per volume or weight of marijuana product, or the combined percent of
6 delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant
7 cannabis regardless of moisture content.

8 (m) "Homegrown" or "homemade" means grown or made by a person 21
9 years of age or older for noncommercial purposes.

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

15 (o) "Homegrown marijuana registry card" means a card issued by the
16 Commission to a person who is 21 years of age or older or a medical marijuana
17 patient that is authorized to produce, process, keep, or store homegrown marijuana at
18 a household or a cultivation site for noncommercial purposes.

19 (p) "Household" means a housing unit, and includes any place in or around the
20 housing unit at which the occupants of the housing unit are producing, processing,
21 keeping, or storing marijuana, marijuana products, or marijuana extracts, whether
22 homemade or purchased.

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

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

29 (s) "Licensee" means any person holding a license issued under this Act, or

HOUSE BILL 20-178, HD4

1 any person holding a license or permit issued under any regulation promulgated
2 pursuant to this Act.

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

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

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

17 (w) "Marijuana extract" or "Marijuana concentrate" means a product obtained
18 by separating resins from marijuana by solvent extraction, using solvents other than
19 water or vegetable glycerin, such as butane, hexane, isopropyl alcohol, ethanol, and
20 carbon dioxide: which is produced only by a licensed marijuana establishment.

21 (x) (1) "Marijuana flowers" means the flowers of the plant cannabis family
22 Moraceae.

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

25 (y) "Marijuana items" means marijuana, marijuana products, and marijuana
26 extracts.

27 (z) (1) "Marijuana leaves" means the leaves of the plant Cannabis family
28 Moraceae.

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

HOUSE BILL 20-178, HD4

1 leaves.

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

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

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

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

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

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

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

16 (i) Marijuana, by itself; or

17 (ii) A marijuana extract, by itself.

18 (ee) "Marijuana retailer" means a person who sells marijuana items to a
19 consumer in this Commonwealth.

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

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

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

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

29 (jj) "Medical Marijuana patient" means a person who uses marijuana as

HOUSE BILL 20-178, HD4

1 recommended by a doctor or other medical authority in the treatment of a debilitating
2 medical condition or any other medical condition.

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

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

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

9 (nn) "Person" means any natural person, corporation, professional
10 corporation, nonprofit corporation, cooperative corporation, profit or nonprofit
11 unincorporated association, business trust, limited liability company, general or
12 limited partnership, joint venture, or any other legal entity.

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

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

18 (2) All areas outside of a building that the Commission has specifically
19 licensed for the consumption, production, processing, wholesale sale, or retail
20 sale of marijuana items; and

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

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

25 (i) The processing, compounding, or conversion of marijuana into
26 marijuana products or marijuana extracts;

27 (ii) The processing, compounding, or conversion of marijuana, either
28 directly or indirectly by extraction from substances of natural origin, or
29 independently by means of chemical synthesis, or by a combination of

HOUSE BILL 20-178, HD4

1 extraction and chemical synthesis;

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

3 (iv) The labeling or relabeling of any package or container of
4 marijuana items.

5 (2) "Processes" does not include:

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

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

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

13 (2) "Produces" does not include:

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

16 (ii) The cultivation and growing of an immature marijuana plant by a
17 marijuana processor, marijuana lounge, marijuana wholesaler, or marijuana
18 retailer if the marijuana processor, marijuana lounge, marijuana wholesaler, or
19 marijuana retailer purchased or otherwise received the plant from a licensed
20 marijuana producer.

21 (rr) "Public place or Public property" means a place to which the general
22 public has access and includes, but is not limited to, beaches, hallways, lobbies and
23 other parts of apartment houses and hotels not constituting rooms or apartments
24 designed for actual residence, and highways, streets, schools, places of amusement,
25 parks, playgrounds and premises used in connection with public passenger
26 transportation or any property owned by the CNMI or Department of Public Lands
27 (DPL).

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

29 (1) Any transfer, exchange or barter, in any manner or by any means,

HOUSE BILL 20-178, HD4

1 for a consideration, and includes and means all sales made by any person. It
 2 includes a gift by a person engaged in the business of selling marijuana, for
 3 advertising, as a means of evading this Act, or for any other purpose.

4 (2) If a marijuana producer also holds one or more processor licenses,
 5 one or more wholesale licenses, one or more marijuana lounge licenses, or one
 6 or more retail licenses, a sale of marijuana flowers, marijuana leaves, or
 7 immature marijuana plants will be deemed to occur if and when the marijuana
 8 producer processes or takes any other action with respect to such marijuana
 9 flowers, marijuana leaves, or immature marijuana plants for which a processor
 10 license, wholesale license, marijuana lounge license, or retail license is
 11 required, regardless of whether the marijuana producer continues to own or
 12 possess the marijuana flowers, marijuana leaves, or immature marijuana
 13 plants.

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

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

16 (A) Marijuana seeds;

17 (B) The stalks and roots of marijuana; or

18 (C) Waste material that is by-product of producing or processing
 19 marijuana.

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

22 (a) Section 111, Section 113, Section 114, Sections 115-117, Sections 119-
 23 127, Sections 131-138, Sections 140-144, Section 148, Sections 150-153, Sections
 24 155-156, Section 165 and Sections 173-176 of this Act does not apply:

25 (1) To the production, processing, keeping, or storage of homegrown
 26 marijuana at a household for non-commercial purposes by one or more
 27 persons 21 years of age and older, if the total of homegrown marijuana at the
 28 household or cultivation site does not exceed six (6) mature marijuana plants
 29 and NO MORE THAN TWELVE (12) immature plants at any time. The

HOUSE BILL 20-178, HD4

1 marijuana produced by the person's marijuana plants must remain in the same
2 secure location where the marijuana was cultivated or secured at a person's
3 household and such person holds a homegrown marijuana registry card issued
4 by the Commission.

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

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

23 (4) To the making, processing, keeping, or storage of marijuana
24 products at a household by one or more persons 21 years of age and older, that
25 are properly identified and properly secured to ensure in an enclosed, locked
26 space that persons under 21 years of age do not possess a key.

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

HOUSE BILL 20-178, HD4

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purposes.

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

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

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

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

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

(11) To the making, processing, keeping, or storage of homemade marijuana extracts or marijuana concentrates at a household by one or more persons 21 years of age and older if the marijuana extracts or concentrates were produced using only water or vegetable glycerin solvents or other forms of non-solvent extraction processing methods, as described in Section 157(a) of this Act.

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

HOUSE BILL 20-178, HD4

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

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

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

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

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

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

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

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

HOUSE BILL 20-178, HD4

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

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

8 (2) The Mayor of Rota shall appoint from the First Senatorial District
9 one 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, one member shall serve a term of two years, three
16 members shall serve a term of three years and three members shall serve a
17 term of four years, which shall be determined by lottery at the first meeting of
18 the Commission.

19 (5) The first members of the Commission shall be appointed as
20 provided in this section within 30 days after the effective date of this Act.

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

25 (c) Qualifications of Commissioners.

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

29 (2) A Commission member must be an adult, and possess a good moral

HOUSE BILL 20-178, HD4

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

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

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

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

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

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

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

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

HOUSE BILL 20-178, HD4

1 (h) The members of the Commission shall elect their chairman, vice chairman,
2 secretary and treasurer for terms of one year, beginning from the effective date of
3 their term.

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

12 (j) The members of the Commission are not employees of the Commission or
13 the Commonwealth government.

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

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

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

HOUSE BILL 20-178, HD4

1 regulations shall, at a minimum, provide for the following:

2 (1) A code of ethics for the members of the Commission and its
3 officers and employees.

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

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

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

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

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

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

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

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

29 (10) The exclusion and removal of undesirable persons from the

HOUSE BILL 20-178, HD4

1 marijuana and hemp businesses.

2 (11) Civil penalties for the violation of provisions or regulations
3 imposed under this chapter.

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

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

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

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

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

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

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

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

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

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

HOUSE BILL 20-178, HD4

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

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

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

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

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

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

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

24 **Section 109. Executive Director.**

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

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

HOUSE BILL 20-178, HD4

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

4 (2) Five years work experience - professional, administrative or
5 management in government or private sectors; and

6 (3) Good ethical and moral character; and

7 (4) The Commission shall not hire any person for the Executive
8 Director's position who has been convicted of a crime in any jurisdiction of
9 the United States, or any foreign country carrying a minimum sentence of
10 imprisonment of more than six months, excepting traffic offenses.

11 (5) The Executive Director shall not have any interest, directly or
12 indirectly, in any business under the jurisdiction of the Commission.

13 (c) The Executive Director shall be the head of the administration of the
14 Commission, and subject to the general oversight and direction of the Commission,
15 shall organize the work of the Commission in a manner that will ensure its efficient
16 and effective operation and, subject to the budgetary authority, the Executive Director
17 may hire and terminate such staff necessary to carry out the purpose of the
18 Commission. Such staff shall be exempt from the civil service. The Executive
19 Director shall obtain such equipment, rent or build such additional office space, and
20 generally make such regular office expenditure and acquisitions as necessary to
21 establish and maintain a working office suitable for the Commission to effectively
22 function pursuant to this chapter.

23 (d) The Executive Director shall have such other duties as may be assigned or
24 delegated by the Commission.

25 (e) The Executive Director serves at the pleasure of the Commission.

26 (f) The Executive Director's annual salary shall be determined by the
27 Commission, subject to availability of funds, but in no event shall it exceed
28 \$70,000.00 per year. The director's salary shall be commensurate with his or her
29 educational background and work experience. The Executive Director shall be

HOUSE BILL 20-178, HD4

1 reimbursed for actual, necessary, and reasonable expenses incurred in the
2 performance of his or her duties as allowed by the Commission, but in any event not
3 to exceed \$25,000.00 in reimbursements per calendar year. All travel will be subject
4 to 1 CMC §7407.

5 (g) The Commission shall hire an executive director within sixty (60) days
6 after the Commission's organizational meeting.

Section 110. Rules and Regulations.

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

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

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

Section 112. Homegrown Marijuana Registry.

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

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

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

28 (d) All information obtained by the Commission regarding the records of the
29 homegrown marijuana registrants shall remain confidential, never be released to the

HOUSE BILL 20-178, HD4

1 public, and shall only be available to CNMI government agencies charged with
2 carrying out the provisions of this act.

3 (e) The Commission shall not prohibit nor deny persons aged 21 or older from
4 obtaining a homegrown marijuana registry card. Whereas, in the event that the
5 Commission does not develop, implement or maintain the homegrown marijuana
6 registry system within 120 days after the Commission's organizational meeting, this
7 should not prohibit any persons 21 years of age or older from the cultivation of
8 homegrown marijuana, as long as the marijuana is cultivated in accordance with the
9 guidelines defined in this Act and the person obtains a homegrown marijuana registry
10 card when made available by the Commission.

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

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

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

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

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

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

24 ~~(d) The Commission may issue a license to a CNMI government entity or~~
25 ~~municipality subject to the provisions of this Act.~~ BT

26 ~~(e) The Commission shall not issue licenses to businesses that existed prior to~~
27 ~~the effective date of this act.~~ BT

28 **Section 115. Contracts.**

29 No contract shall be unenforceable on the basis that manufacturing,

HOUSE BILL 20-178, HD4

1 distributing, dispensing, possessing, or using marijuana is prohibited by federal law.

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

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

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

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

13 **Section 118. Limitations Applied.**

14 (a) Licensed marijuana retailers and marijuana lounges are prohibited from
15 selling items in excess of the following limits, to consumers at any one time per
16 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 (b) Consumers are prohibited from purchasing items from a marijuana
23 establishment in excess of the following limits, at any one time per transaction:

- 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 (c) Persons 21 years of age or older are allowed to transport the following

HOUSE BILL 20-178, HD4

1 items for noncommercial purposes at any given time which must not exceed:

2 (1) 1 ounce of marijuana.

3 (2) 16 ounces of marijuana product in solid form.

4 (3) 72 ounces of marijuana product in liquid form.

5 (4) 5 grams of marijuana extract.

6 (5) 6 immature marijuana plants.

7 (d) Persons 21 years of age or older are allowed to possess in public the
8 following items at any given time, so long as the items are not made viewable or
9 exposed, and for noncommercial purposes, are not to exceed:

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

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

19 (a) The person's valid passport.

20 (b) The person's valid motor vehicle operator's license, whether issued in this
21 Commonwealth or by any other State or Territory, so long as the license has a picture
22 of the person, and the person's date of birth.

23 (c) A REAL ID compliant identification card issued by the Commonwealth or
24 by another State or Territory.

25 (d) A United States military identification card.

26 (e) Any other identification card issued by the Commonwealth that bears a
27 picture of the person, the name of the person, the person's date of birth and a physical
28 description of the person.

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

HOUSE BILL 20-178, HD4

1 (a) No person shall produce any piece of identification that would falsely
2 indicate the person's age.

3 (b) If a piece of identification is offered as evidence in any administrative or
4 criminal prosecution of a licensee or licensee representative for sale or service of
5 marijuana items to a person not having reached 21 years of age, the licensee or
6 licensee representative shall be found to have committed no crime or other wrong
7 unless it is demonstrated that a reasonable person would have determined that the
8 identification exhibited was altered or did not accurately describe the person to whom
9 the marijuana items were sold or served.

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

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

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

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

22 (d) The Commission may not license a premise that does not have defined
23 boundaries. A licensed premise need not be enclosed by a wall, fence or other
24 structure, but the Commission shall require that any licensed premises be enclosed as
25 a condition of issuing or renewing a license. The Commission shall not license
26 premises that are mobile. The licensee must possess a long term permanent interest in
27 the licensed premises.

28 (e) The Commission may not issue licenses to applicants without proof of
29 continued CNMI residency within the past 10 years prior to the effective date of the

HOUSE BILL 20-178, HD4

1 act. This provision will expire after ten (10) years of the acts passage unless extended
2 by the Legislature through enactment of law. Disruption of continued residency shall
3 not be applicable to U.S. Citizens or CNMI permanent residents who left the CNMI
4 and are abroad for military service or academic post-secondary education or other
5 technical and agricultural traits enhancement or training.

Section 122. Production License.

6 (a) The production of marijuana is subject to regulation by the Commission.
7

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

10 (c) A marijuana producer who possesses no more than twenty-five (25) mature
11 marijuana plants may acquire a micro production license, instead of a production
12 license, issued by the Commission for the premises at which the marijuana is
13 produced. A marijuana micro producer shall sell marijuana to licensed marijuana
14 establishments. A marijuana micro producer is prohibited from selling marijuana to
15 the general public or a person without a license pursuant to this Act.

Section 123. Processor License.

16 (a) The processing of marijuana items is subject to regulation by the
17 Commission.
18

19 (b) A marijuana processor must have a processor license issued by the
20 Commission for the premises at which marijuana items are processed.

Section 124. Wholesale License.

21 (a) The wholesale sale of marijuana items is subject to regulation by the
22 Commission.
23

24 (b) A marijuana wholesaler must have a wholesale license issued by the
25 Commission for the premises at which marijuana items are received, kept, stored, or
26 delivered.

Section 125. Retail License.

27 (a) The retail sale of marijuana items is subject to regulation by the
28 Commission.
29

HOUSE BILL 20-178, HD4

1 (b) A marijuana retailer must have a retail license issued by the Commission
2 for the premises at which marijuana items are sold.

3 **Section 126. Marijuana Lounge License.**

4 (a) Marijuana lounges licensed to sell and/or allow for the on-site
5 consumption of marijuana, marijuana extracts, or marijuana products is subject to
6 regulation by the Commission.

7 (b) A marijuana lounge licensee must have a "Class 1" or "Class 2" marijuana
8 lounge license issued by the Commission for the premises at which marijuana,
9 marijuana extracts, and marijuana products are received, kept, stored, delivered, sold
10 or consumed.

11 (c) A marijuana lounge licensee may not sell, distribute or allow the
12 consumption of alcohol on the marijuana lounge premises.

13 (d) No persons under the age of 21 may be allowed to enter a marijuana
14 lounge, unless that individual meets the requirements of subsection (f) of this
15 Section.

16 (e) Licensed marijuana lounges shall be exempted from Public Law No. 16-
17 46, the "Smoke-free Air Act of 2008", to allow for on-site consumption of marijuana,
18 marijuana extracts, and marijuana products.

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

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

24 (2) A person under 18 years of age in possession of a valid identification,
25 accompanied with a medical form or any documentation validating the person as a
26 medical marijuana patient, and is accompanied by a parent(s) or legal guardian, will
27 be allowed only in a marijuana lounge with a "Class 2" license.

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

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

HOUSE BILL 20-178, HD4

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

3 **Section 128.** (Reserved)

4 **Section 129.** (Reserved)

5 **Section 130. Prohibition Against Smoking Marijuana in the Presence of**
6 **Minors.**

7 (a) It is unlawful for any person to smoke marijuana in the presence of a
8 person under 21 years of age, with exemptions applied to a medical marijuana patient.

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

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

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

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

20 **Section 132. Multiple Licenses.**

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

28 **Section 133. Characteristics of License.**

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

HOUSE BILL 20-178, HD4

- 1 (1) Be a purely personal privilege.
- 2 (2) Be valid for the period stated in the license.
- 3 (3) Be renewable in the manner provided in this Act, except for a cause
- 4 which would be grounds for refusal to issue such license as provided by this
- 5 Act.
- 6 (4) Be revocable or suspendible as provided in this Act.
- 7 (5) Be transferable from the premises for which the license was
- 8 originally issued to another premises subject to the provisions of this Act, any
- 9 rules of the Commission and local regulation.
- 10 (6) Cease upon the death of the licensee, except as provided in
- 11 subsection (b) of this section.
- 12 (7) Not constitute property.
- 13 (8) Not be alienable.
- 14 (9) Not be subject to attachment or execution.
- 15 (10) Not descend by the laws of testate or intestate devolution.

16 (b) The Commission may, by order, provide for the manner and conditions
17 under which:

- 18 (1) Marijuana items left by any deceased, insolvent or bankrupt person
- 19 or licensee, or subject to a security interest, may be foreclosed, sold under
- 20 execution or otherwise disposed of.
- 21 (2) The business of any deceased, insolvent or bankrupt licensee may
- 22 be operated for a reasonable period following the death, insolvency or
- 23 bankruptcy.
- 24 (3) A business licensed pursuant to this Act subject to a security
- 25 interest may be continued in business by a secured party for a reasonable
- 26 period after default on the indebtedness by the debtor.

27 **Section 134. License Terms; Licenses Issued for Less than a Year;**
28 **Determination Fees.**

29 (a) Except as otherwise provided in this section, all licenses under this Act and

HOUSE BILL 20-178, HD4

1 renewals thereof shall be issued for a period of one year which shall expire on
2 September 30 of each year.

3 (b) Notwithstanding subsection (a) of this section, a license issued for the first
4 time to an applicant may be issued for less than a year. The fee for a license issued for
5 less than a year under this subsection is the annual license fee prescribed by this Act.

6 **Section 135. Delivery of Marijuana.**

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

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

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

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

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

26 (d) The Commission shall assess a nonrefundable fee for processing a new or
27 renewal application for any license authorized by this Act. ~~The application processing~~
28 ~~fee shall be \$250.~~ RT

29 ~~(e) Except as provided in subsection (g) of this section, the annual license fee~~
RT

HOUSE BILL 20-178, HD4

1 ~~for any license, except a micro production license, granted by this Act shall be~~
 2 ~~\$4,500.~~ **RT** The license fee is nonrefundable and shall be paid by each applicant upon the
 3 granting or committing of a license.

4 (f) The annual license fee for a micro production license shall not exceed
 5 \$500.00. The license fee is nonrefundable and shall be paid by each applicant upon
 6 the granting or committing of a license.

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

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

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

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

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

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

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

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

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

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

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

HOUSE BILL 20-178, HD4

1 (vii) Is determined to be unsuitable for licensure based on any
2 rationale the Commission, or any other regulatory body, determines
3 provided that determination is reasonable, articulable, non-
4 discriminatory, and subject to review.

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

9 (1) The manufacture of marijuana, if:
10 (i) The date of the conviction is more than ten years before the
11 date of the application; and

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

14 (2) The delivery of marijuana to a person 21 years of age or older, if:
15 (i) The date of the conviction is more than ten years before the
16 date of the application; and

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

19 (3) The possession of marijuana.

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

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

24 (a) That the licensee:
25 (1) Has violated any provision of this Act or any rule of the
26 Commission adopted pursuant thereto.

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

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

HOUSE BILL 20-178, HD4

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

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

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

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

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

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

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

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

21 **Section 141. Estimate by the Commission When Statement not Filed or**
22 **False Statement Filed.**

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

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

29 Every marijuana producer shall keep a complete and accurate record of all

HOUSE BILL 20-178, HD4

1 sales of marijuana flowers, marijuana leaves, and immature marijuana plants, and a
2 complete and accurate record of the number of ounces of marijuana flowers produced,
3 the number of ounces of marijuana leaves produced, the number of immature
4 marijuana plants produced, and the dates of production. The records shall be in such
5 form and contain such other information as the Commission may prescribe.

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

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

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

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

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

18 (b) No person shall:

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

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

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

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

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

29 (a) A person may not import marijuana items into the Commonwealth or

HOUSE BILL 20-178, HD4

1 export marijuana items from the Commonwealth.

2 (b) Marijuana items may not be imported into this Commonwealth or exported
3 from this Commonwealth by any licensee or licensee representative unless permitted
4 by the Commission. The Commission may not pass a regulation permitting the
5 importation or exportation of marijuana items unless the Attorney General certifies to
6 the Commission that the importation and exportation of marijuana items will not
7 violate federal law.

8 (c) For purposes of this Act, "export" includes placing a marijuana item in any
9 mode of transportation for hire, such as luggage, mail or parcel delivery, even if the
10 transportation of the marijuana item is intercepted prior to the marijuana item leaving
11 the Commonwealth.

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

15 (e) A violation of this section is:

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

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

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

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

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

29 (B) Concerns an amount of marijuana items that exceeds 16

HOUSE BILL 20-178, HD4

1 times the applicable maximum amount specified in Section 171 (a)(1)-
2 (7) of this Act.

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

3
4 (a) Marijuana items may not be given as a prize, premium or consideration for
5 a lottery, contest, game of chance or skill, or competition of any kind.

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

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

10
11 (a) A person may not sell, give or otherwise make available a marijuana item
12 to a person who is visibly intoxicated.

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

17 (2) This subsection:

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

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

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

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

26
27 (a) No person shall make false representations or statements to the
28 Commission in order to induce or prevent action by the Commission.

29 (b) No licensee of the Commission shall maintain a noisy, lewd, disorderly or

HOUSE BILL 20-178, HD4

1 insanitary establishment or supply impure or otherwise deleterious marijuana items.

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

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

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

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

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

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

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

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

26 (d) In addition to or in lieu of any other penalty established by law:

27 (1) The court may require a person who violates subsection (a) of this section
28 to perform not less than 80 hours but not more than 250 hours community service;
29 and

HOUSE BILL 20-178, HD4

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

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

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

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

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

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

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

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

HOUSE BILL 20-178, HD4

1 patient.

2 **Section 150. Compliance with Standards.**

3 (a) No marijuana items shall be sold or offered for sale within this
4 Commonwealth unless such marijuana items comply with the minimum standards
5 fixed pursuant to law.

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

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

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

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

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

24 (a) No licensee shall use or allow the use of any mark or label on the container
25 of any marijuana items which are kept for sale, if the container does not precisely and
26 clearly indicate the nature of its contents or in any way might deceive any customer as
27 to the nature, composition, quantity, age or quality of such marijuana items.
28 Marijuana items that have been tested and satisfactorily complied with the minimum
29 standards set forth by the Commission shall bear a label that reads: "CERTIFIED";

HOUSE BILL 20-178, HD4

1 and whereas, in the absence of a marijuana testing facility or in the absence of testing
2 a marijuana item, marijuana establishments are required to mark or label the
3 marijuana item with a disclaimer that clearly reads: "UNTESTED PRODUCT". All
4 marijuana items which are kept for sale shall bear a label that reads: "This product has
5 not been evaluated by the FDA."

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

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

- 15 (1) The length of time it typically takes for a product to take effect;
- 16 (2) The amount of marijuana the product is considered the equivalent
17 to;
- 18 (3) Ingredients and possible allergens;
- 19 (4) A nutritional fact panel;
- 20 (5) Opaque, child resistant packaging, which must be designed or
21 constructed to be significantly difficult for children under five years of age to
22 open and not difficult for normal adults to use properly as defined by 16
23 C.F.R. 1700.20 (1995); and
- 24 (6) Marijuana products must be clearly identifiable, when practicable,
25 with a standard symbol indicating that it contains marijuana; and
- 26 (7) The Commission shall define the amount of delta-9
27 tetrahydrocannabinol that constitutes a single serving in a marijuana product
28 and the marijuana product must clearly indicate the number of servings in the
29 container.

HOUSE BILL 20-178, HD4

Section 152. Minimum Age Requirement.

1 (a) A licensee may not employ any person under 21 years of age in any part of
2 any licensed premises.
3

4 (b) During any inspection of a licensed premises, the Commission may require
5 proof that a person performing work at the premises is 21 years of age or older. If the
6 person does not provide the Commission with acceptable proof of age upon request,
7 the Commission may require the person to immediately cease any activity and leave
8 the premises until the Commission receives acceptable proof of age. This subsection
9 does not apply to a person temporarily at the premises to make a service, maintenance
10 or repair call or for other purposes independent of the premises operations.

11 (c) If a person performing work has not provided proof of age requested by the
12 Commission under subsection (b) of this section, the Commission may request that
13 the licensee provide proof that the person is 21 years of age or older. Failure of the
14 licensee to respond to a request made under this subsection by providing acceptable
15 proof of age for a person is prima facie evidence that the licensee has allowed the
16 person to perform work at the licensed premises in violation of the minimum age
17 requirement.

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

19 (a) Except for licensed marijuana producers and micro producers and their
20 licensee representatives, no licensee or licensee representative may possess a mature
21 marijuana plant.
22

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

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

24 (a) It is unlawful for any person to engage in the use of marijuana items in a
25 public place or public property or in the presence of a person under 21 years of age.
26

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

29 (c) Marijuana Free Zones. It is unlawful for any person who does not possess

HOUSE BILL 20-178, HD4

1 a valid recommendation for marijuana issued by a physician in the Commonwealth to
2 engage in the use of marijuana or to possess marijuana in any of the following
3 locations:

4 (1) Any government building;

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

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

8 (3) The Northern Marianas College or any property of the Northern
9 Marianas College, except that the Northern Marianas College may permit the
10 possession or use of marijuana on its premises for purposes of research;

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

12 (5) Any federal building or property.

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

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

17 **Section 155. Permit for Temporary Use of Marijuana Items at Special**
18 **Events.**

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

23 (1) If the permit is for the temporary use of marijuana items to be
24 displayed, possessed, sold, purchased, used and/or consumed at a private place
25 for a special event, then the permit will only be issued for the use of marijuana
26 items by authorization of the premise owner, landlord or operator and the
27 permit applicant must describe the date, time and place that marijuana items
28 may be displayed, possessed, sold, purchased, used and/or consumed on the
29 premises; and

HOUSE BILL 20-178, HD4

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

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

8 (4) The Commission shall not issue a permit for the temporary use of
9 marijuana items at a special event on public property, residential areas, or at
10 events that serve alcohol.

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

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

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

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

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

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

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

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

HOUSE BILL 20-178, HD4

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

3 **Section 158. Marijuana Laws Supersede and Repeal Inconsistent CNMI**
4 **Laws.**

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

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

9 (a) Local Legislative Delegations, in accordance with 1 CMC §§ 1401-1409,
10 may enact marijuana regulation laws, as provided by this section, pertaining
11 exclusively to matters within their respective senatorial district.

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

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

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

22 **Section 160. Duty of Law Enforcement to Enforce and Inform the**
23 **Attorney General.**

24 The Department of Public Safety and all law enforcement officers within the
25 Commonwealth shall enforce this Act and assist the Commission in detecting
26 violations of this Act and apprehending offenders. Each law enforcement officer
27 having notice, knowledge or reasonable ground of suspicion of any violation of this
28 Act shall immediately notify the Department of Public Safety, the Commission, and
29 the Office of the Attorney General of such violation.

HOUSE BILL 20-178, HD4

Section 161. Confiscation of Marijuana and Property.

1
2 (a) Whenever any officer arrests any person for violation of this Act, the
3 officer may take into possession all marijuana items, and other property which the
4 person so arrested has in possession, or on the premises, which is apparently being
5 used in violation of sections of this Act.

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

8 (1) The marijuana items shall be forfeited to an appropriate
9 Commonwealth or local law enforcement agency, and shall be delivered by
10 the court or officer to the law enforcement agency; and

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

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

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

21
22 The CNMI Superior Court and the Attorney General, immediately upon the
23 conviction of any licensee of the Commission of a violation of any provision of this
24 Act or the violation of any other law of this Commonwealth or local law of any
25 municipality therein, in which violation marijuana had any part, shall notify the
26 Commission thereof. The Attorney General or any law enforcement agency shall
27 notify the Commission of any acts, practices or other conduct of any such licensee
28 which may be subversive of the general welfare or contrary to the spirit of this Act
29 and shall recommend such action necessary to revoke the license of the licensee.

HOUSE BILL 20-178, HD4

Section 163. Property and Places as Common Nuisances.

1
2 Any room, house, building, boat, structure or place of any kind where
3 marijuana items are sold, manufactured, bartered or given away in violation of
4 Commonwealth law, or where persons are permitted to resort for the purpose of using
5 marijuana items in violation of Commonwealth law, or any place where marijuana
6 items are kept for sale, barter or gift in violation of Commonwealth law, and all
7 marijuana items or property subject to confiscation under this Act kept and used in
8 such a place is a common nuisance. Any person who maintains or assists in
9 maintaining such common nuisance or knowingly suffers or permits such nuisance to
10 exist in any place of which the person is the owner, manager or lessor, shall be guilty
11 of a violation of this Act.

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

12
13 If it is proved that the owner of any building or premises knowingly has
14 suffered the same to be used or occupied for the manufacture, sale or possession of
15 marijuana items, contrary to the provisions of this Act, such building or premises are
16 subject to a lien for, and may be sold to pay all fines and costs assessed against their
17 occupants for any violation of this Act. The lien shall be enforced immediately by
18 civil action in any court having jurisdiction by the Attorney General.

Section 165. Governor Authorized to Suspend License.

19
20 In case of invasion, disaster, insurrection, riot, or imminent danger thereof, the
21 Governor may, for the duration of such invasion, disaster, insurrection, riot, or
22 imminent danger thereof, immediately suspend without notice any license in the
23 Commonwealth granted under this Act.

Section 166. Penalties.

24
25 (a) Except where other punishment is specifically provided for in sections of
26 this Act, violation of any provision of this Act is punishable by up to one (1) year
27 imprisonment and a fine of up to \$2,500.00.

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

HOUSE BILL 20-178, HD4**Section 167. Use of Marijuana While Driving; Penalty.**

1
2 (a) A person commits the offense of use of marijuana items while driving if
3 the person consumes any marijuana items while driving a motor vehicle upon a
4 highway or operating a boat, vessel, aircraft, or other motorized device used for
5 transportation.

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

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

11 (d) The offense described in this section, use of marijuana items while driving,
12 may be fined of up to \$500, or have his or her driver's license suspended for up to six
13 (6) months, or both, for the first violation.

14 (e) Any person found in violation of this section may be fined not more than
15 \$1,000 or have his or her driver's license suspended for up to one (1) year, or both for
16 each second or subsequent violation.

17 (f) A prosecution for using marijuana items while driving a motor vehicle does
18 not preclude a prosecution for driving under the influence of marijuana items while
19 driving a motor vehicle.

Section 168. Unlawful Manufacture of Marijuana.

20 (a) Except for licensees and licensee representatives, and except for a person
21 acting within the scope of and in compliance with Section 106(a) of this Act, it is
22 unlawful for any person to manufacture marijuana.
23

24 (b) Unlawful manufacture of marijuana is punishable by imprisonment of up
25 to six (6) months and a fine of up to \$500, if a person 21 years of age or older
26 manufactures marijuana at a household for noncommercial purposes or at a
27 cultivation site and the total number of marijuana plants exceeds six (6) mature
28 marijuana plants but does not exceed twelve (12) mature marijuana plants. If a person
29 has a previous conviction for violation of this section, then unlawful manufacture of

HOUSE BILL 20-178, HD4

1 marijuana punishable by this subsection is punishable by imprisonment up to one (1)
2 year and a fine of up to \$1,000.

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

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

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

12 (d) Unlawful manufacture of marijuana is punishable by up to ten (10) years
13 imprisonment and a fine of up to \$10,000, if a person 21 years of age or older
14 manufactures marijuana at a household for noncommercial purposes or at a
15 cultivation site and the total number of homegrown marijuana plants is thirty (30) or
16 more.

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

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

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

23 (b) Unlawful delivery of marijuana is:

24 (1) Punishable by up to one (1) year imprisonment and a fine of up to
25 \$5,000 if the delivery is for consideration.

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

28 (c) Notwithstanding subsection (b) of this section, unlawful delivery of
29 marijuana is punishable by a fine of \$500 if the delivery is for no consideration and

HOUSE BILL 20-178, HD4

1 consists of less than one (1) avoirdupois ounce of the dried leaves, stems and flowers
2 of the plant cannabis family Moraceae.

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

5 (1) Punishable by up to five (5) years imprisonment and a fine of up to
6 \$5,000 if the delivery is to a person under 18 years of age and the defendant is
7 at least 18 years of age and is at least three years older than the person to
8 whom the marijuana is delivered and the defendant was previously convicted
9 of any crime involving the sale or delivery of marijuana to a person under 18
10 years of age; or

11 (2) Punishable by up to one (1) year imprisonment and a fine of up to
12 \$5,000 if the delivery is a person under 18 years of age and the defendant is at
13 least 18 years of age and is at least three years older than the person to whom
14 the marijuana is delivered; or

15 (3) Punishable by up to six (6) months imprisonment and a fine of up
16 to \$1,000 if the delivery:

17 (i) Is for consideration;

18 (ii) Consists of more than four (4) ounces of the dried leaves,
19 stems and flowers of the plant cannabis family Moraceae; and

20 (iii) Is to a person who is 18 years of age or older, but less than
21 21 years of age unless the person has a valid doctor's recommendation
22 for the use of marijuana for medicinal purposes; or

23 (4) Punishable by up to thirty (30) days imprisonment and a fine of up to \$500
24 if the delivery:

25 (i) Is for no consideration;

26 (ii) Consists of less than five (5) grams of the dried leaves, stems and
27 flowers of the plant cannabis family Moraceae; and

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

29 **Section 170. Unlawful Possession of Marijuana by person 21 years or**

HOUSE BILL 20-178, HD4

1 **older.**

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

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

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

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

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

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

11 (6) More than 6 mature marijuana plants.

12 (7) More than 12 immature marijuana plants.

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

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

17 (2) Punishable by up to one (1) year imprisonment and a fine of up to
18 \$2,500.00, if the amount possessed is more than two times, but not more than
19 four times, the applicable maximum amount specified in subsection (a) of this
20 section; or

21 (3) Punishable by up to five (5) years imprisonment and a fine of up to
22 \$5,000.00, if the amount possessed is more than four times the applicable
23 maximum amount specified in subsection (a) of this section.

24 **Section 171. Trafficking Marijuana.**

25 (a) Except for licensees and licensee representatives, it shall be unlawful for
26 any person knowingly or intentionally to manufacture, deliver, distribute, dispense, or
27 possess with intent to manufacture, deliver, distribute, dispense or possess marijuana
28 or marijuana items.

29 (b) Except as otherwise provided in Section 168, Section 169, Section 170, of

HOUSE BILL 20-178, HD4

1 this Act, any person who violates subsection (a) of this section is punishable as
2 follows:

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

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

7 (3) Punishable by imprisonment of up to forty (40) years and a fine of
8 \$100,000, if the amount is 100-999 plants or 100-1,000 kilograms; or

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

12 **Section 172. Marijuana Tax and Fees.**

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

18 (b) The Legislature shall enact a marijuana excise tax to be levied and
19 collected equal to a percentage of the selling price on each retail sale in the
20 Commonwealth of marijuana items. This tax is the obligation of the licensed
21 marijuana retailer, and is separate and in addition to general Commonwealth and local
22 taxes that apply to retail sales of tangible personal property, and is part of the total
23 retail price to which general Commonwealth and local taxes apply.

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

28 **Section 173. No Qualifying Certificate for Marijuana Businesses.**

29 The Investment Incentive Act of 2000 (Public Law 12-32), as amended and

HOUSE BILL 20-178, HD4

1 codified at 4 CMC §§ 50201 *et seq.*, shall not be applicable to any marijuana business
2 or establishment in the CNMI and licensed pursuant to this chapter, and such
3 marijuana businesses and establishments shall not be eligible for a qualifying
4 certificate.

5 **Section 174. Commonwealth Public Lands Shall Not be Leased or Used**
6 **for Cannabis (Marijuana or Hemp) Businesses.** The Department of Public Lands
7 and all other government entities shall not lease or use public lands for the purpose of
8 establishing cannabis (marijuana or hemp) businesses or establishments. This section
9 does not apply to existing public land leases with existing hotels or commercial
10 buildings.

11 **Section 175. Work Force Participation by U.S. Citizens and CNMI and**
12 **U.S. Permanent Residents.**

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

17 **Section 176. Interpretation.**

18 This Act is modeled after the marijuana laws of Oregon and other states that
19 have legalized marijuana. The Commonwealth Judiciary, the Attorney General, the
20 Commission, and any other government entity of the Commonwealth may consider
21 case precedent in Oregon to be persuasive when interpreting this Act.”

22 **Section 3. Amendment.** 6 CMC § 3177 is amended by adding a new subsection (h)
23 to read as follows:

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

26 **Section 4. Amendment.** 4 CMC §1402(a), Excise Tax. is amended by adding a new
27 subsection (21) and renumbering the existing subsection (21) as follows:

HOUSE BILL 20-178, HD4

1 “(21) Cannabis and marijuana as defined in the CNMI Cannabis Act of 2018,
2 including cannabis and marijuana manufactured, grown or entirely derived from
3 sources within the Commonwealth ~~10 percent ad valorem.~~ **PT**

4 (22) All other goods, commodities, resources, or merchandise not otherwise
5 provided by law, ~~five percent ad valorem.”~~ **PT**

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

8 “(a) 6 CMC § 2114(c)(13);

9 (b) 6 CMC § 2141(c); and

10 (c) 6 CMC § 2142(c).”

11 **Section 6. Severability.** If any provision of this Act or the application of any such
12 provision to any person or circumstance should be held invalid by a court of competent
13 jurisdiction, the remainder of this Act or the application of its provisions to persons or
14 circumstances other than those to which it is held invalid shall not be affected thereby.


15 **Section 7. Savings Clause.** This Act and any repealer contained herein shall not be
16 construed as affecting any existing right acquired under contract or acquired under statutes
17 repealed or under any rule, regulation, or order adopted under the statutes. Repealers
18 contained in this Act shall not affect any proceeding instituted under or pursuant to prior law.
19 The enactment of the Act shall not have the effect of terminating, or in any way modifying,
20 any liability, civil or criminal, which shall already be in existence on the date this Act
21 becomes effective.

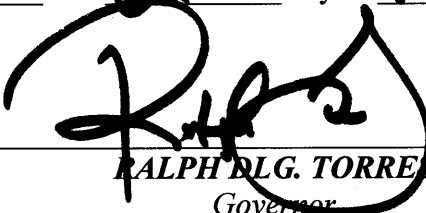
HOUSE BILL 20-178, HD4

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Section 8. Effective Date. This Act shall take effect upon its approval by the Governor or becoming law without such approval.

Attested to by: 
Linda B. Muña, House Clerk

Certified by: 
SPEAKER RAFAEL S. DEMAPAN
House of Representatives
20th Northern Marianas Commonwealth Legislature

Approved this *21st* day of *September*, 2018

RALPH DLG. TORRES
Governor
Commonwealth of the Northern Mariana Islands