



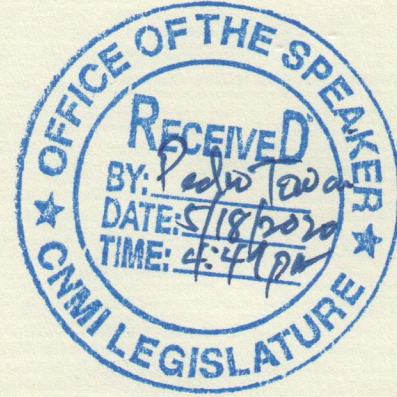
RALPH DLG. TORRES
Governor

ARNOLD I. PALACIOS
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

May 18, 2020

The Honorable Blas Jonathan "BJ" T. Attao
Speaker, House of Representatives
Twenty-First Northern Marianas
Commonwealth Legislature
Saipan, MP 96950



The Honorable Victor B. Hocog
Senate President, The Senate
Twenty-First Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law **House Bill No. 21-55, HD1, SD1** entitled, "To amend 1 CMC Division 2, Part 1, Chapter 13, Article 7 to allow for the Department of Lands and Natural Resources, Division of Agriculture to regulate hemp in the Commonwealth of the Northern Mariana Islands; to amend certain provisions of the Taulamwaar Sensible CNMI Cannabis Act of 2018 to exclude hemp from the regulation of the Cannabis Commission; and for other purposes," which was passed by the House of Representatives and the Senate of the Twenty-First Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 21-25**. Copies bearing my signature are forwarded for your reference.

Sincerely,

RALPH DLG. TORRES
Governor

cc: Lt. Governor; Press Secretary; Secretary of Finance; Department of Lands and Natural Resources; Division of Agriculture; Law Revision Commission; Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review

HOUSE CLERK'S OFFICE
RECEIVED BY: Amy
DATE: 5/26/2020 TIME: 9:32 AM



*Twenty-First Legislature
of the
Commonwealth of the Northern Mariana Islands*

IN THE HOUSE OF REPRESENTATIVES

THIRD SPECIAL SESSION

JUNE 11, 2019

REPRESENTATIVE MARCO T. PETER of Saipan, Precinct 3 (*for himself*, Representatives Blas Jonathan "BJ T. Attao, Antonio SN. Borja, Joel C. Camacho, Luis John DLG. Castro, and Ralph N. Yumul,) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 21-55, HD1, SD1

AN ACT

TO AMEND 1 CMC DIVISION 2, PART 1, CHAPTER 13, ARTICLE 7 TO ALLOW FOR THE DEPARTMENT OF LANDS AND NATURAL RESOURCES, DIVISION OF AGRICULTURE TO REGULATE HEMP IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS; TO AMEND CERTAIN PROVISIONS OF THE TAULAMWAAR SENSIBLE CNMI CANNABIS ACT OF 2018 TO EXCLUDE HEMP FROM THE REGULATION OF THE CANNABIS COMMISSION; AND FOR OTHER PURPOSES.

The Bill was referred to the House Committee on Natural Resources, which submitted Standing Committee Report 21-42; adopted 10/28/2019.

THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON FIRST AND FINAL READING, OCTOBER 28, 2019;
with amendments in the form of H. B. No. 21-55, HD1 and transmitted to the
THE SENATE.

The Bill was referred to the Senate Committee on Cannabis and Gaming, which submitted Standing Committee Report 21-79; adopted 3/6/2020.

THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, MARCH 6, 2020;
with amendments in the form of H. B. 21-55, HD1, SD1.

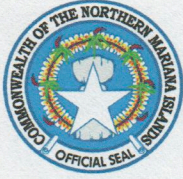
H. B. No. 21-55, HD1, SD1 WAS RETURNED TO THE HOUSE OF REPRESENTATIVES ON MARCH 9, 2020.

The House of Representatives accepted the Senate amendments and passed H. B. No. 21-55, HD1, SD1 during its Third Day, Third Regular Session on March 13, 2020.

THE BILL WAS FINALLY PASSED ON MARCH 13, 2020.



Linda B. Muña, House Clerk



*Twenty-First Legislature
of the
Commonwealth of the Northern Mariana Islands*

IN THE HOUSE OF REPRESENTATIVES

FOURTH DAY, THIRD REGULAR SESSION

MARCH 13, 2020

H. B. No. 21-55, HD1, SD1

AN ACT

TO AMEND 1 CMC DIVISION 2, PART 1, CHAPTER 13, ARTICLE 7 TO ALLOW FOR THE DEPARTMENT OF LANDS AND NATURAL RESOURCES, DIVISION OF AGRICULTURE TO REGULATE HEMP IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS; TO AMEND CERTAIN PROVISIONS OF THE TAULAMWAAR SENSIBLE CNMI CANNABIS ACT OF 2018 TO EXCLUDE HEMP FROM THE REGULATION OF THE CANNABIS COMMISSION; AND FOR OTHER PURPOSES.

BE IT ENACTED BY THE TWENTY-FIRST NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 **SECTION 1. SHORT TITLE.**

2 This Act shall be cited as the “CNMI Hemp Farming Industry Act of 2019”.

3 **SECTION 2. FINDINGS AND PURPOSE.**

4 The Legislature finds that hemp, similar to Marijuana, is a strain of the *Cannabis Sativa*
5 plant species that is grown specifically for industrial purposes. Furthermore, hemp can be
6 diligently refined into variations of commercial products such as paper, clothing, textiles,
7 biodegradable plastics, biofuel, oil, food, and so forth. Despite the similar classifications

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1 between hemp and marijuana, both respective strains contain different chemical make-up
2 levels of the psychoactive component tetrahydrocannabinol (THC) in which hemp has a THC
3 level of less than .3% and marijuana ranges between 5% and 35%. Given the various
4 differences between both strains, the Legislature deems it appropriate that hemp must not be
5 classified in the same category as marijuana and should be managed accordingly.

6 The Agriculture Improvement Act of 2018, was signed into law on December 20, 2018
7 (U.S. Public Law 115-334). The new law removes hemp as a Schedule 1 controlled substance
8 and provides for regulation of the hemp industry at the state level. The federal law requires
9 the state department responsible for agriculture to develop a regulatory structure following the
10 federal requirements and submit their regulatory plan to the U.S. Department of Agriculture
11 for approval. In the absence of an approved regulatory plan, the federal government would
12 regulate the hemp industry at the federal level, preempting the Commonwealth's ability to
13 regulate the industry.

14 The Bill provides for penalties for a violation of the Department of Agriculture's
15 regulations patterned after the requirements of U.S. Public Law No. 115-334.

16 Furthermore, the legislation aims to allow hemp producers to be eligible for federal
17 funding by certain federal agencies such as the United States Department of Agriculture
18 (USDA). The Legislature finds that under the exceptional management and oversight of the
19 Department of Lands and Natural Resources (DLNR), hemp will provide an exceptional
20 opportunity that will allow for our islands to stimulate our economy. However, in order to grant
21 DLNR complete oversight over hemp in CNMI, certain provisions of the Taulamwaar Sensible
22 CNMI Cannabis Act of 2018, codified at 4 CMC § 53001, *et seq.* must be amended to exclude
23 hemp from the regulation of the Cannabis Commission. These amendments are necessary to
24 clarify the intent of this legislation and to avoid any confusion regarding the oversight of the
25 cannabis and hemp industries in the CNMI.

26 The purpose of this Act is to allow for the Department of Lands and Natural Resources,
27 Division of Agriculture to establish regulations for the hemp industry in the Commonwealth
28 of the Northern Mariana Islands consistent with the federal requirements.

29 **SECTION 3. AMENDMENT.**

30 1 CMC Division 2, Part 1, Chapter 13, Article 7. Division of Agriculture is hereby
31 amended as follows:

- 32 "Subpart A. Agricultural Equipment.
33 (Sections 2721 through 2727 unchanged)
34 Subpart B. Hemp Production.
35 § 2730. Definitions.

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

7 (b) Secretary. "Secretary" means the Secretary of the Department of Lands and
8 Natural resources.

9 (c) Department. "Department" means the Department of Lands and Natural
10 resources.

11 §2731. Hemp Industry.

12 (a) Notwithstanding any Commonwealth Law to the contrary the Department
13 of Lands and Natural Resources, Division of Agriculture shall have the primary
14 regulatory authority over the production of hemp in the Commonwealth.

15 (b) The Secretary of the Department of Lands and Natural Resources, in
16 consultation with the Director of the Division of Agriculture shall promulgate rules and
17 regulations necessary to regulate the production of hemp in the Commonwealth,
18 including establishing fees and requirements for licenses to produce hemp.

19 (c) The rules and regulations promulgated by the Secretary shall be consistent
20 with and meet the requirements for a state plan as set forth in U.S. Public Law No. 115-
21 334, Subtitle G – Hemp Production.

22 §2732. Violations.

23 (a) In general - A violation of the regulations promulgated under this Subpart
24 shall be subject to enforcement solely in accordance with this section.

25 (b) Negligent violations:

26 (1) In general - A hemp producer shall be subject to subparagraph (2) of
27 this paragraph if the Division of Agriculture determines that the hemp producer
28 has negligently violated the regulations promulgated under §2131(c), including
29 by negligently:

30 (A) failing to provide a legal description of land on which the
31 producer produces hemp;

32 (B) failing to obtain a license or other required authorization
33 from the Department Division of Agriculture; or

34 (C) producing Cannabis sativa L. with a delta-9
35 tetrahydrocannabinol concentration of more than 0.3 percent on a dry
36 weight basis.

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1 (2) Corrective action plan - A hemp producer described in subparagraph
2 (1) shall comply with a plan established by the Division of Agriculture, to
3 correct the negligent violation, including:

4 (A) a reasonable date by which the hemp producer shall correct
5 the negligent violation; and

6 (B) a requirement that the hemp producer shall periodically
7 report to the Division of Agriculture, as applicable, on the compliance
8 of the hemp producer with the regulations for a period of not less than
9 the next 2 calendar years.

10 (3) Result of negligent violation - Except as provided in subparagraph
11 (4), a hemp producer that negligently violates the regulations under
12 subparagraph (1) shall not be subject to any criminal or civil enforcement action
13 other than the enforcement action authorized under subparagraph (2).

14 (4) Repeat violations - A hemp producer that negligently violates the
15 regulations under (1) 3 times in a 5-year period shall be ineligible to produce
16 hemp for a period of 5 years beginning on the date of the third violation.

17 (c) Other violations - Any person who willfully violates the regulations
18 promulgated under this Subpart shall be punishable by up to one (1) year imprisonment
19 or a fine of up to \$2,500 or both.

20 (d) The Secretary of Finance shall establish a revolving account separate from
21 the General Fund, in which 25% of the funds collected shall be deposited and used for
22 enforcement operations for the Department of Land and Natural Resources.”

23 **SECTION 4. AMENDMENTS.**

24 4 CMC § 53001, et seq., the Taulamwaar Sensible CNMI Cannabis Act of 2018 of the
25 Commonwealth Code is hereby amended as follows:

26 **A.** 4 CMC §53002 of the Commonwealth is hereby amended by striking subsection (c)
27 and renumbering all subsections accordingly:

28 **B.** 4 CMC §§ 53008 (a), (b), (d), (e) and (n) are hereby amended to read as follows:

29 “(a) To conduct hearings pertaining to the violation of this chapter or
30 regulations promulgated hereto; including hearings for the purpose of approving
31 marijuana licenses and other business allowed under this chapter.

32 (b) To promulgate such rules and regulations, as may be necessary to fulfill the
33 intent, policies, and purposes of this chapter. The Commission may use such rules and
34 regulations to interpret, enlarge upon, except provisions defining the authority and
35 powers of the Commission, or define, or any provision of this chapter to the extent that

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1 such provision is not specifically defined by this chapter. The rules and regulations
2 shall, at a minimum, provide for the following:

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

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

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

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

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

19 (6) To issue licenses for marijuana businesses and other authorized
20 activities under this chapter.

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

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

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

30 (10) The exclusion and removal of undesirable persons from the
31 marijuana businesses.

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

34 (12) Penalties for the late payment of applicable fines or fees

35 (d) To require and demand access to and inspect, examine, photocopy, and audit
36 all papers, books and records of the license marijuana businesses on its premises or

1 elsewhere as practical, including inspecting the gross income produced by the
2 marijuana businesses and verification of their income, and all other matters affecting
3 the enforcement of the Commission's policy or as required pursuant to this chapter.

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

6 C. 4 CMC § 53009(a) is hereby amended to read as follows:

7 “(a) The Commission shall hire a Managing Director who will be responsible
8 for the overall administration of the Commission and the supervision of the marijuana
9 licensee and others pursuant to this chapter.”

10 D. 4 CMC § 53010 is hereby amended to read as follows:

11 “The Commission shall promulgate rules and regulations to carry out the
12 purposes of this chapter, including, but not limited to, marijuana promotional activities,
13 compliance and internal controls, and control of the financial suitability of licensed
14 operators. The Commission may, in addition to any other purpose, use such rules and
15 regulations to interpret, enlarge upon, or define any provision of this chapter.”

16 E. 4 CMC § 53074 is hereby amended to read as follows:

17 “§ 53074. **Commonwealth Public Lands Shall Not be Leased or Used for**
18 **Cannabis (Marijuana) Businesses.**

19 The Department of Public Lands and all other government entities shall not
20 lease or use public lands for the purpose of establishing cannabis (marijuana)
21 businesses or establishments. This section does not apply to existing public land leases
22 with existing hotels or commercial buildings.”

23 **SECTION 5. SEVERABILITY.**

24 If any provisions of this Act or the application of any such provision to any person or
25 circumstance should be held invalid by a court of competent jurisdiction, the remainder of this
26 Act or the application of its provisions to persons or circumstances other than those to which
27 it is held invalid shall not be affected thereby.

28 **SECTION 6. SAVINGS CLAUSE.**

29 This Act and any repealer contained herein shall not be construed as affecting any
30 existing right acquired under contract or acquired under statutes repealed or under any rule,
31 regulation, or order adopted under the statutes. Repealers contained in this Act shall not affect
32 any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not
33 have the effect of terminating, or in any way modifying, any liability, civil or criminal, which
34 shall already be in existence on the date this Act becomes effective.

HOUSE BILL 21-55, HD1, SD1

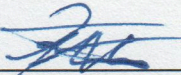
SECTION 7. EFFECTIVE DATE.

This Act shall take effect upon its approval by the Governor, or its becoming law without such approval.

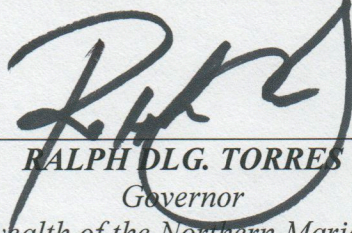
Attested to by:


Linda B. Muña, House Clerk

Certified by:


SPEAKER BLAS JONATHAN "BJ" T. ATTAO
House of Representatives
21st Northern Marianas Commonwealth Legislature

Approved this 18th day of May, 2020


RALPH DLG. TORRES
Governor
Commonwealth of the Northern Mariana Islands