

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
SAIPAN, TINIAN, ROTA and NORTHERN ISLANDS



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COMMONWEALTH REGISTER

VOLUME 44 NUMBER 05 MAY 28, 2022

ADOPTION

Public Notice of Certification and Adoption of Amendments to the Regulations The CNMI Cannabis Commission	048446
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EMERGENCY

Public Notice of Adoption of Emergency Regulations and Proposed Amendments to the Department of Finance, Procurement Regulations, NMIAC Title 70, Subchapter 70-30.3 Department of Finance Office of the Secretary	048521
Public Notice of Emergency Regulations to the Procedure for Procurement Appeals of Directors Decision Commonwealth Utilities Corporation	048526
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PROPOSED

Public Notice of Proposed Amendments to the Development Corporation Division (DCD) Rules and Regulations Commonwealth Economic Development Authority	048537
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DOL/PUA/CAC ORDERS

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Department of Labor		048584



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CANNABIS COMMISSION

P.O. BOX 500135 Saipan, MP 96950
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**PUBLIC NOTICE OF CERTIFICATION AND ADOPTION
OF AMENDMENTS TO REGULATIONS OF
CNMI Cannabis Commission**

Matthew Deleon Guerrero, Acting Chairman

PRIOR PUBLICATION IN THE COMMONWEALTH REGISTER
AS PROPOSED AMENDMENTS TO REGULATIONS
Volume 44 Number 03, pp 048246 of March 28, 2022

Regulations of the CNMI Cannabis Commission

ACTION TO ADOPT PROPOSED AMENDMENTS TO REGULATIONS: The Commonwealth of the Northern Mariana Islands Cannabis Commission ("The Commission") HEREBY ADOPTS AS PERMANENT amendments to the Proposed Regulations which were published in the Commonwealth Register at the above-referenced pages, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The Commission announced that it intended to adopt them as permanent, and now does so. (Id.). I also certify by signature below that, as published, such adopted regulations are a true, complete and correct copy of the referenced Proposed Regulations, and that they are being adopted without modification or amendment, except as stated as follows:

(no changes)

PRIOR PUBLICATION: The prior publication were as stated above. The Commission adopted the regulations as final on February 25, 2022.

MODIFICATIONS FROM PROPOSED REGULATIONS, IF ANY: Modifications were made as specified above. (There were no modifications). I further request and direct that this Notice of Adoption be published in the Commonwealth Register.

AUTHORITY: The Commonwealth is required by the Legislature to adopt rules and regulations regarding those matters over which the CNMICC has jurisdiction, see Public Laws 20-66 and 21-05.

EFFECTIVE DATE: Pursuant to the APA, 1 CMC sec. 9105(b), these adopted regulations are effective 10 days after compliance with the APA, 1 CMC §§ 9102 and 9104(a) or (b), which, in this instance, is 10 days after this publication in the Commonwealth Register.

COMMENTS AND AGENCY CONCISE STATEMENT: Pursuant to the APA, 1 CMC sec. 9104(a)(2), the agency has considered fully all written and oral submissions respecting the proposed regulations (no written comments submitted). Attached hereto are the Commission responses to all public comments received. (none) Upon this adoption of the regulations, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption, incorporating therein its reasons for overruling the considerations urged against its adoption.

ATTORNEY GENERAL APPROVAL for non-modified regulations or regulations with NON-material modification: The adopted regulations were approved for promulgation by the Attorney General in the above-cited pages of the Commonwealth Register, pursuant to 1 CMC sec. 2153(e) (To review and approve, as to form and legal sufficiency, all rules and regulations to be promulgated by any department, agency or instrumentality of the Commonwealth government, including public corporations, except as otherwise provided by law).

I DECLARE under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 26th day of May 2022, at Saipan, Commonwealth of the Northern Mariana Islands.

Certified and ordered by:



MATTHEW DELEON GUERRERO
Acting Chairman, CNMI Cannabis Commission

05/26/2022

Date

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a)(3) (obtain AG approval) the certified final regulations, modified as indicated above from the cited proposed regulations, have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General, and shall be published (1 CMC § 2153(f) (publication of rules and regulations)).

Dated the 26 day of May, 2022.



EDWARD MANIBUSAN
Attorney General

Filed and
Recorded by:

for 

ESTHER SAN NICOLAS
Commonwealth Registrar

05/26/2022

Date

TITLE 180
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
(CNMI) CANNABIS COMMISSION

CHAPTER 180-10 CNMI Cannabis Commission
Subchapter 180-10.1 CNMI Cannabis Commission Rules and Regulations
Subchapter 180-10.2 Code of Ethics

CHAPTER 180-10
CNMI CANNABIS COMMISSION

SUBCHAPTER 180-10.1
CNMI CANNABIS COMMISSION RULES AND REGULATIONS

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CONSTRUCTION; DEFINITIONS

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§ 180-10.1-010	Severability
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§ 180-10.1-020	Practice where Regulations Do Not Govern
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- § 180-10.1-1705 Suspension of Penalties.
- § 180-10.1-1710 Definitions.
- § 180-10.1-1715 Licensee Liability.
- § 180-10.1-1720 Multiple Offenses from Single Action or Omission.
- § 180-10.1-1725 Self-reporting Determination.
- § 180-10.1-1730 Determination of Offense Level.
- § 180-10.1-1735 Mandatory Offense Levels.
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SUBCHAPTER 180-10.2 CODE OF ETHICS

Part 001 CODE OF ETHICS

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- §180-10.2.105 Responsibilities of Public Office
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SUBCHAPTER 180-10.3 HOMEGROWN MARIJUANA REGISTRY

Part 001 HOMEGROWN MARIJUANA REGISTRY

- §180-10.3.101 Establishment of Homegrown Marijuana Registry
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Part 100 CNMI CANNABIS COMMISSION: ORGANIZATION AND ADMINISTRATION

Part 001 ISSUANCE OF REGULATIONS; CONSTRUCTION; DEFINITIONS

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| § 180-10.1-005 | Construction |
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§ 180-10.1-001 Promulgation, amendment, modification and repeal. The following regulations are issued pursuant to Public Law 20-66 and Public Law 21-05, in accordance with the procedures promulgated by the Administrative Procedures Act, 1 CMC § 9101 et seq. The

Commission will, from time to time, promulgate, amend and repeal such regulations, consistent with the policy, objects and purposes of Public Law 20-66 and Public Law 21-05, as the Commission may deem necessary or desirable in carrying out the policy and provisions of the laws of the Commonwealth. These regulations supersede any other regulations previously promulgated.

§ 180-10.1-005 Construction:

- (a) Nothing contained in these regulations shall be construed as to conflict with any provision of the Act.
- (b) These rules and regulations shall be interpreted in accordance with generally accepted principles of statutory construction.
- (c) These rules and regulations shall be liberally construed to permit the Commission to effectively carry out its statutory functions and to secure a just and expeditious determination of issues properly presented to the Commission.
- (d) Nothing in these rules exempts a licensee or licensee representative from complying with any other applicable local laws.
- (e) Licensure under these rules does not protect a person from possible criminal prosecution under federal law.

§ 180-10.1-010 Severability. If any clause, sentence, subparagraph, paragraph, subsection, section, chapter, or other portion of these entire rules and regulations or the application thereof to any person or circumstance shall be held to be invalid, such holding shall not affect, impair, or invalidate the remainder of these rules and regulations or the application of such portion held invalid to any other person or circumstances, but shall be confined in its operation to the clause, sentence, subparagraph, paragraph, subsection, section, chapter, or other portion thereof directly involved in such holding or to the person or circumstance therein involved.

§ 180-10.1-015 Preemption. The Commission shall have exclusive jurisdiction over all matters delegated to it or within the scope of its power under the provisions of the Act and these Regulations. These Regulations supersede any bylaws of the Commission.

§ 180-10.1-020 Practice where Regulations Do Not Govern. In any matter not governed by these Regulations, the Commission shall exercise its discretion so as to carry out the purposes of the Act.

§ 180-10.1-025 Suspension of Regulations. On its own or a party's motion, the Commission may - to expedite its decision or for other good cause - suspend any provision of these Regulations in a particular matter and order proceedings as it directs, except the Commission may not contradict any explicit requirement of the Act

§ 180-10.1-030 Definitions, words and terms; tense, number and gender. In interpreting these regulations, except when otherwise plainly declared or clearly apparent from the context: Words in the present tense include the future tense; The singular includes the plural and the plural includes the singular; and words of one gender include the other genders.

§ 180-10.1-035 Headings. The heading of a title, subtitle, chapter, subchapter, part, subpart, section or subsection does not limit or expand the meaning of a regulation.

§ 180-10.1-040 Applicability. A person may not produce, process, store, transport, sell, sample, test, or deliver marijuana for commercial recreational use without a license from the Commission or as otherwise authorized under these rules.

§ 180-10.1-045 Definitions. In this Subchapter 180-10.1 the following words have the following meanings, unless some contrary meaning is required:

- (a) “Act” means Public Law 20-66, as amended by Public Law 21-05 and as it may be amended or supplemented by subsequent legislation.
- (b) “Cannabis” means a genus of flowering plants that includes three putative varieties; cannabis sativa, cannabis indica, and cannabis ruderalis. The cannabis genus has two main species popularly known as cannabis sativa and cannabis indica:
 - (1) Cannabis sativa plants are known to stretch to extraordinary heights of up to 20 feet when grown outside, and have much longer vegetation periods. Once the plant begins to flower, it can take anywhere from ten to sixteen weeks to fully mature. Since vegetation periods are so long, these plants typically produce a much higher yield than indica strains (3 ounces to 1 pound per plant), but possess a lower THC percentage than indica on average (around 12–16%);
 - (2) Cannabis indica are short and stout in composure (2–4 feet tall), and typically yield smaller (1.5 to 2.5 ounces per plant), higher quality crops (- 18% THC) than cannabis sativa. The plants are believed to have originated in the Middle East (Pakistan & Afghanistan), and thrive in cooler environments. Indica strains are typically darker green than sativa and have shorter, fatter leaves.
 - (3) The main active ingredient in cannabis is called delta-9 tetrahydrocannabinol, commonly known as THC. This is the part of the plant that gives the “high.” There is a wide range of THC potency between cannabis products.
 - (4) Cannabis is used in three main forms: marijuana, hashish, and hash oil. Marijuana is made from dried flowers and leaves of the cannabis plant. It is the least potent of all the cannabis products and is usually smoked or made into edible products like cookies or brownies. Hashish is made from the resin (a secreted gum) of the cannabis plant. It is dried and pressed into small blocks and smoked. It can also be added to food and eaten. Hash oil, the most potent cannabis product, is a thick oil obtained from hashish. It is also smoked.
 - (5) Cannabis is usually smoked in hand-rolled cigarettes (known as “joints”) or in special water pipes (“bongs”). These pipes or bongs can be bought or made from things such as orange juice containers, soft drink cans, or even toilet paper rolls.
- (c) “Caregiver” means a person who is 21 years of age or older who is responsible for the medical marijuana patient’s needs to the production, processing, keeping, or storage of homegrown marijuana at a household or cultivation site.*
- (d) “Commerce” means the Department of Commerce.
- (e) “Commission” means the Cannabis Commission.
- (f) “Consumer” means a person who purchases, acquires, owns, holds, or uses marijuana items other than for the purpose of resale.

- (g) “Commonwealth” or “CNMI” means the Commonwealth of the Northern Mariana Islands.
- (h) “Cultivation site” means a site in which marijuana is produced other than a household for non-commercial purposes. A cultivation site may include, but is not limited to, a farm, ranch, land parcel, lot, greenhouse, warehouse, building, room, or container.
- (i) “Debilitating medical condition” means:
 - (1) cancer, glaucoma, positive status for human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), hepatitis C, amyotrophic lateral sclerosis, Crohn’s disease, ulcerative colitis, agitation of Alzheimer’s disease, post-traumatic stress disorder, or the treatment of these conditions;
 - (2) a chronic or debilitating disease or medical condition or its treatment that produces one or more of the following: stroke, diabetes, Parkinson’s disease, Wilson’s disease, traumatic brain injury, ADD/ADHD, muscular dystrophy (MD), cerebral palsy, asthma, and other types of immunomodulated inflammatory diseases, cachexia or wasting syndrome; severe, debilitating pain; severe nausea; seizures; or severe and persistent muscle spasms, including, but not limited to, those characteristic of multiple sclerosis; or
 - (3) any other serious medical condition or its treatment provided for by the Commission regulation in consultation with the Commonwealth Healthcare Corporation (CHCC) or other medical professionals.
- (j) “Division of Agriculture” means the Department of Lands and Natural Resources Division of Agriculture.
- (k) “Controlled substance” means a drug or its immediate precursor classified in Schedules I through V by 6 CMC §§ 2111–2123. The term “controlled substance,” as used in the Commonwealth Code does not include marijuana.
- (l) “Financial consideration,” except as provided in of this subsection, means value that is given or received directly or indirectly through sales, barter, trade, fees, charges, dues, contributions, or donations.
 - (1) “Financial consideration” does not mean any of the following:
 - i. Homegrown marijuana made by another person.
 - ii. Homemade marijuana products made by another person.
- (m) “Hemp” means the plant of the genus cannabis and any part of the plant, whether growing or not, with a delta9-tetrahydrocannabinol concentration that does not exceed three tenths percent (0.3%) on a dry weight basis for any part of the plant cannabis, or per volume or weight of marijuana product, or the combined percent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant cannabis regardless of moisture content.
- (n) “Homegrown” or “homemade” means grown or made by a person 21 years of age or older for non-commercial purposes.
- (o) “Homegrown marijuana registry” means a record maintained by the Commission of the names and addresses of persons who are 21 years of age or older or medical marijuana patients authorized to produce, process, keep, or store homegrown marijuana at a household or a cultivation site for non-commercial purposes.
- (p) “Homegrown marijuana registry card” means a card issued by the Commission to a person who is 21 years of age or older or a medical marijuana patient that is authorized to

produce, process, keep, or store homegrown marijuana at a household or a cultivation site for non-commercial purposes.

- (q) “Household” means a housing unit, and includes any place in or around the housing unit at which the occupants of the housing unit are producing, processing, keeping, or storing marijuana, marijuana products, or marijuana extracts, whether homemade or purchased.
- (r) “Housing unit” means a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters, in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall.
- (s) “Immature marijuana plant” means a marijuana plant with no observable flowers or buds.
- (t) “Licensee” means any person holding a license issued under this chapter, or any person holding a license or permit issued under any regulation promulgated pursuant to this chapter.
- (u) “Licensee representative” means an owner, director, officer, manager, employee, agent, or other representative of a licensee, to the extent such person acts in such representative capacity.
- (v) “Marijuana” means all parts of the plant of the genus *cannabis*, the seeds thereof, and every compound, manufacture, salt derivative, mixture, or preparation of the plant and its seeds whether growing or not, regardless of moisture content, other than marijuana extracts. “Marijuana” does not include hemp, nor does it include fiber produced from the stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant which is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product.
- (w) “Marijuana establishment” means an entity licensed by the Commission as a marijuana producer, marijuana lounge, marijuana testing facility, marijuana processor, a marijuana retailer, or a marijuana wholesaler.
- (x) “Marijuana extract” or “Marijuana concentrate” means a product obtained by separating resins from marijuana by solvent extraction, using solvents other than water or vegetable glycerin, such as butane, hexane, isopropyl alcohol, ethanol, and carbon dioxide: which is produced only by a licensed marijuana establishment.
- (y) (1) “Marijuana flowers” means the flowers of the plant *cannabis* family Moraceae.
(2) “Marijuana flowers” does not include any part of the plant other than the flowers.
- (z) “Marijuana items” means marijuana, marijuana products, and marijuana extracts.
(1) “Marijuana leaves” means the leaves of the plant *Cannabis* family Moraceae.
(2) “Marijuana leaves” does not include any part of the plant other than the leaves.
- (aa) “Marijuana Lounge” means an entity licensed by the Commission to sell and/or allow for the on-site consumption of marijuana items.
(1) “Class 1” means an entity licensed to sell marijuana items for on-site consumption.
(2) “Class 2” means an entity licensed to allow for the on-site consumption of marijuana items, but for which the sale of marijuana items is prohibited.
- (bb) “Marijuana processor” means a person who processes marijuana items in this Commonwealth.
- (cc) “Marijuana producer” means a person who produces marijuana in this Commonwealth.

- (dd) (1) "Marijuana products" means products that contain marijuana or marijuana extracts and are intended for consumption, that include, but are not limited to, being edible, drinkable, or topical.
- (2) "Marijuana products" does not mean:
- (i) Marijuana, by itself; or
 - (ii) A marijuana extract, by itself.
- (ee) "Marijuana retailer" means a person who sells marijuana items to a consumer in this Commonwealth.
- (ff) "Marijuana testing facility" means an entity licensed by the Commission to analyze and certify the safety and potency of marijuana items.
- (gg) "Marijuana wholesaler" means a person who purchases marijuana items in this Commonwealth for resale to a person other than a consumer in this Commonwealth, such as a licensed marijuana establishment.
- (hh) "Mature marijuana plant" means any marijuana plant that is not an immature marijuana plant. A mature marijuana plant has observable flowers or buds.
- (ii) "Medical marijuana" or "medicinal marijuana" means marijuana used by a person for medical or medicinal purposes.
- (jj) "Medical marijuana patient" means a person who uses marijuana as recommended by a doctor or other medical authority in the treatment of a debilitating medical condition or any other medical condition.
- (kk) "Micro producer" means a person with a micro production license to produce marijuana in this Commonwealth.
- (ll) "Minor" means a person under the age of 21 years old for purposes of this chapter.
- (mm) "Non-commercial" means not dependent or conditioned upon the provision or receipt of financial consideration.
- (nn) "Person" means any natural person, corporation, professional corporation, nonprofit corporation, cooperative corporation, profit or nonprofit unincorporated association, business trust, limited liability company, general or limited partnership, joint venture, or any other legal entity.
- (oo) "Premises" or "licensed premises" or "marijuana establishment" means a location licensed under this chapter and includes:
- (1) All enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms, and storerooms, including all public and private areas;
 - (2) All areas outside of a building that the Commission has specifically licensed for the consumption, production, processing, wholesale sale, or retail sale of marijuana items; and
 - (3) For a location that the Commission has specifically licensed for the production of marijuana outside of a building, the entire lot or parcel, that the licensee owns, leases, or has a right to occupy.
- (pp) (1) "Processes" means:
- (i) The processing, compounding, or conversion of marijuana into marijuana products or marijuana extracts;
 - (ii) The processing, compounding, or conversion of marijuana, either directly or indirectly by extraction from substances of natural origin, or independently by

- means of chemical synthesis, or by a combination of extraction and chemical synthesis;
- (iii) The packaging or repackaging of marijuana items; or
 - (iv) The labeling or relabeling of any package or container of marijuana items.
- (2) “Processes” does not include:
- (i) The drying of marijuana by a marijuana producer, if the marijuana producer is not otherwise processing marijuana; or
 - (ii) The packaging and labeling of marijuana by a marijuana producer in preparation for delivery to a marijuana processor, marijuana retailer, marijuana wholesaler, or marijuana lounge.
- (qq) (1) “Produces” means the manufacture, planting, cultivation, growing, or harvesting of marijuana.
- (2) “Produces” does not include:
- (i) The drying of marijuana by a marijuana processor, if the marijuana processor is not otherwise producing marijuana; or
 - (ii) The cultivation and growing of an immature marijuana plant by a marijuana processor, marijuana lounge, marijuana wholesaler, or marijuana retailer if the marijuana processor, marijuana lounge, marijuana wholesaler, or marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.
- (rr) “Public place” or “public property” means a place to which the general public has access and includes, but is not limited to, beaches, hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds, and premises used in connection with public passenger transportation or any property owned by the CNMI or Department of Public Lands (DPL).
- (ss) “Sale” or “sold” means:
- (1) Any transfer, exchange, or barter, in any manner or by any means, for a consideration, and includes and means all sales made by any person. It includes a gift by a person engaged in the business of selling marijuana, for advertising, as a means of evading this chapter, or for any other purpose.
 - (2) If a marijuana producer also holds one or more processor licenses, one or more wholesale licenses, one or more marijuana lounge licenses, or one or more retail licenses, a sale of marijuana flowers, marijuana leaves, or immature marijuana plants will be deemed to occur if and when the marijuana producer processes or takes any other action with respect to such marijuana flowers, marijuana leaves, or immature marijuana plants for which a processor license, wholesale license, marijuana lounge license, or retail license is required, regardless of whether the marijuana producer continues to own or possess the marijuana flowers, marijuana leaves, or immature marijuana plants.
- (tt) “Single Serving” of marijuana is defined as containing 10 mg of delta-9 tetrahydrocannabinol
- (uu) (1) “Useable marijuana” means the dried leaves and flowers of marijuana.
- (2) “Useable marijuana” does not include:
- (i) Marijuana seeds;
 - (ii) The stalks and roots of marijuana; or

(iii) Waste material that is by-product of producing or processing marijuana.

§ 180-10.1-050 Further Definitions. [RESERVED]

PART 100. CNMI CANNABIS COMMISSION: ORGANIZATION AND ADMINISTRATION

§ 180-10.1-101 CNMI CANNABIS COMMISSION
§ 180-10.1-105 Powers and Duties
§ 180-10.1-110 Commissioners
§ 180-10.1-115 Limitations on Powers
§ 180-10.1-120 Managing Director
§ 180-10.1-125 Delegation of Officers
§ 180-10.1-130 Commission Meetings
§ 180-10.1-135 Resolutions and Minutes
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PART 100. CNMI CANNABIS COMMISSION: ORGANIZATION AND ADMINISTRATION

§ 180-10.1-101 CNMI CANNABIS COMMISSION:

- (a) Commonwealth of the Northern Mariana Islands (CNMI) Cannabis Commission herein thereafter referred to as “The Commission.”
- (b) The Commission was established pursuant to Public Law 20-66, and as amended in Public Law 21-5, herein thereafter referred to as “The Act.”

§ 180-10.1-105 Powers and Duties. The Commission shall have all the powers and authority necessary to carry out the purposes of The Act, including, without limitation, the responsibility:

- a) To conduct hearings pertaining to the violation of the Act or regulations promulgated thereto; including hearings for the purpose of approving marijuana or hemp licenses and other business allowed under the Act.
- b) To promulgate such rules and regulations, as may be necessary to fulfill the intent, policies and purposes of this chapter. The Commission may use such rules and regulations to interpret, enlarge upon, except provisions defining the authority and powers of the Commission, or define, or any provision of this chapter to the extent that such provision is not specifically defined by the Act. The rules and regulations, at a minimum, provide for the following:

1. A code of ethics for the members of the Commission and its officers and employees.
 2. Supervision, monitoring and investigation or other means to ensure suitability and compliance with the legal, statutory and contractual obligations of owners, operators, and employees of the marijuana or hemp businesses and other persons licensed under this title.
 3. The examination, supervision and monitoring of the continuing fiscal and financial capability and transactions of marijuana or hemp business owners, operators, concessionaires and other parties with any direct relation to the marijuana or hemp business operators and to protect the public in the event that such capability is significantly diminished.
 4. To collaborate in the definition, coordination and execution of the social, environmental and economic policies for the operations of the marijuana and hemp businesses.
 5. To authorize and certify all the equipment, facilities, and tools or utensils used by the operations of marijuana or hemp businesses.
 6. To issue licenses for marijuana and hemp businesses and other authorized activities under the Act.
 7. To examine, supervise and monitor the eligibility of all authorized and licensed marijuana and hemp businesses or activities authorized under this title; including their partners and principal employees.
 8. To investigate and penalize any administrative infractions practiced according to the appropriate substantial and procedural legislations.
 9. To ensure that the relationship of the licenses marijuana and hemp businesses and individuals or entities authorized for personal or medicinal use of marijuana with the government and the public is in compliance with the Commission's regulations and provides the highest interest to the CNMI.
 10. The exclusion and removal of undesirable persons from the marijuana and hemp businesses
 11. Civil penalties for the violation of provisions or regulations imposed under The Act.
 12. Penalties for the late payment of applicable fines, or fees.
- c) To levy fines and penalties for the violation of provisions of The Act and the regulation promulgated by the Commission.
 - d) To require and demand access to and inspect, examine, photocopy, and audit all papers, books and records of the license marijuana and hemp businesses on its premises or elsewhere as practical, including inspecting the gross income produced by the marijuana and hemp businesses and verification of their income, and all other matters affecting the enforcement of the Commission's policy or as required pursuant to The Act.
 - e) For the types of licenses or permits to be covered by the marijuana and hemp license and their structure.
 - f) The Commission shall regulate fees.
 - g) To regulate the purchase, sale, production, processing, transportation, and delivery of marijuana items in accordance with the provisions of the Act.

- h) To grant, refuse, suspend or cancel licenses for the sale, processing, or production of marijuana items, or other licenses in regard to marijuana items, and to permit, in its discretion, the transfer of a license of any person.
- i) To investigate and aid in the prosecution of every violation of CNMI statutes relating to marijuana items, and cooperating in the prosecution of offenders before the Superior Court for the CNMI.
- j) To adopt such regulations as necessary and feasible for carrying out the intent and provisions of The Act and to amend or repeal such regulations. When such regulations are adopted they shall have the full force and effect of law.
- k) To exercise all powers incidental, convenient or necessary to enable it to administer or carry out any of the provisions of The Act.
- l) To regulate and prohibit any advertising by manufacturers, processors, wholesalers or retailers of marijuana items by the medium of newspapers, letters, billboards, radio, online social media platforms, or otherwise.
- m) To regulate the use of marijuana items for scientific, pharmaceutical, manufacturing, mechanical, industrial and other purposes.
- n) To adopt separate regulations as are necessary and feasible for the development of a medical marijuana program.
- o) To adopt separate regulations as are necessary and feasible for the development of a hemp program for strains of cannabis that do not exceed three tenths percent (0.3%) on a dry weight basis of any part of the plant cannabis, or per volume or weight of marijuana product, or the combined percent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant cannabis regardless of moisture content.
- p) To conduct an annual summit with the Commonwealth Healthcare Corporation, the Department of Public Safety, the Department of Lands and Natural Resources and other stakeholders in the government and private sectors to discuss the regulation of cannabis in the Commonwealth.
- q) Develop an educational curriculum piece for Homegrown Registry applicants to enroll in prior to issuance of licenses by the Commission.
- r) Update such curriculum as necessary to meet with population demands.
- s) Monitor and study federal laws, regulations and policies regarding cannabis
- t) Determine if the limitation of licenses is necessary for the viability of the industry.

§ 180-10.1-110 Commissioners. Pursuant to The Act, the composition of the Commission will be as follows:

- a) The Commission is an autonomous public agency of the government of the Commonwealth of the Northern Mariana Islands and shall consist of five (5) Commissioners:
 - 1. The Governor shall appoint from the Third Senatorial District three (3) members to the Commission, subject to the advice and consent of the Saipan and Northern Islands Legislative Delegation, provided that one of the three members appointed by the Governor shall be a voter from the Northern Islands and selected by the Northern Islands' mayor.

2. The Mayor of Rota shall appoint from the First Senatorial District one (1) member to the Commission, subject to the advice and consent of the Rota Legislative Delegation.
3. The Mayor of Tinian shall appoint from the Second Senatorial District one (1) member to the Commission, subject to the advice and consent of the Tinian and Aguiguan Legislative Delegation.

(b) Terms of Office

1. Each member shall serve for a term of four (4) years, except that of the members first appointed, two (2) shall serve a term of two (2) years, and three (3) shall serve a term of four (4) years, however, each member shall serve no more than two (2) terms.
2. A term of a member is defined as the time a member serves as a Commissioner regardless of duration.
3. The Terms of all the members first appointed shall begin from September 12, 2019, regardless of the actual date of appointment.
4. Any vacancy shall be filled in the same manner as the original appointment and for the unexpired term thereof.
5. A member removed from the Commission for cause shall not be re-appointed to the Commission.

(c) Removal of a Commissioner: For Cause Only

1. The Governor may, for cause only, suspend or remove any Commission member, without regard to who appointed said member, subject to judicial review by the Superior Court, which may stay such removal or suspension pending such review.
2. Membership on the Commission shall be automatically forfeited upon violation of subsection (e) of Article V, upon conviction of a felony, or upon conviction of any crime or offense involving moral turpitude.
3. The Commission shall not be considered an agency of the local government for purposes of Article VI, Section 8, of the Constitution.

(d) Members of the Commission shall each be compensated pursuant to law.

(e) The members of the Commission are not employees of the Commission or the CNMI government.

(f) The minimum number of members needed to constitute a quorum for the conduct of Commission business shall be three (3) members; provided at least one member of the Senatorial District of Tinian or Rota is counted in the quorum. A member who appears at a meeting telephonically or via videoconference shall be deemed present to constitute a quorum.

§ 180-10.1-115 Limitations on Powers. The Commission itself has no power to purchase, own, sell, or possess any marijuana items.

§ 180-10.1-120 Managing Director. The Commission shall hire a Managing Director who will be responsible for the overall administration of the Commission and the supervision of the marijuana and hemp licensees and others pursuant to the Act.

a) Qualifications of the Managing Director

The Managing Director shall possess the following minimum qualifications:

1. A bachelor's degree from a United States accredited educational institution; and
 2. Five years' work experience in professional, administrative, or management in government or private sectors; and
 3. Good ethical and moral character; and
 4. The Commission shall not hire any person for the Managing Director's position who has been convicted of a crime in any jurisdiction of the United States, or any foreign country carrying a minimum sentence of imprisonment of more than six months, excepting traffic offenses.
 5. The Managing Director shall not have any interest, directly or indirectly, in any business under the jurisdiction of the Commission.
- b) The Managing Director shall be the head of the administration of the Commission, and subject to the general oversight and direction of the Commission, shall organize the work of the Commission in a manner that will ensure its efficient and effective operation and, subject to the budgetary authority, the Managing Director may hire and terminate such staff necessary to carry out the purpose of the Commission. Such staff shall be exempt from the civil service. The Managing Director shall obtain such equipment, rent or build such additional office space, and generally make such regular office expenditure and acquisitions as necessary to establish and maintain a working office suitable for the Commission to effectively function pursuant to the Act.
- c) The Managing Director shall have such other duties as may be assigned or delegated by the Commission.
- d) The Managing Director serves at the pleasure of the Commission.
- e) The Managing Director's annual salary shall be established by the Commission, not to exceed seventy thousand dollars (\$70,000.00) per year.
- f) The Managing Director shall be reimbursed for actual, necessary, and reasonable expenses incurred in the performance of his or her duties as allowed by the Commission, but in event not to exceed Twenty-Five Thousand Dollars (\$25,000.00) in reimbursements per calendar year. All travel will be subject to 1 CMC § 7407.

§ 180-10.1-125 Delegation of Officers.

- a) Delegation to Chair
1. The Commission hereby delegates to the Chairman the authority to issue preliminary rulings on scheduling, procedural, and evidentiary matters, and other matters provided by these Regulations, that may be presented to the Commission during the course of conducting a meeting, or that may arise when the Commission is not meeting.
 2. The Commission may, upon a majority vote in a specific case, temporarily abrogate the general delegation granted pursuant to subsection (a) of this section.
 3. Any specific ruling or decision of the Chairman pursuant to subsection (a) of this section is subject to consideration by the entire Commission upon request of any Commissioner, or upon timely motion of a person affected by the ruling or decision.
 4. The Commission shall be deemed to have ratified an action of the Chairman taken pursuant to subsection (a), under the following circumstances:

- i. If the Chairman's action occurred at the time other than during a meeting, the Chairman's action is ratified if the Commission does not overturn or address the action at that meeting.
 - ii. If the Chairman's action occurred at a time other than during a meeting, if the Commission does not overturn or address the Chairman's action at the next meeting concerning that particular matter.
- 5. The Chairman may sign all orders on behalf of the Commission.
- 6. Where the Commission is a party to civil litigation, the Chairman may give guidance regarding the course of the litigation to the attorney for the Commonwealth.
- 7. The Chair will preside over CCC meetings. In case of a scheduled absence of both the Chair and Vice-chair, the Chair will select another member to preside over that upcoming meeting.
- 8. The Chair will be the Expenditure Authority for the Commission and may delegate this authority as necessary.

(b) Delegation to Vice-chair

- 1. The Vice-chair has all the rights, duties and responsibilities of a regular Commissioner, including the right to introduce motions and proposals, as well as to speak and vote on issues before the board.
- 2. The Vice-chair will act for the Chair in the Chair's absence.
- 3. The Vice-chair will assist the Chair in performing Commission duties as delegated by the Chair.

(c) Delegation to Treasurer. The Treasurer of the Commission has primary responsibility for the financial well-being of the corporation but does not take day-to-day responsibility, included in the board treasurer's duties are:

- 1. Creates and maintains the Commission's annual budget for each fiscal (financial) year. This responsibility includes presenting the budget to the Commission for approval.
- 2. Creates, implements and reviews financial policies for the Commission.
- 3. Reviews the investment activities of the Commission.
- 4. Oversees the annual financial audit of the Commission (if public) and other audits of Commission records and finances.
- 5. Chairs the Board's Finance Committee.
- 6. Represents Commission on legislative meetings involving budgetary appropriations.

(d) Delegation to Secretary

- 1. Records minutes and circulates to commissioners for review; all minutes should be provided to commission members prior to commission's next meeting in preparation for adoption on subsequent agenda.
- 2. Stores all pertinent meeting minutes for shared access by all commissioners; this information should be readily available for the Commission to review at any time.
- 3. Solicits meeting agendas for draft review by the Commission and garners final approval by Chairperson for circulation to the rest of the Commission.

4. Keeps all records in a safe place for sharing with commissioners or in preparation of audits, if needed.

§ 180-10.1-130 Commission Meetings

- a) Regular meetings of the Commission shall be held at least once per month in the CNMI, on such dates and at such times as the Commission shall establish. All public meetings must conform to the Open Government Act as stated on 1 CMC Section 9901.
- b) Special meetings of the Commission will be held from time to time on such dates and at such times and places as the Commission may deem convenient.
- c) Except as otherwise specifically provided by these regulations, any member of the Commission may place an item on a Commission agenda for consideration by the entire Commission.
- d) The Chairman may alter the order in which matters on the Commission agenda are heard.
- e) Requests for special meetings will be granted only upon a showing of exceptional circumstances. The Commission may require that a person requesting a special meeting pay the costs associated with such meeting, in addition to those costs usually assessed against an applicant.
- f) In the absence of incapacity of the Chairman, the Vice-chairman may call a special meeting. In the absence or incapacity of both, any two (2) members of the Commission may call a special meeting.
- g) Unless otherwise ordered by the Chairman, requests for continuances of any matter on the Commission agenda must be in writing, must set forth in detail the reasons a continuance is necessary, and must be received by the Secretary no later than two (2) calendar days before the meeting.
- h) Unless otherwise ordered by the Chairman, the original of any documentation supplementing an application as required by the Commission must be received by the Secretary no later than eight (8) calendar days before the meeting. Documentation not timely received will not be considered by the Commission unless the Commission, in its discretion, otherwise consents.
- i) The Chairman may defer to another meeting any matter with respect to which documentation has not been timely submitted. The applicant and its enrolled attorney or agent, if any, must appear at the meeting to which the matter is deferred, unless the Chairman waives their appearances.

§ 180-10.1-135 Resolutions and Minutes

- a) The records of the Commission shall include a minute book and a resolution book which may be stored electronically. The vote on any matter before the Commission shall be set forth in the minutes in substantial compliance with requirements of (b) below, unless the Chairman or the Commission determines otherwise. If the Commission determines to memorialize the vote on a particular matter by the preparation of a formal resolution, the resolution shall be prepared in substantial compliance with the requirements of (c) below and shall be recorded in the resolution book.
- b) Every vote of the Commission recorded in the minutes shall include the following information:
 1. The substance of the matter considered;

2. The vote of the Commission, including the names of any Commissioner dissenting or abstaining;
 3. If appropriate, reference to the existence of a formal resolution concerning the matter; and
 4. Certification by the Secretary of the Commission.
- c) Every formal resolution of the Commission shall include the following information:
1. A concise statement of the issues presented and the relevant procedural history;
 2. The statutory authority for the action taken;
 3. A precise statement of the action taken by the Commission, including any terms or conditions attached thereof; and
 4. Certification by the Secretary of the Commission.
- d) The failure to substantially comply with the requirements of (a), (b), or (c) above shall not invalidate the vote of the Commission.

§ 180-10.1-140 Appearances

- a) Except as provided in § 180-10.1-140(b) or unless an appearance is waived by the Chairman, all persons, and their enrolled attorneys and agents, if any, must appear at the Commission meeting at which their matter is to be heard. Requests for waivers of appearances must be in writing, must be received by the Secretary no later than eight (8) business days before the meeting, and must explain in detail the reasons for requesting the waiver. If at the time of its meeting the Commission has any questions of an applicant who has been granted a waiver and is not present, the matter may be deferred to another meeting of the Commission.
- b) Unless the Commission otherwise instructs, the following persons, and their enrolled attorneys and agents, are hereby granted a waiver of appearance for the Commission meeting:
1. Applicants who have received unanimous recommendation of approval from the Commission;
 2. Licensees and Commission counsel on stipulations between the licensees and the Commission, where the stipulations fully resolve petitions for redeterminations, claims for refunds or other issues.
 3. Where the Commission is to consider a stipulation between the Managing Director and a licensee settling a disciplinary action and revoking, suspending or conditioning a license, the licensee shall be prepared to respond on the record to questions regarding the terms of the stipulation and the licensee's voluntariness in entering into the stipulation

§ 180-10.1-145 Recessed meetings

- a) Any meeting of the Commission may be recessed to consider matters which were duly noticed as items on the agenda of that meeting and must not exceed a time period of more than 24 hours.
- b) Notice of a recessed meeting to consider matters which were duly noticed as items on the agenda may be given by announcement at the meeting, but where any other matters are to be considered at a recessed meeting, such matters must be duly noticed as required by these Regulations or as otherwise required by statute.

§ 180-10.1-150 Investigative Hearings. Investigative hearings may be conducted by one (1) or more members of the Commission with the concurrence of a majority of the Commission at such times and places, within the Commonwealth, as the member or members may deem convenient.

§ 180-10.1-155 Appointment of committees. The Chairman may at his or her discretion appoint committees to study and report to the Commission any matter appropriate to the Commission's administration of The Act or these regulations, subject to objection by majority vote by the Commission.

§ 180-10.1-160 Service of Notice in General

- a. Each licensee and applicant shall provide an electronic mail address to the Commission for the purposes of sending notices and other communications from the Commission. Each licensee and applicant shall update this electronic mail address immediately as often as it is otherwise necessary. The original provision and subsequent updates of electronic mail addresses shall be made to the Commission's custodian of records by means designated by the Chairman. The Applicant or Licensee is accountable for the monitoring and the function of their email addresses provided to the Commission.
- b. Except as otherwise provided by law or in these regulations, notices and other communications may be sent to an applicant or licensee by electronic mail at the electronic mail address of the establishment as provided to the Commission for the purpose of sending notices and other communications. Except as otherwise provided by law or in these regulations, notices and other communications sent by electronic mail shall satisfy any requirement to mail a notice or other communication.
- c. Notices shall be deemed to have been served on the date the Commission sent such notices to the electronic mail address provided to the Commission by a licensee or applicant, and the time specified in any such notice shall commence to run from the date of such mailing.
- d. Any applicant or licensee who desires to have notices or other communications mailed to a physical address shall file with the Commission a specific request for that purpose, and notices and other communications will, in such case, be sent to the applicant or licensee at such address, but the Commission may charge a fee therefore.
- e. An applicant or licensee will be addressed under the name or style designation in the application or license, and separate notices or communications will not be sent to individuals named in such application or license unless a specific request for that purpose is filed with the Commission. In the absence of such specific request, a notice addressed under the name or style designated in the application or license shall be deemed to be notice to all individuals named in such application or license.

§ 180-10.1-165 Subpoenas.
[RESERVED]

§ 180-10.1-170 Employment and termination of employees. The Managing Director shall be responsible for the employment and termination of Commission employees. Members of the Commission are responsible only for the employment of the Managing Director and shall not interfere with the Managing Director's employment decisions. The Managing Director shall

create, and from time to time, update, an employee handbook or manual which reflect the Commission's personnel policies. At a minimum, the handbook or manual shall provide for the hiring, discipline (up to and including termination), and appeal processes governing employment with the Commission.

Part 200 INFORMATION AND FILINGS:

- § 180-10.1-201 Office Mailing Address and Hours
- § 180-10.1-205 Official Records; Fees for Copies
- § 180-10.1-210 Communications/Notices to Commission
- § 180-10.1-215 Public Information Office
- § 180-10.1-220 Filing of Petitions and Applications
- § 180-10.1-225 Petitions for Rulemaking

§ 180-10.1-201 Office Mailing Address and Hours. Office Mailing Address and Hours

The main mailing address of the Commission is:

CNMI Cannabis Commission
P.O. Box 500135
Saipan, MP 96950

The normal office hours of the Commission are:

8:00 am to 5:00 pm, Monday through Friday, unless otherwise authorized by the Commission.

The office of the Commission is closed to the public on legal holidays authorized by the CNMI government. The Commission may maintain work schedules for Commission employees during any hour of any day.

§ 180-10.1-205 Official Records; Fees for Copies

- a) No original official record of the Commission shall be released from the custody of the Commission unless upon the express direction of the Chairman or Managing Director or upon the order of a court of competent jurisdiction.
- b) Copies of the official records of the Commission which are required by law to be made available for public inspection will be made available during the hours provided for in Article XXVI, and upon the payment of appropriate fees.
- c) No person shall, directly or indirectly, procure or attempt to procure from the records of the Commission or from other sources, information of any kind which is not made available by proper authority.
- d) No application, petition, notice, report, document, or other paper will be accepted for filing by the Commission and no request for copies of any forms, pamphlets, records, documents, or other papers will be granted by the Commission, unless such papers or requests are accompanied by the required fees, charges, or deposits.

- e) The cost of copies of official records of the Commission which are required by law to be made available for public inspection where copies are provided shall be One Dollar (\$1.00) per page. Where copies are not provided, the cost for the mere inspection of documents is seventy cents (\$0.70) per minute of the Commission's legal counsel's time reviewing, redacting and copying the inspected documents.
- f) All payments of taxes, fees, deposits, and charges which are to be made to the Commonwealth Treasury shall be made by check payable to the order of the Commonwealth Treasurer and mailed to the Department of Finance with an original receipt delivered to the main office of the Commission or posted by certified mail to the mailing address of the Commission.
- g) The Commission may provide for payment by wire transfer.

§ 180-10.1-210 Communications/Notices to Commission

- a) Except as otherwise provided, all papers, process, or correspondence other than fees deposits or charges, relating to the Commission should be addressed to or served upon the Commonwealth Cannabis Commission main office.
- b) All such papers, process, or correspondence shall be deemed to have been received or served when delivered to the main office of the Commission but a Commissioner or such individual members of the Commission's staff as the Chairman may designate, may in his or her discretion receive papers or correspondence or accept service of process.

§ 180-10.1-215 Public Information Office. Requests for information regarding the Commission may be sent to:

CNMI Cannabis Commission
 Attn: Managing Director
 Caller Box 10007
 Saipan, MP 96950

The official spokesperson for the Commission shall be the Chairperson, Managing Director or their designated appointee.

§ 180-10.1-220 Filing of Petitions and Applications. Petitions for formal action by the Commission shall be addressed to the Chairman of the Commission and should be certified mailed or delivered to:

CNMI Cannabis Commission
 Attn: Chairman
 Caller Box 10007
 Saipan, MP 96950

§ 180-10.1-225 Petitions for Rulemaking

- a) Any interested person may file a petition with the Commission for the adoption, amendment, or repeal of any rule, pursuant to Commission regulation. Such petition shall be in writing, be signed by the petitioner, and include the following information:

1. The name and address of the petitioner;
 2. The substance or nature of the requested rulemaking;
 3. The reasons for the request;
 4. The specific legal rights, duties, obligations, privileges, benefits, or other specific legal relations of the interested persons which are affected by the requested rulemaking; and
 5. Reference to the statutory authority under which the Commission may take the requested action; and
- b) A petition for rulemaking shall be scheduled for consideration at a public meeting of the Commission. The petitioner shall be given an opportunity to make a statement in support of the requested rulemaking.
 - c) Within thirty (30) days of receipt of a petition which is in compliance with this section, the Commission shall mail to the petitioner a notice of action on the petition, which shall include the nature or substance of the Commission's action upon the petition and a brief statement of reasons for the Commission's actions.
 - d) Commission action on a petition for rulemaking may include:
 1. Approval or denial of the petition;
 2. Filing a notice of proposed rule; or
 3. Referral of the matter for further deliberations, the nature of which will be specified, and which conclude upon a specified date. The results of these further deliberations shall be mailed to the petitioner.

Part 300

LICENSE AND REGISTRATION REQUIREMENTS:

- § 180-10.1-301 Receipt
- § 180-10.1-305 Filing
- § 180-10.1-310 Processing
- § 180-10.1-315 True name on application
- § 180-10.1-320 Fees
- § 180-10.1-325 Application Review
- § 180-10.1-330 Approval of Application and Issuance of License
- § 180-10.1-335 Denial of Application
- § 180-10.1-340 Public Inspection of Information
- § 180-10.1-345 Amendment
- § 180-10.1-350 Withdrawal
- § 180-10.1-355 Limitation on number of licenses

§ 180-10.1-301 Receipt. All application papers, unless otherwise directed by the Commission or these Regulations, shall initially be submitted to and received by the Managing Director, or such members of the Commission staff, or partnering government entities as the Managing Director may designate.

§ 180-10.1-305 Filing

- a) The Managing Director, or such members of the Commission staff as the Managing Director may designate, shall determine the date of filing as to each application received and shall issue cause to be endorsed thereon the date of such filing. No application shall be deemed filed until the applicant satisfies all appropriate requirements, to wit:
 - 1. That all papers presented conform to all requirements relating to format, signature, oath or affirmation, attorney certification, and copies;
 - 2. That all appropriate application, business entity disclosure forms, personal history disclosure forms, and supplemental to personal history disclosure forms have been properly completed and presented;
 - 3. That all required consents, waivers, photographs or handwriting exemplars have been properly presented;
 - 4. That all other information, documentation, assurances, and other materials required or requested at that preliminary stage pertaining to qualifications have been properly presented; and
 - 5. That all required fees have been properly paid and all required bonds have been properly furnished.

§ 180-10.1-310 Processing

- a) A person may submit an application to the Commission, on a form prescribed by the Commission, for a marijuana producer, processor, wholesaler, retail, lounge, research certificates, or laboratory license.
- b) An application for a license and all documentation required in the application instructions and in subsection § 180-10.1-310(c) of this provision must be submitted in a manner specified by the Commission. The application fee specified in 4 CMC § 53036 must also be paid in a manner specified by the Commission.
- c) An individual or legal entity are applicants if any individual or legal entity that has an ownership interest in the business proposed to be licensed.
- d) If a legal entity is an applicant, the following individuals within a legal entity are also applicants:
 - 1. All general partners in a limited partnership;
 - 2. Limited partners whose investment commitment is ten percent or more of the total investment commitment;
 - 3. All members in a limited liability company or partnership whose investment commitment or membership interest is ten percent or more;
 - 4. All directors who own or control three percent or more of the voting stock
 - 5. Principal officers of corporate applicants and;
 - 6. All natural person stockholders owning or controlling ten percent or more of the voting stock of a corporate entity.
- e) Applicants must submit the following:
 - 1. Information for individual applicants and individuals within a legal entity who have been identified as applicants;
 - 2. Any forms required by the Commission and any information identified in the form that is required to be submitted;

3. A map or sketch of the premises proposed for licensure, including the defined boundaries of the premises and the location of any primary residence located on the same lot as the licensed premises;
4. A scaled floor or plot plan sketch of all enclosed areas with clear identification of walls, partitions, counters, windows, all areas of ingress and egress, and all limited access areas;
5. Proof of right to occupy the premises proposed for licensure;
6. Identification of an applicant listed in the application who will serve as the Licensee Representative for the licensee. Identification of the Licensee Representative will be submitted in a form and manner prescribed by the Commission.
7. An operating plan that demonstrates at a minimum, how the applicant's proposed premises and business will comply with the applicable laws and rules regarding:
 - i. Security;
 - ii. Employee qualifications and training;
 - iii. Transportation of product;
 - iv. Prevention of minors from entering the licensed premises;
 - v. Preventing minors from obtaining or attempting to obtain marijuana items; and
 - vi. Disposal of marijuana waste plan
8. For producers:
 - i. The proposed canopy size and tier as described in 4 CMC § 53036 and a designation of the canopy area within the license premises.
 - ii. A report describing the applicant's electricity and water usage, on a form prescribed by the Commission.
 1. For initial licensure and renewal, the report must describe the estimated electricity and water usage taking into account all portions of the premises and expected requirements of the operation for the next twelve months.
 2. In addition to requirements of §180-10.1-310(e)(8)(ii)(1), for renewal, the report must describe the actual electricity and water usage for the previous year taking into account all portions of the premises.
 - iii. A description of the growing operation including growing media, a description of equipment to be used in the production, and whether production will be indoor, outdoor or both.
 - iv. Proof of a legal source of water as evidenced by a statement that water is supplied from a public or private water provider.
9. For processors:
 - i. On a form prescribed by the Commission, the proposed endorsements as described in these regulations.
 - ii. A description of the type of products to be processed, a description of equipment to be used, including any solvents, gases, chemicals or other compounds used to create extracts or concentrates.
10. For lounges

- i. On form prescribed by the Commission, applicants shall submit in addition to the requirements under 180-10.1-310 (e)(1-7):
 - 1. A description or rendering of the interior design schematics;
 - 2. Hours of operation
 - ii. If the proposed lounge will be providing food intended to be consumed, the applicant shall submit the necessary permits from the CNMI Bureau of Environmental Health and must maintain compliance and good standing with the standards set by the Bureau of Environmental Health
- f) In addition to submitting the application form and the items described in §180-10.1-310 (e), the Commission may require the following to be submitted:
 - i. Any forms required by the Commission and any information identified in the form that is required to be submitted.
 - ii. Any additional information if there is a reason to believe that the information is needed to determine the merits of the license application.
- g) The Commission must review an application to determine if it is complete. An application will be considered incomplete if an application form is not complete, the full application fee has not been paid, or some or all of the additional information required under these rules is not submitted.
- h) An applicant may submit a written request for reconsideration of a decision that an application is incomplete. Such request must be received by the Commission within ten (10) days of the date the incomplete notice was mailed to the applicant. The Commission shall give the applicants the opportunity to be heard if an application is rejected. A hearing under this subsection will be held within the standards set by Commission regulations.
- i) If, prior to an application being acted upon by the Commission, there is a change with regard to who is an applicant or who is a person with a financial interest in the proposed business, the new applicant or person with a financial interest must submit a form, prescribed by the Commission, that:
 - 1. Identified the individual or person;
 - 2. Describes the individual's or person's financial interest in the business proposed for licensure; and
 - 3. Includes any additional information required by the Commission, including but not limited to information required for a criminal background check.
- j) Failure to comply with §180-10.1-310 may result in an application being denied.

§ 180-10.1-315 True name on application

- a) True name on application. An application for a license must specify the real and true names of all individuals and legal entities that have an ownership interest in the business proposed to be licensed by identifying all such persons and legal entities as applicants.
- b) License privileges. License privileges are available only to applicants identified in the application and their authorized representatives and only for the premises designated by the licenses.
- c) Ownership interest. The Commission may refuse to issue a license if the applicant is not the owner of the business proposed to be licensed, a person with an ownership interest is not identified as an applicant, or an undisclosed ownership interest exists. For the

purposes of this provision, an “ownership interest, is indicated by the following behaviors, benefits or obligations:

- a. Any person or legal entity, other than an employee acting under the direction of the owner, that exercises control over, or is entitled to exercise control over, the business;
- b. Any person or legal entity, other than an employee acting under the direction of the owner, that incurs, or is entitled to incur, debt or similar obligations on behalf of the business;
- c. Any person or legal entity, other than an employee acting under the direction of the owner, that enters into, or is entitled to enter into, a contract or similar obligations on behalf of the business; or
- d. Any person or legal entity identified as the lessee of the premises proposed to be licensed.

§ 180-10.1-320 Fees

- a) If the Commission approves an application and grants an annual license, the following fees must be paid:

1. Producers:

- i. Micro Production

1. \$250 Application Fee
 2. \$500 License Fee

- ii. Class 1 – Less than 750 square feet under cultivation

1. \$500 Application Fee
 2. \$1000 License Fee

- iii. Class 2 – 750 to 2,999 square feet under cultivation

1. \$750 Application Fee
 2. \$3,700 License Fee

- iv. Class 3 – 3,000 to 5,000 square feet under cultivation

1. \$1,000 Application Fee
 2. \$6,500 License Fee

2. Processor License

- i. \$1,000 Application Fee

- ii. \$4,500 License Fee

3. Wholesale License

- i. \$250 Application Fee

- ii. \$2,000 License Fee

4. Retail License

- i. \$1,000 Application Fee

- ii. \$6,000 License Fee

5. Marijuana Lounge License

- i. Class 1

1. \$1,500 Application Fee
 2. \$5,000 License Fee

- ii. Class 2

1. \$1,500 Application Fee
 2. \$3,500 License Fee

6. Marijuana Testing Facility License
 - i. \$1,500 Application Fee
 - ii. \$4,500 License Fee
7. Transfer of Ownership
 - i. \$500 Application Fee
- b) If the Commission approves an application and grants a research certificate, the fee is \$4,000 for a three-year term with an application fee of \$500.
- c) Applicants must pay the non-refundable application fee at the time of license or certificate application renewal.
- d) If the Commission approves a renewal application the renewal license or certificate fees must be paid in the amounts specified in subsection (a)(1-6) of this provision.
- e) The Commission shall charge the following fees:
 1. Transfer of location of premises review: \$1,000 per license
 2. Packaging preapproval: \$100
 3. Labeling preapproval: \$100
 4. Change to previously approved package or label: \$25

§ 180-10.1-325 Application Review

- a) Once the Commission has determined that an application is complete it must review the application to determine compliance with the Act and these regulations.
- b) The Commission:
 - 1) Must, prior to acting on an application for a new license, a change to a larger producer canopy designation, a change to producer cultivation method designation or change in processor endorsement type, receive the appropriate zoning authorizations (if applicable) for the applicant's proposed premises is located.
 - 2) May, in its discretion, prior to acting on an application:
 - i) Contact any applicant or individual with a financial interest and request additional documentation or information; and
 - ii) Verify any information submitted by the applicant.
- c) The requirements of §180-10.1-325 (b)(1) of this rule do not apply to applicants for a producer license if the applicant demonstrates in a form and manner specified by the Commission that:
 - 1) The applicant is applying for a license at a location where a marijuana grow site registered under 4 CMC § 53021 is located; or
 - 2) The location is within the municipalities of Rota, or Tinian;
- d) The Commission must inspect the proposed premises prior to issuing a license.
- e) If during an inspection the Commission determines the applicant is not in compliance with these rules, the applicant will be provided with a notice of the failed inspection and the requirements that have not been met.
 - 1) An applicant that fails an inspection will have 15 calendar days from the date the notice was sent to submit a written response that demonstrates the deficiencies have been corrected.
 - 2) An applicant may request in writing one extension of the 15-day time limit in §180-10.1-325 (d)(1) of this provision, not to exceed 30 days.
- f) If an applicant does not submit a timely plan of correction or if the plan of correction does not correct the deficiencies in a manner that would bring the applicant into compliance, the Commission may deny the application.

- g) If the plan of correction appears, on its face, to correct the deficiencies, the Commission will schedule another inspection.
- h) If an applicant fails a second inspection, the Commission may deny the application unless the applicant shows good cause for the Commission to perform additional inspections.

§ 180-10.1-330 Approval of Application and Issuance of License

a) If, after the application review and inspection, the Commission determines that an applicant is in compliance with these regulations the Commission must notify the applicant in writing that the application has been approved and after payment by the applicant of the license fee, provide the applicant with proof of licensure that includes a unique license number, the effective date of the license, date of expiration, and a description of premises for which the license was issued. If the applicant paid the license fee with a check the Commission will not issue a license until it has confirmation that the check has cleared.

b) A licensee:

- 1) May not operate until on or after the effective date of the license.
- 2) Must display proof of licensure in a prominent place on the premises.
- 3) May not use the Commission name or logo on any signs at the premises, on the business' website, or in any advertising or social media, except to the extent that information is contained on the proof of licensure or is contained in part of warnings, signage or other documents required by these rules.

c) Licensure is only valid for the premises indicated on the license and is only issued to the individuals or entities listed on the application or subsequently approved by the Commission.

§ 180-10.1-335 Denial of Application

a) The Commission must deny an initial or renewal application if:

- 1. An applicant is under the age of 21.
- 2. The applicant's location is within an area that is determined to be prohibited in the applicable zone, if a zoning permit is required.
- 3. The proposed licensed premises is located:
 - i. On federal property.
 - ii. CNMI Public Lands, with the exemption provided under 4 CMC § 53074
 - iii. At the same location or address, as a retail, processor or wholesale license, unless all of the licenses at the address or location are held or sought by identical applicants.
 - iv. The location proposed to be licensed is prohibited under 4 CMC § 53021.
 - v. The proposed licensed premises of a producer is located on the same lot, as a site registered with the Commission for the production of industrial hemp, unless the applicant submits and the Commission approves a control plan describing how the registered site will be separated from the premises proposed to be licensed and how the applicant will prevent transfer of industrial hemp to the licensed premises.
 - vi. The proposed licensed premises of a processor who has applied for an endorsement to process extracts is located in an area that is zoned exclusively for residential use.

- vii. The proposed licensed premises of a retail applicant is located at the time the license is issued:
 - 1. Within 500 feet of:
 - a. A public or private school;
 - b. Any church, hospital, medical clinic;
 - c. Daycare center;
 - d. Youth center; or
 - e. In an area that is outside of the approved location for marijuana retail establishments.
 - 4. The proposed licensed premises of a wholesaler applicant is in an area zoned exclusively for residential use.
- b) The Commission may deny an initial or renewal application, unless the applicant shows good cause to overcome the denial criteria, if it has reasonable cause to believe that:
 - 1. The applicant:
 - i. Has made false statements to the Commission.
 - ii. Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.
 - iii. Is not of good repute and moral character.
 - iv. Does not have a good record of compliance with this Act to, or these regulations, prior to or after licensure including but not limited to:
 - 1. The giving away of marijuana items as a prize, premium or consideration for a lottery, contest, game of chance or skill, or competition of any kind, in violation of 4 CMC § 53046;
 - 2. Providing marijuana items to an individual without checking that the individual is 21 or older;
 - 3. Unlicensed transfer of marijuana items for financial consideration; or
 - 4. Violations of Commonwealth law adopted, pending or adjudicated by the Commonwealth government
 - v. Does not have a good record of compliance with this Act or any regulations adopted thereunder.
 - vi. Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.
 - vii. Is unable to understand the laws of the Commonwealth relating to marijuana or these Regulations. Inability to understand laws and rules of the Commonwealth related to marijuana may be demonstrated by violations documented by the Commission.
 - 2. Any individual listed on the application has been convicted of violating CNMI law or law of another state, or of violating a federal law, if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license, except as specified in 4 CMC § 53037(c).
 - 3. Any applicant is not the legitimate owner of the business proposed to be licensed, or other persons have an ownership interest in the business have not been disclosed to the Commission.

4. The proposed licensed premises of a producer applicant is on the same lot, as another producer licensee under common ownership.
 - i. For the purpose of this, a cultivation lot is defined as a unit of land that can be legally described by metes and bounds.
5. The proposed licensed premises of a producer applicant is on the same lot, as another producer licensee under diverse ownership if the Commission reasonably believes that the presence of multiple producers on the same lot creates a compliance risk or other risk to public health and safety.
- c) The Commission may refuse to issue a license to any license applicant or refuse to renew the license of any licensee when conditions exist in relation to any person having a financial interest in the business or in the place of business which would constitute grounds for refusing to issue a license or for revocation or suspension of a license if such person were the license applicant or licensee.
- d) If the Commission denies an application because an applicant submitted false or misleading information to the Commission, the Commission may prohibit the applicant from re-applying for five years.
- e) A notice of denial must be issued in accordance with § 180-10.1-160.
- f) Notwithstanding § 180-10.1-335(b), in determining whether the Commission may refuse to license an applicant, the Commission may not consider the prior conviction of the applicant or any owner, director, officer, manager, employee, agent, or other representative of the applicant for:
 1. (1) The manufacture of marijuana, if:
 - i. The date of the conviction is more than ten years before the date of the application; and
 - ii. The person has not been convicted more than once for the manufacture or delivery of marijuana;
 2. The delivery of marijuana to a person 21 years of age or older, if:
 - i. The date of the conviction is more than ten years before the date of the application; and
 - ii. The person has not been convicted more than once for the manufacture or delivery of marijuana; or
 3. The possession of marijuana.

§ 180-10.1-340 Public Inspection of Information. No information in the possession of the Commission relating to any application shall be made available for public inspection prior to the time that the said application shall be accepted for filing and docketed in accordance with the rules and regulations. Thereafter, the Commission may release information to the public on its own initiative or upon proper request as may be required by law.

§ 180-10.1-345 Amendment. It shall be the duty of each applicant to promptly file with the Commission, or such members of the Commission staff as the Managing Director shall designate, a written amendment to the application explaining any changed facts or circumstances whenever any material or significant change of facts or circumstances shall occur with respect to any matter set forth in the application or other papers relating thereto. Any applicant may be permitted by the Managing Director or designee to file any other amendment to the application at any time prior to final action made by the Commission.

§ 180-10.1-350 Withdrawal

- a) Except as otherwise provided in § 180-10.1-350 (b), a written notice of withdrawal of application may be filed by any applicant at any time prior to final Commission action. No application shall be permitted to be withdrawn, however, unless the applicant shall have first established to the satisfaction of the Commission that withdrawal of the application would be consistent with the public interest and policies of the Act. Unless the Commission shall otherwise direct, no fee or other payment relating to any application shall become refundable in whole or in part by reason of withdrawal of the application. The Commission shall not direct the refunding, in whole or in part, of any fee or other payment relating to any application unless the Commission determines that the refunding of the fee is in the best interest of the Commonwealth.
- b) Where a hearing on an application has been requested by a party or directed by the Commission, the Commission shall not permit withdrawal of said application after:
 - 1. The application matter has been assigned to any other hearing examiner authorized by law or these Regulations to hear such matter; or
 - 2. The Commission has made a determination to hear the application matter directly.
 - 3. Notwithstanding the foregoing, the Commission may accept and consider written notice of withdrawal after the time specified herein if extraordinary circumstances so warrant.

§ 180-10.1-355 Limitation on number of licenses. By resolution of the Commission, the number of available licenses may be limited. Once the number of approved licenses is reached, the Commission shall not receive additional applications until such time limitations are increased or removed.

§ 180-10.1-360 Notification to the Commission

- (a) An applicant or licensee must notify the Commission in writing within 10 calendar days of any of the following:
 - 1. A change in any contact information for anyone listed in an application or subsequently identified as an applicant;
 - 2. A disciplinary proceeding or licensing enforcement action by another governmental entity that may affect the business;
 - 3. The temporary closure of the business for longer than 30 days;
 - 4. The permanent closure of the business;
 - 5. A change to the Licensee Representative
 - 6. The names, ages, position, date of employment, and a copy of employee badge for any new employees of the licensee
- (b) An applicant or licensee must notify the Commission in a manner prescribed by the Commission within 72 hours of an arrest, a citation issued in lieu of arrest, or a conviction for any misdemeanor or felony of an individual listed in an application or subsequently identified as an applicant or licensee.
 - 1. Failure to notify the Commission of a conviction within the prescribed timeframe is an intermediate violation.

2. Failure to notify the Commission of an arrest or a citation in lieu of arrest within the prescribed timeframe is a minor violation. An arrest or citation in lieu of arrest in itself is not a basis for licensing action, but the Commission may investigate the conduct underlying the arrest.
- (c) A licensee must notify the Commission in a manner prescribed by the Commission no more than 24 hours from the theft of marijuana items or money from the licensed premises
- (d) A licensee must notify the Commission within 24 hours of any violation to the Act or to the regulations of the Commission.
- (e) Changes in business structure
 1. A licensee that changes its ownership structure by adding an individual or legal entity who will meet the qualifications of an applicant as described in § 180-10.1-310 or by removing an individual or legal entity that is a licensee must, prior to making the change, submit:
 - i. A form prescribed by the Commission; and
 - ii. Any information identified in the form to be submitted to the Commission.
 2. The Commission must review the form and other information submitted under subsection § 180-10.1-360(e)(1).
 3. If the Commission determines that the addition of an individual or legal entity who meets the qualifications as described in § 180-10.1-310 would result in an initial or renewal application denial under § 180-10.1-335 or serve as the basis of a license suspension or revocation, the licensee may remove that individual or legal entity from the business. If the licensee does not remove that individual or legal entity from the business, the Commission shall propose license suspension or revocation under 4 CMC § 53038.
- (f) Notwithstanding § 180-10.1-360(d)(1), a licensee does not need to notify the Commission prior to the following changes occurring, but must notify the Commission within 30 days of the following occurring:
 1. A shareholder of a publicly traded corporation acquiring or accumulating twenty percent or more of the voting stock.
 2. A publicly traded corporation adding or removing Principal Officers.
- (g) Change of Ownership
 1. A new application must be submitted in accordance with § 180-10.1-310 if:
 - i. A business proposes a change to its ownership structure that is 51 percent or greater. For the purposes of this rule, a change is considered to be 51 percent or greater if natural persons who did not hold a direct or indirect interest in the business at the start of the license year will collectively hold a direct or indirect interest of 51 percent or greater.
- (h) Change of Location
 1. A licensee who wishes to change the location of the licensed premises must submit a completed application for the new premises including all required forms and documents and the fee specified in § 180-10.1-320, but does not need to submit information required for a criminal background check if there are no changes to the individuals listed on the initial application.

2. If a licensee loses the right to occupy the licensed premises, the Commission may allow the licensee to change location if:
 - i. The licensee submits written notice to the Commission at least 10 days in advance of losing the right to occupy the licensed premises;
 - ii. The licensee removes all marijuana items from the licensed premises;
 - iii. The licensee is not under investigation for suspected violations of any provision of these rules or regulations and does not have violations pending action or administrative hearing.
- (i) Addition or Change of Trade Name or Change in Business Logo
 1. A licensee must notify and receive approval from the Commission on a form prescribed by the Commission prior to any changes or additions to the business trade name or business logo
 2. The Commission may deny any addition or change to a business trade name or business logo
- (j) Creation or Change in Online Media Presence
 1. A licensee must notify the Commission following the creation of online media presence operated by the licensee to include social media accounts, websites, or mobile phone or online applications.
 2. A licensee must notify the Commission of any change in the information provided to the Commission under subsection j(1) no later than 10 days following the change.

Part 400 LICENSEE RESPONSIBILITIES; GENERAL RESPONSIBILITIES

§ 180-10.1-401 Financial and Business Records

§ 180-10.1-405 Licensee Responsibility

§ 180-10.1-410 Licensee Prohibitions

§ 180-10.1-401 Financial and Business Records. In addition to any other recordkeeping requirements in these rules, a licensee must have and maintain records that clearly reflect all financial transactions and the financial condition of the business. The following records may be kept in either paper or electronic form and must be maintained for a three-year period and must be made available for inspection if requested by an employee of the Commission:

- a) Purchase invoices and supporting documents for items and services purchased for use in the production, processing, research, testing and sale of marijuana items that include from whom the items were purchased and the date of purchase;
- a) Bank statements for any accounts relating to the licensed business;
- b) Accounting and tax records related to the licensed business;
- c) Audited Financial Statements
- d) Documentation of all financial transactions related to the licensed business, including contracts and agreements for services performed or received that relate to the licensed business; and
- e) All employee records, including training.

§ 180-10.1-405 Licensee Responsibility. A licensee is responsible for:

- a) The violation of any administrative rule of the Commission; any provision of affecting the licensee's license privileges.
- b) Any act or omission of a licensee representative in violation of any administrative rule of the Commission or any provision of the regulations or Commonwealth law affecting the licensee's license privileges.

§ 180-10.1-410 Licensee Prohibitions

- a) A licensee may not:
 - 1. Import into the Commonwealth or export from the Commonwealth any marijuana items unless permitted by the Commission;
 - 2. Give marijuana items as a prize, premium or consideration for a lottery, contest, game of chance or game of skill, or competition of any kind;
 - 3. Sell, give or otherwise make available any marijuana items to any person who is visibly intoxicated;
 - 4. Make false representations or statements to the Commission in order to induce or prevent action by the Commission;
 - 5. Maintain a noisy, disorderly or unsanitary establishment or supply adulterated marijuana items;
 - 6. Misrepresent any marijuana item to a customer or to the public;
 - 7. Sell any marijuana item through a drive-up window;
 - 8. Sell or offer to sell a marijuana item that does not comply with the minimum standards prescribed by the laws of the Commonwealth; or
 - 9. Use or allow the use of a mark or label on the container of a marijuana item that is kept for sale if the container does not precisely and clearly indicate the nature of the container's contents or in any way might deceive a customer as to the nature, composition, quantity, age or quality of the marijuana item.
 - 10. Sell any marijuana items during elections.
 - 11. Sell a whole marijuana plant [Addition]
- b) No licensee or licensee representative may be under the influence of intoxicants while on duty.
 - 1. For purposes of this rule "on duty" means:
 - i. The beginning of a work shift that involves the handling or sale of marijuana items, checking identification or controlling conduct on the licensed premises, to the end of the shift including all breaks;
 - ii. For an individual working outside a scheduled work shift, the performance of acts on behalf of the licensee that involve the handling or sale of marijuana items, checking identification or controlling conduct on the licensed premises, if the individual has the authority to put himself or herself on duty; or
 - iii. A work shift that includes supervising those who handle or sell marijuana items, check identification or control the licensed premises.
 - iv. Whether a person is paid or scheduled for work is not determinative of whether the person is considered "on duty" under this subsection

§ 180-10.1-415 Procedure on Revocation or Suspension of License

- (a) The Commission, by the affirmative vote of the majority of Commissioners, may revoke or suspend any license for the violation of any provision of 4 CMC § 53001 et seq. or any rule or regulation applicable thereto.
- (b) In every case where it is proposed to revoke or suspend any license, the licensee shall be given:
 - 1. Notice and hearing pursuant to §180-10.1-160;
 - 2. At the hearing, the licensee shall be entitled to be heard in person or through counsel and shall be given a full and fair opportunity to present any facts showing that the alleged cause or causes for the proposed action do not exist;
 - 3. The testimony taken shall be under oath and taken steno-graphically or by machine, but the parties shall not be bound by strict rules of evidence. The Commonwealth Administrative Procedures Act [1 CMC § 9101 et seq.] shall apply wherever applicable.
 - 4. Copies of any transcript made at the hearing shall be given to the licensee upon his or her request and at his or her expense.

Part 500

LICENSE PREMISES

§ 180-10.1-501 Licensed Premises Restrictions and Requirement

§ 180-10.1-505 Signage

§ 180-10.1-501 Licensed Premises Restrictions and Requirement.

- a) A licensed premises may not be located:
 - 1. On federal property; or
 - 2. CNMI Public Lands, with the exemption provided under 4 CMC § 53074
- b) The licensed premises of a producer applicant may not be on:
 - 1. Public land, with the exemption provided under 4 CMC § 53074; or
 - 2. The same lot as another producer licensee under common ownership.
- c) The licensed premises of a retailer may not be located:
 - 1. Within 500 feet of:
 - i. A public or private school;
 - ii. Any church, hospital, medical clinic;
 - iii. Daycare center;
 - iv. Youth center; or
 - v. In an area that is outside of the approved location for marijuana retail establishments.
- d) The licensed premises of a processor who has an endorsement to process extracts may not be located in an area that is zoned exclusively for residential use.
- e) The licensed premises of a processor, wholesaler, laboratory, research certificate holder, and retailer must be enclosed on all sides by permanent walls and doors.
- f) A licensee may not permit:

1. Any minor on a licensed premises except as described in § 180-10.1-501 (g) and (h); or
 2. On-site consumption of a marijuana item, by any individual, except if the premises is licensed under 4 CMC § 53026.
- g) Notwithstanding § 180-10.1-501 (f)(1), a minor, other than a licensee's employee, who has a legitimate business purpose for being on the licensed premises, may be on the premises for a limited period of time in order to accomplish the legitimate business purpose. For example, a minor plumber may be on the premises in order to make a repair.
- h) Notwithstanding § 180-10.1-501 (f)(1), a minor who resides on the lot where a marijuana producer is licensed may be present on those portions of a producer's licensed premises that do not contain usable marijuana or cut and drying marijuana plants or have marijuana items in view or accessible range of the minor.
- i) A licensee must clearly identify all limited access areas in accordance with § 180-10.1-501 (e)
- j) All employees, contractors and licensee representatives present on the licensed premises must wear clothing or a badge issued by the licensee that easily identifies the individual as an employee, contractor or licensee representative.
1. A licensee must record the name of every current employee and licensee representative.
 2. The licensee must record the name and date of birth for that individual.
- k) The general public is not permitted in limited access areas on a licensed premises, except for the consumer sales area of a retailer and as provided by § 180-10.1-501 (n). In addition to licensee representatives, the following visitors are permitted to be present in limited access areas on a licensed premises, subject to the requirements in § 180-10.1-501 (l) and (m):
1. Laboratory personnel, if the laboratory is licensed by the Commission;
 2. A contractor, vendor or service provider authorized by a licensee representative to be on the licensed premises;
 3. Another licensee or that licensee's representative;
 4. Invited guests subject to requirements of § 180-10.1-501 (l); or
 5. Tour groups as permitted under § 180-10.1-501 (n) .
- l) Prior to entering a licensed premises all visitors permitted by § 180-10.1-501 (k) must be documented and issued a visitor identification badge from a licensee representative that must remain visible while on the licensed premises. A visitor badge is not required for government officials. All visitors described in § 180-10.1-501 (k) must be accompanied by a licensee representative at all times.
- m) A licensee must maintain a log of all visitor activity allowed under § 180-10.1-501 (k). The log must contain the first and last name and date of birth of every visitor and the date they visited. A licensee is not required to record the date of birth for government officials.
- n) A marijuana producer or research certificate holder may offer tours of the licensed premises, including limited access areas, to the general public if the licensee submits a control plan in writing and the plan is approved by the Commission.
1. The plan must describe how conduct of the individuals on the tour will be monitored, how access to usable marijuana will be limited, and what steps the licensee will take to ensure that no minors are permitted on the licensed premises.

2. The Commission may withdraw approval of the control plan if the Commission finds there is poor compliance with the plan. Poor compliance may be indicated by, for example, individuals on the tour not being adequately supervised, an individual on the tour obtaining a marijuana item while on the tour, a minor being part of a tour, or the tours creating a public nuisance.
- o) Nothing in this rule is intended to prevent or prohibit Commission employees or contractors, or other government officials that have jurisdiction over some aspect of the licensed premises or licensee from being on the licensed premises.
- p) A licensee may not sublet any portion of a licensed premises unless approved by the Commission.
- q) A licensed premises may receive marijuana items only from a marijuana producer, marijuana processor, or marijuana wholesaler for whom a premises has been licensed by the Commission or as otherwise provided by these regulations.
- r) Notwithstanding § 180-10.1-501 (f)(1) of this rule, a minor may pass through the licensed area of an outdoor producer in order to reach an unlicensed area, so long as the minor does not have access to areas that contain marijuana items.
- s) Public facing windows of a licensed premises shall not permit the possibility of minors viewing cannabis products within the licensed premises

§ 180-10.1-505 Signage

- a) A licensee must post:
 1. At every licensed premises signs that states:
 - i. No Minors Permitted Anywhere on This Premises; and
 - ii. No On-Site Consumption of Marijuana if the location is not licensed under 4 CMC § 53026; and
 2. At all areas of ingress or egress to a limited access area a sign that reads: Do Not Enter – Limited Access Area – Access Limited to Licensed Personnel and Escorted Visitors.
- b) All signs required by § 180-10.1-505 (a) must be:
 1. Legible composed of letters not less than one-half inch in height;
 2. In English; and
 3. Posted in a conspicuous location where the signs can be easily read by individuals on the license premises

Part 600

MARIJUANA PRODUCERS

- § 180-10.1-601 Privileges; Prohibitions
- § 180-10.1-605 Operating Procedures
- § 180-10.1-610 Seed-to-Sale – CTS Requirements
- § 180-10.1-615 Micro Producers
- § 180-10.1-620 Record Keeping

§ 180-10.1-601 Privileges; Prohibitions

- a) A producer may:
 1. Plant, cultivate, grow, harvest and dry marijuana in the manner approved by the Commission and consistent with 4 CMC § 53022 and these regulations;

2. Engage in indoor or outdoor production of marijuana, or a combination of the two;
 3. Sell or transport:
 - i. Usable marijuana to the licensed premises of a marijuana processor, wholesaler, retailer, marijuana lounge, laboratory, or research certificate holder;
 - ii. Whole, non-living marijuana plants that have been entirely removed from any growing medium to the licensed premises of a marijuana processor, wholesaler, retailer, or research certificate holder;
 - iii. Immature marijuana plants and seeds to the licensed premises of a marijuana producer, wholesaler, retailer or research certificate holder;
 - iv. Marijuana waste to a producer, processor, wholesaler, or research certificate holder, an approved waste disposal service.
 4. Purchase and receive:
 - i. Immature marijuana plants and seeds from a producer, wholesaler, or research certificate holder;
 - ii. Marijuana waste from a producer, processor, wholesaler, retailer, laboratory, or research certificate holder; and
 5. Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these rules.
- b) A producer may not sell, deliver, purchase, or receive any marijuana item other than as provided in § 180-10.1-601 (a).

§ 180-10.1-605 Operating Procedures

- a) A producer must:
1. Establish written standard operating procedures for the production of marijuana. The standard operating procedures must, at a minimum, include when, and the manner in which, all pesticide and or other chemicals are to be applied during the production process; and
 2. Maintain a copy of all standard operating procedures on the licensed premises.
- b) If a producer makes a material change to its standard operating procedures it must document the change and revise its standard operating procedures accordingly. Records detailing the material change must be maintained on the licensed premises by the producer.

§ 180-10.1-610 Seed-to-Sale – CTS Requirements [RESERVED]

§ 180-10.1-615 Micro Producers

- a) A micro producer may:
1. Possess no more than twenty-five (25) mature marijuana plants;
 2. Harvest and dry marijuana in the manner approved by the Commission and consistent with 4 CMC § 53022 and these regulations;
 3. Engage in indoor or outdoor production of marijuana, or a combination of the two if the micro producer has entered into an agreement with a licensed marijuana wholesaler;

4. Sell or transport:
 - i. Usable marijuana to the licensed premises of a licensed wholesaler in which the micro producer has an existing and valid agreement;
 - ii. Whole, non-living marijuana plants that have been entirely removed from any growing medium to the licensed premises of a marijuana wholesaler in which the micro producer has an existing and valid agreement;
 - iii. Marijuana waste to a producer, processor, wholesaler, or research certificate holder, an approved waste disposal service.
 5. Purchase and receive:
 - i. Immature marijuana plants and seeds from a producer, wholesaler, or research certificate holder;
 - ii. Marijuana waste from a producer, processor, wholesaler, retailer, laboratory, or research certificate holder; and
 6. Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these rules.
- b) A micro producer may not sell, deliver, purchase, or receive any marijuana item other than as provided in § 180-10.1-615 (a).
 - c) Valid agreements between micro producers and wholesaler must contain:
 1. the type of marijuana item to be produced by the micro producer;
 2. the location and license information of the wholesaler; and
 3. terms in which the wholesaler will purchase marijuana items from the micro producer
 - d) Micro producers must adhere to the requirements listed in § 180-10.1-610.
 - e) Licensees licensed to operate in municipalities with fewer than eight thousand (8,000) residents, as defined by the most recent population Census, and no licensed marijuana wholesaler, may obtain a Micro Producer license under the requirements set forth under § 180-10.1-601, granted that the Micro Producer licensee shall possess no more than twenty-five (25) mature marijuana plants.

§ 180-10.1-620 Record Keeping. Every marijuana producer shall keep a complete and accurate record of all sales of marijuana flowers, marijuana leaves, and immature marijuana plants, and a complete and accurate record of the number of ounces of marijuana flowers produced, the number of ounces of marijuana leaves produced, the number of immature marijuana plants produced, and the dates of production. The-producers shall submit a report to the Commission on the last Wednesday of each month reporting the total quantity of marijuana items sold, the date of sale, the type of marijuana product, the purchaser of the product, a copy of the transaction invoice, and the total cost of the sale.

Part 700

MARIJUANA RETAILERS

- § 180-10.1-701 Retailer Privileges; Prohibitions
- § 180-10.1-705 Retailer Operational Requirements

§ 180-10.1-710 Retailer Premises

§ 180-10.1-701 Retailer Privileges; Prohibitions

a) A retailer may:

1. Between the hours of 7:00 AM and 10:00 PM local time, sell marijuana items from the licensed premises to a consumer 21 years of age or older;
2. Sell:
 - i. Marijuana items to a consumer 21 years of age or older within a licensed premises.
 - ii. Marijuana waste to a producer, processor, wholesaler, or research certificate holder.
 - iii. Returned marijuana items to a producer, processor or wholesaler who transferred the item to the retailer.
3. Deliver:
 - i. Marijuana waste to a producer, processor, wholesaler, or research certificate holder.
 - ii. Returned marijuana items to a producer, processor or wholesaler who transferred the item to the retailer.
4. Purchase and receive:
 - i. Usable marijuana, immature marijuana plants, and seeds from a producer or from a research certificate holder;
 - ii. Cannabinoid concentrates, extracts, and products from a processor or from a research certificate holder;
 - iii. Any marijuana item, except for whole, non-living marijuana plants, from a wholesaler; and
 - iv. Any marijuana item from a laboratory.
5. Refuse to sell marijuana items to a consumer;
6. Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these regulations;
7. Accept returned marijuana items that the retailer sold to a consumer and provide a refund or exchange with a product of equal or lesser value;
8. Sell marijuana items that have not been tested in a marijuana testing facility so long as the marijuana item marks or labels the product with a disclaimer that clearly reads "UNTESTED PRODUCT"; and
9. May sell immature marijuana plants and seeds to consumers, provided that the consumer presents valid homegrown marijuana registry information as determined by the Commission, and that the retailer maintains adequate records of sale.

b) A retailer may not:

1. Sell more than the following amounts to an individual at any [*one time transaction*]:
 - i. 1 ounce of usable marijuana to recreational consumers;
 - ii. 16 ounces of a cannabinoid product in solid form;
 - iii. 72 ounces of a cannabinoid product in liquid form;

- iv. Five grams of cannabinoid extracts or concentrates, whether sold alone or contained in an inhalant delivery system; and
 - v. Ten marijuana seeds.
2. Sell more than six immature marijuana plants to a single Homegrown Registry permit holder within a 90-day period.
 3. Provide free marijuana items to a recreational consumer.
 4. Sell or give away pressurized containers of butane or other materials that could be used in the home production of marijuana extracts.
 5. Discount a marijuana item if the retail sale of the marijuana is made in conjunction with the retail sale of any other items, including other marijuana items.
 6. Sell a marijuana item at a nominal price for promotional purposes.
 7. Permit consumers to be present on the licensed premises or sell to a consumer between the hours of 10:00 p.m. and 6:59 a.m. local time the following day.
 8. Sell an product that contains cannabinoids and is intended for human consumption, unless that product has been labeled and packaged in accordance with the applicable sections of these rules.
 9. Sell or transfer a returned marijuana item where the original package has been altered, opened, damage, or tampered to another consumer.
 10. Sell, transfer, deliver, purchase, or receive any marijuana item other than as provided in § 180-10.1-701 (a) of this rule.
 11. Permit a consumer to open or alter a package containing a marijuana item or otherwise remove a marijuana item from packaging required by these rules within the licensed premises or in an area that the licensee controls;
 12. Sell a marijuana item whose container does not precisely and clearly indicate the nature of its contents or in any way might deceive any customer as to the nature, composition, quantity, age or quality of such marijuana items.
 13. Permit a consumer to bring marijuana items onto the licensed premises except for marijuana items being returned for refund or exchange as allowed by this rule.

§ 180-10.1-705 Retailer Operational Requirements

- a) Prior to completing the sale of a marijuana item to a consumer, a retailer must verify that the consumer has a valid, unexpired government-issued photo identification and must verify that the consumer is 21 years of age or older by viewing the consumer's:
 1. Passport;
 2. Driver license, whether issued in this state or by any other state, as long as the license has a picture of the person;
 3. United States military identification card; or
 4. Any other identification card issued by a state that bears a picture of the person, the name of the person, the person's date of birth and a physical description of the person.
- b) Marijuana items offered for sale by a retailer must be stored in such a manner that the items are only accessible to authorized representatives until such time as the final sale to the consumer is completed.
- c) Retail Point of Sale systems will adhere to standards and capabilities established by the Commission.

- d) The retailer shall submit a report to the Commission on the last Tuesday of each month reporting the itemized quantity of marijuana items sold, the date of sale, the type of marijuana product sold, and the total dollar amount of marijuana sales for the month, and a copy of purchase invoices made between the retailer and a licensed marijuana producer, processor, wholesaler, or another retailer.
- e) Retailers must maintain a record of immature plants sold to Homegrown Registry Card Holders, recorded by Homegrown Registry Card number, and must make these records available to the Commission upon request. Retailers are not required to obtain any other identifiable information outside of Homegrown Registry Card numbers.

§ 180-10.1-710 Retailer Premises

- a) The licensed premises of a retailer:
 - 1. May not be located in an area that is outside of the approved location for marijuana retail establishments.
 - 2. May not be located within 500 feet of:
 - i. A public or private school;
 - ii. Any church, hospital, medical clinic;
 - iii. Daycare center; or
 - iv. Youth center;
 - 3. Must be enclosed on all sides by permanent walls and doors.
- b) A retailer must post in a prominent place signs that read:
 - 1. "No Minors Permitted Anywhere on the Premises";
 - 2. "No On-Site Consumption"; and
 - 3. Exit from the licensed premises that reads: "Marijuana or Marijuana Infused Products May Not Be Consumed In Public".
- c) A retailer must designate a consumer sales area on the licensed premises where consumers are permitted. The area shall include the portion of the premises where marijuana items are displayed for sale to the consumer and sold and may include other contiguous areas such as a lobby or a restroom. The consumer sales area is the sole area of the licensed premises where consumers are permitted.
- d) All inventory must be stored on the licensed premises.
- e) For purposes of determining the distance between a retailer and a school referenced in § 180-10.1-710 (a)(2), "within 500 feet" means a straight line measurement in a radius extending for 500 feet or less in any direction from the closest point anywhere on the boundary line of the real property comprising a school to the closest point of the licensed premises of a retailer. If any portion of the licensed premises is within 500 feet of a school as described § 180-10.1-710 (a)(2) an applicant will not be licensed.

Part 800

MARIJUANA PROCESSORS

- § 180-10.1-801 General Processor Requirements
- § 180-10.1-805 Privileges; Prohibitions
- § 180-10.1-810 Endorsements
- § 180-10.1-815 Processor Policies and Procedures

§ 180-10.1-820 Processor Training Requirements

§ 180-10.1-825 Cannabinoid Concentrate and Extract Processor Requirements

§ 180-10.1-830 Recordkeeping

§ 180-10.1-801 General Processor Requirements

- a) A processor must:
 - 1. Use equipment, counters and surfaces for processing that are food-grade and do not react adversely with any solvent being used.
 - 2. Have counters and surface areas that are constructed in a manner that reduce the potential for development of microbials, molds and fungi and that can be easily cleaned.
 - 3. Maintain the licensed premises in a manner that is free from conditions which may result in contamination and that is suitable to facilitate safe and sanitary operations for product preparation purposes.
 - 4. Store all marijuana items not in use in a locked area, including products that require refrigeration in accordance with plans submitted in § 180-10.1-310(f).
- b) A processor may not process, transfer or sell a marijuana item:
 - 1. That by its shape, design or flavor is likely to appeal to minors, including but not limited to:
 - i. Products that are modeled after non-cannabis products primarily consumed by and marketed to children; or
 - ii. Products in the shape of an animal, vehicle, person or character.
 - 2. That is made by applying cannabinoid concentrates or extracts to commercially available candy or snack food items.
 - 3. That contains Dimethyl sulfoxide (DMSO).
- c) A processor may not treat or otherwise adulterate a cannabinoid product, concentrate or extract with any non-cannabinoid additive that would increase potency, toxicity or addictive potential, or that would create an unsafe combination with other psychoactive substances. Prohibited additives include but are not limited to nicotine, caffeine, chemicals that increase carcinogenicity or cardiac effects.

§ 180-10.1-805 Privileges; Prohibitions

- a) A processor may:
 - 1. Transfer, sell or transport:
 - i. Cannabinoid concentrates, extracts, and products for which the processor has an endorsement to a processor, class 1 lounge, wholesaler, retailer, or research certificate holder; and
 - ii. Marijuana waste to a producer, processor, wholesaler, or research certificate holder.
 - 2. Purchase and receive:
 - i. Whole, non-living marijuana plants that have been entirely removed from any growing medium from a producer, wholesaler, or from a research certificate holder;
 - ii. Usable marijuana from a producer, wholesaler, or from a research certificate holder;

- iii. Cannabinoid concentrates, extracts and products from a processor with an endorsement to manufacture the type of product received, or from a research certificate holder;
 - iv. Marijuana waste from a producer, processor, wholesaler, retailer, laboratory, or research certificate holder; and
 - v. Cannabinoid concentrates, extracts, and products produced by the licensee that have been held in bailment by a licensed wholesaler.
3. Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these regulations.
- b) A processor may not transfer, sell transport, purchase, or receive any marijuana item other than as provided in § 180-10.1-805 (a).

§ 180-10.1-810 Endorsements

- a) A marijuana processor may only process and sell cannabinoid products, concentrates or extracts if the processor has received an endorsement from the Commission for that type of processing activity. Endorsements types are:
 - 1. Cannabinoid edible processor;
 - 2. Cannabinoid topical processor;
 - 3. Cannabinoid concentrate processor; and
 - 4. Cannabinoid extract processor.
- b) An applicant must request an endorsement upon submission of an initial application but may also request an endorsement at any time following licensure.
- c) In order to apply for an endorsement an applicant or processor licensee must submit a form prescribed by the Commission that includes a description of the type of products to be processed, a description of equipment to be used, and any solvents, gases, chemicals or other compounds proposed to be used to create extracts or concentrates.
- d) Only one application and license fee is required regardless of how many endorsements an applicant or licensee requests or at what time the request is made.
- e) An individual processor licensee may hold multiple endorsements.
- f) For the purposes of endorsements any cannabinoid product that is intended to be consumed or ingested orally or applied in the mouth is considered a cannabinoid edible.
- g) If a processor is no longer going to process the product for which the processor is endorsed the processor must notify the Commission in writing and provide the date on which the processing of that product will cease.
- h) The Commission may deny a processor's request for an endorsement if the processor cannot or does not meet the requirements stated in these regulations for the endorsement that is requested.

§ 180-10.1-815 Processor Policies and Procedures. A processor must create and maintain written, detailed standard policies and procedures that include but are not limited to:

- a) Instructions for making each cannabinoid concentrate, extract or product.
- b) The ingredients and the amount of each ingredient for each process lot;
- c) The process for making each product;
- d) The number of servings in a process lot;
- e) The intended amount of THC per serving and in a unit of sale of the product;
- f) The process for making each process lot homogenous;

- g) If processing a cannabinoid concentrate or extract:
 - 1. Conducting necessary safety checks prior to commencing processing;
 - 2. Purging any solvent or other unwanted components from a cannabinoid concentrate or extract;
- h) Procedures for cleaning all equipment, counters and surfaces thoroughly;
- i) Procedures for preventing growth of pathogenic organisms and toxin formation;
- j) Proper handling and storage of any solvent, gas or other chemical used in processing or on the licensed premises in accordance with material safety data sheets and any other applicable laws;
- k) Proper disposal of any waste produced during processing in accordance with all applicable local, state and federal laws, rules and regulations;
- l) Quality control procedures designed to maximize safety and minimize potential product contamination;
- m) Appropriate use of any necessary safety or sanitary equipment; and
- n) Emergency procedures to be followed in case of a fire, chemical spill or other emergency.

§ 180-10.1-820 Processor Training Requirements

- a) A processor must have a comprehensive training program that includes, at a minimum, the following topics:
 - 1. The standard operating policies and procedures;
 - 2. The hazards presented by all solvents or other chemicals used in processing and on the licensed premises as described in the material safety data sheet for each solvent or chemical; and
 - 3. Applicable Commission statutes and rules.
- b) At the time of hire and prior to engaging in any processing, and once yearly thereafter, each employee involved in the processing of a cannabinoid concentrate, extract or product must be trained in accordance with the processor's training program.

§ 180-10.1-825 Cannabinoid Concentrate and Extract Processor Requirements

- a) Cannabinoid Concentrates or Extracts. A processor with a cannabinoid concentrate or extract endorsement:
 - 1. May not use Class I solvents as those are classified in the Federal Drug Administration Guidance, Table I, published in the Federal Register on December 24, 1997 (62 CFR 67377).
 - 2. Must:
 - i. Only use a hydrocarbon-based solvent that is at least 99 percent purity.
 - ii. Only use a non-hydrocarbon-based solvent that is food-grade.
 - iii. Work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.
 - iv. Use only potable water and ice made from potable water in processing.
 - v. If making a concentrate or extract that will be used in a cannabinoid edible, be endorsed as a cannabinoid edible processor and comply with [above provision on edible processor requirements].
- b) Cannabinoid Extracts. A processor with an endorsement to make cannabinoid extracts:

1. May not use pressurized canned flammable fuel, including but not limited to butane and other fuels intended for use in camp stoves, handheld torch devices, refillable cigarette lighters and similar consumer products.
2. Must:
 - i. Process in a:
 1. Fully enclosed room clearly designated on the current floorplan of the licensed premises.
 2. Room and with equipment, including all electrical installations that meet the requirements of the CNMI Department of Public Work's building code, and the CNMI Fire Code.
 - ii. Use a professional grade closed loop extraction system designed to recover the solvents and built to codes of recognized and generally accepted good engineering standards, such as those of:
 1. American National Standards Institute (ANSI);
 2. Underwriters Laboratories (UL); or
 3. The American Society for Testing and Materials (ASTM).
 - iii. If using carbon dioxide in processing, use a professional grade closed loop carbon dioxide gas extraction system where every vessel is rated to a minimum of six hundred pounds per square inch.
 - iv. Have equipment and facilities used in processing approved for use by the CNMI Department of Fire and Emergency Services.
 - v. For extraction system engineering services, including but not limited to consultation on and design of extraction systems or components of extraction systems, use the services of a professional engineer registered with the CNMI Board of Professional Licensing.
 - vi. Have an emergency eye-wash station in any room in which cannabinoid extract is being processed.
 - vii. Have all applicable material safety data sheets readily available to personnel working for the processor.

§ 180-10.1-830 Recordkeeping

- a) A processor must keep records documenting the following:
 1. How much marijuana is in each process lot;
 2. If a product is returned by a licensee, how much product is returned and why;
 3. If a defective product was reprocessed, how the defective product was reprocessed; and
 4. Each training provided in accordance with § 180-10.1-820, the names of employees who participated in the training, and a summary of the information provided in the training.
- b) A processor must obtain a material safety data sheet for each solvent used or stored on the licensed premises and maintain a current copy of the material safety data sheet and a receipt of purchase for all solvents used or to be used in an extraction process on the licensed premises.

- c) If the Commission requires a processor to submit or produce documents to the Commission that the processor believes falls within the definition of a trade secret, the processor must mark each document “confidential” or “trade secret”.

Part 900 MARIJUANA WHOLESALER

§ 180-10.1-901 Privileges; Prohibitions

§ 180-10.1-905 Marijuana Reserve Requirements

§ 180-10.1-901 Privileges; Prohibitions

- a) A wholesale licensee may:
1. Sell, including sale by auction, transfer and or transport:
 - i. Any type of marijuana item to a retailer, wholesaler, Class 1 lounge, or research certificate holder, except that whole, non-living marijuana plants may not be transferred to a retailer;
 - ii. Immature marijuana plants and seeds to a producer, or retailer;
 - iii. Usable marijuana to a producer that the wholesaler has stored on the producer’s behalf;
 - iv. Usable marijuana, cannabinoid extracts and concentrates to a processor licensee, or retailer; and
 - v. Marijuana waste to a producer, processor, wholesaler, research certificate holder, or an approved waste disposal service.
 2. Purchase or receive:
 - i. Any type of marijuana item from a wholesaler;
 - ii. Cannabinoid concentrates, extracts, and products from a processor with an endorsement to manufacture the type of product received;
 - iii. Seeds, immature plants or usable marijuana from a producer, or wholesaler;
 - iv. Whole, non-living marijuana plants that have been entirely removed from any growing medium from a producer; and
 - v. Marijuana waste from a producer, processor, wholesaler, retailer, laboratory, or research certificate holder.
 3. Transport and store marijuana items received from other licensees, pursuant to the requirements of ;transport and storage provisions below
 4. Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these regulations.
- b) A wholesale licensee may not sell, deliver, purchase, or receive any marijuana item other than as provided in section (a) of this rule.
- c) For purposes of this rule, “marijuana item” does not include a mature marijuana plant.

§ 180-10.1-905 Marijuana Wholesaler Reserve Requirements. [RESERVED]

Part 1000 MARIJUANA LOUNGE

- § 180-10.1-1001 Class 1 Lounge Privileges; Prohibitions
- § 180-10.1-1005 Class 1 Lounge Operational Requirements
- § 180-10.1-1010 Class 1 Lounge Premises
- § 180-10.1-1015 Class 2 Lounge Privileges; Prohibitions
- § 180-10.1-1020 Class 2 Lounge Operational Requirements
- § 180-10.1-1025 Class 2 Lounge Premises

§ 180-10.1-1001 Class 1 Lounge Privileges; Prohibitions

a) A Class 1 Lounge may:

1. Between the hours of 7:00 AM and 2:00 AM local time, sell marijuana items from the licensed premises to a consumer 21 years of age or older;
2. Sell:
 - i. Marijuana items to a consumer 21 years of age or older within a licensed premises.
 - ii. Marijuana waste to a producer, processor, wholesaler, retailer, or research certificate holder.
 - iii. Returned marijuana items to a producer, processor or wholesaler who transferred the item to the Class 1 Lounge.
3. Deliver:
 - i. Marijuana waste to a producer, processor, wholesaler, retailer, or research certificate holder.
 - ii. Returned marijuana items to a producer, processor or wholesaler who transferred the item to the retailer.
4. Purchase and receive:
 - i. Usable marijuana from a producer, wholesaler, processor, retailer or from a research certificate holder;
 - ii. Cannabinoid concentrates, extracts, and products from a processor, retailer or from a research certificate holder;
 - iii. Any marijuana item, except for whole, non-living marijuana plants, from a wholesaler; and
 - iv. Any marijuana item from a laboratory.
5. Refuse to sell marijuana items to a consumer;
6. Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these regulations;
7. Allow for the on-site consumption of marijuana, marijuana extracts, or marijuana products within the licensed premises;
8. Sell marijuana items that have not been tested in a marijuana testing facility so long as the marijuana item is sold to a consumer with a disclaimer that clearly reads "UNTESTED PRODUCT"; and

b) A Class 1 lounge may not:

1. Sell a product that contains cannabinoids and is intended for human consumption, unless that product has been labeled and packaged in accordance with the applicable sections of these rules.
2. Sell edible marijuana items intended for human consumption to a consumer if the premises have not received the necessary food handler's certifications from the CNMI Bureau of Environmental Health.
3. Sell or transfer a returned marijuana item where the original package has been altered, opened, damaged, or tampered to another consumer.
4. Sell, transfer, deliver, purchase, or receive any marijuana item other than as provided in section (a) of this rule.
5. Sell, serve, distribute or allow the consumption of alcohol on the marijuana lounge premises;
6. Permit a consumer under the age of 21 to enter the licensed premises unless that individual meets the requirements of 4 CMC § 53026(f).
7. Permit a consumer to bring marijuana items onto the licensed premises.

§ 180-10.1-1005 Class 1 Lounge Operational Requirements

- a) Prior to completing the sale of a marijuana item to a consumer, a Class 1 Lounge licensee must verify that the consumer has a valid, unexpired government-issued photo identification and must verify that the consumer is 21 years of age or older by viewing the consumer's:
 1. Passport;
 2. Driver license, whether issued in this state or by any other state, as long as the license has a picture of the person;
 3. United States military identification card; or
 4. Any other identification card issued by a state or country that bears a picture of the person, the name of the person, the person's date of birth and a physical description of the person.

§ 180-10.1-1010 Class 1 Lounge Premises

- a) The licensed premises of a Class 1 Lounge:
 1. May not be located in an area that is outside of the approved location for Class 1 Lounge establishments.
 2. May not be located within 500 feet of:
 - i. A public or private school;
 - ii. Any church, hospital, medical clinic;
 - iii. Daycare center; or
 - iv. Youth center;
 3. Must be enclosed on all sides by walls and doors.
- b) A Class 1 Lounge must post in a prominent place signs that read:
 1. "No Minors Permitted Anywhere on the Premises";
 2. Exit from the licensed premises that reads: "Marijuana or Marijuana Infused Products May Not Be Consumed In Public".

- c) A Class 1 Lounge must designate a consumer consumption area on the licensed premises where consumers are permitted to consume marijuana, marijuana extracts, or marijuana products
- d) All inventory must be stored on the licensed premises.
- e) For purposes of determining the distance between a Class 1 Lounge and a school referenced in subsection (a)(2) of this rule, "within 500 feet" means a straight line measurement in a radius extending for 500 feet or less in any direction from the closest point anywhere on the boundary line of the real property comprising a school to the closest point of the licensed premises of a Class 1 Lounge. If any portion of the licensed premises is within 500 feet of a school as described subsection (a)(2) of this rule an applicant will not be licensed.

§ 180-10.1-1015 Class 2 Lounge Privileges; Prohibitions

- a) A Class 2 Lounge may:
 - 1. Deliver:
 - i. Marijuana waste to a producer, processor, wholesaler, retailer, or research certificate holder.
 - 2. Refuse to entry into a Class 2 lounge to a consumer;
 - 3. Allow for the on-site consumption of marijuana, marijuana extracts, or marijuana products within the licensed premises;
 - 4. Permit a consumer to bring marijuana items onto the licensed premises.
- b) A Class 2 lounge may not:
 - 1. Sell:
 - i. Marijuana items to consumers within a licensed premise.
 - 2. Purchase and receive:
 - i. Usable marijuana, immature marijuana plants, and seeds from a producer, retailer or from a research certificate holder;
 - ii. Cannabinoid concentrates, extracts, and products from a processor, retailer or from a research certificate holder;
 - iii. Any marijuana item, except for whole, non-living marijuana plants, from a wholesaler; and
 - iv. Any marijuana item from a laboratory.
 - 3. Sell a product that contains cannabinoids and is intended for human consumption.
 - 4. Allow the consumption of alcohol on the marijuana lounge premises;
 - 5. Permit a consumer under the age of 21 to enter the licensed premises unless that individual meets the requirements of 4 CMC § 53026(f);
 - 6. Permit the commercial sale of marijuana items on the license premises.

§ 180-10.1-1020 Class 2 Lounge Operational Requirements

- a) Prior to allowing entry into the licensed premises, a Class 2 Lounge licensee must verify that the consumer has a valid, unexpired government-issued photo identification and must verify that the consumer is 21 years of age or older by viewing the consumer's:
 1. Passport;
 2. Driver license, whether issued in this state or by any other state, as long as the license has a picture of the person;
 3. United States military identification card; or
 4. Any other identification card issued by a state that bears a picture of the person, the name of the person, the person's date of birth and a physical description of the person.

§ 180-10.1-1025 Class 2 Lounge Premises

- a) The licensed premises of a Class 2 Lounge:
 1. May not be located within 500 feet of:
 - i. A public or private school;
 - ii. Any church, hospital, medical clinic;
 - iii. Daycare center; or
 - iv. Youth center;
 2. Must be enclosed on all sides by permanent walls and doors.
- b) A Class 2 Lounge must post in a prominent place signs that read:
 1. "No Minors Permitted Anywhere on the Premises";
 2. Exit from the licensed premises that reads: "Marijuana or Marijuana Infused Products May Not Be Consumed In Public".
- c) The consumer consumption area is the sole area of the licensed premises where consumers are permitted.
- d) For purposes of determining the distance between a Class 2 Lounge and a school referenced in § 180-10.1-1025 (a)(2), "within 500 feet" means a straight line measurement in a radius extending for 500 feet or less in any direction from the closest point anywhere on the boundary line of the real property comprising a school to the closest point of the licensed premises of a Class 2 Lounge. If any portion of the licensed premises is within 500 feet of a school as described § 180-10.1-1025 (a)(2) an applicant will not be licensed.

Part 1100 PACKAGING LABELING AND ADVERTISING

§ 180-10.1-1101 Packaging and Labeling – Definitions

§ 180-10.1-1105 Packaging for Sale to Consumer

§ 180-10.1-1110 Advertising – Restrictions

§ 180-10.1-1115 Advertising Media, Coupons, and Promotions

§ 180-10.1-1101 Packaging and Labeling – Definitions. For the purposes of these regulations:

- a) "Attractive to minors" means packaging, labeling and marketing that features:

1. Cartoons;
 2. A design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;
 3. Symbols or celebrities that are commonly used to market products to minors;
 4. Images of minors; and
 5. Words that refer to products that are commonly associated with minors or marketed by minors.
- b) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.
 - c) "Cannabinoid concentrate or extract" means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.
 - d) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.
 - e) "Cannabinoid product" means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.
 - f) "Cannabinoid product" does not include:
 1. Usable marijuana by itself;
 2. A cannabinoid concentrate or extract by itself; or
 3. Industrial hemp.
 - g) "Cartoon" means any drawing or other depiction of an object, person, animal, creature or any similar caricature that satisfies any of the following criteria:
 1. The use of comically exaggerated features;
 2. The attribution of human characteristics to animals, plants or other objects, or the similar use of anthropomorphic technique; or
 3. The attribution of unnatural or extra-human abilities, such as imperviousness to pain or injury, X-ray vision, tunneling at very high speeds or transformation.
 - h) "Child resistant" means designed or constructed to be significantly difficult for children under five years of age to open and not difficult for adults to use properly.
 - i) "Container" means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed prior to being sold to a consumer.
 - j) "Exit Package" means a sealed container provided at the retail point of sale in which any marijuana items already within a container are placed.

§ 180-10.1-1105 Packaging, Labeling for Sale to Consumer. The purpose of this provision is to set the minimum standards for the packaging of marijuana items that are sold to the consumer, applicable to a licensee

- a) Containers or packaging for marijuana items must protect a marijuana item from contamination and must not impart any toxic or deleterious substance to the marijuana item.
- b) No licensee shall use or allow the use of any mark or label on the container of any marijuana items which are kept for sale, if the container does not precisely and clearly indicate the nature of its contents or in any way might deceive any customer as to the nature, composition, quantity, age, or quality of such marijuana items. Marijuana items that have been tested and satisfactorily complied with the minimum standards set forth by

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

- c) Marijuana items for ultimate sale to a consumer, except for immature plants and seeds, must:
 - 1. Not be packaged or labeled in a manner that is attractive to minors; and
 - 2. Marijuana items for sale must have the following label and container standards:
 - i. The length of time it typically takes for a product to take effect;
 - ii. The amount of marijuana the product is considered the equivalent to;
 - iii. Ingredients and possible allergens;
 - iv. A nutritional fact panel;
 - v. Opaque, child resistant packaging, which must be designed or constructed to be significantly difficult for children under five years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.20 (1995);
 - vi. Marijuana products must be clearly identifiable, when practicable, with a standard symbol indicating that it contains marijuana
 - vii. Label must state the number of servings contained within a container
- d) Packaging may not contain any text that makes an untruthful or misleading statement.
- e) Nothing in this rule:
 - 1. Prevents the re-use of packaging that is capable of continuing to be child-resistant, as permitted by rules established by the Commission; or
 - 2. Prohibits the Commission from imposing additional packaging requirements in their respective rules governing licensees.

§ 180-10.1-1110 Advertising – Restrictions

- a) Marijuana advertising may not:
 - 1. Contain statements that are deceptive, false, or misleading;
 - 2. Contain any content that can reasonably be considered to target individuals under the age of 21, including but not limited to images of minors, cartoon characters, toys, or similar images and items typically marketed towards minors, or references to products that are commonly associated with minors or marketed by minors;
 - 3. Specifically encourages the transportation of marijuana items across state lines;
 - 4. Assert that marijuana items are safe because they are regulated by the Commission or have been tested by a certified laboratory or otherwise make claims that any government agency endorses or supports marijuana;
 - 5. Make claims that recreational marijuana has curative or therapeutic effects;
 - 6. Display consumption of marijuana items;

7. Contain material that encourages the use of marijuana because of its intoxicating effect; or
8. Contain material that encourages excessive or rapid consumption.
- b) A licensee may not make any deceptive, false, or misleading assertions or statements on any informational material, any sign, or any document provided to a consumer.
- c) A licensee must include the following statement on all print, billboard, television, radio and internet advertising in font size legible to the viewer:
 1. "Do not operate a vehicle or machinery under the influence of this drug".
 2. "For use only by adults twenty-one years of age and older."
 3. "Keep out of the reach of children."

§ 180-10.1-1115 Advertising Media, Coupons, and Promotions

- a) The Commission prohibits advertising through handbills that are posted or passed out in public areas such as parking lots and publicly owned property.
- b) A licensee who advertises via web page must utilize appropriate measures to ensure that individuals visiting the web page are over 21 years of age.

Part 1200

LICENSEE CONDUCT, INSPECTIONS AND SUSPENSION

§ 180-10.1-1201 Prohibited Conduct

§ 180-10.1-1205 Dishonest Conduct

§ 180-10.1-1210 Inspections

§ 180-10.1-1215 Suspended Licenses

§ 180-10.1-1201 Prohibited Conduct

- a) Sale to a Minor. A licensee may not sell, deliver, transfer or make available any marijuana item to a person under 21 years of age.
 1. Violation of this section for an intentional sale to a minor by a licensee, permittee or license representative will result in a penalty to the licensee.
- b) Identification. A licensee or license representative must require a person to produce identification before selling or providing a marijuana item to that person as required by 4 CMC § 53019.
- c) Access to Premises.
 1. A licensee may not:
 - i. During regular business hours for the licensed premises, refuse to admit or fail to promptly admit a Commission regulatory employee who identifies him or herself and who enters or wants to enter a licensed premises to conduct an inspection to ensure compliance with the Act affecting the licensed privileges; or these regulations;
 - ii. Outside of regular business hours or when the premises appear closed, refuse to admit or fail to promptly admit a Commission regulatory employee who identifies him or herself and requests entry on the basis that

there is a reason to believe a violation of the Act affecting the licensed privileges; or these regulations is occurring; or

iii. Once a regulatory employee is on the licensed premises, ask the regulatory employee to leave until the employee has had an opportunity to conduct an inspection to ensure compliance with the Act affecting the licensed privileges; or these rules

- d) Use or Consumption of Intoxicants on Duty and Under the Influence on Duty.
1. No licensee, or licensee representative may consume any intoxicating substances while on duty, except for employees as permitted under regulations.
 2. No licensee, licensee representative, or permittee may be under the influence of intoxicating substances while on duty.
 3. Whether a person is paid or scheduled for a work shift is not determinative of whether the person is considered "on duty."
 4. As used in this section:
 - i. "On duty" means:
 1. From the beginning to the end of a work shift for the licensed business, including any and all coffee, rest or meal breaks; or
 2. Performing any acts on behalf of the licensee or the licensed business outside of a work shift if the individual has the authority to put himself or herself on duty.
 - ii. "Intoxicants" means any substance that is known to have or does have intoxicating effects, and includes alcohol, marijuana, or any other controlled substances.
- e) Permitting Use of Marijuana at Licensed Premises. A licensee may not permit the use or consumption of marijuana, or any other intoxicating substance, anywhere in or on the licensed premises, or in surrounding areas under the control of the licensee, except for [those licensed under 4 CMC 53026.
- f) Import and Export. A licensee may not import marijuana items into the Commonwealth or export marijuana items out of the Commonwealth unless authorized by the Commission.
- g) Permitting, Disorderly or Unlawful Conduct. A licensee may not permit disorderly activity or activity that is unlawful under Commonwealth law on the licensed premises or in areas adjacent to or outside the licensed premises under the control of the licensee.
1. If the prohibited activity under this section results in death or serious physical injury, or involves unlawful use or attempted use of a deadly weapon against another person, or results in a sexual offense which is a Class A felony such as first degree rape, sodomy, or unlawful sexual penetration, the violation could result in license revocation.
 2. If the prohibited activity under this section involves use of a dangerous weapon against another person with intent to cause death or serious physical injury, it is a punishable violation.
 3. As used in this section:
 - i. "Disorderly activities" means activities that harass, threaten or physically harm oneself or another person.

- ii. “Unlawful activity” means activities that violate the laws of the Commonwealth, including but not limited to any activity that violates a Commonwealth’s criminal statute.
- 4. The Commission does not require a conviction to establish a violation of this section.
- h) Marijuana as a Prize, Premium or Consideration. No licensee may give or permit the giving of any marijuana item as a prize, premium, or consideration for any lottery, contest, game of chance or skill, exhibition, or any competition of any kind on the licensed premise.
- i) Visibly Intoxicated Persons. No licensee may sell, give, or otherwise make available any marijuana item to any person who is visibly intoxicated.
- j) Additional Prohibitions. A licensee may not:
 - 1. Sell or deliver any marijuana item through a drive-up window.
 - 2. Use any device or machine that both verifies the age of the consumer and delivers marijuana to the consumer; or
 - 3. Deliver marijuana to a consumer off the licensed premises

§ 180-10.1-1205 Dishonest Conduct

- a) False Statements. A licensee may not:
 - 1. Make a false statement or representation to the Commission or law enforcement in order to induce or prevent action or investigation by the Commission or law enforcement.
 - 2. If the Commission finds that the false statement or representation was intentional, the Commission may charge a violation and could result in license revocation.
- b) Marijuana Item Misrepresentations.
 - 1. A licensee may not misrepresent any marijuana item to a consumer, licensee, or the public, including:
 - i. Misrepresenting the contents of a marijuana item;
 - ii. Misrepresenting the testing results of a marijuana item;
 - iii. Misrepresenting the potency of a marijuana item; or
 - iv. Making representations or claims that the marijuana item has curative or therapeutic effects.
 - 2. A licensee may not treat or otherwise adulterate usable marijuana with any chemical, biologically active drug, plant, substance, including nicotine, or other compound that has the effect or intent of altering the usable marijuana’s color, appearance, weight or smell or that has the effect or intent of increasing potency, toxicity or addictiveness.
 - 3. A knowing or intentional violation of this section could result in license revocation.
- c) Supply of Adulterated Marijuana Items.
 - 1. A licensee may not supply adulterated marijuana items.
 - 2. Violation of this section could result in license revocation.
- d) Evidence. A licensee may not:
 - 1. Intentionally destroy, damage, alter, remove or conceal potential evidence, or attempt to do so, or ask or encourage another person to do so. Violation of this subsection could result in license revocation.

2. Destroy, damage, alter, remove or conceal potential evidence, or attempt to do so, or ask or encourage another person to do so, in any manner other than intentional.
3. Refuse to give, or fail to promptly give, a Commission regulatory employees or law enforcement officer evidence when lawfully requested to do so.

§ 180-10.1-1210 Inspections

- a) The Commission may conduct:
 1. A complaint inspection at any time following the receipt of a complaint that alleges a licensee is in violation of 4 CMC § 53001 et seq or these regulations;
 2. A random inspection at any time in order to determine compliance with 4 CMC § 53001 et seq or these regulations; or
 3. Compliance transactions in order to determine whether a licensee is complying with 4 CMC § 53001 et seq or these regulations.
- b) A licensee, or licensee representative must cooperate with the Commission during an inspection.

If licensee or licensee representative fails to permit the Commission to conduct an inspection the Commission may seek an investigative subpoena to inspect the premises and gather books, payrolls, accounts, papers, documents or records

§ 180-10.1-1215 Suspended Licenses

- a) Before 7:00 a.m. on the date a license suspension goes into effect, and until the suspension is completed, Commission staff must ensure that a suspension notice sign is posted on each outside entrance or door to the licensed premises.
- b) The suspension notice sign must be posted in a way that allows any person entering the premises to read it. Licensees must use the suspension notice sign provided by the Commission. The sign will state that the license has been suspended by order of the Commission due to violations of the Commonwealth laws (statutes or administrative rules). If there are multiple licenses at the location, the sign will specify which license privileges have been suspended.
- c) During the period of license suspension, the licensee is responsible for ensuring:
 - a. Compliance with all applicable laws and rules; and
 - b. That the suspension notice sign is not removed, altered, or covered.
- d) A licensee or licensee representative may not allow the sale, delivery to or from, or receipt of marijuana items at the licensed premises during the period of time that the license is under suspension. During a period of time that the license is under suspension, a marijuana licensee may operate the business provided there is no sale, delivery to or from, or receipt of a marijuana item.

Part 1300 MEDICINAL MARIJUANA [RESERVED]

Part 1400 LABORATORY LICENSE

§ 180-10.1-1401 Laboratory Licensing Requirements

§ 180-10.1-1405 Laboratory Tracking and Reporting

§ 180-10.1-1410 Laboratory Licensee Prohibited Conduct

§ 180-10.1-1401 Laboratory Licensing Requirements

a) General Requirements

1. A laboratory that intends to collect samples or test marijuana items for producer, processor, wholesaler, or retailer licensees, or research certificate holders must be licensed by the Commission.
2. An applicant for a license under this rule must comply with all applicable application requirements in § 180-10.1-310 and pay the required application and license fees.
3. A laboratory application is subject to the same application review procedures as other applicants.
4. In addition to the denial criteria in § 180-10.1-335, the Commission may refuse to issue a laboratory license to any person who:
 - i. Holds a producer, processor, wholesaler, lounge or retail license;

b) Accreditation by the Commission

1. In addition to the requirements listed in section (a) of this rule, an applicant for a laboratory license must be accredited by the Commission for any cannabis sampling or testing the applicant will perform.
2. An applicant for a license under this rule may apply for licensure prior to receiving accreditation, but the Commission will not issue a license until proof of accreditation is received.
3. The Commission may make efforts to verify or check on an applicant's accreditation status during the licensing process, but an applicant bears the burden of taking all steps needed to secure accreditation and present proof of accreditation to the Commission.
4. In addition to the denial criteria in § 180-10.1-335, the Commission may consider an application incomplete if the applicant does not obtain accreditation from the Commission within six months of applying for a license. The Commission shall give an applicant an opportunity to be heard if an application is declared incomplete under this section, but an applicant is not entitled to a contested case proceeding under 1 CMC § 9113. An applicant whose application is declared incomplete may reapply at any time.
5. A licensed laboratory must maintain accreditation by the Commission at all times while licensed by the Commission. If a laboratory's accreditation lapses or is revoked at any time for any reason while licensed by the Commission, the laboratory may not perform any activities that are subject to the lapsed or revoked accreditation until it is reinstated.
6. Exercising license privileges without proper accreditation is a violation and could result in license revocation.

c) Accreditation

1. A laboratory shall submit an application to the Commission, on a form prescribed by the Commission, proof of receipt of accreditation to ISO/IEC 17025.
2. The Commission shall review the submitted application for Accreditation and related documents submitted in § 180-10.1-1401(c)(1) in determination of approval of Accreditation.

d) Renewal.

1. A laboratory must renew its license annually and pay the required renewal fees in accordance with § 180-10.1-320.

§ 180-10.1-1405 Laboratory Tracking and Reporting

a) A laboratory licensee conducting sampling or testing for licensees is responsible for tracking and recording the following:

1. Receipt of samples for testing, including:
 - i. Size of the sample;
 - ii. Name of licensee or research certificate holder from whom the sample was obtained;
 - iii. Date the sample was collected; and
 - iv. Identification tag information associated with the harvest or process lot from which the sample was obtained.
2. Tests performed on samples, including:
 - i. Date testing was performed;
 - ii. What samples were tested for;
 - iii. Name of laboratory responsible for testing; and
 - iv. Results of all testing performed.
 - v. Disposition of any testing sample material.

§ 180-10.1-1410 Laboratory Licensee Prohibited Conduct

- a) In addition to the prohibitions set forth in § 180-10.1-1201, a laboratory licensee may not:
 1. Perform any required marijuana sampling or testing using any sampling or testing methods or equipment not permitted under the laboratory's accreditation through the Commission.
 2. Perform any required marijuana sampling or testing for any licensed marijuana producer, processor, wholesaler or retailer in which the laboratory licensee has a financial interest;
- b) The Commission may suspend or revoke a laboratory license for any violation these regulations. The licensee has a right to a hearing under the procedures of 1 CMC § 9113.
- c) A violation of this regulation could result in license revocation.

Part 1500 MARIJUANA EVENTS

§ 180-10.1-1501 Purpose

These promulgated rules and regulations govern the application for and the conduct of temporary authorization to host marijuana events in the CNMI. No marijuana event, the advertising of marijuana events, or the allowance for the public consumption of cannabis during a public or private event is authorized or permitted without a valid permit or agreement authorized by these regulations.

The CNMI Cannabis Commission shall enforce these regulations to the extent allowed by law. The Commission shall issue written notice of violation to any person or entity acting in contravention of these regulations pursuant to § 180-10.1-160.

§ 180-10.1-1505 Definitions. In addition to the applicable definitions set forth in § 180-10.1-045, the following items are defined for the purposes of these regulations.

- a) “Commercial Use” means used for revenue generating activities. Active use means the actual physical operations or facilities generating revenue. Passive Use means a supplementary use that augments the revenue generating operations or facility.
- b) “Permittee” means a person or persons given a permit by the Commission and whose name appears on the permit.
- c) “Request for Proposal” (RFP) means an open solicitation made through a bidding process by the Commission to determine interest of potential applicants to host a marijuana event.
- d) “Special Event” means a scheduled and publicly advertised hosting of one or more persons for commercial use, whether active or passive, where marijuana items are to be displayed, possessed, sold, purchased, used and/or consumed at a private place.

§ 180-10.1-1510 Application Procedure

- a) In addition to requirements listed in § 180-10.1-310 required by the Commission in a form provided by the Commission, an applicant for a Temporary Use of Marijuana Items, Special Event permit must submit to the following procedures
 - 1. Provide a detailed description of the type of event to be held. Description shall include, but is not limited to:
 - i. Venue or location where the event will be held
 - ii. Proof of authorization from the private owner or long-term lease holder of the venue or location, permitting the use for the purposes of hosting a Special Event
 - iii. Detailed plan for compliance with 4 CMC § 53019, 53052 and 53070 and methods for ensuring that persons under 21 years of age will not gain entry to the Special Event premises, or to be in view of the use of cannabis during the duration of the Special Event
 - iv. Planned duration and times for the Special Event
 - 4. Submit to the Commission a Special Events Plan that shall include detailed plans for:
 - i. The provision of food and beverages, entertainment, security to ensure compliance with 4 CMC § 53052 and related interests of the Commission;

- ii. Ventilation and odor-control;
- iii. Marijuana waste disposal;
- iv. Prevention of underage entry to the consumption area;
- v. Over-intoxication by patrons;
- vi. Driving while intoxicated; and
- vii. The illegal distribution of marijuana at the Special Event
- viii. Detailed description of the type of revenue generating activities conducted during the Special Event
 - 1. Should the Special Event be active use in the direct sale or provision of marijuana items, the applicant shall prove to the Commission that all marijuana items are to be procured from an entity or individual licensed by the Commission for the commercial production or sale of marijuana items

§ 180-10.1-1515 Temporary Licensed Premises Designation

- a) Locations for approved to host Special Events will be provided with a Temporary Licensed Premises designation and may be subject to the restrictions and requirements of § 180-10.1-501
- b) The Temporary Licensed Premises Designation shall expire upon the expiration of the Temporary Use of Marijuana at Special Events permit.

§ 180-10.1-1520 Permit for the Temporary Use of Marijuana Items at Special Events Privileges; Prohibitions

- a) An approved permittee for the Temporary Use of Marijuana Items at Special Events may:
 - i. Allow for the display or sale of marijuana items by individuals, businesses, or others in the manner described in the Special Events Plan
 - ii. Allow for the possession, use and consumption of marijuana items by individuals on the approved premises of the event
 - iii. Advertise for any approved Special Event under the restrictions provided by § 180-10.1-1115
- b) An approved permit holder for the Temporary Use of Marijuana Items at Special Events may not:
 - i. Hold a Special Event that is located within 500 feet of any school, child daycare, drug or alcohol treatment facility, or public pool;
 - ii. Hold a Special Event on public property, residential areas, or at events that serve alcohol
 - iii. Advertise or promote a Special Event prior receiving a permit from the Commission
 - iv. Host a Special Event for a period greater than ten (10) days per calendar year

§ 180-10.1-1525 Public Notice. The Commission must provide a public notice thirty (30) days prior to granting a permit under this section and will provide information for members of the public to submit comments on the timing, location, nature of the Special Event, or any other matter. The applicant will be given opportunity to amend the Special Events Plan to provide

reasonable accommodations to ameliorate any concerns and weigh public comments in the process for granting a permit.

§ 180-10.1-1530 Fees

If the Commission approves an application and grants an Temporary Use of Marijuana Items at Special Events permit, the following fees must be paid:

- a) Temporary Use of Marijuana Items at Special Events Permit
 - 1) Application Fee - \$500
 - 2) Permit Fee - \$1500 per day the Special Event will take place
- b) Application and Permit Fee are non-refundable and shall be paid to the CNMI Treasury prior to receipt of permit

PART 1600 MARIJUANA RESEARCH CERTIFICATE

§ 180-10.1-1601 Application for Marijuana Research Certificate

§ 180-10.1-1605 Marijuana Research Certificate Privileges; Prohibitions

§ 180-10.1-1601 Application for Marijuana Research Certificate

- a) The Commission shall issue Marijuana Research Certificates to qualifying public and private researchers who present research proposals that demonstrate:
 - 1. The proposed research would benefit the Commonwealth's cannabis industry, medical research or public health and safety; and
 - 2. The proposed operation and methodology complies with all applicable laws and administrative rules governing marijuana licensees and licensee representatives.
- b) The process for applying for, receiving and renewing a certificate shall be the same as the process for applying for, receiving and renewing a marijuana license under § 180-10.1-310.
- c) In addition to the application requirements in § 180-10.1-310, the applicant must also provide:
 - 1. A clear description of the research proposal;
 - 2. A description of the researchers' expertise in the scientific substance and methods of the proposed research;
 - 3. An explanation of the scientific merit of the research plan, including a clear statement of the overall benefit of the applicant's proposed research to the Commonwealth's cannabis industry, medical research, or to public health and safety;
 - 4. Descriptions of key personnel, including clinicians, scientists, or epidemiologists and support personnel who would be involved in the research, demonstrating they are adequately trained to conduct this research;
 - 5. A clear statement of the applicant's access to funding and the estimated cost of the proposed research;

6. A disclosure of any specific conflicts of interest that the researcher or other key personnel have regarding the research proposal;
 7. A description of the research methods demonstrating an unbiased approach to the proposed research; and
 8. A description of the quantities of marijuana items, if any, that are proposed be transferred to licensees;
- d) Research certificates will be granted for up to a three-year term.
 - e) The Commission may request that the research certificate holder submit information and fingerprints required for a criminal background check at any time within the research certificate term.
 - f) A certificate holder may, in writing, request that the Commission waive one or more of these rules. The request must include the following information:
 1. The specific rule and subsection of a rule that is requested to be waived;
 2. The reason for the waiver;
 3. A description of an alternative safeguard the licensee can put in place in lieu of the requirement that is the subject of the waiver, or why such a safeguard is not necessary; and
 4. An explanation of how and why the alternative safeguard or waiver of the rule protects public health and safety, prevents diversion of marijuana, and provides for accountability.
 - g) The Commission may, in its discretion, and on a case-by-case basis, grant the waiver in whole or in part if it finds:
 1. The reason the certificate holder is requesting the waiver is because another Commonwealth law prohibits compliance;
 2. The certificate holder cannot comply with the particular rule, for reasons beyond the certificate holder's control or compliance with the rule is cost prohibitive; or
 3. Because of the nature of the research, the Commission finds that compliance with a particular rule is not necessary and that even with the waiver public health and safety can be protected, there is no increased opportunity for diversion of marijuana, and the certificate holder remains accountable.
 - h) The Commission must notify the certificate holder in writing whether the request has been approved. If the request is approved the notice must specifically describe any alternate safeguards that are required and, if the waiver is time limited, must state the time period the waiver is in effect.
 - i) The Commission may withdraw approval of the waiver at any time upon a finding that the previously approved waiver is not protecting public health and safety or the research certificate holder has other issues with compliance. If the Commission withdraws its approval of the waiver the certificate holder will be given a reasonable period of time to come into compliance with the requirement that was waived.
 - j) Applicant must submit their findings to the Commission upon completion of their licensed research.

§ 180-10.1-1605 Marijuana Research Certificate Privileges; Prohibitions

- a) A certificate holder may receive marijuana items from a licensee under 4 CMC § 53036 and these regulations.

- b) A certificate holder:
 - 1. May not:
 - i. Sell or otherwise transfer marijuana items to any other person, transferring to another certificate holder or transferring to another licensee pursuant these rules.
 - ii. Transfer more to another licensee than is permitted in the Commission's order granting the research certificate.
 - 2. Must comply with the testing rules applicable to a producer or processor prior to transferring marijuana items to a licensee.
- c) A certificate holder may not conduct any human subject research related to marijuana unless the certificate holder has received approval from an institutional review board that has adopted the Common Rule, 45 CFR Part 46. (4) All administrative rules adopted by Commission for the purpose of administering and enforcing Title 4, Division 5, Chapter 21 of the Commonwealth Code; and any rules adopted thereunder with respect to licensees and licensee representatives apply to certificate holders except for those which are inconsistent with this regulation.

PART 1700 PENALTIES

§ 180-10.1-1701 Legislative Mandate.

- (a) The Legislature has granted the Commission the responsibility to levy fines and penalties for violation of provisions of 4 CMC § 53001 et seq. and the regulations promulgated by the Commission.
- (b) The Legislature has required that these regulations, at a minimum, provide civil penalties for the violation of provisions of the law or regulation imposed under this chapter as well as penalties for the late payment of applicable fines, or fees.

§ 180-10.1-1705 Suspension of Penalties.

The Commission may suspend, reduce, or rescind any penalty imposed at any time upon such terms as it deems just.

§ 180-10.1-1710 Definitions.

As used in this Part, unless the context plainly requires a different definition:

- (a) "Offense" means a violation of any Commonwealth law or Commonwealth regulation, or any order issued by the Commission.
- (b) "Person" means a person or business entity who is or who must be licensed, regulated, or registered by the Commission.

§ 180-10.1-1715 Licensee Liability.

- (a) A licensee is liable for the offense of its employees as if the licensee had committed the offense.

- (b) Both the employee and the licensee may be fined separately for the acts and omissions of the employee.
- (c) The employee and the licensee may be fined in different amounts for the acts and omissions of the employee.

§ 180-10.1-1720 Multiple Offenses from Single Action or Omission.

- (a) A single action or omission which violates multiple laws, regulations, orders or the like may be charged as multiple offenses and multiple punishments may be levied for each offense.

§ 180-10.1-1725 Self-reporting Determination.

The Commission, the Managing Director as the case may be, shall determine whether a licensee immediately, promptly or belatedly self-reported the offense (and the facts giving rise thereto) to the Commission, or whether the licensee failed to report the offense in a timely manner or at all.

§ 180-10.1-1730 Determination of Offense Level.

- (a) For each offense not listed in these regulations, the Commission, or the Managing Director, as the case may be, shall determine whether the offense should be penalized as a minor offense, and intermediate offense, or a major offense and impose the penalty permitted by § 180-10.1-1740.
- (b) In making the determination required by subsection (a), the Commission, or the Managing Director, as the case may be, shall consider the totality of the circumstances, including but not limited to: whether the offense was an act of commission or omission; the self-reporting determination required by § 180-10.1-1725; whether a licensee promptly accepted responsibility for the offense; whether a licensee has committed any previous offenses in the Commonwealth; whether a licensee has committed any previous offenses in any other jurisdiction; the relative harm suffered by the Commonwealth; the relative harm suffered by the Cannabis industry generally, and any other aggravating or mitigating factor deemed relevant.
- (c) The Commission or the Managing Director, as the case may be, may determine that an offense has occurred and may determine the offense level after a hearing or by a stipulation with a licensee.

§ 180-10.1-1735 Mandatory Offense Levels.

- (a) Unless the Commission or the Managing Director, as the case may be, determines that substantial aggravating factors exist such that a higher offense level is appropriate, the following are minor offenses:
 - a. Selling, giving or otherwise making available any marijuana items to any person who is visibly intoxicated;
 - b. Maintaining a noisy, disorderly or unsanitary establishment or supplying adulterated marijuana items;
 - c. Misrepresenting any marijuana items to a consumer or to the public;

- d. Selling or offering to sell a marijuana item that does not comply with the minimum standards prescribed by the laws of the Commonwealth;
- e. Selling a whole marijuana plant
- f. Conducting business outside of the operation hours approved by the Commission
- (b) Unless the Commission or the Managing Director, as the case may be, determines that substantial aggravating factors exist such that a higher offense level is appropriate, the following are intermediate offenses:
 - a. Intentionally allowing a person under twenty-one to enter a licensed premises;
 - b. Negligently allowing a person under twenty-one to view the consumption of marijuana products;
 - c. Failing to request identification upon entering a licensed premises;
 - d. Failure to notify the Commission under the circumstances provided in § 180-10.1-360;
 - e. Selling marijuana during elections;
 - f. Making false representations or statements to the Commission in order to induce or prevent action by the Commission;
 - g. Selling marijuana items outside of the licensed premises;
 - h. Failing to timely provide the Commission with records upon request by the Commission;
 - i. Failing to make any tax, fee, or penalty when due;
 - j. Intentionally marketing marijuana products to persons under twenty-one
- (c) The following are major offenses:
 - a. Intentionally allowing the sale of marijuana items to persons under twenty-one
 - b. Falsifying statements or records required by the Commission
 - c. Refusing to permit the Commission or any of its representatives from making inspections of the licensed premises or of the books and records of the licensee

§ 180-10.1-1740 Penalties.

- (a) Each minor offense may be punished by:
 - a. No punishment
 - b. A written warning
 - c. A fine not to exceed two thousand dollars
 - d. Suspension of the license for a period not to exceed one month
- (b) Each intermediate offense may be punished by:
 - a. A fine not to exceed ten thousand dollars
 - b. Suspension of the license for a period not to exceed six months
- (c) Each major violation may be punished by:
 - a. A fine not to exceed fifteen thousand dollars
 - b. Suspension of the license for any period of time up to and including license revocation.
- (d) A license may be suspended or modified at the discretion of the Commission upon a finding that one or more major offenses have occurred.
- (e) A license may be terminated at the discretion of the Commission upon a finding that major offenses have repeatedly occurred.

- (f) Any time a license is suspended for any period of time, the Commission or Managing Director may impose restrictions and conditions of any type deemed necessary which must be followed by the licensee after the period of suspension has ended.

§ 180-10.1-1745 Burden of Proof.

In an enforcement hearing, the Managing Director must prove the alleged violation by a preponderance of the evidence. Once a violation is established, the violator bears the burden of proving by a preponderance of the evidence that the Managing Director failed to assess the penalty in accordance with these regulations.

§ 180-10.1-1750 No Hearing Necessary for Determinations.

The Managing Director need not hold a hearing to determine whether an offense occurred, the self-reporting determination required under § 180-10.1-1725, the offense level required by § 180-10.1-1735, the determination that any license be suspended, modified, limited or revoked, or any other determination if such determination is made and then alleged in a complaint be heard by the Commission.

SUBCHAPTER 180-10.2 COMMONWEALTH CODE OF ETHICS

Part 001 CODE OF ETHICS

§180-10.2.101 Commission to follow Government Ethics Act

§180-10.2.105 Responsibilities of Public Office

§180-10.2.110 Commission Policies

§180-10.2.115 Conflict of Interest

§180-10.2.120 Political Activity

§180-10.2.125 Non-discrimination Policy

§ 180-10.2-101 Commission to follow government Ethics Act. The Commission and its employees shall be subject to and follow the Government Ethics Act found in 1 CMC § 8501 et. seq.

§ 180-10.2-105 Responsibilities of Public Office. Individuals appointed to the Commission are agents of the public and serve for the benefit of the public. They shall uphold and act in accordance with the Constitution of the United States of America, the Constitution of the Commonwealth of the Northern Mariana Islands, and the rules, Regulations and policies pursuant to the Act and the Government Ethics Act.

§ 180-10.2-110 Commission Policies. Commissioners and staff shall comply fully with the policies and standard procedures approved by the Commission.

§ 180-10.2-115 Conflict of Interest. There is a public trust to be protected from the danger of conflict of interest.

(a) A conflict occurs when an official's responsibilities, duties or activities conflict with the official's private interests, whether they are of a business, family, social or other nature.

(b) A Commissioner has an automatic conflict of interest in matters affecting a Commissioner's spouse, children and siblings. A Commissioner must automatically refrain on voting or engaging in any discussions relating to such family members.

(c) Commissioners and Commission staff shall comply with the following Conflict of Interest restrictions:

1. Shall not use their office/staff to seek employment or conduct business.
2. Shall not use their position to obtain private gain or advantage for themselves, a relative or an entity in which they have a present or potential financial interest.
3. Shall not disclose or use confidential information that is not generally available to the public for his/her own or another person's financial benefit.
4. Shall not participate in transactions that they may influence if they know that a spouse, child, or sibling has a substantial financial interest.
5. Shall not use public funds, time or equipment for their own private gain, unless authorized by law.
6. Shall not participate in, vote on, influence or attempt to influence an official decision if they, or the business they are associated with, have a financial interest or can potentially benefit from the matter, unless the interest or benefit is incidental to their position or would normally accrue to them in their profession, occupation or class.
7. Shall not participate or engage in any conduct or activity that is prohibited by the Ethics Act

§ 180-10.2-120 Political Activity. Each Commissioner, Managing Director and Commission staff must be aware of the rules that limit permissible political activity. The following is intended to highlight the kind of activities that can and cannot be engaged in.

(a) Permissible Activities:

1. Voting for the candidate of his/her choice.
2. Expressing opinions on all political subjects and candidates.
3. Membership in any political party, organization or club.
4. Making voluntary contributions to a political organization for its general expenditures.
5. Lobbying and supporting public, Legislative or other Constitutional amendments.

(b) Prohibited Activities:

2. Use of Commission funds, time, personnel or equipment for political

3. Activity unless that use is authorized by law or is incidental to a legally authorized or required activity.
4. Engaging in the discharge, promotion, demotion or changing of the status or compensation of any other official of employee or promising or threatening to do so.
5. Handing over to the other officials or staff any money or other thing of value to promote any political objective.
6. Use of their office or the Commission or influence to interfere with an election, or affect its results, or coerce the political action of any person or party.
7. Being obliged to contribute to any political fund, render any political service or be removed for refusing to do so.
8. Pressuring or coercing staff to participate in political activities or to support political parties or candidates under threat of losing one's employment.
9. Soliciting or receiving political contributions from anyone while on Commission time or on Commission or government property.
10. Campaigning for any candidate for public office during official working hours.
11. Promoting or opposing legislation relating to programs of departments on behalf of the Commission in contravention of Commission authority.

§ 180-10.2-125 Non-discrimination Policy

(a) It is the policy of the Commission that discrimination, for or against any employee, because of race, creed, color, gender (including sexual harassment), sexual orientation, national origin, age, religion, political affiliation, organizational membership, veterans status, disability, or genetic information is prohibited and will not be tolerated. No adverse action or hiring decision shall be made on the basis of any of the above factors except that veterans' status may be considered positively as permitted by law.

(b) The Commission shall maintain every workplace free from unlawful harassment, including sexual harassment. Any employee or official who engages in any act of discrimination or harassment on the basis of any of the above factors violates Commission policy, and such misconduct will subject the employee to corrective action ranging from counseling to disciplinary action up to and including termination. Such harassment by a non-employee (for example, a client or contractor) is also prohibited.

(c) The Commission shall not tolerate any such outside harassment and shall take necessary action to prevent its continuation or recurrence.

(d) Any employee who feels that he or she has been discriminated against on the basis of any of the above factors, or sexually harassed, should immediately report such incidents to a supervisor at any level without fear of reprisal. Confidentiality will be maintained to the extent permitted by the circumstances.

(e) An employer who receives a claim of discrimination or harassment in violation of this policy shall take such complaint seriously and immediately advise the Managing Director or the Commonwealth Equal Employment Opportunity (EEO) Coordinator of the situation. The Managing Director, with the assistance of the EEO Coordinator, if sought, will ensure that it is investigated promptly, privately, and with as much confidentiality as possible, consistent with

the need to determine the facts. The investigation will be documented by an investigative report that will be retained in a confidential file by the Managing Director or EEO Coordinator. Any person accused of a violation shall be allowed the opportunity to rebut the charges.

(e) After determining the facts through the investigation, the Managing Director shall take corrective action as required by the circumstances. This may include counseling any employee, whether or not a violation has occurred; imposing an appropriate sanction, including disciplinary action; making sure that this policy is reiterated to all employees or any group. An employer, or any supervisory staff, who does not take appropriate action also violates this policy and exposes the Commonwealth government to liability.

SUBCHAPTER 180-10.3 HOMEGROWN MARIJUANA REGISTRY

Part 001 HOMEGROWN MARIJUANA REGISTRY

§180-10.3.101 Establishment of Homegrown Marijuana Registry

§180-10.3.105 Homegrown Marijuana Privileges; Prohibitions

§180-10.3.110 Maintenance of Homegrown Marijuana Registry

§180-10.3.101 Establishment of Homegrown Marijuana Registry

- a. Any individual producing, processing, keeping, or storing marijuana at their household or cultivation site for non-commercial purposes must first register to receive a Homegrown Marijuana Registry Card issued by the Commission.
- b. To register, individuals must provide to the Commission:
 1. Names and information of all individuals located in the household;
 2. Any forms required by the Commission and any information identified in the form that is required to be submitted;
 3. A map or sketch of the premises, including the defined boundaries of the premises and the village, street and relative location of the household or cultivation site;
 4. A description of the growing operation including growing media, a description of equipment to be used in the production, and whether production will be indoor, outdoor or both.
 5. Proof of right to occupy the premises;
 - i. If the household is a rental unit, provide:
 1. Agreement from the landlord or owner permitting the growing of marijuana on the premise
 2. Signed rental agreement with the landlord or owner
 6. Description of measures taken to ensure:
 - i. The plants are secure from access by a person under the age of 21 and unauthorized access. For purposes of illustration and not limitation, cultivating marijuana in an enclosed, locked space that persons under 21 years of age do not possess a key to constitutes reasonable precautions; and

- ii. Marijuana plants are cultivated in a location where the plants are not subject to public view without the use of binoculars, aircraft, or other optical aids.
- c. An individual is ineligible to produce, process, keep or store marijuana in their household if they are under 21 years of age or are not otherwise authorized under CNMI law.
- d. A Homegrown Marijuana Registry cardholder shall:
 - 1. Submit an amended registration notifying the Commission of any change concerning the registry identification cardholder's:
 - i. Name
 - ii. Location of residence
 - iii. Description of the growing operation used in the production
- e. The Commission shall:
 - 1. On the date on which the Commission receives an application described in subsection (2) of this section, issue a Homegrown Marijuana Registry card to the applicant verifying that the authority received the complete registration information under subsection of this section and that the information provided meets the requirements listed under 4 CMC § 53012; and
 - 2. Update the Homegrown Marijuana Registry following the issuance of the Homegrown Marijuana Registry card.

§180-10.3.105 Homegrown Marijuana Privileges; Prohibitions

- a. Individuals registered under the Homegrown Marijuana Registry and in possession of a Homegrown Marijuana Registry Card may:
 - 1. Produce, process, keep or store homegrown marijuana at a household for non-commercial purposes by one or more persons 21 years of age and older, if
 - i. the total of homegrown marijuana at the household or cultivation site does not exceed six (6) mature marijuana plants and no more than twelve (12) immature plants at any time.
 - 2. Produce, process, keep or store useable marijuana at a household for non-commercial purposes by one or more persons 21 years of age or older, if:
 - i. The total amount of usable marijuana at the household or cultivation site does not exceed eight (8) ounces of useable marijuana at any time.
 - 3. Produce, process, keep or store homegrown marijuana at a household for non-commercial purposes by a medical marijuana patient or the patient's caregiver who may exceed the six (6) mature marijuana plant limit but not more than twelve (12) mature plants and twenty four (24) immature plants should the patient's physician deem it necessary and practical for the effective treatment of the medical marijuana patient; provided that any additional marijuana produced by the person's marijuana plants in excess of one (1) ounce of marijuana or eight (8) ounces of useable marijuana must remain in the same secure location where the marijuana was cultivated or secured at a person's household and such person holds a homegrown marijuana registry card issued by the Commission, and a document with a physician statement recommending the use of marijuana for medicinal use showing the name of the patient or the caregiver.

4. Make, process, keep or store marijuana products at a household by one or more persons 21 years of age and older, that are properly identified and properly secured to ensure in an enclosed, locked space that persons under 21 years of age do not possess a key.
 5. Deliver, possess, transport or gift not more than one (1) ounce of any usable marijuana at any given time by a person 21 years of age and older to another person 21 years of age or older for non-commercial purposes.
 6. Deliver, possess, transport or gift 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 non-commercial purposes.
 7. Deliver, possess, transport or gift 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 non-commercial purposes.
 8. Deliver, possess, transport or gift 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 non-commercial purposes.
 9. Deliver, possess, transport or gift 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 non-commercial purposes.
 10. Transport 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, where the harvested homegrown marijuana will be secured at the person's household.
 11. Make, process, keep or store 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 4 CMC § 53057(a) in addition to other restrictions in the statute.
- b. Individuals registered under the Homegrown Marijuana Registry and in possession of a Homegrown Marijuana Registry Card may not:
1. Make, process, keep or store homemade marijuana for commercial purposes
 2. Make, process, keep, store, use, or possess homemade marijuana in the presence of a person under 21 years of age, with exemptions and penalties provided under 4 CMC § 53030.
 3. Deliver, possess, transport or gift any quantity of marijuana, useable marijuana, marijuana extracts, mature or immature marijuana plants, marijuana extracts or marijuana concentrates in the presence of a person under 21 years of age, with exemptions provided under 4 CMC § 53030.

§180-10.3.110 Maintenance of Homegrown Marijuana Registry. The Commission shall maintain a ongoing database of Homegrown Marijuana Registrants.



Office of the Secretary
Department of Finance



P. O. Box 5234 CHRB SAIPAN, MP 96950

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PUBLIC NOTICE

**ADOPTION OF EMERGENCY REGULATIONS, AND
PROPOSED AMENDMENTS, DEPARTMENT OF FINANCE, PROCUREMENT
REGULATIONS, NMIAC TITLE 70, SUBCHAPTER 70-30.3**

NOTICE OF EMERGENCY ADOPTION: The Commonwealth of the Northern Mariana Islands, Department of Finance (“DOF”), Division of Procurement Services (“the Secretary”) will adopt the attached rules and regulations on an emergency basis for the reasons stated below. (1 CMC § 9105(b)(2)).

NOTICE OF PROPOSED AMENDMENTS: The Commonwealth of the Northern Mariana Islands, Department of Finance (“DOF”), Division of Procurement Services (“the Secretary”) finds that the same rules and regulations that are attached and which have been adopted on an emergency basis shall be adopted, after a proper notice and comment period, as permanent regulations pursuant to procedures ordinarily used for the adoption of regulations. 1 CMC § 9104(a).

AUTHORITY: The Secretary of Finance is responsible for procurement in the Commonwealth (1 CMC § 2553(j)) and is empowered by the Legislature to adopt rules and regulations not inconsistent with law regarding those matters within its jurisdiction (1 CMC § 2557).

An agency may adopt an emergency regulation upon fewer than 30 days’ notice if it states its reasons in writing:

- (b) If an agency finds that the public interest so requires, or that an imminent peril to the public health, safety, or welfare requires adoption of a regulation upon fewer than 30 days’ notice, and states in writing its reasons for that finding, it may, with the concurrence of the Governor, proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, to adopt an emergency regulation. The regulation may be effective for a period of not longer than 120 days, but the adoption of an identical regulation under subsections (a)(1) and (a)(2) of this section is not precluded.
- (c) No regulation adopted is valid unless adopted in substantial compliance with this section...1 CMC § 9104(b), (c).

THE TERMS AND SUBSTANCE: The emergency and proposed rules and regulations provide for all authorized agency personnel to make small purchases using a credit card, and specify evaluation criteria when making small purchases that require the use of quotations.

THE SUBJECTS AND ISSUES INVOLVED: These rules and regulations:

1. Authorize agency personnel (card holders) to use commercial credit cards to make purchases and payments for goods, services, or construction.
2. Allows for purchasing limits to card holders (\$10,000 per transaction and limit of \$25,000 of monthly transactions.
3. Provides for the selection of quotes based on either price and quality or alternative selection criteria provided in a request for quote. This subject is applicable to NMIAC §§ 70-30.3-220(a)(3) and 70-30.3-220(b)(2).

ADOPTION OF EMERGENCY REGULATIONS FOR 120 DAYS: The Secretary has followed the procedures of 1 CMC § 9104(b) to adopt the Regulations on an emergency basis for 120 days.

REASONS FOR EMERGENCY ADOPTION: The Secretary finds that the public interest requires adoption of these regulations on an emergency basis, for the following reasons:

1. The authorized card holders shall utilize these Government Purchase Cards to comply with terms or conditions the Secretary of Finance or Director of Procurement Services may impose on card holders to minimize risk of fraud or loss.

DIRECTIONS FOR FILING AND PUBLICATION: These Proposed Rules and Regulations shall be published in the Commonwealth Register in the section/s on emergency and proposed regulations (*see* 1 CMC § 9102(a)(1)) and posted in convenient places in the civic center and in local government offices in each senatorial district. (1 CMC § 9104(a)(1))

The Secretary shall take appropriate measures to make these Rules and Regulations known to the persons who may be affected by them (1 CMC § 9105(b)(2)).

IMMEDIATE EFFECT: These emergency regulations will become effective immediately upon filing with the Registrar of Corporations and the mailing under registered cover of copies thereof to the Governor (1 CMC § 9105(b)(2)). The Secretary has found that immediate adoption is required by the public interest or is necessary because of imminent peril to the public health, safety, or welfare. *Id.*

TO PROVIDE COMMENTS: Interested persons may submit written comments on the proposed regulations via the following methods:

Email: d.atalig@dof.gov.mp, Subject: Procurement Regulations Comments;

USPS mail: Procurement Regulations, C/O David DLG. Atalig, Secretary of Finance, PO Box 5234 CHRB, Saipan MP 96950.

Hand Delivery: Procurement Regulations, C/O David DLG. Atalig, Secretary of Finance, Building 1302 Ascencion Drive, Capitol Hill, Saipan.

Comments are due within 30 days from the date of this publication notice. Please submit your data, views, or arguments within the specified time (1 CMC §9104(a)(2)).

Submitted by:


MARGARET BERTHA C. TORRES
Acting Secretary of Finance

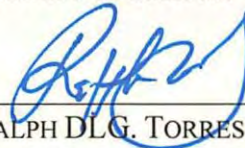
05/03/2022
Date

Received by:

MATHILDA A. 
MATILDE ROSARIO
Special Assistant for Administration

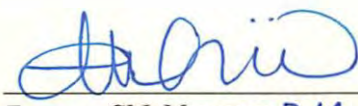
05/19/22
Date

Concurred by:


RALPH DLG. TORRES
Governor

05/19/22
Date

Filed and
Recorded by:

for 
ESTHER SN. NESBITT R.M. SAN NICOLAS
Commonwealth Registrar

05/24/2022
Date

Pursuant to 1 CMC § 2153(e), (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a)(3) (obtain AG approval) the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published (1 CMC § 2153(f) (publication of rules and regulations).

Dated the 20th day of May, 2022.


EDWARD MANIBUSAN
Attorney General

§ 70-30.3-220 Small Purchases; Government Purchase Card

(a) Purchases that use Government-sourced funds (local funds), or any combination of both local and federal funds, may be made according to the small purchase procedures of this subsection:

(1) For purchases that do not exceed \$10,000, at least one price quote shall be obtained. However, the Director may require the expenditure authority to obtain more than one price quote.

(2) A blanket purchase order may be used to make purchases without securing a price quote when the purchases do not exceed \$5000. The goods or services that may be purchased under a blanket purchase order must be defined (i.e. office supplies) and shall not be used for equipment. The expenditure authority shall promptly submit to the Director copies of receipts for all purchases made under a blanket-purchase order. The Director may instruct the expenditure authority to explain the need for the goods or services and how the prices paid were reasonable.

(3) For purchases that exceed \$10,000, but which are less than or equal to \$50,000, at least three vendors shall be solicited by the expenditure authority to submit written or electronic quotations. Selection shall be based on price and quality, unless alternative criteria were provided in the request for quote; in which case, such criteria shall be used as a basis for selection. If less than three quotes are obtained, the expenditure authority shall certify, in writing, to the Director that quotes were solicited from at least three vendors and shall attach documentation of the solicitation. The Director may approve the selected quote or instruct the expenditure authority to obtain at least three quotes before selection.

(b) Purchases that use only federal funds may be made according to the small purchase procedures of this subsection:

(1) For purchases that do not exceed \$10,000, at least one price quote shall be obtained. However, the Director may require the expenditure authority to obtain more than one price quote.

(2) For purchases that exceed \$10,000, but which are less than or equal to \$250,000, at least three vendors shall be solicited by the expenditure authority to submit written or electronic quotations. Selection shall be based on price and quality, unless alternative criteria are provided in the request for quote; in which case, such criteria shall be used as a basis for selection. If less than three quotes are obtained, the expenditure authority shall certify, in writing, to the Director that quotes were solicited from at least three vendors and shall attach documentation of the solicitation. The Director may approve the selected quote or instruct the expenditure authority to obtain at least three quotes before selection.

(c) Purchases from the United States General Services Administration (GSA) may be made according to the small purchase procedures of this subsection:

(1) At least one quote shall be obtained when making purchases, including purchases that exceed \$250,000.

(d) A purchase order shall be used as authorization to make any of the above small purchases (§§ 70-30.3-220(a)-(c)).

(e) Government Purchase Card. The Secretary of Finance may issue Government charge cards to authorized agency personnel (card holders). The charge cards may be similar to

commercial credit cards and may be used for the purchase and payment of goods, services, or construction.

(1) **Purchase Limit.** Card holders shall limit each transaction to \$10,000 and shall limit monthly transactions to \$25,000.

(2) **Quotations.** Purchases and payments may be made without a quotation if the card holder considers the price to be reasonable based on past purchases made by the agency, personal knowledge of the items purchased, or any other reasonable basis.

(3) **Responsibilities.** Card holders shall:

(i) **Safeguard the charge card and account number to prevent theft or unauthorized use;**

(ii) **Provide documentation of purchases (i.e. invoices or receipts) when requested by the Department of Finance, Division of Procurement Services, Agency Head, or Public Auditor;**

(iii) **Initiate action to obtain credit for any disputed item (i.e. duplicate, erroneous or over charges);**

(iv) **Promptly report a lost or stolen charge card; and**

(v.) **Comply with terms or conditions the Secretary of Finance or Director of Procurement Services may impose on card holders to minimize the risk of fraud or loss (i.e. transaction review and certification procedures, manual or electronic reconciliation procedures, inventory receipt and control, etc...).**

(f) **Procurement requirements shall not be artificially divided so as to constitute a small purchase.**



Commonwealth Utilities Corporation

Office of the Executive Director



PUBLIC NOTICE OF EMERGENCY REGULATIONS

WHICH ARE AMENDMENTS TO THE PROCEDURE FOR PROCUREMENT APPEALS OF DIRECTORS DECISIONS

EMERGENCY ADOPTION AND IMMEDIATE EFFECT: The Commonwealth Utility Corporation (hereinafter “CUC”) of the Northern Mariana Islands, finds that:

(1) the attached rules and regulations regarding Appeals of Director’s Decisions to the Board of Directors Standing Committee for Appeals shall be adopted on an emergency basis because the public interest so requires, for the reasons stated below (1 CMC § 9104(b), (b); 1 CMC § 9105(b)(2)).

AUTHORITY: These regulations are promulgated under the authority of 4 CMC §§ 8122 and 8123, which give the CUC the duties and powers to be in control of and be responsible for procurement and supply for utility services in the Commonwealth; and 4 CMC § 8157, which empowers the CUC Board of Directors to issue Regulations.

The Administrative Procedure Act provides that an agency may adopt an emergency regulation upon fewer than 30 days’ notice if it states its reasoning in writing:

(b) If an agency finds that the public interest so requires, or that an imminent peril to the public health, safety, or welfare requires adoption of a regulation upon fewer than 30 days’ notice, and states in writing its reasons for that finding, it may, with the concurrence of the Governor, proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, to adopt an emergency regulation. The regulation may be effective for a period of no longer than 120 days, but adoption of an identical regulation under subsections (a)(1) and (a)(2) of this section is not precluded.

(c) No regulation adopted is valid unless adopted in substantial compliance with this section.

1 CMC § 9104(b), (c).

THE TERMS AND SUBSTANCE: These Rules and Regulations seek to remove the Office of the Public Auditor from the process for appeals of Director’s Decisions of Procurement Protests under NMIAC § 50-50-405, as required by *RNV Constr. v. GPPC, Inc.*, 2021 MP 13, and replace it with the Board of Directors Standing Committee for Appeals (henceforth “Committee for Appeals”).

THE SUBJECTS AND ISSUES INVOLVED: Appeals of Director’s Decisions of Procurement Protests under NMIAC § 50-50-405.



Commonwealth Utilities Corporation

Office of the Executive Director



REASONS FOR EMERGENCY ADOPTION: The CUC finds that the public interest requires adoption of these regulations on an emergency basis for the following reasons:

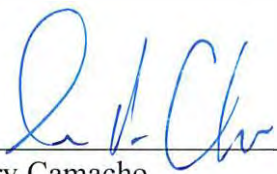
1. The CUC requires immediate legal authority to hear and resolve ongoing procurement disputes before it in light of the repeal of NMIAC § 50-50-405 by the NMI Supreme Court in *RNV Constr. v. GPPC, Inc.*, 2021 MP 13. In order to provide for increased public confidence in the procedures followed in CUC procurement, and ensure fair and equitable treatment of all persons who deal with the procurement system of CUC, the CUC must have the immediate ability to hear disputes until such time as new procurement regulations can be promulgated.

DIRECTION FOR FILING AND PUBLICATION: These Proposed Emergency Rules and Regulations shall be published in the Commonwealth Register in the section/s on emergency and proposed regulations (*see* 1 CMC § 9102(a)(1)). The Executive Director of CUC will take appropriate measures to make these Emergency Regulations known to the persons who may be affected by them. (1 CMC § 9105(b)(2)).

IMMEDIATE EFFECT: These Emergency Rules and Regulations become effective immediately upon FILING WITH THE Commonwealth Register and delivery to the Governor. 1CMC § 9105(b)(2). This is because the CUC has found that this effective date is required by the public interest.

The attached Emergency Regulations are approved by the CUC Board of Directors on the date listed below:

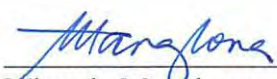
Submitted by:



Gary Camacho
Executive Director, CUC



Date



Miranda Manglona
Chairperson, CUC Board of Directors



Date



Commonwealth Utilities Corporation

Office of the Executive Director



Concurred by:



Ralph DLG. Torres
Governor

13 MAY 2022

Date

Filed and
Recorded by:



Esther R.M. San Nicolas
Commonwealth Registrar

05.17.2022

Date

Pursuant to 1 CMC § 2153(e) and 1 CMC § 9104(a)(3) the Emergency Regulations attached hereto have been reviewed and approved as to form and legal sufficiency.



Edward Manibusan
Attorney General

5/16/2022

Date

TITLE 50 COMMONWEALTH UTILITIES CORPORATION

In subsection (b)(1), the Commission changed “disregard” to “disregarded” and in subsection (b)(4) the Commission changed “concern” to “concerned” to correct manifest errors.

§ 50-50-405 Appeals of Director’s Decisions to the Board of Directors Standing Committee for Appeals

(a) Jurisdiction; Exhaustion of Remedies. A written appeal to the ~~Public Auditor~~Committee for Appeals from a decision by the Director may be taken provided that the party taking the appeal has first submitted a written protest to the Director as provided in § 50-50-401 of these procedures, and the Director has denied the protest or has failed to act on the protest within the time provided for in § 50-50-401(a)(3) above.

(b) Form of Appeal. No particular form of pleading is required for filing an appeal to the ~~Public Auditor~~Committee for Appeals. The appeal shall, however:

- (1) Include the name and address of the appellant;
- (2) Identify the number of the solicitation or contract;
- (3) Contain a concise, logically arranged, and direct statement of the grounds for appeal; and
- (4) Specifically request a ruling by the Committee for Appeals~~Public Auditor~~.

(c) Time for Filing Appeal. An appeal from the Director’s decision must be received by the Office of the ~~Public Auditor~~Committee for Appeals not later than ten days after the appellant receives the decision of the Director, or, in the event that the Director has not decided the protest within ten days from the date that he should have pursuant to § 50-50-401(a)(3) above. Any appeal received after these time limits shall not be considered by the ~~Public Auditor~~Committee for Appeals unless good cause is shown or unless the ~~Public Auditor~~Committee for Appeals determines that the appeal presents issues significant to procurement practices that are not outweighed by the detriment to CUC should the appeal be considered.

(d) Notice of Protest. Submission of Director’s Report and Time for Filing of Comments on Report.

(1) The ~~Public Auditor~~Committee for Appeals shall notify the Director by telephone and in writing within one day of the receipt of an appeal to the contractor if award has been made or, if no award has been made, to all bidders or proposers who appear to have a substantial and reasonable prospect of receiving an award if the appeal is denied. The Director shall be requested to furnish in accordance with § 50-50-401(a)(2) of these procedures copies of the protest and appeal documents to such parties with instruction to communicate further directly with the ~~Public Auditor~~Committee for Appeals.

(2) Material submitted by an appellant will not be withheld from any Commonwealth or federal agency which may be involved in the appeal except to the extent that the withholding of information is* permitted or required by law or regulation. If the appellant considers that the protest contains material which should be withheld, a statement advising of this fact must be affixed to the front page of the appeal document and the allegedly proprietary information must be so identified wherever it appears.

(3) The ~~Public Auditor~~Committee for Appeals shall request the Director to submit a complete report on the appeal to the Committee for Appeals ~~Public Auditor~~ as expeditiously as possible (generally within 25 working days) in accordance with § 50-50-401(a)(4) of these procedures and to furnish a copy of the report to the appellant and other interested parties as defined in § 50-50-301(d).**

(4) Comments on CUC report shall be filed with the Committee for Appeals ~~Public Auditor~~

TITLE 50 COMMONWEALTH UTILITIES CORPORATION

within ten days after the Committee for Appeals' ~~Public Auditor's~~ receipt of the report, with a copy to the CUC office which furnished the report and to other interested parties. Any rebuttal an appellant or interested party may care to make shall be filed with the Committee for Appeals ~~Public Auditor~~ within five days after receipt of the comments or which rebuttal is directed,*** with a copy to CUC office which furnished the report, the appellant, and interested parties, as the case may be. Unsolicited CUC rebuttals shall be considered if filed within five days after receipt by the CUC of the comments to which rebuttals directed.

(5) The failure of an appellant or any interested party to comply with the time limits stated in this section may result in resolution of the appeal without consideration of the comments untimely filed.

*So in original; probably should be "is."

**So in original; see the commission comment to this section.

***So in original.

(e) Withholding of Award. When an appeal has been filed before award, the ~~D~~irector will not make an award prior to resolution of the protest except as provided in this section. In the event the Director determines that award is to be made during the pendency of an appeal, the Director will notify the Committee for Appeals ~~Public Auditor~~.

(f) Furnishing of Information on Protests. The Committee for Appeals ~~Public Auditor~~ shall, upon request, make available to any interested party information on the substance of the appeal which has been submitted by interested parties or agencies, except to the extent that withholding of information is permitted or required by law or regulation. Any comments thereon shall be submitted within a maximum of ten days.

(g) Time for Submission of Additional Information. Any additional information requested by the Committee for Appeals ~~Public Auditor~~ from the appellant or interested parties shall be submitted no later than five days after the receipt of such request. If it is necessary to obtain additional information from the Director, the Committee for Appeals ~~Public Auditor~~ that such information be furnished as expeditiously as possible.

(h) Conference.

(1) A conference on the merits of the appeal with the Committee for Appeals ~~Public Auditor~~ may be held at the request of the appellant, any other interested party, or the Director. Request for a conference should be made prior to the expiration of the time period allowed for filing comments on CUC report. Except in unusual circumstances, request for a conference received after such time will not be honored. ~~The~~ Committee for Appeals ~~The Public Auditor~~ will determine whether a conference is necessary for resolution of the appeal.

(2) Conferences normally will be held prior to expiration of the period allowed for filing comments on CUC report. All interested parties shall be invited to attend the conference. Ordinarily, only one conference will be held on an appeal.

(3) Any written comments to be submitted and as deemed appropriate by the Committee for Appeals ~~Public Auditor~~ as a result of the conference must be received in the Committee for Appeals ~~Office of the Public Auditor~~ within five days of the date on which the conference was held.

(4) Time for Decision; Notice of Decision. The Committee for Appeals ~~Public Auditor~~ shall, if possible, issue a decision on the appeal within 25 days after all information necessary for the resolution of the appeal has been received. A copy of the decision shall immediately be mailed or otherwise transmitted to the appellant, other participating parties, and the Director.

TITLE 50 COMMONWEALTH UTILITIES CORPORATION

(i) Request for Reconsideration.

(1) Reconsideration of a decision of the Committee for Appeals ~~Public Auditor~~ may be requested by the appellant, any interested person who submitted comments during consideration of the protest, the Director, and any agency involved in the protest. The request for reconsideration shall contain a detailed statement of the factual and legal grounds specifying any errors of law information not previously considered.

(2) Request for reconsideration of a decision of the Committee for Appeals ~~Public Auditor~~ shall be filed not later than ten days after the basis for reconsideration is known or should have been known, whichever is earlier. The term “filed” as used in this section means receipt in the Committee for Appeals ~~Office of the Public Auditor~~.

(3) A request for reconsideration shall be subject to these bid protest procedures consistent with the need for prompt resolution of the matter.

Modified, 1 CMC § 3806(c), (e), (f), (g).

History: Adopted 13 Com. Reg. 7853 (Aug. 15, 1991); Proposed 12 Com. Reg. 7069 (June 15, 1990).

Commission Comment: In subsection (d)(3), the Commission changed “he” to “the” to correct a manifest error. The starred citation in subsection (d)(3) is incorrect. The original regulations reference section 4-101(4)(c), which did not exist. Original section 4-101(4) is codified at § 50-50-301(d); however, reference to that section does not make sense.

In subsection (d)(5), the Commission changed “interest” to “interested” to correct a manifest error.



MARIANAS VISITORS AUTHORITY

P.O. BOX 500861, Saipan, MP 96950

Email: info@mymarianas.com

Website: <http://www.mymarianas.com>

Tel: (670) 664-3200/ 3201

Fax: (670) 664-3237

PUBLIC NOTICE EMERGENCY AMENDMENTS TO PROCUREMENT RULES AND REGULATIONS FOR THE MARIANAS VISITORS AUTHORITY

EMERGENCY ADOPTION AND IMMEDIATE EFFECT: The Marianas Visitors Authority (MVA) finds that:

1. the attached Amendments to its Procurement Rules and Regulations, shall be adopted immediately on an emergency basis because the public interest so requires, for the reasons stated below. 1 CMC § 9104(b), (c) and 1 CMC § 9105(b)(2)); and

AUTHORITY: These proposed regulations are promulgated under the authority of the Board of Directors, through its Chairperson, to promulgate rules and regulations pursuant to 4 CMC § 2111.

The Administrative Procedure Act provides that an agency may adopt an emergency regulation upon fewer than 30 days' notice if it states its reasons in writing:

(1) If an agency finds that the public interest so requires, or that an imminent peril to the public health, safety, or welfare requires adoption of a regulation upon fewer than 30 days' notice, and states in writing its reasons for that finding, it may, with the concurrence of the Governor, proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, to adopt an emergency regulation. The regulation may be effective for a period of no longer than 120 days, but the adoption of an identical regulation under subsections (a)(1) and (a)(2) of this section is not precluded.

(2) No regulation adopted is valid unless adopted in substantial compliance with this section.

1 CMC § 9104(b), (c).

THE TERMS AND SUBSTANCE: The Amendment to the Procurement Rules and Regulations adds a new section on the Ratification of Unauthorized Commitments to MVA's Procurement Rules and Regulations to be designated as **NMIAC § 90-20-1060**, unless otherwise designated by the Commonwealth Law Revision Commission.

ADOPTION OF EMERGENCY REGULATIONS FOR 120 DAYS: The Marianas Visitors Authority (MVA) has followed the procedures of 1 CMC § 9104(b) to adopt these Proposed Regulations on an emergency basis effective for 120 days.

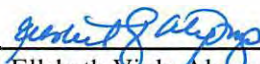
REASONS FOR EMERGENCY ADOPTION: The MVA finds that the public interest requires adoption of this Amendment to the Procurement Rules and Regulations on an emergency basis, for the following reasons:

1. The travel and tourism industry require quick and responsible actions in response to market trends and demands. This has never been more evident than during the ongoing COVID-19 pandemic, which has been the most significant disruption to global travel and tourism in the history of the industry. As stated in the regulations, the proposed procedures shall not be used in a manner that encourages unauthorized commitments. However, sudden and marked changes may, in rare instances like COVID-19, require procurement action that would jeopardize the Marianas tourism industry if delayed;
2. A prime example of this is the rapid changes faced under the pandemic related to ever-changing safety and quarantine protocols. For example, with the sudden proliferation of the Delta variant in October 2021, the CNMI suddenly doubled its mandatory quarantine period for all incoming passengers from 5 days to 10, and taking effect on the date of the Emergency Health Declaration was issued. Had additional quarantine rooms not been immediately procured visitors from South Korea would have been prohibited from entering the CNMI and repatriated back to South Korea. This situation may have cause consequential damage to the Korea-CNMI travel bubble agreement and our partnerships with airlines, travel agents, the media, and customers;
3. The pandemic had a profound impact on travel trends and preferences which contributed to changes in expectations and opportunities. Within the past two years since COVID-19, the MVA has made quick and strategic decisions in response to the uncertainty and challenges of evolving market demands, entry regulations, and economic conditions;
4. Travel and tourism industry faces stiff competition with other destinations that are armed with more substantial resources than The Marianas, making timely action even more imperative to remain competitive. Due to MVA's limited financial resources, there may be occasions when a substantial advantage over our competition can be gained through quick action requiring the ratification process;
5. The MVA has taken strategic action to remain at the forefront of the tourism industry. MVA has modified its approach in addressing priorities and responsibilities, while securing emergency funding to support, develop and implement its short-term and long-term marketing and recovery plans.

The Marianas Visitors Authority (MVA) shall take appropriate measures to make these Rules and Regulations known to the persons who may be affected by them (1 CMC 9105(b)(2)).

IMMEDIATE EFFECT: These emergency rules and regulations become effective immediately upon filing with the Commonwealth Register and the mailing under registered cover of copies thereof to the Governor. (1 CMC § 9105(b)(2)). The MVA has found that this effective date is required by the public interest or is necessary because of imminent peril to the public health, safety, or welfare. *Id.*

The attached emergency regulations were approved by the Marianas Visitors Authority (MVA) on May 03, 2022.

Submitted by: 
Ellsbeth Viola Alepuyo
Chairwoman
MVA Board of Directors

May 3, 2022
Date

Received by: _____

Mathilda A. Rosario
Special Assistant for Administration

05/19/22

Concurred by: _____

Ralph DLG. Torres
Governor

5/19/22

Filed and

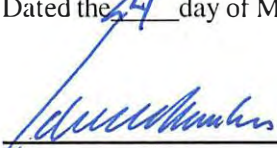
Recorded by: _____

for Esther R.M. San Nicolas
Commonwealth Registrar

5/24/2022

Pursuant to I CMC § 2153(e) and I CMC § 9104(a)(3), the proposed Amendments to the Procurement Regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNM1 Attorney General and shall be published pursuant to I CMC § 2153(f) (publication of rules and regulations)).

Dated the 24 day of May 2022.



EDWARD E. MANIBUSAN
Attorney General

A new § 90-20-1060 entitled Ratification of Unauthorized Commitments is added to MVA's Procurement Rules and Regulations as follows:

“§ 90-20-1060 Ratification of Unauthorized Commitments.

(a) Definitions.

(1) Ratification, as used in this section, means the act of approving an unauthorized commitment by the expenditure authority who has the authority to do so.

(2) Unauthorized commitment, as used in this section, means an agreement that is not binding solely because the MVA representative who made it lacked the authority to enter into that agreement on behalf of the MVA.

(b) Policy. MVA shall take positive action to preclude, to the maximum extent possible, the need for ratification actions. Although procedures are provided in this section for use in those cases where the ratification of an unauthorized commitment is necessary, these procedures shall not be used in a manner that encourages such unauthorized commitments to be made.

(1) Subject to the limitations in paragraph (c) of this section, the Expenditure Authority may request the Board of Directors to ratify an unauthorized commitment.

(2) Limitations. The authority in paragraph (b) of this section may be exercised only when:

(i) Supplies or services have been provided to and accepted by the MVA, or the MVA otherwise has obtained or will obtain a benefit resulting from performance of the unauthorized commitment;

(ii) The Expenditure Authority had the authority to enter a contractual commitment;

(iii) The resulting contract would otherwise have been proper if made in a manner approved by these regulations;

(iv) The Board of Directors determines the price to be fair and reasonable;

(v) The Board of Directors recommends payment, and the Attorney General concurs in the recommendation;

(vi) Funds are available; and

(vii) The ratification is in accordance with other limitations prescribed under these procedures.

(c) Ratification Requests. The Expenditure Authority shall submit a ratification request to both the Board of Directors and the Attorney General.

(d) Criminal investigation. Generally, the MVA is not bound by commitments made by persons with no contracting authority. Unauthorized commitments may violate laws or regulations. They constitute serious misconduct and may warrant disciplinary action or other sanctions. If unauthorized commitments involve any type of misconduct that might be punishable as a criminal offense, either the procurement officer, the managing director or a member of the board of directors shall report the matter immediately to the Office of the Attorney General.

(e) Documentation Required for Ratification. When submitting a ratification request, the Expenditure Authority shall give the Board of Directors all records and documents concerning the commitment, including a complete written statement of facts that explains:

(1) Why normal acquisition procedures were not followed;

(2) Why the contractor was selected;

(3) Identifies other sources/vendors considered;

- (4) Description of work or products;
- (5) Estimated or agreed-upon contract price; and
- (6) Status of contract performance.

(f) **Processing a Ratification.** After receiving a request for ratification, the Board of Directors shall prepare a summary statement of the facts, and a recommendation to the Attorney General whether the procurement should be ratified. The Expenditure Authority shall include a recommendation for other disposition if advising against ratification and provide recommendation for corrective action to prevent recurrence.

(1) If other than the full amount requested by the Expenditure Authority is approved, the Board of Directors may request payment based on a showing of either of the following:

- (i) The reasonable value of work or labor provided to the MVA; or
- (ii) The reasonable value of goods sold and delivered to the MVA.

(2) The Board of directors shall either:

(i) Approve the ratification request in writing and send the approval to the Attorney General. If the Attorney General concurs, the Board of Directors shall send a written request to the Expenditure Authority for issuance of the necessary contractual documents; or

(ii) Return an unjustified request or recommendation to the Expenditure Authority with a written explanation on why the request or recommendation was denied.

(3) **Files.** The MVA will maintain a separate file containing a copy of each request to ratify an unauthorized contractual commitment and the response.”



PUBLIC NOTICE

OF PROPOSED AMENDMENTS TO THE DEVELOPMENT CORPORATION DIVISION (DCD) RULES AND REGULATIONS OF THE COMMONWEALTH ECONOMIC DEVELOPMENT AUTHORITY (CEDA)

INTENDED ACTION TO ADOPT THE PROPOSED AMENDMENTS TO THE DCD RULES AND REGULATIONS: The Commonwealth of the Northern Mariana Islands, Development Corporation Division of the Commonwealth Economic Development Authority intend to adopt the attached amendments to the DCD Rules and Regulations, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The Amendments to the DCD Rules and Regulations would become effective 10 days after adoption and publication in the Commonwealth Register. (1 CMC § 9105(b)).

AUTHORITY: The Board of Directors of the Development Corporation Division of the Commonwealth Development Authority thru its Chairman and the Board of Directors of the Commonwealth Economic Development Authority thru its Chairwoman are authorized to promulgate the DCD Rules and Regulations pursuant to §6 of the CDA Act of 1985 (P.L. 4-49, as amended), 4 CMC §10203(a)(2) and (a)(30), and Section 1.4 of the DCD Rules and Regulations.

THE TERMS AND SUBSTANCE: The proposed amendments, adding a section on meetings of the Board, to the DCD Rules and Regulations, were formulated to ease the burden of establishing a quorum due to unavailability of members to attend in person.

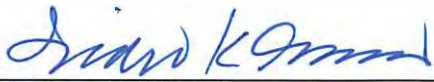
THE SUBJECTS AND ISSUES INVOLVED: The proposed amendments to the DCD Rules and Regulations are promulgated:

1. To add a Section on Meetings of the Board and to renumber the sections following the new section.

CITATION OF RELATED AND/OR AFFECTED STATUTES, RULES AND REGULATIONS. These proposed amendments would affect other sections of the existing DCD Rules and Regulations.

DIRECTIONS FOR FILING AND PUBLICATION: The proposed amendments to the DCD Rules and Regulations shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations (1 CMC § 9102(a)(1) and posted in convenient places in the civic center and in local government offices in each senatorial district, both in English and in the principal vernacular. (1 CMC § 9104(a)(1))

These proposed amendments to DCD Rules and Regulations were approved and adopted by the Board of Directors of DCD and the Board of Directors of CEDA on March 6, 2022.

Submitted by: 
ISIDRO K. SEMAN, Acting Chairman
DCD Board of Directors

4/27/22
Date


AUBRY M. HOCOG, Chairwoman
CEDA Board of Directors

4/27/22
Date

Received by: 
MATHILDA A. ROSARIO
Special Assistant for Administration

05/03/22
Date

Filed and
Recorded by: 
ESTHER R.M. SAN NICOLAS
Commonwealth Register ^{RAF}

05.17.2022
Date

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a)(3) (obtain AG approval) the proposed amendments to the DCD Rules & Regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published, 1 CMC § 2153(f) (publication of rules and regulations).

Dated the 6 day of May 2022.


EDWARD MANIBUSAN
Attorney General

All meetings of the Board shall be held in the Commonwealth and pursuant to Public Law 8-41; "the Open Government Act of 1992", as amended. Members of the Board of Directors who are in the Commonwealth but unable to attend a meeting in person may appear by means of internet or online video conferencing, teleconferencing, or other electronic means of communication.

(a) Members attending a meeting via internet or online video conferencing, teleconferencing, or other electronic means of communication must make sure that they are in a secured location where public is not present unless declaration is made or requested, on record, to participate.

(b) Members who appear by means of internet or online video conferencing, teleconferencing, or other electronic means of communication shall be considered present for the purposes of a quorum.

(c) Notice of Intent to Attend Remotely. Members who plan to attend a meeting of the Board of Directors by means of internet or online video conferencing, teleconferencing, or other electronic means of communication shall inform the Chairman of the Board and the Executive Assistant at least three (3) days prior to the meeting.



NUTISIAN PUPBLIKU

PUT I MANMAPROPONI NA AMENDA SIHA GI AREKLAMENTU YAN REGULASION DEVELOPMENT CORPORATION DIVISION (DCD) NU I COMMONWEALTH ECONOMIC DEVELOPMENT AUTHORITY (CEDA)

I AKSION NI MA'INTENSIONA PARA U ADAPTA ESTI I MANMAPROPONI NA AMENDA SIHA GI AREKLAMENTU YAN REGULASION I DCD: I Commonwealth gi Sangkattan na Islas Mariānas, i Development Corporation Division nu i Commonwealth Economic Development Authority ha intensiona para u adapta i mañechettun na amenda siha gi Areklamentu yan Regulasion DCD, sigun gi maneran nu i Åkton Administrative Procedure, 1 CMC § 9104(a). I amenda siha gi Areklamentu yan Regulasion DCD siempri umifektibu gi halum dies (10) dihas dispues di adaptasion yan publikasion gi halum i Rehistran Commonwealth. (1 CMC § 9105(b)).

ÅTURIDÅT: I Kuetpun Direktot nu i Development Corporation Division gi Commonwealth Economic Development Authority ginen iyon-ñiha Kabesiyu manma'aturisa para u macho'gui i Areklamentu yan Regulasion DCD sigun para §6 nu i Åkton CEDA nu 1985 (P.L. 4-49, komu ma'amenda), 4 CMC §10203(a)(2) yan (a)(30), yan Seksiona 1.4 nu i Areklamentu yan Regulasion DCD.

I TEMA YAN SUSTÅNSIAN I PALÅBRA: I manmaproponi na amenda siha gi Areklamentu yan Regulasion DCD manmafotma para u sedi para huntan inannuk siha nu i Kuetpun Direktot CEDA ginen i "internet" osino "online video conferencing," pat otru na ilektronik na maneran kumbetsasiōn yanggin i membru nu i Kuetpu gi halum iya Commonwealth gi Sangkattan na Islas Mariānas (i CNMI) ti siña ma'atendi i hunta maisa mismu gi lugāt i hunta.

SITASION I ASOSIÅT YAN/PAT I MANINA'FEKTA NA STATUTES, AREKLAMENTU YAN REGULASION: Esti i manmaproponi na amenda siha siempri ha afekta otru na seksiona siha gi maneksissisti na Areklamentu yan Regulasion DCD.

DIREKSION PARA PINE'LU YAN PUPBLIKASION: Esti i manmaproponi na amenda siha gi Areklamentu yan Regulasion DCD debi na u mapublika gi halum Rehistran Commonwealth gi halum seksiona ni manmaproponi yan nuebu na ma'adapta na regulasion (1 CMC § 9102(a)(1) yan u mapega gi halum kumbinienti na lugāt gi halum i civic center yan i ufisinan gubietnamentu siha gi kada distritun senadot, parehu Inglis yan i prinsipāt na linguāhi. (1 CMC § 9104(a)(1))

PARA U MAPRIBENIYI UPIÑON SIHA: Na'hãnao pat intrega hãlum i upiñom-mu guatu as Manuel A. Sablan, i Eksakatibun Direktot CEDA, para i mantinattiyi na address, fax osino email, yan i suhetu na rãya **"I Manmaproponi na Amenda siha gi Areklamentu & Regulasion i DCD"**.

Commonwealth Economic Development Authority
P.O. Box 502149 ▪ CEDA Building, Beach Road ▪ Oleai
Saipan, MP 96950
Tel. No.: 234-7145.7146/6293/6245 ext. 311 ▪ Fax No.: 235-7147
Email address: e.borja@developcnmi.com

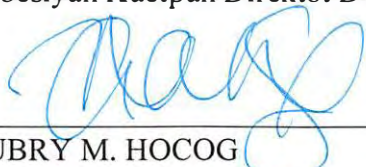
I upiñon siha debi na u fãkpu' gi hãlum trenta (30) dihas ginen i fetchan pupublikasion nu esti na nutisia. Put fabot na hãlum i infotmasion, i upiñon yan i kunistasiòn-mu siha. (1 CMC § 9104(a)(2))

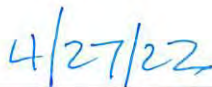
Esti i manmaproponi na amenda siha gi Areklamentu yan Regulasion i DCD manma'aprueba ginen i Kuetpun Direktot nu DCD & i Kuetpun Direktot i CEDA gi Måtsu 6, 2022.

Nina'hãlum as:


ISIDRO K. SEMAN, Acting Chairman
Kabesiyn Kuetpun Direktot DCD


Fetcha


AUBRY M. HOCOG
Kabesiyn Kuetpun Direktot CEDA


Fetcha

Rinisibi as:


MATILDE A. ROSARIO
Ispisiãt na Ayudãnti para i Atministrasion


Fetcha

Pine'lu yan Ninota as:


ESTHER R.M. SAN NICOLAS
Rehistran Commonwealth


Fetcha

Sigun para l CMC § 2153(e) (l Abugådu Hiniråt ma'aprueba i regulasion siha na para u macho'gui kumu fotma) yan i l CMC § 9104(a)(3) (hentan inaprueban Abugådu Hiniråt) i manmaproponi na regulasion siha ni mañechettun guini ni manmaribisa yan manma'aprueba kumu fotma yan sufisienti ligåt ginen i CNMI Abugådu Hiniråt yan debi na u mapupblika, l CMC § 2153(f) (pupublikasion areklamentu yan regulasion siha).

Mafetcha gi diha 6 gi May 2022.



EDWARD MANIBUSAN
Abugådu Hiniråt

Fetcha



ARONGORONGOL TOULAP

REEL PPWOMWOL LIIWEL NGÁLI "DEVELOPMENT CORPORATION DIVISION" (DCD) ALLÉGHÚL ME MWÓGHUTUGHUTÚL "COMMONWEALTH ECONOMIC DEVELOPMENT AUTHORITY (CEDA)

MÁNGEMÁNGIL MWÓGHUT REEL REBWE ADÓPTÁÁLI PPWOMWOL LIIWEL NGÁLI ALLÉGHÚL ME MWÓGHUTUGHUTÚL DCD: Commonwealth Téel Falúw kka Efáng llól Marianas, Development Corporation Division-il Commonwealth Economic Development Authority re mángemángil rebwe adóptááli liiwel ikka e appasch ngáli Alléghúl me Mwóghutughutúl DCD, sáangi mwóghutughutúl Administrative Procedure Act, 1 CMC § 9104(a). Ebwe bwunguló Liiwel ngáli Alléghúl me Mwóghutughutúl DCD seigh ráál mwiril aal akkatééwow me arongowowul me llól Commonwealth Register. (1 CMC § 9105(b)).

BWÁNGIL: Board of Directors-il Development Corporation Division reel Commonwealth Economic Development Authority sáangi layúr Chairman me Board of Directors me Commonwealth Economic Development Authority sáangi layúr Chairwoman eyoor bwángiir reel rebwe aronga Alléghúl me Mwóghutughutúl DCD sáangi §6 reel CEDA Act of 1985 (P.L. 4-49, igha aa liiwel), 4 CMC §10203(a)(2) me (a)(30), me Tálil 1.4 reel Alléghúl me Mwóghutughutúl DCD.

KKAPASAL ME WEEWEL: Ppwomwol liiwel ngáli Alléghúl me Mwóghutughutúl DCD ikka re ayoora ammwelil ebwe lighiti ngáli "meeting appearance" reel CEDA Board of Directors "by means of internet or online video conferencing, or other electronic means of communications" ngáre e tutto bwe escháy me leylil membro ese mmwelil bwááló reel leliyál yéélágh me "in person".

ABWETCH REEL IKKA E SCHUU/NGÁRE ANNGAWA "STATUTES", ALLÉGH ME MWÓGHUTUGHUT. Ppwomwol liiwel kkal ebwe siiweli akkááw tálil ikka e lo llól Alléghúl me Mwóghutughutúl DCD.

AFAL REEL AMMWELIL ME AKKATÉÉWOWUL: Ppwomwol liiwel ngáli Alléghúl me Mwóghutughutúl DCD ebwe akkatééwow me llól Commonwealth Register llól tálil ppwomol me ffél mwóghutughut ikka ra adóptááli (1 CMC § 9102(a)(1) me ebwe appaschetá me llól civic center me bwal llól bwulasiyol gobetnameento llól senatorial district, fengal reel English me mwáliyaasch. (1 CMC § 9104(a)(1))

REEL ISIISILONGOL KKAPAS: Afanga ngáre bwughiló yóómw ischil kkapas ngáli Manuel A. Sablan, CEDA Executive Director, ngáli féléfél iye e lo, "fax" ngáre "email address", ebwe lo wóól "subject line" bwe "Ppwomwol Liiwel ngáli Alléghúl me Mwóghutughutúl DCD".

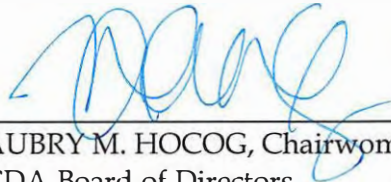
Commonwealth Economic Development Authority
P.O. Box 502149 ▪ CEDA Building, Beach Road ▪ Oleai
Saipan, MP 96950
Tel. No.: 234-7145/7146/6293/6245 ext. 311 ▪ Fax No.: 235-7147
Email address: e.borja@developcnmi.com

Ebwe toolong kkapas llól eliigh ráál mwiril aal akkatééwow arongorong yeel. Isiisilong yóómw "data", "views" me angingi (1 CMC § 9104(a)(2))

Aa átirow ppwomwol liiwel ngáli Alléghúl me Mwóghutughutúl DCD sáangi "Board of Directors" me DCD me "Board of Directors" me CEDA wool Mááilap 6, 2022.

Isáliyalong: 
ISIDRO K. SEMAN, Acting Chairman
DCD Board of Directors


Ráál

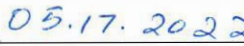

AUBRY M. HOCOG, Chairwoman
CDA Board of Directors


Ráál

Bwughiyal: 
MATHILDA A. ROSARIO
Special Assistant ngáli Administration


Ráál

Ammwelil: 
ESTHER R.M. SAN NICOLAS
Commonwealth Register


Ráál

Sáangi 1 CMC § 2153(e) (sáangi átirowal AG reel mwóghutughut bwe aa lléghló reel fféerúl) me 1 CMC § 9104(a)(3) (sáangi átirowal AG) reel ppwomwol liiwel ngáli Alléghúl me Mwóghutughutúl DCD iye e appasch bwe ra takkal amwuri fischiiy me aa lléghló reel fféerúl

me “legal sufficiency” sáangi Soulemelemil Allégh Lapalapal CNMI me ebwe akkatééwow, 1 CMC § 2153(f) (akkatééwowul allégh me mwóghutughut).

Aghilikkilátiw wóól 6 ráálil May 2022.



EDWARD MANIBUSAN
Soulemelemil Allégh Lapalap



Office of the Secretary
Department of Finance

P. O. Box 5234 CHRB SAIPAN, MP 96950

TEL.: (670) 664-1100 FAX: (670) 664-1115



Public Notice of Proposed Amendments to the Regulations for the
Department of Finance, Division Revenue and Taxation

Business License Regulations

Notice of Intended Action: The Department of Finance, Division Revenue and Taxation approved the publication of the following amendments to its Business License Regulations. It intends to adopt these regulations as permanent, pursuant to the Administrative Procedure Act, 1 CMC § 9104(a). If adopted, these amendments will become effective ten days after publication of a Notice of Adoption in the Commonwealth Register. 1 CMC § 9105(b).

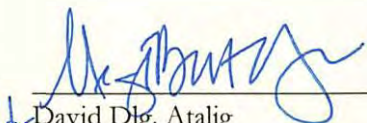
Authority: These amendments are promulgated under the authority set forth in the Commonwealth Code including, but not limited to: 1 CMC §§ 2553 and 2557; 4 CMC §§ 5611-5614

Terms and Substance: The purpose of the amendments to Business License Regulations Chapter 70-40.1 is to prescribe needful rules and procedures to carry out the intent and purpose of the laws of the Commonwealth of the Northern Mariana Islands administered by the Division of Revenue and Taxation.

Directions for Filing and Publication: These proposed amendments shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations (1 CMC § 9102(a)(1)) and posted in convenient places in the civic center and in local government offices in each senatorial district, both in English and in the principal vernacular (1 CMC § 9104(a)(1)).

Comments: Interested parties may submit written comments on the proposed regulations to David Dlg. Atalig, Secretary of Finance, via U.S. mail to the Department of Finance, P.O. Box 5234, CHRB, Saipan, MP 96950, or via hand delivery to the Office of the Secretary of Finance, Capitol Hill, Saipan, MP. Comments, data, views, or arguments are due within 30 days from the date of publication of this notice. 1 CMC § 9104(a)(2).

Submitted by:


David Dlg. Atalig
Secretary of Finance

Date:



Received by:


Mathilda A. Rosario
Special Assistant for Administration

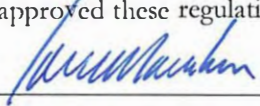
Date: 05/25/22

Filed and Recorded by:


for ~~Esther SN. Nesbitt~~ R.M. SAN NICOLAS
Commonwealth Registrar

Date: 05/26/2022

I certify, pursuant to 1 CMC § 2153(c) and 1 CMC § 9104(a)(3), that I have reviewed and approved these regulations as to form and legal sufficiency.



Edward Manibusan
Attorney General

Date: 5/26/2022



Office of the Secretary
Department of Finance



P. O. Box 5234 CHRB SAIPAN, MP 96950

TEL.: (670) 664-1100 FAX: (670) 664-1115

**Arongorongol Toulap reel Pommwol Liiwel ngáli
Mwóghutughutúl**
Bwulasiyol Finance, Division Revenue me Taxation
Mwóghutughutúl Business License

Arongorong reel Mángemángil Mwóghut: Bwulasiyol Finance, Division Revenue me Taxation re átirow reel akkatééwowul liiwel kka e amwirimwiritiw ngáli Mwóghutughutúl Revenue me Taxation. Re mánagemángil rebwe adóptáali mwóghutughut kka bwe ebwe lléghló, sáangi Administrative Procedure Act, 1 CMC § 9104(a). Ngáre re adóptáali, ebwe bwunguló liiwel kkal llól seigh (10) ráál mwiril aal akkatééwow arongorongyeel me llól Commonwealth Register. 1 CMC § 9105(b).

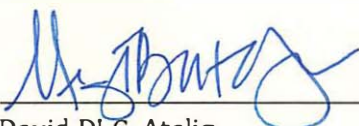
Bwángil: Liiwel kkal nge aa ffil reel fféerúl faal bwángil iye ebwe mmweteló mmwal llól Commonwealth Code ebwe bwal schuulong, nge ese yoor pilil ngáli, 1 CMC §§ 2553 me 2557; 4 CMC §§ 5611-5614.

Kkapasal me Aweewel: Bwulul liiwel ngáli Mwóghutughutúl Business License nge ebwe itittiw afal me mwóghut ngáli peiráágh me rebwe ayoora bwe ebwe weeweló enforcement reel alléghúl Commonwealth me Téél Falúw kka Efáng llól Marianas iye Division-il Revenue me Taxation re lemeli.

Afal reel Ammwelil me Akkatééwowul: Pommwol liiwel kkal nge ebwe akkatééwow me llól Commonwealth Register llól tánil pommwol me ffél mwóghutughut kka ra adóptáali (1 CMC § 9102(a)(1)) me ebwe appaschetá llól civic center me llól gobetnamento llól senatorial district, fengál reel English me mwáliyaasch (1 CMC § 9104(a)(1)).

Fóós: Schóó kka re mwuschel isiisilong iischil mánagemáng wóól pommwol mwóghutughut kkal rebwe iisch ngáli David DLG. Atalig, Sekkretóoriyal Finance, via U.S. mail ngáli Bwulasiyol Finance, P. O. Box 5234, CHRB, Saipan, MP 96950, ngáre bwughiló reel Bwulasiyol Sekkretóoriyal Finance, Asúngúl, Seipél, MP. Isiisilongol mánagemáng, data, views, ngáre angiingi ebwe toolong llól eliigh (30) ráál mwiril aal akkatééwow arongorong yeel. 1 CMC § 9104(a)(2).

Isáliyalong:


David DLG. Atalig
Sekkretóoriyal Finance

Ráál:



Bwughiyal: _____

Mathilda A. Rosario
Special Assistant ngáli Administration

Ráál: 05/25/22

Ammwelil: _____

for 
Esther SN. Nesbitt *R.M. SAN NICOLAS*
Commonwealth Register

Ráál: 05/26/2022

I alúghúlúgh, sáangi 1 CMC § 2153(e) me 1 CMC §9104(a)(3), bwe I ya takkal amwuri fischiiy me aa átirow mwóghutughut kkal bwe aa ffil reel fféérúl me legal sufficiency.



Edward Manibusan
Soulemelemil Allégh Lapalap

Ráál: 5/26/2022



Office of the Secretary
Department of Finance

P. O. Box 5234 CHRB SAIPAN, MP 96950

TEL.: (670) 664-1100 FAX: (670) 664-1115



**Nutisian Publiku Put i Manmaproponi Na Regulasion Siha Para I
Dipattamentun I Finansiat, Dibision I Apas Kontribusion,
Regulasion Lisensian Bisnis**

NUTISIA PUT I AKSION NI MA'INTENSIONA: I Dipattamentun i Finansiat, Dibision i Apas Kontribusion ma'aprueba i publikasion i tinattiyi na amendasion siha para iyon-niha Regulasion Apas Kontribusion. Ma'intensiona para u ma'adapta esti siha na regulasion kumu petmanienti, sigun para i Aktun Administrative Procedures, 1 CMC § 9104(a). Kumu ma'adapta, esti siha na regulasion siempri mu ifektibu gi hulum dies (10) dihas dispues di publikasion nu i Nutisian i Adaptasion gi hulum i Rehistran Commonwealth. (1 CMC § 9105(b))

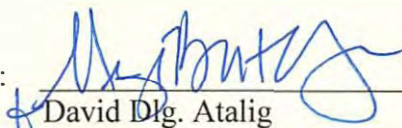
ATURIDAT: Esti na amendasion siha manmaho'gui gi papa' i aturidat ni mapega mo'na gi hulum i Commonwealth Code kuntu, lao ti chi-ña para, 1 CMC § 2553, 1 CMC § 2557; 4 CMC §§ 5611-5614

I TEMA YAN SUSTANSIAN I PALABRA SIHA: I intensiona i amendasion siha para i Regulasion Lisensian Bisnis gi Patti 70-40.1 para u ma'estaplesi i nisisidat na areklamentu yan manera siha ni para u katga huyung i intensiona yan puntu i lai siha giya Commonwealth gi Sangkattan na Islas Marianas ni magubiebieta ni Dibision i Apas Kontribusion.

DIREKSION PARA U MAPO'LU YAN MAPUPBLIKA: Esti i manmaproponi na amendasion siha debi na u mapupblika gi hulum i Rehistran Commonwealth gi hulum i seksiona ni maproponi yan nuebu na ma'adapta na regulasion siha (1 CMC § 9102(a)(1)) yan u mapega gi hulum i kumbinienti na lugat gi hulum civic center yan gi hulum ufisinan gubietnamentu siha gi hulum distritun senadot, parehu Englis yan gi lingguhin natibu (1 CMC § 9104(a)(1)).

UPIÑON SIHA: I manintirisao na petsona siha siña manna'hulum tinigin upiñon ni manmaproponi na regulasion siha para guatu as, David Dlg. Atalig, Sekretariun Finansiat via U.S. mail para Dipattamentun i Finansiat, P.O. Box 5234 CHRB, Saipan, MP 96950, pat intrega hulum gi Ufisinan i Sekretarian Finansiat, Capitol Hill, Saipan, MP. I upiñon, data, views, pat agumentu siha nisisita u fanhulum gi hulum trenta (30) dihas ginin i fetcha publikasion esti na nutisia. 1 CMC 9104(a)(2).

Nina'hulum as:


David Dlg. Atalig
Sekretariun Finansiat


Fetcha

Rinisibi as:


Mathilda A. Rosario
Ispisiât Na Ayudânti Para Atministrasion

05/25/22

Fetcha

Pine'lu yan
Ninota as:


for Esther SN. Nesbitt R.M. SAN NICOLAS
Rehistran Commonwealth

05/26/2022

Fetcha

Hu settifikao, sigun para 1 CMC § 2153(e) yan 1 CMC 9104(a)(3), na hu ribisa yan aprueba esti regulasion siha kumu para fotma yan ligât na sufisienti.



Edward Manibusan
Abugâdu Henerât

Fetcha:

5/26/2022

Part 001 - General Provisions

§ 70-40.1-001 Authority

These regulations in this subchapter are promulgated pursuant to 1 CMC § 2553 and 4 CMC § 5614, as amended by Public Law 11-73 which authorizes the Secretary of Finance to promulgate rules and regulations for purposes of carrying out its duties and responsibilities regarding the issuance of business license. The Department of Finance (the "Department") has jurisdiction over the issuance of business licenses under 1 CMC § 2553 and 4 CMC § 5611, as amended by Public Law 11-73. Pursuant to 4 CMC § 2557, the Department of Finance may adopt rules and regulations not inconsistent with law regarding those matters within its jurisdiction and to provide penalties both civil and criminal for violation thereof.

Modified, 1 CMC § 3806(d).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

§ 70-40.1-005 Definitions

For the purposes of the regulations in this subchapter, the following definitions shall apply:

- (a) "Applicant" means any person as defined in subsection (m) who files a written application For a business license with Department of Finance.
- (b) "Business" means a business as defined in 4 CMC § 1103(c).
- (c) "Bank" means a bank as defined in 4 CMC § 6103(b).
- (d) "Banking business" means a banking business as defined by 4 CMC § 6103(c).
- (e) "Director" means the Director of Revenue and Taxation.
- (f) "Insurance company" means a company so licensed by the Insurance Commissioner which Undertakes to indemnify another or pay a specified amount upon determinable Contingencies.
- (g) "Insurance broker" means a broker as defined in 4 CMC § 7303(e).
- (h) "Insurance agent" means a general agent as defined in 4 CMC § 7303(a), a subagent as Defined in 4 CMC § 7303 (b) (1) or solicitor as defined in 4 CMC § 7303 (d).
- (i) "License or business license" means the permission granted by the Secretary of Finance, under the authority of the Business Licensing and Processing Act conferring upon the licensee the annual privilege to engage in business in the Commonwealth.
- (j) "License fee" means the charge or assessment levied by law for the purpose of obtaining a business license or the renewal thereof.

(k) “Line of business” means each distinct and separate economic activity by a licensee, generally performed at a single physical location, but may be an activity performed at more than one physical location. The Standard Industrial Classification Manual established by the Executive Office of the President of the United States of America, Office of Management and Budget shall be used as a guideline.

(l) “Manufacturer” means a manufacturer as defined in 4 CMC § 1103(n).

(m) “Person” means a person as defined in 4 CMC § 1103(q), and including cable T.V.*

(n) “Public utility” means a utility as defined in 4 CMC § 1103(r).

(o) “Registered agent” is an agent as defined in 4 CMC § 4331(b).

(p) “Scuba diving tour” means a tour as defined in 3 CMC § 5603(c).

(q) “Scuba instruction” means instruction as defined in 3 CMC § 5603(d).

(r) “Security dealer” means any person engaged in the business of buying and selling securities for his own account, through a broker or otherwise, but does not include a bank or any person insofar as he buys or sells securities for his own account, either individually or in some fiduciary capacity, but not as part of a regular business.

(s) “Secretary” means the Secretary of the Department of Finance.

(t) “Wholesaler” is a wholesaler as defined in 4 CMC § 1103(AA).

* So in original.

Modified, 1 CMC § 3806(d), (f).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

Part 100 - Business License Requirements

§ 70-40.1-101 License Required

(a) Before engaging in or continuing in a business in the Commonwealth, a person must first obtain from the Secretary of the Department of Finance a license to engage in or conduct that business.

(b) To obtain a license, a person must file a business license application together with the licensee fees, which shall be non-refundable regardless of whether the licensee application is approved or the licensee actually conducts a business or not.

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

§ 70-40.1-105 Application Requirement

Every applicant shall complete a business license application adopted by the Secretary which shall include at the minimum the following information as applicable:

- (a) The applicant's name, address, and telephone number;
- (b) The trade name, assumed name or business name if different from the name of the applicant;
- (c) The location or locations of the business, including building name, floor and sketch showing the location of the business;
- (d) The lines of business;
- (e) The type of business, i.e., partnership, sole proprietorship, nonprofit, or Business Corporation;
- (f) The country or place of incorporation of the corporation;
- (g) With respect to corporations, the name of the registered agent as defined in 4 CMC § 4331(b), and the address of the registered office of the corporation;
- (h) All trade names, assumed names, and fictitious names used by the applicant, in conjunction with any activity, business or otherwise;
- (i) The CNMI taxpayer identification number and federal tax identification number (if applicable);
- (j) The latest annual corporation report which has been filed with the CNMI Registrar of Corporations;
- (k) The year in which the applicant first commenced business in the Commonwealth under the line or lines of business covered by the application; and
- (l) Submit a certification from the Workmen Compensation Commission regarding the applicant's compliance with the workmen compensation laws and regulations.
- (m) Any other additional information which the Secretary deems appropriate.
- (n) A Certificate of clearance from the Zoning Office may be required.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

Commission Comment: The starred citation in subsection (f) is incorrect. 4 CMC § 4337(h) does not exist. The Department probably intended to reference 3 CMC § 4437(h), which restricts the business operations of nonresident workers.

In subsection (m), the Commission changed “applicants” to “applicant’s” to correct a manifest error. The Commission inserted commas after the words “address” in subsection (a), “nonprofit” in subsection (e), and “names” in subsection (i) pursuant to 1 CMC § 3806(g).

§ 70-40.1-110 License Conditions

The following conditions are placed on all license applications:

(a) Fictitious names, doing business as names (d/b/a), trade names and assumed names shall be respected and the Secretary shall not issue a business license in the same business name to any two persons or, with regard to corporate name reserved with the Registrar of Corporations pursuant to 4 CMC § 4322, to a person who is not the owner of the reserved corporate name.

(b) One business license shall be issued to each distinct business activity. The North American Industry Classification System established by the Executive Office of the President of the United States of America, Office of the Management and Budget shall be used as a guideline.

(c) Where appropriate the required documentation may include:

(1) The authority for a person to transact business must be obtained from the appropriate government agency or agencies such as the municipal council, Casino Gaming Commission; Secretary of Finance with respect to lotteries, the Director of Banking; or the Insurance Commissioner, as applicable. A foreign corporation or partnership authorized to transact business within the Commonwealth shall also present a copy of a current certificate of authority issued by the Registrar of Corporations pursuant to 4 CMC §§ 4641, et seq.

(2) A copy of the certificate of incorporation or registration.

(3) A certificate of clearance indicating that the applicant is in good standing with the Workers Compensation Commissioner, and where applicable, clearance from any other government agency.

Modified, 1 CMC § 3806(f).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

§ 70-40.1-113 Fees

(a) Annual Business License Fees. The following annual fees shall be paid for each line of business upon submission of an application for a new business license or renewal application for an existing business license:

(1) Agriculture, Forestry, Fishing & Hunting, \$100.00;

(2) Mining, Quarrying, Oil & Gas Extraction, \$100.00;

(3) Utilities, \$300.00;

(4) Construction, \$100.00;

(5) Manufacturing, \$100.00;

(6) Wholesale Trade, \$100.00;

- (7) Retail Trade, \$100.00;
- (8) Information Industries, \$300.00;
- (9) Commercial Banking, \$500.00;
- (10) Offshore Banking, \$1000.00;
- (11) Other Depository and Non-Depository Credit Intermediation, \$300.00;
- (12) Securities, Commodity Contracts, Other Financial Investments, \$300.00;
- (13) Insurance Carriers/Companies, \$300.00;
- (14) Insurance Agencies, Brokerages and Other Insurance Related Activities, \$100.00;
- (15) Funds, Trust and Other Financial Vehicles, \$100.00;
- (16) Real Estate, \$100.00;
- (17) Rental & Leasing, \$100.00;
- (18) Professional, Scientific, and Technical Services, \$100.00;
- (19) Management of Companies and Enterprises, \$100.00;
- (20) Administrative & Support Services, \$100.00;
- (21) Waste Management & Remediation Services, \$300.00;
- (22) Educational Services, \$100.00;
- (23) Health Care & Social Assistance, \$300.00;
- (24) Accommodations, \$100.00;
- (25) Food Services & Drinking Establishments, \$100.00;
- (26) Other Services (Except Public Administration), \$100.00;
- (27) Temporary Business License, \$20.00

(b) Other Fees. The following are other fees that may be imposed upon a business or applicant:

- (1) Late Filing Fee per Business License Certificate, \$10.00;
- (2) Duplicate License Fee per Business License Certificate, \$20.00;
- (3) Expedite Fee per Business License Certificate, \$20.00;
- (4) Amendment Fee for Change of Location per Business License Certificate, \$20.00;
- (5) Amendment Fee for Change of Business Name/DBA Name per Business License Certificate, \$20.00;
- (6) Amendment Fee to Add a Business Name/DBA Name per Business License Certificate, \$20.00

(c) Temporary Business Licenses. Temporary business licenses shall only be issued for community and public events not lasting more than thirty consecutive days. Temporary business licenses cannot be transferred or renewed. Application requirements provided in § 70-40.1-105 do not apply to temporary business licenses. The application requirements for temporary business licenses shall be set forth in application forms prescribed by the Division of Revenue and Taxation.

(d) Calculating Fees for a Partial Year.

(1) Annual business license fees for obtaining a business license for an additional location or line of business shall be prorated based on calendar year quarters. New business licenses shall expire on the same date as existing business licenses and Applicants are required to pay 25% of the annual fee for the quarter in which the application is submitted, plus 25% for each quarter remaining through the quarter of expiration. Calendar year quarters are as follows:

1st Quarter: January 1st through March 31st

2nd Quarter: April 1st through June 30th

3rd Quarter: July 1st through September 30th
4th Quarter: October 1st through December 31st

(2) Example. A person has a business license to engage in retail trade at a Garapan location. The business license was issued on June 1, 2021, with an expiration date of May 31, 2022. On October 15, 2021, the person applies for a business license to engage in retail trade at a second location. The new business license for the second location would expire on the same date as the existing business license for the Garapan location, May 31, 2022. The fee due upon application for the new business license would be \$75 (\$25 for the quarter in which the application is submitted (4th quarter), plus \$25 for each of the two quarters remaining through the quarter of expiration (1st and 2nd quarters).

(3) Example. A person has a business license to engage in retail trade. The business license was issued on June 1, 2021, with an expiration date of May 31, 2022. On October 15, 2021, the person applies for a business license to engage in wholesale trade as an additional line of business. The new business license for the line of business would expire on the same date as the existing business license for retail trade, May 31, 2022. The fee due upon application for the new business license would be \$75 (\$25 for the quarter in which the application is submitted (4th quarter), plus \$25 for each of the two quarters remaining through the quarter of expiration (1st and 2nd quarters).

§ 70-40.1-115 Renewal

(a) A licensee shall apply to renew its business license prior to its expiration by filing a business license application and paying a fee equal to the business license fee within thirty days prior to the expiration of the current business license.

(b) A business license that was not renewed for any business on or before the expiration date shall be considered a non-renewal and the licensee shall have no further right to operate that business without first submitting a new application for a business license.

Modified, 1 CMC § 3806(e), (f), (g).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

Commission Comment: In subsection (b), the Commission changed “Procedures” to “Procedure” to correct a manifest error.

§ 70-40.1-117 Suspension and Revocation

(a) The Secretary of the Department of Finance may revoke or suspend any license issued under this section upon finding after two weeks public notice and a hearing conducted pursuant to 1 CMC §§ 9108-9111 that:

- (1) The application of the licensee contained false or fraudulent information;
- (2) The licensee bribed or otherwise unlawfully influenced any person to issue the permit other than on the merits of the application;

- (3) The licensee presented false or fraudulent information to any person in support of his application;
 - (4) The licensee conducted business under a name other than the name duly licensed or failed to display and/or advertise its business name in romanized lettering; or
 - (5) The licensee violated any provision of Federal law, Commonwealth law, including but not limited to non-compliance with the tax laws, or any rule or regulation issued thereunder.
- (b) Any person aggrieved by a license suspension or revocation shall be entitled to a review of the same by the Commonwealth Superior Court upon written appeal made within 30 days from the date the license suspension or revocation decision is issued. Such review shall be brought pursuant to 1 CMC §§ 9112 and 9113.

§ 70-40.1-120 Business License Not Transferable

A business license once issued is not transferable.

History: Adopted 27 Com. Reg. 25399 (Dec. 30, 2005); Emergency and Proposed 27 Com. Reg. 25011 (Oct. 24, 2005) (effective for 120 days from Oct. 17, 2005); Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

Commission Comment: For Transfer of Garment Manufacturing Business Licenses Regulations (Implementing Public Law 14-82), see NMIAC subchapter 80-30.2.

§ 70-40.1-125 Amendment to Business License Application

A licensee must amend the information provided in its business license application to reflect any changes including but not limited to the following:

- (a) Any change(s) in the ownership of a corporation, partnership, non-profit organization, individual, or association; and
- (b) Any change(s) in the lines of business; and
- (c) All such changes made to information provided on the original application must be reported to the Business License Office within 10 working days of such change(s).
- (d) Failure to report any change(s) above to the Business License Office may be grounds for revocation of a business license.

Modified, 1 CMC § 3806(f).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

Commission Comment: The final paragraph was not designated. The Commission designated it subsection (d).

§ 70-40.1-130 Display of Business License

(a) The licensee shall display its current business license(s) in a conspicuous place at each of the licensee's business location(s).

(b) Every business licensed to do business in the Commonwealth shall only do business under the name duly licensed and shall display and/or advertise its business name in romanized lettering in addition to any other lettering.

Modified, 1 CMC § 3806(f).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

§ 70-40.1-135 Enforcement

(a) The Secretary may delegate his or her authority under the regulations in this subchapter to any employee for the purposes of enforcing any and all of these regulations including but not limited to the following:

- (1) To inquire and review current business license;
- (2) To impose a penalty, subject to the Administrative Procedure Act [1 CMC §§ 9101, et seq.], on those found to be operating a business without the required business license;
- (3) To issue citations and cease and desist orders for failures to comply with the Business Licensing and Processing Act.

(b) The enforcement of all business license activities under jurisdiction of the Secretary of Finance shall be carried out by the Secretary, the Director of Revenue and Taxation and/or their designee.

Modified, 1 CMC § 3806(d), (f).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

Commission Comment: In subsection (a) (2), the Commission changed "Procedures" to "Procedure" to correct a manifest error.

§ 70-40.1-137 Penalties for Violating Business License Requirements

(a) Any person found operating or engaging in a business to sell merchandise, goods, or commodities, or providing services for compensation without a valid business license shall be subject to a penalty of \$1500.00. Upon written notice to cease and desist under 4 CMC § 5613(c), any continual violation shall subject the person to an additional penalty of \$250.00 per day for every additional day that the person is in violation of the business license provisions.

(b) Any order to cease and desist shall be effective immediately upon its issuance and shall be effective until the violation is cured. A person may appeal the order to cease operations, but must produce a refundable bond in the amount of \$500.00 to allow for continued business operations pending the hearing under Administrative Procedure Act, 1 CMC §§ 9101 et seq. The \$500.00 bond shall be forfeit if the party does not prevail at said hearing.

(c) The agency action provided for in 4 CMC § 5613(a) shall be subject to Administrative Procedure Act, 1 CMC §§ 9101 et seq., provided, however, any hearings for citations for violations of business license requirements or orders to cease and desist must be requested within 10 days from the date of issuance of the citation or order.

§ 70-40.1-138 Violations of Law

(a) The Secretary may deny the issuance of a business license in accordance with the Administrative Procedure Act (1 CMC § 9101 et seq.) if the business activity identified violates federal or CNMI law. Any hearings for a denial under this section must be requested within 10 days from the date of the denial.

§ 70-40.1-140 Authority to Request for Supporting Documents

The Secretary or any designee may from time to time request the applicant or licensee for/of a business license to provide documents to substantiate representations made in the application for the business license.

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

§ 70-40.1-145 Amendment Fee

There is hereby imposed a fee of twenty dollars for any amendments to the information provided in the business license application form which would require a reissuance of a business license including but not limited to the following; change of name, change of location.

Modified, 1 CMC § 3806(e).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

Part 200 - Examples

§ 70-40.1-201 Example 1; Distinct Business Activity

(a) A businessman, Mr. Doe operates a grocery store in village A and another grocery store in village B. Although the grocery stores are considered the same line of business activity, Mr. Doe is required to obtain a business license for each business location.

(b) Assume the same as in example (a) but Mr. Doe also has a service station business in village B. In this case, Mr. Doe will need to apply for three business licenses; one for the grocery store located in village A, one for the grocery store located in village B, and one for the service station located in village B.

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

Commission Comment: The Commission corrected the phrase “stores is” in subsection (a) to “stores are” pursuant to 1 CMC § 3806(g).

§ 70-40.1-205 Example 2; Renewal of Business License

(a) Mr. Doe has two business licenses that were issued on May 31, 2019. His renewal date is between May 1 to May 30, 2020. Mr. Doe submitted his business license applications to renew his licenses on April 25, 2020, and has satisfied all business license requirements. Mr. Doe may continue operating his businesses after May 30, 2020 for a period of one year unless his business license renewal applications is denied.

(b) Assume the same as in example (a), but Mr. Doe did not submit the business license application forms for his businesses before May 31 and is continuing to operate his businesses. Since his business licenses lapsed and no business license renewal applications were submitted before the expiration date, Mr. Doe is operating without a valid business license. Thus, Mr. Doe will be subject to the penalty for operating his businesses without a valid business license if he continued business operation after May 30, 2020.

Modified, 1 CMC § 3806(f).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

§ 70-40.1-210 Example 3; Penalty for Operating a Business without a Business License

(a) Assume the penalty in example 2(b) [§ 70-40.1-205(b)] has been imposed. Since Mr. Doe operates two separate lines of business, he will be assessed a \$1500 penalty for each line of business operated without a license. A \$250 penalty per day will be added for each line of business operated from the date the notice to cease and desist was given to Mr. Doe, if it is found that Mr. Doe continued operating the business without a valid license after notice was given to him.

(b) Assume the same as in example 3(a), however, Mr. Doe was found to be operating his business for 3 consecutive days after he was given notice to cease and desist and has not submitted an application for a business license. Mr. Doe’s total penalty to be assessed is \$4,500 (\$1,500 for each line of business for the initial violation) plus \$2250 for continual violations (\$250 per day for each line of business for the 3 days of continuous operation (after notice was given) without a valid business license).

Modified, 1 CMC § 3806(f), (g).

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

Commission Comment: In subsection (a), the Commission changed “it’s” to “it is” to correct a manifest error. In subsection (b), the Commission corrected the spelling of “continuous.”

~~§ 70-40.1-215 Example 4~~

~~Mr. Doe wants to operate a food stand to sell sandwiches and drinks along a roadside. An application for business license along with all other required business license documents must be~~

~~submitted. In addition, a nonrefundable application fee of \$50 must be paid in order for the applicant to be considered for the issuance of a business license.~~

-

~~Modified, 1 CMC § 3806(g).~~

-

~~History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).~~

-

~~Commission Comment: The Commission deleted the repeated word "be."~~

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~~§ 70-40.1-220 Example 5~~

-

~~Assume the same as in example 4 [§ 70-40.1-215], except that Mr. Doe will only be selling local agricultural and fishery products. The nonrefundable application fee is \$5 instead of \$50 since Mr. Doe will only be selling local agricultural and fishery products.~~

History: Adopted 21 Com. Reg. 16970 (Oct. 15, 1999); Proposed 21 Com. Reg. 16888 (Aug. 23, 1999).

§ 70-40.1-225 Example 64; Special Licenses

(a) Mrs. Bar has applied for and was issued a business license to operate a night club. Since the operation of a night club normally include the sale of alcoholic beverages, Mrs. Bar would be required to obtain a special license (ABC license) to sell alcoholic beverages in addition to the business license issued by the Department of Finance.



In Re Matter of:	)	PUA Case No. 21-0143
	)	
Catherine Manalang,	)	
	)	
Appellant,	)	ADMINISTRATIVE ORDER
	)	
v.	)	
	)	
CNMI Department of Labor,	)	
Division of Employment Services-PUA,	)	
	)	
Appellee.	)	

This matter came before the undersigned for an Administrative Hearing on November 16, 2021 at approximately 9:00 a.m. at the Administrative Hearing Office, Saipan. Appellant Catherine Manalang (“Appellant”) was present and self-represented. Appellee CNMI Department of Labor Division of Employment Services – Pandemic Unemployment Assistance program (“Department”) was present and represented by Labor Certification Officer Dennis Cabrera, Pandemic Unemployment Assistance (“PUA”) Coordinator Donald Camacho Jr., and Department of Benefit Payment Control Unit PUA Coordinator Kimberly DeGracia. There were no other witnesses that provided testimony at the hearing.

1. Exhibit 1: Copy of Appellant's Application Snapshot, filed June 26, 2020;
2. Exhibit 2: Copies of Appellant's Weekly Certifications from the week beginning March 15, 2020 through and including the week ending September 5, 2020.
3. Exhibit 3: Copies of Department's two Disqualifying Determinations, dated July 19, 2021;
4. Exhibit 4: Copy of Department's Notice of Overpayment, dated July 13, 2021;
5. Exhibit 5: Copy of Appellant's Request to file an Appeal, filed July 27, 2021;
6. Exhibit 6: Copy of the Notice of Hearing, issued July 27, 2021;
7. Exhibit 7: Copy of Appellant's U.S. Passport;

8. Exhibit 8: Copy of Employer Rota Resort & Country Club's Certification of Employment, dated April 26, 2020;
9. Exhibit 9: Copy of Summary of Work Hours from Employer Rota Resort & Country Club;
10. Exhibit 10: Copy of Appellant's Paystub, dated April 1, 2020;
11. Exhibit 11: Copy of Separation Notice, dated June 29, 2020;
12. Exhibit 12: Copy of Case Notes, dated September 10, 2020;
13. Exhibit 13: Copy of Letter from Employer Kin & Rit Incorporated, dated October 6, 2020;
14. Exhibit 14: Copies of Employer Kin & Rit Incorporated's Payroll Record for pay periods July 5-18, 2020; July 19-August 1, 2020; August 2-15, 2020; August 16-29, 2020; and August 30-September 12, 2020;
15. Exhibit 15: Copies of Employer Kin & Rit Incorporated's Daily Time Record for July 5, 2020 through September 12, 2020.
16. Exhibit 16: Copies of Email Communications from PUA Benefit Payment Control Unit and Employer Kin & Rit Incorporated, dated July 2, 2021 and July 5, 2021;
17. Exhibit 17: Copy of Case Notes, dated July 19, 2021;
18. Exhibit 18: Copies of Appellant's Bank Statements;
19. Exhibit 19: Copy of PUA Benefit Payment Control Unit Audit Sheet;
20. Exhibit 20: Copy of Appellant's Flight Itinerary and Booking Confirmation, dated March 9, 2020 and March 18, 2020;
21. Exhibit 21: Copy of Flight Reservations, dated March 19, 2020; and
22. Exhibit 22: Copy of Appellant's Signed Self-Statement, dated November 11, 2021.

For the reasons stated below, the Department's two Disqualifying Determinations, both dated July 19, 2021 are **AFFIRMED**. Claimant is not eligible for benefits for the period of March 22, 2020 to August 22, 2020. Moreover, because Appellant is not eligible, Appellant was overpaid in the amount of \$18,445.75.

II. JURISDICTION

On March 27, 2020, the Coronavirus Aid Relief and Economic Security ("CARES") Act of 2020 was signed into law creating new temporary federal programs for unemployment benefits called Pandemic Unemployment Assistance ("PUA")¹ and Federal Pandemic Unemployment Compensation

¹ See Section 2102 of the CARES Act of 2020, Public Law 116-136.

1 (“FPUC”).² On December 27, 2020, the Continued Assistance for Unemployed Workers Act of 2020
2 (“Continued Assistance Act”) amended and created new provisions of said federal unemployment
3 insurance programs, which, among other things, extended the PUA and FPUC programs to March 13,
4 2021.³ On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA”) extended the programs
5 to September 6, 2021. The CNMI Department of Labor is charged with the responsibility in
6 administering the above-mentioned programs in the CNMI in accordance to applicable law.⁴ The
7 CNMI Department of Labor Administrative Hearing Office has been designated to preside over
8 appeals of agency decisions.

9 Upon review of the records, the appeal is timely filed. Accordingly, jurisdiction is established.

10 III. PROCEDURAL BACKGROUND & ISSUES

11 Appellant filed a claim for unemployment benefits under the PUA and FPUC programs. Upon
12 review of Appellant’s application and supporting documents, the Department issued two
13 Disqualifying Determinations (dated July 19, 2021) and a Notice of Overpayment (dated July 13,
14 2021). On July 27, 2021, Appellant filed the present appeal and the matter was scheduled for a hearing.
15 As stated in the Notice of Hearing, the issues on appeal are: (1) whether Appellant is eligible for PUA;
16 and (2) whether an overpayment occurred and funds should be returned.⁵

17 IV. FINDINGS OF FACT

18 In consideration of the evidence provided and credibility of witnesses’ testimony, the undersigned
19 issues the following findings of fact:

- 20 1. Prior to the COVID-19 pandemic, Appellant was employed as a Front Desk Clerk at Rota
21 Resort & Country Club (“Employer Rota Resort”), located in Rota Island, CNMI. As a Front
22 Desk Clerk, Appellant was paid \$7.69 per hour.⁶
- 23 2. Sometime in early March 2020, Appellant submitted her two-weeks’ notice and she resigned
24 from Employer Rota Resort, effective March 18, 2020.⁷ Appellant resigned for personal
25

² See Section 2104 of the CARES Act of 2020, Public Law 116-136.

³ See Consolidated Appropriations Act, 2021, Division N, Title II, Subtitled A (“Continued Assistance for Unemployed Workers Act of 2020” or “Continued Assistance Act”).

⁴ Pursuant to Section 2102(h) of the CARES Act of 2020 (Pub. L. 116-136) and 20 CFR § 625.2(r)(1)(ii), the CNMI Governor issued Executive Order No. 2020-09 declaring Hawaii Employment Security Law as the applicable state law in the CNMI. Hawaii state law applies, to the extent it does not conflict with applicable federal law and guidance.

⁵ See Exhibit 6.

⁶ See Exhibits 8 and 10.

⁷ Exhibit 22.

1 reasons unrelated to COVID-19: Appellant planned to relocate off-island to Guam, departing
2 on March 21, 2020.⁸

3 3. Appellant's last day of work at Employer Rota Resort was on March 18, 2020.⁹

4 4. On or about March 19, 2020, Appellant cancelled her plans to relocate off-island¹⁰ and she
5 requested to rescind her resignation from Employer Rota Resort.¹¹ However, Employer Rota
6 Resort could not rescind her resignation because it had implemented cost-cutting measures,
7 including reduction in employees' hours and temporary lay-offs, due to the impact of COVID-
8 19 pandemic.¹²

9 5. On or about June 26, 2020, Appellant submitted an application¹³ for unemployment assistance
10 under the PUA and FPUC programs administered by the Department. In her initial
11 application,¹⁴ Appellant self-certified under penalty of perjury that:

- 12 a. She recently received a notice of termination, layoff or military separation;
- 13 b. Her date of Layoff, Termination or Military Separation was on March 18, 2020;
- 14 c. Her place of employment closed as a direct result of the COVID-19 public health
15 emergency; and
- 16 d. Appellant's employment was affected since March 18, 2020.

17 6. Subsequently, Appellant submitted weekly certifications.¹⁵ In each weekly certifications from
18 March 15, 2020 to July 4, 2020, Appellant reported that:

- 19 a. Her employment was still affected by COVID-19 because her place of employment is
20 closed as a direct result of COVID-19 public health emergency;
- 21 b. She is able and available for work during the claimed week; and
- 22 c. She is still unemployed as a direct result of COVID-19.¹⁶

23 7. Appellant was later hired as a Cashier by Employer Kin & Rit Incorporated, doing business
24 as Lucky Store ("Employer Lucky Store"), Rota Island, CNMI,¹⁷ and Appellant worked for
25

⁸ See Exhibits 8; 12; 20; 21; 22

⁹ See Exhibits 9, 10 and 11.

¹⁰ See Exhibit 22; *see also* Exhibit 20-21.

¹¹ See Exhibit 22; *see also* Exhibit 20-21.

¹² See Exhibits 8, 11 and 12.

¹³ Exhibit 1.

¹⁴ *Id.*

¹⁵ See Exhibit 2.

¹⁶ Exhibit 2.

¹⁷ See Exhibit 13.

1 Employer Lucky Store from July 9, 2020 until September 6, 2020.¹⁸ Appellant earned \$7.25
2 per hour.¹⁹

3 8. Employer Lucky Store hired Appellant for part-time position only.²⁰ Appellant's part-time
4 hours were never reduced during her employment at Employer Lucky Store.²¹

5 9. Appellant resigned from Employer Lucky Store because she accepted a job with
6 Commonwealth Ports Authority.²²

7 10. Subsequently, Appellant submitted weekly certifications to claim continued benefits from
8 July 5, 2020 to September 5, 2020.²³ In each weekly certifications, Appellant reported that:

9 a. Her employment was still affected by COVID-19 because her place of employment is
10 closed as a direct result of COVID-19 public health emergency; and

11 b. She is able and available for work during the claimed week.²⁴

12 11. Additionally, in her weekly certifications from July 5, 2020 to July 18, 2020 and from August
13 23, 2020 to September 5, 2020, Appellant reported that she was *still unemployed* as a direct
14 result of COVID-19.²⁵ In contract, from July 19, 2020 to August 22, 2020, Appellant reported
15 that she was *no longer unemployed* as a direct result of COVID-19.²⁶

16 12. The answers provided in Appellant's initial application and weekly certifications were
17 submitted under penalty of perjury. It is Appellant's responsibility to provide true, accurate,
18 and complete answers. Moreover, it is Appellant's responsibility to be informed about the
19 program by reading the PUA Benefit Rights Information Handbook and other official written
20 material regarding PUA.

21 13. The statements and self-certifications that Appellant provided in her initial application and
22 her weekly certifications were not entirely truthful, accurate and complete. Specifically,
23 Appellant stated and self-certified that she received a notice of termination, layoff, or military
24 separation on March 18, 2020 and her place of employment was closed, and she remains
25 unemployed as a direct result of COVID-19,²⁷ but in fact, Appellant resigned from both

¹⁸ See Exhibits 14.

¹⁹ See Exhibits 14.

²⁰ See Exhibits 15-16.

²¹ See Exhibits 15-16.

²² See Exhibit 13.

²³ See Exhibit 2.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ See Exhibits 1-2.

1 Employers for personal reasons. Appellant also submitted weekly certifications in which she
2 claimed that she was still unemployed due to COVID-19 because her place of employment
3 was closed as a direct result of COVID-19 public health emergency when in fact she worked
4 for Employer Lucky Store without experiencing any reduction in her customary, part-time
hours.²⁸

5 14. Based on the answers on Appellant's initial and weekly certification(s), Appellant's claim was
6 processed for payment. Appellant received a total amount of \$18,445.75 in federal
unemployment benefits and LWA benefits by direct deposit.²⁹

7 15. Specifically, as demonstrated by an internal audit,³⁰ confirmation with the Department of
8 Finance and Appellant's bank statements,³¹ the following payments were made to Appellant:

9 a. On August 11, 2020, Appellant received \$17,200.75 in federal unemployment benefits
10 by direct deposit for weeks ending March 21, 2020 through and including week ending
August 8, 2020;

11 b. On August 26, 2020, Appellant received \$651.00 in federal unemployment benefits
12 by direct deposit for weeks August 15, 2020 through and including week ending
August 22, 2020; and

13 c. On September 15, 2020, Appellant received \$620.25 in federal unemployment
14 benefits by direct deposit for week ending 8/29/2020.³²

15 16. On September 10, 2020, the Department contacted Employer Rota Resort and confirmed the
16 information provided in Employer's Certification: Appellant requested to rescind her
17 resignation because she cancelled her plans to relocate off-island to Guam, but Employer Rota
Resort could not rescind due to the impact of COVID-19.³³

18 17. BPC also communicated with Appellant's Employer Lucky Store regarding Appellant's
19 hours, part-time status, and confirmed that Appellant did not experience any reduction in
20 hours³⁴ and was hired for part-time employment only. Employer Lucky Store submitted to the
Department copies of Appellant's pay stubs and time sheets for the weeks of July 5-18, 2020;

21
22 ²⁸ See Exhibit 2, weekly certifications for July 5, 2020 to July 11, 2020, July 12, 2020 to July 18, 2020, August 23,
2020 to August 29, 2020, and August 30, 2020 to September 5, 2020,

23 ²⁹ Exhibits 18-19.

³⁰ Exhibit 19.

³¹ Exhibit 18.

24 ³² See Exhibits 18 (Appellant's bank statements)

³³ Exhibit 12.

25 ³⁴ Exhibit 16.

1 July 19, 2020 to August 1, 2020; August 2, 2020 to August 15, 2020; August 16, 2020 to
2 August 29; and August 30, 2020 to September 12, 2020.³⁵

3 18. On July 13, 2021, BPC issued a Notice of Overpayment for the total amount of \$18,445.75 in
4 federal unemployment benefits for weeks ending March 28, 2020 through August 22, 2020.
5 Specifically, this amounted to \$7,345.75 in PUA benefits, \$10,200.00 in FPUC benefits, and
6 \$900.00 in lost wages assistance (LWA).³⁶

7 19. On July 19, 2021, the Department issued two Disqualifying Determinations disqualifying
8 Appellant from PUA and FPUC benefits.³⁷ First, the Department disqualified Appellant from
9 March 22, 2020 to July 4, 2020 because Appellant had resigned due to personal reasons not
10 related to COVID-19 and the Department determined Appellant's unemployment was not a
11 direct result of COVID-19 pandemic.³⁸ Second, the Department disqualified Appellant from
12 July 5, 2020 to August 22, 2020 because the Department found that Appellant's employment
13 with Employer Lucky Store was part-time status only and she did not experience any reduction
14 in her hours.³⁹

15 20. On July 27, 2021, Appellant filed the present appeal and the matter was scheduled for an
16 Administrative Hearing.⁴⁰ As discussed during the Administrative Hearing, Appellant
17 confirmed that she received the total sum of \$18,445.75 and she does not dispute the amounts
18 that she was overpaid. However, she indicated that she spent all of the money on car payments,
19 household bills for water, power, and cellphone, groceries and other household related
20 expenses and items. Appellant is currently employed by Commonwealth Ports Authority and
21 she indicated that her monthly net income of over \$1,000.00 is more than her household
22 expenses, which consists primarily of household bills for water, power, and cellphone.
23 Appellant also indicated that if found ineligible for benefits, she is willing and able to enter
24 into a repayment plan of approximately \$50.00 per month without incurring a financial
25 hardship.

21. Based on the testimony of the Department, the payout of benefits to Appellant occurred in
part due to a systematic, auto adjudication of claims by the Department.

³⁵ See Exhibits 14-16.

³⁶ Exhibit 4.

³⁷ See Exhibits 17 and 3.

³⁸ Exhibit 3.

³⁹ *Id.*

⁴⁰ See Exhibit 5.

V. CONCLUSIONS OF LAW

In consideration of the above-stated findings and applicable law, the undersigned issues the following conclusions of law:

1. Appellant's employment was not affected as a direct result of COVID-19.

In accordance with the CARES Act and Continued Assistance Act, payment of PUA and FPUC benefits are available to "covered individuals." A "covered individual" is someone who: (1) is not eligible for regular compensation or extended benefits under State or Federal law or pandemic emergency unemployment compensation under Section 2107 of the CARES Act, including an individual who has exhausted all rights to regular unemployment or extended benefits under State or Federal law or Pandemic Emergency Unemployment Compensation under Section 2107;⁴¹ (2) self-certifies⁴² that the individual is unemployed, partially unemployed, or unable or unavailable to work⁴³ as a direct result⁴⁴ of a listed COVID-19 reason in Section 2102(a)(3)(A)(ii) of the CARES Act, and (3) provides required documentation of employment/self-employment within the applicable period of time.⁴⁵

With respect to condition (2) listed above, Section 2102 (a)(3)(A)(ii)(I) of the CARES Act specifically identifies the COVID-19 qualifying reasons⁴⁶ as:

- (aa) The individual has been diagnosed with COVID-19 or is experiencing symptoms of COVID-19 and is seeking a medical diagnosis;
- (bb) A member of the individual's household has been diagnosed with COVID-19;
- (cc) The individual is providing care for a family member or a member of the individual's household who has been diagnosed with COVID-19;

⁴¹ This condition is generally not at issue with claimants in the CNMI because there are no other State or Federal unemployment insurance programs in the CNMI.

⁴² The PUA program utilizes initial and weekly applications where claimants self-certify and report under penalty of perjury.

⁴³ A claimant must be able to work and be available for work, as defined by Hawaii state law, in order to be eligible for benefits. See HAR § 12-5-35.

⁴⁴ Pursuant to 20 CFR § 625.5, unemployment is considered a "direct result" of the pandemic where the employment is an immediate result of the COVID-19 public health emergency itself, and not the result of a longer chain of events precipitated or exacerbated by the pandemic.

⁴⁵ Section 241 of the Continued Assistance Act requires that an individual must provide documentation substantiating employment or self-employment, or the planned commencement of employment or self-employment, if he or she files a new application for PUA on or after January 31, 2021, or, if the individual applied for PUA before January 31, 2021 and receives PUA benefits on or after December 27, 2020. Failure to supply said documents, and any other relevant, requested documents is a justifiable basis to deny benefits under HAR § 12-5-81(j).

⁴⁶ These reasons are further defined or illustrated in UIPL 16-20, Change 4.

- 1 (dd) A child or other person in the household for which the individual has
2 primary caregiving responsibility is unable to attend school or
3 another facility that is closed as a direct result of the COVID-19
4 public health emergency and such school or facility care is required
5 for the individual to work;
6 (ee) The individual is unable to reach the place of employment because
7 of a quarantine imposed as a direct result of the COVID-19 public
8 health emergency;
9 (ff) The individual is unable to reach the place of employment because
10 the individual has been advised by a health care provider to
11 quarantine due to concerns related to COVID-19;
12 (gg) The individual was scheduled to commence employment and does
13 not have a job or is unable to reach the job as a direct result of the
14 COVID-19 public health emergency;
15 (hh) The individual has become the breadwinner or major support for a
16 household because the head of the household has died as a direct
17 result of COVID-19;
18 (ii) The individual has to quit his or her job as a direct result of COVID-
19 19;
20 (jj) The individual's place of employment is closed as a direct result of
21 the COVID-19 public health emergency; or
22 (kk) The individual meets any additional criteria established by the US
23 Secretary of Labor for unemployment assistance under PUA.

24 Additional criteria established by the US Secretary of Labor under item (kk)⁴⁷, above, includes:

- 25 (1) The individual is an independent contractor who is unemployed (total
or partial) or is unable or unavailable to work because of the COVID-
19 public health emergency has severely limited his or her ability to
continue performing the customary job;
(2) The individual has been denied continued unemployment benefits
because the individual refused to return to work or accept an offer of
work at a worksite that, in either instance, is not in compliance with
local, state, or national health and safety standards directly related to
COVID-19. This includes, but is not limited to, those related to facial
mask wearing, physical distancing measures, or the provision of
personal protective equipment consistent with public health
guidelines;
(3) An individual provides services to an educational institution or
educational service agency and the individual is unemployed or
partially unemployed because of volatility in the work schedule that
is directly caused by the COVID-19 public health emergency. This
includes, but is not limited to, changes in schedules and partial
closures; and

⁴⁷ See Unemployment Insurance Program Letter 16-20 and 16-20, Change 5.

- 1 (4) An individual is an employee and their hours have been reduced or
2 the individual was laid off as a direct result of the COVID-19 public
health emergency.

3 Here, the undersigned finds that Appellant does not meet the definition of “covered individual”
4 eligible for benefits for the period from March 22, 2020 to August 22, 2020. As substantiated by
5 witnesses’ testimony, Employers’ Certifications, Employers’ e-mail communications with the
6 Department, Department’s case notes, signed statements from the Appellant, and payroll and time
7 records from Employers, Appellant resigned from employment with Employer Rota Resort due to
8 personal reasons not related to COVID-19, she planned to relocate off-island, and so Appellant is
9 disqualified from the period of March 22, 2020 to July 4, 2020. As to her employment with Employer
10 Lucky Store, Appellant worked and earned her customary, part-time hours and there was no reduction
11 in her work hours with this Employer, and she later resigned to work for Commonwealth Ports
Authority. Since Appellant’s work at Employer Lucky Store was never affected as a direct result of
COVID-19, Appellant is also ineligible for benefits from July 5, 2020 to August 22, 2020.

12 Accordingly, Appellant is not a “covered individual” eligible for PUA and FPUC benefits from
March 22, 2020 to August 22, 2020.

13 **2. Appellant is overpaid and is entitled to a partial waiver of repayment.**

14 “Benefits shall be paid promptly in accordance with a determination, redetermination, or decision
15 or appeal.”⁴⁸ However, “[a]ny individual who has received any amount as benefits . . . to which the
16 individual was not entitled shall be liable for the amount unless the overpayment was received without
17 fault on the part of the recipient and its recovery would be against equity and good conscience.”⁴⁹
Fault⁵⁰ is defined as:

- 18 (A) A material statement made by the individual which the individual
19 knew or should have known to be incorrect; or
20 (B) Failure to furnish information which the individual knew or should
have known to be material; or
(C) Acceptance of a payment which the individual either knew or
reasonably could have been expected to know was incorrect.

21 ⁴⁸ HRS § 383-43.

22 ⁴⁹ HRS § 383-44. Section 2104(f)(2) of the CARES Act requires individuals who have received FPUC overpayments
to repay these amounts to the state agency. Thereunder, the state has authority to waive repayments of FPUC if the
23 payment was without fault on the part of the individual and such repayment would be contrary to equity and good
conscience. Section 201(d) of the Continued Assistance Act amends Section 2102(d) of the CARES Act and
24 authorizes states to waive the repayment if the state determines that the payment of PUA was without fault on the
part of any such individual and such repayment would be contrary to equity and good conscience. This waiver
authority applies to overpayments that meet this criterion at any time since the PUA program began.

25 ⁵⁰ HRS 12-5-83.

1 Based on federal guidance, “contrary to equity and good conscience” is tantamount to placing an
2 individual below the poverty line and taking away basic necessities to live. In evaluating equity and
3 good conscience,⁵¹ the factors to consider include, but are not limited to:

- 4 (A) Whether notice of a redetermination was given to the claimant, as
5 required ...
6 (B) Hardship to the claimant that the repayment may impose; and
7 (C) The effect, if any, that the repayment will have upon the
8 fulfillment of the objectives of the program.⁵²

9 Considering that Appellant’s employment with Employers Rota Resort and Lucky Store were not
10 affected as a direct result of COVID-19 public health emergency, Appellant should not have been
11 paid benefits under the PUA and FPUC programs. Moreover, based on the evidence and testimony
12 that Appellant received a total of \$18,445.75 in benefits despite being ineligible, it is clear that an
13 overpayment occurred.

14 Based on the evidence presented and applicable law, however, Appellant is entitled to a partial
15 waiver of repaying some of the overpayment. In support of her claims relating to Employer Lucky
16 Store from July 19, 2020 to August 22, 2020, Appellant disclosed to the Department that she was *no*
17 *longer unemployed* because of COVID-19 related reasons and she also disclosed earned wages for
18 these weeks.⁵³ Despite making these disclosures, the Department paid benefits to Appellant, resulting
19 in the overpayment of \$2,201.75.⁵⁴ For these weekly claims and overpayment, Appellant is without
20 fault for the overpayment as she answered truthfully “no” to being unemployed. Therefore, based on
21 the evidence and applicable law, Appellant is entitled to a partial waiver of repayment of the
22 overpayment amount of \$2,201.75.⁵⁵

23 However, the majority of the overpayment, were due to Appellant’s fault because she provided
24 material statements on her initial application and weekly certifications that she knew or should have
25 known to be incorrect particularly those relating to Appellant’s resignation and unemployment from
Employer Rota Resort. Specifically, Appellant stated and self-certified that she received a notice of

⁵¹ *Id.*

⁵² PUA benefits were designed to be a critical lifeline for qualifying individuals facing a financial crisis amidst a pandemic. Issues of fraud and overpayments are of great consequence that jeopardizes the integrity of the program and availability of funds for eligible or qualified individuals.

⁵³ See Exhibit 2, weekly certifications for week beginning from July 19, 2020 through and including the week ending August 22, 2020

⁵⁴ See Exhibit 19.

⁵⁵ See UIPL No. 20-21, Change 1.

1 termination, layoff, or military separation on March 18, 2020 and her place of employment was closed,
2 and she remains unemployed as a direct result of COVID-19.⁵⁶ In fact, Appellant resigned from both
3 Employers for personal reasons: First, she resigned from Employer Rota Resort to relocate to Guam;
4 and second, she resigned from Employer Lucky Store to take a position with Commonwealth Ports
5 Authority. Appellant also submitted weekly certifications in which she claimed that she was still
6 unemployed due to COVID-19 because her place of employment was closed as a direct result of
7 COVID-19 public health emergency when in fact she worked for Employer Lucky Store without
8 experiencing any reduction in her customary, part-time hours.⁵⁷ As discussed, Appellant certified and
9 acknowledged it is her responsibility to read the Benefit Rights Information Handbook and she must
10 provide accurate and complete information. While the undersigned recognizes that some fault is
11 assignable to the Department for failure to implement the necessary controls in issuing payments of
12 claims, any fault of the Appellant restricts eligibility of a waiver. Considering the contradictory,
13 inaccurate, and incomplete information provided in Appellant's initial application and weekly
14 certifications, fault must be assigned to the Appellant with respect to most of the overpayment.
15 Specifically, Appellant is overpaid the amount of \$16,244.00 from March 15, 2020 to July 18, 2020
16 and from August 23, 2020 to September 5, 2020.

17 Finally, with respect to "equity and good conscience", the undersigned finds that recovery of some
18 of the overpayment would not be contrary to equity and good conscience considering that Appellant
19 has indicated that her household expenses do not exceed her household income and she would be able
20 to pay \$50.00 per month without any financial hardship. Accordingly, Appellant must repay the
21 amount of \$16,244.00 in payments of \$50.00 per month.

22 VI. DECISION

23 For the reasons stated above, it is ORDERED that:

- 24 1. The CNMI Department of Labor's two Disqualifying Determinations, dated July 19, 2021,
25 are **AFFIRMED**;
2. The Appellant is **NOT ELIGIBLE** to receive PUA benefits for the period of March 22,
2020 and August 22, 2020;
3. The CNMI Department of Labor's Notice of Overpayment, dated July 13, 2021, is
AFFIRMED;

⁵⁶ See Exhibits 1-2.

⁵⁷ See Exhibit 2, weekly certifications for July 5, 2020 to July 11, 2020, July 12, 2020 to July 18, 2020, August 23,
2020 to August 29, 2020, and August 30, 2020 to September 5, 2020,

1 4. Appellant was overpaid in the total amount of \$18,445.75;

2 5. However, Appellant is entitled a PARTIAL WAIVER of repayment or recovery in the
3 amount of \$2,201.75; and

4 6. Appellant must repay the amount of \$16,244.00 in installments of \$50.00 per month.

5 If a party is aggrieved by this Order and would like to contest the decision, he or she must submit
6 a written request to reopen the decision pursuant to Hawaii Admin. Rule § 12-5-93. The written
7 request should be supported by legal, factual, or evidentiary reasons to reopen the decision. The
8 written request must be submitted to the Administrative Hearing Office, either in person at 1357
9 Mednilla Avenue, Capitol Hill Saipan MP 96950 or via email at hearing@dol.gov.mp.

10 In the event a request to reopen the decision is granted, the matter shall be scheduled for a
11 subsequent hearing. In the event a request to reopen the decision is denied, or if the Appellant still
12 disagrees with a subsequent decision, the Appellant may seek judicial review with the CNMI Superior
13 Court under the local Administrative Procedures Act. *See* 1 CMC § 9112. All forms, filings fees, and
14 filing deadlines for judicial review will be as established by the applicable law and court rule.

15 So ordered this 21st day of April, 2022.

16 /s/

17 **CATHERINE J. CACHERO**

18 Administrative Hearing Officer, *Pro Tem*



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE

In Re Matter of:) PUA Case No. 21-0178
)
Rocelia Tenorio,)
)
Appellant,) ADMINISTRATIVE ORDER
) GRANTING PARTIES'
v.) REQUEST FOR DISMISSAL
)
CNMI Department of Labor,)
Division of Employment Services-PUA,)
)
Appellee.)

Pursuant to Appellant's Request to Appeal, the matter was scheduled for an Administrative Hearing on June 28, 2022 at 9:00 a.m. On April 19, 2022, Appellant filed a written request to withdraw the Appeal. On April 29, 2022, the Department filed a Motion to Dismiss the above-captioned case stating that the parties resolved the eligibility and overpayment issues. Appellant confirmed, in writing, that she does not contest dismissal.

In consideration of above, the undersigned finds that there are no issues on appeal and dismissal is appropriate. Accordingly, this appeal is hereby **DISMISSED** and the Administrative Hearing scheduled for June 28, 2022 at 9:00 a.m. is **VACATED**. In the event that the Appellant disagrees with a subsequent determination or notice, Appellant may file a new appeal.

So ordered this 2nd day of May, 2022.

/s/

JACQUELINE A. NICOLAS
Administrative Hearing Officer

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE



In Re Matter of:) PUA Case No. 21-0183
Arnold Arboleda,)
Appellant,)
v.) ADMINISTRATIVE ORDER
CNMI Department of Labor,) GRANTING PARTIES' REQUEST FOR
Division of Employment Services-PUA,) DISMISSAL
Appellee.)

Pursuant to Appellant's Request to Appeal, this matter was scheduled for an Administrative Hearing for May 5, 2022 at 9:00 a.m. On May 3, 2022, Appellant filed a written request to withdraw the Appeal. On May 3, 2022, the Department filed a Motion to Dismiss stating that the parties have resolved the issues on Appeal, including the overpayment issue. Subsequently, Appellant confirmed, in writing, that he received and agreed with the Department's Motion to Dismiss this Appeal.

In consideration of the above, the undersigned finds that there are no issues on appeal. Accordingly, this appeal is hereby **DISMISSED** and the Administrative Hearing that is scheduled for May 5, 2022 at 9:00 a.m. is hereby **VACATED**. In the event that the Appellant disagrees with a subsequent determination or notice, Appellant may file a new appeal

So ordered this **4th** day of May, 2022.

/s/

Catherine J. Cachero
Pro Tem Administrative Hearing Officer



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE

In Re Matter of:) PUA Case No. 21-0184
)
Kaori Kimura,)
)
Appellant,) ADMINISTRATIVE ORDER GRANTING
) PARTIES' REQUEST FOR DISMISSAL
v.)
)
CNMI Department of Labor,)
Division of Employment Services-PUA,)
Appellee.)

Pursuant to Appellant's Request to Appeal, this matter was scheduled for an Administrative Hearing for May 16, 2022 at 1:30 p.m. On May 13, 2022, Appellant filed a written request to withdraw the Appeal, stating that she received benefits from March 2021 to May 2021. Subsequently, on May 16, 2022, the Department filed a Motion to Dismiss stating that the parties have resolved the issues on Appeal, including the overpayment issue. Appellant confirmed in writing that she agrees with Department's Motion to Dismiss.

In consideration of above, the undersigned finds that there are no issues on appeal and dismissal is appropriate. Accordingly, this appeal is hereby **DISMISSED** and the Administrative Hearing scheduled for May 16, 2022 at 1:30 p.m. is **VACATED**. In the event that the Appellant disagrees with a subsequent determination or notice, Appellant may file a new appeal.

So ordered this **16th** day of May, 2022.

/s/

Catherine J. Cachero
Pro Tem Administrative Hearing Officer

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE



In Re Matter of:) PUA Case No. 22-0188
)
MD Humayun Kabir,)
)
Appellant,) ADMINISTRATIVE ORDER
) GRANTING PARTIES'
v.) REQUEST FOR DISMISSAL
)
CNMI Department of Labor,)
Division of Employment Services-PUA,)
)
Appellee.)

Pursuant to Appellant's Request to Appeal, the matter was scheduled for an Administrative Hearing on May 17, 2022 at 9:00 a.m. On May 16, 2022, Appellant filed a written request to withdraw the appeal as he no longer contests the determination. Later that day, the Department filed a Motion to Dismiss the above-captioned case confirming that the parties' have resolved all issues and no overpayment occurred. Appellant confirmed, in writing, that he does not contest dismissal.

In consideration of above, the undersigned finds that there are no issues on appeal and dismissal is appropriate. Accordingly, this appeal is hereby **DISMISSED** and the Administrative Hearing scheduled for May 17, 2022 at 9:00 a.m. is **VACATED**. In the event that the Appellant disagrees with a subsequent determination or notice, Appellant may file a new appeal.

So ordered this **16th** day of May, 2022.

/s/

JACQUELINE A. NICOLAS
Administrative Hearing Officer



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE

In Re Matter of:) PUA Case No. 22-0191
)
)
Marie Antonette P. Morales,)
)
)
Appellant,) ADMINISTRATIVE ORDER
) GRANTING PARTIES'
v.) REQUEST FOR DISMISSAL
)
)
CNMI Department of Labor,)
)
)
Division of Employment Services-PUA,)
)
)
Appellee.)

Pursuant to Appellant's Request to Appeal, the matter was scheduled for an Administrative Hearing on May 26, 2022 at 9:00 a.m. On March 18, 2022, Appellant filed a written request to withdraw the appeal, stating that she no longer contests the Department's Determination. On May 9, 2022, the Department filed a Motion to Dismiss the above-captioned case stating that the parties that Appellant has entered into a payment plan agreement. Appellant confirmed, in writing, that he does not contest dismissal.

In consideration of above, the undersigned finds that there are no issues on appeal and dismissal is appropriate. Accordingly, this appeal is hereby **DISMISSED** and the Administrative Hearing scheduled for May 26, 2022 at 9:00 a.m. is **VACATED**. In the event that the Appellant disagrees with a subsequent determination or notice, Appellant may file a new appeal.

So ordered this **11th** day of May, 2022.

/s/
JACQUELINE A. NICOLAS
Administrative Hearing Officer

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE



In Re Matter of:) PUA Case No. 22-0198
)
Felisa J. Macalindong,)
)
Appellant,) ADMINISTRATIVE ORDER
) GRANTING PARTIES'
v.) REQUEST FOR DISMISSAL
)
CNMI Department of Labor,)
Division of Employment Services-PUA,)
)
Appellee.)

Pursuant to Appellant's Request to Appeal, the matter was scheduled for an Administrative Hearing on June 23, 2022 at 9:00 a.m. On May 10, 2022, Appellant filed a written request to withdraw the appeal as she no longer contests the Department's Determination. On May 12, 2022, the Department filed a Motion to Dismiss the above-captioned case stating all pending issues have been resolved. Subsequently, Appellant confirmed, in writing, that she does not contest dismissal.

In consideration of above, the undersigned finds that there are no issues on appeal and dismissal is appropriate. Accordingly, this appeal is hereby **DISMISSED** and the Administrative Hearing scheduled for July 23, 2022 at 9:00 a.m. is **VACATED**. In the event that the Appellant disagrees with a subsequent determination or notice, Appellant may file a new appeal.

So ordered this **12th** day of May, 2022.

/s/
JACQUELINE A. NICOLAS
Administrative Hearing Officer



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE

In Re Matter of:) PUA Case No. 22-0205
)
Clarence John Cabang,)
)
Appellant,) ADMINISTRATIVE ORDER
) GRANTING PARTIES'
v.) REQUEST FOR DISMISSAL
)
CNMI Department of Labor,)
Division of Employment Services-PUA,)
Appellee.)

Pursuant to Appellant's Request to Appeal, the matter was scheduled for an Administrative Hearing on July 19, 2022 at 9:00 a.m. On April 21, 2022, Appellant filed a written request to withdraw the appeal. On April 29, 2022, the Department filed a Motion to Dismiss the above-captioned case stating that the parties resolved the eligibility and overpayment issues. Appellant confirmed, in writing, that he does not contest dismissal.

In consideration of above, the undersigned finds that there are no issues on appeal and dismissal is appropriate. Accordingly, this appeal is hereby **DISMISSED** and the Administrative Hearing scheduled for July 19, 2022 at 9:00 a.m. is **VACATED**. In the event that the Appellant disagrees with a subsequent determination or notice, Appellant may file a new appeal.

So ordered this 2nd day of May, 2022.

/s/
JACQUELINE A. NICOLAS
Administrative Hearing Officer



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE

In Re Matter of:) Enforcement Investigation No. 21-006-10
) Compliance Agency Case No. 21-001
Department of Labor, Enforcement and)
Compliance,)
Complainant,) ORDER DISMISSING CASE FOR LACK
v.) OF MERIT
FSM Recycling Corporation.,)
Respondent.)

Pursuant to 3 CMC § 4947(a), “the hearing office may, after notice and an opportunity to be heard is provided to the parties, dismiss *sua sponte* a complaint that the hearing officer finds to be without merit.” On November 15, 2021, Enforcement filed a Notice of Violation against Respondent for unauthorized employment, a violation of the employment preference requirement, and failure to post a job vacancy announcement. Upon review, the undersigned found several procedural and substantive deficiencies – specifically, failure to issue a notice of warning, as required by the regulations and failure to allege sufficient facts to demonstrate a violation. On March 23, 2022, Enforcement was ordered to correct said deficiencies on or before May 2, 2022. Enforcement failed cure the procedural defects and failed to submit an amended notice of warning as ordered. Accordingly, the undersigned finds this case to be without merit and is hereby **DISMISSED.**

So ordered this 6th day of May, 2022.

/s/

JACQUELINE A. NICOLAS
Administrative Hearing Officer



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE

In Re Matter of:) Enforcement Investigation No. 22-009-04
) Compliance Agency Case No. 22-009
Department of Labor, Enforcement and)
Compliance,)
)
Complainant,) ORDER DISMISSING CASE FOR LACK
) OF MERIT
v.)
)
Nero S. Ortizo dba RM System Construction,)
Marianas Wireless and RM Industry Supply,)
)
Respondent.)

Pursuant to 3 CMC § 4947(a), “the hearing office may, after notice and an opportunity to be heard is provided to the parties, dismiss *sua sponte* a complaint that the hearing officer finds to be without merit.” On April 5, 2022, Enforcement filed a Notice of Violation against Respondent for unauthorized employment, a violation of the employment preference requirement, and failure to post a job vacancy announcement. Upon review, the undersigned found several procedural and substantive deficiencies – specifically, failure to issue a notice of warning, as required by the regulations and failure to allege sufficient facts to demonstrate a violation. On April 6, 2022, Enforcement was ordered to correct said deficiencies on or before April 30, 2022. Enforcement failed cure the procedural defects and failed to submit an amended notice of warning as ordered. Accordingly, the undersigned finds this case to be without merit and is hereby **DISMISSED**.

So ordered this 6th day of May, 2022.

/s/

JACQUELINE A. NICOLAS
Administrative Hearing Officer