



## Sensible CNMI

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### SUPPORT SB 19-106

## The Commonwealth Marijuana Regulation Act

### Overview

Senate Bill SB 19-106, the Commonwealth Marijuana Regulation Act (CMRA) is a consensus measure modeled after Oregon's Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act of 2014, also known as Measure 91, which encompasses the recognized best management practices to control, regulate, and tax marijuana and industrial hemp. The Act complies with the federal guidelines concerning marijuana enforcement that were developed by the U.S. Department of Justice in 2014. Furthermore, the CMRA has been adapted to local needs and conditions with input from medical professionals, law enforcement, patients, growers, the citizens group Sensible CNMI, and others who participated in public hearings and committee meetings. The CMRA will legalize, regulate, and tax the medical, personal, and agricultural use of marijuana in the Northern Mariana Islands. SB 19-106 must be approved by both the CNMI Senate and the House of Representatives, and signed by the Governor, in order that the act be placed on the ballot, to be ratified by the CNMI voters in an upcoming election.

### Executive Summary

#### Generally

- The Commonwealth Marijuana Regulation act is designed to allow for the personal, medical, and industrial use of marijuana by responsible adults 21+ by establishing a strict regulatory system. The production, processing, sale, and possession of marijuana will be legal and regulated in the Northern Mariana Islands. However, the public consumption of marijuana will remain prohibited.
- The tax revenues will be used to support drug treatment and prevention services, school infrastructure projects, the Commonwealth retirement fund, and the general fund.
- The Act will provide special incentives to Northern Islanders who wish to produce and export marijuana from the northern islands.
- The new industry will attract tourist from Guam, Asia, and all over the world. Both Tinian and Rota will be able to compete for this new market.
- The Act will protect children and prohibit the possession or sale of marijuana to minors.
- The Act will allow law enforcement to focus on serious and violent crimes, such as domestic violence, sexual assault, and burglary. It is time to stop jailing and punishing our law abiding citizens for engaging in an activity that does not harm anyone.

#### Adult Provisions

- Adults will be allowed to possess, transport, purchase, consume and share up to one ounce of nonmedical marijuana.

- Adults will be allowed to grow up to six plants at their household. However, the plants must be in a secure location and out of public view.
- Using marijuana in public will remain illegal.
- Driving while under the influence of marijuana will remain illegal.
- Employers will retain the right to decide policies for their places of businesses.
- Landlords will retain the right to ban the possession of marijuana on their property.

### **Medical Use of Marijuana**

- The Act will ensure that doctors and their patients are able to make decisions about the use of medical marijuana without undue government interference
- In the event that the federal government legalizes marijuana use for medical purposes, this act authorizes the Legislature to align the Commonwealth's medical marijuana laws with federal law.

### **Regulatory Provisions**

- Designates the Commonwealth Department of Commerce to serve as the lead regulatory agency for all commercial marijuana operations.
- The Department of Commerce will have broad authority to enforce the Act and any regulations promulgated pursuant to the Act.
- Small scale production licenses will be affordable, which will ensure that the market will remain open to small businesses and anyone who is ready to join this industry.
- Businesses that sell alcohol and tobacco will not be permitted to sell marijuana. Marijuana retailers will not be allowed to engage in any other business.
- The Department of Commerce will have the authority to require laboratory testing and labeling of marijuana products to identify serving size, potency, and compliance with other standards.
- The Department of Commerce will be authorized to issue temporary permits for the use of marijuana in a public place, but only on premises owned or operated by the applicant.
- The municipal governments will be empowered to regulate non-medical marijuana businesses through zoning and local laws that describe time, place, and manner regulations.

### **Taxation and Revenue Allocation Provisions**

- Imposes a tax on licensed commercial marijuana producers at the rate of: \$35 per ounce on all marijuana flowers; \$10 per ounce on all marijuana leaves; and \$5 per immature marijuana plant.
- Authorizes the Department of Revenue and Taxation to adjust taxes on marijuana every two years in order to maximize net revenue, minimize the unregulated market, and discourage the use of marijuana by minors under 21 years of age.
- Does not impose taxes on marijuana cultivators operating in the islands north of Saipan, until 2022.
- Establishes a Commonwealth Marijuana Account and distribute monies earned from the taxation and licensing of marijuana businesses to be distributed in this fashion: 25% to the NMI Retirement fund Defined Benefit Plan; 25% to the Commonwealth HealthCare Corporation for drug abuse prevention, early intervention, and treatment services; 25% to the Public School System for drug abuse prevention education and for school infrastructure; and the remaining 25% to the General Fund.