



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

**STANDING COMMITTEE REPORT NO. 24-68**  
**Date: December 17, 2025**  
**RE: House Bill No. 24-30**

Honorable Karl R. King-Nabors  
President of the Senate  
Twenty-Fourth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

Dear Mr. President:

Your Committee on Fiscal Affairs, to which House Bill No. 24-30 was referred, entitled:

“To appropriate funds from Accounts 1501B and 1501S to support the operational and personnel needs of the CNMI Cannabis Commission and to direct the Secretary of Finance to establish and maintain a separate sub-account within the Cannabis Tax Account for the purpose of segregating and reserving PSS’s designated share,”

begs leave to report as follows:

**I. RECOMMENDATION:**

After considerable discussion and deliberation, your Committee recommends the passage of the proposed legislation in the form of House Bill No. 24-30, Senate Draft 1.

**II. ANALYSIS:**

A. Purpose:

The intent of House Bill No. 24-30 is to support the operational and personnel needs of the CNMI Cannabis Commission from funds appropriated from Accounts 1501B and 1501S and to direct the Secretary of Finance to establish and maintain a separate sub-account within the Cannabis Tax Account for the purpose of segregating and reserving PSS’s designated share.

B. Committee Findings:

Your Committee finds that taxes collected under 4 CMC § 1402(a)(21), 4 CMC §1310, and any other gross revenue taxes imposed under Title 4, Division 1, Chapter 3 that are generated from licenses of the Cannabis Commission are to be deposited into the Cannabis Tax Account, established under 4 CMC § 1512, for appropriation by the Legislature, to include an appropriation of twenty-five percent to the CNMI Public School System.

Your Committee further finds that House Bill 24-30 intends to appropriate funds for personnel and operations of the CNMI Cannabis Commission. However, on November 18, 2025, Governor David M. Apatang issued Executive Order No. 2025-005 to transfer the authority for regulation of cannabis from the Commonwealth Cannabis Commission to the Alcohol Beverage and Tobacco Control (ABTC) Division of the Department of Commerce.

Your Committee met on November 26, 2025, and December 17, 2025, to discuss the proposed legislation. In consideration of the transition of the Commonwealth Cannabis Commission, your Committee agreed that funding for personnel would remain to fund the personnel staff carried over under this process. Acknowledging that the Department of Commerce would manage the operational needs, your Committee agreed to amend the proposed legislation to provide critical funding for the retirees' twenty-five percent pension and for the personnel and operations of the Marianas Legal Services Corporation – Marianas Office.

Your Committee also acknowledged that the provision regarding the reservation of funds shall remain intact as proposed, recognizing that future appropriations will be made in the future. For these reasons, your Committee supports the intent of the proposed legislation, as amended, and recommends its passage in the form of House Bill No. 24-30, Senate Draft 1.

C. Legislative History:

House Bill No. 24-30 was introduced by Representative Denita K. Yangetmai on June 11, 2025 to the full body of the House of Representatives and was referred to the House Standing Committee on Ways and Means (WM) for disposition. On July 21, 2025, the House WM Committee adopted House Bill No. 24-30 in its current form, which was reported to the full body of the House of Representatives under House Standing Committee Report (SCR) No. 24-17. On July 31, 2025, during the First Day, Fifth Special Session of the House of Representatives, House SCR 24-17 was adopted and the House of Representatives passed House Bill No. 24-30 in its current form. House Bill No. 24-30 was transmitted to the Senate on August 4, 2025 and was subsequently referred to the Senate Standing Committee on Fiscal Affairs for disposition.

D. Public Hearing and Comment:

1. Public Hearing. No public hearing was scheduled for House Bill No. 24-30. However, committee meetings, which are open to the public, were held on November 26, 2025, and December 17, 2025. See below for further details.
2. Committee Meeting. The proposed legislation made its first appearance during the scheduled committee meeting on Wednesday, November 26, 2025. The committee meeting notices and agenda were officially posted on November 23, 2025, on various legislative forums and social media sites to invite members of the general public to provide comments as indicated under *Item No. IV. Public Comment* on the Committee Agenda. However, no oral testimony in support or in opposition of House Bill No. 24-30 was presented before your Committee.

The proposed legislation made a second appearance during the scheduled committee meeting on Wednesday, December 17, 2025. The committee meeting notices and agenda were officially posted on December 13, 2025, on various legislative forums and social media sites to invite members of the general public to provide comments as indicated under *Item No. IV. Public Comment* on the Committee Agenda. However, no oral testimony in support or in opposition of House Bill No. 24-30 was presented before your Committee.

3. Written Comment. Your Committee solicited comments on the proposed legislation. To date, the status of comment(s) received from the following government and private entities is as follows:
  - a. CNMI Cannabis Commission, *no comment received*

E. Estimated Fiscal Cost:

No fiscal analysis was prepared for the proposed legislation.

However, the passage of House Bill No. 24-30, Senate Draft 1 would result in diverting funds intended to support the operations of the CNMI Cannabis Commission, that will be borne by the Department of Finance upon the enactment of Executive Order No. 2025-005, which maintains funding for personnel, while providing critical funding for the retirees' 25% pension and the operations and personnel of the Micronesian Legal Services Corporation – Marianas Office. Additionally, your Committee agreed to maintain the reservation of segregated funds for the CNMI Public School System for future appropriation.

F. Summary of Committee Amendments:

Your Committee agreed to the following amendments:

1. Title. Amendments made to reflect the amendment adopted by the Committee, to read:

“To appropriate funds from Accounts 1501B and 1501S to support the operational and personnel needs of the CNMI Cannabis Commission and to direct the Secretary of Finance to establish and maintain a separate sub-account within the Cannabis Tax Account for the purpose of segregating and reserving PSS’s designated share, and for other purposes.”

2. Section 2. Appropriations. Subsection (b) is amended, beginning on page 3, line 7 through page 4, line 4, to read:

“(b) The sum of \$156,856.00 is hereby appropriated to the CNMI Cannabis Commission from Account 1501B (Cannabis Commission Licensing and Application Fees Account), which was established pursuant to 4 CMC § 53036(g), as follows:

(1) ~~\$8,500.00~~ \$100,00 to the Secretary of Finance to fund the retirees 25% pension for utilities, including power and water. The Secretary of Finance shall be the expenditure authority of the funds under this subsection; and

(2) ~~\$58,446.00~~ \$56,856.00 for office operations and supplies, including office supplies, newspapers, software, membership fees, and subscriptions the operations and personnel of the Micronesians Legal Services Corporation – Marianas Office. The expenditure authority of the funds under this subsection shall be the MLSC Executive Director.

(3) ~~\$74,910.00~~ for equipment and maintenance, including information technology equipment, office equipment, office repairs, vehicle repairs, fuel and lubrication, and yard maintenance; and

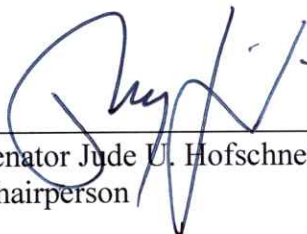
(4) ~~\$15,000.00~~ for travel and rentals.

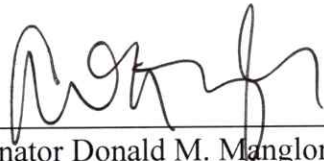
(e) ~~The Chairman of the CNMI Cannabis Commission, or his or her designee, shall serve as the expenditure authority for the funds appropriated under this Section.”~~


### III. CONCLUSION:

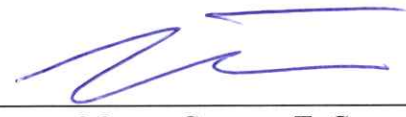
Your Committee agrees with the intent and purpose of the proposed legislation, as amended, and recommends its passage in the form of House Bill No. 24-30, Senate Draft 1.

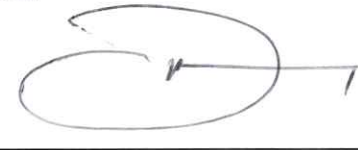
Respectfully submitted,

  
\_\_\_\_\_  
Senator Jude V. Hofschneider  
Chairperson

  
\_\_\_\_\_  
Senator Donald M. Manglona  
Vice Chairperson

  
\_\_\_\_\_  
Senator Ronnie M. Calvo  
Member

  
\_\_\_\_\_  
Senator Manny Gregory T. Castro  
Member

  
\_\_\_\_\_  
Senator Francisco Q. Cruz  
Member

\_\_\_\_\_  
Senator Corina L. Magofna  
Member

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Senator Paul A. Manglona  
Member

Reviewed by:

  
\_\_\_\_\_  
Senate Legal Counsel

Attachment(s):

1. Executive Order No. 2025-005 – Transfer of authority for regulation of cannabis from the Commonwealth Cannabis Commission to the Alcohol Beverage and Tobacco Control Division of the Department of Commerce.

**TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH**

**LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

**JUNE 11, 2025**

**Third Special Session, 2025**

**H. B. 24-30, SD1**

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**A BILL FOR AN ACT**

To appropriate funds from Accounts 1501B and 1501S to support the operational and personnel needs of the CNMI Cannabis Commission and to direct the Secretary of Finance to establish and maintain a separate sub-account within the Cannabis Tax Account for the purpose of segregating and reserving PSS's designated share, and for other purposes.

**BE IT ENACTED BY THE 24<sup>TH</sup> NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1       **Section 1. Findings and Purpose.** Section 1512 of Title 4 of the  
2       Commonwealth Code establishes a special Cannabis Tax Account (CTA) separate  
3       and apart from the general fund. Taxes collected pursuant to 4 CMC § 1402(a)(21),  
4       4 CMC § 1310, and any other gross revenue taxes imposed under Title 4, Division  
5       1, Chapter 3, that are generated from licensees of the Cannabis Commission are  
6       deposited into the CTA for appropriation by the Legislature. Of the total  
7       appropriation provided under this section, twenty-five percent (25%) is statutorily  
8       required to be allocated to the Public School System. Account 1501S is the account  
9       established pursuant to 4 CMC § 1512, and as of March 31, 2025, Account 1501S

1 has a certified balance of \$112,358.38.

2 As previously mentioned, the law requires that twenty-five percent (25%) of  
3 the appropriation provided for pursuant to 4 CMC § 1512 be allocated to the Public  
4 School System (PSS). As such, the Legislature finds it prudent to segregate the  
5 twenty-five percent (25%) designated for PSS under 4 CMC § 1512 into a separate  
6 sub-account within the Cannabis Tax Account. This subaccount will be used to  
7 reserve PSS's designated share.

8 Section 53036(g) of Title 4 of the Commonwealth Code states that all license  
9 fees and application fees established under 4 CMC § 53036(d) shall be placed in an  
10 account separate from the general fund to pay the expenses necessary for the  
11 operation of the CNMI Cannabis Commission, subject to legislative appropriation.  
12 The Chairman of the Commission, or his or her designee, shall serve as the  
13 expenditure authority of this account. Account 1501B is the account established  
14 pursuant to 4 CMC § 53036(g), and as of March 31, 2025, Account 1501B has a  
15 certified balance of \$372,442.50.

16 Thus, the purpose of this Act is to appropriate funds from Accounts 1501B  
17 and 1501S to support the operational and personnel needs of the CNMI Cannabis  
18 Commission and to direct the Secretary of Finance to establish and maintain a  
19 separate sub-account within the Cannabis Tax Account for the purpose of  
20 segregating and reserving PSS's designated share.

1           **Section 2. Appropriations.**

2           (a) The sum of \$84,268.78 is hereby appropriated to the CNMI Cannabis  
3 Commission from Account 1501S (Cannabis Tax Account), which was established  
4 pursuant to 4 CMC § 1512, as follows:

5           (1) \$84,268.78 for personnel salaries and wages of the CNMI Cannabis  
6 Commission.

7           (b) The sum of \$156,856.00 is hereby appropriated ~~to the CNMI Cannabis~~  
8 ~~Commission from Account 1501B (Cannabis Commission Licensing and~~  
9 ~~Application Fees Account), which was established pursuant to 4 CMC § 53036(g),~~  
10 as follows:

11           (1) ~~\$8,500.00~~ \$100,00 to the Secretary of Finance to fund the retirees 25%  
12 pension for utilities, including power and water. The Secretary of Finance shall be  
13 the expenditure authority of the funds under this subsection; and

14           (2) ~~\$58,446.00~~ \$56,856.00 for office operations and supplies, including office  
15 supplies, newspapers, software, membership fees, and subscriptions the operations  
16 and personnel of the Micronesian Legal Services Corporation – Marianas Office.  
17 The expenditure authority of the funds under this subsection shall be the MLSC  
18 Executive Director.

19           (3) ~~\$74,910.00 for equipment and maintenance, including information~~  
20 ~~technology equipment, office equipment, office repairs, vehicle repairs, fuel and~~  
21 ~~lubrication, and yard maintenance; and~~

1       ~~(4) \$15,000.00 for travel and rentals.~~

2       ~~(e) The Chairman of the CNMI Cannabis Commission, or his or her designee,~~  
3 ~~shall serve as the expenditure authority for the funds appropriated under this~~  
4 ~~Section.~~

5       **Section 3. Reservation of Funds; PSS Sub-Account.**

6       (a) If, at the time this Act becomes law, 4 CMC § 1512(a) requires that  
7 twenty-five percent (25%) of appropriations from the Cannabis Tax Account be  
8 allocated to the Public School System (PSS), then the following shall apply:

9       (1) Of the total certified balance of \$112,358.38 in Account 1501S, which is  
10 the Cannabis Tax Account, twenty-five percent (\$28,089.60) shall be segregated  
11 into a subaccount for the Public School System (PSS) for future appropriation.

12       (2) The Secretary of Finance is hereby directed to establish and maintain a  
13 separate sub-account within the Cannabis Tax Account for the purpose of  
14 segregating and reserving PSS's designated share.

15       (3) The funds appropriated in this Act from the Cannabis Tax Account shall  
16 apply only to the portion of the fund not reserved for PSS. The funds in the PSS-  
17 designated sub-account shall remain unappropriated and reserved until such time  
18 as the Legislature determines otherwise.

19       (b) If, at the time this Act becomes law, the statutory requirement to allocate  
20 25% of the appropriations made from the Cannabis Tax Account to the Public  
21 School System has been repealed or amended to remove the mandatory allocation,

1 then this Section shall be deemed inoperative and shall not be implemented.

2       **Section 4. Severability.** If any provisions of this Act or the application of  
3 any such provision to any person or circumstance should be held invalid by a court  
4 of competent jurisdiction, the remainder of this Act or the application of its  
5 provisions to persons or circumstances other than those to which it is held invalid  
6 shall not be affected thereby.

7       **Section 5. Savings Clause.** This Act and any repealer contained herein shall  
8 not be construed as affecting any existing right acquired under contract or acquired  
9 under statutes repealed or under any rule, regulation, or order adopted under the  
10 statutes. Repealers contained in this Act shall not affect any proceeding instituted  
11 under or pursuant to prior law. The enactment of the Act shall not have the effect  
12 of terminating, or in any way modifying, any liability, civil or criminal, which shall  
13 already be in existence on the date this Act becomes effective.

14       **Section 6. Effective Date.** This Act shall take effect upon its approval by the  
15 Governor, or it becoming law without such approval.

Prefiled: 6/11/2025

Date: \_\_\_\_\_ Introduced by: /s/ Rep. Denita K. Yangetmai

Reviewed for Legal Sufficiency by:  
/s/ Joseph M. Hallahan  
House Legal Counsel



David M. Apatang  
Governor

Dennis James C. Mendiola  
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
OFFICE OF THE GOVERNOR



**EXECUTIVE ORDER NO. 2025-005**

**SUBJECT:** Transfer of authority for regulation of cannabis from the Commonwealth Cannabis Commission to the Alcohol Beverage and Tobacco Control Division of the Department of Commerce.

**AUTHORITY:** NMI Const. art. III, § 1 provides that “[t]he executive power of the Commonwealth shall be vested in a governor who shall be responsible for the faithful execution of the laws;” and NMI Const. art. III, § 15 permits the governor to “make changes in the allocation of offices, agencies and instrumentalities and in their functions and duties that are necessary for efficient administration.”

**WHEREAS;** Public Law 11-75 created an Alcohol Beverage and Tobacco Control Division of the Department of Commerce, which consolidated the existing regime for regulation of alcoholic beverages with new measures concerning the regulation of tobacco; and

**WHEREAS;** Public Law 20-66 established a Commonwealth Cannabis Commission with a mandate to regulate a lawful cannabis industry in the Commonwealth; and

**WHEREAS;** as of July 31, 2025, the Cannabis Commission reported a total of Fiscal Year 2025 year-to-date excise and surtax collections of only \$113,880.33, well below the liability to the Commonwealth of the compensation owed to five commissioners at an annual salary of \$55,000 per annum each; and

**WHEREAS;** trying economic times necessitate consolidation of duplicative government instrumentalities to ensure that the Commonwealth’s limited fiscal resources are allocated to provision of essential public services;

**NOW, THEREFORE,** I, David M. Apatang, Governor of the Commonwealth of the Northern Mariana Islands, by virtue of the power vested in me by the Constitution and laws of the Commonwealth, and in order to achieve effective and efficient government administration so as to better serve the interests of the Commonwealth and its people, hereby order as follows:

Section 1. Enactment.

- (a) The duties and responsibilities of the Commonwealth Cannabis Commission to regulate cannabis in the Commonwealth under Title 4, Division 5, Chapter 21 of the Commonwealth Code are hereby transferred to the Alcohol Beverage and Tobacco Control Division of the Department of Commerce established under 4 CMC § 50131.
- (b) Because the Commission is divested by this order of any statutory duties or responsibilities, the Commissioners no longer owe duties within the meaning of NMI Const. Article III, Section 21 and their terms are accordingly terminated for cause.

Signed By: [Signature]  
Date: 11/19  
Time: 9:00am  
OFFICE OF THE SENATE CLERK

- (c) The Managing Director and other staff of the Commission, with the exception of the Commissioners, are hereby transferred to the Department of Commerce and shall continue to perform their duties as employees of the Alcohol Beverage and Tobacco Control Division under the supervision of the Secretary of Commerce or designee.

Section 2. General Provisions.

- (a) This executive order shall be implemented consistent with applicable law.
- (b) Except as specifically provided in Section 1 of this executive order, the statutory provisions of Title 4, Division 5, Chapter 21 of the Commonwealth Code and the regulations under Title 180 of the NMI Administrative Code shall remain in force in full, except that references to commissioners of the Commonwealth Cannabis Commission shall instead mean the Secretary of Commerce and references to the Commission shall instead mean the Alcohol Beverage and Tobacco Control Division.
- (c) This executive order is not intended to and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the Commonwealth, its departments, agencies, or entities, its officers, employees, or agents, or any other person.
- (d) In accordance with NMI Const. art. III, § 15, this executive order shall be submitted to the legislature and shall become effective sixty days after submission, unless specifically modified or disapproved by a majority of the members of each house of the legislature.
- (e) If any provision of this executive order or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this executive order or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

**It is so Ordered,**

**SIGNED AND PROMULGATED** on this 18 day of November 2025.

  
**David M. Apatang**  
Governor