



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS & MEANS
P.O. BOX 500586 SAIPAN, MP 96950

JOHN PAUL P. SABLAN
CHAIRMAN

Adopted - 7/31/2025
STANDING COMMITTEE REPORT NO. 24-17
DATE: July 21, 2025
RE: House Bill No. 24-30

The Honorable Edmund S. Villagomez
Speaker of the House of Representatives
Twenty-Fourth Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Mr. Speaker:

Your Committee on Ways and Means to which was referred:

House Bill No. 24-30: “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, your Committee recommends that House Bill No. 24-30 be passed by the House in its current form.

RECEIVED BY *[Signature]*
DATE *7/25/2025* TIME *4:20*

II. ANALYSIS:

A. Purpose:

The purpose of this Act is to appropriate funds from Accounts 1501B and 1501S to support the operational and personnel needs of the CNMI Cannabis Commission, and to establish a dedicated 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 Section 1512 of Title 4 of the Commonwealth Code establishes a special Cannabis Tax Account (CTA), separate from the general funds. The taxes collected pursuant to 4 CMC § 1402(a)(21), 4 CMC § 1310, and any other gross revenue tax imposed under Title 4, Division 1, Chapter 3, generated from a licensee of the Cannabis Commission shall be deposited in the special CTA, for appropriation by the Legislature; twenty-five percent of the appropriation provided under this subsection shall go to the Public School System. The appropriations allocated to the Public School System (PSS), underscores the importance of supporting education through cannabis-related revenues. As of March 31, 2025, Account 1501S, established pursuant to 4 CMC § 1512, held a certified balance of \$112,358.38.

In acknowledging these requirements, your Committee deems it prudent to establish a sub-account within the CTA to specifically reserve PSS's entitled share. This ensures transparent management and dedicated allocation consistent with statutory obligations and educational funding objectives.

Your Committee also recognizes the need to support the operational and personnel functions of the CNMI Cannabis Commission. Account 1501B, established pursuant to 4 CMC § 53036 (g), facilitates the segregation of license and application fees to pay the expenses necessary for the operation of the Commission subject to appropriation by the Legislature. Account 1501B has a certified balance of \$372,442.50. This structure enables the Commission to operate effectively under the expenditure authority of its Chairman, ensuring appropriate fund usage subject to legislative appropriation.

Thus, the purpose of this Act is to appropriate necessary funds from both Accounts 1501B and 1501S to bolster the CNMI Cannabis Commission's operations while ensuring the statutory percentage for PSS is segregated and reserved appropriately. This balanced approach supports both cannabis regulation and educational funding.

C. Public Comments/Public Hearing:

No comments were solicited or received by the Committee to date.

D. Legislative History:

House Bill No. 24-30, introduced by Representative Denita Kaipat Yangetmai on June 11, 2025, was subsequently referred to the House Standing Committee on Ways and Means for disposition.

E. Cost Benefit:

Please see the attached cost benefit analysis prepared by the House Fiscal Analyst.

III. CONCLUSION:

The Committee is in accord with the intent and purpose of House Bill No. 24-30, and recommends its passage in its original form on First and Final Reading.

Respectfully submitted,



Rep. John Paul P. Sablan
Chairman



Rep. Blas Jonathan "BJ" T. Attao
Vice Chairman

Rep. Roy A. Ada, Member

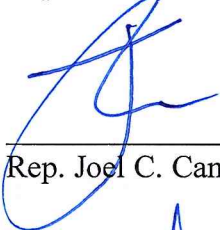
Rep. Vincent S. Aldan, Member



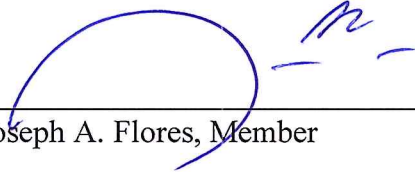
Rep. Roman C. Benayente, Member



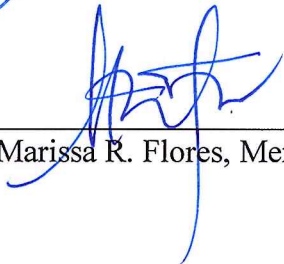
Rep. Angelo A. Camacho, Member



Rep. Joel C. Camacho, Member



Rep. Joseph A. Flores, Member



Rep. Marissa R. Flores, Member


Rep. Thomas John "TJ" DLC. Manglona

Rep. Julie M. A. Ogo, Member

Rep. Malcolm J. Omar, Member

Rep. Patrick H. San Nicolas, Member

Rep. Denita Kaipat Yangetmai, Member



Rep. Ralph N. Yumul, Member

Reviewed by:



House Legal Counsel

Date: 7-24-25



Legislative Bureau
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586
SAIPAN, MP 96950

FISCAL IMPACT ANALYSIS

Date: July 25, 2025

House Standing Committee: Ways and Means

Legislation: HB 24-30

Short Title: 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.

Analysis: The Commonwealth will benefit from providing support for the operational and personnel needs of the CNMI Cannabis Commission.

* * * E N D * * *

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

June 11, 2025

Third Spe Regular Session, 2025

H. B. 24- 90

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.

BE IT ENACTED BY THE 24TH 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%)
3 of the appropriation provided for pursuant to 4 CMC § 1512 be allocated to the
4 Public School System (PSS). As such, the Legislature finds it prudent to segregate
5 the twenty-five percent (25%) designated for PSS under 4 CMC § 1512 into a
6 separate sub-account within the Cannabis Tax Account. This subaccount will be
7 used to reserve PSS's designated share.

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

11 (1) \$8,500.00 for utilities, including power and water;

12 (2) \$58,446.00 for office operations and supplies, including office
13 supplies, newspapers, software, membership fees, and subscriptions;

14 (3) \$74,910.00 for equipment and maintenance, including information
15 technology equipment, office equipment, office repairs, vehicle
16 repairs, fuel and lubrication, and yard maintenance; and

17 (4) \$15,000.00 for travel and rentals.

18 (c) The Chairman of the CNMI Cannabis Commission, or his or her
19 designee, shall serve as the expenditure authority for the funds
20 appropriated under this Section.

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

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

6 (1) Of the total certified balance of \$112,358.38 in Account 1501S,
7 which is the Cannabis Tax Account, twenty-five percent
8 (\$28,089.60) shall be segregated into a subaccount for the Public
9 School System (PSS) for future appropriation.

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

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

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

1 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
8 shall not be construed as affecting any existing right acquired under contract or
9 acquired under statutes repealed or under any rule, regulation, or order adopted
10 under the statutes. Repealers contained in this Act shall not affect any proceeding
11 instituted under or pursuant to prior law. The enactment of the Act shall not have
12 the effect of terminating, or in any way modifying, any liability, civil or criminal,
13 which shall 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
15 the Governor, or it becoming law without such approval.

Prefiled: 6/11/2025

Date: _____

Introduced by: _____

Rep. Denita K. Yangetmai

Reviewed for Legal Sufficiency by:

[Signature]
House Legal Counsel