

CANNABIS CONTROL BOARD

Regular Meeting #14 | February 13, 2020 | 1:30pm

Large Conference Room | Ricardo J. Bordallo Governor's Complex, Hagåtña

- I. Call to Order
- II. Roll Call of Members/Quorum
- III. Secretary's Report:
 - a. February 04, 2020 Regular Meeting #13 Minutes
- IV. Old Business
 - a. Review and discuss DRAFT Rules and Regulations Sections
- V. Open Forum - *Five (5) minutes per attendee/topic
- VI. Adjournment

Cannabis Control Board
Meeting Minutes
February 04, 2020

Opening

Chairperson Williams called the regular board meeting of the Cannabis Control Board to order at 1:35 p.m. on February 04, 2020.

Location: Small Conference Room, Ricardo J. Bordallo Governor's Complex, Hagatña.

Attendees Present:

Vanessa Williams (*Appointee-Representing the general public*)

Paul Pablo (DRT)

Nico Fujikawa (GVB)

Linda U. DeNorcey (DPHSS)

Adrian Cruz (DOAG)

Theresa Arriola (GBHWC)

Ursula Herrera (*Appointee-representing the Business community*)

Andrew Quitugua (GPD)

Apologies:

William Parkinson

Approval of Minutes

- The minutes of the January 21, 2020 meeting were unanimously approved as distributed, subject to corrections.

Old Business

- Review and discuss DRAFT Rules and Regulations Sections (November 2019 edition)
 - A plenary session with the Medical Cannabis Board will be planned at the end of the review process. Craig Camacho (DRT) will compile a master sheet that both boards will review for discrepancies.

§11215 Operation Standards for Retail Cannabis Stores

- d. 3. + d.4. Verify if law restricts the sale to another store. If it isn't consistent with the law, strike or reword. If it is tracked it is permitted.
- d.6. Change to read: Shall remain *secure* at all times.
- d.10. *Adrian Cruz makes a motion to modify §11215 d.10.*
 - *The motion passed with 4 votes in favor and 2 against. Without recommended changes, strike §11215 d.10.*
- e.2. + e.3. Modify the language to include the possession limit
- f.3. Change to read: *That sales are backed up and recoverable.*

§11223 Security

- c. Strike 'and the surveillance equipment are capturing the identity of all individuals and '
- f. Strike
- g.1. Strike
- g.4. g.6. Strike

Open Forum/Announcements

Andrea Pellicani: I just wanted to give a little bit of perspective, first of all, thank you for removing some of these onerous rules, because they really are onerous. And I hope moving forward that we can take a look on the medical cannabis commission and using some of these changes as well. But just to get some perspective of why they are there, there was a memo in place by the Department of Justice, the Cole Memo which existed, every cannabis industry and every state has adopted regulations that would comply with that which would include everything, do everything you can do to prevent diversity. So when you're seeing rules like steel doors and all these things they were put in there because of that. Now the Cole Memo has since been rescinded. But the medical cannabis program is federally protected, the adult use is not. And so the difference is, is when you break into a cannabis establishment and people steal cannabis, we run the risk of federal intervention. So as we sort of balance that, what is just somebody breaking into a facility versus somebody breaking into a personal facility, and the government sort of being exposed, right, two people violating federal law is why the cannabis industry can tend to be over regulated. So I just wanted to get that perspective. And then with that, if you're going to be removing some of the security protocols, which again, thank you, I'm greatly appreciative of that. Has the board discussed adopting a payment system to sort of balance out the need for extra security protocols for a cash based business to adopt the payment system. No? That hasn't been sort out? To sort of balance out... because the whole issue is having cash. People bring it in, right? That's why the rules are, you know, if you look at it, we look at Nevada's rules. If you look at Colorado's rules, they're really onerous guys. Like really to address these things. And so if we adopt a payment system, I can see the, you know, pulling back on a lot of the security requirements, but as long as we're not providing a payment system option for cannabis businesses, you know, I just wanted to just put that out there for consideration.

Major Andrew Quituqua: From a security standpoint I can honestly say that metal doors don't bother me, but they can be overcome. I don't see all-concrete building here. Right. And that's a concern, because tin roofs are oftentimes, for a lot of the big businesses here on the island, so I'm just trying to digest what's on paper and the board collectively can advise on additional security measures. But, we did discuss two meetings ago. The cash business and the risk that we run right now so we agreed as a board to take it as slow as we can from take off, and if we can relax a little bit later on, then we'll relax depending on the type of activity [inaudible] We are concerned about the security of product from cash very much so.

Cole Miller: I just want to give an example of an open floor plan where people can shop the grocery store. In California, there's a dispensary called Mankind in San Diego County. And they have product tags just like Walmart or, you know, the big box stores where there's tags on the products that are behind the counter or even on the shelves. So that's how they deal with security, the heavy surveillance, let people shop, you know, there's consultants available if they want help. But there's the product tags that you know, really mitigate people taking products. They can get product out, it beeps, security tackles them or whatever, you know.

Director Arriola: Yeah, you're talking about actually not seeing the product and just picking up slips right and then you redeem it? Like Ross? A security tag. Barcode and boxes.

Ray [last name inaudible]: Jumping back into the consumer data files being recorded by usually back in the States, I know that they're saying that they usually recorded it for five years. And with that, customers do have a choice whether they do want to be recorded or not. Because based on some businesses, they would like to get back to their contacts, their consumers, or discounts, emails, promotions and all that. And there's some where, some people could just say no, they don't want to be in it. But they do look at the IDs, checking the age and everything just to confirm right before the purchase.

August Fest: I don't mean to put your brain into a knot. But in 1995, the Supreme Court decided that when the word 'shall' is used in statute, it means 'may'. Trying to communicate as mandatory could use 'must or must not'. But other than that, public input I think is more important before you guys vote, then afterwards maybe when you have something going on, if you can open it up to maybe a minute or two of public input and might get you to some ideas that you'd consider before you vote. Rather than you voted on it, then you have public comment and then you've already voted on so it doesn't matter. Other than that the high fees that you've already discussed or the guideline of \$5,000. You know, you said well, we want to cover our costs for regulatory will be allocate, allocate it under that by 50% of the cannabis fund. Putting it out there, they're not allocated to anything. You take that to cover the operating costs and raking in the industry to keep the fees low for the businesses. Another option we might want to consider, says these types of businesses can't take the normal deductions the other businesses have maybe exempt them from the business privilege tax until such time, they can take all the deductions that other businesses can. The other thing with the excise tax, if you take it off the cultivator and put it entirely at two point of sale retail, you're going to increase your tax revenue, much more than the wholesale price with cultivator. You're going to eliminate this fear that you have about tax cheats. And it's going to be like I said, much higher. You know, to keep those fees low.

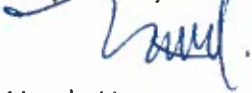
Upcoming CCB meeting dates:

February 13th, February 20th, and February 25th

Adjournment

The Cannabis Control Board meeting was adjourned at 2:42 p.m.

Prepared by:



Ursula Herrera
Secretary

Noted by:



Vanessa Williams
Chairperson