

# Mississippi Medical Cannabis Act (DRAFT) Summary (as of 9.23.21)

## Section 1 – Title

- Mississippi Medical Cannabis Act

## Section 2 – Definitions

\*There are quite a few definitions, but a few examples include:

- Allowable amount of cannabis: An amount not to exceed the maximum amount of MMCEUs which is thirty-two (32) MMCEUs in a 30-day period and eight (8) MMCEUs in one (1) day.
- Cardholder: registered qualifying patient or a registered designated caregiver who has been issued and possesses a valid registry ID card.
- Canopy: square footage that a cannabis cultivation facility dedicates to plant production
- Debilitating medical condition: all conditions listed in Initiative 65 plus hepatitis, Alzheimer’s disease, spastic quadriplegia.
  - Chronic pain – a pain state in which the cause of the pain cannot be removed or otherwise treated and which in the generally accepted course of medical practice, no relief or cure of the cause of the pain is possible or none has been found after reasonable efforts by a practitioner.
  - A condition can only be added by the Dept. of Health (MDOH), not by a practitioner.
- Medical cannabis establishments: cannabis cultivation facility, cannabis processing facility, cannabis testing facility, cannabis dispensary, cannabis transportation entity, cannabis disposal entity, or cannabis research facility licensed and registered by the appropriate agency.
- MMCEU: Mississippi Medical Cannabis Equivalency Unit; one (1) unit of MMCEU shall be equal to:
  - 3.5 grams of medical cannabis flower;
  - 1 gram of medical cannabis concentrate; or
  - 100 milligrams of THC infused product.
- Non-resident cardholder: a person who has been diagnosed with a debilitating medical condition by a practitioner from their respective state or territory or is the parent, guardian, conservator, or other person with authority to consent to the medical use of medical cannabis by a person who has been diagnosed with a debilitating medical condition: is not a resident of Mississippi or who has been a resident of Mississippi for less than 45 days and has submitted any documentation required by MDOH rules and regulations and has received confirmation of registration.
- Practitioner: physician, certified nurse practitioner, physician assistant, or optometrist
- Public place: any area to which the general public is invited or in which the general public is permitted, regardless of the ownership of the area, and any area owned or controlled by a municipality, county, state or federal government, including but not limited to streets, sidewalks, or other forms of public transportation. Such term shall not mean a private residential dwelling.

## Section 3 – Authorization to use medical cannabis; requirements

- No person shall be authorized to use medical cannabis unless the person:
  - has been diagnosed by a practitioner, with whom that person has a bona fide practitioner-patient relationship, as having a debilitating medical condition;
  - has received a written certification of that diagnosis from the practitioner; and
  - has been issued a registry ID card from the MDOH.
- Requirements of written certification: (i.e. must be made in the course of a bona fide practitioner-patient relationship; remains current for twelve (12) months; can only be issued after an in-person assessment of the patient by a practitioner; can only be issued on behalf of a minor when the minor’s parent or guardian is present and provides signed consent; limited to the allowable amount of cannabis in a 30-day period.)

- Follow-up visit: Patient shall be required to make a follow-up visit with the practitioner not less than six (6) months after the date of issuance of the certification.
- Verifying identity of cardholder: Dispensary shall verify identity of cardholder and determine the amount of cannabis that the cardholder has received from all dispensaries using seed-to-sale system.
- Training requirements of practitioners: minimum of eight (8) hours of continuing education in order to issue written certifications; after the first year of registration, practitioners shall complete five (5) hours of continuing education.

#### **Section 4 - General responsibilities of departments**

- MDAC: cultivators / processors / transporters / disposal
  - o Responsible for licensing and oversight of cannabis cultivation facilities, cannabis-cultivation processing facilities, entities that transport medical cannabis, and entities that dispose of or destroy medical cannabis.
  - o The MDAC may contract with other governmental agencies and public or private third parties to assist the MDAC with carrying out any of its powers and duties under this chapter. However, the MDAC shall be ultimately responsible for the performance of its powers and duties under this chapter that are exercised by any agency or third party with which the MDAC has contracted under the authority of this subsection.
- MDOH: testing / research / ID cards to patients / registering practitioners
  - o Responsible for licensing and oversight of cannabis testing facilities and cannabis research facilities
  - o Responsible for licensing process for medical cannabis registry ID cards for patients
  - o Responsible for registering practitioners
  - o MDOH shall have ultimate authority for oversight of the administration of the medical cannabis program and shall coordinate activities of MDOH, MDAC, and MDOR.
- MDOR: dispensaries / tax collection
  - o Responsible for licensing, inspection, and oversight of medical cannabis dispensaries
- Not later than sixty (60) days after effective date of act: MDOH shall begin accepting applications, registering and licensing ID cards and practitioners.
- Sixty (60) days after passage: MDOH and MDAC shall begin licensing and registering medical cannabis establishments (cultivators, processors, transporters, disposal entities, research, testing).
- Ninety (90) days after passage: MDOR shall begin licensing and registering dispensaries.
- Intent of Legislature: MDOH, MDAC, MDOR, Dept. of Public Safety, and any other state agency should cooperate and collaborate together.

#### **Section 5 – Protections for medical use of cannabis**

- Presumption that a registered qualifying patient or caregiver is engaged in the medical use of medical cannabis. The presumption may be rebutted by evidence that conduct was not for the purpose of treating or alleviating a patient’s debilitating medical condition or symptoms.
- The following activities related to medical cannabis shall be considered lawful: a few examples include:
  - o Purchase, transportation, possession of up to the allowable amount, or medical use of, medical cannabis
  - o Reimbursement by a patient to the patient’s caregiver for direct costs incurred by the caregiver for assisting the patient’s medical use of medical cannabis
  - o Compensating a dispensary for goods or services provided
  - o Providing or selling equipment used to ingest medical cannabis to a cardholder
  - o Acting as a designated caregiver to assist a registered qualifying patient with the act of using or administering cannabis
  - o Certain activities by medical cannabis establishments

- Seizure and forfeiture – medical cannabis, its products, equipment shall not be seized or forfeited, but this chapter shall not prevent seizure and forfeiture of medical cannabis exceeding the allowable amount or if the basis for the action is unrelated to the medical cannabis that is possessed, processed, transferred, or used pursuant to this chapter.
- No law enforcement officer shall expend any state or local resources to effect any arrest or seizure of medical cannabis, or conduct any investigation, on the sole basis of activity that the officer believes to constitute a violation of federal law if the officer has reason to believe that such activity is in compliance with this chapter.
- Public policy of the state- contracts should be enforceable.
- An applicant for a professional or occupational license should not be denied a license based on previous employment related to medical cannabis activities.

**Section 6 – Seed-To-Sale Tracking System:**

- all medical cannabis establishments are required to use the system certified by MDAC and MDOH.
- Banks may be allowed to have limited access to the seed-to-sale tracking system.

**Seed-to-Sale Tracking System**

Seed/immature plant stage
→ medical cannabis purchased / destroyed

- Each medical cannabis establishment shall use a statewide seed-to-sale tracking system.
- Records entered into the system shall include each day's:
 

Beginning inventory	Remediations
Harvests	Disposals
Acquisitions	Transfers
Sales	Ending inventory
Disbursements	Any other data necessary for inventory control records
- Amounts of medical cannabis shall be recorded in the following manner:
  - Dried, unprocessed cannabis → ounces or grams
  - Concentrates → grams
  - Infused products → milligrams of THC

**Section 7 – Limitations**

- This section shall not be construed to do any of the following:
  - o Require an organization for managed care, health benefit plan, private health insurer, government medical assistance program, employer, property and casualty, or workers' compensation insurer or self-insured group providing coverage for a medical, pharmacy or health care service to pay for or reimburse any other individual or entity for costs associated with the medical use of cannabis;
  - o Require any employer to permit, accommodate, or allow the medical use of medical cannabis, or to modify any job or working conditions of any employee who engages in the medical use of medical cannabis or for any reason seeks to engage in the medical use of medical cannabis;
  - o Prohibit any employer from refusing to hire, discharging, disciplining, or otherwise taking an adverse employment action against an individual with respect to hiring, discharging, tenure, terms, conditions, or privileges of employment as a result, in whole or in part, of that individual's medical use of medical cannabis, regardless of the individual's impairment or lack of impairment resulting from the medical use of medical cannabis;
  - o Prohibit or limit the ability of any employer from establishing or enforcing a drug testing policy;

- Interfere with, impair, or impede, any federal restrictions or requirements on employment or contracting, including, but not limited to, regulations adopted by the United States Department of Transportation in Title 49, Code of Federal Regulations;
  - Permit, authorize, or establish any individual's right to commence or undertake any legal action against an employer for refusing to hire, discharging, disciplining, or otherwise taking an adverse employment action against an individual with respect to hiring, discharging, tenure, terms, conditions, or privileges of employment due to the individual's medical use of medical cannabis;
  - Affect, alter, or otherwise impact the workers' compensation premium discount available to employers who establish a drug-free workplace program in accordance with Section 71-3-201 et seq.;
  - Affect, alter, or otherwise impact an employer's right to deny, or establish legal defenses to, the payment of workers' compensation benefits to an employee on the basis of a positive drug test or refusal to submit to or cooperate with a drug test, as provided under Section 71-3-7 and Section 71-3-121; or
  - Affect, alter, or supersede any obligation or condition imposed on a parolee, probationer, or an individual participating in a pretrial diversion program or other court-ordered substance abuse rehabilitation program.
- This chapter does not authorize any individual to engage in, and this chapter does not prevent the imposition of any penalties for engaging in the following conduct:
- Acting with negligence, gross negligence, recklessness, in breach of any applicable professional or occupational standard of care, or to effect an intentional wrong, as a result, in whole or in part, of that individual's medical use of cannabis;
  - Possessing medical cannabis or otherwise engaging in the medical use of medical cannabis in any correctional facility, unless the correctional facility has elected to allow the cardholder to use medical cannabis;
  - Smoking medical cannabis in a public place;
  - Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, train, motorboat, or other conveyance in a manner that would violate Section 59-23-7 (boating under the influence), Section 63-11-30 (driving under the influence) or federal law as a result, in whole or in part, of that individual's use of medical cannabis;
  - Possessing medical cannabis in excess of the allowable amount of cannabis;
  - Consumption, by a registered designated caregiver, of cannabis provided for use to a registered qualified patient.

### **Section 8 – Discrimination prohibited**

- A school or landlord cannot refuse to enroll or lease to a person for using cannabis for medical use.
- A person cannot be denied custody or visitation rights for using cannabis for medical use.
- Shall not be denied the right to own, purchase or possess a firearm.
- Facilities such as schools and daycares shall be allowed to administer medical cannabis as in the same manner with prescriptions.
- Nothing in this act shall be construed as to create a private right of action by an employee against an employer.
- Nothing in this act shall be construed to affect the existing legal relationship between and employer and employee or any existing law or regulation relating to such relationship.

### **Section 9 – Addition of debilitating medical conditions**

- Any resident of Mississippi can petition the MDOH to add serious medical conditions or their treatments to the list of debilitating medical conditions.

#### **Section 10 – Acts not required and acts not prohibited**

- Private insurers and government medical assistance (i.e. Medicaid) are not required to reimburse a person for costs associated with medical use of cannabis.
- Employers can discipline an employee for ingesting cannabis in the workplace or for working while under the influence.
- Any person or establishment that is in lawful possession of property may allow a guest, client, customer or other visitor to use cannabis on or in that property.
- A landlord may but shall not be required to allow the lawful cultivation, processing, testing, research, sale or use of medical cannabis on rental property as authorized under this chapter.

#### **Section 11 – Facility restrictions**

- Allows facilities (i.e. nursing facility, hospital, hospice, assisted living facilities, personal care home, adult day care facility or adult foster care facility) to adopt restrictions on the use of cannabis by their residents.

#### **Section 12 – Issuance and denial of registry identification cards**

- No later than sixty (60) days after passage, MDOH shall begin issuing ID cards to qualifying patients who submit various required information: (i.e. medical records indicating diagnosis of a debilitating medical condition or a written certification from a practitioner; background check)

#### **Section 13 – Registry identification cards**

- Sets forth specific information that registry ID cards must contain (i.e. name; designation if cardholder is a patient, caregiver, or nonresident; date of issuance and expiration; random 10-digit ID number; a photo of the cardholder; phone number; address; notice of harm; notice of MMCEU daily, monthly and possession limit)
  - \*ID expiration date shall be visible on the card
  - \*Non-resident ID cards shall expire 15 days after date of issuance

#### **Section 14 – Annual Reports**

- Requires annual reports (to the Speaker, Lt. Governor, Chairmen of House/Senate Public Health, Drug Policy and Appropriation Committees) on the number of applications for registry ID cards received, number of qualifying patients and caregivers, number of registry ID cards revoked, amount of fees and fines collected, any changes to fee schedule, any addition to the list of debilitating medical conditions. DOR shall report on the number of each type of medical cannabis establishments that is registered, expenses incurred, and revenue generated.

#### **Section 15 – Verification system**

- MDOH shall maintain a confidential list of persons who have been issued registry ID cards. Sets forth information that is required to be collected. All records kept in this system shall be confidential and exempt from the Mississippi Public Records Act.

#### **Section 16 – Notifications to department and responses**

- Various notifications and MDOH responses are required (i.e. If cardholder changes his/her name or address; if a cardholder ceases to have a debilitating medical condition; if a cardholder loses his/her card;)

#### **Section 17 – Reporting requirement of dispensaries**

- Dispensaries shall report dispensing information every 24 hours to the Prescription Monitoring Program (PMP).

#### **Section 18 – Licensing of medical cannabis establishments**

- MDAC shall issue licenses for cultivation facilities, processing facilities, cannabis transportation entities and cannabis disposal entities. MDOH shall issue licenses for testing facilities and research facilities. MDOR shall issue licenses for dispensaries.
- Micro-Cultivators
  - o Tier 1:
    - Canopy: 1000 sq. ft. or less
    - One-time nonrefundable license application fee: \$1,500
    - Initial annual license fee (non-refundable): \$2,000
  - o Tier 2
    - Canopy: more than 1000 sq. ft but less than 2000 sq. ft.
    - One-time nonrefundable license application fee: \$2,500
    - Initial annual license fee (non-refundable): \$3,500
- Cultivators
  - o Tier 1
    - Canopy: not less than 2,000 sq. ft. but less than 5,000 sq. ft.
    - One-time nonrefundable license application fee: \$5,000
    - Initial annual license fee (non-refundable): \$15,000
  - o Tier 2
    - Canopy: not less than 5,000 sq. ft. but less than 15,000 sq. ft.
    - One-time nonrefundable license application fee: \$10,000
    - Initial annual license fee (non-refundable): \$25,000
  - o Tier 3
    - Canopy: not less than 15,000 sq. ft. but less than 30,000 sq. ft.
    - One-time nonrefundable license application fee: \$20,000
    - Initial annual license fee (non-refundable): \$50,000
  - o Tier 4
    - Canopy: not less than 30,000 sq. ft but less than 60,000 sq. ft.
    - One-time nonrefundable license application fee: \$30,000
    - Initial annual license fee (non-refundable): \$75,000
  - o Tier 5
    - Canopy: not less than 60,000 sq. ft. but less than 100,000 sq. ft.
      - \* shall not have a canopy greater than 100,000 sq. ft.
    - One-time nonrefundable license application fee: \$40,000
    - Initial annual license fee (non-refundable): \$100,000
- Micro-processors
  - o Tier 1
    - Processes less than 2,000 pounds of dried bio mass cannabis material
    - One-time nonrefundable license application fee: \$2,000
    - Initial annual license fee (non-refundable): \$3,500
  - o Tier 2
    - Processes more than 2,000 pounds of dried bio mass cannabis material but less than 3,000 pounds
    - One-time nonrefundable license application fee: \$2,500

- Initial annual license fee (non-refundable): \$5,000
- Processors
  - Processes not less than 3,000 pounds of dried bio mass cannabis material
  - One-time nonrefundable license application fee: \$15,000
  - Initial annual license fee (non-refundable): \$20,000
- Dispensaries
  - One-time nonrefundable license application fee: \$15,000
  - Initial annual license fee (non-refundable): \$25,000
- Transporters
  - One-time nonrefundable license application fee: \$5,000
  - Initial annual license fee (non-refundable): \$7,500
- Disposal entities
  - One-time nonrefundable license application fee: \$5,000
  - Initial annual license fee (non-refundable): \$7,500
- Testing facilities
  - One-time nonrefundable license application fee: \$10,000
  - Initial annual license renewal fee (non-refundable): \$15,000
  - Shall not employ an agent or employee who is also employed or has ownership at any other medical cannabis establishment
- Research facilities
  - One-time nonrefundable license application fee: \$10,000
  - Initial annual license renewal fee: \$15,000
  - A research facility at any university or college in the state shall be exempt from fees.
- No individual or business entity shall have a direct or indirect ownership or economic interest in:
  - More than one (1) cannabis cultivation license;
  - More than one (1) cannabis processing license; and
  - More than five (5) dispensary licenses.
- Minimum qualifications for cultivators, microcultivators, processors, microprocessors, dispensaries, transportation, disposal
  - An individual applicant shall be a natural person who: is at least 21; has not previously held a license for a medical cannabis establishment that has been revoked; has not been convicted of a disqualifying felony offense; if possessing a professional or occupational license that the license is in good standing; is not serving as a member of the Mississippi Senate or House on the date of application; submitted a sworn statement indicating that he/she is a true and actual owner of the entity and that he/she intends to carry on the business authorized and not as the agent for any other entity.
  - If applicant is applying on behalf of an entity, in addition to the provisions in the point above, the individual applicant shall: be legally authorized to submit an application on behalf of the entity; serve as primary point of contact with the MDAC, MDOR, or MDOH; submit sufficient proof that if an owner, board member, officer, or anyone with an economic interest in the entity has or had a professional or occupational license, that the license is in good standing; submit sufficient proof that the entity has no owner, board member, officer or anyone with an economic interest in the entity who: is under the age of 21; has previously held a license for a medical cannabis

establishment that has been revoked; has been convicted of a disqualifying felony offense; owes delinquent taxes in the state; is serving as a member of the Mississippi Senate or House on the date of application;

- Additional qualifications specific to cultivation facilities and processing facilities:
  - If natural person: proof that the person has been a resident of the State and a U.S. citizen for at least three (3) years prior to the application;
  - If business entity: proof that at least 35% of the equity ownership interests in the entity are held by individuals who have been residents in the State and U.S. citizens for at least (3) consecutive years prior to application date. This subsection shall stand repealed on December 31, 2022.
- Additional qualifications for micro-cultivators; micro-processors
  - If natural person: proof that the person has been a resident of the State and a U.S. citizen for at least three (3) years prior to the application;
  - If business entity: proof that it was registered as an entity with the Mississippi Secretary of State; and 100% of the equity ownership interests in the entity are held by individuals who have been residents of the State and U.S. citizens for at least three (3) consecutive years prior to the date of application.
- To prove Mississippi residency, submit two (2) of the following source documents:
  - Mississippi Tax Return Form 80-105 (resident individual income) or Form 80-205 (non-resident/part-year resident individual income) for each of the three (3) years preceding the application
  - Ownership, lease or rental documents for place of primary domicile for the three (3) years preceding the application
  - Billing statements, including utility bills for the three (3) years preceding the application
  - Vehicle registration for the three (3) years preceding the application
- Prospective medical cannabis establishments must submit: application (legal name of establishment; physical address of establishment; name of each officer and board member); operating procedures; sworn statement acknowledging any zoning restrictions of the municipality or county; local registration if municipality or county requires it; verification that no officers or board members have had a previous license revoked; verification that no officers or board members are under age 21.
- Renewal registration certification shall be issued within ten (10) days of receipt of renewal application and renewal fee.
- 10% or more ownership: licensing agency shall require disclosure only of persons, entities, or affiliated entities who directly or indirectly own 10% or more of a medical cannabis establishment.
- Eligible applicants shall not be disqualified from receipt of a license based on: location on Mississippi Choctaw Indian Reservation Lands; involvement of the Mississippi Bands of Choctaw Indians or any entity owned or operated by.
- Processing facility that produces edibles: shall hold a permit to operate as a food establishment.

### **Section 19 – Local ordinances**

- A municipality or county may enact ordinances or regulations not in conflict with this chapter, governing the time, place and manner of medical cannabis establishment operations in the locality.
- No municipality or county may prohibit dispensaries that make their operation impracticable in the jurisdiction.



- Entities to cultivate, process, sell or store medical cannabis shall not be within 1,000 feet from the main point of entry of the establishment to the main point of entry of any school, church or child care facility. \*There is a waiver process through the respective licensing authority.
- Dispensary, research or testing facilities may be located in any area that is zoned commercial.
- Cultivation and processing facilities may be located in any area that is zoned agricultural or industrial.
- A municipality or county may require a medical cannabis establishment to obtain local licenses, permit, or registration to operate.
- No dispensary may be located within 1,500 feet radius from the main point of entry of the dispensary to the main point of entry of another dispensary.

## **Section 20 – Requirements, prohibitions, and penalties**

\*A few examples include:

- Requires that a medical cannabis establishment shall conduct a background check.
- Requires that a medical cannabis establishment may not employ any person who has been convicted of a disqualifying felony offense or who is under the age of twenty-one (21).
- Require that a medical cannabis establishment shall implement security measures.
- Requires that all cultivation, harvesting, processing, and packaging of cannabis shall take place in an enclosed, locked and secure facility.
- A medical cannabis establishment may not share office space with or refer patients to a practitioner.
- Possession limit for resident cardholders shall be a total of forty (40) MMCEUs.
- THC potency requirements:
  - 30% cap for flower/trim;
  - 60% cap for concentrates, tinctures, oils;
    - Products that have a potency over 30% THC shall be labeled “extremely potent”
  - Edibles shall be physically demarked and labeled with a clear determination of how much total THC is in a single serving size and how much THC is in the entire package.
  - Product shall contain a notice of harm regarding the use of cannabis products.
  - Edible cannabis products shall be homogenized to ensure uniform disbursement of cannabinoids throughout the product. All edible cannabis products shall be presented in the form of geometric shapes.
- Requires continuing education requirements of medical cannabis establishment agents.
- Nonresident cardholders allowable amount of cannabis: shall not obtain more than four (4) MMCEUs in one (1) day and not more than sixteen (16) MMCEUs in a fifteen (15) day period. May apply to receive a nonresident ID card up to thirty (30) days before arriving in Mississippi and it shall be valid for fifteen (15) days. Nonresident cardholder’s ID card shall only be valid for two (2) separate periods in a 365-day period.
- Requirements if patient is between ages 18 and 21: two (2) practitioners from separate practices are required to diagnose the patient with the debilitating medical condition after an in-person consultation.
- Medical cannabis establishment shall not allow an individual who is under the age of 21 to enter the premises of an establishment unless the individual possesses a registry ID card and is accompanied by his or her legal guardian.
- Medical cannabis establishments shall only purchase, grow, cultivate and use cannabis that is grown in this state. Cannot transport out of state.
- Work permits: all employees of medical cannabis establishments shall apply for a work permit with MDOH, MDOR, MDAC, as applicable, before beginning employment. Work permits shall be valid for five (5) years and property of employee. Not transferrable to other employees.

- Dispensaries shall only make sales to cardholders inside the premises of the dispensary. Drive-through, curbside delivery or other delivery outside the premises is prohibited.

### **Section 21 – Agencies to issue rules and regulations**

- MDOH, MDAC, and MDOR shall issue rules and regulations, where relevant to the role of the particular agency, based on guidelines and criteria in this section to operate the program. For example:
  - Governing medical cannabis establishments with the goals of ensuring the health and safety of patients including: oversight, record-keeping, security, qualification requirements; standards for processing cannabis and indoor cultivation of cannabis; transportation and storage requirements; employment and training requirements; restrictions on advertising, signage and display of cannabis; safe and accurate packaging and labeling of cannabis including prohibiting images that are designed or likely to appeal to minors (i.e. cartoons, packaging that resembles popular candy and toy brands)
  - Includes reasonable application and renewal fees for registry ID cards and certificates according to set fees in statute.

### **Section 22 – Public Registry**

- MDOH, MDAC and MDOR shall jointly create and maintain a public registry of medical cannabis establishments – various information is required to be included (i.e. medical cannabis establishment’s: name; owner; physical address; mailing address; county of domicile; phone number; e-mail; license number; issuance date of license; expiration date of license; NAICS code; any changes to license holder’s status)
- Personal information of an establishment owner shall not be included in registry.
- Registry shall be maintained electronically and easily accessible to the public.

### **Section 23 – Violations**

- Cardholder or medical cannabis establishment that fails to provide notice under Section 16 – up to \$1,500 fine.
- Medical cannabis establishment or its agent that intentionally sells or transfers cannabis in exchange for value to someone other than a cardholder or medical cannabis establishment - up to \$10,000 fine or up to two (2) years in prison. A person convicted under this subsection is disqualified from further participation in the program.
- Cardholder who intentionally sells or transfers cannabis in exchange for value to a person other than a cardholder or medical cannabis establishment – up to \$3,000 fine or up to two (2) years in prison.
- Making a false statement to law enforcement – up to \$1,000 or up to 90 days in county jail.
- Knowingly submits false records to agencies – up to \$5,000 fine or up to two (2) years in prison. A person convicted under this subsection is disqualified from further participation in the program.
- If a practitioner knowingly refers patients to a medical cannabis establishment and issues written certification while that practitioner has a financial interest in that medical cannabis establishment – up to \$5000 fine.
- Any employee that breaches confidentiality provided in this act – up to \$1,000 fine or up to 120 days in county jail
- Extracting compounds from cannabis using ethanol or ethanol in the presence of open flame – felony punishable by three (3) years in prison and \$10,000 fine.
- Catch all for violating act where it is not specified – up to \$5,000 fine per violation.

### **Section 24 – Fines, suspensions, and revocations**

- Sets forth a process for the licensing agency to suspend or revoke a medical cannabis establishment’s license.

### **Section 25 – Confidentiality**

- Sets forth a list of data that is confidential and exempt from Mississippi Public Records Act. (i.e. data in registration applications and supporting data submitted by registered qualifying patients, registered designated caregivers, medical cannabis establishments and nonresident cardholders, registered designated caregivers and practitioners, shall be considered private data on individuals.)

### **Section 26 – Business expenses; deductions**

- Notwithstanding any federal tax law to the contrary, in computing net income for medical cannabis establishments, there shall be allowed as a deduction from income taxes imposed under MCA § 27-7-5, all the ordinary and necessary expenses paid or incurred in carrying on a trade or business as a medical cannabis establishment including reasonable allowance for salaries or other compensation for personal services actually rendered.

### **Section 27 – Banks to be held harmless**

- A bank may provide any services to any person or entity licensed in this state to engage in the business of medical cannabis, or with any person or entity engaging in business dealings with such licensee, if the bank provides those services to any other business.
- A bank and its officers, directors, agents and employees shall not be held liable pursuant to any state law or regulation solely for: 1) Providing financial services to a licensed medical cannabis establishment; or 2) investing any income derived from providing financial services to a licensed medical cannabis establishment.
- Banks are not required to provide financial services to a licensed medical cannabis establishment.

### **Section 28 – Not applicable to CBD solution**

- This act does not apply or supersede any of the provisions of MCA §41-29-136 (CBD Oil; Harper Grace Law).

### **Section 29 – Medical Cannabis taxes**

- Excise tax: on flower/trim on cannabis cultivation facilities (tax collected by cultivation facilities and remitted to MDOR)
  - Excise tax is based on weight of the cannabis at the time the cultivation facility sells or transfers the cannabis product
  - \$15.00 per ounce of flower or trim
- Sales tax: general state sales tax rate on gross receipts or gross proceeds derived from each sale of medical cannabis (tax collected by dispensaries and remitted to MDOR).

### **Section 30 – Local government option**

- The cultivation, processing, sale, and distribution of medical cannabis and cannabis product is legal in every county and municipality in Mississippi UNLESS:
  - The governing authorities of a municipality or the board of supervisors opt out through a vote of the board within ninety (90) days after the effective date of this act. The governing authority shall publish a notice in accordance with the Open Meetings Act of its intent of holding a vote regarding opting out of allowing the cultivation, processing, sale and/or distribution of medical cannabis and cannabis products. They may opt out of allowing one (1) or more of the following: cultivation, processing, sale or distribution of medical cannabis and cannabis products.
  - If the governing authorities of a municipality or the board of supervisors do not opt out within ninety (90) days after the effective date of this act, then no vote by the governing authorities of a municipality or the board of supervisors may be held to so opt out.
  - If the governing authorities of a municipality or the board of supervisors opt out, then the citizens can vote to opt back in according to the existing referendum process.
  - If the governing authorities of a municipality or the board of supervisors opt out, then the governing board of the municipality or the board of supervisors can vote to opt back in at a later date.

- If a municipality that has opted out of the program annexes a geographic area which contains a licensed entity operating under this act, then the licensed entity may still continue its operation in that municipality’s annexed geographic area.

**Section 31 – Judicial review**

- Any person or entity aggrieved by a final decision or order of an agency may petition for judicial review of the final decision or order, within twenty (20) days after the issuance of the final order.
- Petition shall be filed in Circuit Court of the county where the appellant resides; Any person or entity aggrieved by decision of circuit court may appeal to Mississippi Supreme Court.

**Section 32 – Fees, fines, and taxes allocation**

- Fees, fines, and taxes collected by MDOR, MDAH, and MDAC shall be deposited into the General Fund.

**Section 33 – Medical Cannabis Advisory Committee**

- 9-member advisory committee (3 members appointed by Governor, 3 members appointed by Lt. Governor, and 3 members appointed by Speaker), established to advise the Legislature about medical cannabis and cannabis product, patient care, services, and industry.
- Section shall repeal on December 31, 2025.

**Section 34 – ITS procurement exemption**

- MDOH, MDOR, MDAC – when making acquisitions of IT equipment and services for the purposes of implementing, administering, and/or enforcing the program, shall be exempt from ITS laws, rules and regulations.
- Section shall repeal on July 1, 2024.

**Section 35 – MCA §27-104-203 (State agencies prohibited from charging fees for services or resources received from other state agencies)**

- Allows for grants, contracts, pass-through funds, project fees or charges for services between MDOH, MDAC, and DOR for the operation of this program.

**Section 36 – MCA § 41-29-139 Uniformed Controlled Substances Law (prohibited acts and penalties)**

- Amends MCA § 41-29-139: provides that this code section does not apply to any of the acts regarding the medical use of medical cannabis that are lawful under the Mississippi Medical Cannabis Act.

**Section 37 – MCA § 41-29-141 Uniformed Controlled Substances Law (additional prohibited acts and penalties)**

- Amends MCA § 41-29-141: provides that this code section does not apply to any of the acts regarding the medical use of medical cannabis that are lawful under the Mississippi Medical Cannabis Act.

**Section 38 – MCA § 41-29-143 Uniformed Controlled Substances Law (further prohibitions and penalties)**

- Amends MCA § 41-29-143: provides that this code section does not apply to any of the acts regarding the medical use of medical cannabis that are lawful under the Mississippi Medical Cannabis Act.

**Section 39 – Effective Date:** Upon passage