

By: Representative Scott

To: Drug Policy; Judiciary A

HOUSE BILL NO. 1444

1 AN ACT TO CREATE THE MISSISSIPPI RETAIL MARIJUANA CODE; TO
2 MAKE CERTAIN DECLARATIONS REGARDING THE POWERS OF THE STATE AND
3 RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS; TO DEFINE CERTAIN
4 TERMS; TO PROVIDE THAT THE COMMISSIONER OF REVENUE OR HIS DESIGNEE
5 SHALL SERVE AS THE STATE LICENSING AUTHORITY FOR THE LICENSING AND
6 REGULATION OF RETAIL MARIJUANA ESTABLISHMENTS; TO ESTABLISH THE
7 MARIJUANA CASH FUND AS A SPECIAL FUND IN THE STATE TREASURY, INTO
8 WHICH LICENSE FEES COLLECTED UNDER THE MISSISSIPPI RETAIL
9 MARIJUANA CODE SHALL BE DEPOSITED; TO AUTHORIZE PERSONS TO APPLY
10 FOR A LICENSE TO OPERATE A RETAIL MARIJUANA ESTABLISHMENT
11 BEGINNING ON JANUARY 1, 2018; TO DESIGNATE CERTAIN AREAS OF
12 LICENSES PREMISES AS LIMITED ACCESS AREAS; TO PRESCRIBE THE POWERS
13 AND DUTIES OF THE STATE LICENSING AUTHORITY; TO AUTHORIZE COUNTIES
14 AND MUNICIPALITIES TO PROHIBIT OR RESTRICT, OR REQUIRE A LOCAL
15 LICENSE FOR, THE OPERATION OF RETAIL MARIJUANA ESTABLISHMENTS; TO
16 PRESCRIBE THE STATE LICENSE APPLICATION AND ISSUANCE PROCESS; TO
17 PRESCRIBE CERTAIN REASONS FOR THE DENIAL OF A STATE LICENSE; TO
18 LIST CERTAIN PERSONS INELIGIBLE FOR A RETAIL MARIJUANA
19 ESTABLISHMENT LICENSE; TO ESTABLISH A MECHANISM FOR RETAIL
20 MARIJUANA BUSINESSES TO ACCESS CAPITOL FROM OUT-OF-STATE
21 INVESTORS; TO REQUIRE PROSPECTIVE LICENSEES TO BE ENTITLED TO
22 POSSESSION OF THE MARIJUANA BUSINESS PREMISES BEFORE BEING GRANTED
23 A STATE LICENSE; TO AUTHORIZE THE TRANSFER OF STATE LICENSES; TO
24 PRESCRIBE REGULATIONS FOR RETAIL MARIJUANA ESTABLISHMENTS; TO
25 ESTABLISH A PROCESS FOR THE RENEWAL OF LICENSES; TO REQUIRE
26 LICENSEES TO DISCLOSE ALL PERSONS HAVING A FINANCIAL INTEREST IN A
27 RETAIL MARIJUANA ESTABLISHMENT; TO DEFINE SEVEN DIFFERENT CLASSES
28 OF LICENSE WHICH MAY BE ISSUED UNDER THE RETAIL MARIJUANA CODE; TO
29 ESTABLISH CERTAIN REQUIREMENTS FOR EACH TYPE OF LICENSE; TO
30 PRESCRIBE LICENSE APPLICATION FEES; TO AUTHORIZE THE STATE
31 LICENSING AUTHORITY TO SANCTION LICENSEES FOR VIOLATIONS OF THE
32 RETAIL MARIJUANA CODE; TO PROVIDE FOR THE DISPOSITION OF
33 UNAUTHORIZED MARIJUANA AND MARIJUANA PRODUCTS; TO REQUIRE
34 LICENSEES TO MAINTAIN CERTAIN RECORDS THAT THE STATE LICENSING



AUTHORITY MAY INSPECT; TO PROVIDE THAT DECISIONS OF THE STATE
LICENSING AUTHORITY ARE SUBJECT TO JUDICIAL REVIEW; TO DEFINE
CERTAIN UNLAWFUL ACTIVITIES UNDER THE MARIJUANA RETAIL CODE; TO
PROVIDE THAT THE MARIJUANA RETAIL CODE IS NOT APPLICABLE TO THE
LAWFUL USE OF CBD OIL; TO PROVIDE FOR THE IMPOSITION OF SALES TAX
ON PERSONS AND BUSINESSES ENGAGED IN THE SELLING OF RETAIL
MARIJUANA AND RETAIL MARIJUANA PRODUCTS; TO AMEND SECTIONS
41-29-125, 41-29-127, 41-29-136, 41-29-137, 41-29-139, 41-29-141
AND 41-29-143, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE
PROVISIONS OF THIS ACT; TO BRING FORWARD SECTION 73-25-29,
MISSISSIPPI CODE OF 1972, FOR PURPOSES OF POSSIBLE AMENDMENT; AND
FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Sections 1 through 33 of this act shall be known
and may be cited as the "Mississippi Retail Marijuana Code."

SECTION 2. The Legislature declares that passage of this act
is an exercise of the police powers of the state for the
protection of the economic and social welfare and the health,
peace and morals of the people of this state. The Legislature
further declares that it is unlawful under state law to cultivate,
manufacture, distribute or sell retail marijuana and retail
marijuana products except in compliance with the terms,
conditions, limitations and restrictions in this act.

SECTION 3. As used in this act, the following words and
phrases have the meanings ascribed in this section unless the
context clearly indicates otherwise:

(a) "Direct beneficial interest owner" means a person
or closely held business entity that owns a share or shares of
stock in a licensed retail marijuana business, including the
officers, directors, managing members or partners of the licensed



65 retail marijuana business or closely held business entity, or a
66 qualified limited passive investor.

67 (b) "Escorted" means appropriately checked into the
68 limited access area and accompanied by a person licensed by the
69 State Licensing Authority; however, trade craftspeople not
70 normally engaged in the business of cultivating, processing or
71 selling retail marijuana need not be accompanied on a full-time
72 basis but only reasonably monitored.

73 (c) "Commissioner" means the Commissioner of Revenue.

74 (d) "Immature plant" means a nonflowering marijuana
75 plant that is no taller than eight (8) inches and no wider than
76 eight (8) inches, is produced from a cutting, clipping or
77 seedling, and is in a cultivating container.

78 (e) "Indirect beneficial interest owner" means a holder
79 of a permitted economic interest, a recipient of a commercially
80 reasonable royalty associated with the use of intellectual
81 property by a licensee, a licensed employee who receives a share
82 of the profits from an employee benefit plan, a qualified
83 institutional investor, or another similarly situated person or
84 entity as determined by the State Licensing Authority.

85 (f) "License" means to grant a license or registration
86 pursuant to this act.

87 (g) "Licensed premises" means the premises specified in
88 an application for a license under this act which are owned or in
89 possession of the licensee and within which the licensee is



90 authorized to cultivate, manufacture, distribute, sell or test
91 retail marijuana and retail marijuana products in accordance with
92 this act.

93 (h) "Licensee" means a person licensed or registered
94 under this act.

95 (i) "Local jurisdiction" means a county or
96 municipality.

97 (j) "Local licensing authority" means, for any local
98 jurisdiction that has chosen to adopt a local licensing
99 requirement in addition to the state licensing requirements of
100 this act, an authority designated by an order or resolution
101 adopted and duly spread upon the minutes of the governing
102 authorities of the municipality or county.

103 (k) "Location" means a particular parcel of land that
104 may be identified by an address or other descriptive means.

105 (l) "Marijuana accessories" means any equipment,
106 products or materials of any kind which are used, intended for use
107 or designed for use in planting, propagating, cultivating,
108 growing, harvesting, composting, manufacturing, compounding,
109 converting, producing, processing, preparing, testing, analyzing,
110 packaging, repackaging, storing, vaporizing, or containing
111 marijuana, or for ingesting, inhaling or otherwise introducing
112 marijuana into the human body.

113 (m) "Marijuana Cash Fund" means a special fund in the
114 State Treasury created under Section 4 of this act.



(n) "Mobile distribution center" means any vehicle, other than a common passenger light-duty vehicle with a short wheel base, which is used to carry a quantity of marijuana greater than one (1) ounce.

(o) "Opaque" means a description of packaging that does not allow the product to be seen without opening the packaging material.

(p) "Operating fees" means fees that may be charged by a local jurisdiction for costs of certain actions, including, but not limited to, inspection, administration and enforcement of retail marijuana establishments authorized under this act.

(q) "Permitted economic interest" means any unsecured convertible debt instrument, option agreement, warrant or any other right to obtain an ownership interest when the holder of the interest is a natural person who is a lawful United States resident and whose right to convert into an ownership interest is contingent on the holder qualifying and obtaining a license as an owner under this act or such other agreements as may be permitted by rule by the State Licensing Authority.

(r) "Person" means a natural person, partnership, association, company, corporation, limited liability company or organization; "person" does not include any governmental organization.

(s) "Premises" means a distinctly identified, as required by the State Licensing Authority, and definite location,



which may include a building, a part of a building, a room or any other definite contiguous area.

(t) "Qualified limited passive investor" means a natural person who is a United States citizen and is a passive investor who owns less than a five percent (5%) share or shares of stock in a licensed retail marijuana business.

(u) "Resealable" means a description of a package that continues to function within effectiveness specifications, as established by the State Licensing Authority similar to the federal "Poison Prevention Packaging Act of 1970," 15 U.S.C. Section 1471 et seq., for the number of openings and closings customary for its size and contents, which shall be determined by the State Licensing Authority.

(v) "Retail marijuana" means marijuana that is cultivated, manufactured, distributed or sold by a licensed retail marijuana establishment and includes all parts of the plant of the genus cannabis, whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or its resin, including marijuana concentrate. "Retail marijuana" does not include industrial hemp, nor does it include fiber produced from the stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant which is incapable of germination, or the weight of any other ingredient



combined with marijuana to prepare topical or oral
administrations, food, drink or other product.

(w) "Retail marijuana cultivation facility" means an
entity licensed to cultivate, prepare and package marijuana and
sell marijuana to retail marijuana stores, to marijuana product
manufacturing facilities and to other marijuana cultivation
facilities, but not to consumers.

(x) "Retail marijuana establishment" means a retail
marijuana store, a retail marijuana cultivation facility, a retail
marijuana products manufacturer or a retail marijuana testing
facility.

(y) "Retail marijuana establishment operator" means an
entity or person that is not an owner and that is licensed to
provide professional operational services to a retail marijuana
establishment for direct remuneration from the retail marijuana
establishment.

(z) "Retail marijuana products" means concentrated
marijuana products and marijuana products that are comprised of
marijuana and other ingredients and are intended for use or
consumption, such as, but not limited to, edible products,
ointments and tinctures, which are produced at a retail marijuana
products manufacturer.

(aa) "Retail marijuana products manufacturer" means an
entity licensed to: purchase marijuana; manufacture, prepare and
package marijuana products; and sell marijuana and marijuana



189 products to other marijuana product manufacturing facilities and
190 to retail marijuana stores, but not to consumers.

191 (bb) "Retail marijuana store" means an entity licensed
192 to purchase marijuana from marijuana cultivation facilities and
193 marijuana and marijuana products from marijuana product
194 manufacturing facilities and to sell marijuana and marijuana
195 products to consumers.

196 (cc) "Retail marijuana testing facility" means an
197 entity which is licensed pursuant to this act to analyze and
198 certify the safety and potency of marijuana.

199 (dd) "Retail marijuana transporter" means an entity or
200 person that is licensed to transport retail marijuana and retail
201 marijuana products from one (1) retail marijuana establishment to
202 another retail marijuana establishment and to temporarily store
203 the transported retail marijuana and retail marijuana products at
204 its licensed premises but which is not authorized to sell retail
205 marijuana or retail marijuana products under any circumstances.

206 (ee) "Sale" means a transaction: to exchange, barter
207 or traffic in; to solicit or receive and order except through a
208 licensee licensed under this act; to deliver for value in any way
209 other than gratuitously; to peddle or possess with intent to sell;
210 or to traffic in for any consideration promised or obtained
211 directly or indirectly.



(ff) "School" means a public or private preschool or a public or private elementary, middle, junior high or high school or institution of higher education.

(gg) "State Licensing Authority" means the authority created pursuant to Section 4 of this act for the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, sale and testing of retail marijuana in this state.

SECTION 4. (1) For the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, sale and testing of retail marijuana and retail marijuana products in this state, there is created the State Licensing Authority, which shall be the Commissioner of Revenue or an employee of the Department of Revenue designated by the Commissioner of Revenue. The State Licensing Authority shall promulgate regulations regarding retail marijuana and retail marijuana products by October 1, 2017.

(2) The Commissioner of Revenue, or his designee, is the chief administrative officer of the State Licensing Authority and may employ officers and employees as may be determined to be necessary, which officers and employees shall be part of the Department of Revenue.

(3) A State Licensing Authority employee with regulatory oversight responsibilities for marijuana businesses licensed by the State Licensing Authority may not work for, represent or



237 provide consulting services to or otherwise derive pecuniary gain
238 from a marijuana business licensed by the State Licensing
239 Authority or other business entity established for the primary
240 purpose of providing services to the marijuana industry for a
241 period of six (6) months following the employee's last day of
242 employment with the State Licensing Authority.

243 (4) Any criminal prosecution pursuant to the provisions of
244 this section must be brought within five (5) years from the date
245 the violation occurred.

246 (5) (a) There is created in the State Treasury a special
247 fund to be known as the Marijuana Cash Fund. All monies collected
248 by the State Licensing Authority pursuant to this act must be
249 transmitted to the State Treasurer, who shall credit the same to
250 the Marijuana Cash Fund. The fund consists of:

251 (i) Monies collected by the State Licensing
252 Authority; and

253 (ii) Any additional general fund monies
254 appropriated to the fund which are necessary for the operation of
255 the State Licensing Authority.

256 (b) Monies in the fund are subject to annual
257 appropriation by the Legislature to the Department of Revenue for
258 the direct and indirect costs associated with implementing this
259 act.

260 (c) Any monies in the Marijuana Cash Fund not expended
261 for these purposes may be invested by the State Treasurer as



provided by law. All interest and income derived from the investment and deposit of monies in the fund must be credited to the fund. Any unexpended and unencumbered monies remaining in the fund at the end of a fiscal year shall remain in the fund and may not be credited or transferred to the general fund or another fund.

SECTION 5. (1) Beginning on January 1, 2018, a person may apply for a retail marijuana establishment license under this act.

(2) (a) A person applying for a license under subsection (1) of this section must complete forms as provided by the State Licensing Authority and pay the application fee and the licensing fee, which shall be deposited in the Marijuana Cash Fund established under Section 4 of this act. The State Licensing Authority shall forward, within seven (7) days, one-half (1/2) of the license application fee to the local jurisdiction unless the local jurisdiction has prohibited the operation of retail marijuana establishments. If the license is denied, the State Licensing Authority shall refund the licensing fee to the applicant.

(b) The State Licensing Authority must act upon an application made under subsection (1) of this section no sooner than forty-five (45) days and no later than ninety (90) days after the date of the application. The State Licensing Authority shall process applications in the order in which complete applications are received by the State Licensing Authority.



287 (3) A local jurisdiction may enact ordinances or regulations
288 governing the time, place, manner and number of retail marijuana
289 establishments, which may include a local licensing requirement,
290 or may prohibit the operation of retail marijuana establishments
291 through the enactment of an ordinance, regulation or through
292 passage of a measure in a referendum requested by not less than
293 fifteen percent (15%) of the registered electors in the county or
294 municipality, as the case may be.

295 (4) This act sets forth the exclusive means by which
296 cultivation, manufacture, sale, distribution, dispensing and
297 testing of retail marijuana and retail marijuana products may
298 occur in the State of Mississippi.

299 (5) (a) Nothing in this act requires an employer to permit
300 or accommodate the use, consumption, possession, transfer,
301 display, transportation, sale or cultivating of marijuana in the
302 workplace or affects the ability of employers to have policies
303 restricting the use of marijuana by employees.

304 (b) Nothing in this act prohibits a person, employer,
305 school, hospital, detention facility, corporation or any other
306 entity who occupies, owns or controls a property from prohibiting
307 or otherwise regulating the possession, consumption, use, display,
308 transfer, distribution, sale, transportation or cultivating of
309 marijuana on or in that property.

310 (6) Before January 1, 2019, and each year thereafter, the
311 State Licensing Authority shall submit a report to the Legislative



Budget Committee, the House Ways and Means Committee and the Senate Finance Committee which contains the following information:

(a) The progress that the State Licensing Authority is making in processing licenses;

(b) An overview of the retail marijuana and retail marijuana products markets, including, but not limited to, actual and anticipated market demand and market supply;

(c) Details of the amount of revenue generated by retail marijuana, including any applicable sales taxes, application and license fees, and any other fees, and detailing the expenses incurred by the State Licensing Authority, broken down into categories as determined by the authority; and

(d) The enforcement measures taken against persons licensed pursuant to this act for violations of regulations promulgated pursuant to this act.

SECTION 6. Subject to the provisions of Section 30, a limited access area is a building, room or other contiguous area upon the licensed premises where retail marijuana and retail marijuana products are cultivated, stored, weighed, packaged or tested, under control of the licensee, with access limited to only those persons licensed by the State Licensing Authority and those visitors escorted by a person licensed by the State Licensing Authority. All areas of ingress or egress to limited access areas must be identified clearly as such by a sign as designated by the State Licensing Authority.



SECTION 7.

(1) The State Licensing Authority shall develop and maintain a seed-to-sale tracking system that tracks retail marijuana from either seed or immature plant stage until the marijuana or retail marijuana product is sold to a customer at a retail marijuana store to ensure that no marijuana grown or processed by a retail marijuana establishment is sold or otherwise transferred except by a retail marijuana store.

(2) The State Licensing Authority has the following powers and duties:

(a) To grant or refuse state licenses for the cultivation, manufacture, distribution, sale and testing of retail marijuana and retail marijuana products as provided by law; suspend, fine, restrict or revoke such licenses upon a violation of this act or any rule promulgated pursuant to this act; and impose any penalty authorized by this act or any rule promulgated pursuant to this act. The State Licensing Authority may take any action with respect to a registration pursuant to this act as it may with respect to a license pursuant to this act, in accordance with the procedures established pursuant to this act.

(b) To promulgate, before October 1, 2017, rules for the proper regulation and control of the cultivation, manufacture, distribution, sale and testing of retail marijuana and retail marijuana products and for the enforcement of this act and to promulgate amended rules and such special rulings and findings as necessary.



362 (c) To hear and determine at a public hearing any
363 contested state license denial and any complaints against a
364 licensee and to administer oaths and issue subpoenas to require
365 the presence of persons and the production of papers, books and
366 records necessary to the determination of any hearing so held.
367 The State Licensing Authority, in its discretion, may delegate to
368 the hearing officers of the Department of Revenue the authority to
369 conduct licensing, disciplinary and rule-making hearings. When
370 conducting such hearings, the hearing officers are employees of
371 the State Licensing Authority under the direction and supervision
372 of the Commissioner of Revenue and the State Licensing Authority.

373 (d) To maintain the confidentiality of reports or other
374 information obtained from a licensee: containing any
375 individualized data, information or records related to the
376 licensee or its operation, including sales information, financial
377 records, tax returns, credit reports, cultivation information,
378 testing results, and security information and plans; or revealing
379 any customer information or any other records that are exempt from
380 public inspection pursuant to state law. Such reports or other
381 information may be used only for a purpose authorized by this act
382 or for any other state or local law enforcement purpose. Any
383 customer information may be used only for a purpose authorized by
384 this act.

385 (e) To develop such forms, licenses, identification
386 cards and applications as are necessary or convenient in the



discretion of the State Licensing Authority for the administration of this act or any of the rules promulgated under this act.

(f) To prepare and transmit annually to the Governor a report accounting for the efficient discharge of all responsibilities assigned by law or directive to the State Licensing Authority.

(3) (a) Rules promulgated pursuant to paragraph (b) of subsection (2) of this section must include, but need not be limited to, the following subjects:

(i) Procedures consistent with this act for the issuance, renewal, suspension and revocation of licenses to operate retail marijuana establishments;

(ii) Consistent with this act, a schedule of application, licensing and renewal fees for retail marijuana establishments;

(iii) Qualifications for licensure under this act, including, but not limited to, the requirement for a fingerprint-based criminal history record check for all owners, officers, managers, contractors, employees and other support staff of entities licensed pursuant to this act;

(iv) 1. Establishing a marijuana and marijuana products independent testing and certification program, within an implementation time frame established by the department, requiring licensees to test marijuana to ensure at a minimum that products



411 sold for human consumption do not contain contaminants that are
412 injurious to health and to ensure correct labeling.

413 2. Testing may include analysis for microbial
414 and residual solvents and chemical and biological contaminants
415 deemed to be public health hazards by the State Board of Health
416 based on medical reports and published scientific literature.

417 3. If test results indicate the presence of
418 quantities of any substance determined to be injurious to health,
419 the licensee immediately must quarantine the products and notify
420 the State Licensing Authority. The State Licensing Authority
421 shall give the licensee an opportunity to remediate the product if
422 the test indicated the presence of a microbial. If the licensee
423 is unable to remediate the product, the licensee must document and
424 properly destroy the adulterated product.

425 4. Testing also must verify THC potency
426 representations and homogeneity for correct labeling and provide a
427 cannabinoid profile for the marijuana product. An individual
428 marijuana piece of ten (10) milligrams or less that has gone
429 through process validation is exempt from continued homogeneity
430 testing. Homogeneity testing for one hundred (100) milligram
431 servings may utilize validation measures.

432 5. The State Licensing Authority shall
433 determine an acceptable variance of at least plus or minus fifteen
434 percent (15%) for potency representations and procedures to
435 address potency misrepresentations.



436 6. The State Licensing Authority shall
437 determine the protocols and frequency of marijuana testing by
438 licensees.

439 7. The executive officer of the State
440 Department of Health shall provide to the State Licensing
441 Authority standards for licensing laboratories pursuant to the
442 requirements as outlined in item 1. of this subparagraph (iv) for
443 marijuana and marijuana products.

444 (v) Security requirements for any premises
445 licensed under this act, including, at a minimum, lighting,
446 physical security, video and alarm requirements, and other minimum
447 procedures for internal control as deemed necessary by the State
448 Licensing Authority to properly administer and enforce the
449 provisions of this act, including reporting requirements for
450 changes, alterations or modifications to the premises;

451 (vi) Requirements to prevent the sale or diversion
452 of retail marijuana and retail marijuana products to persons under
453 twenty-one (21) years of age;

454 (vii) Labeling requirements for retail marijuana
455 and retail marijuana products sold by a retail marijuana
456 establishment which include, but are not limited to:

457 1. Warning labels;

458 2. Amount of THC per serving and the number
459 of servings per package for marijuana products;



460 3. A universal symbol indicating the package
461 contains marijuana; and

462 4. The potency of the retail marijuana or
463 retail marijuana product highlighted on the label.

464 (viii) Health and safety regulations and standards
465 for the manufacture of retail marijuana products and the
466 cultivation of retail marijuana;

467 (ix) Limitations on the display of retail
468 marijuana and retail marijuana products;

469 (x) Regulation of the storage of, warehouses for,
470 and transportation of retail marijuana and retail marijuana
471 products;

472 (xi) Sanitary requirements for retail marijuana
473 establishments, including, but not limited to, sanitary
474 requirements for the preparation of retail marijuana products;

475 (xii) Records to be kept by licensees and the
476 required availability of the records;

477 (xiii) The reporting and transmittal of monthly
478 sales tax payments by retail marijuana stores, retail marijuana
479 cultivation facilities and retail marijuana products manufacturing
480 facilities;

481 (xiv) Authorization for the Department of Revenue
482 to have access to licensing information to ensure sales tax
483 payment and the effective administration of this act;



484 (xv) Rules, effective before October 1, 2017,
485 relating to permitted economic interests including: a process for
486 a criminal history record check; a requirement that a permitted
487 economic interest applicant submit to and pass a criminal history
488 record check; a divestiture; and other agreements that would
489 qualify as permitted economic interests;

490 (xvi) Compliance with, enforcement of or violation
491 of any provision of this act, or any rule issued pursuant to this
492 act, including procedures and grounds for denying, suspending,
493 fining, restricting or revoking a state license issued pursuant to
494 this act;

495 (xvii) Establishing a schedule of penalties and
496 procedures for issuing and appealing citations for violation of
497 statutes and rules and issuing administrative citations;

498 (xviii) Retail marijuana transporter licensed
499 businesses, including requirements for drivers, including:
500 obtaining and maintaining a valid Mississippi driver's license;
501 insurance requirements; acceptable time frames for transport,
502 storage and delivery; requirements for transport vehicles; and
503 requirements for licensed premises;

504 (xix) Retail marijuana establishment operator
505 licensees, including the form and structure of allowable
506 agreements between operators and owners;

507 (xx) Nonescorted visitors in limited access areas;
508 and



(xxi) The parameters and qualifications of an indirect beneficial interest owner and a qualified limited passive investor.

(b) (i) Pursuant to the authority granted in paragraph (b) of subsection (2) of this section, before October 1, 2017, the State Licensing Authority shall promulgate rules establishing the equivalent of one (1) ounce of retail marijuana flower in various retail marijuana products including retail marijuana concentrate.

(ii) Before promulgating the rules required by subparagraph (i) of this paragraph, the State Licensing Authority may contract for a scientific study to determine the equivalency of marijuana flower in retail marijuana products including retail marijuana concentrate.

(c) Rules promulgated pursuant to paragraph (b) of subsection (2) of this section also must include the following subjects:

(i) Specifications of duties of officers and employees of the State Licensing Authority;

(ii) Instructions for local jurisdictions and law enforcement officers;

(iii) Requirements for inspections, investigations, searches, seizures, forfeitures and such additional activities as may become necessary from time to time;

(iv) Development of individual identification cards for owners, officers, managers, contractors, employees and



534 other support staff of entities licensed pursuant to this act,
535 including a fingerprint-based criminal history record check as may
536 be required by the State Licensing Authority before issuing a
537 card;

538 (v) Identification of state licensees and their
539 owners, officers, managers and employees;

540 (vi) The specification of acceptable forms of
541 picture identification that a retail marijuana store may accept
542 when verifying a sale, including, but not limited to,
543 government-issued identification cards;

544 (vii) State licensing procedures, including
545 procedures for renewals, reinstatements, initial licenses and the
546 payment of licensing fees; and

547 (viii) Such other matters as are necessary for the
548 fair, impartial, stringent and comprehensive administration of
549 this act.

550 (d) Rules promulgated pursuant to paragraph (b) of
551 subsection (2) of this section also must include the following
552 subjects, and the State Licensing Authority may seek the
553 assistance of the State Department of Health when necessary before
554 promulgating the rules:

555 (i) Signage, marketing and advertising, including,
556 but not limited to, a prohibition on mass-market campaigns that
557 have a high likelihood of reaching persons under twenty-one (21)
558 years of age and other such rules that may include:



1. Allowable packaging and accessory branding;
 2. A prohibition on health or physical benefit claims in advertising, merchandising and packaging;
 3. A prohibition on unsolicited pop-up advertising on the Internet;
 4. A prohibition on banner ads on mass-market websites;
 5. A prohibition on opt-in marketing that does not permit an easy and permanent opt-out feature; and
 6. A prohibition on marketing directed towards location-based devices, including, but not limited to, cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is twenty-one (21) years of age or older and includes a permanent and easy opt-out feature;
- (ii) Prohibiting the sale of retail marijuana and retail marijuana products unless:
1. The product is packaged by the retail marijuana store or the retail marijuana products manufacturer in packaging meeting the requirements established by the State Licensing Authority similar to the federal "Poison Prevention Packaging Act of 1970," 15 U.S.C. Section 1471 et seq.; or
 2. The product is placed in an opaque and resealable exit package or container meeting requirements



584 established by the State Licensing Authority at the point of sale
585 before exiting the store;

586 (iii) The safe and lawful transport of retail
587 marijuana and retail marijuana products between the licensed
588 business and testing laboratories;

589 (iv) A standardized marijuana serving size amount
590 for edible retail marijuana products, which amount does not
591 contain more than ten (10) milligrams of active THC, designed only
592 to provide consumers with information about the total number of
593 servings of active THC in a particular retail marijuana product,
594 not as a limitation on the total amount of THC in any particular
595 item; labeling requirements regarding servings for edible retail
596 marijuana products; and limitations on the total amount of active
597 THC in a sealed internal package that is no more than one hundred
598 (100) milligrams of active THC;

599 (v) Labeling guidelines concerning the total
600 content of THC per unit of weight;

601 (vi) Prohibition or regulation of additives to any
602 retail marijuana product, including, but not limited to, those
603 that are toxic, designed to make the product more addictive,
604 designed to make the product more appealing to children, or
605 misleading to consumers, but not including common baking and
606 cooking items;



607 (vii) Permission for a local fire department to
608 conduct an annual fire inspection of a retail marijuana
609 cultivation facility; and

610 (viii) 1. A prohibition on the production and
611 sale of edible retail marijuana products that are in the distinct
612 shape of a human, animal or fruit. Geometric shapes and products
613 that are simply fruit flavored are not considered fruit. Products
614 in the shape of a marijuana leaf are permissible. Nothing in this
615 subparagraph applies to a company logo.

616 2. The rules promulgated pursuant to this
617 subparagraph shall take effect on October 1, 2017.

618 (e) (i) Pursuant to the authority granted in paragraph
619 (b) of subsection (2) of this section, before October 1, 2017, the
620 State Licensing Authority shall promulgate rules requiring that
621 edible retail marijuana products be clearly identifiable, when
622 practicable, with a standard symbol indicating that it contains
623 marijuana and is not for consumption by children. The symbols
624 promulgated by rule of the State Licensing Authority must not
625 appropriate signs or symbols associated with another Mississippi
626 business or industry.

627 (ii) Before October 1, 2017, the State Licensing
628 Authority shall convene a stakeholders group, including, but not
629 limited to, representatives of the State Department of Health,
630 prospective retail marijuana store licensees, prospective retail
631 marijuana products manufacturers licensees, child abuse prevention



632 experts, and advocates for children's health, to make
633 recommendations for rules on how an edible retail marijuana
634 product can be clearly identifiable, when practicable, to indicate
635 that it contains marijuana, is not for consumption by children,
636 and is safe for consumers.

637 (f) Nothing in this act may be construed as delegating
638 to the State Licensing Authority the power to fix prices for
639 retail marijuana.

640 (g) Nothing in this act may be construed to limit a law
641 enforcement agency's ability to investigate unlawful activity in
642 relation to a retail marijuana establishment. A law enforcement
643 agency may run a criminal history record check of a licensee or
644 employee of a licensee during an investigation of unlawful
645 activity related to retail marijuana and retail marijuana
646 products.

647 (h) The Legislature finds and declares that matters
648 related to labeling as regulated pursuant to subparagraph (vii) of
649 paragraph (a) of this subsection and subparagraphs (iv) and (v) of
650 paragraph (d) of this subsection, packaging as regulated pursuant
651 to subparagraph (ii) of paragraph (d) of this subsection, and
652 testing as regulated pursuant to subparagraph (iv) of paragraph
653 (a) of this subsection are matters of statewide concern, and the
654 sole regulatory authority for labeling, packaging and testing is
655 pursuant to this section.



656 (4) (a) The State Licensing Authority shall create a
657 statewide licensure class system for retail marijuana cultivation
658 facilities. The classifications may be based upon: square
659 footage of the facility; lights, lumens, or wattage; lit canopy;
660 the number of cultivating plants; a combination of the foregoing;
661 or other reasonable metrics. The State Licensing Authority shall
662 create a fee structure for the license class system.

663 (b) (i) The State Licensing Authority may establish
664 limitations upon retail marijuana production through one or more
665 of the following methods:

666 1. Placing or modifying a limit on the number
667 of licenses that it issues, by class or overall, but in placing or
668 modifying the limits, the authority shall consider the reasonable
669 availability of new licenses after a limit is established or
670 modified;

671 2. Placing or modifying a limit on the amount
672 of production permitted by a retail marijuana cultivation license
673 or class of licenses based upon some reasonable metric or set of
674 metrics including, but not limited to, those items detailed in
675 paragraph (a) of this subsection, previous months' sales, pending
676 sales, or other reasonable metrics as determined by the State
677 Licensing Authority; and

678 3. Placing or modifying a limit on the total
679 amount of production by retail marijuana cultivation licensees in
680 the state, collectively, based upon some reasonable metric or set



of metrics including, but not limited to, those items detailed in paragraph (a) of this subsection, as determined by the State Licensing Authority.

(ii) Notwithstanding any provision of this act to the contrary, in considering any such limitations, the State Licensing Authority, in addition to any other relevant considerations, shall:

1. Consider the total current and anticipated demand for retail marijuana and retail marijuana products in Mississippi; and

2. Attempt to minimize the market for unlawful marijuana.

SECTION 8. (1) When the State Licensing Authority receives an application for original licensing or renewal of an existing license for any marijuana establishment, the State Licensing Authority shall provide, within seven (7) days, a copy of the application to the local jurisdiction in which the establishment is to be located unless the local jurisdiction has prohibited the operation of retail marijuana establishments. The local jurisdiction shall determine whether the application complies with local restrictions on time, place, manner and the number of marijuana businesses. The local jurisdiction shall inform the State Licensing Authority whether the application complies with local restrictions on time, place, manner and the number of marijuana businesses.



(2) A local jurisdiction may impose a separate local licensing requirement as a part of its restrictions on time, place, manner and the number of marijuana businesses. A local jurisdiction may decline to impose any local licensing requirements, but a local jurisdiction shall notify the State Licensing Authority that it either approves or denies each application forwarded to it.

SECTION 9. (1) If a local jurisdiction issues local licenses for a retail marijuana establishment, a local jurisdiction may schedule a public hearing on the application. If the local jurisdiction schedules a hearing, it shall post and publish public notice of the hearing not less than ten (10) days before the hearing. The local jurisdiction shall give public notice by posting a sign in a conspicuous place on the premises for which a local license application has been made and by publication in a newspaper of general circulation in the county in which the premises are located.

(2) If a local jurisdiction does not issue local licenses, the local jurisdiction may give public notice of the state license application by posting a sign in a conspicuous place on the premises for which a state license application has been made and by publication in a newspaper of general circulation in the county in which the premises are located.

SECTION 10. (1) Applications for a state license under this act must be made to the State Licensing Authority on forms



731 prepared and furnished by the State Licensing Authority and must
732 set forth the information that the State Licensing Authority
733 requires to enable the State Licensing Authority to determine
734 whether a state license should be granted. The information must
735 include the name and address of the applicant and the names and
736 addresses of the officers, directors or managers. Each
737 application must be verified by the oath or affirmation of the
738 person or persons which the State Licensing Authority may
739 prescribe. The State Licensing Authority may issue a state
740 license to an applicant pursuant to this section upon completion
741 of the applicable criminal history background check associated
742 with the application, and the state license is conditioned upon
743 local jurisdiction approval. A license applicant may not operate
744 a licensed retail marijuana business without state and local
745 jurisdiction approval. If the applicant does not receive local
746 jurisdiction approval within one (1) year from the date of State
747 Licensing Authority approval, the state license expires and may
748 not be renewed. If an application is denied by the local
749 licensing authority, the State Licensing Authority must revoke the
750 state-issued license.

751 (2) Nothing in this act preempts or otherwise impairs the
752 power of a local government to enact ordinances or resolutions
753 concerning matters authorized to local governments.

754 **SECTION 11.** (1) The State Licensing Authority must deny a
755 state license if the premises on which the applicant proposes to



conduct its business does not meet the requirements of this act or for reasons set forth in Section 10. The State Licensing Authority may refuse or deny a license renewal, reinstatement or initial license issuance for good cause. For purposes of this subsection, "good cause" means:

(a) The licensee or applicant has violated, does not meet, or has failed to comply with any of the terms, conditions or provisions of this act, any rules promulgated pursuant to this act, or any supplemental local law, rules or regulations;

(b) The licensee or applicant has failed to comply with any special terms or conditions that were placed on its license pursuant to an order of the state or local licensing authority; or

(c) The licensed premises have been operated in a manner that adversely affects the public health or the safety of the immediate neighborhood in which the establishment is located.

(2) If the State Licensing Authority denies a state license pursuant to subsection (1) of this section, the applicant is entitled to a hearing and judicial review. The State Licensing Authority shall provide written notice of the grounds for denial of the state license to the applicant and to the local jurisdiction at least fifteen (15) days before the hearing.

SECTION 12. (1) A license authorized by this act may not be issued to or held by:

(a) A person until the fee for the license has been paid;



781 (b) An individual whose criminal history indicates that
782 he or she is not of good moral character;

783 (c) A person other than an individual if the criminal
784 history of any of its officers, directors, stockholders or owners
785 indicates that the officer, director, stockholder or owner is not
786 of good moral character;

787 (d) A person financed, in whole or in part, by any
788 other person whose criminal history indicates he or she is not of
789 good moral character and reputation satisfactory to the respective
790 licensing authority;

791 (e) A person under twenty-one (21) years of age;

792 (f) A person licensed under this act who, during a
793 period of licensure, or who, at the time of application, has
794 failed to:

795 (i) File any tax return related to a retail
796 marijuana establishment; or

797 (ii) Pay any taxes, interest or penalties due, as
798 determined by final agency action, relating to a retail marijuana
799 establishment;

800 (g) A person who:

801 (i) Has discharged a sentence for a conviction of
802 a felony in the five (5) years immediately preceding his or her
803 application date; or

804 (ii) Has discharged a sentence for a conviction of
805 a felony pursuant to any state or federal law regarding the



possession, distribution, manufacturing, cultivation or use of a controlled substance in the ten (10) years immediately preceding his or her application date or five (5) years from July 1, 2017, whichever is longer; however, the licensing authority may grant a license to a person if the person has a state felony conviction based on possession or use of marijuana or marijuana concentrate which would not be a felony if the person were convicted of the offense on the date he or she applied for licensure;

(h) A person who employs another person at a retail marijuana establishment who has not submitted fingerprints for a criminal history record check or whose criminal history record check reveals that the person is ineligible;

(i) A sheriff, deputy sheriff, police officer or prosecuting officer, or an officer or employee of the State Licensing Authority or a local licensing authority;

(j) A person applying for a license for a location that currently is licensed as a retail food establishment or wholesale food registrant; or

(k) A publicly traded company.

(2) (a) In investigating the qualifications of an applicant or a licensee, the state and local licensing authorities may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by that agency. If the state or local licensing authority considers the applicant's criminal history record, the state or local



831 licensing authority also must consider any information provided by
832 the applicant regarding the criminal history record, including,
833 but not limited to, evidence of rehabilitation, character
834 references and educational achievements, especially those items
835 pertaining to the time between the applicant's last criminal
836 conviction and the consideration of the application for a state
837 license.

838 (b) As used in paragraph (a) of this subsection,
839 "criminal justice agency" means any federal, state or municipal
840 court or any governmental agency or subunit of an agency that
841 administers criminal justice pursuant to a statute or executive
842 order and which allocates a substantial part of its annual budget
843 to the administration of criminal justice.

844 (c) At the time of filing an application for issuance
845 of a state retail marijuana establishment license, an applicant
846 must submit a set of his or her fingerprints and file personal
847 history information concerning the applicant's qualifications for
848 a state license on forms prepared by the State Licensing
849 Authority. The State Licensing Authority or local jurisdiction
850 shall submit the fingerprints to the Department of Public Safety
851 for the purpose of conducting fingerprint-based criminal history
852 record checks. The Department of Public Safety shall forward the
853 fingerprints to the Federal Bureau of Investigation for the
854 purpose of conducting fingerprint-based criminal history record
855 checks. The State Licensing Authority or local jurisdiction may



acquire a name-based criminal history record check for an applicant or a license holder who has twice submitted to a fingerprint-based criminal history record check and whose fingerprints are unclassifiable. An applicant who previously has submitted fingerprints for state or local licensing purposes may request that the fingerprints on file be used. The State Licensing Authority or local jurisdiction shall use the information resulting from the fingerprint-based criminal history record check to investigate and determine whether an applicant is qualified to hold a state or local license pursuant to this act. The State Licensing Authority or local jurisdiction may verify any of the information an applicant is required to submit.

SECTION 13. (1) The purpose of this section is to provide a mechanism for Mississippi retail marijuana businesses to access capital from investors in other states.

(2) A direct beneficial interest owner who is a natural person must either:

(a) Have been a resident of Mississippi for at least one (1) year before the date of the application; or

(b) Be a United States citizen before the date of the application.

(3) (a) A retail marijuana business may be comprised of an unlimited number of direct beneficial interest owners that have been residents of Mississippi for at least one (1) year before the date of the application.



881 (b) A retail marijuana business that is comprised of
882 one or more direct beneficial interest owners who have not been
883 Mississippi residents for at least one (1) year before application
884 must have at least one (1) officer who has been a Mississippi
885 resident for at least one (1) year before application, and all
886 officers with day-to-day operational control over the business
887 must be Mississippi residents for at least one (1) year before
888 application. A retail marijuana business under this paragraph is
889 limited to no more than fifteen (15) direct beneficial interest
890 owners, including all parent and subsidiary entities, all of whom
891 are natural persons.

892 (c) Notwithstanding the requirements of paragraph (b)
893 of this subsection, the State Licensing Authority may review the
894 limitation on the number of direct beneficial interest owners and
895 may increase the number of allowable interests above fifteen (15)
896 based on reasonable considerations such as developments in state
897 and federal financial regulations, market conditions and the
898 licensee's ability to access legitimate sources of capital.

899 (d) A direct beneficial interest owner that is a
900 closely held business entity must consist entirely of natural
901 persons who are United States citizens before the date of the
902 application, including all parent and subsidiary entities.

903 (4) A retail marijuana business may include qualified
904 institutional investors that own thirty percent (30%) or less of
905 the retail marijuana business.



906 (5) (a) A person intending to apply as a direct beneficial
907 interest owner who is not a Mississippi resident for at least one
908 (1) year before the date of application must first submit a
909 request to the State Licensing Authority for a finding of
910 suitability as a direct beneficial interest owner. The person
911 must receive a finding of suitability before submitting an
912 application to the State Licensing Authority to be a direct
913 beneficial interest owner. Failure to receive a finding of
914 suitability before application is grounds for denial by the State
915 Licensing Authority.

916 (b) The State Licensing Authority shall perform a
917 limited initial background check on qualified limited passive
918 investors. If the initial background check provides reasonable
919 cause for additional investigation, the State Licensing Authority
920 may require a full background check.

921 (6) The State Licensing Authority shall review the operating
922 documents of the retail marijuana business to ensure compliance
923 with this section.

924 (7) For purposes of this section, unless the context
925 requires otherwise, the term "institutional investor" means:

926 (a) A bank as defined in Section 3(a)(6) of the federal
927 Securities Exchange Act of 1934, as amended;

928 (b) An insurance company as defined in Section 2(a)(17)
929 of the federal Investment Company Act of 1940, as amended;



(c) An investment company registered under Section 8 of the federal Investment Company Act of 1940, as amended;

(d) An investment adviser registered under Section 203 of the federal Investment Advisers Act of 1940, as amended;

(e) Collective trust funds as defined in Section 3(c)(11) of the federal Investment Company Act of 1940, as amended;

(f) An employee benefit plan or pension fund that is subject to the federal Employee Retirement Income Security Act of 1974, as amended, excluding an employee benefit plan or pension fund sponsored by a licensee or an intermediary or holding company licensee that directly or indirectly owns five percent (5%) or more of a licensee;

(g) A state or federal government pension plan;

(h) A group comprised entirely of persons specified in paragraphs (a) through (g) of this subsection; or

(i) Any other entity identified through rule by the State Licensing Authority.

SECTION 14. The State Licensing Authority may not approve an application for the issuance of a state license pursuant to this act until it is established that the applicant is, or will be, entitled to possession of the premises for which application is made under a lease, rental agreement or other arrangement for possession of the premises or by virtue of ownership of the premises.



SECTION 15.

(1) A state license granted under this act is not transferable except as provided in this section, but this section does not prevent a change of location as provided in subsection (12) of Section 16.

(2) For a transfer of ownership, a license holder must apply to the State Licensing Authority on forms prepared and furnished by the State Licensing Authority. Upon receipt of an application for transfer of ownership, the State Licensing Authority shall submit, within seven (7) days, a copy of the application to the local jurisdiction to determine whether the transfer complies with local restrictions on transfer of ownership. In determining whether to permit a transfer of ownership, the State Licensing Authority may consider only the requirements of this act, any rules promulgated by the State Licensing Authority and any other local restrictions. The local jurisdiction may hold a hearing on the application for transfer of ownership; however, the local jurisdiction may not hold a hearing pursuant to this subsection until the local jurisdiction has posted a notice of hearing in the manner described in Section 9 on the licensed premises for a period of ten (10) days and has provided notice of the hearing to the applicant at least ten (10) days before the hearing.

SECTION 16.

(1) Local jurisdictions may adopt and enforce regulations for retail marijuana establishments that are at least as restrictive as the provisions of this act and any rule promulgated pursuant to this act.



(2) A retail marijuana establishment may not operate until it is licensed by the State Licensing Authority pursuant to this act and approved by the local jurisdiction. If an application is denied by the local licensing authority, the State Licensing Authority must revoke the state-issued license. In connection with a license, the applicant shall provide a complete and accurate application as required by the State Licensing Authority.

(3) A retail marijuana establishment shall notify the State Licensing Authority in writing of the name, address and date of birth of an owner, officer or manager before the new owner, officer or manager begins managing, owning or associating with the operation. The owner, officer, manager or employee must pass a fingerprint-based criminal history record check as required by the State Licensing Authority and obtain the required identification before being associated with, managing, owning or working at the operation.

(4) A retail marijuana establishment may not acquire, possess, cultivate, deliver, transfer, transport, supply or dispense marijuana for any purpose except as authorized by this act.

(5) All managers and employees of a retail marijuana establishment must be residents of Mississippi upon the date of their license application. All licenses granted pursuant to this act are valid for a period of one (1) year after the date of



1004 issuance unless revoked or suspended pursuant to this act or the
1005 rules promulgated pursuant to this act.

1006 (6) Before granting a state license, the State Licensing
1007 Authority may consider, except when this act specifically provides
1008 otherwise, the requirements of this act, any rules promulgated
1009 pursuant to this act, and all other reasonable restrictions that
1010 are or may be placed upon the licensee by the licensing authority.

1011 (7) (a) Each license issued under this act is separate and
1012 distinct. It is unlawful for a person to exercise any of the
1013 privileges granted under a license other than the license that the
1014 person holds or for a licensee to allow any other person to
1015 exercise the privileges granted under the licensee's license. A
1016 separate license must be required for each specific business or
1017 business entity and each geographical location.

1018 (b) At all times, a licensee must possess and maintain
1019 possession of the premises for which the license is issued by
1020 ownership, lease, rental or other arrangement for possession of
1021 the premises.

1022 (8) The licenses issued pursuant to this act must specify
1023 the date of issuance, the period of licensure, the name of the
1024 licensee and the premises licensed. The licensee shall display
1025 conspicuously the license at all times on the licensed premises.

1026 (9) In computing any time prescribed by this act, the day of
1027 the act, event or default from which the designated time begins to



1028 run is not included. Saturdays, Sundays and legal holidays are
1029 counted as any other day.

1030 (10) A licensee must report each transfer or change of
1031 financial interest in the license to the state and local licensing
1032 authorities and receive approval before any transfer or change
1033 pursuant to Section 15. A report is required for transfers of
1034 capital stock of any corporation regardless of size.

1035 (11) Each licensee shall manage the licensed premises
1036 himself or herself or employ a separate and distinct manager on
1037 the premises and shall report the name of the manager to the state
1038 and local licensing authorities. The licensee shall report any
1039 change in manager to the state and local licensing authorities
1040 within seven (7) days after the change pursuant to Section 15.

1041 (12) (a) A licensee may move the permanent location to any
1042 other place in Mississippi once permission to do so is granted by
1043 the state and local jurisdiction provided for in this act. Upon
1044 receipt of an application for change of location, the State
1045 Licensing Authority, within seven (7) days, shall submit a copy of
1046 the application to the local jurisdiction to determine whether the
1047 transfer complies with all local restrictions on change of
1048 location.

1049 (b) In permitting a change of location, the local
1050 jurisdiction must consider all reasonable restrictions that are or
1051 may be placed upon the new location by the governing authorities
1052 of the municipality or county. Any change in location must be in



1053 accordance with all requirements of this act and rules promulgated
1054 pursuant to this act.

1055 **SECTION 17.** (1) Ninety (90) days before the expiration date
1056 of an existing license, the State Licensing Authority must notify
1057 the licensee of the expiration date by first-class mail at the
1058 licensee's address of record with the State Licensing Authority.
1059 A licensee may apply for the renewal of an existing license to the
1060 State Licensing Authority not less than thirty (30) days before
1061 the date of expiration. Upon receipt of an application for
1062 renewal of an existing license and any applicable fees, the State
1063 Licensing Authority must submit, within seven (7) days, a copy of
1064 the application to the local jurisdiction to determine whether the
1065 application complies with all local restrictions on renewal of
1066 licenses. The State Licensing Authority may not accept an
1067 application for renewal of a license after the date of expiration,
1068 except as otherwise provided in subsection (2) of this section.
1069 The State Licensing Authority may extend the expiration date of
1070 the license and accept a late application for renewal of a license
1071 if the applicant has filed a timely renewal application with the
1072 local licensing authority. Subject to the requirements of this
1073 subsection and subsection (2) and based upon reasonable grounds,
1074 the state or local licensing authority, in its discretion, may
1075 waive the thirty-day time requirements set forth in this
1076 subsection.



1077 (2) The State Licensing Authority may require an additional
1078 fingerprint request when there is a demonstrated investigative
1079 need.

1080 (3) (a) Notwithstanding the provisions of subsection (1) of
1081 this section, a licensee whose license has been expired for not
1082 more than ninety (90) days may file a late renewal application
1083 upon the payment of a nonrefundable late application fee of Five
1084 Hundred Dollars (\$500.00) to the State Licensing Authority. A
1085 licensee who files a late renewal application and pays the
1086 requisite fees may continue to operate until the State Licensing
1087 Authority takes final action to approve or deny the licensee's
1088 late renewal application unless the State Licensing Authority
1089 summarily suspends the license pursuant to this act and rules
1090 promulgated pursuant to this act.

1091 (b) The State Licensing Authority may continue the
1092 license administratively and accept a later application for
1093 renewal of a license at the discretion of the State Licensing
1094 Authority.

1095 **SECTION 18.** The State Licensing Authority, in its
1096 discretion, may revoke or elect not to renew any license if it
1097 determines that the licensed premises have been inactive, without
1098 good cause, for at least one (1) year.

1099 **SECTION 19.** (1) The State Licensing Authority shall require
1100 a complete disclosure of all persons having a direct or indirect



1101 financial interest, and the extent of such interest, in each
1102 license issued under this act.

1103 (2) This section is intended to prohibit and prevent the
1104 control of the outlets for the sale of retail marijuana or retail
1105 marijuana products by a person or party other than the persons
1106 licensed pursuant to this act.

1107 **SECTION 20.** (1) For the purpose of regulating the
1108 cultivation, manufacture, distribution, sale and testing of retail
1109 marijuana and retail marijuana products, the State Licensing
1110 Authority, in its discretion, upon receipt of an application in
1111 the prescribed form, may issue and grant to the applicant a
1112 license from any of the following classes, subject to the
1113 provisions and restrictions provided by this act:

1114 (a) Retail marijuana store license;
1115 (b) Retail marijuana cultivation facility license;
1116 (c) Retail marijuana products manufacturing license;
1117 (d) Retail marijuana testing facility license;
1118 (e) Occupational licenses and registrations for owners,
1119 managers, operators, employees, contractors and other support
1120 staff employed by, working in, or having access to restricted
1121 areas of the licensed premises, as determined by the State
1122 Licensing Authority. The State Licensing Authority may take any
1123 action with respect to a registration pursuant to this act as it
1124 may with respect to a license pursuant to this act, in accordance
1125 with the procedures established pursuant to this act;



1126 (f) Retail marijuana transporter license; and
1127 (g) Retail marijuana business operator license.

1128 (2) (a) A person may operate a licensed optional
1129 cultivation facility and any retail marijuana establishment at the
1130 same location if the local jurisdiction permits a dual operation.

1131 (b) A dual cultivation business operation must maintain
1132 either physical or virtual separation of the two (2) facilities
1133 and the plants and inventory of the two (2) facilities.

1134 (3) All persons licensed pursuant to this act must collect
1135 sales tax on the gross proceeds of the retail sales made at a
1136 retail marijuana store at the rate prescribed under Chapter 65,
1137 Title 27, Mississippi Code of 1972.

1138 (4) Notwithstanding any other provision of law to the
1139 contrary, a licensed retail cultivation facility or a licensed
1140 retail marijuana products manufacturer may compensate its
1141 employees using performance-based incentives.

1142 **SECTION 21.** (1) (a) A retail marijuana store license may
1143 be issued only to a person selling retail marijuana or retail
1144 marijuana products pursuant to the terms and conditions of this
1145 act.

1146 (b) A retail marijuana store may cultivate its own
1147 retail marijuana if it obtains a retail marijuana cultivation
1148 facility license, or it may purchase retail marijuana from a
1149 licensed retail marijuana cultivation facility.



1150 (c) A retail marijuana store may not accept any retail
1151 marijuana purchased from a retail marijuana cultivation facility
1152 unless the retail marijuana store is provided with evidence that
1153 any applicable sales tax due was paid.

1154 (d) The retail marijuana store shall track all of its
1155 retail marijuana and retail marijuana products from the point that
1156 they are transferred from a retail marijuana cultivation facility
1157 or retail marijuana products manufacturer to the point of sale.

1158 (2) (a) Notwithstanding any provisions of this section to
1159 the contrary, a retail marijuana store licensee also may sell
1160 retail marijuana products that are prepackaged and labeled as
1161 required by rules of the State Licensing Authority pursuant
1162 to Section 7.

1163 (b) A retail marijuana store licensee may transact with
1164 a retail marijuana products manufacturing licensee for the
1165 purchase of retail marijuana products upon a retail marijuana
1166 products manufacturing licensee's licensed premises or a retail
1167 marijuana store's licensed premises.

1168 (3) (a) A retail marijuana store may not sell more than one
1169 (1) ounce of retail marijuana or its equivalent in retail
1170 marijuana products, including retail marijuana concentrate, except
1171 for nonedible, nonpsychoactive retail marijuana products,
1172 including ointments, lotions, balms and other nontransdermal
1173 topical products, during a single transaction to a person. As
1174 used in this paragraph, "equivalent in retail marijuana products"



1175 has the same meaning as established by the State Licensing
1176 Authority by rule pursuant to Section 7.

1177 (b) (i) Before initiating a sale, the employee of the
1178 retail marijuana store making the sale must verify that the
1179 purchaser has a valid identification card showing the purchaser is
1180 twenty-one (21) years of age or older. If a person under
1181 twenty-one (21) years of age presents a fraudulent proof of age,
1182 any action relying on the fraudulent proof of age is not grounds
1183 for the revocation or suspension of any license issued under this
1184 act.

1185 (ii) 1. If a retail marijuana store licensee or
1186 employee has reasonable cause to believe that a person is under
1187 twenty-one (21) years of age and is exhibiting fraudulent proof of
1188 age in an attempt to obtain any retail marijuana or
1189 marijuana-infused product, the licensee or employee may confiscate
1190 the fraudulent proof of age, if possible, and must, within
1191 seventy-two (72) hours after the confiscation, remit the proof of
1192 age to a state or local law enforcement agency. The failure to
1193 confiscate a fraudulent proof of age or to remit to a state or
1194 local law enforcement agency within seventy-two (72) hours after
1195 the confiscation does not constitute a criminal offense.

1196 2. If a retail marijuana store licensee or
1197 employee believes that a person is under twenty-one (21) years of
1198 age and is exhibiting fraudulent proof of age in an attempt to
1199 obtain any retail marijuana or retail marijuana-infused product,



1200 the licensee or employee or any peace or police officer, acting in
1201 good faith and upon probable cause based upon reasonable grounds,
1202 may detain and question the person in a reasonable manner for the
1203 purpose of ascertaining whether the person is guilty of any
1204 unlawful act regarding the purchase of retail marijuana. The
1205 questioning of a person by an employee or a peace or police
1206 officer does not render the licensee, employee, or peace or police
1207 officer civilly or criminally liable for slander, false arrest,
1208 false imprisonment, malicious prosecution or unlawful detention.

1209 (4) A retail marijuana store may provide, except as required
1210 by Section 7, a sample of its products to a facility that has a
1211 marijuana testing facility license from the State Licensing
1212 Authority for testing and research purposes. A retail marijuana
1213 store shall maintain a record of what was provided to the testing
1214 facility, the identity of the testing facility, and the results of
1215 the testing.

1216 (5) All retail marijuana and retail marijuana products sold
1217 at a licensed retail marijuana store must be packaged and labeled
1218 as required by rules of the State Licensing Authority pursuant
1219 to Section 7.

1220 (6) A licensed retail marijuana store must comply with all
1221 provisions of state law relating to persons with disabilities.

1222 (7) (a) A licensed retail marijuana store may sell only
1223 retail marijuana, retail marijuana products, marijuana
1224 accessories, nonconsumable products such as apparel, and marijuana



1225 related products such as childproof packaging containers. A
1226 licensed retail marijuana store may not sell or give away any
1227 consumable product, including, but not limited to, cigarettes,
1228 alcohol and edible products that do not contain marijuana, such as
1229 sodas, candies and baked goods.

1230 (b) A licensed retail marijuana store may not sell any
1231 retail marijuana or retail marijuana products that contain
1232 nicotine or alcohol, if the sale of the alcohol would require a
1233 license under Chapter 71, Title 27, Mississippi Code of 1972.

1234 (c) A licensed retail marijuana store may not sell
1235 retail marijuana or retail marijuana products over the Internet or
1236 deliver retail marijuana or retail marijuana products to a person
1237 not physically present in the retail marijuana store's licensed
1238 premises.

1239 (8) The premises of a licensed retail marijuana store is the
1240 only place where an automatic dispensing machine that contains
1241 retail marijuana or retail marijuana products may be located. If
1242 a licensed retail marijuana store uses an automatic dispensing
1243 machine that contains retail marijuana and retail marijuana
1244 products, it must comply with the regulations promulgated by the
1245 State Licensing Authority for its use.

1246 (9) Retail marijuana or retail marijuana products may not be
1247 consumed on the premises of a retail marijuana store.



1248 (10) Notwithstanding any other provision of state law, sales
1249 of retail marijuana and retail marijuana products are not exempt
1250 from state or local sales tax.

1251 (11) A display case containing marijuana concentrate must
1252 include the potency of the marijuana concentrate next to the name
1253 of the product.

1254 **SECTION 22.** (1) A retail marijuana cultivation facility
1255 license may be issued only to a person who cultivates retail
1256 marijuana for sale and distribution to licensed retail marijuana
1257 stores, retail marijuana products manufacturing licensees or other
1258 retail marijuana cultivation facilities.

1259 (2) A retail marijuana cultivation facility shall remit to
1260 the Department of Revenue the sales tax due on all sales at
1261 wholesale to retail marijuana stores at the rate prescribed in
1262 Section 34 of this act.

1263 (3) A retail marijuana cultivation facility shall track the
1264 marijuana it cultivates from seed or immature plant to wholesale
1265 purchase. Before delivery of any sold retail marijuana, the
1266 retail marijuana cultivation facility must provide evidence that
1267 it paid the applicable sales tax due on the retail marijuana.

1268 (4) A retail marijuana cultivation facility may provide,
1269 except as required by Section 7, a sample of its products to a
1270 facility that has a marijuana testing facility license from the
1271 State Licensing Authority for testing and research purposes. A
1272 retail marijuana cultivation facility shall maintain a record of



1273 what was provided to the testing facility, the identity of the
1274 testing facility and the testing results.

1275 (5) Retail marijuana or retail marijuana products may not be
1276 consumed on the premises of a retail marijuana cultivation
1277 facility.

1278 **SECTION 23.** (1) (a) A retail marijuana products
1279 manufacturing license may be issued to a person who manufactures
1280 retail marijuana products pursuant to the terms and conditions of
1281 this act.

1282 (b) A retail marijuana products manufacturer may
1283 cultivate its own retail marijuana if it obtains a retail
1284 marijuana cultivation facility license, or it may purchase retail
1285 marijuana from a licensed retail marijuana cultivation facility.
1286 A retail marijuana products manufacturer shall track all of its
1287 retail marijuana from the point it is either transferred from its
1288 retail marijuana cultivation facility or when it is delivered to
1289 the retail marijuana products manufacturer from a licensed retail
1290 marijuana cultivation facility to the point of transfer to a
1291 licensed retail marijuana store.

1292 (c) A retail marijuana products manufacturer shall
1293 remit to the Department of Revenue the sales tax due on all sales
1294 at wholesale to retail marijuana stores at the rate prescribed in
1295 Section 34 of this act.

1296 (d) A retail marijuana products manufacturer may not
1297 accept any retail marijuana purchased from a retail marijuana



1298 cultivation facility unless the retail marijuana products
1299 manufacturer is provided with evidence that any applicable sales
1300 tax was paid.

1301 (e) A retail marijuana products manufacturer shall not:

1302 (i) Add any marijuana to a food product where the
1303 manufacturer of the food product holds a trademark to the food
1304 product's name; however, a manufacturer may use a trademarked food
1305 product if the manufacturer uses the product as a component or as
1306 part of a recipe and where the marijuana product manufacturer does
1307 not state or advertise to the consumer that the final retail
1308 marijuana product contains a trademarked food product;

1309 (ii) Intentionally or knowingly label or package a
1310 retail marijuana product in a manner that would cause a reasonable
1311 consumer confusion as to whether the retail marijuana product was
1312 a trademarked food product; or

1313 (iii) Label or package a product in a manner that
1314 violates any federal trademark law or regulation.

1315 (2) Retail marijuana products may be prepared only on a
1316 licensed premises that is used exclusively for the manufacture and
1317 preparation of retail marijuana or retail marijuana products and
1318 using equipment that is used exclusively for the manufacture and
1319 preparation of retail marijuana products.

1320 (3) All licensed premises on which retail marijuana products
1321 are manufactured must meet the sanitary standards for retail
1322 marijuana product preparation promulgated pursuant to Section 7.



1323 (4) (a) The retail marijuana product must be sealed and
1324 conspicuously labeled in compliance with this act and any rules
1325 promulgated pursuant to this act. The labeling of retail
1326 marijuana products is a matter of statewide concern.

1327 (b) The standard symbol requirements, as promulgated
1328 pursuant to Section 7, do not apply to a multiserving liquid
1329 retail marijuana product, which is impracticable to mark, if the
1330 product complies with all statutory and rule packaging
1331 requirements for multiserving edibles and complies with the
1332 following enhanced requirements to reduce the risk of accidental
1333 ingestion:

1334 (i) A multiserving liquid must be packaged in a
1335 structure that uses a single mechanism to achieve both
1336 child-resistance and accurate pouring measurement of each liquid
1337 serving in increments equal to or less than ten (10) milligrams of
1338 active THC per serving, with no more than one hundred (100)
1339 milligrams of active THC total per package; and

1340 (ii) The measurement component of a multiserving
1341 liquid must be within the child-resistant cap or closure of the
1342 bottle and may not be a separate component.

1343 (5) Retail marijuana or retail marijuana products may not be
1344 consumed on the premises of a retail marijuana products
1345 manufacturing facility.

1346 (6) A retail marijuana products manufacturer may provide,
1347 except as required by Section 7, a sample of its products to a



1348 facility that has a retail marijuana testing facility license from
1349 the State Licensing Authority for testing and research purposes.
1350 A retail marijuana products manufacturer shall maintain a record
1351 of what was provided to the testing facility, the identity of the
1352 testing facility, and the results of the testing.

1353 (7) An edible retail marijuana product may list its
1354 ingredients and compatibility with dietary practices.

1355 (8) A licensed retail marijuana products manufacturer shall
1356 package and label each product manufactured as required by rules
1357 of the State Licensing Authority pursuant to Section 7.

1358 (9) All retail marijuana products that require refrigeration
1359 to prevent spoilage must be stored and transported in a
1360 refrigerated environment.

1361 **SECTION 24.** (1) A retail marijuana testing facility license
1362 may be issued to a person who performs testing and research on
1363 retail marijuana. The facility may develop and test retail
1364 marijuana products.

1365 (2) The State Licensing Authority shall promulgate rules
1366 pursuant to its authority in Section 7 related to acceptable
1367 testing and research practices, including, but not limited to,
1368 testing, standards, quality control analysis, equipment
1369 certification and calibration, and chemical identification and
1370 other substances used in bona fide research methods.

1371 (3) A person who has an interest in a retail marijuana
1372 testing facility license from the State Licensing Authority for



testing purposes may not have any interest in a licensed optional premises cultivation operation, a licensed retail marijuana store, a licensed retail marijuana cultivation facility, or a licensed retail marijuana products manufacturer. A person who has an interest in a licensed optional premises cultivation operation, a licensed retail marijuana store, a licensed retail marijuana cultivation facility, or a licensed retail marijuana products manufacturer may not have an interest in a facility that has a retail marijuana testing facility license.

SECTION 25. (1) (a) A retail marijuana transporter license may be issued to a person to provide logistics, distribution and storage of retail marijuana and retail marijuana products. Notwithstanding any other provisions of law, a retail marijuana transporter license is valid for two (2) years. A retail marijuana transporter license may not be transferred with a change of ownership. A licensed retail marijuana transporter is responsible for the retail marijuana and retail marijuana products once it takes control of the product.

(b) A licensed retail marijuana transporter may contract with multiple licensed retail marijuana businesses.

(c) Each retail marijuana transporter must hold a valid retail marijuana transporter license; however, an entity licensed pursuant to this act which provides its own distribution is not required to have a retail marijuana transporter license to transport and distribute its products. The State Licensing



1398 Authority shall begin accepting applications for the retail
1399 marijuana transporter license after January 1, 2018.

1400 (2) A retail marijuana transporter licensee may maintain a
1401 licensed premises to temporarily store retail marijuana and retail
1402 marijuana products and to use as a centralized distribution point.
1403 The licensed premises must be located in a jurisdiction that
1404 permits the operation of retail marijuana stores. A licensed
1405 retail marijuana transporter may store and distribute retail
1406 marijuana and retail marijuana products from this location. A
1407 storage facility must meet the same security requirements that are
1408 required to obtain a retail marijuana cultivation license.

1409 (3) A retail marijuana transporter licensee shall use the
1410 seed-to-sale tracking system developed pursuant to Section 7 to
1411 create shipping manifests documenting the transport of retail
1412 marijuana and retail marijuana products throughout the state.

1413 (4) A retail marijuana transporter licensee may:

1414 (a) Maintain and operate one or more warehouses in the
1415 state to handle retail marijuana and retail marijuana products;
1416 and

1417 (b) Deliver retail marijuana products on orders
1418 previously taken if the place where orders are taken and delivered
1419 is licensed.

1420 **SECTION 26.** A retail marijuana business operator license
1421 may be issued to a person who operates a retail marijuana
1422 establishment licensed pursuant to this act, for an owner licensed



1423 pursuant to this act, and who may receive a portion of the profits
1424 as compensation.

1425 **SECTION 27.** (1) The State Licensing Authority shall charge
1426 and collect fees under this act. The application fee for a person
1427 applying for a license under this act shall be Five Thousand
1428 Dollars (\$5,000.00). The State Licensing Authority shall transfer
1429 Two Thousand Five Hundred Dollars (\$2,500.00) of the fee to the
1430 Marijuana Cash Fund and remit Two Thousand Five Hundred Dollars
1431 (\$2,500.00) to the local jurisdiction in which the license is
1432 proposed to be issued.

1433 (2) A local jurisdiction in which a license under this act
1434 may be permitted may adopt and impose operating fees in an amount
1435 determined by the local jurisdiction on marijuana establishments
1436 located within the local jurisdiction.

1437 **SECTION 28.** (1) In addition to any other sanctions
1438 prescribed by this act or rules promulgated pursuant to this act,
1439 the State Licensing Authority, on its own motion or on complaint,
1440 after investigation and opportunity for a public hearing at which
1441 the licensee must be afforded an opportunity to be heard, may fine
1442 a licensee or suspend or revoke a license issued by the authority
1443 for a violation by the licensee or by any of the agents or
1444 employees of the licensee of the provisions of this act, or any of
1445 the rules promulgated pursuant to this act, or of any of the
1446 terms, conditions or provisions of the license issued by the State
1447 Licensing Authority. The State Licensing Authority may administer



1448 oaths and issue subpoenas to require the presence of persons and
1449 the production of papers, books and records necessary to the
1450 determination of a hearing that the state authority is authorized
1451 to conduct.

1452 (2) The State Licensing Authority shall provide notice of
1453 suspension, revocation, fine or other sanction, as well as the
1454 required notice of the hearing pursuant to subsection (1) of this
1455 section, by mailing the same in writing to the licensee at the
1456 address contained in the license and, if different, at the last
1457 address furnished to the authority by the licensee. Except in the
1458 case of a summary suspension, a suspension may not be for a period
1459 longer than six (6) months. If a license is suspended or revoked,
1460 no part of the fees paid in connection with the license may be
1461 returned to the licensee. Any license may be summarily suspended
1462 by the State Licensing Authority without notice pending any
1463 prosecution, investigation or public hearing. This section may
1464 not be construed to prevent the summary suspension of a license.

1465 (3) (a) Whenever a decision of the State Licensing
1466 Authority suspending a license for fourteen (14) days or less
1467 becomes final, the licensee may petition, before the operative
1468 date of the suspension, for permission to pay a fine in lieu of
1469 having the license suspended for all or part of the suspension
1470 period. Upon the receipt of the petition, the state authority, in
1471 its sole discretion, may stay the proposed suspension and cause
1472 any investigation to be made which it deems desirable and, in its



1473 sole discretion, may grant the petition if the State Licensing
1474 Authority is satisfied that:

1475 (i) The public welfare will not be impaired by
1476 permitting the licensee to operate during the period set for
1477 suspension and that the payment of the fine will achieve the
1478 desired disciplinary purposes; and

1479 (ii) The books and records of the licensee are
1480 kept in such a manner that the loss of sales that the licensee
1481 will suffer if the suspension takes effect can be determined with
1482 reasonable accuracy.

1483 (b) A fine accepted under this subsection must be not
1484 less than Five Hundred Dollars (\$500.00) nor more than One Hundred
1485 Thousand Dollars (\$100,000.00).

1486 (c) Payment of a fine pursuant to this subsection must
1487 be in the form of cash or a certified check or cashier's check
1488 made payable to the state or local licensing authority, whichever
1489 is appropriate.

1490 (4) Upon payment of a fine authorized pursuant to subsection
1491 (3) of this section, the State Licensing Authority must enter its
1492 further order permanently staying the imposition of the
1493 suspension. Fines paid to the State Licensing Authority pursuant
1494 to subsection (3) of this section must be transmitted to the State
1495 Treasurer, who shall credit the same to the Marijuana Cash Fund.

1496 (5) In connection with a petition pursuant to subsection (3)
1497 of this section, the authority of the State Licensing Authority is



1498 limited to the granting of such stays as are necessary for the
1499 authority to complete its investigation and make its findings and,
1500 if the authority makes such findings, to the granting of an order
1501 permanently staying the imposition of the entire suspension or
1502 that portion of the suspension not otherwise conditionally stayed.

1503 (6) If the State Licensing Authority does not make the
1504 findings required in paragraph (a) of subsection (3) of this
1505 section and does not order the suspension permanently stayed, the
1506 suspension must go into effect on the operative date finally set
1507 by the State Licensing Authority.

1508 (7) Before January 15 of each year, the State Licensing
1509 Authority shall compile a report of the preceding year's actions
1510 in which fines, suspensions or revocations were imposed by the
1511 State Licensing Authority. The State Licensing Authority shall
1512 file one (1) copy of the report with the Clerk of the House of
1513 Representatives and one (1) copy with the Secretary of the Senate.

1514 **SECTION 29.** (1) The provisions of this section apply in
1515 addition to any criminal, civil or administrative penalties and in
1516 addition to any other penalties prescribed by this act or any
1517 rules promulgated pursuant to this act. Any provisions in this
1518 act related to law enforcement must be considered a cumulative
1519 right of the people in the enforcement of the criminal laws.

1520 (2) Every licensee licensed under this act must be deemed,
1521 by virtue of applying for, holding or renewing the person's



1522 license, to have expressly consented to the procedures set forth
1523 in this section.

1524 (3) A state or local agency is not required to cultivate or
1525 care for any retail marijuana or retail marijuana product
1526 belonging to or seized from a licensee. A state or local agency
1527 may not sell marijuana, retail or otherwise.

1528 (4) If the State Licensing Authority issues a final agency
1529 order imposing a disciplinary action against a licensee pursuant
1530 to Section 28, then, in addition to any other remedies, the
1531 licensing authority's final agency order may specify that some or
1532 all of the licensee's marijuana or marijuana product is not retail
1533 marijuana or a retail marijuana product and is an illegal
1534 controlled substance. The order may specify further that the
1535 licensee loses any interest in any of the marijuana or marijuana
1536 product even if the marijuana or marijuana product previously
1537 qualified as retail marijuana or a retail marijuana product. The
1538 final agency order may direct the destruction of the marijuana and
1539 marijuana products, except as otherwise provided in subsections
1540 (5) and (6) of this section. The authorized destruction may
1541 include the incidental destruction of any containers, equipment,
1542 supplies and other property associated with the marijuana or
1543 marijuana product.

1544 (5) Following the issuance of a final agency order by the
1545 State Licensing Authority against a licensee which directs
1546 destruction authorized by subsection (4) of this section, a



licensee has fifteen (15) days within which to file a petition for stay of agency action with the Circuit Court of the First Judicial District of Hinds County, Mississippi. The licensee must serve the petition in accordance with the Mississippi Rules of Civil Procedure. The circuit court must rule promptly upon the petition and determine whether the licensee has a substantial likelihood of success on judicial review so as to warrant delay of the destruction authorized by subsection (4) of this section or whether other circumstances, including, but not limited to, the need for preservation of evidence, warrant delay of such destruction. If destruction is delayed pursuant to judicial order, the court must issue an order setting forth terms and conditions pursuant to which the licensee may maintain the retail marijuana and retail marijuana product pending judicial review and prohibiting the licensee from using or distributing the retail marijuana or retail marijuana product pending the review. The licensing authority may not carry out the destruction authorized by subsection (4) of this section until fifteen (15) days have passed without the filing of a petition for stay of agency action or until the court has issued an order denying a stay of agency action pursuant to this subsection.

(6) A district attorney shall notify the State Licensing Authority of an investigation of a retail marijuana establishment commenced by the district attorney's office. If the State Licensing Authority has received notification from a district



attorney that an investigation is being conducted, the State Licensing Authority may not destroy any marijuana or marijuana products from the retail marijuana establishment until the destruction is approved by the district attorney.

(7) Before January 1, 2018, the State Licensing Authority shall promulgate rules governing the implementation of this section.

SECTION 30. (1) Each licensee shall keep a complete set of all records necessary to show fully the business transactions of the licensee, all of which must be open at all times during business hours for the inspection and examination by the State Licensing Authority or its duly authorized representatives. The State Licensing Authority may require any licensee to furnish such information as it considers necessary for the proper administration of this act and may require an audit to be made of the books of account and records on such occasions as it may consider necessary by an auditor to be selected by the State Licensing Authority. An auditor performing an audit pursuant to this subsection shall have access to all books and records of the licensee. The expense of an audit performed pursuant to this subsection must be paid by the licensee.

(2) The licensed premises, including any places of storage where retail marijuana or retail marijuana products are stored, cultivated, sold, dispensed or tested, is subject to inspection by the state or local jurisdictions and their investigators, during



1597 all business hours and other times of apparent activity, for the
1598 purpose of investigation. Access is required during business
1599 hours for examination of any inventory or books and records
1600 required to be kept by the licensees. When any part of the
1601 licensed premises consists of a locked area, upon demand to the
1602 licensee, the area must be made available for inspection without
1603 delay, and, upon request by authorized representatives of the
1604 state or local jurisdiction, the licensee must open the area for
1605 inspection.

1606 (3) Each licensee shall retain all books and records
1607 necessary to show fully the business transactions of the licensee
1608 for a period of the current tax year and the three (3) immediately
1609 prior tax years.

1610 **SECTION 31.** Decisions by the State Licensing Authority are
1611 subject to judicial review.

1612 **SECTION 32.** (1) Except as otherwise provided in this act,
1613 it is unlawful for a person to consume retail marijuana or retail
1614 marijuana products in a licensed retail marijuana establishment,
1615 and it is unlawful for a retail marijuana licensee to allow retail
1616 marijuana or retail marijuana products to be consumed upon its
1617 licensed premises.

1618 (2) It is unlawful for a person to:

1619 (a) Buy, sell, transfer, give away or acquire retail
1620 marijuana or retail marijuana products except as allowed pursuant
1621 to this act; or



1622 (b) Have an unreported financial interest or a direct
1623 interest in a license pursuant to this act; however, this
1624 paragraph does not apply to banks or savings and loan associations
1625 supervised and regulated by an agency of the state or federal
1626 government, or to FHA-approved mortgagees, or to stockholders,
1627 directors, or officers thereof.

1628 (3) It is unlawful for a person licensed pursuant to this
1629 act:

1630 (a) To be within a limited-access area unless the
1631 person's license badge is displayed as required by this act,
1632 except as provided in Section 30;

1633 (b) To fail to designate areas of ingress and egress
1634 for limited-access areas and post signs in conspicuous locations
1635 as required by this act;

1636 (c) To fail to report a transfer required by Section
1637 16; or

1638 (d) To fail to report the name of or a change in
1639 managers as required by Section 16.

1640 (4) It is unlawful for any person licensed to sell retail
1641 marijuana or retail marijuana products pursuant to this act:

1642 (a) To display any signs that are inconsistent with
1643 local laws or regulations;

1644 (b) To use advertising material that is misleading,
1645 deceptive or false, or which is designed to appeal to minors;



1646 (c) To provide public premises or a portion of public
1647 premises for the purpose of consumption of retail marijuana or
1648 retail marijuana products in any form;

1649 (d) To have in possession or upon the licensed premises
1650 any marijuana that is not permitted to be sold by the licensee;

1651 (e) To sell or permit the sale of retail marijuana or
1652 retail marijuana products to a person under twenty-one (21) years
1653 of age;

1654 (f) To sell more than one-fourth (1/4) of an ounce of
1655 retail marijuana and more than one-fourth (1/4) of an ounce
1656 equivalent of a retail marijuana product during a single
1657 transaction to a nonresident of the state;

1658 (g) To have on the licensed premises any retail
1659 marijuana, retail marijuana products or marijuana paraphernalia
1660 that shows evidence of the retail marijuana having been consumed
1661 or partially consumed;

1662 (h) To distribute marijuana or marijuana products, with
1663 or without remuneration, directly to another person using a mobile
1664 distribution center; or

1665 (i) To abandon a licensed premises or otherwise cease
1666 operation without notifying the state and local licensing
1667 authorities at least forty-eight (48) hours in advance and without
1668 accounting for and forfeiting to the State Licensing Authority for
1669 destruction all marijuana or products containing marijuana.



1670 (5) In addition to any other penalties that may be imposed
1671 by law, a person who commits any act that is unlawful pursuant to
1672 this act or the rules authorized and adopted pursuant to this act
1673 commits a misdemeanor and, upon conviction, must be punished by a
1674 fine of not more than Five Hundred Dollars (\$500.00), or by
1675 imprisonment in the county jail for not more than six (6) months,
1676 or by both fine and imprisonment, in the discretion of the court.
1677 Any person convicted of violating any of the provisions of this
1678 act must forfeit his license and may not engage in any business
1679 for which a license may be issued under this act.

1680 **SECTION 33.** This act does not apply to or supersede any of
1681 the provisions of Section 41-29-136.

1682 **SECTION 34.** Upon every person engaging or continuing within
1683 this state in the business of selling retail marijuana and retail
1684 marijuana products, the sales of which are legal under the
1685 provisions of Sections 1 through 33 of this act, there is levied,
1686 assessed and to be collected a tax equal to seven percent (7%) of
1687 the gross proceeds of the retail sales of the business. All sales
1688 at wholesale to retailers shall be taxed at the same rate as
1689 provided in this section for retail sales. In computing the tax
1690 on sales, a retailer may take credit for the amount of the tax
1691 paid to the wholesaler at the rates provided in this section and
1692 remit the difference to the Commissioner, provided adequate
1693 records and all invoices are maintained to substantiate the credit
1694 claimed.



1695 **SECTION 35.** Section 41-29-125, Mississippi Code of 1972, is
1696 amended as follows:

1697 41-29-125. (1) The State Board of Pharmacy may promulgate
1698 rules and regulations relating to the registration and control of
1699 the manufacture, distribution and dispensing of controlled
1700 substances within this state and the distribution and dispensing
1701 of controlled substances into this state from an out-of-state
1702 location.

1703 (a) Every person who manufactures, distributes or
1704 dispenses any controlled substance within this state or who
1705 distributes or dispenses any controlled substance into this state
1706 from an out-of-state location, or who proposes to engage in the
1707 manufacture, distribution or dispensing of any controlled
1708 substance within this state or the distribution or dispensing of
1709 any controlled substance into this state from an out-of-state
1710 location, must obtain a registration issued by the State Board of
1711 Pharmacy, the State Board of Medical Licensure, the State Board of
1712 Dental Examiners, the Mississippi Board of Nursing or the
1713 Mississippi Board of Veterinary Medicine, as appropriate, in
1714 accordance with its rules and the law of this state. Such
1715 registration shall be obtained annually or biennially, as
1716 specified by the issuing board, and a reasonable fee may be
1717 charged by the issuing board for such registration.

1718 (b) Persons registered by the State Board of Pharmacy,
1719 with the consent of the United States Drug Enforcement



1720 Administration and the State Board of Medical Licensure, the State
1721 Board of Dental Examiners, the Mississippi Board of Nursing or the
1722 Mississippi Board of Veterinary Medicine to manufacture,
1723 distribute, dispense or conduct research with controlled
1724 substances may possess, manufacture, distribute, dispense or
1725 conduct research with those substances to the extent authorized by
1726 their registration and in conformity with the other provisions of
1727 this article.

1728 (c) The following persons need not register and may
1729 lawfully possess controlled substances under this article:

1730 (* * *i) An agent or employee of any registered
1731 manufacturer, distributor or dispenser of any controlled substance
1732 if he is acting in the usual course of his business or employment;

1733 (* * *ii) A common or contract carrier or
1734 warehouse, or an employee thereof, whose possession of any
1735 controlled substance is in the usual course of business or
1736 employment;

1737 (* * *iii) An ultimate user or a person in
1738 possession of any controlled substance pursuant to a valid
1739 prescription or in lawful possession of a Schedule V substance as
1740 defined in Section 41-29-121.

1741 (d) The State Board of Pharmacy may waive by rule the
1742 requirement for registration of certain manufacturers,
1743 distributors or dispensers if it finds it consistent with the
1744 public health and safety.



1745 (e) A separate registration is required at each
1746 principal place of business or professional practice where an
1747 applicant within the state manufactures, distributes or dispenses
1748 controlled substances and for each principal place of business or
1749 professional practice located out-of-state from which controlled
1750 substances are distributed or dispensed into the state.

1751 (f) The State Board of Pharmacy, the Mississippi Bureau
1752 of Narcotics, the State Board of Medical Licensure, the State
1753 Board of Dental Examiners, the Mississippi Board of Nursing and
1754 the Mississippi Board of Veterinary Medicine may inspect the
1755 establishment of a registrant or applicant for registration in
1756 accordance with the regulations of these agencies as approved by
1757 the board.

1758 (2) Whenever a pharmacy ships, mails or delivers any
1759 Schedule II controlled substance listed in Section 41-29-115 to a
1760 private residence in this state, the pharmacy shall arrange with
1761 the entity that will actually deliver the controlled substance to
1762 a recipient in this state that the entity will: (a) deliver the
1763 controlled substance only to a person who is eighteen (18) years
1764 of age or older; and (b) obtain the signature of that person
1765 before delivering the controlled substance. The requirements of
1766 this subsection shall not apply to a pharmacy serving a nursing
1767 facility or to a pharmacy owned and/or operated by a hospital,
1768 nursing facility or clinic to which the general public does not
1769 have access to purchase pharmaceuticals on a retail basis.



(3) This section does not apply to any of the actions regarding the cultivation, manufacture, sale, distribution, dispensing and testing of retail marijuana and retail marijuana products which are lawful under the Mississippi Retail Marijuana Code.

SECTION 36. Section 41-29-127, Mississippi Code of 1972, is amended as follows:

41-29-127. (a) The State Board of Pharmacy shall register an applicant to manufacture or distribute controlled substances included in Sections 41-29-113 through 41-29-121 unless it determines that the issuance of that registration would be inconsistent with the public interest. In determining the public interest, the State Board of Pharmacy shall consider the following factors:

(1) Maintenance of effective controls against diversion of controlled substances into other than legitimate medical, scientific, or industrial channels;

(2) Compliance with applicable state and local law;

(3) Any convictions of the applicant under any federal and state laws relating to any controlled substance;

(4) Past experience in the manufacture or distribution of controlled substances and the existence in the applicant's establishment of effective controls against diversion;

(5) Furnishing by the applicant of false or fraudulent material in any application filed under this article;



1795 (6) Suspension or revocation of the applicant's federal
1796 registration to manufacture, distribute, or dispense controlled
1797 substances as authorized by federal law; and

1798 (7) Any other factors relevant to and consistent with
1799 the public health and safety.

1800 (b) Registration under subsection (a) does not entitle a
1801 registrant to manufacture and distribute controlled substances in
1802 Schedule I or II, as set out in Sections 41-29-113 and 41-29-115,
1803 other than those specified in the registration.

1804 (c) Practitioners must be registered to dispense any
1805 controlled substances or to conduct research with controlled
1806 substances in Schedules II through V, as set out in Sections
1807 41-29-115 through 41-29-121, if they are authorized to dispense or
1808 conduct research under the law of this state. The State Board of
1809 Pharmacy need not require separate registration under this section
1810 for practitioners engaging in research with nonnarcotic controlled
1811 substances in the said Schedules II through V where the registrant
1812 is already registered therein in another capacity. Practitioners
1813 registered under federal law to conduct research with Schedule I
1814 substances, as set out in Section 41-29-113, may conduct research
1815 with Schedule I substances within this state upon furnishing the
1816 State Board of Health evidence of that federal registration.

1817 (d) Compliance by manufacturers and distributors with the
1818 provisions of the federal law respecting registration (excluding
1819 fees) entitles them to be registered under this article.



(e) This section does not apply to any of the actions regarding the cultivation, manufacture, sale, distribution, dispensing and testing of retail marijuana and retail marijuana products which are lawful under the Mississippi Retail Marijuana Code.

SECTION 37. Section 41-29-136, Mississippi Code of 1972, is amended as follows:

41-29-136. (1) "CBD oil" means processed cannabis plant extract, oil or resin that contains more than fifteen percent (15%) cannabidiol, or a dilution of the resin that contains at least fifty (50) milligrams of cannabidiol per milliliter, but not more than one-half of one percent (0.5%) of tetrahydrocannabinol.

(2) (a) CBD oil may only be obtained on the order of a physician who is licensed to practice in Mississippi and administered to a patient by or under the direction or supervision of the physician.

(b) (i) The CBD oil must be obtained from or tested by the National Center for Natural Products Research at the University of Mississippi and dispensed by the Department of Pharmacy Services at the University of Mississippi Medical Center.

(ii) The patient or the patient's parent, guardian or custodian must execute a hold-harmless agreement that releases from liability the state and any division, agency, institution or employee thereof involved in the research, cultivation, processing, dispensing, prescribing or administration of CBD oil.



1845 (c) The National Center for Natural Products Research
1846 at the University of Mississippi, the Department of Pharmacy
1847 Services at the University of Mississippi Medical Center and the
1848 Mississippi Agricultural and Forestry Experiment Station at
1849 Mississippi State University are the only entities authorized to
1850 produce or possess cannabidiol for research.

1851 (3) (a) Research of CBD oil under this section must comply
1852 with the provisions of Section 41-29-125 regarding lawful
1853 possession of controlled substances, of Section 41-29-137
1854 regarding record-keeping requirements relative to the dispensing,
1855 use or administration of controlled substances, and of Section
1856 41-29-133 regarding inventory requirements, insofar as they are
1857 applicable.

1858 (b) The National Center for Natural Products Research
1859 at the University of Mississippi, the Department of Pharmacy
1860 Services at the University of Mississippi Medical Center and the
1861 Mississippi Agricultural and Forestry Experiment Station at
1862 Mississippi State University are authorized to pursue any federal
1863 permits or waivers necessary to conduct the programs authorized
1864 under this section.

1865 (4) (a) In a prosecution for the unlawful possession
1866 of * * * marijuana under the laws of this state, it is an
1867 affirmative and complete defense to prosecution that:

1868 (i) The defendant suffered from a debilitating
1869 epileptic condition or related illness and the use or possession



1870 of CBD oil was pursuant to the order of a physician as authorized
1871 under this section; or

1872 (ii) The defendant is the parent, guardian or
1873 custodian of an individual who suffered from a debilitating
1874 epileptic condition or related illness and the use or possession
1875 of CBD oil was pursuant to the order of a physician as authorized
1876 under this section.

1877 (b) An agency of this state or a political subdivision
1878 thereof, including any law enforcement agency, may not initiate
1879 proceedings to remove a child from the home based solely upon the
1880 possession or use of CBD oil by the child or parent, guardian or
1881 custodian of the child as authorized under this section.

1882 (c) An employee of the state or any division, agency,
1883 institution thereof involved in the research, cultivation,
1884 processing, dispensing, prescribing or administration of CBD oil
1885 shall not be subject to prosecution for unlawful possession, use,
1886 distribution or prescription of * * * marijuana under the laws of
1887 this state for activities arising from or related to the use of
1888 CBD oil in the treatment of individuals diagnosed with a
1889 debilitating epileptic condition under this section.

1890 (5) This section does not apply to any of the actions
1891 regarding the cultivation, manufacture, sale, distribution,
1892 dispensing and testing of retail marijuana and retail marijuana
1893 products which are lawful under the Mississippi Retail Marijuana
1894 Code.



1895 (* * *6) This section shall be known as "Harper Grace's
1896 Law."

1897 (* * *7) This section shall stand repealed from and after
1898 July 1, 2017.

1899 **SECTION 38.** Section 41-29-137, Mississippi Code of 1972, is
1900 amended as follows:

1901 41-29-137. (a) (1) Except when dispensed directly by a
1902 practitioner, other than a pharmacy, to an ultimate user, no
1903 controlled substance in Schedule II, as set out in Section
1904 41-29-115, may be dispensed without the written valid prescription
1905 of a practitioner. A practitioner shall keep a record of all
1906 controlled substances in Schedule I, II and III administered,
1907 dispensed or professionally used by him otherwise than by
1908 prescription.

1909 (2) In emergency situations, as defined by rule of the
1910 State Board of Pharmacy, Schedule II drugs may be dispensed upon
1911 the oral valid prescription of a practitioner, reduced promptly to
1912 writing and filed by the pharmacy. Prescriptions shall be
1913 retained in conformity with the requirements of Section 41-29-133.
1914 No prescription for a Schedule II substance may be refilled unless
1915 renewed by prescription issued by a licensed medical doctor.

1916 (b) Except when dispensed directly by a practitioner, other
1917 than a pharmacy, to an ultimate user, a controlled substance
1918 included in Schedule III or IV, as set out in Sections 41-29-117
1919 and 41-29-119, shall not be dispensed without a written or oral



valid prescription of a practitioner. The prescription shall not be filled or refilled more than six (6) months after the date thereof or be refilled more than five (5) times, unless renewed by the practitioner.

(c) A controlled substance included in Schedule V, as set out in Section 41-29-121, shall not be distributed or dispensed other than for a medical purpose.

(d) An optometrist certified to prescribe and use therapeutic pharmaceutical agents under Sections 73-19-153 through 73-19-165 shall be authorized to prescribe oral analgesic controlled substances in Schedule IV or V, as pertains to treatment and management of eye disease by written prescription only.

(e) Administration by injection of any pharmaceutical product authorized in this section is expressly prohibited except when dispensed directly by a practitioner other than a pharmacy.

(f) (1) For the purposes of this article, Title 73, Chapter 21, and Title 73, Chapter 25, Mississippi Code of 1972, as it pertains to prescriptions for controlled substances, a "valid prescription" means a prescription that is issued for a legitimate medical purpose in the usual course of professional practice by:

(A) A practitioner who has conducted at least one (1) in-person medical evaluation of the patient; or

(B) A covering practitioner.



(2) (A) "In-person medical evaluation" means a medical evaluation that is conducted with the patient in the physical presence of the practitioner, without regard to whether portions of the evaluation are conducted by other health professionals.

(B) "Covering practitioner" means a practitioner who conducts a medical evaluation other than an in-person medical evaluation at the request of a practitioner who has conducted at least one (1) in-person medical evaluation of the patient or an evaluation of the patient through the practice of telemedicine within the previous twenty-four (24) months and who is temporarily unavailable to conduct the evaluation of the patient.

(3) A prescription for a controlled substance based solely on a consumer's completion of an online medical questionnaire is not a valid prescription.

(4) Nothing in this subsection (* * *f) shall apply to:

(A) A prescription issued by a practitioner engaged in the practice of telemedicine as authorized under state or federal law; or

(B) The dispensing or selling of a controlled substance pursuant to practices as determined by the United States Attorney General by regulation.

(g) This section does not apply to any of the actions regarding the cultivation, manufacture, sale, distribution, dispensing and testing of retail marijuana and retail marijuana



products which are lawful under the Mississippi Retail Marijuana Code.

SECTION 39. Section 41-29-139, Mississippi Code of 1972, is amended as follows:

41-29-139. (a) **Transfer and possession with intent to transfer.** Except as authorized by this article, it is unlawful for any person knowingly or intentionally:

(1) To sell, barter, transfer, manufacture, distribute, dispense or possess with intent to sell, barter, transfer, manufacture, distribute or dispense, a controlled substance; or

(2) To create, sell, barter, transfer, distribute, dispense or possess with intent to create, sell, barter, transfer, distribute or dispense, a counterfeit substance.

(b) **Punishment for transfer and possession with intent to transfer.** Except as otherwise provided in Section 41-29-142, any person who violates subsection (a) of this section shall be, if convicted, sentenced as follows:

(1) For controlled substances classified in Schedule I or II, as set out in Sections 41-29-113 and 41-29-115, other than marijuana or synthetic cannabinoids:

(A) If less than two (2) grams or ten (10) dosage units, by imprisonment for not more than eight (8) years or a fine of not more than Fifty Thousand Dollars (\$50,000.00), or both.

(B) If two (2) or more grams or ten (10) or more dosage units, but less than ten (10) grams or twenty (20) dosage



1994 units, by imprisonment for not less than three (3) years nor more
1995 than twenty (20) years or a fine of not more than Two Hundred
1996 Fifty Thousand Dollars (\$250,000.00), or both.

1997 (C) If ten (10) or more grams or twenty (20) or
1998 more dosage units, but less than thirty (30) grams or forty (40)
1999 dosage units, by imprisonment for not less than five (5) years nor
2000 more than thirty (30) years or a fine of not more than Five
2001 Hundred Thousand Dollars (\$500,000.00), or both.

2002 (2) (A) For marijuana:

2003 1. If thirty (30) grams or less, by
2004 imprisonment for not more than three (3) years or a fine of not
2005 more than Three Thousand Dollars (\$3,000.00), or both;

2006 2. If more than thirty (30) grams but less
2007 than two hundred fifty (250) grams, by imprisonment for not more
2008 than five (5) years or a fine of not more than Five Thousand
2009 Dollars (\$5,000.00), or both;

2010 3. If two hundred fifty (250) or more grams
2011 but less than five hundred (500) grams, by imprisonment for not
2012 less than three (3) years nor more than ten (10) years or a fine
2013 of not more than Fifteen Thousand Dollars (\$15,000.00), or both;

2014 4. If five hundred (500) or more grams but
2015 less than one (1) kilogram, by imprisonment for not less than five
2016 (5) years nor more than twenty (20) years or a fine of not more
2017 than Twenty Thousand Dollars (\$20,000.00), or both.

2018 (B) For synthetic cannabinoids:



2019 1. If ten (10) grams or less, by imprisonment
2020 for not more than three (3) years or a fine of not more than Three
2021 Thousand Dollars (\$3,000.00), or both;

2022 2. If more than ten (10) grams but less than
2023 twenty (20) grams, by imprisonment for not more than five (5)
2024 years or a fine of not more than Five Thousand Dollars
2025 (\$5,000.00), or both;

2026 3. If twenty (20) or more grams but less than
2027 forty (40) grams, by imprisonment for not less than three (3)
2028 years nor more than ten (10) years or a fine of not more than
2029 Fifteen Thousand Dollars (\$15,000.00), or both;

2030 4. If forty (40) or more grams but less than
2031 two hundred (200) grams, by imprisonment for not less than five
2032 (5) years nor more than twenty (20) years or a fine of not more
2033 than Twenty Thousand Dollars (\$20,000.00), or both.

2034 (3) For controlled substances classified in Schedules
2035 III and IV, as set out in Sections 41-29-117 and 41-29-119:

2036 (A) If less than two (2) grams or ten (10) dosage
2037 units, by imprisonment for not more than five (5) years or a fine
2038 of not more than Five Thousand Dollars (\$5,000.00), or both;

2039 (B) If two (2) or more grams or ten (10) or more
2040 dosage units, but less than ten (10) grams or twenty (20) dosage
2041 units, by imprisonment for not more than eight (8) years or a fine
2042 of not more than Fifty Thousand Dollars (\$50,000.00), or both;



2043 (C) If ten (10) or more grams or twenty (20) or
2044 more dosage units, but less than thirty (30) grams or forty (40)
2045 dosage units, by imprisonment for not more than fifteen (15) years
2046 or a fine of not more than One Hundred Thousand Dollars
2047 (\$100,000.00), or both;

2048 (D) If thirty (30) or more grams or forty (40) or
2049 more dosage units, but less than five hundred (500) grams or two
2050 thousand five hundred (2,500) dosage units, by imprisonment for
2051 not more than twenty (20) years or a fine of not more than Two
2052 Hundred Fifty Thousand Dollars (\$250,000.00), or both.

2053 (4) For controlled substances classified in Schedule V,
2054 as set out in Section 41-29-121:

2055 (A) If less than two (2) grams or ten (10) dosage
2056 units, by imprisonment for not more than one (1) year or a fine of
2057 not more than Five Thousand Dollars (\$5,000.00), or both;

2058 (B) If two (2) or more grams or ten (10) or more
2059 dosage units, but less than ten (10) grams or twenty (20) dosage
2060 units, by imprisonment for not more than five (5) years or a fine
2061 of not more than Ten Thousand Dollars (\$10,000.00), or both;

2062 (C) If ten (10) or more grams or twenty (20) or
2063 more dosage units, but less than thirty (30) grams or forty (40)
2064 dosage units, by imprisonment for not more than ten (10) years or
2065 a fine of not more than Twenty Thousand Dollars (\$20,000.00), or
2066 both;



2067 (D) For thirty (30) or more grams or forty (40) or
2068 more dosage units, but less than five hundred (500) grams or two
2069 thousand five hundred (2,500) dosage units, by imprisonment for
2070 not more than fifteen (15) years or a fine of not more than Fifty
2071 Thousand Dollars (\$50,000.00), or both.

2072 (c) **Simple possession.** Except as otherwise provided under
2073 subsection (i) of this section for lawful purchases made pursuant
2074 to the Mississippi Retail Marijuana Code, it is unlawful for any
2075 person knowingly or intentionally to possess any controlled
2076 substance unless the substance was obtained directly from, or
2077 pursuant to, a valid prescription or order of a practitioner while
2078 acting in the course of his professional practice, or except as
2079 otherwise authorized by this article. The penalties for any
2080 violation of this subsection (c) with respect to a controlled
2081 substance classified in Schedules I, II, III, IV or V, as set out
2082 in Section 41-29-113, 41-29-115, 41-29-117, 41-29-119 or
2083 41-29-121, including marijuana or synthetic cannabinoids, shall be
2084 based on dosage unit as defined herein or the weight of the
2085 controlled substance as set forth herein as appropriate:

2086 "Dosage unit (d.u.)" means a tablet or capsule, or in the
2087 case of a liquid solution, one (1) milliliter. In the case of
2088 lysergic acid diethylamide (LSD) the term, "dosage unit" means a
2089 stamp, square, dot, microdot, tablet or capsule of a controlled
2090 substance.



2091 For any controlled substance that does not fall within the
2092 definition of the term "dosage unit," the penalties shall be based
2093 upon the weight of the controlled substance.

2094 The weight set forth refers to the entire weight of any
2095 mixture or substance containing a detectable amount of the
2096 controlled substance.

2097 If a mixture or substance contains more than one (1)
2098 controlled substance, the weight of the mixture or substance is
2099 assigned to the controlled substance that results in the greater
2100 punishment.

2101 A person shall be charged and sentenced as follows for a
2102 violation of this subsection with respect to:

2103 (1) A controlled substance classified in Schedule I or
2104 II, except marijuana and synthetic cannabinoids:

2105 (A) If less than one-tenth (0.1) gram or two (2)
2106 dosage units, the violation is a misdemeanor and punishable by
2107 imprisonment for not more than one (1) year or a fine of not more
2108 than One Thousand Dollars (\$1,000.00), or both.

2109 (B) If one-tenth (0.1) gram or more or two (2) or
2110 more dosage units, but less than two (2) grams or ten (10) dosage
2111 units, by imprisonment for not more than three (3) years or a fine
2112 of not more than Fifty Thousand Dollars (\$50,000.00), or both.

2113 (C) If two (2) or more grams or ten (10) or more
2114 dosage units, but less than ten (10) grams or twenty (20) dosage
2115 units, by imprisonment for not more than eight (8) years or a fine



2116 of not more than Two Hundred Fifty Thousand Dollars (\$250,000.00),
2117 or both.

2118 (D) If ten (10) or more grams or twenty (20) or
2119 more dosage units, but less than thirty (30) grams or forty (40)
2120 dosage units, by imprisonment for not less than three (3) years
2121 nor more than twenty (20) years or a fine of not more than Five
2122 Hundred Thousand Dollars (\$500,000.00), or both.

2123 (2) (A) Marijuana and synthetic cannabinoids:

2124 1. If thirty (30) grams or less of marijuana
2125 or ten (10) grams or less of synthetic cannabinoids, by a fine of
2126 not less than One Hundred Dollars (\$100.00) nor more than Two
2127 Hundred Fifty Dollars (\$250.00). The provisions of this paragraph
2128 (2) (A) may be enforceable by summons if the offender provides
2129 proof of identity satisfactory to the arresting officer and gives
2130 written promise to appear in court satisfactory to the arresting
2131 officer, as directed by the summons. A second conviction under
2132 this section within two (2) years is a misdemeanor punishable by a
2133 fine of Two Hundred Fifty Dollars (\$250.00), not more than sixty
2134 (60) days in the county jail, and mandatory participation in a
2135 drug education program approved by the Division of Alcohol and
2136 Drug Abuse of the State Department of Mental Health, unless the
2137 court enters a written finding that a drug education program is
2138 inappropriate. A third or subsequent conviction under this
2139 paragraph (2) (A) within two (2) years is a misdemeanor punishable
2140 by a fine of not less than Two Hundred Fifty Dollars (\$250.00) nor



2141 more than One Thousand Dollars (\$1,000.00) and confinement for not
2142 more than six (6) months in the county jail.

2143 Upon a first or second conviction under this paragraph
2144 (2) (A), the courts shall forward a report of the conviction to the
2145 Mississippi Bureau of Narcotics which shall make and maintain a
2146 private, nonpublic record for a period not to exceed two (2) years
2147 from the date of conviction. The private, nonpublic record shall
2148 be solely for the use of the courts in determining the penalties
2149 which attach upon conviction under this paragraph (2) (A) and shall
2150 not constitute a criminal record for the purpose of private or
2151 administrative inquiry and the record of each conviction shall be
2152 expunged at the end of the period of two (2) years following the
2153 date of such conviction;

2154 2. Additionally, a person who is the operator
2155 of a motor vehicle, who possesses on his person or knowingly keeps
2156 or allows to be kept in a motor vehicle within the area of the
2157 vehicle normally occupied by the driver or passengers, more than
2158 one (1) gram, but not more than thirty (30) grams of marijuana or
2159 not more than ten (10) grams of synthetic cannabinoids is guilty
2160 of a misdemeanor and, upon conviction, may be fined not more than
2161 One Thousand Dollars (\$1,000.00) or confined for not more than
2162 ninety (90) days in the county jail, or both. For the purposes of
2163 this subsection, such area of the vehicle shall not include the
2164 trunk of the motor vehicle or the areas not normally occupied by
2165 the driver or passengers if the vehicle is not equipped with a



2166 trunk. A utility or glove compartment shall be deemed to be
2167 within the area occupied by the driver and passengers;

2168 (B) Marijuana:

2169 1. If more than thirty (30) grams but less
2170 than two hundred fifty (250) grams, by a fine of not more than One
2171 Thousand Dollars (\$1,000.00), or confinement in the county jail
2172 for not more than one (1) year, or both; or by a fine of not more
2173 than Three Thousand Dollars (\$3,000.00), or imprisonment in the
2174 custody of the Department of Corrections for not more than three
2175 (3) years, or both;

2176 2. If two hundred fifty (250) or more grams
2177 but less than five hundred (500) grams, by imprisonment for not
2178 less than two (2) years nor more than eight (8) years or by a fine
2179 of not more than Fifty Thousand Dollars (\$50,000.00), or both;

2180 3. If five hundred (500) or more grams but
2181 less than one (1) kilogram, by imprisonment for not less than four
2182 (4) years nor more than sixteen (16) years or a fine of not more
2183 than Two Hundred Fifty Thousand Dollars (\$250,000.00), or both;

2184 4. If one (1) kilogram or more but less than
2185 five (5) kilograms, by imprisonment for not less than six (6)
2186 years nor more than twenty-four (24) years or a fine of not more
2187 than Five Hundred Thousand Dollars (\$500,000.00), or both;

2188 5. If five (5) kilograms or more, by
2189 imprisonment for not less than ten (10) years nor more than thirty



2190 (30) years or a fine of not more than One Million Dollars
2191 (\$1,000,000.00), or both.

2192 (C) Synthetic cannabinoids:

2193 1. If more than ten (10) grams but less than
2194 twenty (20) grams, by a fine of not more than One Thousand Dollars
2195 (\$1,000.00), or confinement in the county jail for not more than
2196 one (1) year, or both; or by a fine of not more than Three
2197 Thousand Dollars (\$3,000.00), or imprisonment in the custody of
2198 the Department of Corrections for not more than three (3) years,
2199 or both;

2200 2. If twenty (20) or more grams but less than
2201 forty (40) grams, by imprisonment for not less than two (2) years
2202 nor more than eight (8) years or by a fine of not more than Fifty
2203 Thousand Dollars (\$50,000.00), or both;

2204 3. If forty (40) or more grams but less than
2205 two hundred (200) grams, by imprisonment for not less than four
2206 (4) years nor more than sixteen (16) years or a fine of not more
2207 than Two Hundred Fifty Thousand Dollars (\$250,000.00), or both;

2208 4. If two hundred (200) or more grams, by
2209 imprisonment for not less than six (6) years nor more than
2210 twenty-four (24) years or a fine of not more than Five Hundred
2211 Thousand Dollars (\$500,000.00), or both.

2212 (3) A controlled substance classified in Schedule III,
2213 IV or V as set out in Sections 41-29-117 through 41-29-121, upon
2214 conviction, may be punished as follows:



2215 (A) If less than fifty (50) grams or less than one
2216 hundred (100) dosage units, the offense is a misdemeanor and
2217 punishable by not more than one (1) year or a fine of not more
2218 than One Thousand Dollars (\$1,000.00), or both.

2219 (B) If fifty (50) or more grams or one hundred
2220 (100) or more dosage units, but less than one hundred fifty (150)
2221 grams or five hundred (500) dosage units, by imprisonment for not
2222 less than one (1) year nor more than four (4) years or a fine of
2223 not more than Ten Thousand Dollars (\$10,000.00), or both.

2224 (C) If one hundred fifty (150) or more grams or
2225 five hundred (500) or more dosage units, but less than three
2226 hundred (300) grams or one thousand (1,000) dosage units, by
2227 imprisonment for not less than two (2) years nor more than eight
2228 (8) years or a fine of not more than Fifty Thousand Dollars
2229 (\$50,000.00), or both.

2230 (D) If three hundred (300) or more grams or one
2231 thousand (1,000) or more dosage units, but less than five hundred
2232 (500) grams or two thousand five hundred (2,500) dosage units, by
2233 imprisonment for not less than four (4) years nor more than
2234 sixteen (16) years or a fine of not more than Two Hundred Fifty
2235 Thousand Dollars (\$250,000.00), or both.

2236 (d) **Paraphernalia.** (1) Except as otherwise provided for
2237 under subsection (i) of this section for lawful purchases made
2238 pursuant to the Mississippi Retail Marijuana Code, it is unlawful
2239 for a person who is not authorized by the State Board of Medical



2240 Licensure, State Board of Pharmacy, or other lawful authority to
2241 use, or to possess with intent to use, paraphernalia to plant,
2242 propagate, cultivate, grow, harvest, manufacture, compound,
2243 convert, produce, process, prepare, test, analyze, pack, repack,
2244 store, contain, conceal, inject, ingest, inhale or otherwise
2245 introduce into the human body a controlled substance in violation
2246 of the Uniform Controlled Substances Law. Any person who violates
2247 this subsection (d)(1) is guilty of a misdemeanor and, upon
2248 conviction, may be confined in the county jail for not more than
2249 six (6) months, or fined not more than Five Hundred Dollars
2250 (\$500.00), or both; however, no person shall be charged with a
2251 violation of this subsection when such person is also charged with
2252 the possession of thirty (30) grams or less of marijuana under
2253 subsection (c)(2)(A) of this section.

2254 (2) It is unlawful for any person to deliver, sell,
2255 possess with intent to deliver or sell, or manufacture with intent
2256 to deliver or sell, paraphernalia, knowing, or under circumstances
2257 where one reasonably should know, that it will be used to plant,
2258 propagate, cultivate, grow, harvest, manufacture, compound,
2259 convert, produce, process, prepare, test, analyze, pack, repack,
2260 store, contain, conceal, inject, ingest, inhale, or otherwise
2261 introduce into the human body a controlled substance in violation
2262 of the Uniform Controlled Substances Law. Except as provided in
2263 subsection (d)(3), a person who violates this subsection (d)(2) is
2264 guilty of a misdemeanor and, upon conviction, may be confined in



2265 the county jail for not more than six (6) months, or fined not
2266 more than Five Hundred Dollars (\$500.00), or both.

2267 (3) Any person eighteen (18) years of age or over who
2268 violates subsection (d)(2) of this section by delivering or
2269 selling paraphernalia to a person under eighteen (18) years of age
2270 who is at least three (3) years his junior is guilty of a
2271 misdemeanor and, upon conviction, may be confined in the county
2272 jail for not more than one (1) year, or fined not more than One
2273 Thousand Dollars (\$1,000.00), or both.

2274 (4) It is unlawful for any person to place in any
2275 newspaper, magazine, handbill, or other publication any
2276 advertisement, knowing, or under circumstances where one
2277 reasonably should know, that the purpose of the advertisement, in
2278 whole or in part, is to promote the sale of objects designed or
2279 intended for use as paraphernalia. Any person who violates this
2280 subsection is guilty of a misdemeanor and, upon conviction, may be
2281 confined in the county jail for not more than six (6) months, or
2282 fined not more than Five Hundred Dollars (\$500.00), or both.

2283 (e) It shall be unlawful for any physician practicing
2284 medicine in this state to prescribe, dispense or administer any
2285 amphetamine or amphetamine-like anorectics and/or central nervous
2286 system stimulants classified in Schedule II, pursuant to Section
2287 41-29-115, for the exclusive treatment of obesity, weight control
2288 or weight loss. Any person who violates this subsection, upon
2289 conviction, is guilty of a misdemeanor and may be confined for a



2290 period not to exceed six (6) months, or fined not more than One
2291 Thousand Dollars (\$1,000.00), or both.

2292 (f) **Trafficking.** (1) Any person trafficking in controlled
2293 substances shall be guilty of a felony and, upon conviction, shall
2294 be imprisoned for a term of not less than ten (10) years nor more
2295 than forty (40) years and shall be fined not less than Five
2296 Thousand Dollars (\$5,000.00) nor more than One Million Dollars
2297 (\$1,000,000.00). The ten-year mandatory sentence shall not be
2298 reduced or suspended. The person shall not be eligible for
2299 probation or parole, the provisions of Sections 41-29-149,
2300 47-5-139, 47-7-3 and 47-7-33, to the contrary notwithstanding.

2301 (2) "Trafficking in controlled substances" as used
2302 herein means:

2303 (A) A violation of subsection (a) of this section
2304 involving thirty (30) or more grams or forty (40) or more dosage
2305 units of a Schedule I or II controlled substance except marijuana
2306 and synthetic cannabinoids;

2307 (B) A violation of subsection (a) of this section
2308 involving five hundred (500) or more grams or two thousand five
2309 hundred (2,500) or more dosage units of a Schedule III, IV or V
2310 controlled substance;

2311 (C) A violation of subsection (c) of this section
2312 involving thirty (30) or more grams or forty (40) or more dosage
2313 units of a Schedule I or II controlled substance except marijuana
2314 and synthetic cannabinoids;



2315 (D) A violation of subsection (c) of this section
2316 involving five hundred (500) or more grams or two thousand five
2317 hundred (2,500) or more dosage units of a Schedule III, IV or V
2318 controlled substance; or

2319 (E) A violation of subsection (a) of this section
2320 involving one (1) kilogram or more of marijuana or two hundred
2321 (200) grams or more of synthetic cannabinoids.

2322 (g) **Aggravated trafficking.** Any person trafficking in
2323 Schedule I or II controlled substances, except marijuana and
2324 synthetic cannabinoids, of two hundred (200) grams or more shall
2325 be guilty of aggravated trafficking and, upon conviction, shall be
2326 sentenced to a term of not less than twenty-five (25) years nor
2327 more than life in prison and shall be fined not less than Five
2328 Thousand Dollars (\$5,000.00) nor more than One Million Dollars
2329 (\$1,000,000.00). The twenty-five-year sentence shall be a
2330 mandatory sentence and shall not be reduced or suspended. The
2331 person shall not be eligible for probation or parole, the
2332 provisions of Sections 41-29-149, 47-5-139, 47-7-3 and 47-7-33, to
2333 the contrary notwithstanding.

2334 (h) **Sentence mitigation.** (1) Notwithstanding any provision
2335 of this section, a person who has been convicted of an offense
2336 under this section that requires the judge to impose a prison
2337 sentence which cannot be suspended or reduced and is ineligible
2338 for probation or parole may, at the discretion of the court,
2339 receive a sentence of imprisonment that is no less than



twenty-five percent (25%) of the sentence prescribed by the applicable statute. In considering whether to apply the departure from the sentence prescribed, the court shall conclude that:

(A) The offender was not a leader of the criminal enterprise;

(B) The offender did not use violence or a weapon during the crime;

(C) The offense did not result in a death or serious bodily injury of a person not a party to the criminal enterprise; and

(D) The interests of justice are not served by the imposition of the prescribed mandatory sentence.

The court may also consider whether information and assistance were furnished to a law enforcement agency, or its designee, which, in the opinion of the trial judge, objectively should or would have aided in the arrest or prosecution of others who violate this subsection. The accused shall have adequate opportunity to develop and make a record of all information and assistance so furnished.

(2) If the court reduces the prescribed sentence pursuant to this subsection, it must specify on the record the circumstances warranting the departure.

(i) This section does not apply to any of the actions regarding the cultivation, manufacture, sale, distribution, dispensing and testing of retail marijuana and retail marijuana



2365 products which are lawful under the Mississippi Retail Marijuana
2366 Code.

2367 **SECTION 40.** Section 41-29-141, Mississippi Code of 1972, is
2368 amended as follows:

2369 41-29-141. It is unlawful for any person:

2370 (1) Who is subject to Section 41-29-125 to distribute
2371 or dispense a controlled substance in violation of Section
2372 41-29-137;

2373 (2) Who is a registrant under Section 41-29-125 to
2374 manufacture a controlled substance not authorized by his
2375 registration, or to distribute or dispense a controlled substance
2376 not authorized by his registration to another registrant or other
2377 authorized person;

2378 (3) To refuse or fail to make, keep or furnish any
2379 record, notification, order form, statement, invoice or
2380 information required under this article;

2381 (4) To refuse a lawful entry into any premises for any
2382 inspection authorized by this article; or

2383 (5) Knowingly to keep or maintain any store, shop,
2384 warehouse, dwelling, building, vehicle, boat, aircraft, or other
2385 structure or place, which is resorted to by persons using
2386 controlled substances in violation of this article for the purpose
2387 of using these substances, or which is used for keeping or selling
2388 them in violation of this article.



2389 Any person who violates this section shall, with respect to
2390 such violation, be subject to a civil penalty payable to the State
2391 of Mississippi of not more than Twenty-five Thousand Dollars
2392 (\$25,000.00).

2393 In addition to the civil penalty provided in the preceding
2394 paragraph, any person who knowingly or intentionally violates this
2395 section shall be guilty of a crime and upon conviction thereof may
2396 be confined for a period of not more than one (1) year or fined
2397 not more than One Thousand Dollars (\$1,000.00), or both.

2398 This section does not apply to any of the actions regarding
2399 the cultivation, manufacture, sale, distribution, dispensing and
2400 testing of retail marijuana and retail marijuana products which
2401 are lawful under the Mississippi Retail Marijuana Code.

2402 **SECTION 41.** Section 41-29-143, Mississippi Code of 1972, is
2403 amended as follows:

2404 41-29-143. It is unlawful for any person knowingly or
2405 intentionally:

2406 (1) To distribute as a registrant a controlled
2407 substance classified in Schedule I or II, as set out in Sections
2408 41-29-113 and 41-29-115, except pursuant to an order form as
2409 required by Section 41-29-135;

2410 (2) To use in the course of the manufacture or
2411 distribution of a controlled substance a registration number which
2412 is fictitious, revoked, suspended, or issued to another
2413 person * * *;



2414 (3) To furnish false or fraudulent material information
2415 in, or omit any material information from, any application,
2416 report, or other document required to be kept or filed under this
2417 article, or any record required to be kept by this article; or

2418 (4) To make, distribute, or possess any punch, die,
2419 plate, stone, or other thing designed to print, imprint, or
2420 reproduce the trademark, trade name, or other identifying mark,
2421 imprint or device of another or any likeness of any of the
2422 foregoing upon any drug or container or labeling thereof so as to
2423 render the drug a counterfeit substance.

2424 Any person who violates this section is guilty of a crime
2425 and, upon conviction, may be confined for not more than one (1)
2426 year or fined not more than One Thousand Dollars (\$1,000.00) or
2427 both.

2428 This section does not apply to any of the actions regarding
2429 the cultivation, manufacture, sale, distribution, dispensing and
2430 testing of retail marijuana and retail marijuana products which
2431 are lawful under the Mississippi Retail Marijuana Code.

2432 **SECTION 42.** Section 73-25-29, Mississippi Code of 1972, is
2433 brought forward as follows:

2434 73-25-29. The grounds for the nonissuance, suspension,
2435 revocation or restriction of a license or the denial of
2436 reinstatement or renewal of a license are:



2437 (1) Habitual personal use of narcotic drugs, or any
2438 other drug having addiction-forming or addiction-sustaining
2439 liability.

2440 (2) Habitual use of intoxicating liquors, or any
2441 beverage, to an extent which affects professional competency.

2442 (3) Administering, dispensing or prescribing any
2443 narcotic drug, or any other drug having addiction-forming or
2444 addiction-sustaining liability otherwise than in the course of
2445 legitimate professional practice.

2446 (4) Conviction of violation of any federal or state law
2447 regulating the possession, distribution or use of any narcotic
2448 drug or any drug considered a controlled substance under state or
2449 federal law, a certified copy of the conviction order or judgment
2450 rendered by the trial court being prima facie evidence thereof,
2451 notwithstanding the pendency of any appeal.

2452 (5) Procuring, or attempting to procure, or aiding in,
2453 an abortion that is not medically indicated.

2454 (6) Conviction of a felony or misdemeanor involving
2455 moral turpitude, a certified copy of the conviction order or
2456 judgment rendered by the trial court being prima facie evidence
2457 thereof, notwithstanding the pendency of any appeal.

2458 (7) Obtaining or attempting to obtain a license by
2459 fraud or deception.

2460 (8) Unprofessional conduct, which includes, but is not
2461 limited to:



2462 (a) Practicing medicine under a false or assumed
2463 name or impersonating another practitioner, living or dead.

2464 (b) Knowingly performing any act which in any way
2465 assists an unlicensed person to practice medicine.

2466 (c) Making or willfully causing to be made any
2467 flamboyant claims concerning the licensee's professional
2468 excellence.

2469 (d) Being guilty of any dishonorable or unethical
2470 conduct likely to deceive, defraud or harm the public.

2471 (e) Obtaining a fee as personal compensation or
2472 gain from a person on fraudulent representation of a disease or
2473 injury condition generally considered incurable by competent
2474 medical authority in the light of current scientific knowledge and
2475 practice can be cured or offering, undertaking, attempting or
2476 agreeing to cure or treat the same by a secret method, which he
2477 refuses to divulge to the board upon request.

2478 (f) Use of any false, fraudulent or forged
2479 statement or document, or the use of any fraudulent, deceitful,
2480 dishonest or immoral practice in connection with any of the
2481 licensing requirements, including the signing in his professional
2482 capacity any certificate that is known to be false at the time he
2483 makes or signs such certificate.

2484 (g) Failing to identify a physician's school of
2485 practice in all professional uses of his name by use of his earned
2486 degree or a description of his school of practice.



2487 (9) The refusal of a licensing authority of another
2488 state or jurisdiction to issue or renew a license, permit or
2489 certificate to practice medicine in that jurisdiction or the
2490 revocation, suspension or other restriction imposed on a license,
2491 permit or certificate issued by such licensing authority which
2492 prevents or restricts practice in that jurisdiction, a certified
2493 copy of the disciplinary order or action taken by the other state
2494 or jurisdiction being prima facie evidence thereof,
2495 notwithstanding the pendency of any appeal.

2496 (10) Surrender of a license or authorization to
2497 practice medicine in another state or jurisdiction or surrender of
2498 membership on any medical staff or in any medical or professional
2499 association or society while under disciplinary investigation by
2500 any of those authorities or bodies for acts or conduct similar to
2501 acts or conduct which would constitute grounds for action as
2502 defined in this section.

2503 (11) Final sanctions imposed by the United States
2504 Department of Health and Human Services, Office of Inspector
2505 General or any successor federal agency or office, based upon a
2506 finding of incompetency, gross misconduct or failure to meet
2507 professionally recognized standards of health care; a certified
2508 copy of the notice of final sanction being prima facie evidence
2509 thereof. As used in this paragraph, the term "final sanction"
2510 means the written notice to a physician from the United States
2511 Department of Health and Human Services, Officer of Inspector



2512 General or any successor federal agency or office, which
2513 implements the exclusion.

2514 (12) Failure to furnish the board, its investigators or
2515 representatives information legally requested by the board.

2516 (13) Violation of any provision(s) of the Medical
2517 Practice Act or the rules and regulations of the board or of any
2518 order, stipulation or agreement with the board.

2519 (14) Violation(s) of the provisions of Sections
2520 41-121-1 through 41-121-9 relating to deceptive advertisement by
2521 health care practitioners.

2522 (15) Performing or inducing an abortion on a woman in
2523 violation of any provision of Sections 41-41-131 through
2524 41-41-145.

2525 In addition to the grounds specified above, the board shall
2526 be authorized to suspend the license of any licensee for being out
2527 of compliance with an order for support, as defined in Section
2528 93-11-153. The procedure for suspension of a license for being
2529 out of compliance with an order for support, and the procedure for
2530 the reissuance or reinstatement of a license suspended for that
2531 purpose, and the payment of any fees for the reissuance or
2532 reinstatement of a license suspended for that purpose, shall be
2533 governed by Section 93-11-157 or 93-11-163, as the case may be.
2534 If there is any conflict between any provision of Section
2535 93-11-157 or 93-11-163 and any provision of this chapter, the



2536 provisions of Section 93-11-157 or 93-11-163, as the case may be,
2537 shall control.

2538 **SECTION 43.** Section 34 of this act shall be codified as a
2539 new section in Chapter 65, Title 27, Mississippi Code of 1972.

2540 **SECTION 44.** This act shall take effect and be in force from
2541 and after July 1, 2017.

