

By: Senator(s) Blackwell, Barnett, Butler
(36th), Butler (38th), DeLano, Hickman,
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To: Public Health and
Welfare

SENATE BILL NO. 2095

1 AN ACT TO ENACT THE MISSISSIPPI MEDICAL CANNABIS ACT; TO
2 AUTHORIZE MEDICAL CANNABIS USE BY CERTAIN PATIENTS WHO HAVE
3 DEBILITATING MEDICAL CONDITIONS; TO REQUIRE A PATIENT TO RECEIVE A
4 WRITTEN CERTIFICATION FROM A QUALIFIED PRACTITIONER TO QUALIFY FOR
5 A REGISTRY IDENTIFICATION CARD FOR THE USE OF MEDICAL CANNABIS; TO
6 PROVIDE FOR THE PROCESS BY WHICH A PATIENT MAY REGISTER AS A
7 CARDHOLDER FOR THE USE OF MEDICAL CANNABIS; TO PROVIDE CERTAIN
8 PROTECTIONS TO PATIENTS, CAREGIVERS, MEDICAL PROVIDERS AND MEDICAL
9 CANNABIS ESTABLISHMENTS FOR THE MEDICAL USE OF CANNABIS; TO
10 PROVIDE FOR THE ALLOWABLE AMOUNT OF MEDICAL CANNABIS BY A
11 QUALIFIED PATIENT; TO PROVIDE THAT THE STATE DEPARTMENT OF HEALTH
12 WILL ISSUE REGISTRY IDENTIFICATION CARDS TO QUALIFYING PATIENTS
13 AND REGISTRATIONS TO QUALIFYING FACILITIES; TO PROVIDE FOR THE
14 LICENSING OF CANNABIS RESEARCH FACILITIES, TESTING FACILITIES,
15 TRANSPORTATION ENTITIES AND PROCESSING FACILITIES; TO ALLOW FOR A
16 DEDUCTION FROM INCOME TAXES FOR ALL OF THE ORDINARY AND NECESSARY
17 EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR IN CARRYING ON A
18 BUSINESS AS A MEDICAL CANNABIS ESTABLISHMENT; TO PROVIDE THAT THE
19 MISSISSIPPI DEPARTMENT OF HEALTH SHALL HAVE THE ULTIMATE AUTHORITY
20 FOR OVERSIGHT OF THE ADMINISTRATION OF THE MEDICAL CANNABIS
21 PROGRAM; TO REQUIRE THE DEPARTMENT OF HEALTH TO DELEGATE THE
22 RESPONSIBILITIES FOR INSPECTION, REGULATION AND ENFORCEMENT OF
23 CANNABIS CULTIVATION FACILITIES, CANNABIS PROCESSING FACILITIES,
24 CANNABIS TRANSPORTATION ENTITIES AND CANNABIS DISPOSAL ENTITIES TO
25 THE MISSISSIPPI DEPARTMENT OF AGRICULTURE AND COMMERCE; TO PROVIDE
26 THAT THE DEPARTMENT OF HEALTH SHALL LICENSE THESE ENTITIES,
27 CANNABIS TESTING FACILITIES AND CANNABIS RESEARCH FACILITIES; TO
28 REQUIRE THE DEPARTMENT OF HEALTH TO REGISTER QUALIFIED
29 PRACTITIONERS AND GRANT REGISTRY IDENTIFICATION CARDS TO QUALIFIED
30 PATIENTS AND DESIGNATED CAREGIVERS; TO PROVIDE FOR A STATEWIDE
31 SEED-TO-SALE TRACKING SYSTEM; TO PROVIDE FOR DEADLINES FOR THE
32 IMPLEMENTATION OF THE PROGRAM; TO PROVIDE FOR CERTAIN LIMITATIONS
33 OF THE APPLICATION OF THE ACT; TO PROVIDE THAT THE ACT DOES NOT
34 AUTHORIZE ANY INDIVIDUAL TO ENGAGE IN NOR PREVENT THE IMPOSITION



35 OF ANY CIVIL, CRIMINAL OR OTHER PENALTIES FOR CERTAIN ACTS RELATED
36 TO THE USE OF MEDICAL CANNABIS; TO PROVIDE THAT CERTAIN
37 DISCRIMINATORY ACTS AGAINST MEDICAL CANNABIS CARDHOLDERS ARE
38 PROHIBITED; TO PROVIDE FOR PROCESS OF THE ADDITION OF DEBILITATING
39 MEDICAL CONDITIONS BY THE DEPARTMENT OF HEALTH; TO PROVIDE THAT
40 NOTHING IN THE ACT PROHIBITS AN EMPLOYER FROM DISCIPLINING AN
41 EMPLOYEE FOR INGESTING MEDICAL CANNABIS IN THE WORKPLACE OR FOR
42 WORKING WHILE UNDER THE INFLUENCE OF MEDICAL CANNABIS; TO PROVIDE
43 THAT NOTHING IN THE ACT REQUIRES A GOVERNMENT MEDICAL ASSISTANCE
44 PROGRAM OR PRIVATE INSURER TO REIMBURSE A PERSON FOR COSTS
45 ASSOCIATED WITH THE MEDICAL USE OF MEDICAL CANNABIS; TO REQUIRE
46 THE DEPARTMENT OF HEALTH, DEPARTMENT OF AGRICULTURE AND COMMERCE
47 AND THE DEPARTMENT OF REVENUE TO PROVIDE ANNUAL REPORTS TO THE
48 GOVERNOR AND CERTAIN MEMBERS OF THE LEGISLATURE; TO REQUIRE THE
49 DEPARTMENT OF HEALTH TO MAINTAIN A CONFIDENTIAL LIST OF REGISTRY
50 IDENTIFICATION CARDS; TO REQUIRE CERTAIN NOTIFICATIONS FROM
51 QUALIFYING PATIENTS; TO PROVIDE FOR THE FEES FOR LICENSES OF
52 MEDICAL CANNABIS ESTABLISHMENTS; TO ALLOW MUNICIPALITIES AND
53 COUNTIES TO ENACT ORDINANCES OR REGULATIONS NOT IN CONFLICT WITH
54 THE ACT; TO PROHIBIT MEDICAL CANNABIS ESTABLISHMENTS FROM BEING
55 LOCATED WITHIN 1,000 FEET OF THE NEAREST BOUNDARY LINE OF ANY
56 SCHOOL, CHURCH OR CHILD CARE FACILITY UNLESS IT HAS RECEIVED A
57 WAIVER; TO PROVIDE CERTAIN REQUIREMENTS, PROHIBITIONS AND
58 PENALTIES FOR MEDICAL CANNABIS ESTABLISHMENTS; TO PROVIDE THAT NO
59 MEDICAL CANNABIS ESTABLISHMENT SHALL SELL CANNABIS FLOWER OR TRIM
60 THAT HAS A POTENCY OF GREATER THAN 30% TOTAL THC; TO REQUIRE ALL
61 MEDICAL CANNABIS PRODUCTS TO CONTAIN A NOTICE OF HARM REGARDING
62 THE USE OF MEDICAL CANNABIS; TO PROVIDE FOR THE WEEKLY AND MONTHLY
63 ALLOWABLE AMOUNT OF MEDICAL CANNABIS; TO PROVIDE THE POSSESSION
64 LIMIT OF MEDICAL CANNABIS FOR RESIDENT AND NONRESIDENT
65 CARDHOLDERS; TO REQUIRE THE DEPARTMENT OF HEALTH, DEPARTMENT OF
66 AGRICULTURE AND COMMERCE AND THE DEPARTMENT OF REVENUE TO
67 ESTABLISH AND PROMULGATE RULES AND REGULATIONS RELATING TO THE
68 PROGRAM; TO ESTABLISH VIOLATIONS RELATED TO THE USE OF MEDICAL
69 CANNABIS AND THE PROGRAM; TO PROVIDE FOR FINES, SUSPENSIONS AND
70 REVOCATIONS FOR VIOLATIONS OF THE ACT; TO PROVIDE THAT BANKS SHALL
71 NOT BE HELD LIABLE FOR PROVIDING FINANCIAL SERVICES TO A MEDICAL
72 CANNABIS ESTABLISHMENT; TO IMPOSE AN EXCISE TAX ON MEDICAL
73 CANNABIS CULTIVATION FACILITIES AT A RATE OF 5% OF THE SALE PRICE
74 OF CANNABIS TRIM OR CANNABIS FLOWER; TO REQUIRE DISPENSARIES TO
75 COLLECT AND REMIT THE SALES TAX LEVIED IN SECTION 27-65-17(1) (a)
76 FROM THE GROSS PROCEEDS OF EACH SALE OF MEDICAL CANNABIS; TO ALLOW
77 THE GOVERNING AUTHORITIES OF MUNICIPALITIES AND BOARD OF
78 SUPERVISORS OF COUNTIES TO OPT OUT OF ALLOWING THE PROCESSING,
79 SALE AND DISTRIBUTION OF MEDICAL CANNABIS WITHIN 90 DAYS AFTER THE
80 EFFECTIVE DATE OF THE ACT; TO PROVIDE FOR THE REFERENDUM PROCESS
81 FOR A MUNICIPALITY OR COUNTY TO OPT INTO ALLOWING THE CULTIVATION,
82 PROCESSING, SALE AND DISTRIBUTION OF MEDICAL CANNABIS IN A
83 MUNICIPALITY OR COUNTY THAT HAS OPTED OUT; TO PROVIDE FOR THE
84 JUDICIAL REVIEW FOR THOSE AGGRIEVED BY A FINAL DECISION OR ORDER
85 RELATED TO THE MEDICAL CANNABIS PROGRAM; TO REQUIRE ALL FINES AND



86 FEES COLLECTED BY THE DEPARTMENT OF HEALTH AND DEPARTMENT OF
87 REVENUE TO BE DEPOSITED INTO THE STATE GENERAL FUND; TO ESTABLISH
88 A MEDICAL CANNABIS ADVISORY COMMITTEE; TO AMEND SECTION 25-53-5,
89 MISSISSIPPI CODE OF 1972, TO TEMPORARILY EXEMPT ACQUISITIONS OF
90 INFORMATION TECHNOLOGY EQUIPMENT AND SERVICES MADE BY THE
91 MISSISSIPPI DEPARTMENT OF AGRICULTURE AND COMMERCE, THE
92 MISSISSIPPI DEPARTMENT OF HEALTH AND THE MISSISSIPPI DEPARTMENT OF
93 REVENUE FOR THE PURPOSES OF IMPLEMENTING, ADMINISTERING AND
94 ENFORCING THE PROVISIONS OF THE MISSISSIPPI MEDICAL CANNABIS ACT,
95 FROM MISSISSIPPI DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES
96 PROCUREMENT LAWS, RULES, AND REGULATIONS; TO AMEND SECTION
97 27-104-203, MISSISSIPPI CODE OF 1972, TO AUTHORIZE GRANTS,
98 CONTRACTS, PASS-THROUGH FUNDS, PROJECT FEES OR CHARGES FOR
99 SERVICES BETWEEN THE STATE DEPARTMENT OF HEALTH, STATE DEPARTMENT
100 OF AGRICULTURE AND COMMERCE, STATE DEPARTMENT OF REVENUE, AND
101 OTHER STATE AGENCIES OR ENTITIES FOR THE OPERATION OF THE MEDICAL
102 MARIJUANA PROGRAM ESTABLISHED UNDER THIS ACT; TO AMEND SECTION
103 37-11-29, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE TERM
104 CONTROLLED SUBSTANCE SHALL NOT INCLUDE THE POSSESSION OR USE OF
105 MEDICAL CANNABIS THAT IS LAWFUL UNDER THIS ACT; TO AMEND SECTIONS
106 27-7-17, 27-65-111, 33-13-520, 41-29-125, 41-29-127, 41-29-136,
107 41-29-137, 41-29-139; 41-29-141, 41-29-143, 43-21-301, 43-21-303,
108 45-9-101, 59-23-7, 63-11-30, 71-3-7, 71-3-121, 73-15-29, 73-19-23,
109 73-21-127, 73-25-29 AND 83-9-22, MISSISSIPPI CODE OF 1972, TO
110 CONFORM TO THE PROVISIONS OF THIS ACT; TO BRING FORWARD SECTIONS
111 17-1-3, 19-5-9, 25-43-1.103, 25-43-2.101, 25-43-3.102,
112 25-43-3.103, 25-43-3.104, 25-43-3.105, 25-43-3.106, 25-43-3.107,
113 25-43-3.109, 25-43-3.110 AND 25-43-3.113, MISSISSIPPI CODE OF
114 1972, WHICH ARE SECTIONS OF THE MISSISSIPPI ADMINISTRATIVE
115 PROCEDURES LAW AND THE PROVISIONS RELATING TO THE ADOPTION OF
116 BUILDING CODES IN COUNTIES, FOR THE PURPOSES OF POSSIBLE
117 AMENDMENT; TO AMEND SECTION 25-43-3.108, MISSISSIPPI CODE OF 1972,
118 TO MAKE SOME MINOR NONSUBSTANTIVE CHANGES; TO BRING FORWARD
119 SECTION 41-3-15, MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR
120 POWERS AND DUTIES OF THE STATE BOARD OF HEALTH, FOR THE PURPOSES
121 OF POSSIBLE AMENDMENT; TO AMEND SECTIONS 27-7-22.5 AND 27-7-22.30,
122 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT MEDICAL CANNABIS
123 ESTABLISHMENTS ARE NOT ELIGIBLE FOR CERTAIN INCOME TAX CREDITS
124 AUTHORIZED BY SUCH SECTIONS; TO AMEND SECTIONS 27-31-51 AND
125 27-31-53, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT PERSONAL
126 PROPERTY OF MEDICAL CANNABIS ESTABLISHMENTS IS NOT ELIGIBLE FOR
127 FREEPORT WAREHOUSE AD VALOREM TAX EXEMPTIONS; TO AMEND SECTIONS
128 27-31-101 AND 27-31-104, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
129 COUNTY BOARDS OF SUPERVISORS AND MUNICIPAL AUTHORITIES CANNOT
130 GRANT CERTAIN AD VALOREM TAX EXEMPTIONS FOR MEDICAL CANNABIS
131 ESTABLISHMENTS OR ENTER INTO FEE-IN-LIEU OF AD VALOREM TAX
132 AGREEMENTS WITH MEDICAL CANNABIS ESTABLISHMENTS; TO AMEND SECTION
133 27-65-17, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT MEDICAL
134 CANNABIS ESTABLISHMENTS ARE NOT CONSIDERED TO BE TECHNOLOGY
135 INTENSIVE ENTERPRISES FOR PURPOSES OF THE REDUCED SALES TAX RATE
136 AUTHORIZED FOR SALES OF MACHINERY AND MACHINE PARTS TO TECHNOLOGY



137 INTENSIVE ENTERPRISES; TO AMEND SECTION 27-65-101, MISSISSIPPI
138 CODE OF 1972, TO PROVIDE THAT CERTAIN INDUSTRIAL SALES TAX
139 EXEMPTIONS DO NOT APPLY TO SALES TO MEDICAL CANNABIS
140 ESTABLISHMENTS; TO AMEND SECTION 37-148-3, MISSISSIPPI CODE OF
141 1972, TO EXCLUDE MEDICAL CANNABIS ESTABLISHMENTS FROM THE
142 DEFINITION OF THE TERM "INVESTOR" UNDER THE STRENGTHENING
143 MISSISSIPPI ACADEMIC RESEARCH THROUGH BUSINESS ACT; TO AMEND
144 SECTION 57-1-16, MISSISSIPPI CODE OF 1972, TO EXCLUDE MEDICAL
145 CANNABIS ESTABLISHMENTS FROM THE DEFINITION OF THE TERM
146 "EXTRAORDINARY ECONOMIC DEVELOPMENT OPPORTUNITY" FOR PURPOSES OF
147 THE ACE FUND; TO AMEND SECTION 57-1-221, MISSISSIPPI CODE OF 1972,
148 TO EXCLUDE MEDICAL CANNABIS ESTABLISHMENTS FROM THE DEFINITION OF
149 THE TERM "PROJECT" FOR PURPOSES OF THE MISSISSIPPI INDUSTRY
150 INCENTIVE FINANCING REVOLVING FUND; TO AMEND SECTION 57-10-401,
151 MISSISSIPPI CODE OF 1972, TO EXCLUDE MEDICAL CANNABIS
152 ESTABLISHMENTS FROM THE DEFINITION OF THE TERM "ELIGIBLE COMPANY"
153 FOR PURPOSES OF THE SECTIONS OF LAW THAT PROVIDE FOR THE ISSUANCE
154 OF BONDS BY THE MISSISSIPPI BUSINESS FINANCE CORPORATION TO
155 FINANCE ECONOMIC DEVELOPMENT PROJECTS IN ORDER TO INDUCE THE
156 LOCATION OR EXPANSION OF CERTAIN BUSINESSES WITHIN THIS STATE; TO
157 AMEND SECTION 57-61-5, MISSISSIPPI CODE OF 1972, TO EXCLUDE
158 MEDICAL CANNABIS ESTABLISHMENTS FROM THE DEFINITION OF THE TERM
159 "PRIVATE COMPANY" UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT;
160 TO AMEND SECTION 57-62-5, MISSISSIPPI CODE OF 1972, TO EXCLUDE
161 MEDICAL CANNABIS ESTABLISHMENTS FROM THE DEFINITION OF THE TERM
162 "QUALIFIED BUSINESS OR INDUSTRY" UNDER THE MISSISSIPPI ADVANTAGE
163 JOBS ACT; TO AMEND SECTION 57-69-3, MISSISSIPPI CODE OF 1972, TO
164 EXCLUDE MEDICAL CANNABIS ESTABLISHMENTS FROM THE DEFINITION OF THE
165 TERMS "MINORITY BUSINESS ENTERPRISE" AND "MINORITY BUSINESS
166 ENTERPRISE SUPPLIER" UNDER THE MISSISSIPPI MINORITY BUSINESS
167 ENTERPRISE ACT; TO AMEND SECTION 57-71-5, MISSISSIPPI CODE OF
168 1972, TO EXCLUDE MEDICAL CANNABIS ESTABLISHMENTS FROM THE
169 DEFINITION OF PRIVATE COMPANY; TO AMEND SECTION 57-73-21,
170 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT MEDICAL CANNABIS
171 ESTABLISHMENTS ARE NOT ELIGIBLE FOR CERTAIN INCOME TAX CREDITS
172 AUTHORIZED BY SUCH SECTION; TO AMEND SECTION 57-80-5, MISSISSIPPI
173 CODE OF 1972, TO EXCLUDE MEDICAL CANNABIS ESTABLISHMENTS FROM THE
174 DEFINITION OF THE TERM "BUSINESS ENTERPRISE" UNDER THE GROWTH AND
175 PROSPERITY ACT; TO AMEND SECTION 57-85-5, MISSISSIPPI CODE OF
176 1972, TO EXCLUDE MEDICAL CANNABIS ESTABLISHMENTS FROM THE
177 DEFINITION OF THE TERMS "PROJECT" AND "RURAL BUSINESS" UNDER THE
178 MISSISSIPPI RURAL IMPACT ACT; TO AMEND SECTION 57-91-5,
179 MISSISSIPPI CODE OF 1972, TO EXCLUDE MEDICAL CANNABIS
180 ESTABLISHMENTS FROM THE DEFINITION OF THE TERM "BUSINESS
181 ENTERPRISE" UNDER THE ECONOMIC REDEVELOPMENT ACT; TO AMEND SECTION
182 57-117-3, MISSISSIPPI CODE OF 1972, TO EXCLUDE MEDICAL CANNABIS
183 ESTABLISHMENTS FROM THE DEFINITION OF THE TERMS "HEALTH CARE
184 INDUSTRY FACILITY" AND "QUALIFIED BUSINESS" UNDER THE MISSISSIPPI
185 HEALTH CARE INDUSTRY ZONE ACT; TO AMEND SECTION 57-119-11,
186 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE MISSISSIPPI
187 DEVELOPMENT AUTHORITY SHALL NOT PROVIDE FINANCIAL ASSISTANCE FROM



THE GULF COAST RESTORATION FUND FOR PROJECTS THAT ARE MEDICAL CANNABIS ESTABLISHMENTS OR PROJECTS RELATED TO MEDICAL CANNABIS ESTABLISHMENTS; TO AMEND SECTION 65-4-5, MISSISSIPPI CODE OF 1972, TO EXCLUDE MEDICAL CANNABIS ESTABLISHMENTS FROM THE DEFINITION OF THE TERMS "HIGH ECONOMIC BENEFIT PROJECT" AND "PRIVATE COMPANY" UNDER THE ECONOMIC DEVELOPMENT HIGHWAY ACT; TO AMEND SECTIONS 69-2-11 AND 69-2-13, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY SHALL NOT PROVIDE FINANCIAL ASSISTANCE TO MEDICAL CANNABIS ESTABLISHMENTS UNDER THE MISSISSIPPI FARM REFORM ACT OF 1987; AND FOR RELATED PURPOSES.

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

SECTION 1. **Title.** This chapter shall be known and may be cited as the "Mississippi Medical Cannabis Act."

SECTION 2. **Definitions.** For purposes of this chapter, unless the context requires otherwise, the following terms shall have the meanings ascribed herein:

(a) "Allowable amount of medical cannabis" means an amount not to exceed the maximum amount of Mississippi Medical Cannabis Equivalency Units ("MMCEU").

(b) "Bona fide practitioner-patient relationship" means:

(i) A practitioner and patient have a treatment or consulting relationship, during the course of which the practitioner, within his or her scope of practice, has completed an in-person assessment of the patient's medical history and current mental health and medical condition and has documented their certification in the patient's medical file;

(ii) The practitioner has consulted in person with the patient with respect to the patient's debilitating medical condition; and



(iii) The practitioner is available to or offers to provide follow-up care and treatment to the patient.

(c) "Cannabis" means all parts of the plant of the genus cannabis, the flower, 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 whole plant extracts. Such term shall not mean cannabis derived drug products approved by the federal Food and Drug Administration under Section 505 of the Federal Food, Drug, and Cosmetic Act.

(d) "Cannabis cultivation facility" means a business entity licensed and registered by the Mississippi Department of Health that acquires, grows, cultivates and harvests medical cannabis in an indoor, enclosed, locked and secure area.

(e) "Cannabis disposal entity" means a business licensed and registered by the Mississippi Department of Health that is involved in the commercial disposal or destruction of medical cannabis.

(f) "Cannabis processing facility" means a business entity that is licensed and registered by the Mississippi Department of Health that:

(i) Acquires or intends to acquire cannabis from a cannabis cultivation facility;

(ii) Possesses cannabis with the intent to manufacture a cannabis product;



(iii) Manufactures or intends to manufacture a cannabis product from unprocessed cannabis or a cannabis extract; and

(iv) Sells or intends to sell a cannabis product to a medical cannabis dispensary, cannabis testing facility or cannabis research facility.

(g) "Cannabis products" means cannabis flower, concentrated cannabis, cannabis extracts and products that are infused with cannabis or an extract thereof and are intended for use or consumption by humans. The term includes, without limitation, edible cannabis products, beverages, topical products, ointments, oils, tinctures and suppositories that contain tetrahydrocannabinol (THC) and/or cannabidiol (CBD) except those products excluded from control under Sections 41-29-113 and 41-29-136.

(h) "Cannabis research facility" or "research facility" means a research facility at any university or college in this state or an independent entity licensed and registered by the Mississippi Department of Health pursuant to this chapter that acquires cannabis from cannabis cultivation facilities and cannabis processing facilities in order to research cannabis, develop best practices for specific medical conditions, develop medicines and provide commercial access for medical use.

(i) "Cannabis testing facility" or "testing facility" means an independent entity licensed and registered by the



Mississippi Department of Health that analyzes the safety and potency of cannabis.

(j) "Cannabis transportation entity" means an independent entity licensed and registered by the Mississippi Department of Health that is involved in the commercial transportation of medical cannabis.

(k) "Canopy" means the total surface area within a cultivation area that is dedicated to the cultivation of flowering cannabis plants. The surface area of the plant canopy must be calculated in square feet and measured and must include all of the area within the boundaries where the cultivation of the flowering cannabis plants occurs. If the surface area of the plant canopy consists of noncontiguous areas, each component area must be separated by identifiable boundaries. If a tiered or shelving system is used in the cultivation area the surface area of each tier or shelf must be included in calculating the area of the plant canopy. Calculation of the area of the plant canopy may not include the areas within the cultivation area that are used to cultivate immature cannabis plants and seedlings, prior to flowering, and that are not used at any time to cultivate mature cannabis plants.

(l) "Cardholder" means a registered qualifying patient or a registered designated caregiver who has been issued and possesses a valid registry identification card.



(m) "Chronic pain" means a pain state in which the cause of the pain cannot be removed or otherwise treated, and which in the generally accepted course of medical practice, no relief or cure of the cause of the pain is possible, or none has been found after reasonable efforts by a practitioner.

(n) "Concentrate" means a substance obtained by separating cannabinoids from cannabis by:

(i) A mechanical extraction process;

(ii) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, food-grade ethanol or steam distillation; or

(iii) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure.

(o) "Debilitating medical condition" means:

(i) Cancer, Parkinson's disease, Huntington's disease, muscular dystrophy, glaucoma, spastic quadriplegia, positive status for human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), hepatitis, amyotrophic lateral sclerosis (ALS), Crohn's disease, ulcerative colitis, sickle-cell anemia, Alzheimer's disease, agitation of dementia, post-traumatic stress disorder (PTSD), autism, pain refractory to appropriate opioid management, diabetic/peripheral neuropathy, spinal cord disease or severe injury, or the treatment of these conditions;



(ii) A chronic, terminal or debilitating disease or medical condition, or its treatment, that produces one or more of the following: cachexia or wasting syndrome, chronic pain, severe or intractable nausea, seizures, or severe and persistent muscle spasms, including, but not limited to, those characteristic of multiple sclerosis; or

(iii) Any other serious medical condition or its treatment added by the Mississippi Department of Health, as provided for in Section 9 of this act.

(p) "Designated caregiver" means a person who:

(i) Has agreed to assist with a registered qualifying patient's medical use of medical cannabis;

(ii) Assists no more than five (5) registered qualifying patients with their medical use of medical cannabis, unless the designated caregiver's registered qualifying patients each reside in or are admitted to a health care facility or facility providing residential care services or day care services where the designated caregiver is employed;

(iii) Is at least twenty-one (21) years of age unless the person is the parent or legal guardian of each qualifying patient the person assists; and

(iv) Has not been convicted of a disqualifying felony offense.

(q) "Disqualifying felony offense" means:



(i) A conviction for a crime of violence, as defined in Section 97-3-2;

(ii) A conviction for a crime that was defined as a violent crime in the law of the jurisdiction in which the offense was committed, and that was classified as a felony in the jurisdiction where the person was convicted; or

(iii) A conviction for a violation of a state or federal controlled substances law that was classified as a felony in the jurisdiction where the person was convicted, including the service of any term of probation, incarceration or supervised release within the previous five (5) years and the offender has not committed another similar offense since the conviction. Under this subparagraph (iii), a disqualifying felony offense shall not include a conviction that consisted of conduct for which this chapter would likely have prevented the conviction but for the fact that the conduct occurred before the effective date of this act.

(r) "Edible cannabis products" means products that:

(i) Contain or are infused with cannabis or an extract thereof;

(ii) Are intended for human consumption by oral ingestion; and

(iii) Are presented in the form of foodstuffs, beverages, extracts, oils, tinctures, lozenges and other similar products.



(s) "Entity" means a corporation, general partnership, limited partnership or limited liability company that has been registered with the Secretary of State as applicable.

(t) "MMCEU" means Mississippi Medical Cannabis Equivalency Unit. One unit of MMCEU shall be considered equal to:

(i) Three and one-half (3.5) grams of medical cannabis flower;

(ii) One (1) gram of medical cannabis concentrate; or

(iii) One hundred (100) milligrams of THC in an infused product.

(u) "MDAC" means the Mississippi Department of Agriculture and Commerce.

(v) "MDOH" means the Mississippi Department of Health.

(w) "MDOR" means the Mississippi Department of Revenue.

(x) "Medical cannabis" means cannabis, cannabis products and edible cannabis that are intended to be used by registered qualifying patients as provided in this chapter.

(y) "Medical cannabis dispensary" or "dispensary" means an entity licensed and registered with the MDOR that acquires, possesses, stores, transfers, sells, supplies or dispenses medical cannabis, equipment used for medical cannabis, or related supplies and educational materials to cardholders.

(z) "Medical cannabis establishment" means a cannabis cultivation facility, cannabis processing facility, cannabis



testing facility, cannabis dispensary, cannabis transportation entity, cannabis disposal entity or cannabis research facility licensed and registered by the appropriate agency.

(aa) "Medical cannabis establishment agent" means an owner, officer, board member, employee, volunteer or agent of a medical cannabis establishment.

(bb) "Medical use" includes the acquisition, administration, cultivation, processing, delivery, harvest, possession, preparation, transfer, transportation, or use of medical cannabis or equipment relating to the administration of medical cannabis to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition. The term "medical use" does not include:

(i) The cultivation of cannabis unless the cultivation is done by a cannabis cultivation facility; or

(ii) The extraction of resin from cannabis by mechanical or chemical extraction unless the extraction is done by a cannabis processing facility.

(cc) "Nonresident cardholder" means a person who:

(i) Has been diagnosed with a debilitating medical condition by a practitioner in his or her respective state or territory, or is the parent, guardian, conservator or other person with authority to consent to the medical use of medical cannabis



415 by a person who has been diagnosed with a debilitating medical
416 condition;

417 (ii) Is not a resident of Mississippi or who has
418 been a resident of Mississippi for less than forty-five (45) days;
419 and

420 (iii) Has submitted any documentation required by
421 MDOH rules and regulations and has received confirmation of
422 registration.

423 (dd) "Practitioner" means a physician, certified nurse
424 practitioner, physician assistant or optometrist who is licensed
425 to prescribe medicine under the licensing requirements of their
426 respective occupational boards and the laws of this state. In
427 relation to a nonresident cardholder, the term means a physician,
428 certified nurse practitioner, physician assistant or optometrist
429 who is licensed to prescribe medicine under the licensing
430 requirements of their respective occupational boards and under the
431 laws of the state or territory in which the nonresident patient
432 resides. For registered qualifying patients who are minors,
433 "practitioner" shall mean a physician or doctor of osteopathic
434 medicine who is licensed to prescribe medicine under the licensing
435 requirements of their respective occupational boards and the laws
436 of this state.

437 (ee) "Public place" means a church or any area to which
438 the general public is invited or in which the general public is
439 permitted, regardless of the ownership of the area, and any area



owned or controlled by a municipality, county, state or federal government, including, but not limited to, streets, sidewalks or other forms of public transportation. Such term shall not mean a private residential dwelling.

(ff) "Qualifying patient" means a person who has been diagnosed by a practitioner as having a debilitating medical condition and has been issued a written certification.

(gg) "Registry identification card" means a document issued by the MDOH that identifies a person as a registered qualifying patient, nonresident registered qualifying patient or registered designated caregiver.

(hh) "School" means an institution for the teaching of children, consisting of a physical location, whether owned or leased, including instructional staff members and students, and which is in session each school year. This definition shall include, but not be limited to, public, private, church and parochial programs for kindergarten, elementary, junior high and high schools. Such term shall not mean a home instruction program.

(ii) "Scope of practice" means the defined parameters of various duties, services or activities that may be provided or performed by a certified nurse practitioner as authorized under Sections 73-15-5 and 73-15-20, by an optometrist as authorized under Section 73-19-1, by a physician as authorized under Section 73-25-33, or by a physician assistant under Section 73-26-5, and



rules and regulations adopted by the respective licensing boards for those practitioners.

(jj) "THC" or "Tetrahydrocannabinol" means any and all forms of tetrahydrocannabinol that are contained naturally in the cannabis plant, as well as synthesized forms of THC and derived variations, derivatives, isomers and allotropes that have similar molecular and physiological characteristics of tetrahydrocannabinol, including, but not limited to THCA, THC Delta 9, THC Delta 8, THC Delta 10 and THC Delta 6.

(kk) "Written certification" means a form approved by the MDOH, signed and dated by a practitioner, certifying that a person has a debilitating medical condition. A written certification shall include the following:

(i) The date of issue and the effective date of the recommendation;

(ii) The patient's name, date of birth and address;

(iii) The practitioner's name, address, and federal Drug Enforcement Agency number; and

(iv) The practitioner's signature.

SECTION 3. Authorization to use medical cannabis;

requirements. (1) No person shall be authorized to use medical cannabis in this state unless the person (a) has been diagnosed by a practitioner, with whom the person has a bona fide practitioner-patient relationship within his or her scope of



practice, as having a debilitating medical condition for which the practitioner believes, in his or her professional opinion, that the person would likely receive medical or palliative benefit from the medical use of medical cannabis to treat or alleviate the person's debilitating medical condition or symptoms associated with the person's debilitating medical condition, (b) has received a written certification of that diagnosis from the practitioner, and (c) has been issued a registry identification card from the MDOH under Section 12 of this act. A person who has been diagnosed by a practitioner as specified in paragraph (a) of this subsection shall be a qualifying patient, and the practitioner who has diagnosed the patient shall document that diagnosis with a written certification. However, nothing herein shall require a practitioner to issue a written certification.

(2) A written certification shall:

(a) Affirm that it is made in the course of a bona fide practitioner-patient relationship;

(b) Remain current for twelve (12) months, unless the practitioner specifies a shorter period of time;

(c) Be issued only after an in-person assessment of the patient by a practitioner;

(d) Only be issued on behalf of a minor when the minor's parent or guardian is present and provides signed consent; and



(e) Be limited to the allowable amount of cannabis in a thirty-day period.

(3) After a qualifying patient receives a written certification from a practitioner, the patient shall be required to make a follow-up visit with the practitioner not less than six (6) months after the date of issuance of the certification for the practitioner to evaluate and determine the effectiveness of the patient's medical use of medical cannabis to treat or alleviate the patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition.

(4) Before dispensing medical cannabis to a cardholder, the dispensary from which the cardholder is obtaining medical cannabis shall verify the identity of the cardholder and the authority of the cardholder to use medical cannabis as provided in Section 20 of this act and shall determine the maximum amount of medical cannabis that a cardholder is eligible to receive and the amount of medical cannabis that the cardholder has received from all dispensaries during a specified period of time using the statewide seed-to-sale tracking system under Section 6 of this act.

(5) A practitioner shall be registered to issue written certifications to qualifying patients by completing the required application process as set forth by the MDOH. The MDOH shall require a practitioner to complete a minimum of eight (8) hours of continuing education in medical cannabis in order to issue written certifications. After the first year of registration, these



practitioners shall complete five (5) hours of continuing education in medical cannabis annually to maintain this registration.

(6) Only physicians and doctors of osteopathic medicine may issue written certifications to registered qualifying patients who are minors.

SECTION 4. General Responsibilities of Departments. (1)

The MDOH shall have the ultimate authority for oversight of the administration of the medical cannabis program, and the MDOH shall coordinate the activities of the MDOH, MDAC and MDOR under the provisions of this chapter in order to best effectuate the purpose and intent of this chapter.

(2) (a) The MDOH shall delegate the responsibilities for the inspection, regulation and enforcement of cannabis cultivation facilities, cannabis processing facilities, cannabis transportation entities and cannabis disposal entities to the MDAC, and the MDAC shall accept the delegation of and perform those responsibilities. The MDAC shall be ultimately responsible for the performance of its powers and duties under this chapter and the responsibilities delegated to the MDAC under this subsection.

(b) The MDAC may contract with other governmental agencies and public or private third parties to assist the MDAC with carrying out any of the responsibilities delegated to the MDAC under this subsection. However, the MDAC shall be ultimately



564 responsible for the performance of the responsibilities delegated
565 to the MDAC under this subsection that are exercised by any agency
566 or third party with which the MDAC has contracted under the
567 authority of this subsection.

568 (3) The MDOH shall be responsible for:

569 (a) The licensing, oversight and inspection of cannabis
570 testing facilities and cannabis research facilities;

571 (b) The licensing of cannabis cultivation facilities,
572 cannabis processing facilities, cannabis transportation entities
573 and cannabis disposal entities;

574 (c) The application and licensing of registry
575 identification cards for qualifying patients and designated
576 caregivers;

577 (d) The registering of practitioners in accordance with
578 this chapter; and

579 (e) The selection, certification and oversight of the
580 statewide seed-to-sale tracking system as provided for in Section
581 6 of this act.

582 (4) Unless otherwise provided herein, the MDOR shall be
583 responsible for the licensing, inspection and oversight of medical
584 cannabis dispensaries.

585 (5) The MDOR and MDOH shall accept applications for and
586 award licenses according to their respective duties as provided
587 for in this chapter, subject to the following:



588 (a) Not later than one hundred twenty (120) days after
589 the effective date of this act, the MDOH shall begin accepting
590 applications, registering and licensing registry identification
591 cards and practitioners.

592 (b) After one hundred twenty (120) days from the
593 effective date of this act, the MDOH shall begin licensing and
594 registering cannabis cultivation facilities, cannabis processing
595 facilities, cannabis testing facilities, cannabis research
596 facilities, cannabis disposal entities and cannabis transportation
597 entities. After one hundred fifty (150) days from the effective
598 date of this act, the MDOR shall issue licenses for medical
599 cannabis dispensaries as provided for in this chapter within
600 thirty (30) days of receipt of the application from an applicant
601 or within thirty (30) days after the initial one hundred fifty
602 (150) day period, whichever is the later date.

603 (6) The MDOR and MDOH shall issue a registration certificate
604 and a random ten-digit alphanumeric identification number to each
605 licensed medical cannabis establishment, as applicable.

606 (7) After one hundred twenty (120) days from the effective
607 date of this act, the MDOH shall issue licenses according to their
608 respective duties as provided for in this chapter within thirty
609 (30) days of receipt of the application from an applicant or
610 within thirty (30) days after the initial one hundred twenty (120)
611 day period, whichever is the later date. After one hundred fifty
612 (150) days from the effective date of this act, the MDOR shall



613 issue licenses according to their respective duties as provided
614 for in this chapter within thirty (30) days of receipt of the
615 application from an applicant or within thirty (30) days after the
616 initial one-hundred-fifty-day period, whichever is the later date.

617 (8) It is the intent of the Legislature that the MDOH, MDAC,
618 MDOR and any other state agency, as needed, shall cooperate and
619 collaborate together to accomplish the purposes of this chapter.

620 (9) (a) Subject to paragraph (b) of this subsection, the
621 Department of Public Safety shall not be involved in or have any
622 role regarding the administration, regulation or oversight of the
623 medical cannabis program established under this chapter; however,
624 this provision does not prohibit the department from carrying out
625 any law enforcement activities that a law enforcement agency may
626 exercise under this chapter or that the department may exercise
627 under the authority of any other law.

628 (b) The Department of Public Safety may assist the MDOH
629 in conducting background checks of individuals as required under
630 this chapter.

631 **SECTION 5. Protections for the medical use of cannabis.** (1)

632 There is a presumption that a registered qualifying patient is
633 engaged in the medical use of medical cannabis under this chapter
634 if the person is in possession of a registry identification card
635 and an amount of medical cannabis that does not exceed the
636 allowable amount of medical cannabis. There is a presumption that
637 a registered designated caregiver is assisting in the medical use



of medical cannabis under this chapter if the person is in possession of a registry identification card and an amount of medical cannabis that does not exceed the allowable amount of medical cannabis. These presumptions may be rebutted by evidence that conduct related to medical cannabis was not for the purpose of treating or alleviating a registered qualifying patient's debilitating medical condition or symptoms associated with the registered qualifying patient's debilitating medical condition under this chapter.

(2) Subject to the conditions, limitations, requirements and exceptions set forth in this chapter, the following activities related to medical cannabis shall be considered lawful:

(a) The purchase, transportation or possession of up to the allowable amount or medical use of medical cannabis;

(b) Financial reimbursement by a registered qualifying patient to the patient's registered designated caregiver for direct costs incurred by the registered designated caregiver for assisting with the registered qualifying patient's medical use of medical cannabis;

(c) Compensating a dispensary for goods or services provided;

(d) The provision, by a professional or occupational licensee, of advice or services related to medical cannabis activities allowed under this chapter, to the extent such advice



662 or services meet or exceed the applicable professional or
663 occupational standard of care;

664 (e) Providing or selling equipment used to ingest
665 medical cannabis to a cardholder, nonresident cardholder or to a
666 medical cannabis establishment;

667 (f) Acting as a designated caregiver to assist a
668 registered qualifying patient with the act of using or
669 administering medical cannabis;

670 (g) Activities by a medical cannabis establishment or a
671 medical cannabis establishment agent that are allowed by its
672 license and registration;

673 (h) Activities by a dispensary or a dispensary agent to
674 possess, store or sell medical cannabis products, educational
675 materials and products used to ingest medical cannabis to
676 cardholders, nonresident cardholders and other dispensaries, or to
677 purchase or otherwise acquire medical cannabis products from
678 cannabis cultivation facilities, cannabis processing facilities,
679 cannabis research facilities or other dispensaries;

680 (i) Activities by a cannabis cultivation facility,
681 cannabis processing facility or agents of these facilities to:

682 (i) Possess, plant, propagate, cultivate, grow,
683 harvest, produce, process, manufacture, compound, convert,
684 prepare, pack, repack or store medical cannabis;



685 (ii) Purchase or otherwise acquire medical
686 cannabis and cannabis products from medical cannabis
687 establishments; or
688 (iii) Sell, supply or transfer medical cannabis
689 products, equipment used to ingest medical cannabis, and related
690 supplies and educational materials to other cannabis cultivation
691 facilities, cannabis processing facilities or dispensaries.
692 (j) Activities by a cannabis research facility, a
693 cannabis testing facility or agents of these facilities to:
694 (i) Purchase or otherwise acquire medical cannabis
695 from medical cannabis establishments;
696 (ii) Possess, produce, process, compound, convert,
697 prepare, pack, test, repack and store medical cannabis and
698 cannabis products obtained from medical cannabis establishments;
699 or
700 (iii) Sell, supply or transfer medical cannabis,
701 educational materials and equipment used to ingest medical
702 cannabis to cannabis cultivation facilities, cannabis processing
703 facilities, cannabis testing facilities and cannabis research
704 facilities.
705 (k) Activities by a cannabis transportation entity or a
706 cannabis disposal entity to transport, supply, deliver, dispose of
707 or destroy cannabis, as applicable.
708 (3) Any medical cannabis, cannabis product, equipment used
709 to ingest medical cannabis, or other interest in or right to



property that is possessed, owned or used in connection with the medical use of medical cannabis as authorized by this chapter, or acts incidental to such use, shall not be seized or forfeited. This chapter shall not prevent the seizure or forfeiture of medical cannabis exceeding the allowable amounts of medical cannabis, nor shall it prevent seizure or forfeiture if the basis for the action is unrelated to the medical cannabis that is possessed, processed, transferred or used pursuant to this chapter.

(4) Possession of, or application for, a registry identification card shall not:

- (a) Constitute probable cause or reasonable suspicion;
- (b) Be used to support a search of the person or property of the person possessing or applying for the registry identification card; or
- (c) Subject the person or property of the person to inspection by any governmental agency.

(5) It is the public policy of the State of Mississippi that contracts related to medical cannabis that are entered into by cardholders, medical cannabis establishments, medical cannabis establishment agents and those who allow property to be used by those persons, should be enforceable to the extent that those activities comply with the other provisions of this chapter. It is the public policy of the State of Mississippi that no contract entered into by a cardholder, a medical cannabis establishment, or



a medical cannabis establishment agent, or by a person who allows property to be used for activities that are authorized under this chapter, shall be unenforceable on the basis that activities related to cannabis are prohibited by federal law.

(6) An applicant for a professional or occupational license shall not be denied a license based on previous employment related to medical cannabis activities that are allowed under this chapter.

SECTION 6. **Seed-to-sale tracking system.** (1) Each medical cannabis establishment shall use a statewide seed-to-sale tracking system certified by the MDAC and MDOH to track medical cannabis from seed or immature plant stage until the medical cannabis is purchased by a registered qualifying patient or registered designated caregiver or destroyed. Records entered into the seed-to-sale tracking system shall include each day's beginning inventory, harvests, acquisitions, sales, disbursements, remediations, disposals, transfers, ending inventory, and any other data necessary for inventory control records in the statewide seed-to-sale tracking system. Each medical cannabis dispensary shall be responsible for ensuring that all medical cannabis sold or disbursed to a registered qualifying patient or registered designated caregiver is recorded in the seed-to-sale tracking system as a purchase by or on behalf of the applicable registered qualifying patients.



(2) Amounts of medical cannabis shall be recorded in the following manner:

(a) For dried, unprocessed cannabis, in ounces or grams;

(b) For concentrates, in grams; or

(c) For infused products, by milligrams of THC.

(3) The seed-to-sale tracking system used by cannabis cultivation facilities, dispensaries, cannabis processing facilities, cannabis testing facilities, cannabis research facilities, cannabis transportation entities and cannabis disposal entities shall be capable of:

(a) Allowing those facilities and entities to interface with the statewide system such that a facility may enter and access information in the statewide system;

(b) Providing the MDAC, MDOR and MDOH with access to all information stored in the system's database;

(c) Maintaining the confidentiality of all patient and caregiver data and records accessed or stored by the system such that all persons or entities other than the MDAC, MDOR and MDOH may only access the information in the system that they are authorized by law to access;

(d) Producing analytical reports to the MDAC, MDOR and MDOH regarding the total quantity of daily, monthly, and yearly sales at the facility per product type; the average prices of daily, monthly, and yearly sales at the facility per product type;



and total inventory or sales record adjustments at the facility;
and

(e) The ability to determine the amount of medical cannabis that a registered qualifying patient or registered designated caregiver has purchased that day in real time by searching a patient registration number.

(4) Banks and other financial institutions may be allowed access to specific limited information from the seed-to-sale tracking system. The information that may be available to these institutions shall be limited to financial data of individuals and business entities that have a business relationship with these institutions. This information shall be limited to the information needed for banks to comply with applicable federal regulations and shall not disclose any medical or personal information about registered cardholders or designated caregivers.

SECTION 7. Limitations. (1) This chapter shall not be construed to do any of the following:

(a) Require an organization for managed care, health benefit plan, private health insurer, government medical assistance program, employer, property and casualty, or workers' compensation insurer or self-insured group providing coverage for a medical, pharmacy or health care service to pay for or reimburse any other individual or entity for costs associated with the medical use of cannabis;



808 (b) Require any employer to permit, accommodate, or
809 allow the medical use of medical cannabis, or to modify any job or
810 working conditions of any employee who engages in the medical use
811 of medical cannabis or who for any reason seeks to engage in the
812 medical use of medical cannabis;

813 (c) Prohibit any employer from refusing to hire,
814 discharging, disciplining, or otherwise taking an adverse
815 employment action against an individual with respect to hiring,
816 discharging, tenure, terms, conditions, or privileges of
817 employment as a result, in whole or in part, of that individual's
818 medical use of medical cannabis, regardless of the individual's
819 impairment or lack of impairment resulting from the medical use of
820 medical cannabis;

821 (d) Prohibit or limit the ability of any employer from
822 establishing or enforcing a drug testing policy;

823 (e) Interfere with, impair or impede any federal
824 restrictions or requirements on employment or contracting,
825 including, but not limited to, regulations adopted by the United
826 States Department of Transportation in Title 49, Code of Federal
827 Regulations;

828 (f) Permit, authorize, or establish any individual's
829 right to commence or undertake any legal action against an
830 employer for refusing to hire, discharging, disciplining or
831 otherwise taking an adverse employment action against an
832 individual with respect to hiring, discharging, tenure, terms,



conditions or privileges of employment due to the individual's medical use of medical cannabis;

(g) Affect, alter or otherwise impact the workers' compensation premium discount available to employers who establish a drug-free workplace program in accordance with Section 71-3-201 et seq.;

(h) Affect, alter or otherwise impact an employer's right to deny or establish legal defenses to the payment of workers' compensation benefits to an employee on the basis of a positive drug test or refusal to submit to or cooperate with a drug test, as provided under Section 71-3-7 and Section 71-3-121; or

(i) Affect, alter or supersede any obligation or condition imposed on a parolee, probationer or an individual participating in a pretrial diversion program or other court-ordered substance abuse rehabilitation program.

(2) This chapter does not authorize any individual to engage in, and does not prevent the imposition of any civil, criminal or other penalties for engaging in, the following conduct:

(a) Acting with negligence, gross negligence, recklessness, in breach of any applicable professional or occupational standard of care, or to effect an intentional wrong, as a result, in whole or in part, of that individual's medical use of medical cannabis;



(b) Possessing medical cannabis or otherwise engaging in the medical use of medical cannabis in any correctional facility, unless the correctional facility has elected to allow the cardholder to engage in the use of medical cannabis;

(c) Smoking medical cannabis in a public place or in a motor vehicle; for purposes of this paragraph (c), the term "smoking" includes vaping and any other method of inhalation of medical cannabis;

(d) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, train, motorboat or other conveyance in a manner that would violate Section 59-23-7, Section 63-11-30 or federal law as a result, in whole or in part, of that individual's medical use of medical cannabis;

(e) Possessing medical cannabis in excess of the allowable amount of medical cannabis; or

(f) Consumption, by a registered designated caregiver, of cannabis provided for use to a registered qualifying patient.

SECTION 8. Discrimination prohibited. (1) A person shall not be denied custody of or visitation rights or parenting time with a minor solely for the person's status as a cardholder.

(2) No school, landlord or employer may be penalized or denied any benefit under state law for enrolling, leasing to or employing a cardholder.

(3) A registered qualifying patient or registered designated caregiver shall not be denied the right to own, purchase or



possess a firearm, firearm accessory or ammunition based solely on his or her status as a registered qualifying patient or registered designated caregiver. No state or local agency, municipal or county governing authority shall restrict, revoke, suspend or otherwise infringe upon the right of a person to own, purchase or possess a firearm, firearm accessory or ammunition or any related firearms license or certification based solely on his or her status as a registered qualifying patient or registered designated caregiver.

(4) Facilities such as schools, child care facilities and temporary care providers shall be allowed to administer medical cannabis in the same manner as with medical prescriptions.

(5) Nothing in this chapter shall be construed as to create a private right of action by an employee against an employer.

(6) Nothing in this chapter shall be construed to affect the existing legal relationship between an employer and employee or any existing law or regulation relating to such relationship.

SECTION 9. Addition of debilitating medical conditions. (1)

Any resident of Mississippi may petition the MDOH to add serious medical conditions or their treatments to the list of debilitating medical conditions listed in Section 2 of this act. The MDOH shall consider petitions in accordance with its rules and regulations, including public notices and hearings. The MDOH shall approve or deny a petition within sixty (60) days of its submission.



(2) The approval or denial of any petition is a final decision of the MDOH. Any person aggrieved by a final decision may obtain judicial review thereof in accordance with Section 31 of this act.

SECTION 10. Acts not required and acts not prohibited. (1)

Nothing in this chapter requires a government medical assistance program or private insurer to reimburse a person for costs associated with the medical use of medical cannabis.

(2) Nothing in this chapter prohibits an employer from disciplining an employee for ingesting medical cannabis in the workplace or for working while under the influence of medical cannabis.

(3) Any person or establishment that is in lawful possession of property may allow a guest, client, customer or other visitor to use medical cannabis on or in that property as authorized under this chapter.

(4) A landlord may, but shall not be required to, allow the lawful cultivation, processing, testing, research, sale or use of medical cannabis on rental property as authorized under this chapter.

SECTION 11. Facility restrictions. (1) Any nursing

facility, hospital, hospice, assisted living facility, personal care home, adult day care facility, or adult foster care facility may adopt reasonable restrictions on the use of medical cannabis by registered qualifying patients who are receiving health care



services, residential care services, or day care services from the facility, including:

(a) That the facility will not store or maintain the patient's supply of medical cannabis;

(b) That the facility, caregivers, or hospice agencies serving the facility's residents are not responsible for providing the medical cannabis for registered qualifying patients; and

(c) That medical cannabis be consumed only in a place specified by the facility.

(2) Nothing in this section requires a facility listed in subsection (1) of this section to adopt restrictions on the medical use of medical cannabis.

(3) A facility listed in subsection (1) of this section may not unreasonably limit a registered qualifying patient's access to or medical use of medical cannabis authorized under this chapter unless failing to do so would cause the facility to lose a monetary or licensing-related benefit under federal law or regulations.

SECTION 12. Issuance and denial of registry identification cards. (1) No later than sixty (60) days after the effective date of this act, the MDOH shall begin issuing registry identification cards to qualifying patients who submit the following:



955 (a) A written certification issued by a practitioner
956 within sixty (60) days immediately preceding the date of the
957 application;

958 (b) The application or renewal fee;

959 (c) The name, address, social security number, and date
960 of birth of the qualifying patient;

961 (d) The name, address, and telephone number of the
962 qualifying patient's practitioner issuing the written
963 certification;

964 (e) The name, address, social security number, and date
965 of birth of the designated caregiver, or designated caregivers,
966 chosen by the qualifying patient; and

967 (f) If more than one (1) designated caregiver is
968 designated at any given time, documentation demonstrating that a
969 greater number of designated caregivers is needed due to the
970 patient's age or medical condition.

971 (2) If the qualifying patient is unable to submit the
972 information required by subsection (1) of this section due to the
973 person's age or medical condition, the person responsible for
974 making medical decisions for the qualifying patient may do so on
975 behalf of the qualifying patient.

976 (3) Except as provided in subsection (5) of this section,
977 the MDOH shall:

978 (a) Verify the information contained in an application
979 or renewal submitted under this section and approve or deny an



application or renewal within thirty (30) days of receiving a completed application or renewal application; and

(b) Issue registry identification cards to a qualifying patient and his or her designated caregiver(s), if any, within five (5) days of approving the application or renewal. A designated caregiver must have a registry identification card for each of his or her qualifying patients.

(4) The MDOH shall conduct a background check of the prospective designated caregiver or caregivers in order to carry out the provisions of this section. The Department of Public Safety may assist the MDOH in conducting background checks.

(5) The MDOH shall not issue a registry identification card to a qualifying patient who is younger than eighteen (18) years of age unless:

(a) The qualifying patient's practitioner has explained the potential risks and benefits of the medical use of medical cannabis to the custodial parent or legal guardian with responsibility for health care decisions for the qualifying patient; and

(b) The custodial parent or legal guardian with responsibility for health care decisions for the qualifying patient consents in writing to:

(i) Acknowledge the potential harms related to the use of medical cannabis;



1004 (ii) Allow the qualifying patient's medical use of
1005 medical cannabis;
1006 (iii) Serve as the qualifying patient's designated
1007 caregiver; and
1008 (iv) Control the acquisition of the medical
1009 cannabis, the dosage and the frequency of the use of medical
1010 cannabis by the qualifying patient.

1011 (6) If a designated caregiver is an entity licensed to
1012 provide health care services, residential care services or day
1013 care services, then:
1014 (a) The MDOH may provide a single registry
1015 identification card to the entity, regardless of the number of
1016 registered qualifying patients the entity serves; and
1017 (b) The MDOH may issue individual registry
1018 identification cards for employees of the entity that may
1019 transport medical cannabis.

1020 (7) The MDOH shall provide an electronic or physical list of
1021 registered qualifying patients who have designated the entity as
1022 their caregiver. This list shall be updated with each additional
1023 designation.

1024 (8) The MDOH may deny an application or renewal of a
1025 qualifying patient's registry identification card only if the
1026 applicant:
1027 (a) Did not provide the required information or
1028 materials;



1029 (b) Previously had a registry identification card
1030 revoked;
1031 (c) Provided false information; or
1032 (d) Failed to meet the other requirements of this
1033 chapter.
1034 (9) The MDOH may deny an application or renewal for a
1035 designated caregiver chosen by a qualifying patient whose registry
1036 identification card was granted only if the applicant:
1037 (a) Does not meet the definition of "designated
1038 caregiver" under Section 2 of this act;
1039 (b) Did not provide the information required;
1040 (c) Previously had a registry identification card
1041 revoked;
1042 (d) Provided false information;
1043 (e) Is younger than twenty-one (21) years of age and is
1044 not the parent or legal guardian of the qualifying patient who the
1045 designated caregiver would assist; or
1046 (f) Failed to meet the other requirements of this
1047 chapter.
1048 (10) The MDOH shall give written notice to the qualifying
1049 patient of the reason for denying a registry identification card
1050 to the qualifying patient or to the qualifying patient's
1051 designated caregiver.



(11) Denial of an application or renewal is considered a final MDOH action, subject to judicial review in accordance with Section 31 of this act.

SECTION 13. Registry identification cards. (1) Registry identification cards must contain all of the following:

(a) The name of the cardholder;

(b) A designation of whether the cardholder is a qualifying patient, a designated caregiver or a nonresident;

(c) The date of issuance and expiration date of the registry identification card;

(d) A random ten-digit alphanumeric identification number, containing at least four (4) numbers and at least four (4) letters, that is unique to the cardholder;

(e) If the cardholder is a designated caregiver, the random identification number of the qualifying patient the designated caregiver will assist;

(f) A photograph of the cardholder;

(g) The toll-free phone number or internet address where the card can be verified;

(h) A notice of the potential harm caused by medical cannabis; and

(i) A notice of the MMCEU daily, monthly and possession limit.

(2) The expiration date shall be visible on the registry identification card. Except as provided in subsection (3) or



subsection (4) of this section, the expiration date for registry identification cards for residents shall be one (1) year after the date of issuance. The expiration date for registry identification cards for nonresidents shall be fifteen (15) days after the date of issuance, except as provided in subsection (4) of this section.

(3) If the practitioner stated in the written certification that the qualifying patient would benefit from the medical use of medical cannabis until a specified earlier date, then the registry identification card shall expire on that date, except as provided in subsection (4) of this section.

(4) (a) The expiration date for registry identification cards for residents that are issued not later than one hundred fifty (150) days after the effective date of this act shall be one (1) year after the initial one-hundred-fifty-day period.

(b) If the practitioner specified an earlier date for the expiration of the registry identification card as provided under subsection (3) of this section, then the registry identification card shall be valid for the period specified by the practitioner, which shall begin after the initial one-hundred-fifty-day period.

(c) The expiration date for registry identification cards for nonresidents that are issued not later than one hundred fifty (150) days after the effective date of this act shall be fifteen (15) days after the initial one-hundred-fifty-day period.



SECTION 14.

Annual reports.

(1) No later than December 31, 2022, and every December 31 thereafter, the MDOH, MDAC and MDOR shall provide an annual report to the Governor, Lieutenant Governor, Speaker of the House of Representatives, Chairman of the Senate Public Health and Welfare Committee, Chairman of the House of Representatives Public Health and Human Services Committee and the Chairmen of the Drug Policy Committees and Appropriation Committees of the Senate and House of Representatives.

(2) The MDOH, MDAC and MDOR shall report every year to the Governor, Lieutenant Governor, Speaker of the House of Representatives, Chairman of the Senate Public Health and Welfare Committee, Chairman of the House of Representatives Public Health and Human Services Committee and the Chairmen of the Drug Policy Committees and Appropriation Committees of the Senate and House of Representatives on the number of applications for registry identification cards received, the amount of fees, fines and taxes collected, any changes to the fees allowed to be charged under this chapter, any addition to the list of debilitating medical conditions, the number of qualifying patients and designated caregivers approved, the number of registry identification cards revoked and expenses incurred by the MDOH, MDAC and MDOR. The MDOH shall not include identifying information on qualifying patients, designated caregivers or practitioners in the report.

(3) The MDOR shall provide quarterly reports for all sales of medical cannabis sold by dispensaries to registered qualified



1126 patients to the Governor, Lieutenant Governor, Speaker of the
1127 House of Representatives, Chairman of the Senate Public Health and
1128 Welfare Committee, Chairman of the House of Representatives Public
1129 Health and Human Services Committee, and the Chairmen of the Drug
1130 Policy Committees and Appropriation Committees of the Senate and
1131 House of Representatives. The MDOR shall report every year on the
1132 number of each type of medical cannabis establishments that are
1133 licensed and registered and the expenses incurred and revenues
1134 generated from the medical cannabis program to the Governor,
1135 Lieutenant Governor, Speaker of the House of Representatives,
1136 Chairman of the Senate Public Health and Welfare Committee,
1137 Chairman of the House of Representatives Public Health and Human
1138 Services Committee, and the Chairmen of the Drug Policy Committees
1139 and Appropriation Committees of the Senate and House of
1140 Representatives.

1141 **SECTION 15. Verification system.** (1) The MDOH shall
1142 maintain a confidential list of the persons to whom the MDOH has
1143 issued registry identification cards and their addresses, phone
1144 numbers, and registry identification numbers. This confidential
1145 list shall not be combined or linked in any manner with any other
1146 lists or databases, nor shall it be used for any purpose not
1147 provided for in this chapter.

1148 (2) All records containing the identity of registered
1149 qualifying patients, registered designated caregivers or
1150 practitioners shall be confidential and exempt from disclosure



under the Mississippi Public Records Act or any related statute,
rule or regulation pertaining to public disclosure of records.
Within one hundred twenty (120) days after the effective date of
this act, the MDOH shall establish a secure phone and
internet-based verification system. The verification system must
allow law enforcement personnel and medical cannabis
establishments to enter a registry identification number to
determine whether the number corresponds with a current, valid
registry identification card. The system may disclose only:

- (a) Whether the identification card is valid;
- (b) The name of the cardholder;
- (c) Whether the cardholder is a registered qualifying
patient, a registered designated caregiver, or a nonresident; and
- (d) If a cardholder is a registered designated
caregiver, the registry identification number of any affiliated
registered qualifying patient.

SECTION 16. Notifications to department and responses. (1)

The following notifications and MDOH responses are required:

(a) A registered qualifying patient shall notify the
MDOH of any change in his or her name or address, or if the
registered qualifying patient ceases to have his or her diagnosed
debilitating medical condition, within twenty (20) days of the
change.

(b) A registered designated caregiver shall notify the
MDOH of any change in his or her name or address, or if the



designated caregiver becomes aware that the registered qualifying patient passed away, within twenty (20) days of the change.

(c) Before a registered qualifying patient changes his or her registered designated caregiver, the registered qualifying patient must notify the MDOH.

(d) If a cardholder loses his or her registry identification card, he or she shall notify the MDOH within ten (10) days of becoming aware that the card has been lost.

(2) Each notification that a registered qualifying patient is required to make shall instead be made by the patient's registered designated caregiver if the qualifying patient is unable to make the notification due to his or her age or medical condition.

(3) When a cardholder notifies the MDOH of any of the circumstances listed in subsection (1) of this section but remains eligible under this chapter, the MDOH shall issue the cardholder a new registry identification card within ten (10) days of receiving the updated information and a Twenty-five Dollar (\$25.00) fee. If the person notifying the MDOH is a registered qualifying patient, the MDOH shall also issue his or her registered designated caregiver, if any, a new registry identification card within ten (10) days of receiving the updated information.

(4) If the registered qualifying patient's certifying practitioner notifies the patient and the MDOH in writing that either the registered qualifying patient has ceased to have a



debilitating medical condition or that the practitioner no longer believes, in his or her professional opinion and within his or her scope of practice, that the patient would likely receive medical or palliative benefit from the medical use of medical cannabis to treat or alleviate the patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition, the card shall become null and void.

(5) A medical cannabis establishment shall notify the MDOH within one (1) business day of any theft or loss of medical cannabis.

(6) A medical cannabis establishment shall notify its licensing agency within one (1) business day if there is a change of ownership or closure of the entity.

SECTION 17. Reporting requirement of dispensaries. Medical cannabis dispensaries shall report medical cannabis dispensing information every twenty-four (24) hours to the Prescription Monitoring Program provided for in Section 73-21-127. Dispensaries shall submit information as required by the Prescription Monitoring Program, including, but not limited to, the qualified patient's registry identification card number and the amount of medical cannabis dispensed to the patient.

SECTION 18. Licensing of medical cannabis establishments.

(1) The MDOH shall issue licenses for cannabis cultivation facilities, cannabis processing facilities, cannabis transportation entities, cannabis disposal entities, cannabis



1226 research facilities and cannabis testing facilities. The MDOR
1227 shall issue licenses for medical cannabis dispensaries.

1228 (2) The cannabis cultivation facility license application
1229 fee shall be subject to the following tiers:

1230 (a) Micro-cultivators.

1231 (i) Tier 1. A cannabis cultivation facility with
1232 a canopy of one thousand (1,000) square feet or less shall be
1233 subject to a one-time nonrefundable license application fee of One
1234 Thousand Five Hundred Dollars (\$1,500.00). The annual license fee
1235 shall be a nonrefundable fee of Two Thousand Dollars (\$2,000.00).

1236 (ii) Tier 2. A cannabis cultivation facility with
1237 a canopy of more than one thousand (1,000) square feet but not
1238 more than two thousand (2,000) square feet shall be subject to a
1239 one-time nonrefundable license application fee of Two Thousand
1240 Five Hundred Dollars (\$2,500.00). The annual license fee shall be
1241 a nonrefundable fee of Three Thousand Five Hundred Dollars
1242 (\$3,500.00).

1243 (b) Cultivators.

1244 (i) Tier 1. A cannabis cultivation facility with
1245 a canopy of not less than two thousand (2,000) square feet but not
1246 more than five thousand (5,000) square feet shall be subject to a
1247 one-time nonrefundable license application fee of Five Thousand
1248 Dollars (\$5,000.00). The annual license fee shall be a
1249 nonrefundable fee of Fifteen Thousand Dollars (\$15,000.00).



1250 (ii) Tier 2. A cannabis cultivation facility with
1251 a canopy of not less than five thousand (5,000) square feet but
1252 not more than fifteen thousand (15,000) square feet shall be
1253 subject to a one-time nonrefundable license application fee of Ten
1254 Thousand Dollars (\$10,000.00). The annual license fee shall be a
1255 nonrefundable fee of Twenty-five Thousand Dollars (\$25,000.00).

1256 (iii) Tier 3. A cannabis cultivation facility
1257 with a canopy of not less than fifteen thousand (15,000) square
1258 feet but not more than thirty thousand (30,000) square feet shall
1259 be subject to a one-time nonrefundable license application fee of
1260 Twenty Thousand Dollars (\$20,000.00). The annual license fee
1261 shall be a nonrefundable fee of Fifty Thousand Dollars
1262 (\$50,000.00).

1263 (iv) Tier 4. A cannabis cultivation facility with
1264 a canopy of not less than thirty thousand (30,000) square feet but
1265 not more than sixty thousand (60,000) square feet shall be subject
1266 to a onetime nonrefundable license application fee of Thirty
1267 Thousand Dollars (\$30,000.00). The annual license fee shall be a
1268 nonrefundable fee of Seventy-five Thousand Dollars (\$75,000.00).

1269 (v) Tier 5. A cannabis cultivation facility with
1270 a canopy of not less than sixty thousand (60,000) square feet but
1271 not more than one hundred thousand (100,000) square feet shall be
1272 subject to a one-time nonrefundable license application fee of
1273 Forty Thousand Dollars (\$40,000.00). The annual license fee shall



1274 be a nonrefundable fee of One Hundred Thousand Dollars
1275 (\$100,000.00).

1276 (vi) Tier 6. A cannabis cultivation facility with
1277 a canopy of one hundred thousand (100,000) square feet or more
1278 shall be subject to a one-time nonrefundable license application
1279 fee of Sixty Thousand Dollars (\$60,000.00). The annual license
1280 fee shall be a nonrefundable fee of One Hundred Fifty Thousand
1281 Dollars (\$150,000.00).

1282 (3) The cannabis processing facility license application fee
1283 shall be subject to the following tiers:

1284 (a) Micro-processors.

1285 (i) Tier 1. A cannabis processing facility which
1286 processes less than two thousand (2,000) pounds of dried biomass
1287 cannabis material annually shall be subject to a one-time
1288 nonrefundable license application fee of Two Thousand Dollars
1289 (\$2,000.00). The annual license fee shall be a nonrefundable fee
1290 of Three Thousand Five Hundred Dollars (\$3,500.00).

1291 (ii) Tier 2. A cannabis processing facility which
1292 processes not less than two thousand (2,000) pounds but less than
1293 three thousand (3,000) pounds of dried biomass cannabis material
1294 annually shall be subject to a one-time nonrefundable license
1295 application fee of Two Thousand Five Hundred Dollars (\$2,500.00).
1296 The annual license fee shall be a nonrefundable fee of Five
1297 Thousand Dollars (\$5,000.00).



1298 (b) Processors. A cannabis processing facility which
1299 processes not less than three thousand (3,000) pounds of biomass
1300 cannabis material annually shall be subject to a one-time
1301 nonrefundable license application fee of Fifteen Thousand Dollars
1302 (\$15,000.00). The annual license fee shall be a nonrefundable fee
1303 of Twenty Thousand Dollars (\$20,000.00).

1304 (4) A medical cannabis dispensary shall be subject to a
1305 one-time nonrefundable license application fee of Fifteen Thousand
1306 Dollars (\$15,000.00). The annual license fee shall be a
1307 nonrefundable fee of Twenty-five Thousand Dollars (\$25,000.00).

1308 (5) Cannabis transportation entities shall be subject to a
1309 one-time nonrefundable application fee of Five Thousand Dollars
1310 (\$5,000.00). The annual license fee shall be a nonrefundable fee
1311 of Seven Thousand Five Hundred Dollars (\$7,500.00).

1312 (6) Cannabis disposal entities shall be subject to a
1313 one-time nonrefundable application fee of Five Thousand Dollars
1314 (\$5,000.00). The annual license fee shall be a nonrefundable fee
1315 of Seven Thousand Five Hundred Dollars (\$7,500.00).

1316 (7) Cannabis testing facilities shall be subject to a
1317 one-time nonrefundable application fee of Ten Thousand Dollars
1318 (\$10,000.00), and an annual license fee of Fifteen Thousand
1319 Dollars (\$15,000.00). A cannabis testing facility shall not
1320 employ an agent or employee who also is employed or has ownership
1321 at any other medical cannabis establishment.



1322 (8) Cannabis research facilities shall be subject to a
1323 one-time nonrefundable application fee of Ten Thousand Dollars
1324 (\$10,000.00), and an annual license fee of Fifteen Thousand
1325 Dollars (\$15,000.00). A research facility at any university or
1326 college in this state shall be exempt from all fees imposed under
1327 this section.

1328 (9) No individual or business entity shall have a direct or
1329 indirect ownership or economic interest of greater than ten
1330 percent (10%) in:

1331 (a) More than one (1) cannabis cultivation facility
1332 license;

1333 (b) More than one (1) cannabis processing facility
1334 license; and

1335 (c) More than five (5) medical cannabis dispensary
1336 licenses.

1337 (10) Minimum qualifications for applicants for a cannabis
1338 cultivation facility, a cannabis processing facility, a medical
1339 cannabis dispensary, a medical cannabis transportation entity or a
1340 medical cannabis disposal entity license(s) are as follows:

1341 (a) An individual applicant for a cannabis cultivation
1342 facility, cannabis processing facility, medical cannabis
1343 dispensary, medical cannabis transportation entity or medical
1344 cannabis disposal license shall be a natural person who:

1345 (i) Is at least twenty-one (21) years of age;



1346 (ii) Has not previously held a license for a
1347 cannabis cultivation facility, cannabis processing facility,
1348 medical cannabis dispensary, medical cannabis transportation
1349 entity or medical cannabis disposal entity that has been revoked;
1350 (iii) Has not been convicted of a disqualifying
1351 felony offense;
1352 (iv) If possessing a professional or occupational
1353 license, that the license is in good standing;
1354 (v) Has submitted a sworn statement indicating
1355 that he or she is a true and actual owner of the entity for which
1356 the license is desired, and that he or she intends to carry on the
1357 business authorized for himself or herself and the entity and not
1358 as the agent for any other entity.
1359 (vi) Has no outstanding tax delinquencies owed to
1360 the State of Mississippi;
1361 (vii) Is not serving as a member of the
1362 Mississippi Senate or Mississippi House of Representatives through
1363 December 31, 2022;
1364 (viii) Is not the spouse of a person serving as a
1365 member of the Mississippi Senate or Mississippi House of
1366 Representatives through December 31, 2022; and
1367 (b) If the applicant is applying on behalf of an
1368 entity, in addition to paragraph (a) of this subsection, the
1369 individual applicant shall:



1370 (i) Be legally authorized to submit an application
1371 on behalf of the entity;

1372 (ii) Serve as the primary point of contact with
1373 the MDAC, MDOR and MDOH;

1374 (iii) Submit sufficient proof that the entity has
1375 no owner, board member, officer, or anyone with an economic
1376 interest in the entity who:

1377 1. Is under the age of twenty-one (21);

1378 2. Has previously been an owner of a medical
1379 cannabis dispensary, cannabis cultivation facility, a cannabis
1380 processing facility, medical cannabis transportation entity or
1381 medical cannabis disposal entity that has had its license revoked;

1382 3. Has been convicted of a disqualifying
1383 felony offense;

1384 4. Owes delinquent taxes to the State of
1385 Mississippi;

1386 5. Is serving as a member of the Mississippi
1387 Senate or Mississippi House of Representatives through December
1388 31, 2022; and

1389 6. Is the spouse of a person serving as a
1390 member of the Mississippi Senate or Mississippi House of
1391 Representatives through December 31, 2022; and

1392 (iv) Submit sufficient proof that if an owner,
1393 board member, officer or anyone with an economic interest in the



1394 entity has or had a professional or occupational license, that the
1395 license is in good standing.

1396 (11) Applicants for cannabis cultivation facility licenses
1397 and cannabis processing facility licenses shall both meet the
1398 minimum qualifications in subsection (10) of this section and
1399 shall also submit sufficient proof of the following:

1400 (a) If a natural person, proof that the person has been
1401 a resident of the State of Mississippi and a citizen of the United
1402 States of America for at least three (3) years prior to the
1403 application date; or

1404 (b) If a business entity, proof that at least
1405 thirty-five percent (35%) of the equity ownership interests in the
1406 entity are held by individuals who have been residents of the
1407 State of Mississippi and citizens of the United States of America
1408 for at least three (3) consecutive years prior to the application
1409 date.

1410 This subsection (11) shall stand repealed on December 31,
1411 2022.

1412 (12) A micro-cultivator or a micro-processor shall both meet
1413 the minimum qualifications in subsection (10) of this section and
1414 shall also submit sufficient proof of the following:

1415 (a) If a natural person, proof that the person has been
1416 a resident of the State of Mississippi and a citizen of the United
1417 States of America for at least three (3) years prior to the
1418 application date; or



1419 (b) If a business entity, provide proof that:
1420 (i) It was registered as an entity with the
1421 Secretary of State in Mississippi; and
1422 (ii) One-hundred percent (100%) of the equity
1423 ownership interests in the entity are held by individuals who have
1424 been residents of the State of Mississippi and citizens of the
1425 United States of America for at least three (3) consecutive years
1426 prior to the application date.

1427 (13) For purposes of this section, it shall be sufficient to
1428 prove Mississippi residency for the individual(s) to submit two
1429 (2) of the following source documents:

1430 (a) Mississippi Tax Return Form 80-105 or Form 80-205
1431 for each of the three (3) years preceding the application without
1432 schedules, worksheets, or attachments, and redacted to remove all
1433 financial information and all but the last four (4) digits of the
1434 individual's social security number for the three (3) years
1435 preceding the application;

1436 (b) Ownership, lease, or rental documents for place of
1437 primary domicile for the three (3) years preceding the
1438 application;

1439 (c) Billing statements, including utility bills for the
1440 three (3) years preceding the application; or

1441 (d) Vehicle registration for the three (3) years
1442 preceding the application.



1443 (14) Ownership in a cannabis cultivation facility license,
1444 cannabis processing facility license or a medical cannabis
1445 dispensary license or investment in a business that supports or
1446 benefits from such a license shall not disqualify or otherwise
1447 negatively impact the license or finding of suitability of such
1448 owner who is otherwise engaged in any other form of business
1449 operation in the state, if such business requires the owner to
1450 hold a license or be found suitable under state law.

1451 (15) Any business or state entity applying for registration
1452 as a medical cannabis establishment must meet all the requirements
1453 specified in this chapter.

1454 (16) A prospective medical cannabis establishment shall
1455 submit all of the following:

1456 (a) An application, including:

1457 (i) The legal name of the prospective medical
1458 cannabis establishment;

1459 (ii) The physical address of the prospective
1460 medical cannabis establishment, which shall not be within one
1461 thousand (1,000) feet of the nearest property boundary line of a
1462 school, church or child care facility which exists or has acquired
1463 necessary real property for the operation of such facility before
1464 the date of the medical cannabis establishment application unless
1465 the entity has received approval from the school, church or child
1466 care facility and received the applicable waiver from their
1467 licensing agency, provided that the main point of entry of the



1468 cannabis establishment is not located within five hundred (500)
1469 feet of the nearest property boundary line of any school, church
1470 or child care facility;

1471 (iii) The name of each principal officer and board
1472 member of the proposed medical cannabis establishment; and

1473 (iv) Any additional information requested by the
1474 MDAC, MDOR and MDOH.

1475 (b) Operating procedures consistent with rules and
1476 regulations for oversight of the proposed medical cannabis
1477 establishment, including procedures to ensure accurate record
1478 keeping and adequate security measures.

1479 (c) If the municipality or county where the proposed
1480 medical cannabis establishment would be located has enacted zoning
1481 restrictions, a sworn statement certifying that the proposed
1482 medical cannabis establishment is in compliance with the
1483 restrictions.

1484 (d) If the municipality or county where the proposed
1485 medical cannabis establishment would be located requires a local
1486 registration, license, or permit, then proof of receiving such
1487 registration, license or permit.

1488 (e) If the application is on behalf of an entity,
1489 verification that none of the principal officers or board members
1490 have served as a principal officer or board member for a medical
1491 cannabis establishment that has had its license revoked.



1492 (f) If the application is on behalf of an entity,
1493 verification that none of the principal officers or board members
1494 is under twenty-one (21) years of age.

1495 (17) The MDOR and MDOH shall issue a renewal registration
1496 certificate within ten (10) days of receipt of the prescribed
1497 renewal application and renewal fee from a medical cannabis
1498 establishment if its license is not under suspension and has not
1499 been revoked.

1500 (18) A licensing agency shall require disclosure only of
1501 persons, entities or affiliated entities who directly or
1502 indirectly own ten percent (10%) or more of a medical cannabis
1503 establishment issued a license by the licensing agency.

1504 (19) Otherwise eligible applicants for licenses to operate
1505 as medical cannabis establishments under this chapter shall not be
1506 disqualified from receipt of a license based on:

1507 (a) Their location on Mississippi Choctaw Indian
1508 Reservation Lands; or

1509 (b) The involvement of the Mississippi Band of Choctaw
1510 Indians or any entity owned or operated by the Mississippi Band of
1511 Choctaw Indians as an owner or co-owner of such license, provided
1512 that such license shall be subject to revocation for material
1513 noncompliance with this chapter on the same basis as any other
1514 license.

1515 (20) A cannabis processing facility that produces edible
1516 cannabis products shall hold a permit to operate as a food



establishment and shall comply with all applicable requirements for food establishments as set by the MDOH.

(21) Denial of an application or renewal is considered a final MDOH or MDOR action, subject to judicial review in accordance with Section 31 of this act.

SECTION 19. Local ordinances. (1) A municipality or county may enact ordinances or regulations not in conflict with this chapter, or with regulations enacted under this chapter, governing the time, place, and manner of medical cannabis establishment operations in the locality. A municipality or county may establish penalties for violation of an ordinance or regulation governing the time, place and manner of a medical cannabis establishment that may operate in the municipality or county.

(2) No municipality or county may prohibit dispensaries either expressly or through the enactment of ordinances or regulations that make their operation impracticable in the jurisdiction. The main point of entry of a medical cannabis establishment shall not be located within one thousand (1,000) feet of the nearest property boundary line of any school, church or child care facility. A medical cannabis establishment may receive a waiver to this distance restriction by receiving approval from the school, church or child care facility and by applying for a waiver with its respective licensing agency, provided that the main point of entry of the cannabis establishment is not located within five hundred (500) feet of the



1542 nearest property boundary line of any school, church or child care
1543 facility.

1544 (3) A dispensary, cannabis research facility or cannabis
1545 testing facility may be located in any area in a municipality or
1546 county that is zoned as commercial or for which commercial use is
1547 otherwise authorized or not prohibited, provided that it being
1548 located there does not violate any other provisions of this
1549 chapter. A cannabis cultivation facility and/or cannabis
1550 processing facility may be located in any area in a municipality
1551 or county that is zoned as agricultural or industrial or for which
1552 agricultural or industrial use is otherwise authorized or not
1553 prohibited, provided that it being there does not violate any
1554 other provision of this chapter.

1555 (4) A municipality or county may require a medical cannabis
1556 establishment to obtain a local license, permit or registration to
1557 operate, and may charge a reasonable fee for the local license,
1558 permit or registration, provided that this fee is consistent with
1559 fees charged to businesses that are not involved in the cannabis
1560 industry.

1561 (5) No medical cannabis dispensary may be located within a
1562 one-thousand-five-hundred-feet radius from the main point of entry
1563 of the dispensary to the main point of entry of another medical
1564 cannabis dispensary. If the sole basis of denial by the licensing
1565 agency in refusing to issue the medical cannabis dispensary a
1566 license to operate is that the dispensary fails the distance



requirement of this subsection (5), then the licensing agency may refund all or part of the license application fee in Section 18(5) of this act to the applicant.

SECTION 20. Requirements, prohibitions and penalties. (1)

Medical cannabis establishments shall conduct a background check into the criminal history of every person seeking to become a principal officer, board member, agent, volunteer, or employee before the person begins working at or for the medical cannabis establishment.

(2) A medical cannabis establishment may not employ any person who:

(a) Was convicted of a disqualifying felony offense;
or

(b) Is under twenty-one (21) years of age.

(3) The operating documents of a medical cannabis establishment must include procedures for the oversight of the medical cannabis establishment and procedures to ensure accurate record keeping and adequate security measures.

(4) A medical cannabis establishment shall implement appropriate security measures designed to deter and prevent the theft of medical cannabis and unauthorized entrance into areas containing medical cannabis.

(5) All cultivation, harvesting, processing and packaging of medical cannabis must take place in an enclosed, locked and secure facility with a physical address provided to the MDOH during the



1592 licensing and registration process. The facility shall be
1593 equipped with locks or other security devices that permit access
1594 only by agents of the medical cannabis establishment, emergency
1595 personnel or adults who are twenty-one (21) years of age and older
1596 and who are accompanied by medical cannabis establishment agents.

1597 (6) No medical cannabis establishment other than a cannabis
1598 processing facility or cannabis research facility may produce
1599 cannabis concentrates, cannabis extractions, or other cannabis
1600 products.

1601 (7) A medical cannabis establishment may not share office
1602 space with or refer patients to a practitioner.

1603 (8) Medical cannabis establishments are subject to
1604 inspection by the MDAC, MDOR and MDOH during business hours.

1605 (9) Before medical cannabis may be dispensed to a
1606 cardholder, a dispensary agent must:

1607 (a) Require that the individual present a registry
1608 identification card;

1609 (b) Make a diligent effort to verify that the registry
1610 identification card presented to the dispensary is valid;

1611 (c) Make a diligent effort to verify that the person
1612 presenting the registry identification card is the person
1613 identified on the registry identification card presented to the
1614 dispensary agent; and



1615 (d) Not believe that the amount of medical cannabis
1616 dispensed would cause the person to possess more than the
1617 allowable amount of medical cannabis.

1618 (10) A medical cannabis establishment shall not sell more
1619 than the allowable amount of medical cannabis to a cardholder. A
1620 resident cardholder shall not obtain more than a total of seven
1621 (7) MMCEUs of allowable medical cannabis in a week from a
1622 dispensary or a combination of dispensaries. A resident
1623 cardholder shall not obtain more than a total of twenty-eight (28)
1624 MMCEUs of allowable medical cannabis in thirty (30) days from a
1625 dispensary or a combination of dispensaries.

1626 The possession limit for resident cardholders of the
1627 allowable amount of medical cannabis shall be a total of
1628 thirty-two (32) MMCEUs. There shall not be a possession limit on
1629 nonconsumable medical cannabis, including, but not limited to,
1630 suppositories, ointments, soaps, and lotions or other topical
1631 agents.

1632 (11) For purposes of this chapter, total THC is defined as
1633 THCA multiplied by .877 plus THC Delta 9 and all other
1634 psychoactive forms or isomers of THC added together. A medical
1635 cannabis establishment shall not sell cannabis flower or trim that
1636 has a potency of greater than thirty percent (30%) total THC. A
1637 medical cannabis dispensary shall not sell cannabis tinctures,
1638 oils or concentrates that have a potency of greater than sixty
1639 percent (60%) total THC. Cannabis products that have a potency of



1640 over thirty percent (30%) total THC shall be clearly labeled as
1641 "extremely potent." Edible cannabis products, including food or
1642 drink products, that have been combined with usable cannabis or
1643 cannabis products shall be physically demarked and labeled with a
1644 clear determination of how much total THC is in a single-serving
1645 size and how much THC is in the entire package.

1646 A medical cannabis product shall contain a notice of harm
1647 regarding the use of cannabis products. Edible cannabis products
1648 shall be homogenized to ensure uniform disbursement of
1649 cannabinoids throughout the product. All molded edible cannabis
1650 products shall be presented in the form of geometric shapes and
1651 shall not be molded to contain any images or characters designed
1652 or likely to appeal to minors, such as cartoons, toys, animals or
1653 children.

1654 (12) A dispensary may not dispense more than the allowable
1655 amount of cannabis to a registered qualifying patient or a
1656 nonresident cardholder, directly or via a registered designated
1657 caregiver. Dispensaries shall ensure compliance with this
1658 limitation by maintaining internal, confidential records that
1659 include records specifying how much medical cannabis is being
1660 dispensed to the registered qualifying patient or nonresident
1661 cardholder and whether it was dispensed directly to a registered
1662 qualifying patient, nonresident cardholder or to the registered
1663 designated caregiver.



1664 (13) A nonresident cardholder shall not obtain more than a
1665 total of seven (7) MMCEUs of allowable medical cannabis in a week
1666 from a dispensary or a combination of dispensaries. A nonresident
1667 cardholder shall not obtain more than a total of fourteen (14)
1668 MMCEUs of allowable cannabis from a dispensary or a combination of
1669 dispensaries in a fifteen-day period.

1670 (14) A nonresident may apply to receive a nonresident
1671 registry identification card up to thirty (30) days before
1672 arriving in Mississippi. A nonresident registry identification
1673 card shall be valid for fifteen (15) days. After the expiration
1674 of the card, a nonresident may apply for a renewal of the card and
1675 may be granted another card which shall be valid for another
1676 fifteen-day period. A nonresident registry identification card
1677 shall only be valid, at a maximum, for two (2) separate periods of
1678 fifteen (15) days in a three-hundred-sixty-five-day period. An
1679 applicant may indicate on his or her application the specific time
1680 period that he or she wishes for the card to be valid. The
1681 possession limit of the allowable amount of medical cannabis for
1682 nonresident cardholders shall be sixteen (16) MMCEUs.

1683 (15) A medical cannabis dispensary agent or employee shall
1684 not issue a written certification. Employees and agents of a
1685 medical cannabis dispensary shall complete at least eight (8)
1686 hours of continuing education in medical cannabis as regulated by
1687 the MDOR in order to be certified to work at a medical cannabis
1688 dispensary. After the first year of employment, these employees



1689 shall complete five (5) hours of continuing education in medical
1690 cannabis annually to maintain this certification.

1691 (16) Notwithstanding any other provision to the contrary, a
1692 patient with a debilitating medical condition who is between
1693 eighteen (18) years to twenty-five (25) years of age is not
1694 eligible for a medical cannabis registry identification card
1695 unless two (2) practitioners from separate medical practices have
1696 diagnosed the patient as having a debilitating medical condition
1697 after an in-person consultation. One (1) of these practitioners
1698 must be a physician or doctor of osteopathic medicine.

1699 If one (1) of the recommending practitioners is not the
1700 patient's primary care practitioner, the recommending practitioner
1701 shall review the records of a diagnosing practitioner. The
1702 requirement that the two (2) practitioners be from separate
1703 medical practices does not apply if the patient is homebound or if
1704 the patient had a registry identification card before the age of
1705 eighteen (18).

1706 (17) A medical cannabis establishment shall not allow an
1707 individual who is younger than twenty-one (21) years old to enter
1708 the premises of the establishment unless the individual possesses
1709 a registry identification card and is accompanied by his or her
1710 legal guardian.

1711 (18) A medical cannabis establishment shall only purchase,
1712 grow, cultivate, and use cannabis that is grown and cultivated in



1713 this state. Any medical cannabis that is grown and cultivated in
1714 this state shall not be transported outside of this state.

1715 (19) Employees of all medical cannabis establishments shall
1716 apply for a work permit with the MDOH and MDOR, as applicable,
1717 before beginning employment with any establishment. The licensing
1718 agency for the respective medical cannabis establishment may issue
1719 work permits to these individuals. These licensing agencies shall
1720 maintain a work registry of all applicants and work permits
1721 issued. The fee for a work permit shall be Twenty-five Dollars
1722 (\$25.00) and the permit shall be valid for five (5) years. Work
1723 permits shall be the property of the employee and shall not be
1724 transferable to other employees.

1725 (20) For purposes of this subsection, "plant growth
1726 regulator cannabis" shall mean a cannabis plant whose growth and
1727 structure has been modified using plant growth hormones. A
1728 cannabis cultivation facility shall not cultivate and a cannabis
1729 dispensary shall not sell, transfer or provide for consumption
1730 plant growth regulator cannabis.

1731 (21) A medical cannabis dispensary shall only make sales to
1732 cardholders inside the dispensary. A medical cannabis dispensary
1733 shall not sell or otherwise convey medical cannabis to a
1734 cardholder through the means of a drive-through, curbside delivery
1735 or other delivery outside the premises of the dispensary.

1736 (22) Any and all contracts or agreements entered into by the
1737 MDOH, MDOR and MDAC for information technology software, hardware,



and/or services for the purpose of implementing and/or operating under the Mississippi Medical Cannabis Act shall include language reasonably limiting the ability of the vendor to escalate the ongoing cost of such software, hardware, and/or services during the term of the contract, including any amendments and/or extensions.

(23) The MDOR, MDAC and MDOH shall not share the name, address or personal data of a registry identification cardholder to any federal government entity.

SECTION 21. Agencies to issue rules and regulations. (1)

From and after the effective date of this act, the MDOH, MDAC and MDOR shall each, where relevant to the role of that particular agency, establish and promulgate the following rules and regulations:

(a) Governing the manner in which it shall consider petitions from the public to add debilitating medical conditions or treatments to the list of debilitating medical conditions set forth in Section 2 of this act, including public notice of and opportunities to comment in public hearings on the petitions;

(b) Establishing the form and content of license and renewal applications and written certifications submitted under this chapter;

(c) Governing the manner in which it shall consider applications for and renewals of registry identification cards,



1762 which may include creating a standardized written certification
1763 form;

1764 (d) Governing medical cannabis establishments with the
1765 goals of ensuring the health and safety of registered qualifying
1766 patients and preventing diversion and theft of medical cannabis
1767 without imposing an undue burden or compromising the
1768 confidentiality of cardholders, including:

1769 (i) Oversight requirements;

1770 (ii) Recordkeeping requirements;

1771 (iii) Qualifications that are directly and
1772 demonstrably related to the operation of medical cannabis
1773 establishments;

1774 (iv) Security requirements, including lighting,
1775 physical security, and alarm requirements;

1776 (v) Health and safety regulations, including
1777 restrictions on the use of pesticides, herbicides or other
1778 chemicals that are injurious to human health;

1779 (vi) Standards for the processing of cannabis
1780 products and the indoor cultivation of cannabis by cannabis
1781 cultivation facilities;

1782 (vii) Requirements for the transportation and
1783 storage of cannabis by medical cannabis establishments;

1784 (viii) Employment and training requirements,
1785 including requiring that each medical cannabis establishment



1786 create an identification badge for each agent of the
1787 establishment;

1788 (ix) Standards for the safe processing of medical
1789 cannabis products, including extracts and concentrates;

1790 (x) Restrictions on the advertising, signage, and
1791 display of medical cannabis, provided that the restrictions may
1792 not prevent appropriate signs on the property of a dispensary,
1793 listings in business directories, including phone books, listings
1794 in cannabis-related or medical publications, or the sponsorship of
1795 health or not-for-profit charity or advocacy events;

1796 (xi) Requirements and procedures for the safe and
1797 accurate packaging and labeling of medical cannabis, including
1798 prohibiting the use of any images designed or likely to appeal to
1799 minors, such as cartoons, packaging that resembles popular candy
1800 brands, toys, animals or children, or any other likeness or image
1801 containing characters or phrases to advertise to minors;

1802 (xii) Standards for cannabis testing facilities,
1803 including requirements for equipment and qualifications for
1804 personnel;

1805 (xiii) Protocol development for the safe delivery
1806 of medical cannabis from dispensaries to cardholders;

1807 (xiv) Reasonable requirements to ensure the
1808 applicant has sufficient property or capital to operate the
1809 applicant's proposed medical cannabis establishment;



1810 (xv) Procedures for suspending or terminating the
1811 licenses or registry identification cards of cardholders and
1812 medical cannabis establishments that commit multiple or serious
1813 violations of the provisions of this chapter or the rules and
1814 regulations promulgated pursuant to this section;

1815 (xvi) Procedures for the selection, certification
1816 and oversight of a seed-to-sale tracking system as provided for in
1817 Section 6 of this act;

1818 (xvii) Requirements for labeling medical cannabis
1819 and cannabis products, including requiring medical cannabis
1820 product labels to include the following:

1821 1. The length of time it typically takes for
1822 the product to take effect;

1823 2. Disclosure of ingredients and possible
1824 allergens;

1825 3. A nutritional fact panel;

1826 4. The amount of THC and CBD in the product;

1827 5. A notice of the potential harm caused by
1828 consuming medical cannabis; and

1829 6. For edible cannabis products, when
1830 practicable, a standard symbol indicating that the product
1831 contains cannabis;

1832 (xviii) Procedures for the registration of
1833 nonresident cardholders, which must require the submission of:



1834 1. A practitioner's statement confirming that
1835 the patient has a debilitating medical condition; and
1836 2. Documentation demonstrating that the
1837 nonresident cardholder is allowed to possess medical cannabis or
1838 cannabis preparations in the jurisdiction where he or she resides;
1839 (xix) The amount of cannabis products, including
1840 the amount of concentrated cannabis, each cardholder and
1841 nonresident cardholder can possess;
1842 (xx) Reasonable application and renewal fees for
1843 registry identification cards and registration certificates,
1844 according to the following:
1845 1. The fee schedule shall be set as follows:
1846 a. The qualifying patient registry
1847 identification card application fee shall be Twenty-five Dollars
1848 (\$25.00);
1849 b. The designated caregiver registry
1850 identification card application fee shall be Twenty-five Dollars
1851 (\$25.00);
1852 c. The designated caregiver criminal
1853 background fee shall be Thirty-seven Dollars (\$37.00);
1854 d. The fee for a renewal or replacement
1855 of a card shall be Twenty-five Dollars (\$25.00);
1856 e. The fee for a card for a nonresident
1857 patient shall be Seventy-five Dollars (\$75.00);



1858 f. The qualifying patient registry
1859 identification card application fee for a Medicaid participant
1860 shall be Fifteen Dollars (\$15.00) and the fee for a renewal of
1861 such card shall be Fifteen Dollars (\$15.00); and

1862 g. The application fee for a qualifying
1863 patient registry identification card for disabled veterans or
1864 disabled first responders shall be waived. A disabled veteran or
1865 first responder may prove their disability by providing written
1866 documentation from their practitioner attesting to their
1867 debilitating medical condition, documentation from the Social
1868 Security Disability Office, or documentation that attests the
1869 applicant is a one-hundred percent (100%) disabled veteran as
1870 determined by the U.S. Department of Veteran Affairs and codified
1871 at 38 C.F.R., Section 3.340(a) (2013); and

1872 2. The MDOH may accept donations from private
1873 sources to reduce the amount of the application and renewal fees;

1874 (xxi) Any other rules and regulations necessary to
1875 implement and administer this chapter.

1876 (2) The initial rules filed by the MDOH to implement the
1877 medical cannabis program in accordance with this chapter shall be
1878 effective immediately upon their filing.

1879 **SECTION 22. Public registry.** (1) The MDOH and MDOR shall
1880 jointly create and maintain a public registry of medical cannabis
1881 establishments, which shall include, but shall not be limited to,
1882 the following information:



1883 (a) The name of the establishment;
1884 (b) The owner and, if applicable, the beneficial owner
1885 of the establishment;
1886 (c) The physical address, including municipality and
1887 zip code, of the establishment;
1888 (d) The mailing address, including municipality and zip
1889 code, of the establishment;
1890 (e) The county in which the establishment is domiciled;
1891 (f) The phone number of the establishment;
1892 (g) The electronic mail address of the establishment;
1893 (h) The license number of the establishment;
1894 (i) The issuance date of the establishment's license;
1895 (j) The expiration date of the establishment's license;
1896 (k) The NAICS code of the establishment;
1897 (l) Any changes to the license holder's status; and
1898 (m) Any other information determined necessary by the
1899 MDOH and MDOR.

1900 (2) The public registry shall not include personal
1901 information of an owner of a medical cannabis establishment.

1902 (3) The public registry shall be maintained electronically
1903 and shall be easily accessible to the public.

1904 **SECTION 23. Violations.** (1) It shall be unlawful for any
1905 person or entity to cultivate, process, transport, use, possess,
1906 purchase, sell or transfer cannabis except as authorized by this
1907 chapter.



1908 (2) A cardholder or medical cannabis establishment that
1909 purposely or knowingly fails to provide a notice required by
1910 Section 16 of this act is guilty of a civil offense, punishable by
1911 a fine of no more than One Thousand Five Hundred Dollars
1912 (\$1,500.00), which may be assessed and collected by the licensing
1913 agency.

1914 (3) A medical cannabis establishment or an agent of a
1915 medical cannabis establishment that purposely, knowingly, or
1916 recklessly sells or otherwise transfers medical cannabis other
1917 than to a cardholder, a nonresident cardholder, or to a medical
1918 cannabis establishment or its agent as authorized under this
1919 chapter is guilty of a felony punishable by a fine of not more
1920 than Ten Thousand Dollars (\$10,000.00), or by commitment to the
1921 custody of the Department of Corrections for not more than two (2)
1922 years, or both. A person convicted under this subsection may not
1923 continue to be affiliated with the medical cannabis establishment
1924 and is disqualified from further participation in the medical
1925 cannabis program under this chapter.

1926 (4) A cardholder or nonresident cardholder who purposely,
1927 knowingly, or recklessly sells or otherwise transfers medical
1928 cannabis to a person or other entity is guilty of a felony
1929 punishable by a fine of not more than Three Thousand Dollars
1930 (\$3,000.00), or by commitment to the custody of the Department of
1931 Corrections for not more than two (2) years, or both. A person
1932 convicted under this subsection is disqualified from further



1933 participation in the medical cannabis program under this chapter.

1934 (5) A person who purposely, knowingly, or recklessly makes a
1935 false statement to a law enforcement official about any fact or
1936 circumstance relating to the medical use of cannabis to avoid
1937 arrest or prosecution is guilty of a misdemeanor punishable by a
1938 fine of not more than One Thousand Dollars (\$1,000.00), by
1939 imprisonment in the county jail for not more than ninety (90)
1940 days, or both. If a person convicted of violating this subsection
1941 is a cardholder, the person is disqualified from further
1942 participation in the medical cannabis program under this chapter.

1943 (6) A person who purposely submits false records or
1944 documentation for an application for a license for a medical
1945 cannabis establishment under this chapter is guilty of a felony
1946 punishable by a fine of not more than Five Thousand Dollars
1947 (\$5,000.00), or by commitment to the custody of the Department of
1948 Corrections for not more than two (2) years, or both. A person
1949 convicted under this subsection may not continue to be affiliated
1950 with the medical cannabis establishment and is disqualified from
1951 further participation in the medical cannabis program under this
1952 chapter.

1953 (7) A practitioner who purposely refers patients to a
1954 specific medical cannabis establishment or to a registered
1955 designated caregiver, who advertises in a medical cannabis
1956 establishment, or who issues written certifications while holding
1957 a financial interest in a medical cannabis establishment, is



guilty of a civil offense for every false certification and shall be fined up to Five Thousand Dollars (\$5,000.00) by the MDOH.

(8) Any person, including an employee or official of an agency or local government, who purposely, knowingly, or recklessly breaches the confidentiality of information obtained under this chapter is guilty of a misdemeanor punishable by a fine of not more than One Thousand Dollars (\$1,000.00), or by imprisonment for not more than one hundred eighty (180) days in the county jail, or both.

(9) No person, other than a cannabis processing facility or its agents, complying with this chapter and the rules and regulations promulgated under it, may extract compounds from cannabis that involves a chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, steam distillation, food-grade ethanol, or hydrocarbon-based solvent carbon dioxide. No person may extract compounds from cannabis using ethanol in the presence or vicinity of an open flame. It shall be a felony punishable by commitment to the custody of the Mississippi Department of Corrections for up to three (3) years and a Ten Thousand Dollar (\$10,000.00) fine for any person to purposely, knowingly, or recklessly violate this subsection.

(10) A medical cannabis establishment is guilty of a civil offense for any purposeful, knowing or reckless violation of this chapter or the rules and regulations issued under this chapter



where no penalty has been specified, and shall be fined not more than Five Thousand Dollars (\$5,000.00) for each such violation by its licensing agency.

(11) The penalties provided for under this section are in addition to any other criminal, civil or administrative penalties provided for under law, rule or regulation.

(12) In addition to peace officers within their jurisdiction, all law enforcement officers of MDOH, MDAC and MDOR may enforce the provisions made unlawful by this chapter.

SECTION 24. Fines, suspensions and revocations. (1) The licensing agency may fine, suspend or revoke a license at its discretion for a violation of this chapter or any rules and regulations under this chapter by the licensee or any of its employees or agents. If a licensee wishes to appeal this decision, the licensee shall file its administrative appeal within twenty (20) days of receipt of the initial notice. The licensing agency shall then conduct a hearing on the record pursuant to the licensing agency's rules and regulations governing such hearings, at which time the burden shall be on the licensee to prove that the agency's decision was:

- (a) Unsupported by substantial evidence;
- (b) Arbitrary or capricious;
- (c) Beyond the power of the administrative agency to make; or



(d) Violated some statutory or constitutional right of the aggrieved party.

If the licensee fails to appeal the initial notice within the prescribed time, the decision becomes final and cannot be further appealed.

(2) The licensing agency shall provide its initial notice of suspension, revocation, fine or other sanction by personal delivery or mailing by certified mail, signature required, to the medical cannabis establishment at the address on the registration certificate. A suspension shall not be for a longer period than six (6) months.

(3) A medical cannabis establishment may continue to possess and cultivate cannabis as otherwise authorized to do so under its license during a suspension, but it may not dispense, transfer or sell cannabis.

(4) The MDOH shall immediately revoke the registry identification card of any cardholder who sells or otherwise transfers medical cannabis to a person or other entity, and the cardholder shall be disqualified from further participation in the medical cannabis program under this chapter.

(5) Except as otherwise provided in subsection (4) of this section, the MDOH may revoke the registry identification card of any cardholder who knowingly commits a violation of this chapter.

(6) The hearing decision of the agency on a revocation, suspension or fine is a final decision of the applicable agency



subject to judicial review in accordance with Section 31 of this act.

(7) No license issued by the MDOH or MDOR shall be transferred by the license holder to any other person or entity except with the written consent of the applicable licensing agency.

SECTION 25. Confidentiality. (1) Data in license and registration applications and supporting data submitted by registered qualifying patients, registered designated caregivers, medical cannabis establishments and nonresident cardholders, including data on registered designated caregivers and practitioners, shall be considered private data on individuals that is confidential and exempt from disclosure under the Mississippi Public Records Act of 1983, Sections 25-61-1 through 25-61-17.

(2) Data kept or maintained by an agency shall not be used for any purpose not provided for in this chapter and shall not be combined or linked in any manner with any other list or database.

(3) Data kept or maintained by an agency may be disclosed as necessary for:

(a) The verification of registration certificates and registry identification cards under this chapter;

(b) Submission of the annual report required by this chapter;



(c) Notification of state or local law enforcement of apparent criminal violations of this chapter;

(d) Notification of state and local law enforcement about falsified or fraudulent information submitted for purposes of obtaining or renewing a registry identification card; or

(e) Notification of the State Board of Medical Licensure or other occupational or professional licensing board or entity if there is reason to believe that a practitioner provided a written certification in violation of this chapter, or if the MDOH has reason to believe the practitioner otherwise violated the standard of care for evaluating medical conditions.

(4) Any information kept or maintained by medical cannabis establishments must identify cardholders by their registry identification numbers and must not contain names or other personally identifying information.

(5) At a cardholder's request, the MDOH may confirm the cardholder's status as a registered qualifying patient or a registered designated caregiver to a third party, such as a landlord, school, medical professional, or court.

(6) Any agency hard drives or other data-recording media that are no longer in use and that contain cardholder information shall be destroyed.

SECTION 26. Business expenses, deductions. Notwithstanding any federal tax law to the contrary, in computing net income for medical cannabis establishments, there shall be allowed as a



deduction from income taxes imposed under Section 27-7-5,
Mississippi Code of 1972, all the ordinary and necessary expenses
paid or incurred during the taxable year in carrying on a trade or
business as a medical cannabis establishment, including reasonable
allowance for salaries or other compensation for personal services
actually rendered.

SECTION 27. Banks to be held harmless. (1) A bank may
provide any services to any person or entity licensed in this
state to engage in the business of medical cannabis, or with any
person or entity engaging in business dealings with such licensee,
if the bank provides those services to any other business.

(2) A bank and its officers, directors, agents and employees
shall not be held liable pursuant to any state law or regulation
solely for:

(a) Providing financial services to a licensed medical
cannabis establishment; or

(b) Investing any income derived from providing
financial services to a licensed medical cannabis establishment.

(3) Nothing in this section shall require a bank to provide
financial services to a licensed medical cannabis establishment.

SECTION 28. Not applicable to CBD solution. This chapter
does not apply to or supersede any of the provisions of Section
41-29-136.

SECTION 29. Medical cannabis taxes. (1) (a) For purposes
of this section:



2106 (i) "Cannabis cultivation facility," "dispensary,"
2107 "medical cannabis" and "medical cannabis establishments" shall be
2108 defined as provided in Section 2 of this act.

2109 (ii) "Cannabis flower" means the flower, including
2110 abnormal and immature flowers, of a plant of the genus cannabis
2111 that has been harvested, dried and cured, and prior to any
2112 processing whereby the flower material is transformed into a
2113 cannabis product. "Cannabis flower" does not include the leaves
2114 or stem of such plant or hemp.

2115 (iii) "Cannabis trim" means all parts, including
2116 abnormal or immature parts, of a plant of the genus cannabis,
2117 other than cannabis flower, that have been harvested, dried and
2118 cured, and prior to any processing whereby the plant material is
2119 transformed into a cannabis product. "Cannabis trim" does not
2120 include hemp.

2121 (2) (a) There is hereby imposed, levied and assessed an
2122 excise tax on medical cannabis cultivation facilities. A cannabis
2123 cultivation facility shall collect and remit an excise tax on
2124 forms and in a manner specified by the Commissioner of Revenue.

2125 (b) The excise tax on cannabis cultivation facilities
2126 shall be based on the sales price for which a cannabis cultivation
2127 facility first sells cannabis flower or cannabis trim, as the case
2128 may be, to a medical cannabis establishment, and the rate of the
2129 excise tax shall be five percent (5%) of such sales price.
2130 However, if there is common ownership or other interest between



2131 the cannabis cultivation facility and the medical cannabis
2132 establishment to which the cannabis cultivation facility first
2133 sells or transfers the cannabis flower or cannabis trim, as the
2134 case may be, the excise tax shall be based on the fair market
2135 value of the cannabis flower or cannabis trim, as the case may be,
2136 at the time that the cannabis cultivation facility first sells or
2137 transfers the cannabis flower or cannabis trim to the medical
2138 cannabis establishment, and the rate of the excise tax shall be
2139 five percent (5%) of such fair market value. The fair market
2140 value of cannabis flower and cannabis trim shall initially be
2141 determined by the MDOR not later than November 1, 2022. Beginning
2142 January 1, 2023, the MDOR shall recalculate and adjust the fair
2143 market value of cannabis flower and cannabis trim twice per
2144 calendar year on January 1 and July 1.

2145 (c) The excise tax imposed by this subsection shall
2146 apply regardless of the ownership of the medical cannabis
2147 establishment to which the cannabis cultivation facility sells or
2148 transfers the cannabis flower or cannabis trim, as the case may
2149 be.

2150 (d) All administrative provisions of the sales tax law
2151 and amendments thereto, including those which fix damages,
2152 penalties and interest for nonpayment of taxes and for
2153 noncompliance with the provision of said sales tax law, and all
2154 other requirements and duties imposed upon a taxpayer, shall apply
2155 to all persons liable for taxes under the provisions of this



2156 subsection. The commissioner shall exercise all power and
2157 authority and perform all duties with respect to taxpayers under
2158 this subsection as are provided in said sales tax law, except
2159 where there is conflict, then the provisions of this subsection
2160 shall control.

2161 (e) All excise taxes collected under the provisions of
2162 this subsection shall be deposited into the State General Fund.

2163 (3) A dispensary, on forms and in a manner specified by the
2164 Commissioner of Revenue, shall collect and remit the sales tax
2165 levied in Section 27-65-17(1)(a) from the gross proceeds derived
2166 from each retail sale of medical cannabis.

2167 **SECTION 30. Local government option.** (1) The cultivation,
2168 processing, sale and distribution of medical cannabis and cannabis
2169 products, as performed in accordance to the provisions of this
2170 chapter, shall be legal in every county and municipality of this
2171 state unless a county or municipality opts out through a vote by
2172 the board of supervisors of the county or governing authorities of
2173 the municipality, as applicable, within ninety (90) days after the
2174 effective date of this act. The governing authorities of the
2175 municipality or the board of supervisors of the county, as
2176 applicable, shall provide a notice in accordance with the Open
2177 Meetings Act (Section 25-41-1 et seq.) of its intent of holding a
2178 vote regarding opting out of allowing the cultivation, processing,
2179 sale and/or distribution of medical cannabis and cannabis
2180 products, as applicable. The governing authorities of the



2181 municipality or the board of supervisors of the county, as
2182 applicable, may opt out of allowing one or more of the following:
2183 cultivation, processing, sale or distribution of medical cannabis
2184 and cannabis products. The governing authorities of a
2185 municipality, by a vote entered upon their minutes, may opt out of
2186 allowing the cultivation, processing, sale and/or distribution of
2187 medical cannabis and cannabis products, as applicable, in the
2188 municipality. The board of supervisors of a county, by a vote
2189 entered upon its minutes, may opt out of allowing the cultivation,
2190 processing, sale and/or distribution of medical cannabis and
2191 cannabis products, as applicable, in the unincorporated areas of
2192 the county.

2193 (2) If the board of supervisors of a county or the governing
2194 authorities of a municipality do not opt out of allowing the
2195 cultivation, processing, sale and/or distribution of medical
2196 cannabis and cannabis products, as applicable, within ninety (90)
2197 days after the effective date of this act, then no vote by the
2198 board of supervisors or governing authorities, as applicable, may
2199 be held to so opt out, and the provisions of this chapter shall
2200 remain applicable and operative in the county or municipality, as
2201 applicable. If the board of supervisors of a county or governing
2202 authorities of a municipality have opted out of allowing the
2203 cultivation, processing, sale and/or distribution of medical
2204 cannabis and cannabis products, as applicable, then the board of
2205 supervisors or governing authorities of a municipality may later



2206 opt in regarding the same through a vote by the board of
2207 supervisors or governing authorities, as applicable, entered upon
2208 its or their minutes, or an election duly held according to
2209 subsection (3) or (4) of this section, as applicable.

2210 (3) (a) Upon presentation and filing of a proper petition
2211 requesting that the cultivation, processing, sale and/or
2212 distribution of medical cannabis and cannabis products, as
2213 applicable, be legal in the unincorporated areas of the county
2214 signed by at least twenty percent (20%) or fifteen hundred (1500),
2215 whichever number is the lesser, of the qualified electors of the
2216 county, it shall be the duty of the board of supervisors to call
2217 an election at which there shall be submitted to the qualified
2218 electors of the county the question of whether or not the
2219 cultivation, processing, sale and/or distribution of medical
2220 cannabis and cannabis products, as applicable, shall be legal in
2221 the unincorporated areas of such county as provided in this
2222 chapter. Such election shall be held and conducted by the county
2223 election commissioners on a date fixed by the order of the board
2224 of supervisors, which date shall not be more than sixty (60) days
2225 from the date of the filing of the petition. Notice thereof shall
2226 be given by publishing such notice once each week for at least
2227 three (3) consecutive weeks in some newspaper published in the
2228 county or if no newspaper be published therein, by such
2229 publication in a newspaper in an adjoining county and having a
2230 general circulation in the county involved. The election shall be



2231 held not earlier than fifteen (15) days from the first publication
2232 of such notice.

2233 (b) The election shall be held and conducted as far as
2234 may be possible in the same manner as is provided by law for the
2235 holding of general elections. The ballots used at the election
2236 shall contain a brief statement of the proposition submitted and,
2237 on separate lines, the words "I vote FOR allowing the cultivation,
2238 processing, sale and/or distribution of medical cannabis and
2239 cannabis products, as applicable, in the unincorporated areas of
2240 _____ [Name of County] ()" or "I vote AGAINST allowing the
2241 cultivation, processing, sale and/or distribution of medical
2242 cannabis and cannabis products, as applicable, in the
2243 unincorporated areas of _____ [Name of County] ()" with
2244 appropriate boxes in which the voters may express their choice.
2245 All qualified electors may vote by marking the ballot with a cross
2246 (x) or check (✓) mark opposite the words of their choice.

2247 (c) The election commissioners shall canvass and
2248 determine the results of the election and shall certify the same
2249 to the board of supervisors which shall adopt and spread upon its
2250 minutes an order declaring such results. If, in such election, a
2251 majority of the qualified electors participating therein vote in
2252 favor of allowing the cultivation, processing, sale and/or
2253 distribution of medical cannabis and cannabis products, as
2254 applicable, in the unincorporated areas of the county, this
2255 chapter shall be applicable and operative in the unincorporated



2256 areas of such county, and the cultivation, processing, sale and/or
2257 distribution of medical cannabis and cannabis products, as
2258 applicable, in the unincorporated areas of the county shall be
2259 lawful to the extent and in the manner permitted in this chapter.
2260 If, on the other hand, a majority of the qualified electors
2261 participating in the election vote against allowing the
2262 cultivation, processing, sale and/or distribution of medical
2263 cannabis and cannabis products, as applicable, then it shall be
2264 illegal to cultivate, process, sell and/or distribute medical
2265 cannabis and cannabis products, as applicable, in the
2266 unincorporated areas of the county. In either case, no further
2267 election shall be held in the county under the provisions of this
2268 section for a period of two (2) years from the date of the prior
2269 election and then only upon the filing of a petition requesting
2270 same signed by at least twenty percent (20%) or fifteen hundred
2271 (1500), whichever number is the lesser, of the qualified electors
2272 of the county as provided in this section.

2273 (4) (a) Upon presentation and filing of a proper petition
2274 requesting that the cultivation, processing, sale and/or
2275 distribution of medical cannabis and cannabis products, as
2276 applicable, be legal in the municipality signed by at least twenty
2277 percent (20%) or fifteen hundred (1500), whichever number is the
2278 lesser, of the qualified electors of the municipality, it shall be
2279 the duty of the governing authorities of the municipality to call
2280 an election at which there shall be submitted to the qualified



2281 electors of the municipality the question of whether or not the
2282 cultivation, processing, sale and/or distribution of medical
2283 cannabis and cannabis products, as applicable, shall be legal in
2284 the municipality as provided in this chapter. Such election shall
2285 be held and conducted on a date fixed by the order of the
2286 governing authorities of the municipality, which date shall not be
2287 more than sixty (60) days from the date of the filing of the
2288 petition. Notice thereof shall be given by publishing such notice
2289 once each week for at least three (3) consecutive weeks in some
2290 newspaper published in the municipality or if no newspaper be
2291 published therein, by such publication in a newspaper having a
2292 general circulation in the municipality involved. The election
2293 shall be held not earlier than fifteen (15) days from the first
2294 publication of such notice.

2295 (b) The election shall be held and conducted as far as
2296 may be possible in the same manner as is provided by law for the
2297 holding of municipal elections. The ballots used at the election
2298 shall contain a brief statement of the proposition submitted and,
2299 on separate lines, the words "I vote FOR allowing the cultivation,
2300 processing, sale and/or distribution of medical cannabis and
2301 cannabis products, as applicable, in _____ [Name of
2302 Municipality] ()" or "I vote AGAINST allowing the cultivation,
2303 processing, sale and/or distribution of medical cannabis and
2304 cannabis products, as applicable, in _____ [Name of
2305 Municipality] ()" with appropriate boxes in which the voters may



2306 express their choice. All qualified electors may vote by marking
2307 the ballot with a cross (x) or check (✓) mark opposite the words
2308 of their choice.

2309 (c) The election commissioners shall canvass and
2310 determine the results of the election and shall certify the same
2311 to the governing authorities which shall adopt and spread upon
2312 their minutes an order declaring such results. If, in such
2313 election, a majority of the qualified electors participating
2314 therein vote in favor of allowing the cultivation, processing,
2315 sale and/or distribution of medical cannabis and cannabis
2316 products, as applicable, this chapter shall be applicable and
2317 operative in such municipality and the cultivation, processing,
2318 sale, and/or distribution of medical cannabis and cannabis
2319 products, as applicable, therein shall be lawful to the extent and
2320 in the manner permitted in this chapter. If, on the other hand, a
2321 majority of the qualified electors participating in the election
2322 vote against allowing the cultivation, processing, sale and/or
2323 distribution of medical cannabis and cannabis products, as
2324 applicable, then it shall be illegal to cultivate, process, sell
2325 and/or distribute medical cannabis and cannabis products, as
2326 applicable, in the municipality. In either case, no further
2327 election shall be held in the municipality under the provisions of
2328 this section for a period of two (2) years from the date of the
2329 prior election and then only upon the filing of a petition
2330 requesting same signed by at least twenty percent (20%) or fifteen



hundred (1500), whichever number is the lesser, of the qualified electors of the municipality as provided in this section.

(5) Regardless of whether a county or municipality opts out of allowing the cultivation, processing, sale and/or distribution of medical cannabis and cannabis products, cardholders, cannabis testing facilities, cannabis research facilities, cannabis transportation entities and cannabis disposal entities may possess medical cannabis in the municipality or county if done in accordance with this chapter.

(6) (a) If a municipality that has opted out under this section annexes a geographic area which contains a licensed entity operating under the provisions of this chapter, then the licensed entity may continue its operation in that municipality's newly annexed geographic area.

(b) If a licensed entity operating under the provisions of this chapter is located in a municipality that contracts its corporate boundaries thereby causing the geographic area in which the licensed entity is located to no longer be in the municipality and instead in an unincorporated area of a county that has opted out under this section, then the licensed entity may continue its operation in that area of the county.

SECTION 31. Judicial review. (1) Any person or entity aggrieved by a final decision or order of an agency under the provisions of this chapter may petition for judicial review of the final decision or order.



(2) (a) The petition shall be filed within twenty (20) days after the issuance of the agency's final decision or order. The petition shall be filed in the circuit court of the county in which the appellant resides. If the appellant is a nonresident of this state, the appeal shall be made to the Circuit Court of the First Judicial District of Hinds County, Mississippi.

(b) Any person or entity aggrieved by the decision of the circuit court may appeal to the Mississippi Supreme Court.

SECTION 32. Fees and fines allocation. All fees and fines collected by the MDOR and MDOH according to the provisions of this chapter shall be deposited into the State General Fund.

SECTION 33. Medical Cannabis Advisory Committee. (1) (a) There is established a Medical Cannabis Advisory Committee, which shall be the committee that is required to advise the Legislature about medical cannabis and cannabis product, patient care, services and industry.

(b) The advisory committee shall consist of nine (9) members, as follows:

(i) The Governor shall appoint three (3) members to the committee, as follows:

1. One (1) representative from the MDAC;
2. One (1) registered qualifying patient; and
3. One (1) physician with experience in medical cannabis issues;



2380 (ii) The Lieutenant Governor shall appoint three
2381 (3) members, as follows:

2382 1. One (1) owner or agent of a medical
2383 cannabis cultivation facility;

2384 2. One (1) representative from the MDOH; and

2385 3. One (1) qualified certified nurse
2386 practitioner, physician assistant or optometrist;

2387 (iii) The Speaker of the House shall appoint three
2388 (3) members, as follows:

2389 1. One (1) owner or agent of a medical
2390 cannabis processing facility;

2391 2. One (1) owner or agent of a medical
2392 cannabis dispensary; and

2393 3. One (1) representative from the MDOR.

2394 (c) The advisory committee shall meet at least two (2)
2395 times per year for the purpose of evaluating and making
2396 recommendations to the Legislature and the MDOH, MDOR and MDAC
2397 regarding:

2398 (i) The ability of qualifying patients in all
2399 areas of the state to obtain timely access to high-quality medical
2400 cannabis;

2401 (ii) The effectiveness of the medical cannabis
2402 establishments in serving the needs of registered qualifying
2403 patients, including the provision of educational and support
2404 services by dispensaries, the reasonableness of their prices,



2405 security issues, and the sufficiency of the number operating to
2406 serve the state's registered qualifying patients;

2407 (iii) The effectiveness of the cannabis testing
2408 facilities, including whether a sufficient number are operating;

2409 (iv) The sufficiency of the regulatory and
2410 security safeguards contained in this chapter and adopted by the
2411 MDOH and MDAC to ensure that access to and use of cannabis
2412 cultivated is provided only to cardholders;

2413 (v) Any recommended additions or revisions to the
2414 MDAC, MDOH and MDOR rules and regulations or this chapter,
2415 including relating to security, safe handling, labeling,
2416 nomenclature, and whether additional types of licenses should be
2417 made available; and

2418 (vi) Any research studies regarding health effects
2419 of medical cannabis for patients.

2420 (d) The advisory committee shall accept public comment
2421 in writing and in-person at least once per year. The advisory
2422 committee shall meet at least two (2) times per year and advisory
2423 committee members shall be furnished written notice of the
2424 meetings at least ten (10) days before the date of the meeting.

2425 (e) The chairman of the advisory committee shall be
2426 elected by the voting members of the committee annually and shall
2427 not serve more than two (2) consecutive years as chairman.

2428 (f) The members of the advisory committee specified in
2429 paragraph (b) of this subsection shall serve for terms that are



concurrent with the terms of members of the Legislature, and any member appointed under paragraph (b) may be reappointed to the advisory committee. The members of the advisory committee specified in paragraph (b) shall serve without compensation, but shall receive reimbursement to defray actual expenses incurred in the performance of committee business as authorized by law.

(2) This section shall stand repealed on December 31, 2025.

SECTION 34. Section 25-53-5, Mississippi Code of 1972, is amended as follows:

25-53-5. The authority shall have the following powers, duties, and responsibilities:

(a) (i) The authority shall provide for the development of plans for the efficient acquisition and utilization of computer equipment and services by all agencies of state government, and provide for their implementation. In so doing, the authority may use the MDITS' staff, at the discretion of the executive director of the authority, or the authority may contract for the services of qualified consulting firms in the field of information technology and utilize the service of such consultants as may be necessary for such purposes. Pursuant to Section 25-53-1, the provisions of this section shall not apply to the Department of Human Services for a period of three (3) years beginning on July 1, 2017. Pursuant to Section 25-53-1, the provisions of this section shall not apply to the Department of



2454 Child Protection Services for a period of three (3) years
2455 beginning July 1, 2017.

2456 (ii) [Repealed]

2457 (b) The authority shall immediately institute
2458 procedures for carrying out the purposes of this chapter and
2459 supervise the efficient execution of the powers and duties of the
2460 office of executive director of the authority. In the execution
2461 of its functions under this chapter, the authority shall maintain
2462 as a paramount consideration the successful internal organization
2463 and operation of the several agencies so that efficiency existing
2464 therein shall not be adversely affected or impaired. In executing
2465 its functions in relation to the institutions of higher learning
2466 and junior colleges in the state, the authority shall take into
2467 consideration the special needs of such institutions in relation
2468 to the fields of teaching and scientific research.

2469 (c) Title of whatever nature of all computer equipment
2470 now vested in any agency of the State of Mississippi is hereby
2471 vested in the authority, and no such equipment shall be disposed
2472 of in any manner except in accordance with the direction of the
2473 authority or under the provisions of such rules and regulations as
2474 may hereafter be adopted by the authority in relation thereto.

2475 (d) The authority shall adopt rules, regulations, and
2476 procedures governing the acquisition of computer and
2477 telecommunications equipment and services which shall, to the
2478 fullest extent practicable, insure the maximum of competition



2479 between all manufacturers of supplies or equipment or services.
2480 In the writing of specifications, in the making of contracts
2481 relating to the acquisition of such equipment and services, and in
2482 the performance of its other duties the authority shall provide
2483 for the maximum compatibility of all information systems hereafter
2484 installed or utilized by all state agencies and may require the
2485 use of common computer languages where necessary to accomplish the
2486 purposes of this chapter. The authority may establish by
2487 regulation and charge reasonable fees on a nondiscriminatory basis
2488 for the furnishing to bidders of copies of bid specifications and
2489 other documents issued by the authority.

2490 (e) The authority shall adopt rules and regulations
2491 governing the sharing with, or the sale or lease of information
2492 technology services to any nonstate agency or person. Such
2493 regulations shall provide that any such sharing, sale or lease
2494 shall be restricted in that same shall be accomplished only where
2495 such services are not readily available otherwise within the
2496 state, and then only at a charge to the user not less than the
2497 prevailing rate of charge for similar services by private
2498 enterprise within this state.

2499 (f) The authority may, in its discretion, establish a
2500 special technical advisory committee or committees to study and
2501 make recommendations on technology matters within the competence
2502 of the authority as the authority may see fit. Persons serving on
2503 the Information Resource Council, its task forces, or any such



2504 technical advisory committees shall be entitled to receive their
2505 actual and necessary expenses actually incurred in the performance
2506 of such duties, together with mileage as provided by law for state
2507 employees, provided the same has been authorized by a resolution
2508 duly adopted by the authority and entered on its minutes prior to
2509 the performance of such duties.

2510 (g) The authority may provide for the development and
2511 require the adoption of standardized computer programs and may
2512 provide for the dissemination of information to and the
2513 establishment of training programs for the personnel of the
2514 various information technology centers of state agencies and
2515 personnel of the agencies utilizing the services thereof.

2516 (h) The authority shall adopt reasonable rules and
2517 regulations requiring the reporting to the authority through the
2518 office of executive director of such information as may be
2519 required for carrying out the purposes of this chapter and may
2520 also establish such reasonable procedures to be followed in the
2521 presentation of bills for payment under the terms of all contracts
2522 for the acquisition of computer equipment and services now or
2523 hereafter in force as may be required by the authority or by the
2524 executive director in the execution of their powers and duties.

2525 (i) The authority shall require such adequate
2526 documentation of information technology procedures utilized by the
2527 various state agencies and may require the establishment of such
2528 organizational structures within state agencies relating to



2529 information technology operations as may be necessary to
2530 effectuate the purposes of this chapter.

2531 (j) The authority may adopt such further reasonable
2532 rules and regulations as may be necessary to fully implement the
2533 purposes of this chapter. All rules and regulations adopted by
2534 the authority shall be published and disseminated in readily
2535 accessible form to all affected state agencies, and to all current
2536 suppliers of computer equipment and services to the state, and to
2537 all prospective suppliers requesting the same. Such rules and
2538 regulations shall be kept current, be periodically revised, and
2539 copies thereof shall be available at all times for inspection by
2540 the public at reasonable hours in the offices of the authority.
2541 Whenever possible no rule, regulation or any proposed amendment to
2542 such rules and regulations shall be finally adopted or enforced
2543 until copies of the proposed rules and regulations have been
2544 furnished to all interested parties for their comment and
2545 suggestions.

2546 (k) The authority shall establish rules and regulations
2547 which shall provide for the submission of all contracts proposed
2548 to be executed by the executive director for computer equipment or
2549 services to the authority for approval before final execution, and
2550 the authority may provide that such contracts involving the
2551 expenditure of less than such specified amount as may be
2552 established by the authority may be finally executed by the



2553 executive director without first obtaining such approval by the
2554 authority.

2555 (1) The authority is authorized to purchase, lease, or
2556 rent computer equipment or services and to operate that equipment
2557 and use those services in providing services to one or more state
2558 agencies when in its opinion such operation will provide maximum
2559 efficiency and economy in the functions of any such agency or
2560 agencies.

2561 (m) Upon the request of the governing body of a
2562 political subdivision or instrumentality, the authority shall
2563 assist the political subdivision or instrumentality in its
2564 development of plans for the efficient acquisition and utilization
2565 of computer equipment and services. An appropriate fee shall be
2566 charged the political subdivision by the authority for such
2567 assistance.

2568 (n) The authority shall adopt rules and regulations
2569 governing the protest procedures to be followed by any actual or
2570 prospective bidder, offerer or contractor who is aggrieved in
2571 connection with the solicitation or award of a contract for the
2572 acquisition of computer equipment or services. Such rules and
2573 regulations shall prescribe the manner, time and procedure for
2574 making protests and may provide that a protest not timely filed
2575 shall be summarily denied. The authority may require the
2576 protesting party, at the time of filing the protest, to post a
2577 bond, payable to the state, in an amount that the authority



2578 determines sufficient to cover any expense or loss incurred by the
2579 state, the authority or any state agency as a result of the
2580 protest if the protest subsequently is determined by a court of
2581 competent jurisdiction to have been filed without any substantial
2582 basis or reasonable expectation to believe that the protest was
2583 meritorious; however, in no event may the amount of the bond
2584 required exceed a reasonable estimate of the total project cost.
2585 The authority, in its discretion, also may prohibit any
2586 prospective bidder, offerer or contractor who is a party to any
2587 litigation involving any such contract with the state, the
2588 authority or any agency of the state to participate in any other
2589 such bid, offer or contract, or to be awarded any such contract,
2590 during the pendency of the litigation.

2591 (o) The authority shall make a report in writing to the
2592 Legislature each year in the month of January. Such report shall
2593 contain a full and detailed account of the work of the authority
2594 for the preceding year as specified in Section 25-53-29(3).

2595 All acquisitions of computer equipment and services involving
2596 the expenditure of funds in excess of the dollar amount
2597 established in Section 31-7-13(c), or rentals or leases in excess
2598 of the dollar amount established in Section 31-7-13(c) for the
2599 term of the contract, shall be based upon competitive and open
2600 specifications, and contracts therefor shall be entered into only
2601 after advertisements for bids are published in one or more daily
2602 newspapers having a general circulation in the state not less than



fourteen (14) days prior to receiving sealed bids therefor. The authority may reserve the right to reject any or all bids, and if all bids are rejected, the authority may negotiate a contract within the limitations of the specifications so long as the terms of any such negotiated contract are equal to or better than the comparable terms submitted by the lowest and best bidder, and so long as the total cost to the State of Mississippi does not exceed the lowest bid. If the authority accepts one (1) of such bids, it shall be that which is the lowest and best. Through December 31, 2022, the provisions of this paragraph shall not apply to acquisitions of information technology equipment and services made by the Mississippi Department of Agriculture and Commerce, the Mississippi Department of Health and/or the Mississippi Department of Revenue for the purposes of implementing, administering and/or enforcing the provisions of the Mississippi Medical Cannabis Act.

(p) When applicable, the authority may procure equipment, systems and related services in accordance with the law or regulations, or both, which govern the Bureau of Purchasing of the Office of General Services or which govern the Mississippi Department of Information Technology Services procurement of telecommunications equipment, software and services.

(q) The authority is authorized to purchase, lease, or rent information technology and services for the purpose of establishing pilot projects to investigate emerging technologies. These acquisitions shall be limited to new technologies and shall



2628 be limited to an amount set by annual appropriation of the
2629 Legislature. These acquisitions shall be exempt from the
2630 advertising and bidding requirement.

2631 (r) All fees collected by the Mississippi Department of
2632 Information Technology Services shall be deposited into the
2633 Mississippi Department of Information Technology Services
2634 Revolving Fund unless otherwise specified by the Legislature.

2635 (s) The authority shall work closely with the council
2636 to bring about effective coordination of policies, standards and
2637 procedures relating to procurement of remote sensing and
2638 geographic information systems (GIS) resources. In addition, the
2639 authority is responsible for development, operation and
2640 maintenance of a delivery system infrastructure for geographic
2641 information systems data. The authority shall provide a warehouse
2642 for Mississippi's geographic information systems data.

2643 (t) The authority shall manage one or more State Data
2644 Centers to provide information technology services on a
2645 cost-sharing basis. In determining the appropriate services to be
2646 provided through the State Data Center, the authority should
2647 consider those services that:

- 2648 (i) Result in savings to the state as a whole;
2649 (ii) Improve and enhance the security and
2650 reliability of the state's information and business systems; and
2651 (iii) Optimize the efficient use of the state's
2652 information technology assets, including, but not limited to,



2653 promoting partnerships with the state institutions of higher
2654 learning and community colleges to capitalize on advanced
2655 information technology resources.

2656 (u) The authority shall increase federal participation
2657 in the cost of the State Data Center to the extent provided by law
2658 and its shared technology infrastructure through providing such
2659 shared services to agencies that receive federal funds. With
2660 regard to state institutions of higher learning and community
2661 colleges, the authority may provide shared services when mutually
2662 agreeable, following a determination by both the authority and the
2663 Board of Trustees of State Institutions of Higher Learning or the
2664 Mississippi Community College Board, as the case may be, that the
2665 sharing of services is mutually beneficial.

2666 (v) The authority, in its discretion, may require new
2667 or replacement agency business applications to be hosted at the
2668 State Data Center. With regard to state institutions of higher
2669 learning and community colleges, the authority and the Board of
2670 Trustees of State Institutions of Higher Learning or the
2671 Mississippi Community College Board, as the case may be, may agree
2672 that institutions of higher learning or community colleges may
2673 utilize business applications that are hosted at the State Data
2674 Center, following a determination by both the authority and the
2675 applicable board that the hosting of those applications is
2676 mutually beneficial. In addition, the authority may establish
2677 partnerships to capitalize on the advanced technology resources of



2678 the Board of Trustees of State Institutions of Higher Learning or
2679 the Mississippi Community College Board, following a determination
2680 by both the authority and the applicable board that such a
2681 partnership is mutually beneficial.

2682 (w) The authority shall provide a periodic update
2683 regarding reform-based information technology initiatives to the
2684 Chairmen of the House and Senate Accountability, Efficiency and
2685 Transparency Committees.

2686 From and after July 1, 2018, the expenses of this agency
2687 shall be defrayed by appropriation from the State General Fund.
2688 In addition, in order to receive the maximum use and benefit from
2689 information technology and services, expenses for the provision of
2690 statewide shared services that facilitate cost-effective
2691 information processing and telecommunication solutions shall be
2692 defrayed by pass-through funding and shall be deposited into the
2693 Mississippi Department of Information Technology Services
2694 Revolving Fund unless otherwise specified by the Legislature.
2695 These funds shall only be utilized to pay the actual costs
2696 incurred by the Mississippi Department of Information Technology
2697 Services for providing these shared services to state agencies.
2698 Furthermore, state agencies shall work in full cooperation with
2699 the Board of the Mississippi Department of Information Technology
2700 Services to identify computer equipment or services to minimize
2701 duplication, reduce costs, and improve the efficiency of providing
2702 common technology services across agency boundaries.



2703 **SECTION 35.** Section 27-104-203, Mississippi Code of 1972, is
2704 amended as follows:

2705 27-104-203. * * * From and after July 1, 2016, no state
2706 agency shall charge another state agency a fee, assessment, rent,
2707 audit fee, personnel fee or other charge for services or resources
2708 received. The provisions of this section shall not apply (a) to
2709 grants, contracts, pass-through funds, project fees or other
2710 charges for services between state agencies and the Board of
2711 Trustees of State Institutions of Higher Learning, any public
2712 university, the Mississippi Community College Board, any public
2713 community or junior college, and the State Department of
2714 Education, nor (b) to charges for services between the Board of
2715 Trustees of State Institutions of Higher Learning, any public
2716 university, the Mississippi Community College Board, any public
2717 community or junior college, and the State Department of
2718 Education, nor (c) to federal grants, pass-through funds, cost
2719 allocation charges, surplus property charges or project fees
2720 between state agencies as approved or determined by the State
2721 Fiscal Officer, nor (d) telecommunications, data center services,
2722 and/or other information technology services that are used on an
2723 as-needed basis and those costs shall be passed through to the
2724 using agency, nor (e) to federal grants, special funds, or
2725 pass-through funds, available for payment by state agencies to the
2726 Department of Finance and Administration related to Mississippi
2727 Management and Reporting Systems (MMRS) Statewide Application



2728 charges and utilities as approved or determined by the State
2729 Fiscal Officer, nor (f) * * * to grants, contracts, pass-through
2730 funds, project fees or charges for services between the State
2731 Department of Health, State Department of Agriculture and
2732 Commerce, and State Department of Revenue, and other state
2733 agencies or entities, including, but not limited to, the Board of
2734 Trustees of State Institutions of Higher Learning, any public
2735 university, the Mississippi Community College Board, any public
2736 community or junior college, and the State Department of
2737 Education, for the operation of the * * * medical * * * cannabis
2738 program as established by * * * the Mississippi Medical Cannabis
2739 Act. The Board of Trustees of State Institutions of Higher
2740 Learning, any public university, the Mississippi Community College
2741 Board, any public community or junior college, and the State
2742 Department of Education shall retain the authority to charge and
2743 be charged for expenditures that they deemed nonrecurring in
2744 nature by the State Fiscal Officer.

2745 * * *

2746 **SECTION 36.** Section 17-1-3, Mississippi Code of 1972, is
2747 brought forward as follows:

2748 17-1-3. (1) Except as otherwise provided in Section
2749 17-1-21(2) and in Article VII of the Chickasaw Trail Economic
2750 Development Compact described in Section 57-36-1, for the purpose
2751 of promoting health, safety, morals, or the general welfare of the
2752 community, the governing authority of any municipality, and, with



2753 respect to the unincorporated part of any county, the governing
2754 authority of any county, in its discretion, are empowered to
2755 regulate the height, number of stories and size of building and
2756 other structures, the percentage of lot that may be occupied, the
2757 size of the yards, courts and other open spaces, the density of
2758 population, and the location and use of buildings, structures and
2759 land for trade, industry, residence or other purposes, but no
2760 permits shall be required with reference to land used for
2761 agricultural purposes, including forestry activities as defined in
2762 Section 95-3-29(2)(b), or for the erection, maintenance, repair or
2763 extension of farm buildings or farm structures, including forestry
2764 buildings and structures, outside the corporate limits of
2765 municipalities. The governing authority of each county and
2766 municipality may create playgrounds and public parks, and for
2767 these purposes, each of such governing authorities shall possess
2768 the power, where requisite, of eminent domain and the right to
2769 apply public money thereto, and may issue bonds therefor as
2770 otherwise permitted by law.

2771 (2) Local land use regulation ordinances involving the
2772 placement, screening, or height of amateur radio antenna
2773 structures must reasonably accommodate amateur communications and
2774 must constitute the minimum practicable regulation to accomplish
2775 local authorities' legitimate purposes of addressing health,
2776 safety, welfare and aesthetic considerations. Judgments as to the
2777 types of reasonable accommodation to be made and the minimum



2778 practicable regulation necessary to address these purposes will be
2779 determined by local governing authorities within the parameters of
2780 the law. This legislation supports the amateur radio service in
2781 preparing for and providing emergency communications for the State
2782 of Mississippi and local emergency management agencies.

2783 **SECTION 37.** Section 19-5-9, Mississippi Code of 1972, is
2784 brought forward as follows:

2785 19-5-9. The construction codes published by a nationally
2786 recognized code group which sets minimum standards and has the
2787 proper provisions to maintain up-to-date amendments are adopted as
2788 minimum standard guides for building, plumbing, electrical, gas,
2789 sanitary, and other related codes in Mississippi. Any county
2790 within the State of Mississippi, in the discretion of the board of
2791 supervisors, may adopt building codes, plumbing codes, electrical
2792 codes, sanitary codes, or other related codes dealing with general
2793 public health, safety or welfare, or a combination of the same,
2794 within but not exceeding the provisions of the construction codes
2795 published by nationally recognized code groups, by order or
2796 resolution in the manner prescribed in this section, but those
2797 codes so adopted shall apply only to the unincorporated areas of
2798 the county. However, those codes shall not apply to the erection,
2799 maintenance, repair or extension of farm buildings or farm
2800 structures, except as may be required under the terms of the
2801 "Flood Disaster Protection Act of 1973," and shall apply to a
2802 master planned community as defined in Section 19-5-10 only to the



2803 extent allowed in Section 19-5-10. The provisions of this section
2804 shall not be construed to authorize the adoption of any code which
2805 applies to the installation, repair or maintenance of electric
2806 wires, pipelines, apparatus, equipment or devices by or for a
2807 utility rendering public utility services, required by it to be
2808 utilized in the rendition of its duly authorized service to the
2809 public. Before any such code shall be adopted, it shall be either
2810 printed or typewritten and shall be presented in pamphlet form to
2811 the board of supervisors at a regular meeting. The order or
2812 resolution adopting the code shall not set out the code in full,
2813 but shall merely identify the same. The vote or passage of the
2814 order or resolution shall be the same as on any other order or
2815 resolution. After its adoption, the code or codes shall be
2816 certified to by the president and clerk of the board of
2817 supervisors and shall be filed as a permanent record in the office
2818 of the clerk who shall not be required to transcribe and record
2819 the same in the minute book as other orders and resolutions.

2820 If the board of supervisors of any county adopts or has
2821 adopted construction codes which do not have proper provisions to
2822 maintain up-to-date amendments, specifications in such codes for
2823 cements used in portland cement concrete shall be superseded by
2824 nationally recognized specifications referenced in any code
2825 adopted by the Mississippi Building Code Council.

2826 All provisions of this section shall apply to amendments and
2827 revisions of the codes mentioned in this section. The provisions



2828 of this section shall be in addition and supplemental to any
2829 existing laws authorizing the adoption, amendment or revision of
2830 county orders, resolutions or codes.

2831 Any code adopted under the provisions of this section shall
2832 not be in operation or force until sixty (60) days have elapsed
2833 from the adoption of same; however, any code adopted for the
2834 immediate preservation of the public health, safety and general
2835 welfare may be effective from and after its adoption by a
2836 unanimous vote of the members of the board. Within five (5) days
2837 after the adoption or passage of an order or resolution adopting
2838 that code or codes the clerk of the board of supervisors shall
2839 publish in a legal newspaper published in the county the full text
2840 of the order or resolution adopting and approving the code, and
2841 the publication shall be inserted at least three (3) times, and
2842 shall be completed within thirty (30) days after the passage of
2843 the order or resolution.

2844 Any person or persons objecting to the code or codes may
2845 object in writing to the provisions of the code or codes within
2846 sixty (60) days after the passage of the order or resolution
2847 approving same, and if the board of supervisors adjudicates that
2848 ten percent (10%) or more of the qualified electors residing in
2849 the affected unincorporated areas of the county have objected in
2850 writing to the code or codes, then in such event the code shall be
2851 inoperative and not in effect unless adopted for the immediate
2852 preservation of the public health, safety and general welfare



2853 until approved by a special election called by the board of
2854 supervisors as other special elections are called and conducted by
2855 the election commissioners of the county as other special
2856 elections are conducted, the special election to be participated
2857 in by all the qualified electors of the county residing in the
2858 unincorporated areas of the county. If the voters approve the
2859 code or codes in the special election it shall be in force and in
2860 operation thereafter until amended or modified as provided in this
2861 section. If the majority of the qualified electors voting in the
2862 special election vote against the code or codes, then, in such
2863 event, the code or codes shall be void and of no force and effect,
2864 and no other code or codes dealing with that subject shall be
2865 adopted under the provisions of this section until at least two
2866 (2) years thereafter.

2867 After any such code shall take effect the board of
2868 supervisors is authorized to employ such directors and other
2869 personnel as the board, in its discretion, deems necessary and to
2870 expend general county funds or any other funds available to the
2871 board to fulfill the purposes of this section.

2872 For the purpose of promoting health, safety, morals or the
2873 general welfare of the community, the governing authority of any
2874 municipality, and, with respect to the unincorporated part of any
2875 county, the governing authority of any county, in its discretion,
2876 is empowered to regulate the height, number of stories and size of
2877 building and other structures, the percentage of lot that may be



2878 occupied, the size of the yards, courts and other open spaces, the
2879 density or population, and the location and use of buildings,
2880 structures and land for trade, industry, residence or other
2881 purposes, but no permits shall be required except as may be
2882 required under the terms of the "Flood Disaster Protection Act of
2883 1973" for the erection, maintenance, repair or extension of farm
2884 buildings or farm structures outside the corporate limits of
2885 municipalities.

2886 The authority granted in this section is cumulative and
2887 supplemental to any other authority granted by law.

2888 Notwithstanding any provision of this section to the
2889 contrary, any code adopted by a county before or after April 12,
2890 2001, is subject to the provisions of Section 41-26-14(10).

2891 Notwithstanding any provision of this section to the
2892 contrary, the Boards of Supervisors of Jackson, Harrison, Hancock,
2893 Stone and Pearl River Counties shall enforce the requirements
2894 imposed under Section 17-2-1 as provided in such section.

2895 **SECTION 38.** Section 25-43-1.103, Mississippi Code of 1972,
2896 is brought forward as follows:

2897 25-43-1.103. (1) This chapter applies to all agencies and
2898 all proceedings not expressly exempted under this chapter.

2899 (2) This chapter creates only procedural rights and imposes
2900 only procedural duties. They are in addition to those created and
2901 imposed by other statutes.



(3) Specific statutory provisions which govern agency proceedings and which are in conflict with any of the provisions of this chapter shall continue to be applied to all proceedings of any such agency to the extent of such conflict only.

(4) The provisions of this chapter shall not be construed to amend, repeal or supersede the provisions of any other law; and, to the extent that the provisions of any other law conflict or are inconsistent with the provisions of this chapter, the provisions of such other law shall govern and control.

(5) An agency may grant procedural rights to persons in addition to those conferred by this chapter so long as rights conferred upon other persons by any provision of law are not substantially prejudiced.

SECTION 39. Section 25-43-2.101, Mississippi Code of 1972, is brought forward as follows:

25-43-2.101. (1) Subject to the provisions of this chapter, the Secretary of State shall prescribe a uniform numbering system, form, style and transmitting format for all proposed and adopted rules caused to be published by him and, with prior approval of each respective agency involved, may edit rules for publication and codification without changing the meaning or effect of any rule.

(2) The Secretary of State shall cause an administrative bulletin to be published in a format and at such regular intervals as the Secretary of State shall prescribe by rule. Upon proper



2927 filing of proposed rules, the Secretary of State shall publish
2928 them in the administrative bulletin as expeditiously as possible.
2929 The administrative bulletin must contain:

2930 (a) Notices of proposed rule adoption prepared so that
2931 the text of the proposed rule shows the text of any existing rule
2932 proposed to be changed and the change proposed;

2933 (b) Any other notices and materials designated by law
2934 for publication therein; and

2935 (c) An index to its contents by subject.

2936 (3) The Secretary of State shall cause an administrative
2937 bulletin to be published in a format and at such regular intervals
2938 as the Secretary of State shall prescribe by rule. Upon proper
2939 filing of newly adopted rules, the Secretary of State shall
2940 publish them as expeditiously as possible. The administrative
2941 bulletin must contain:

2942 (a) Newly filed adopted rules prepared so that the text
2943 shows the text of any existing rule being changed and the change
2944 being made;

2945 (b) Any other notices and materials designated by law
2946 for publication therein; and

2947 (c) An index to its contents by subject.

2948 (4) The Secretary of State retains the authority to reject
2949 proposed and newly adopted rules not properly filed in accordance
2950 with the Secretary of State's rules prescribing the numbering
2951 system, form, style or transmitting format for such filings. The



Secretary of State shall not be empowered to reject filings for reasons of the substance or content or any proposed or newly adopted rule. The Secretary of State shall notify the agency of its rejection of a proposed or newly adopted rule as expeditiously as possible and accompany such notification with a stated reason for the rejection. A rejected filing of a proposed or newly adopted rule does not constitute filing pursuant to Section 25-43-3.101 et seq. of this chapter.

(5) (a) The Secretary of State shall cause an administrative code to be compiled, indexed by subject and published in a format prescribed by the Secretary of State by rule. All of the effective rules of each agency must be published and indexed in that publication. The Secretary of State shall also cause supplements to the administrative code to be published in a format and at such regular intervals as the Secretary of State shall prescribe by rule.

(b) The Joint Legislative Committee on Compilation, Revision and Publication of Legislation is hereby authorized to contract with a reputable and competent publishing company on such terms and conditions and at such prices as may be deemed proper to digest, compile, annotate, index and publish the state agency rules and regulations.

(6) (a) Copyrights of the Mississippi Administrative Code, including, but not limited to, cross references, tables of cases, notes of decisions, tables of contents, indices, source notes,



2977 authority notes, numerical lists and codification guides, other
2978 than the actual text of rules or regulations, shall be taken by
2979 and in the name of the publishers of said compilation. Such
2980 publishers shall thereafter promptly assign the same to the State
2981 of Mississippi and said copyright shall be owned by the state.

2982 (b) Any information appearing on the same leaf with the
2983 text of any rule or regulation may be incidentally reproduced in
2984 connection with the reproduction of such rule or regulation, if
2985 such reproduction is for private use and not for resale.

2986 (7) The Secretary of State may omit from the administrative
2987 bulletin or code any proposed or filed adopted rule, the
2988 publication in hard copy of which would be unduly cumbersome,
2989 expensive or otherwise inexpedient, if:

2990 (a) Knowledge of the rule is likely to be important to
2991 only a small class of persons;

2992 (b) On application to the issuing agency, the proposed
2993 or adopted rule in printed or processed form is made available at
2994 no more than its cost of reproduction; and

2995 (c) The administrative bulletin or code contains a
2996 notice stating in detail the specific subject matter of the
2997 omitted proposed or adopted rule and how a copy of the omitted
2998 material may be obtained.

2999 (8) The administrative bulletin and administrative code with
3000 supplements must be furnished to designated officials without
3001 charge and to all subscribers at a reasonable cost to be



determined by the Secretary of State. Each agency shall also make available for public inspection and copying those portions of the administrative bulletin and administrative code containing all rules adopted or used by the agency in the discharge of its functions, and the index to those rules.

SECTION 40. Section 25-43-3.102, Mississippi Code of 1972, is brought forward as follows:

25-43-3.102. (1) Each agency shall maintain a current, public rule-making docket.

(2) The rule-making docket may, but need not, contain a listing of the subject matter of possible rules currently under active consideration within the agency for proposal under Section 25-43-3.103 and the name and address of agency personnel with whom persons may communicate with respect to the matter.

(3) The rule-making docket must list each pending rule-making proceeding. A rule-making proceeding is pending from the time it is commenced, by proper filing with the Secretary of State of a notice of proposed rule adoption, to the time it is terminated by the filing with the Secretary of State of a notice of termination or the rule becoming effective. For each pending rule-making proceeding, the docket must indicate:

- (a) The subject matter of the proposed rule;
- (b) A citation to all published notices relating to the proceeding;



3026 (c) Where written submissions or written requests for
3027 an opportunity to make oral presentations on the proposed rule may
3028 be inspected;
3029 (d) The time during which written submissions may be
3030 made;
3031 (e) If applicable, where and when oral presentations
3032 may be made;
3033 (f) Where any economic impact statement and written
3034 requests for the issuance of and other information concerning an
3035 economic impact statement of the proposed rule may be inspected;
3036 (g) The current status of the proposed rule;
3037 (h) The date of the rule's adoption; and
3038 (i) When the rule will become effective.

3039 **SECTION 41.** Section 25-43-3.103, Mississippi Code of 1972,
3040 is brought forward as follows:

3041 25-43-3.103. (1) At least twenty-five (25) days before the
3042 adoption of a rule an agency shall cause notice of its
3043 contemplated action to be properly filed with the Secretary of
3044 State for publication in the administrative bulletin. The notice
3045 of proposed rule adoption must include:

3046 (a) A short explanation of the purpose of the proposed
3047 rule and the agency's reasons for proposing the rule;
3048 (b) The specific legal authority authorizing the
3049 promulgation of rules;



(c) A reference to all rules repealed, amended or suspended by the proposed rule;

(d) Subject to Section 25-43-2.101(5), the text of the proposed rule;

(e) Where, when and how persons may present their views on the proposed rule; and

(f) Where, when and how persons may demand an oral proceeding on the proposed rule if the notice does not already provide for one.

(2) Within three (3) days after its proper filing with the Secretary of State for publication in the administrative bulletin, the agency shall cause a copy of the notice of proposed rule adoption to be provided to each person who has made a timely request to the agency to be placed on the mailing list maintained by the agency of persons who have requested notices of proposed rule adoptions. An agency may mail the copy to the person and may charge the person a reasonable fee for such service, which fee may be in excess of the actual cost of providing the person with a mailed copy. Alternatively, the agency may provide the copy via the Internet or by transmitting it to the person by electronic means, including, but not limited to, facsimile transfer or e-mail at no charge to the person, if the person consents to this form of delivery.

SECTION 42. Section 25-43-3.104, Mississippi Code of 1972, is brought forward as follows:



3075 25-43-3.104. (1) For at least twenty-five (25) days after
3076 proper filing with the Secretary of State of the notice of
3077 proposed rule adoption, an agency shall afford persons the
3078 opportunity to submit, in writing, argument, data and views on the
3079 proposed rule.

3080 (2) (a) An agency, in its discretion, may schedule an oral
3081 proceeding on any proposed rule. However, an agency shall
3082 schedule an oral proceeding on a proposed rule if, within twenty
3083 (20) days after the proper filing of the notice of proposed rule
3084 adoption, a written request for an oral proceeding is submitted by
3085 a political subdivision, an agency or ten (10) persons. At that
3086 proceeding, persons may present oral or written argument, data and
3087 views on the proposed rule.

3088 (b) An oral proceeding on a proposed rule, if required,
3089 may not be held earlier than twenty (20) days after notice of its
3090 location and time is properly filed with the Secretary of State
3091 for publication in the administrative bulletin. Within three (3)
3092 days after its proper filing with the Secretary of State for
3093 publication in the administrative bulletin, the agency shall cause
3094 a copy of the notice of the location and time of the oral
3095 proceeding to be mailed to each person who has made a timely
3096 request to the agency to be placed on the mailing list maintained
3097 by the agency of persons who have requested notices of proposed
3098 rule adoptions.



3099 (c) The agency, a member of the agency, or another
3100 presiding officer designated by the agency shall preside at a
3101 required oral proceeding on a proposed rule. Oral proceedings
3102 must be open to the public and may be recorded by stenographic or
3103 other means.

3104 (d) An agency may issue rules for the conduct of oral
3105 rule-making proceedings or prepare reasonable guidelines or
3106 procedures for the conduct of any such proceedings. Those rules
3107 may include, but not be limited to, provisions calculated to
3108 prevent undue repetition in the oral proceedings.

3109 **SECTION 43.** Section 25-43-3.105, Mississippi Code of 1972,
3110 is brought forward as follows:

3111 25-43-3.105. (1) Prior to giving the notice required in
3112 Section 25-43-3.103, each agency proposing the adoption of a rule
3113 or significant amendment of an existing rule imposing a duty,
3114 responsibility or requirement on any person shall consider the
3115 economic impact the rule will have on the citizens of our state
3116 and the benefits the rule will cause to accrue to those citizens.
3117 For purposes of this section, a "significant amendment" means any
3118 amendment to a rule for which the total aggregate cost to all
3119 persons required to comply with that rule exceeds One Hundred
3120 Thousand Dollars (\$100,000.00).

3121 (2) Each agency shall prepare a written report providing an
3122 economic impact statement for the adoption of a rule or
3123 significant amendment to an existing rule imposing a duty,



3124 responsibility or requirement on any person, except as provided in
3125 subsection (7) of this section. The economic impact statement
3126 shall include the following:

3127 (a) A description of the need for and the benefits
3128 which will likely accrue as the result of the proposed action;

3129 (b) An estimate of the cost to the agency, and to any
3130 other state or local government entities, of implementing and
3131 enforcing the proposed action, including the estimated amount of
3132 paperwork, and any anticipated effect on state or local revenues;

3133 (c) An estimate of the cost or economic benefit to all
3134 persons directly affected by the proposed action;

3135 (d) An analysis of the impact of the proposed rule on
3136 small business;

3137 (e) A comparison of the costs and benefits of the
3138 proposed rule to the probable costs and benefits of not adopting
3139 the proposed rule or significantly amending an existing rule;

3140 (f) A determination of whether less costly methods or
3141 less intrusive methods exist for achieving the purpose of the
3142 proposed rule where reasonable alternative methods exist which are
3143 not precluded by law;

3144 (g) A description of reasonable alternative methods,
3145 where applicable, for achieving the purpose of the proposed action
3146 which were considered by the agency and a statement of reasons for
3147 rejecting those alternatives in favor of the proposed rule; and



3148 (h) A detailed statement of the data and methodology
3149 used in making estimates required by this subsection.

3150 (3) No rule or regulation shall be declared invalid based on
3151 a challenge to the economic impact statement for the rule unless
3152 the issue is raised in the agency proceeding. No person shall
3153 have standing to challenge a rule, based upon the economic impact
3154 statement or lack thereof, unless that person provided the agency
3155 with information sufficient to make the agency aware of specific
3156 concerns regarding the statement in an oral proceeding or in
3157 written comments regarding the rule. The grounds for invalidation
3158 of an agency action, based upon the economic impact statement, are
3159 limited to the agency's failure to adhere to the procedure for
3160 preparation of the economic impact statement as provided in this
3161 section, or the agency's failure to consider information submitted
3162 to the agency regarding specific concerns about the statement, if
3163 that failure substantially impairs the fairness of the rule-making
3164 proceeding.

3165 (4) A concise summary of the economic impact statement must
3166 be properly filed with the Secretary of State for publication in
3167 the administrative bulletin and the period during which persons
3168 may make written submissions on the proposed rule shall not expire
3169 until at least twenty (20) days after the date of such proper
3170 filing.

3171 (5) The properly filed summary of the economic impact
3172 statement must also indicate where persons may obtain copies of



3173 the full text of the economic impact statement and where, when and
3174 how persons may present their views on the proposed rule and
3175 demand an oral proceeding on the proposed rule if one is not
3176 already provided.

3177 (6) If the agency has made a good-faith effort to comply
3178 with the requirements of subsections (1) and (2) of this section,
3179 the rule may not be invalidated on the ground that the contents of
3180 the economic impact statement are insufficient or inaccurate.

3181 (7) This section does not apply to the adoption of:

3182 (a) Any rule which is required by the federal
3183 government pursuant to a state/federal program delegation
3184 agreement or contract;

3185 (b) Any rule which is expressly required by state law;
3186 and

3187 (c) A temporary rule adopted pursuant to Section
3188 25-43-3.108.

3189 **SECTION 44.** Section 25-43-3.106, Mississippi Code of 1972,
3190 is brought forward as follows:

3191 25-43-3.106. (1) An agency may not adopt a rule until the
3192 period for making written submissions and oral presentations has
3193 expired.

3194 (2) Following the proper filing with the Secretary of State
3195 of the notice of proposed rule adoption, an agency shall adopt a
3196 rule pursuant to the rule-making proceeding or terminate the
3197 proceeding by proper filing with the Secretary of State of a



3198 notice to that effect for publication in the administrative
3199 bulletin.

3200 (3) Before the adoption of a rule, an agency shall consider
3201 the written submissions, oral submissions or any memorandum
3202 summarizing oral submissions, and any economic impact statement,
3203 provided for by this Article III.

3204 (4) Within the scope of its delegated authority, an agency
3205 may use its own experience, technical competence, specialized
3206 knowledge and judgment in the adoption of a rule.

3207 **SECTION 45.** Section 25-43-3.107, Mississippi Code of 1972,
3208 is brought forward as follows:

3209 25-43-3.107. (1) An agency shall not adopt a rule that
3210 differs from the rule proposed in the notice of proposed rule
3211 adoption on which the rule is based unless all of the following
3212 apply:

3213 (a) The differences are within the scope of the matter
3214 announced in the notice of proposed rule adoption and are in
3215 character with the issues raised in that notice;

3216 (b) The differences are a logical outgrowth of the
3217 contents of that notice of proposed rule adoption and the comments
3218 submitted in response thereto; and

3219 (c) The notice of proposed rule adoption provided fair
3220 warning that the outcome of that rulemaking proceeding could be
3221 the rule in question.



3222 (2) In determining whether the notice of proposed rule
3223 adoption provided fair warning that the outcome of that rulemaking
3224 proceeding could be the rule in question, an agency shall consider
3225 all of the following factors:

3226 (a) The extent to which persons who will be affected by
3227 the rule should have understood that the rulemaking proceeding on
3228 which it is based could affect their interests;

3229 (b) The extent to which the subject matter of the rule
3230 or issues determined by the rule are different from the subject
3231 matter or issues contained in the notice of proposed rule
3232 adoption; and

3233 (c) The extent to which the effects of the rule differ
3234 from the effects of the proposed rule contained in the notice of
3235 proposed rule adoption.

3236 **SECTION 46.** Section 25-43-3.108, Mississippi Code of 1972,
3237 is amended as follows:

3238 25-43-3.108. If an agency finds that an imminent peril to
3239 the public health, safety or welfare requires adoption of a rule
3240 upon fewer than twenty-five (25) days' notice and states in
3241 writing its reasons for that finding, it may proceed without prior
3242 notice of hearing or upon any abbreviated notice and hearing that
3243 it finds practicable to adopt an emergency rule. The rule may be
3244 effective for a period of not longer than one hundred twenty (120)
3245 days, renewable once for a period not exceeding ninety (90) days,



3246 but the adoption of an identical rule under * * * this Article III
3247 is not precluded.

3248 **SECTION 47.** Section 25-43-3.109, Mississippi Code of 1972,
3249 is brought forward as follows:

3250 25-43-3.109. (1) Each rule adopted by an agency must
3251 contain the text of the rule and:

3252 (a) The date the agency adopted the rule;

3253 (b) An indication of any change between the text of the
3254 proposed rule contained in the published notice of proposed rule
3255 adoption and the text of the rule as finally adopted, with the
3256 reasons for any substantive change;

3257 (c) Any changes to the information contained in the
3258 notice of proposed rule adoption as required by subsection (1)(a),
3259 (b) or (c) of Section 25-43-3.103;

3260 (d) Any findings required by any provision of law as a
3261 prerequisite to adoption or effectiveness of the rule; and

3262 (e) The effective date of the rule if other than that
3263 specified in Section 25-43-3.113(1).

3264 (2) To the extent feasible, each rule should be written in
3265 clear and concise language understandable to persons who may be
3266 affected by it.

3267 (3) An agency may incorporate, by reference in its rules and
3268 without publishing the incorporated matter in full, all or any
3269 part of a code, standard, rule or regulation that has been adopted
3270 by an agency of the United States or of this state, another state



or by a nationally recognized organization or association, if incorporation of its text in agency rules would be unduly cumbersome, expensive or otherwise inexpedient. The reference in the agency rules must fully identify the incorporated matter with an appropriate citation. An agency may incorporate by reference such matter in its rules only if the agency, organization or association originally issuing that matter makes copies of it readily available to the public. The rules must state if copies of the incorporated matter are available from the agency issuing the rule or where copies of the incorporated matter are available from the agency of the United States, this state, another state or the organization or association originally issuing that matter.

(4) In preparing its rules pursuant to this Article III, each agency shall follow the uniform numbering system, form and style prescribed by the Secretary of State.

SECTION 48. Section 25-43-3.110, Mississippi Code of 1972, is brought forward as follows:

25-43-3.110. (1) An agency shall maintain an official rule-making record for each rule it (a) proposes or (b) adopts. The agency has the exclusive authority to prepare and exclusive authority to certify the record or any part thereof, including, but not limited to, any transcript of the proceedings, and the agency's certificate shall be accepted by the court and by any other agency. The record must be available for public inspection.

(2) The agency rule-making record must contain:



3296 (a) Copies of all notices of proposed rule-making or
3297 oral proceedings or other publications in the administrative
3298 bulletin with respect to the rule or the proceeding upon which the
3299 rule is based;

3300 (b) Copies of any portions of the agency's public
3301 rule-making docket containing entries relating to the rule or the
3302 proceeding upon which the rule is based;

3303 (c) All written requests, submissions and comments
3304 received by the agency and all other written materials considered
3305 by the agency in connection with the formulation, proposal or
3306 adoption of the rule or the proceeding upon which the rule is
3307 based;

3308 (d) Any official transcript of oral presentations made
3309 in the proceeding upon which the rule is based or, if not
3310 transcribed, any tape recording or stenographic record of those
3311 presentations, and any memorandum prepared by a presiding official
3312 summarizing the contents of those presentations. The word
3313 "transcript" includes a written transcript, a printed transcript,
3314 an audible audiotape or videotape that is indexed and annotated so
3315 that it is readily accessible and any other means that the agency
3316 may have by rule provided for the reliable and accessible
3317 preservation of the proceeding;

3318 (e) A copy of any economic impact statement prepared
3319 for the proceeding upon which the rule is based; and



3320 (f) A copy of the rule and related information set out
3321 in Section 25-43-3.109 as filed in the Office of the Secretary of
3322 State.

3323 (3) The agency shall have authority to engage such persons
3324 and acquire such equipment as may be reasonably necessary to
3325 record and preserve in any technically and practicably feasible
3326 manner all matters and all proceedings had at any rule-making
3327 proceeding.

3328 (4) Upon judicial review, the record required by this
3329 section constitutes the official agency rule-making record with
3330 respect to a rule. Except as otherwise required by a provision of
3331 law, the agency rule-making record need not constitute the
3332 exclusive basis for agency action on that rule or for judicial
3333 review thereof.

3334 **SECTION 49.** Section 25-43-3.113, Mississippi Code of 1972,
3335 is brought forward as follows:

3336 25-43-3.113. (1) Except to the extent subsection (2) or (3)
3337 of this section provides otherwise, each rule adopted after July
3338 1, 2005, becomes effective thirty (30) days after its proper
3339 filing in the Office of the Secretary of State.

3340 (2) (a) A rule becomes effective on a date later than that
3341 established by subsection (1) of this section if a later date is
3342 required by another statute or specified in the rule.

3343 (b) A rule may become effective immediately upon its
3344 filing or on any subsequent date earlier than that established by



3345 subsection (1) of this section if the agency establishes such an
3346 effective date and finds that:

3347 (i) It is required by Constitution, statute or
3348 court order;

3349 (ii) The rule only confers a benefit or removes a
3350 restriction on the public or some segment thereof;

3351 (iii) The rule only delays the effective date of
3352 another rule that is not yet effective; or

3353 (iv) The earlier effective date is necessary
3354 because of imminent peril to the public health, safety or welfare.

3355 (c) The finding and a brief statement of the reasons
3356 therefor required by paragraph (b) of this subsection must be made
3357 a part of the rule. In any action contesting the effective date
3358 of a rule made effective under paragraph (b) of this subsection,
3359 the burden is on the agency to justify its finding.

3360 (d) A temporary rule may become effective immediately
3361 upon its filing or on any subsequent date earlier than that
3362 established by subsection (1) of this section.

3363 (e) Each agency shall make a reasonable effort to make
3364 known to persons who may be affected by it a rule made effective
3365 before any date established by subsection (1) of this section.

3366 (3) This section does not relieve an agency from compliance
3367 with any provision of law requiring that some or all of its rules
3368 be approved by other designated officials or bodies before they
3369 become effective.



3370 **SECTION 50.** Section 27-7-17, Mississippi Code of 1972, is
3371 amended as follows:

3372 27-7-17. In computing taxable income, there shall be allowed
3373 as deductions:

3374 (1) **Business deductions.**

3375 (a) **Business expenses.** All the ordinary and necessary
3376 expenses paid or incurred during the taxable year in carrying on
3377 any trade or business, including a reasonable allowance for
3378 salaries or other compensation for personal services actually
3379 rendered; nonreimbursable traveling expenses incident to current
3380 employment, including a reasonable amount expended for meals and
3381 lodging while away from home in the pursuit of a trade or
3382 business; and rentals or other payments required to be made as a
3383 condition of the continued use or possession, for purposes of the
3384 trade or business of property to which the taxpayer has not taken
3385 or is not taking title or in which he had no equity. Expense
3386 incurred in connection with earning and distributing nontaxable
3387 income is not an allowable deduction. Limitations on
3388 entertainment expenses shall conform to the provisions of the
3389 Internal Revenue Code of 1986. There shall also be allowed a
3390 deduction for expenses as provided in Section 26 of this act.

3391 (b) **Interest.** All interest paid or accrued during the
3392 taxable year on business indebtedness, except interest upon the
3393 indebtedness for the purchase of tax-free bonds, or any stocks,
3394 the dividends from which are nontaxable under the provisions of



3395 this article; provided, however, in the case of securities
3396 dealers, interest payments or accruals on loans, the proceeds of
3397 which are used to purchase tax-exempt securities, shall be
3398 deductible if income from otherwise tax-free securities is
3399 reported as income. Investment interest expense shall be limited
3400 to investment income. Interest expense incurred for the purchase
3401 of treasury stock, to pay dividends, or incurred as a result of an
3402 undercapitalized affiliated corporation may not be deducted unless
3403 an ordinary and necessary business purpose can be established to
3404 the satisfaction of the commissioner. For the purposes of this
3405 paragraph, the phrase "interest upon the indebtedness for the
3406 purchase of tax-free bonds" applies only to the indebtedness
3407 incurred for the purpose of directly purchasing tax-free bonds and
3408 does not apply to any other indebtedness incurred in the regular
3409 course of the taxpayer's business. Any corporation, association,
3410 organization or other entity taxable under Section 27-7-23(c)
3411 shall allocate interest expense as provided in Section
3412 27-7-23(c) (3) (I).

3413 (c) **Taxes.** Taxes paid or accrued within the taxable
3414 year, except state and federal income taxes, excise taxes based on
3415 or measured by net income, estate and inheritance taxes, gift
3416 taxes, cigar and cigarette taxes, gasoline taxes, and sales and
3417 use taxes unless incurred as an item of expense in a trade or
3418 business or in the production of taxable income. In the case of
3419 an individual, taxes permitted as an itemized deduction under the



3420 provisions of subsection (3)(a) of this section are to be claimed
3421 thereunder.

3422 (d) **Business losses.**

3423 (i) Losses sustained during the taxable year not
3424 compensated for by insurance or otherwise, if incurred in trade or
3425 business, or nonbusiness transactions entered into for profit.

3426 (ii) Limitations on losses from passive activities
3427 and rental real estate shall conform to the provisions of the
3428 Internal Revenue Code of 1986.

3429 (e) **Bad debts.** Losses from debts ascertained to be
3430 worthless and charged off during the taxable year, if sustained in
3431 the conduct of the regular trade or business of the taxpayer;
3432 provided, that such losses shall be allowed only when the taxpayer
3433 has reported as income, on the accrual basis, the amount of such
3434 debt or account.

3435 (f) **Depreciation.** A reasonable allowance for
3436 exhaustion, wear and tear of property used in the trade or
3437 business, or rental property, and depreciation upon buildings
3438 based upon their reasonable value as of March 16, 1912, if
3439 acquired prior thereto, and upon cost if acquired subsequent to
3440 that date. In the case of new or used aircraft, equipment,
3441 engines, or other parts and tools used for aviation, allowance for
3442 bonus depreciation conforms with the federal bonus depreciation
3443 rates and reasonable allowance for depreciation under this section
3444 is no less than one hundred percent (100%).



3445 (g) **Depletion.** In the case of mines, oil and gas
3446 wells, other natural deposits and timber, a reasonable allowance
3447 for depletion and for depreciation of improvements, based upon
3448 cost, including cost of development, not otherwise deducted, or
3449 fair market value as of March 16, 1912, if acquired prior to that
3450 date, such allowance to be made upon regulations prescribed by the
3451 commissioner, with the approval of the Governor.

3452 (h) **Contributions or gifts.** Except as otherwise
3453 provided in paragraph (p) of this subsection or subsection (3)(a)
3454 of this section for individuals, contributions or gifts made by
3455 corporations within the taxable year to corporations,
3456 organizations, associations or institutions, including Community
3457 Chest funds, foundations and trusts created solely and exclusively
3458 for religious, charitable, scientific or educational purposes, or
3459 for the prevention of cruelty to children or animals, no part of
3460 the net earnings of which inure to the benefit of any private
3461 stockholder or individual. This deduction shall be allowed in an
3462 amount not to exceed twenty percent (20%) of the net income. Such
3463 contributions or gifts shall be allowable as deductions only if
3464 verified under rules and regulations prescribed by the
3465 commissioner, with the approval of the Governor. Contributions
3466 made in any form other than cash shall be allowed as a deduction,
3467 subject to the limitations herein provided, in an amount equal to
3468 the actual market value of the contributions at the time the
3469 contribution is actually made and consummated.



3470 (i) **Reserve funds - insurance companies.** In the case
3471 of insurance companies the net additions required by law to be
3472 made within the taxable year to reserve funds when such reserve
3473 funds are maintained for the purpose of liquidating policies at
3474 maturity.

3475 (j) **Annuity income.** The sums, other than dividends,
3476 paid within the taxpayer year on policy or annuity contracts when
3477 such income has been included in gross income.

3478 (k) **Contributions to employee pension plans.**
3479 Contributions made by an employer to a plan or a trust forming
3480 part of a pension plan, stock bonus plan, disability or
3481 death-benefit plan, or profit-sharing plan of such employer for
3482 the exclusive benefit of some or all of his, their, or its
3483 employees, or their beneficiaries, shall be deductible from his,
3484 their, or its income only to the extent that, and for the taxable
3485 year in which, the contribution is deductible for federal income
3486 tax purposes under the Internal Revenue Code of 1986 and any other
3487 provisions of similar purport in the Internal Revenue Laws of the
3488 United States, and the rules, regulations, rulings and
3489 determinations promulgated thereunder, provided that:

3490 (i) The plan or trust be irrevocable.

3491 (ii) The plan or trust constitute a part of a
3492 pension plan, stock bonus plan, disability or death-benefit plan,
3493 or profit-sharing plan for the exclusive benefit of some or all of
3494 the employer's employees and/or officers, or their beneficiaries,



3495 for the purpose of distributing the corpus and income of the plan
3496 or trust to such employees and/or officers, or their
3497 beneficiaries.

3498 (iii) No part of the corpus or income of the plan
3499 or trust can be used for purposes other than for the exclusive
3500 benefit of employees and/or officers, or their beneficiaries.

3501 Contributions to all plans or to all trusts of real or
3502 personal property (or real and personal property combined) or to
3503 insured plans created under a retirement plan for which provision
3504 has been made under the laws of the United States of America,
3505 making such contributions deductible from income for federal
3506 income tax purposes, shall be deductible only to the same extent
3507 under the Income Tax Laws of the State of Mississippi.

3508 (1) **Net operating loss carrybacks and carryovers.** A
3509 net operating loss for any taxable year ending after December 31,
3510 1993, and taxable years thereafter, shall be a net operating loss
3511 carryback to each of the three (3) taxable years preceding the
3512 taxable year of the loss. If the net operating loss for any
3513 taxable year is not exhausted by carrybacks to the three (3)
3514 taxable years preceding the taxable year of the loss, then there
3515 shall be a net operating loss carryover to each of the fifteen
3516 (15) taxable years following the taxable year of the loss
3517 beginning with any taxable year after December 31, 1991.

3518 For any taxable year ending after December 31, 1997, the
3519 period for net operating loss carrybacks and net operating loss



3520 carryovers shall be the same as those established by the Internal
3521 Revenue Code and the rules, regulations, rulings and
3522 determinations promulgated thereunder as in effect at the taxable
3523 year end or on December 31, 2000, whichever is earlier.

3524 A net operating loss for any taxable year ending after
3525 December 31, 2001, and taxable years thereafter, shall be a net
3526 operating loss carryback to each of the two (2) taxable years
3527 preceding the taxable year of the loss. If the net operating loss
3528 for any taxable year is not exhausted by carrybacks to the two (2)
3529 taxable years preceding the taxable year of the loss, then there
3530 shall be a net operating loss carryover to each of the twenty (20)
3531 taxable years following the taxable year of the loss beginning
3532 with any taxable year after the taxable year of the loss.

3533 The term "net operating loss," for the purposes of this
3534 paragraph, shall be the excess of the deductions allowed over the
3535 gross income; provided, however, the following deductions shall
3536 not be allowed in computing same:

3537 (i) No net operating loss deduction shall be
3538 allowed.

3539 (ii) No personal exemption deduction shall be
3540 allowed.

3541 (iii) Allowable deductions which are not
3542 attributable to taxpayer's trade or business shall be allowed only
3543 to the extent of the amount of gross income not derived from such
3544 trade or business.



Any taxpayer entitled to a carryback period as provided by this paragraph may elect to relinquish the entire carryback period with respect to a net operating loss for any taxable year ending after December 31, 1991. The election shall be made in the manner prescribed by the Department of Revenue and shall be made by the due date, including extensions of time, for filing the taxpayer's return for the taxable year of the net operating loss for which the election is to be in effect. The election, once made for any taxable year, shall be irrevocable for that taxable year.

(m) **Amortization of pollution or environmental control facilities.** Allowance of deduction. Every taxpayer, at his election, shall be entitled to a deduction for pollution or environmental control facilities to the same extent as that allowed under the Internal Revenue Code and the rules, regulations, rulings and determinations promulgated thereunder.

(n) **Dividend distributions - real estate investment trusts.** "Real estate investment trust" (hereinafter referred to as REIT) shall have the meaning ascribed to such term in Section 856 of the federal Internal Revenue Code of 1986, as amended. A REIT is allowed a dividend distributed deduction if the dividend distributions meet the requirements of Section 857 or are otherwise deductible under Section 858 or 860, federal Internal Revenue Code of 1986, as amended. In addition:

(i) A dividend distributed deduction shall only be allowed for dividends paid by a publicly traded REIT. A qualified



3570 REIT subsidiary shall be allowed a dividend distributed deduction
3571 if its owner is a publicly traded REIT.

3572 (ii) Income generated from real estate contributed
3573 or sold to a REIT by a shareholder or related party shall not give
3574 rise to a dividend distributed deduction, unless the shareholder
3575 or related party would have received the dividend distributed
3576 deduction under this chapter.

3577 (iii) A holding corporation receiving a dividend
3578 from a REIT shall not be allowed the deduction in Section
3579 27-7-15(4) (t) .

3580 (iv) Any REIT not allowed the dividend distributed
3581 deduction in the federal Internal Revenue Code of 1986, as
3582 amended, shall not be allowed a dividend distributed deduction
3583 under this chapter.

3584 The commissioner is authorized to promulgate rules and
3585 regulations consistent with the provisions in Section 269 of the
3586 federal Internal Revenue Code of 1986, as amended, so as to
3587 prevent the evasion or avoidance of state income tax.

3588 (o) **Contributions to college savings trust fund**
3589 **accounts.** Contributions or payments to a Mississippi Affordable
3590 College Savings Program account are deductible as provided under
3591 Section 37-155-113. Payments made under a prepaid tuition
3592 contract entered into under the Mississippi Prepaid Affordable
3593 College Tuition Program are deductible as provided under Section
3594 37-155-17.



3595 (p) **Contributions of human pharmaceutical products.** To
3596 the extent that a "major supplier" as defined in Section
3597 27-13-13(2) (d) contributes human pharmaceutical products in excess
3598 of Two Hundred Fifty Million Dollars (\$250,000,000.00) as
3599 determined under Section 170 of the Internal Revenue Code, the
3600 charitable contribution limitation associated with those donations
3601 shall follow the federal limitation but cannot result in the
3602 Mississippi net income being reduced below zero.

3603 (q) **Contributions to ABLE trust fund accounts.**
3604 Contributions or payments to a Mississippi Achieving a Better Life
3605 Experience (ABLE) Program account are deductible as provided under
3606 Section 43-28-13.

3607 (2) **Restrictions on the deductibility of certain intangible**
3608 **expenses and interest expenses with a related member.**

3609 (a) As used in this subsection (2):

3610 (i) "Intangible expenses and costs" include:

3611 1. Expenses, losses and costs for, related
3612 to, or in connection directly or indirectly with the direct or
3613 indirect acquisition, use, maintenance or management, ownership,
3614 sale, exchange or any other disposition of intangible property to
3615 the extent such amounts are allowed as deductions or costs in
3616 determining taxable income under this chapter;

3617 2. Expenses or losses related to or incurred
3618 in connection directly or indirectly with factoring transactions
3619 or discounting transactions;



3620 3. Royalty, patent, technical and copyright
3621 fees;

3622 4. Licensing fees; and

3623 5. Other similar expenses and costs.

3624 (ii) "Intangible property" means patents, patent
3625 applications, trade names, trademarks, service marks, copyrights
3626 and similar types of intangible assets.

3627 (iii) "Interest expenses and cost" means amounts
3628 directly or indirectly allowed as deductions for purposes of
3629 determining taxable income under this chapter to the extent such
3630 interest expenses and costs are directly or indirectly for,
3631 related to, or in connection with the direct or indirect
3632 acquisition, maintenance, management, ownership, sale, exchange or
3633 disposition of intangible property.

3634 (iv) "Related member" means an entity or person
3635 that, with respect to the taxpayer during all or any portion of
3636 the taxable year, is a related entity, a component member as
3637 defined in the Internal Revenue Code, or is an entity or a person
3638 to or from whom there is attribution of stock ownership in
3639 accordance with Section 1563(e) of the Internal Revenue Code.

3640 (v) "Related entity" means:

3641 1. A stockholder who is an individual or a
3642 member of the stockholder's family, as defined in regulations
3643 prescribed by the commissioner, if the stockholder and the members
3644 of the stockholder's family own, directly, indirectly,



beneficially or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock;

2. A stockholder, or a stockholder's partnership, limited liability company, estate, trust or corporation, if the stockholder and the stockholder's partnerships, limited liability companies, estates, trusts and corporations own, directly, indirectly, beneficially or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock;

3. A corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation, if the taxpayer owns, directly, indirectly, beneficially or constructively, at least fifty percent (50%) of the value of the corporation's outstanding stock under regulation prescribed by the commissioner;

4. Any entity or person which would be a related member under this section if the taxpayer were considered a corporation for purposes of this section.

(b) In computing net income, a taxpayer shall add back otherwise deductible interest expenses and costs and intangible expenses and costs directly or indirectly paid, accrued to or incurred, in connection directly or indirectly with one or more direct or indirect transactions with one or more related members.



3669 (c) The adjustments required by this subsection shall
3670 not apply to such portion of interest expenses and costs and
3671 intangible expenses and costs that the taxpayer can establish
3672 meets one (1) of the following:

3673 (i) The related member directly or indirectly
3674 paid, accrued or incurred such portion to a person during the same
3675 income year who is not a related member; or

3676 (ii) The transaction giving rise to the interest
3677 expenses and costs or intangible expenses and costs between the
3678 taxpayer and related member was done primarily for a valid
3679 business purpose other than the avoidance of taxes, and the
3680 related member is not primarily engaged in the acquisition, use,
3681 maintenance or management, ownership, sale, exchange or any other
3682 disposition of intangible property.

3683 (d) Nothing in this subsection shall require a taxpayer
3684 to add to its net income more than once any amount of interest
3685 expenses and costs or intangible expenses and costs that the
3686 taxpayer pays, accrues or incurs to a related member.

3687 (e) The commissioner may prescribe such regulations as
3688 necessary or appropriate to carry out the purposes of this
3689 subsection, including, but not limited to, clarifying definitions
3690 of terms, rules of stock attribution, factoring and discount
3691 transactions.

3692 (3) **Individual nonbusiness deductions.**



3693 (a) The amount allowable for individual nonbusiness
3694 itemized deductions for federal income tax purposes where the
3695 individual is eligible to elect, for the taxable year, to itemize
3696 deductions on his federal return except the following:

3697 (i) The deduction for state income taxes paid or
3698 other taxes allowed for federal purposes in lieu of state income
3699 taxes paid;

3700 (ii) The deduction for gaming losses from gaming
3701 establishments;

3702 (iii) The deduction for taxes collected by
3703 licensed gaming establishments pursuant to Section 27-7-901;

3704 (iv) The deduction for taxes collected by gaming
3705 establishments pursuant to Section 27-7-903.

3706 (b) In lieu of the individual nonbusiness itemized
3707 deductions authorized in paragraph (a), for all purposes other
3708 than ordinary and necessary expenses paid or incurred during the
3709 taxable year in carrying on any trade or business, an optional
3710 standard deduction of:

3711 (i) Three Thousand Four Hundred Dollars
3712 (\$3,400.00) through calendar year 1997, Four Thousand Two Hundred
3713 Dollars (\$4,200.00) for the calendar year 1998 and Four Thousand
3714 Six Hundred Dollars (\$4,600.00) for each calendar year thereafter
3715 in the case of married individuals filing a joint or combined
3716 return;



3717 (ii) One Thousand Seven Hundred Dollars
3718 (\$1,700.00) through calendar year 1997, Two Thousand One Hundred
3719 Dollars (\$2,100.00) for the calendar year 1998 and Two Thousand
3720 Three Hundred Dollars (\$2,300.00) for each calendar year
3721 thereafter in the case of married individuals filing separate
3722 returns;

3723 (iii) Three Thousand Four Hundred Dollars
3724 (\$3,400.00) in the case of a head of family; or

3725 (iv) Two Thousand Three Hundred Dollars
3726 (\$2,300.00) in the case of an individual who is not married.

3727 In the case of a husband and wife living together, having
3728 separate incomes, and filing combined returns, the standard
3729 deduction authorized may be divided in any manner they choose. In
3730 the case of separate returns by a husband and wife, the standard
3731 deduction shall not be allowed to either if the taxable income of
3732 one of the spouses is determined without regard to the standard
3733 deduction.

3734 (c) A nonresident individual shall be allowed the same
3735 individual nonbusiness deductions as are authorized for resident
3736 individuals in paragraph (a) or (b) of this subsection; however,
3737 the nonresident individual is entitled only to that proportion of
3738 the individual nonbusiness deductions as his net income from
3739 sources within the State of Mississippi bears to his total or
3740 entire net income from all sources.



(4) Nothing in this section shall permit the same item to be deducted more than once, either in fact or in effect.

SECTION 51. Section 27-65-111, Mississippi Code of 1972, is amended as follows:

27-65-111. The exemptions from the provisions of this chapter which are not industrial, agricultural or governmental, or which do not relate to utilities or taxes, or which are not properly classified as one (1) of the exemption classifications of this chapter, shall be confined to persons or property exempted by this section or by the Constitution of the United States or the State of Mississippi. No exemptions as now provided by any other section, except the classified exemption sections of this chapter set forth herein, shall be valid as against the tax herein levied. Any subsequent exemption from the tax levied hereunder, except as indicated above, shall be provided by amendments to this section.

No exemption provided in this section shall apply to taxes levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

The tax levied by this chapter shall not apply to the following:

(a) Sales of tangible personal property and services to hospitals or infirmaries owned and operated by a corporation or association in which no part of the net earnings inures to the benefit of any private shareholder, group or individual, and which are subject to and governed by Sections 41-7-123 through 41-7-127.



3765 Only sales of tangible personal property or services which
3766 are ordinary and necessary to the operation of such hospitals and
3767 infirmaries are exempted from tax.

3768 (b) Sales of daily or weekly newspapers, and
3769 periodicals or publications of scientific, literary or educational
3770 organizations exempt from federal income taxation under Section
3771 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of
3772 March 31, 1975, and subscription sales of all magazines.

3773 (c) Sales of coffins, caskets and other materials used
3774 in the preparation of human bodies for burial.

3775 (d) Sales of tangible personal property for immediate
3776 export to a foreign country.

3777 (e) Sales of tangible personal property to an
3778 orphanage, old men's or ladies' home, supported wholly or in part
3779 by a religious denomination, fraternal nonprofit organization or
3780 other nonprofit organization.

3781 (f) Sales of tangible personal property, labor or
3782 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,
3783 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
3784 corporation or association in which no part of the net earnings
3785 inures to the benefit of any private shareholder, group or
3786 individual.

3787 (g) Sales to elementary and secondary grade schools,
3788 junior and senior colleges owned and operated by a corporation or
3789 association in which no part of the net earnings inures to the



3790 benefit of any private shareholder, group or individual, and which
3791 are exempt from state income taxation, provided that this
3792 exemption does not apply to sales of property or services which
3793 are not to be used in the ordinary operation of the school, or
3794 which are to be resold to the students or the public.

3795 (h) The gross proceeds of retail sales and the use or
3796 consumption in this state of drugs and medicines:

3797 (i) Prescribed for the treatment of a human being
3798 by a person authorized to prescribe the medicines, and dispensed
3799 or prescription filled by a registered pharmacist in accordance
3800 with law; or

3801 (ii) Furnished by a licensed physician, surgeon,
3802 dentist or podiatrist to his own patient for treatment of the
3803 patient; or

3804 (iii) Furnished by a hospital for treatment of any
3805 person pursuant to the order of a licensed physician, surgeon,
3806 dentist or podiatrist; or

3807 (iv) Sold to a licensed physician, surgeon,
3808 podiatrist, dentist or hospital for the treatment of a human
3809 being; or

3810 (v) Sold to this state or any political
3811 subdivision or municipal corporation thereof, for use in the
3812 treatment of a human being or furnished for the treatment of a
3813 human being by a medical facility or clinic maintained by this



3814 state or any political subdivision or municipal corporation
3815 thereof.

3816 "Medicines," as used in this paragraph (h), shall mean and
3817 include any substance or preparation intended for use by external
3818 or internal application to the human body in the diagnosis, cure,
3819 mitigation, treatment or prevention of disease and which is
3820 commonly recognized as a substance or preparation intended for
3821 such use; provided that "medicines" do not include any auditory,
3822 prosthetic, ophthalmic or ocular device or appliance, any dentures
3823 or parts thereof or any artificial limbs or their replacement
3824 parts, articles which are in the nature of splints, bandages,
3825 pads, compresses, supports, dressings, instruments, apparatus,
3826 contrivances, appliances, devices or other mechanical, electronic,
3827 optical or physical equipment or article or the component parts
3828 and accessories thereof, or any alcoholic beverage or any other
3829 drug or medicine not commonly referred to as a prescription drug.

3830 Notwithstanding the preceding sentence of this paragraph (h),
3831 "medicines" as used in this paragraph (h), shall mean and include
3832 sutures, whether or not permanently implanted, bone screws, bone
3833 pins, pacemakers and other articles permanently implanted in the
3834 human body to assist the functioning of any natural organ, artery,
3835 vein or limb and which remain or dissolve in the body.

3836 The exemption provided in this paragraph (h) shall not apply
3837 to medical cannabis sold in accordance with the provisions of the



3838 Mississippi Medical Cannabis Act and in compliance with rules and
3839 regulations adopted thereunder.

3840 "Hospital," as used in this paragraph (h), shall have the
3841 meaning ascribed to it in Section 41-9-3, Mississippi Code of
3842 1972.

3843 Insulin furnished by a registered pharmacist to a person for
3844 treatment of diabetes as directed by a physician shall be deemed
3845 to be dispensed on prescription within the meaning of this
3846 paragraph (h).

3847 (i) Retail sales of automobiles, trucks and
3848 truck-tractors if exported from this state within forty-eight (48)
3849 hours and registered and first used in another state.

3850 (j) Sales of tangible personal property or services to
3851 the Salvation Army and the Muscular Dystrophy Association, Inc.

3852 (k) From July 1, 1985, through December 31, 1992,
3853 retail sales of "alcohol-blended fuel" as such term is defined in
3854 Section 75-55-5. The gasoline-alcohol blend or the straight
3855 alcohol eligible for this exemption shall not contain alcohol
3856 distilled outside the State of Mississippi.

3857 (l) Sales of tangible personal property or services to
3858 the Institute for Technology Development.

3859 (m) The gross proceeds of retail sales of food and
3860 drink for human consumption made through vending machines serviced
3861 by full-line vendors from and not connected with other taxable
3862 businesses.



3863 (n) The gross proceeds of sales of motor fuel.

3864 (o) Retail sales of food for human consumption

3865 purchased with food stamps issued by the United States Department

3866 of Agriculture, or other federal agency, from and after October 1,

3867 1987, or from and after the expiration of any waiver granted

3868 pursuant to federal law, the effect of which waiver is to permit

3869 the collection by the state of tax on such retail sales of food

3870 for human consumption purchased with food stamps.

3871 (p) Sales of cookies for human consumption by the Girl

3872 Scouts of America no part of the net earnings from which sales

3873 inures to the benefit of any private group or individual.

3874 (q) Gifts or sales of tangible personal property or

3875 services to public or private nonprofit museums of art.

3876 (r) Sales of tangible personal property or services to

3877 alumni associations of state-supported colleges or universities.

3878 (s) Sales of tangible personal property or services to

3879 National Association of Junior Auxiliaries, Inc., and chapters of

3880 the National Association of Junior Auxiliaries, Inc.

3881 (t) Sales of tangible personal property or services to

3882 domestic violence shelters which qualify for state funding under

3883 Sections 93-21-101 through 93-21-113.

3884 (u) Sales of tangible personal property or services to

3885 the National Multiple Sclerosis Society, Mississippi Chapter.

3886 (v) Retail sales of food for human consumption

3887 purchased with food instruments issued the Mississippi Band of



3888 Choctaw Indians under the Women, Infants and Children Program
3889 (WIC) funded by the United States Department of Agriculture.

3890 (w) Sales of tangible personal property or services to
3891 a private company, as defined in Section 57-61-5, which is making
3892 such purchases with proceeds of bonds issued under Section 57-61-1
3893 et seq., the Mississippi Business Investment Act.

3894 (x) The gross collections from the operation of
3895 self-service, coin-operated car washing equipment and sales of the
3896 service of washing motor vehicles with portable high-pressure
3897 washing equipment on the premises of the customer.

3898 (y) Sales of tangible personal property or services to
3899 the Mississippi Technology Alliance.

3900 (z) Sales of tangible personal property to nonprofit
3901 organizations that provide foster care, adoption services and
3902 temporary housing for unwed mothers and their children if the
3903 organization is exempt from federal income taxation under Section
3904 501(c) (3) of the Internal Revenue Code.

3905 (aa) Sales of tangible personal property to nonprofit
3906 organizations that provide residential rehabilitation for persons
3907 with alcohol and drug dependencies if the organization is exempt
3908 from federal income taxation under Section 501(c) (3) of the
3909 Internal Revenue Code.

3910 (bb) (i) Retail sales of an article of clothing or
3911 footwear designed to be worn on or about the human body and retail
3912 sales of school supplies if the sales price of the article of



3913 clothing or footwear or school supply is less than One Hundred
3914 Dollars (\$100.00) and the sale takes place during a period
3915 beginning at 12:01 a.m. on the last Friday in July and ending at
3916 12:00 midnight the following Saturday. This paragraph (bb) shall
3917 not apply to:

3918 1. Accessories including jewelry, handbags,
3919 luggage, umbrellas, wallets, watches, briefcases, garment bags and
3920 similar items carried on or about the human body, without regard
3921 to whether worn on the body in a manner characteristic of
3922 clothing;

3923 2. The rental of clothing or footwear; and

3924 3. Skis, swim fins, roller blades, skates and
3925 similar items worn on the foot.

3926 (ii) For purposes of this paragraph (bb), "school
3927 supplies" means items that are commonly used by a student in a
3928 course of study. The following is an all-inclusive list:

3929 1. Backpacks;

3930 2. Binder pockets;

3931 3. Binders;

3932 4. Blackboard chalk;

3933 5. Book bags;

3934 6. Calculators;

3935 7. Cellophane tape;

3936 8. Clays and glazes;

3937 9. Compasses;



3938	10. Composition books;
3939	11. Crayons;
3940	12. Dictionaries and thesauruses;
3941	13. Dividers;
3942	14. Erasers;
3943	15. Folders: expandable, pocket, plastic and
3944	manila;
3945	16. Glue, paste and paste sticks;
3946	17. Highlighters;
3947	18. Index card boxes;
3948	19. Index cards;
3949	20. Legal pads;
3950	21. Lunch boxes;
3951	22. Markers;
3952	23. Notebooks;
3953	24. Paintbrushes for artwork;
3954	25. Paints: acrylic, tempera and oil;
3955	26. Paper: loose-leaf ruled notebook paper,
3956	copy paper, graph paper, tracing paper, manila paper, colored
3957	paper, poster board and construction paper;
3958	27. Pencil boxes and other school supply
3959	boxes;
3960	28. Pencil sharpeners;
3961	29. Pencils;
3962	30. Pens;



- 3963 31. Protractors;
3964 32. Reference books;
3965 33. Reference maps and globes;
3966 34. Rulers;
3967 35. Scissors;
3968 36. Sheet music;
3969 37. Sketch and drawing pads;
3970 38. Textbooks;
3971 39. Watercolors;
3972 40. Workbooks; and
3973 41. Writing tablets.

3974 (iii) From and after January 1, 2010, the
3975 governing authorities of a municipality, for retail sales
3976 occurring within the corporate limits of the municipality, may
3977 suspend the application of the exemption provided for in this
3978 paragraph (bb) by adoption of a resolution to that effect stating
3979 the date upon which the suspension shall take effect. A certified
3980 copy of the resolution shall be furnished to the Department of
3981 Revenue at least ninety (90) days prior to the date upon which the
3982 municipality desires such suspension to take effect.

3983 (cc) The gross proceeds of sales of tangible personal
3984 property made for the sole purpose of raising funds for a school
3985 or an organization affiliated with a school.



3986 As used in this paragraph (cc), "school" means any public or
3987 private school that teaches courses of instruction to students in
3988 any grade from Kindergarten through Grade 12.

3989 (dd) Sales of durable medical equipment and home
3990 medical supplies when ordered or prescribed by a licensed
3991 physician for medical purposes of a patient. As used in this
3992 paragraph (dd), "durable medical equipment" and "home medical
3993 supplies" mean equipment, including repair and replacement parts
3994 for the equipment or supplies listed under Title XVIII of the
3995 Social Security Act or under the state plan for medical assistance
3996 under Title XIX of the Social Security Act, prosthetics,
3997 orthotics, hearing aids, hearing devices, prescription eyeglasses,
3998 oxygen and oxygen equipment. Payment does not have to be made, in
3999 whole or in part, by any particular person to be eligible for this
4000 exemption. Purchases of home medical equipment and supplies by a
4001 provider of home health services or a provider of hospice services
4002 are eligible for this exemption if the purchases otherwise meet
4003 the requirements of this paragraph.

4004 (ee) Sales of tangible personal property or services to
4005 Mississippi Blood Services.

4006 (ff) (i) Subject to the provisions of this paragraph
4007 (ff), retail sales of firearms, ammunition and hunting supplies if
4008 sold during the annual Mississippi Second Amendment Weekend
4009 holiday beginning at 12:01 a.m. on the last Friday in August and
4010 ending at 12:00 midnight the following Sunday. For the purposes



of this paragraph (ff), "hunting supplies" means tangible personal property used for hunting, including, and limited to, archery equipment, firearm and archery cases, firearm and archery accessories, hearing protection, holsters, belts and slings. Hunting supplies does not include animals used for hunting.

(ii) This paragraph (ff) shall apply only if one or more of the following occur:

1. Title to and/or possession of an eligible item is transferred from a seller to a purchaser; and/or

2. A purchaser orders and pays for an eligible item and the seller accepts the order for immediate shipment, even if delivery is made after the time period provided in subparagraph (i) of this paragraph (ff), provided that the purchaser has not requested or caused the delay in shipment.

(gg) Sales of nonperishable food items to charitable organizations that are exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and operate a food bank or food pantry or food lines.

(hh) Sales of tangible personal property or services to the United Way of the Pine Belt Region, Inc.

(ii) Sales of tangible personal property or services to the Mississippi Children's Museum or any subsidiary or affiliate thereof operating a satellite or branch museum within this state.

(jj) Sales of tangible personal property or services to the Jackson Zoological Park.



4036 (kk) Sales of tangible personal property or services to
4037 the Hattiesburg Zoo.

4038 (ll) Gross proceeds from sales of food, merchandise or
4039 other concessions at an event held solely for religious or
4040 charitable purposes at livestock facilities, agriculture
4041 facilities or other facilities constructed, renovated or expanded
4042 with funds for the grant program authorized under Section 18,
4043 Chapter 530, Laws of 1995.

4044 (mm) Sales of tangible personal property and services
4045 to the Diabetes Foundation of Mississippi and the Mississippi
4046 Chapter of the Juvenile Diabetes Research Foundation.

4047 (nn) Sales of potting soil, mulch, or other soil
4048 amendments used in growing ornamental plants which bear no fruit
4049 of commercial value when sold to commercial plant nurseries that
4050 operate exclusively at wholesale and where no retail sales can be
4051 made.

4052 (oo) Sales of tangible personal property or services to
4053 the University of Mississippi Medical Center Research Development
4054 Foundation.

4055 (pp) Sales of tangible personal property or services to
4056 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
4057 Mississippi Beautiful, Inc.

4058 (qq) Sales of tangible personal property or services to
4059 the Friends of Children's Hospital.



4060 (rr) Sales of tangible personal property or services to
4061 the Pinecrest Weekend Backpacks for Kids located in Corinth,
4062 Mississippi.

4063 (ss) Sales of hearing aids when ordered or prescribed
4064 by a licensed physician, audiologist or hearing aid specialist for
4065 the medical purposes of a patient.

4066 (tt) Sales exempt under the Facilitating Business Rapid
4067 Response to State Declared Disasters Act of 2015 (Sections
4068 27-113-1 through 27-113-9).

4069 (uu) Sales of tangible personal property or services to
4070 the Junior League of Jackson.

4071 (vv) Sales of tangible personal property or services to
4072 the Mississippi's Toughest Kids Foundation for use in the
4073 construction, furnishing and equipping of buildings and related
4074 facilities and infrastructure at Camp Kamassa in Copiah County,
4075 Mississippi. This paragraph (vv) shall stand repealed on July 1,
4076 2022.

4077 (wv) Sales of tangible personal property or services to
4078 MS Gulf Coast Buddy Sports, Inc.

4079 (xx) Sales of tangible personal property or services to
4080 Biloxi Lions, Inc.

4081 (yy) Sales of tangible personal property or services to
4082 Lions Sight Foundation of Mississippi, Inc.



4083 (zz) Sales of tangible personal property and services
4084 to the Goldring/Woldenberg Institute of Southern Jewish Life
4085 (ISJL).

4086 **SECTION 52.** Section 33-13-520, Mississippi Code of 1972, is
4087 amended as follows:

4088 33-13-520. (1) Any person subject to this code who uses,
4089 while on duty, any controlled substance listed in the Uniform
4090 Controlled Substances Law, not legally prescribed, or is found, by
4091 a chemical analysis of such person's blood or urine, to have in
4092 his blood, while on duty, any controlled substance described in
4093 subsection (3), not legally prescribed, shall be punished as a
4094 court-martial may direct.

4095 (2) Any person subject to this code who wrongfully uses,
4096 possesses, manufactures, distributes, imports into the customs
4097 territory of the United States, exports from the United States, or
4098 introduces into an installation, vessel, vehicle or aircraft used
4099 by or under the control of the state military forces a substance
4100 described in subsection (3) shall be punished as a court-martial
4101 may direct.

4102 (3) The substances referred to in subsections (1) and (2)
4103 are the following:

4104 (a) Opium, heroin, cocaine, amphetamine, lysergic acid
4105 diethylamide, methamphetamine, phencyclidine, barbituric acid, and
4106 marijuana and any compound or derivative of any such substance.

4107 For the purposes of this paragraph (a), "marijuana" shall not



4108 include medical cannabis that is lawful under the Mississippi
4109 Medical Cannabis Act and in compliance with rules and regulations
4110 adopted thereunder.

4111 (b) Any substance not specified in paragraph (a) that
4112 is listed on a schedule of controlled substance prescribed by the
4113 President for the purposes of the federal Uniform Code of Military
4114 Justice.

4115 (c) Any other substance not specified in paragraph (a)
4116 or contained on a list prescribed by the President under paragraph
4117 (b) that is listed in Schedules I through V of Section 202 of the
4118 federal Controlled Substances Act (21 USCS 812).

4119 **SECTION 53.** Section 37-11-29, Mississippi Code of 1972, is
4120 amended as follows:

4121 37-11-29. (1) Any principal, teacher or other school
4122 employee who has knowledge of any unlawful activity which occurred
4123 on educational property or during a school related activity or
4124 which may have occurred shall report such activity to the
4125 superintendent of the school district or his designee who shall
4126 notify the appropriate law enforcement officials as required by
4127 this section. In the event of an emergency or if the
4128 superintendent or his designee is unavailable, any principal may
4129 make a report required under this subsection.

4130 (2) Whenever any person who shall be an enrolled student in
4131 any school or educational institution in this state supported in
4132 whole or in part by public funds, or who shall be an enrolled



4133 student in any private school or educational institution, is
4134 arrested for, and lawfully charged with, the commission of any
4135 crime and convicted upon the charge for which he was arrested, or
4136 convicted of any crime charged against him after his arrest and
4137 before trial, the office or law enforcement department of which
4138 the arresting officer is a member, and the justice court judge and
4139 any circuit judge or court before whom such student is tried upon
4140 said charge or charges, shall make or cause to be made a report
4141 thereof to the superintendent or the president or chancellor, as
4142 the case may be, of the school district or other educational
4143 institution in which such student is enrolled.

4144 If the charge upon which such student was arrested, or any
4145 other charges preferred against him are dismissed or nol prossed,
4146 or if upon trial he is either convicted or acquitted of such
4147 charge or charges, same shall be reported to said respective
4148 superintendent or president, or chancellor, as the case may be. A
4149 copy of said report shall be sent to the Secretary of the Board of
4150 Trustees of State Institutions of Higher Learning of the State of
4151 Mississippi, at Jackson, Mississippi.

4152 Said report shall be made within one (1) week after the
4153 arrest of such student and within one (1) week after any charge
4154 placed against him is dismissed or nol prossed, and within one (1)
4155 week after he shall have pled guilty, been convicted, or have been
4156 acquitted by trial upon any charge placed against him. This



4157 section shall not apply to ordinary traffic violations involving a
4158 penalty of less than Fifty Dollars (\$50.00) and costs.

4159 The State Superintendent of Public Education shall gather
4160 annually all of the reports provided under this section and
4161 prepare a report on the number of students arrested as a result of
4162 any unlawful activity which occurred on educational property or
4163 during a school related activity. All data must be disaggregated
4164 by race, ethnicity, gender, school, offense and law enforcement
4165 agency involved. However, the report prepared by the State
4166 Superintendent of Public Education shall not include the identity
4167 of any student who was arrested.

4168 On or before January 1 of each year, the State Superintendent
4169 of Public Education shall report to the Governor, the Lieutenant
4170 Governor, the Speaker of the House of Representatives and the
4171 Joint PEER Committee on this section. The report must include
4172 data regarding arrests as a result of any unlawful activity which
4173 occurred on educational property or during a school related
4174 activity.

4175 (3) When the superintendent or his designee has a reasonable
4176 belief that an act has occurred on educational property or during
4177 a school related activity involving any of the offenses set forth
4178 in subsection (6) of this section, the superintendent or his
4179 designee shall immediately report the act to the appropriate local
4180 law enforcement agency. For purposes of this subsection, "school
4181 property" shall include any public school building, bus, public



4182 school campus, grounds, recreational area or athletic field in the
4183 charge of the superintendent. The State Board of Education shall
4184 prescribe a form for making reports required under this
4185 subsection. Any superintendent or his designee who fails to make
4186 a report required by this section shall be subject to the
4187 penalties provided in Section 37-11-35.

4188 (4) The law enforcement authority shall immediately dispatch
4189 an officer to the educational institution and with probable cause
4190 the officer is authorized to make an arrest if necessary as
4191 provided in Section 99-3-7.

4192 (5) Any superintendent, principal, teacher or other school
4193 personnel participating in the making of a required report
4194 pursuant to this section or participating in any judicial
4195 proceeding resulting therefrom shall be presumed to be acting in
4196 good faith. Any person reporting in good faith shall be immune
4197 from any civil liability that might otherwise be incurred or
4198 imposed.

4199 (6) For purposes of this section, "unlawful activity" means
4200 any of the following:

4201 (a) Possession or use of a deadly weapon, as defined in
4202 Section 97-37-1;

4203 (b) Possession, sale or use of any controlled
4204 substance;

4205 (c) Aggravated assault, as defined in Section 97-3-7;



(d) Simple assault, as defined in Section 97-3-7, upon any school employee;

(e) Rape, as defined under Mississippi law;

(f) Sexual battery, as defined under Mississippi law;

(g) Murder, as defined under Mississippi law;

(h) Kidnapping, as defined under Mississippi law; or

(i) Fondling, touching, handling, etc., a child for lustful purposes, as defined in Section 97-5-23.

For the purposes of this subsection (6), the term "controlled substance" does not include the possession or use of medical cannabis that is lawful under the Mississippi Medical Cannabis Act and in compliance with rules and regulations adopted thereunder.

SECTION 54. Section 41-3-15, Mississippi Code of 1972, is brought forward as follows:

41-3-15. (1) (a) There shall be a State Department of Health.

(b) The State Board of Health shall have the following powers and duties:

(i) To formulate the policy of the State Department of Health regarding public health matters within the jurisdiction of the department;

(ii) To adopt, modify, repeal and promulgate, after due notice and hearing, and enforce rules and regulations implementing or effectuating the powers and duties of the



4230 department under any and all statutes within the department's
4231 jurisdiction, and as the board may deem necessary;

4232 (iii) To apply for, receive, accept and expend any
4233 federal or state funds or contributions, gifts, trusts, devises,
4234 bequests, grants, endowments or funds from any other source or
4235 transfers of property of any kind;

4236 (iv) To enter into, and to authorize the executive
4237 officer to execute contracts, grants and cooperative agreements
4238 with any federal or state agency or subdivision thereof, or any
4239 public or private institution located inside or outside the State
4240 of Mississippi, or any person, corporation or association in
4241 connection with carrying out the provisions of this chapter, if it
4242 finds those actions to be in the public interest and the contracts
4243 or agreements do not have a financial cost that exceeds the
4244 amounts appropriated for those purposes by the Legislature;

4245 (v) To appoint, upon recommendation of the
4246 Executive Officer of the State Department of Health, a Director of
4247 Internal Audit who shall be either a Certified Public Accountant
4248 or Certified Internal Auditor, and whose employment shall be
4249 continued at the discretion of the board, and who shall report
4250 directly to the board, or its designee; and

4251 (vi) To discharge such other duties,
4252 responsibilities and powers as are necessary to implement the
4253 provisions of this chapter.



4254 (c) The Executive Officer of the State Department of
4255 Health shall have the following powers and duties:

4256 (i) To administer the policies of the State Board
4257 of Health within the authority granted by the board;

4258 (ii) To supervise and direct all administrative
4259 and technical activities of the department, except that the
4260 department's internal auditor shall be subject to the sole
4261 supervision and direction of the board;

4262 (iii) To organize the administrative units of the
4263 department in accordance with the plan adopted by the board and,
4264 with board approval, alter the organizational plan and reassign
4265 responsibilities as he or she may deem necessary to carry out the
4266 policies of the board;

4267 (iv) To coordinate the activities of the various
4268 offices of the department;

4269 (v) To employ, subject to regulations of the State
4270 Personnel Board, qualified professional personnel in the subject
4271 matter or fields of each office, and such other technical and
4272 clerical staff as may be required for the operation of the
4273 department. The executive officer shall be the appointing
4274 authority for the department, and shall have the power to delegate
4275 the authority to appoint or dismiss employees to appropriate
4276 subordinates, subject to the rules and regulations of the State
4277 Personnel Board;



4278 (vi) To recommend to the board such studies and
4279 investigations as he or she may deem appropriate, and to carry out
4280 the approved recommendations in conjunction with the various
4281 offices;

4282 (vii) To prepare and deliver to the Legislature
4283 and the Governor on or before January 1 of each year, and at such
4284 other times as may be required by the Legislature or Governor, a
4285 full report of the work of the department and the offices thereof,
4286 including a detailed statement of expenditures of the department
4287 and any recommendations the board may have;

4288 (viii) To prepare and deliver to the Chairmen of
4289 the Public Health and Welfare/Human Services Committees of the
4290 Senate and House on or before January 1 of each year, a plan for
4291 monitoring infant mortality in Mississippi and a full report of
4292 the work of the department on reducing Mississippi's infant
4293 mortality and morbidity rates and improving the status of maternal
4294 and infant health; and

4295 (ix) To enter into contracts, grants and
4296 cooperative agreements with any federal or state agency or
4297 subdivision thereof, or any public or private institution located
4298 inside or outside the State of Mississippi, or any person,
4299 corporation or association in connection with carrying out the
4300 provisions of this chapter, if he or she finds those actions to be
4301 in the public interest and the contracts or agreements do not have
4302 a financial cost that exceeds the amounts appropriated for those



4303 purposes by the Legislature. Each contract or agreement entered
4304 into by the executive officer shall be submitted to the board
4305 before its next meeting.

4306 (2) The State Board of Health shall have the authority to
4307 establish an Office of Rural Health within the department. The
4308 duties and responsibilities of this office shall include the
4309 following:

4310 (a) To collect and evaluate data on rural health
4311 conditions and needs;

4312 (b) To engage in policy analysis, policy development
4313 and economic impact studies with regard to rural health issues;

4314 (c) To develop and implement plans and provide
4315 technical assistance to enable community health systems to respond
4316 to various changes in their circumstances;

4317 (d) To plan and assist in professional recruitment and
4318 retention of medical professionals and assistants; and

4319 (e) To establish information clearinghouses to improve
4320 access to and sharing of rural health care information.

4321 (3) The State Board of Health shall have general supervision
4322 of the health interests of the people of the state and to exercise
4323 the rights, powers and duties of those acts which it is authorized
4324 by law to enforce.

4325 (4) The State Board of Health shall have authority:

4326 (a) To make investigations and inquiries with respect
4327 to the causes of disease and death, and to investigate the effect



4328 of environment, including conditions of employment and other
4329 conditions that may affect health, and to make such other
4330 investigations as it may deem necessary for the preservation and
4331 improvement of health.

4332 (b) To make such sanitary investigations as it may,
4333 from time to time, deem necessary for the protection and
4334 improvement of health and to investigate nuisance questions that
4335 affect the security of life and health within the state.

4336 (c) To direct and control sanitary and quarantine
4337 measures for dealing with all diseases within the state possible
4338 to suppress same and prevent their spread.

4339 (d) To obtain, collect and preserve such information
4340 relative to mortality, morbidity, disease and health as may be
4341 useful in the discharge of its duties or may contribute to the
4342 prevention of disease or the promotion of health in this state.

4343 (e) To charge and collect reasonable fees for health
4344 services, including immunizations, inspections and related
4345 activities, and the board shall charge fees for those services;
4346 however, if it is determined that a person receiving services is
4347 unable to pay the total fee, the board shall collect any amount
4348 that the person is able to pay. Any increase in the fees charged
4349 by the board under this paragraph shall be in accordance with the
4350 provisions of Section 41-3-65.

4351 (f) (i) To establish standards for, issue permits and
4352 exercise control over, any cafes, restaurants, food or drink



4353 stands, sandwich manufacturing establishments, and all other
4354 establishments, other than churches, church-related and private
4355 schools, and other nonprofit or charitable organizations, where
4356 food or drink is regularly prepared, handled and served for pay;
4357 and

4358 (ii) To require that a permit be obtained from the
4359 Department of Health before those persons begin operation. If any
4360 such person fails to obtain the permit required in this
4361 subparagraph (ii), the State Board of Health, after due notice and
4362 opportunity for a hearing, may impose a monetary penalty not to
4363 exceed One Thousand Dollars (\$1,000.00) for each violation.
4364 However, the department is not authorized to impose a monetary
4365 penalty against any person whose gross annual prepared food sales
4366 are less than Five Thousand Dollars (\$5,000.00). Money collected
4367 by the board under this subparagraph (ii) shall be deposited to
4368 the credit of the State General Fund of the State Treasury.

4369 (g) To promulgate rules and regulations and exercise
4370 control over the production and sale of milk pursuant to the
4371 provisions of Sections 75-31-41 through 75-31-49.

4372 (h) On presentation of proper authority, to enter into
4373 and inspect any public place or building where the State Health
4374 Officer or his representative deems it necessary and proper to
4375 enter for the discovery and suppression of disease and for the
4376 enforcement of any health or sanitary laws and regulations in the
4377 state.



4378 (i) To conduct investigations, inquiries and hearings,
4379 and to issue subpoenas for the attendance of witnesses and the
4380 production of books and records at any hearing when authorized and
4381 required by statute to be conducted by the State Health Officer or
4382 the State Board of Health.

4383 (j) To promulgate rules and regulations, and to collect
4384 data and information, on (i) the delivery of services through the
4385 practice of telemedicine; and (ii) the use of electronic records
4386 for the delivery of telemedicine services.

4387 (k) To enforce and regulate domestic and imported fish
4388 as authorized under Section 69-7-601 et seq.

4389 (5) (a) The State Board of Health shall have the authority,
4390 in its discretion, to establish programs to promote the public
4391 health, to be administered by the State Department of Health.
4392 Specifically, those programs may include, but shall not be limited
4393 to, programs in the following areas:

- 4394 (i) Maternal and child health;
- 4395 (ii) Family planning;
- 4396 (iii) Pediatric services;
- 4397 (iv) Services to crippled and disabled children;
- 4398 (v) Control of communicable and noncommunicable
4399 disease;
- 4400 (vi) Chronic disease;
- 4401 (vii) Accidental deaths and injuries;
- 4402 (viii) Child care licensure;



4403 (ix) Radiological health;
4404 (x) Dental health;
4405 (xi) Milk sanitation;
4406 (xii) Occupational safety and health;
4407 (xiii) Food, vector control and general
4408 sanitation;
4409 (xiv) Protection of drinking water;
4410 (xv) Sanitation in food handling establishments
4411 open to the public;
4412 (xvi) Registration of births and deaths and other
4413 vital events;
4414 (xvii) Such public health programs and services as
4415 may be assigned to the State Board of Health by the Legislature or
4416 by executive order; and
4417 (xviii) Regulation of domestic and imported fish
4418 for human consumption.
4419 (b) The State Board of Health and State Department of
4420 Health shall not be authorized to sell, transfer, alienate or
4421 otherwise dispose of any of the home health agencies owned and
4422 operated by the department on January 1, 1995, and shall not be
4423 authorized to sell, transfer, assign, alienate or otherwise
4424 dispose of the license of any of those home health agencies,
4425 except upon the specific authorization of the Legislature by an
4426 amendment to this section. However, this paragraph (b) shall not
4427 prevent the board or the department from closing or terminating



4428 the operation of any home health agency owned and operated by the
4429 department, or closing or terminating any office, branch office or
4430 clinic of any such home health agency, or otherwise discontinuing
4431 the providing of home health services through any such home health
4432 agency, office, branch office or clinic, if the board first
4433 demonstrates that there are other providers of home health
4434 services in the area being served by the department's home health
4435 agency, office, branch office or clinic that will be able to
4436 provide adequate home health services to the residents of the area
4437 if the department's home health agency, office, branch office or
4438 clinic is closed or otherwise discontinues the providing of home
4439 health services. This demonstration by the board that there are
4440 other providers of adequate home health services in the area shall
4441 be spread at length upon the minutes of the board at a regular or
4442 special meeting of the board at least thirty (30) days before a
4443 home health agency, office, branch office or clinic is proposed to
4444 be closed or otherwise discontinue the providing of home health
4445 services.

4446 (c) The State Department of Health may undertake such
4447 technical programs and activities as may be required for the
4448 support and operation of those programs, including maintaining
4449 physical, chemical, bacteriological and radiological laboratories,
4450 and may make such diagnostic tests for diseases and tests for the
4451 evaluation of health hazards as may be deemed necessary for the
4452 protection of the people of the state.



4453 (6) (a) The State Board of Health shall administer the
4454 local governments and rural water systems improvements loan
4455 program in accordance with the provisions of Section 41-3-16.

4456 (b) The State Board of Health shall have authority:

4457 (i) To enter into capitalization grant agreements
4458 with the United States Environmental Protection Agency, or any
4459 successor agency thereto;

4460 (ii) To accept capitalization grant awards made
4461 under the federal Safe Drinking Water Act, as amended;

4462 (iii) To provide annual reports and audits to the
4463 United States Environmental Protection Agency, as may be required
4464 by federal capitalization grant agreements; and

4465 (iv) To establish and collect fees to defray the
4466 reasonable costs of administering the revolving fund or emergency
4467 fund if the State Board of Health determines that those costs will
4468 exceed the limitations established in the federal Safe Drinking
4469 Water Act, as amended. The administration fees may be included in
4470 loan amounts to loan recipients for the purpose of facilitating
4471 payment to the board; however, those fees may not exceed five
4472 percent (5%) of the loan amount.

4473 (7) Notwithstanding any other provision to the contrary, the
4474 State Department of Health shall have the following specific
4475 powers: The department shall issue a license to Alexander Milne
4476 Home for Women, Inc., a 501(c)(3) nonprofit corporation, for the
4477 construction, conversion, expansion and operation of not more than



4478 forty-five (45) beds for developmentally disabled adults who have
4479 been displaced from New Orleans, Louisiana, with the beds to be
4480 located in a certified ICF-MR facility in the City of Laurel,
4481 Mississippi. There shall be no prohibition or restrictions on
4482 participation in the Medicaid program for the person receiving the
4483 license under this subsection (7). The license described in this
4484 subsection shall expire five (5) years from the date of its issue.
4485 The license authorized by this subsection shall be issued upon the
4486 initial payment by the licensee of an application fee of
4487 Sixty-seven Thousand Dollars (\$67,000.00) and a monthly fee of
4488 Sixty-seven Thousand Dollars (\$67,000.00) after the issuance of
4489 the license, to be paid as long as the licensee continues to
4490 operate. The initial and monthly licensing fees shall be
4491 deposited by the State Department of Health into the special fund
4492 created under Section 41-7-188.

4493 (8) Notwithstanding any other provision to the contrary, the
4494 State Department of Health shall have the following specific
4495 powers: The State Department of Health is authorized to issue a
4496 license to an existing home health agency for the transfer of a
4497 county from that agency to another existing home health agency,
4498 and to charge a fee for reviewing and making a determination on
4499 the application for such transfer not to exceed one-half (1/2) of
4500 the authorized fee assessed for the original application for the
4501 home health agency, with the revenue to be deposited by the State



4502 Department of Health into the special fund created under Section
4503 41-7-188.

4504 (9) Notwithstanding any other provision to the contrary, the
4505 State Department of Health shall have the following specific
4506 powers: For the period beginning July 1, 2010, through July 1,
4507 2017, the State Department of Health is authorized and empowered
4508 to assess a fee in addition to the fee prescribed in Section
4509 41-7-188 for reviewing applications for certificates of need in an
4510 amount not to exceed twenty-five one-hundredths of one percent
4511 (.25 of 1%) of the amount of a proposed capital expenditure, but
4512 shall be not less than Two Hundred Fifty Dollars (\$250.00)
4513 regardless of the amount of the proposed capital expenditure, and
4514 the maximum additional fee permitted shall not exceed Fifty
4515 Thousand Dollars (\$50,000.00). Provided that the total
4516 assessments of fees for certificate of need applications under
4517 Section 41-7-188 and this section shall not exceed the actual cost
4518 of operating the certificate of need program.

4519 (10) Notwithstanding any other provision to the contrary,
4520 the State Department of Health shall have the following specific
4521 powers: The State Department of Health is authorized to extend
4522 and renew any certificate of need that has expired, and to charge
4523 a fee for reviewing and making a determination on the application
4524 for such action not to exceed one-half (1/2) of the authorized fee
4525 assessed for the original application for the certificate of need,



with the revenue to be deposited by the State Department of Health into the special fund created under Section 41-7-188.

(11) Notwithstanding any other provision to the contrary, the State Department of Health shall have the following specific powers: The State Department of Health is authorized and empowered, to revoke, immediately, the license and require closure of any institution for the aged or infirm, including any other remedy less than closure to protect the health and safety of the residents of said institution or the health and safety of the general public.

(12) Notwithstanding any other provision to the contrary, the State Department of Health shall have the following specific powers: The State Department of Health is authorized and empowered, to require the temporary detainment of individuals for disease control purposes based upon violation of any order of the State Health Officer, as provided in Section 41-23-5. For the purpose of enforcing such orders of the State Health Officer, persons employed by the department as investigators shall have general arrest powers. All law enforcement officers are authorized and directed to assist in the enforcement of such orders of the State Health Officer.

SECTION 55. Section 41-29-125, Mississippi Code of 1972, is amended as follows:

41-29-125. (1) The State Board of Pharmacy may promulgate rules and regulations relating to the registration and control of



4551 the manufacture, distribution and dispensing of controlled
4552 substances within this state and the distribution and dispensing
4553 of controlled substances into this state from an out-of-state
4554 location.

4555 (a) Every person who manufactures, distributes or
4556 dispenses any controlled substance within this state or who
4557 distributes or dispenses any controlled substance into this state
4558 from an out-of-state location, or who proposes to engage in the
4559 manufacture, distribution or dispensing of any controlled
4560 substance within this state or the distribution or dispensing of
4561 any controlled substance into this state from an out-of-state
4562 location, must obtain a registration issued by the State Board of
4563 Pharmacy, the State Board of Medical Licensure, the State Board of
4564 Dental Examiners, the Mississippi Board of Nursing or the
4565 Mississippi Board of Veterinary Medicine, as appropriate, in
4566 accordance with its rules and the law of this state. Such
4567 registration shall be obtained annually or biennially, as
4568 specified by the issuing board, and a reasonable fee may be
4569 charged by the issuing board for such registration.

4570 (b) Persons registered by the State Board of Pharmacy,
4571 with the consent of the United States Drug Enforcement
4572 Administration and the State Board of Medical Licensure, the State
4573 Board of Dental Examiners, the Mississippi Board of Nursing or the
4574 Mississippi Board of Veterinary Medicine to manufacture,
4575 distribute, dispense or conduct research with controlled



4576 substances may possess, manufacture, distribute, dispense or
4577 conduct research with those substances to the extent authorized by
4578 their registration and in conformity with the other provisions of
4579 this article.

4580 (c) The following persons need not register and may
4581 lawfully possess controlled substances under this article:

4582 (1) An agent or employee of any registered
4583 manufacturer, distributor or dispenser of any controlled substance
4584 if he is acting in the usual course of his business or employment;

4585 (2) A common or contract carrier or warehouse, or
4586 an employee thereof, whose possession of any controlled substance
4587 is in the usual course of business or employment;

4588 (3) An ultimate user or a person in possession of
4589 any controlled substance pursuant to a valid prescription or in
4590 lawful possession of a Schedule V substance as defined in Section
4591 41-29-121.

4592 (d) The State Board of Pharmacy may waive by rule the
4593 requirement for registration of certain manufacturers,
4594 distributors or dispensers if it finds it consistent with the
4595 public health and safety.

4596 (e) A separate registration is required at each
4597 principal place of business or professional practice where an
4598 applicant within the state manufactures, distributes or dispenses
4599 controlled substances and for each principal place of business or



professional practice located out-of-state from which controlled substances are distributed or dispensed into the state.

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

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

(3) This section does not apply to any of the actions that are lawful under the Mississippi Medical Cannabis Act and in compliance with rules and regulations adopted thereunder.



4624 **SECTION 56.** Section 41-29-127, Mississippi Code of 1972, is
4625 amended as follows:

4626 41-29-127. (a) The State Board of Pharmacy shall register
4627 an applicant to manufacture or distribute controlled substances
4628 included in Sections 41-29-113 through 41-29-121 unless it
4629 determines that the issuance of that registration would be
4630 inconsistent with the public interest. In determining the public
4631 interest, the State Board of Pharmacy shall consider the following
4632 factors:

4633 (1) Maintenance of effective controls against diversion
4634 of controlled substances into other than legitimate medical,
4635 scientific, or industrial channels;

4636 (2) Compliance with applicable state and local law;

4637 (3) Any convictions of the applicant under any federal
4638 and state laws relating to any controlled substance;

4639 (4) Past experience in the manufacture or distribution
4640 of controlled substances and the existence in the applicant's
4641 establishment of effective controls against diversion;

4642 (5) Furnishing by the applicant of false or fraudulent
4643 material in any application filed under this article;

4644 (6) Suspension or revocation of the applicant's federal
4645 registration to manufacture, distribute, or dispense controlled
4646 substances as authorized by federal law; and

4647 (7) Any other factors relevant to and consistent with
4648 the public health and safety.



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

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

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

(e) This section does not apply to any of the actions that are lawful under the Mississippi Medical Cannabis Act and in compliance with rules and regulations adopted thereunder.

SECTION 57. Section 41-29-136, Mississippi Code of 1972, is amended as follows:



4674 41-29-136. (1) "CBD solution" means a pharmaceutical
4675 preparation consisting of processed cannabis plant extract in oil
4676 or other suitable vehicle.

4677 (2) (a) CBD solution prepared from (i) cannabis plant
4678 extract that is provided by the National Center for Natural
4679 Products Research at the University of Mississippi under
4680 appropriate federal and state regulatory approvals, or (ii)
4681 cannabis extract from hemp produced pursuant to Sections 69-25-201
4682 through 69-25-221, which is prepared and tested to meet compliance
4683 with regulatory specifications, may be dispensed by the Department
4684 of Pharmacy Services at the University of Mississippi Medical
4685 Center (UMMC Pharmacy) after mixing the extract with a suitable
4686 vehicle. The CBD solution may be prepared by the UMMC Pharmacy or
4687 by another pharmacy or laboratory in the state under appropriate
4688 federal and state regulatory approvals and registrations.

4689 (b) The patient or the patient's parent, guardian or
4690 custodian must execute a hold-harmless agreement that releases
4691 from liability the state and any division, agency, institution or
4692 employee thereof involved in the research, cultivation,
4693 processing, formulating, dispensing, prescribing or administration
4694 of CBD solution obtained from entities authorized under this
4695 section to produce or possess cannabidiol for research under
4696 appropriate federal and state regulatory approvals and
4697 registrations.



4698 (c) The National Center for Natural Products Research
4699 at the University of Mississippi and the Mississippi Agricultural
4700 and Forestry Experiment Station at Mississippi State University
4701 are the only entities authorized to produce cannabis plants for
4702 cannabidiol research.

4703 (d) Research of CBD solution under this section must
4704 comply with the provisions of Section 41-29-125 regarding lawful
4705 possession of controlled substances, of Section 41-29-137
4706 regarding record-keeping requirements relative to the dispensing,
4707 use or administration of controlled substances, and of Section
4708 41-29-133 regarding inventory requirements, insofar as they are
4709 applicable. Authorized entities may enter into public-private
4710 partnerships to facilitate research.

4711 (3) (a) In a prosecution for the unlawful possession of
4712 marijuana under the laws of this state, it is an affirmative and
4713 complete defense to prosecution that:

4714 (i) The defendant suffered from a debilitating
4715 epileptic condition or related illness and the use or possession
4716 of CBD solution was pursuant to the order of a physician as
4717 authorized under this section; or

4718 (ii) The defendant is the parent, guardian or
4719 custodian of an individual who suffered from a debilitating
4720 epileptic condition or related illness and the use or possession
4721 of CBD solution was pursuant to the order of a physician as
4722 authorized under this section.



4723 (b) An agency of this state or a political subdivision
4724 thereof, including any law enforcement agency, may not initiate
4725 proceedings to remove a child from the home based solely upon the
4726 possession or use of CBD solution by the child or parent, guardian
4727 or custodian of the child as authorized under this section.

4728 (c) An employee of the state or any division, agency,
4729 institution thereof involved in the research, cultivation,
4730 processing, formulation, dispensing, prescribing or administration
4731 of CBD solution shall not be subject to prosecution for unlawful
4732 possession, use, distribution or prescription of marijuana under
4733 the laws of this state for activities arising from or related to
4734 the use of CBD solution in the treatment of individuals diagnosed
4735 with a debilitating epileptic condition.

4736 (4) This section does not apply to any of the actions that
4737 are lawful under the Mississippi Medical Cannabis Act and in
4738 compliance with rules and regulations adopted thereunder.

4739 (* * *5) This section shall be known as "Harper Grace's
4740 Law."

4741 (* * *6) This section shall stand repealed from and after
4742 July 1, 2024.

4743 **SECTION 58.** Section 41-29-137, Mississippi Code of 1972, is
4744 amended as follows:

4745 41-29-137. (a) (1) Except when dispensed directly by a
4746 practitioner, other than a pharmacy, to an ultimate user, no
4747 controlled substance in Schedule II, as set out in Section



41-29-115, may be dispensed without the written valid prescription of a practitioner. A practitioner shall keep a record of all controlled substances in Schedule I, II and III administered, dispensed or professionally used by him otherwise than by prescription.

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

(b) Except when dispensed directly by a practitioner, other than a pharmacy, to an ultimate user, a controlled substance included in Schedule III or IV, as set out in Sections 41-29-117 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



4773 73-19-165 shall be authorized to prescribe oral analgesic
4774 controlled substances in Schedule IV or V, as pertains to
4775 treatment and management of eye disease by written prescription
4776 only.

4777 (e) Administration by injection of any pharmaceutical
4778 product authorized in this section is expressly prohibited except
4779 when dispensed directly by a practitioner other than a pharmacy.

4780 (f) (1) For the purposes of this article, Title 73, Chapter
4781 21, and Title 73, Chapter 25, Mississippi Code of 1972, as it
4782 pertains to prescriptions for controlled substances, a "valid
4783 prescription" means a prescription that is issued for a legitimate
4784 medical purpose in the usual course of professional practice by:

4785 (A) A practitioner who has conducted at least one
4786 (1) in-person medical evaluation of the patient, except as
4787 otherwise authorized by Section 41-29-137.1; or

4788 (B) A covering practitioner.

4789 (2) (A) "In-person medical evaluation" means a medical
4790 evaluation that is conducted with the patient in the physical
4791 presence of the practitioner, without regard to whether portions
4792 of the evaluation are conducted by other health professionals.

4793 (B) "Covering practitioner" means a practitioner
4794 who conducts a medical evaluation other than an in-person medical
4795 evaluation at the request of a practitioner who has conducted at
4796 least one (1) in-person medical evaluation of the patient or an
4797 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 that are lawful under the Mississippi Medical Cannabis Act and in compliance with rules and regulations adopted thereunder.

SECTION 59. 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



4821 (2) To create, sell, barter, transfer, distribute,
4822 dispense or possess with intent to create, sell, barter, transfer,
4823 distribute or dispense, a counterfeit substance.

4824 (b) **Punishment for transfer and possession with intent to**
4825 **transfer.** Except as otherwise provided in Section 41-29-142, any
4826 person who violates subsection (a) of this section shall be, if
4827 convicted, sentenced as follows:

4828 (1) For controlled substances classified in Schedule I
4829 or II, as set out in Sections 41-29-113 and 41-29-115, other than
4830 marijuana or synthetic cannabinoids:

4831 (A) If less than two (2) grams or ten (10) dosage
4832 units, by imprisonment for not more than eight (8) years or a fine
4833 of not more than Fifty Thousand Dollars (\$50,000.00), or both.

4834 (B) If two (2) or more grams or ten (10) or more
4835 dosage units, but less than ten (10) grams or twenty (20) dosage
4836 units, by imprisonment for not less than three (3) years nor more
4837 than twenty (20) years or a fine of not more than Two Hundred
4838 Fifty Thousand Dollars (\$250,000.00), or both.

4839 (C) If ten (10) or more grams or twenty (20) or
4840 more dosage units, but less than thirty (30) grams or forty (40)
4841 dosage units, by imprisonment for not less than five (5) years nor
4842 more than thirty (30) years or a fine of not more than Five
4843 Hundred Thousand Dollars (\$500,000.00), or both.

4844 (2) (A) For marijuana:



4845 1. If thirty (30) grams or less, by
4846 imprisonment for not more than three (3) years or a fine of not
4847 more than Three Thousand Dollars (\$3,000.00), or both;
4848 2. If more than thirty (30) grams but less
4849 than two hundred fifty (250) grams, by imprisonment for not more
4850 than five (5) years or a fine of not more than Five Thousand
4851 Dollars (\$5,000.00), or both;
4852 3. If two hundred fifty (250) or more grams
4853 but less than five hundred (500) grams, by imprisonment for not
4854 less than three (3) years nor more than ten (10) years or a fine
4855 of not more than Fifteen Thousand Dollars (\$15,000.00), or both;
4856 4. If five hundred (500) or more grams but
4857 less than one (1) kilogram, by imprisonment for not less than five
4858 (5) years nor more than twenty (20) years or a fine of not more
4859 than Twenty Thousand Dollars (\$20,000.00), or both.
4860 (B) For synthetic cannabinoids:
4861 1. If ten (10) grams or less, by imprisonment
4862 for not more than three (3) years or a fine of not more than Three
4863 Thousand Dollars (\$3,000.00), or both;
4864 2. If more than ten (10) grams but less than
4865 twenty (20) grams, by imprisonment for not more than five (5)
4866 years or a fine of not more than Five Thousand Dollars
4867 (\$5,000.00), or both;
4868 3. If twenty (20) or more grams but less than
4869 forty (40) grams, by imprisonment for not less than three (3)



4870 years nor more than ten (10) years or a fine of not more than
4871 Fifteen Thousand Dollars (\$15,000.00), or both;

4872 4. If forty (40) or more grams but less than
4873 two hundred (200) grams, by imprisonment for not less than five
4874 (5) years nor more than twenty (20) years or a fine of not more
4875 than Twenty Thousand Dollars (\$20,000.00), or both.

4876 (3) For controlled substances classified in Schedules
4877 III and IV, as set out in Sections 41-29-117 and 41-29-119:

4878 (A) If less than two (2) grams or ten (10) dosage
4879 units, by imprisonment for not more than five (5) years or a fine
4880 of not more than Five Thousand Dollars (\$5,000.00), or both;

4881 (B) If two (2) or more grams or ten (10) or more
4882 dosage units, but less than ten (10) grams or twenty (20) dosage
4883 units, by imprisonment for not more than eight (8) years or a fine
4884 of not more than Fifty Thousand Dollars (\$50,000.00), or both;

4885 (C) If ten (10) or more grams or twenty (20) or
4886 more dosage units, but less than thirty (30) grams or forty (40)
4887 dosage units, by imprisonment for not more than fifteen (15) years
4888 or a fine of not more than One Hundred Thousand Dollars
4889 (\$100,000.00), or both;

4890 (D) If thirty (30) or more grams or forty (40) or
4891 more dosage units, but less than five hundred (500) grams or two
4892 thousand five hundred (2,500) dosage units, by imprisonment for
4893 not more than twenty (20) years or a fine of not more than Two
4894 Hundred Fifty Thousand Dollars (\$250,000.00), or both.



4895 (4) For controlled substances classified in Schedule V,
4896 as set out in Section 41-29-121:

4897 (A) If less than two (2) grams or ten (10) dosage
4898 units, by imprisonment for not more than one (1) year or a fine of
4899 not more than Five Thousand Dollars (\$5,000.00), or both;

4900 (B) If two (2) or more grams or ten (10) or more
4901 dosage units, but less than ten (10) grams or twenty (20) dosage
4902 units, by imprisonment for not more than five (5) years or a fine
4903 of not more than Ten Thousand Dollars (\$10,000.00), or both;

4904 (C) If ten (10) or more grams or twenty (20) or
4905 more dosage units, but less than thirty (30) grams or forty (40)
4906 dosage units, by imprisonment for not more than ten (10) years or
4907 a fine of not more than Twenty Thousand Dollars (\$20,000.00), or
4908 both;

4909 (D) For thirty (30) or more grams or forty (40) or
4910 more dosage units, but less than five hundred (500) grams or two
4911 thousand five hundred (2,500) dosage units, by imprisonment for
4912 not more than fifteen (15) years or a fine of not more than Fifty
4913 Thousand Dollars (\$50,000.00), or both.

4914 (c) **Simple possession.** Except as otherwise provided under
4915 subsection (i) of this section for actions that are lawful under
4916 the Mississippi Medical Cannabis Act and in compliance with rules
4917 and regulations adopted thereunder, it is unlawful for any person
4918 knowingly or intentionally to possess any controlled substance
4919 unless the substance was obtained directly from, or pursuant to, a



4920 valid prescription or order of a practitioner while acting in the
4921 course of his professional practice, or except as otherwise
4922 authorized by this article. The penalties for any violation of
4923 this subsection (c) with respect to a controlled substance
4924 classified in Schedules I, II, III, IV or V, as set out in Section
4925 41-29-113, 41-29-115, 41-29-117, 41-29-119 or 41-29-121, including
4926 marijuana or synthetic cannabinoids, shall be based on dosage unit
4927 as defined herein or the weight of the controlled substance as set
4928 forth herein as appropriate:

4929 "Dosage unit (d.u.)" means a tablet or capsule, or in the
4930 case of a liquid solution, one (1) milliliter. In the case of
4931 lysergic acid diethylamide (LSD) the term, "dosage unit" means a
4932 stamp, square, dot, microdot, tablet or capsule of a controlled
4933 substance.

4934 For any controlled substance that does not fall within the
4935 definition of the term "dosage unit," the penalties shall be based
4936 upon the weight of the controlled substance.

4937 The weight set forth refers to the entire weight of any
4938 mixture or substance containing a detectable amount of the
4939 controlled substance.

4940 If a mixture or substance contains more than one (1)
4941 controlled substance, the weight of the mixture or substance is
4942 assigned to the controlled substance that results in the greater
4943 punishment.



4944 A person shall be charged and sentenced as follows for a
4945 violation of this subsection with respect to:

4946 (1) A controlled substance classified in Schedule I or
4947 II, except marijuana and synthetic cannabinoids:

4948 (A) If less than one-tenth (0.1) gram or two (2)
4949 dosage units, the violation is a misdemeanor and punishable by
4950 imprisonment for not more than one (1) year or a fine of not more
4951 than One Thousand Dollars (\$1,000.00), or both.

4952 (B) If one-tenth (0.1) gram or more or two (2) or
4953 more dosage units, but less than two (2) grams or ten (10) dosage
4954 units, by imprisonment for not more than three (3) years or a fine
4955 of not more than Fifty Thousand Dollars (\$50,000.00), or both.

4956 (C) If two (2) or more grams or ten (10) or more
4957 dosage units, but less than ten (10) grams or twenty (20) dosage
4958 units, by imprisonment for not more than eight (8) years or a fine
4959 of not more than Two Hundred Fifty Thousand Dollars (\$250,000.00),
4960 or both.

4961 (D) If ten (10) or more grams or twenty (20) or
4962 more dosage units, but less than thirty (30) grams or forty (40)
4963 dosage units, by imprisonment for not less than three (3) years
4964 nor more than twenty (20) years or a fine of not more than Five
4965 Hundred Thousand Dollars (\$500,000.00), or both.

4966 (2) (A) Marijuana and synthetic cannabinoids:
4967 1. If thirty (30) grams or less of marijuana
4968 or ten (10) grams or less of synthetic cannabinoids, by a fine of



4969 not less than One Hundred Dollars (\$100.00) nor more than Two
4970 Hundred Fifty Dollars (\$250.00). The provisions of this paragraph
4971 (2) (A) may be enforceable by summons if the offender provides
4972 proof of identity satisfactory to the arresting officer and gives
4973 written promise to appear in court satisfactory to the arresting
4974 officer, as directed by the summons. A second conviction under
4975 this section within two (2) years is a misdemeanor punishable by a
4976 fine of Two Hundred Fifty Dollars (\$250.00), not more than sixty
4977 (60) days in the county jail, and mandatory participation in a
4978 drug education program approved by the Division of Alcohol and
4979 Drug Abuse of the State Department of Mental Health, unless the
4980 court enters a written finding that a drug education program is
4981 inappropriate. A third or subsequent conviction under this
4982 paragraph (2) (A) within two (2) years is a misdemeanor punishable
4983 by a fine of not less than Two Hundred Fifty Dollars (\$250.00) nor
4984 more than One Thousand Dollars (\$1,000.00) and confinement for not
4985 more than six (6) months in the county jail.

4986 Upon a first or second conviction under this paragraph
4987 (2) (A), the courts shall forward a report of the conviction to the
4988 Mississippi Bureau of Narcotics which shall make and maintain a
4989 private, nonpublic record for a period not to exceed two (2) years
4990 from the date of conviction. The private, nonpublic record shall
4991 be solely for the use of the courts in determining the penalties
4992 which attach upon conviction under this paragraph (2) (A) and shall
4993 not constitute a criminal record for the purpose of private or



4994 administrative inquiry and the record of each conviction shall be
4995 expunged at the end of the period of two (2) years following the
4996 date of such conviction;

4997 2. Additionally, a person who is the operator
4998 of a motor vehicle, who possesses on his person or knowingly keeps
4999 or allows to be kept in a motor vehicle within the area of the
5000 vehicle normally occupied by the driver or passengers, more than
5001 one (1) gram, but not more than thirty (30) grams of marijuana or
5002 not more than ten (10) grams of synthetic cannabinoids is guilty
5003 of a misdemeanor and, upon conviction, may be fined not more than
5004 One Thousand Dollars (\$1,000.00) or confined for not more than
5005 ninety (90) days in the county jail, or both. For the purposes of
5006 this subsection, such area of the vehicle shall not include the
5007 trunk of the motor vehicle or the areas not normally occupied by
5008 the driver or passengers if the vehicle is not equipped with a
5009 trunk. A utility or glove compartment shall be deemed to be
5010 within the area occupied by the driver and passengers * * *.

5011 (B) Marijuana:

5012 1. If more than thirty (30) grams but less
5013 than two hundred fifty (250) grams, by a fine of not more than One
5014 Thousand Dollars (\$1,000.00), or confinement in the county jail
5015 for not more than one (1) year, or both; or by a fine of not more
5016 than Three Thousand Dollars (\$3,000.00), or imprisonment in the
5017 custody of the Department of Corrections for not more than three
5018 (3) years, or both;



5019 2. If two hundred fifty (250) or more grams
5020 but less than five hundred (500) grams, by imprisonment for not
5021 less than two (2) years nor more than eight (8) years or by a fine
5022 of not more than Fifty Thousand Dollars (\$50,000.00), or both;

5023 3. If five hundred (500) or more grams but
5024 less than one (1) kilogram, by imprisonment for not less than four
5025 (4) years nor more than sixteen (16) years or a fine of not more
5026 than Two Hundred Fifty Thousand Dollars (\$250,000.00), or both;

5027 4. If one (1) kilogram or more but less than
5028 five (5) kilograms, by imprisonment for not less than six (6)
5029 years nor more than twenty-four (24) years or a fine of not more
5030 than Five Hundred Thousand Dollars (\$500,000.00), or both;

5031 5. If five (5) kilograms or more, by
5032 imprisonment for not less than ten (10) years nor more than thirty
5033 (30) years or a fine of not more than One Million Dollars
5034 (\$1,000,000.00), or both.

5035 (C) Synthetic cannabinoids:

5036 1. If more than ten (10) grams but less than
5037 twenty (20) grams, by a fine of not more than One Thousand Dollars
5038 (\$1,000.00), or confinement in the county jail for not more than
5039 one (1) year, or both; or by a fine of not more than Three
5040 Thousand Dollars (\$3,000.00), or imprisonment in the custody of
5041 the Department of Corrections for not more than three (3) years,
5042 or both;



5043 2. If twenty (20) or more grams but less than
5044 forty (40) grams, by imprisonment for not less than two (2) years
5045 nor more than eight (8) years or by a fine of not more than Fifty
5046 Thousand Dollars (\$50,000.00), or both;

5047 3. If forty (40) or more grams but less than
5048 two hundred (200) grams, by imprisonment for not less than four
5049 (4) years nor more than sixteen (16) years or a fine of not more
5050 than Two Hundred Fifty Thousand Dollars (\$250,000.00), or both;

5051 4. If two hundred (200) or more grams, by
5052 imprisonment for not less than six (6) years nor more than
5053 twenty-four (24) years or a fine of not more than Five Hundred
5054 Thousand Dollars (\$500,000.00), or both.

5055 (3) A controlled substance classified in Schedule III,
5056 IV or V as set out in Sections 41-29-117 through 41-29-121, upon
5057 conviction, may be punished as follows:

5058 (A) If less than fifty (50) grams or less than one
5059 hundred (100) dosage units, the offense is a misdemeanor and
5060 punishable by not more than one (1) year or a fine of not more
5061 than One Thousand Dollars (\$1,000.00), or both.

5062 (B) If fifty (50) or more grams or one hundred
5063 (100) or more dosage units, but less than one hundred fifty (150)
5064 grams or five hundred (500) dosage units, by imprisonment for not
5065 less than one (1) year nor more than four (4) years or a fine of
5066 not more than Ten Thousand Dollars (\$10,000.00), or both.



5067 (C) If one hundred fifty (150) or more grams or
5068 five hundred (500) or more dosage units, but less than three
5069 hundred (300) grams or one thousand (1,000) dosage units, by
5070 imprisonment for not less than two (2) years nor more than eight
5071 (8) years or a fine of not more than Fifty Thousand Dollars
5072 (\$50,000.00), or both.

5073 (D) If three hundred (300) or more grams or one
5074 thousand (1,000) or more dosage units, but less than five hundred
5075 (500) grams or two thousand five hundred (2,500) dosage units, by
5076 imprisonment for not less than four (4) years nor more than
5077 sixteen (16) years or a fine of not more than Two Hundred Fifty
5078 Thousand Dollars (\$250,000.00), or both.

5079 (d) **Paraphernalia.** (1) Except as otherwise provided under
5080 subsection (i) of this section for actions that are lawful under
5081 the Mississippi Medical Cannabis Act and in compliance with rules
5082 and regulations adopted thereunder, it is unlawful for a person
5083 who is not authorized by the State Board of Medical Licensure,
5084 State Board of Pharmacy, or other lawful authority to use, or to
5085 possess with intent to use, paraphernalia to plant, propagate,
5086 cultivate, grow, harvest, manufacture, compound, convert, produce,
5087 process, prepare, test, analyze, pack, repack, store, contain,
5088 conceal, inject, ingest, inhale or otherwise introduce into the
5089 human body a controlled substance in violation of the Uniform
5090 Controlled Substances Law. Any person who violates this
5091 subsection (d) (1) is guilty of a misdemeanor and, upon conviction,



5092 may be confined in the county jail for not more than six (6)
5093 months, or fined not more than Five Hundred Dollars (\$500.00), or
5094 both; however, no person shall be charged with a violation of this
5095 subsection when such person is also charged with the possession of
5096 thirty (30) grams or less of marijuana under subsection (c) (2) (A)
5097 of this section.

5098 (2) It is unlawful for any person to deliver, sell,
5099 possess with intent to deliver or sell, or manufacture with intent
5100 to deliver or sell, paraphernalia, knowing, or under circumstances
5101 where one reasonably should know, that it will be used to plant,
5102 propagate, cultivate, grow, harvest, manufacture, compound,
5103 convert, produce, process, prepare, test, analyze, pack, repack,
5104 store, contain, conceal, inject, ingest, inhale, or otherwise
5105 introduce into the human body a controlled substance in violation
5106 of the Uniform Controlled Substances Law. Except as provided in
5107 subsection (d) (3), a person who violates this subsection (d) (2) is
5108 guilty of a misdemeanor and, upon conviction, may be confined in
5109 the county jail for not more than six (6) months, or fined not
5110 more than Five Hundred Dollars (\$500.00), or both.

5111 (3) Any person eighteen (18) years of age or over who
5112 violates subsection (d) (2) of this section by delivering or
5113 selling paraphernalia to a person under eighteen (18) years of age
5114 who is at least three (3) years his junior is guilty of a
5115 misdemeanor and, upon conviction, may be confined in the county



5116 jail for not more than one (1) year, or fined not more than One
5117 Thousand Dollars (\$1,000.00), or both.

5118 (4) It is unlawful for any person to place in any
5119 newspaper, magazine, handbill, or other publication any
5120 advertisement, knowing, or under circumstances where one
5121 reasonably should know, that the purpose of the advertisement, in
5122 whole or in part, is to promote the sale of objects designed or
5123 intended for use as paraphernalia. Any person who violates this
5124 subsection is guilty of a misdemeanor and, upon conviction, may be
5125 confined in the county jail for not more than six (6) months, or
5126 fined not more than Five Hundred Dollars (\$500.00), or both.

5127 (e) It shall be unlawful for any physician practicing
5128 medicine in this state to prescribe, dispense or administer any
5129 amphetamine or amphetamine-like anorectics and/or central nervous
5130 system stimulants classified in Schedule II, pursuant to Section
5131 41-29-115, for the exclusive treatment of obesity, weight control
5132 or weight loss. Any person who violates this subsection, upon
5133 conviction, is guilty of a misdemeanor and may be confined for a
5134 period not to exceed six (6) months, or fined not more than One
5135 Thousand Dollars (\$1,000.00), or both.

5136 (f) **Trafficking.** (1) Any person trafficking in controlled
5137 substances shall be guilty of a felony and, upon conviction, shall
5138 be imprisoned for a term of not less than ten (10) years nor more
5139 than forty (40) years and shall be fined not less than Five
5140 Thousand Dollars (\$5,000.00) nor more than One Million Dollars



5141 (\$1,000,000.00). The ten-year mandatory sentence shall not be
5142 reduced or suspended. The person shall not be eligible for
5143 probation or parole, the provisions of Sections 41-29-149,
5144 47-5-139, 47-7-3 and 47-7-33, to the contrary notwithstanding.

5145 (2) "Trafficking in controlled substances" as used
5146 herein means:

5147 (A) A violation of subsection (a) of this section
5148 involving thirty (30) or more grams or forty (40) or more dosage
5149 units of a Schedule I or II controlled substance except marijuana
5150 and synthetic cannabinoids;

5151 (B) A violation of subsection (a) of this section
5152 involving five hundred (500) or more grams or two thousand five
5153 hundred (2,500) or more dosage units of a Schedule III, IV or V
5154 controlled substance;

5155 (C) A violation of subsection (c) of this section
5156 involving thirty (30) or more grams or forty (40) or more dosage
5157 units of a Schedule I or II controlled substance except marijuana
5158 and synthetic cannabinoids;

5159 (D) A violation of subsection (c) of this section
5160 involving five hundred (500) or more grams or two thousand five
5161 hundred (2,500) or more dosage units of a Schedule III, IV or V
5162 controlled substance; or

5163 (E) A violation of subsection (a) of this section
5164 involving one (1) kilogram or more of marijuana or two hundred
5165 (200) grams or more of synthetic cannabinoids.



5166 (g) **Aggravated trafficking.** Any person trafficking in
5167 Schedule I or II controlled substances, except marijuana and
5168 synthetic cannabinoids, of two hundred (200) grams or more shall
5169 be guilty of aggravated trafficking and, upon conviction, shall be
5170 sentenced to a term of not less than twenty-five (25) years nor
5171 more than life in prison and shall be fined not less than Five
5172 Thousand Dollars (\$5,000.00) nor more than One Million Dollars
5173 (\$1,000,000.00). The twenty-five-year sentence shall be a
5174 mandatory sentence and shall not be reduced or suspended. The
5175 person shall not be eligible for probation or parole, the
5176 provisions of Sections 41-29-149, 47-5-139, 47-7-3 and 47-7-33, to
5177 the contrary notwithstanding.

5178 (h) **Sentence mitigation.** (1) Notwithstanding any provision
5179 of this section, a person who has been convicted of an offense
5180 under this section that requires the judge to impose a prison
5181 sentence which cannot be suspended or reduced and is ineligible
5182 for probation or parole may, at the discretion of the court,
5183 receive a sentence of imprisonment that is no less than
5184 twenty-five percent (25%) of the sentence prescribed by the
5185 applicable statute. In considering whether to apply the departure
5186 from the sentence prescribed, the court shall conclude that:

5187 (A) The offender was not a leader of the criminal
5188 enterprise;

5189 (B) The offender did not use violence or a weapon
5190 during the crime;



5191 (C) The offense did not result in a death or
5192 serious bodily injury of a person not a party to the criminal
5193 enterprise; and

5194 (D) The interests of justice are not served by the
5195 imposition of the prescribed mandatory sentence.

5196 The court may also consider whether information and
5197 assistance were furnished to a law enforcement agency, or its
5198 designee, which, in the opinion of the trial judge, objectively
5199 should or would have aided in the arrest or prosecution of others
5200 who violate this subsection. The accused shall have adequate
5201 opportunity to develop and make a record of all information and
5202 assistance so furnished.

5203 (2) If the court reduces the prescribed sentence
5204 pursuant to this subsection, it must specify on the record the
5205 circumstances warranting the departure.

5206 (i) This section does not apply to any of the actions that
5207 are lawful under the Mississippi Medical Cannabis Act and in
5208 compliance with rules and regulations adopted thereunder.

5209 **SECTION 60.** Section 41-29-141, Mississippi Code of 1972, is
5210 amended as follows:

5211 41-29-141. It is unlawful for any person:

5212 (1) Who is subject to Section 41-29-125 to distribute
5213 or dispense a controlled substance in violation of Section
5214 41-29-137;



5215 (2) Who is a registrant under Section 41-29-125 to
5216 manufacture a controlled substance not authorized by his
5217 registration, or to distribute or dispense a controlled substance
5218 not authorized by his registration to another registrant or other
5219 authorized person;

5220 (3) To refuse or fail to make, keep or furnish any
5221 record, notification, order form, statement, invoice or
5222 information required under this article;

5223 (4) To refuse a lawful entry into any premises for any
5224 inspection authorized by this article; or

5225 (5) Knowingly to keep or maintain any store, shop,
5226 warehouse, dwelling, building, vehicle, boat, aircraft, or other
5227 structure or place, which is resorted to by persons using
5228 controlled substances in violation of this article for the purpose
5229 of using these substances, or which is used for keeping or selling
5230 them in violation of this article.

5231 Any person who violates this section shall, with respect to
5232 such violation, be subject to a civil penalty payable to the State
5233 of Mississippi of not more than Twenty-five Thousand Dollars
5234 (\$25,000.00).

5235 In addition to the civil penalty provided in the preceding
5236 paragraph, any person who knowingly or intentionally violates this
5237 section shall be guilty of a crime and upon conviction thereof may
5238 be confined for a period of not more than one (1) year or fined
5239 not more than One Thousand Dollars (\$1,000.00), or both.



This section does not apply to any of the actions that are lawful under the Mississippi Medical Cannabis Act and in compliance with rules and regulations adopted thereunder.

SECTION 61. Section 41-29-143, Mississippi Code of 1972, is amended as follows:

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

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

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

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

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



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

This section does not apply to any of the actions that are lawful under the Mississippi Medical Cannabis Act and in compliance with rules and regulations adopted thereunder.

SECTION 62. Section 43-21-301, Mississippi Code of 1972, is amended as follows:

43-21-301. (1) No court other than the youth court shall issue an arrest warrant or custody order for a child in a matter in which the youth court has exclusive original jurisdiction but shall refer the matter to the youth court.

(2) Except as otherwise provided, no child in a matter in which the youth court has exclusive original jurisdiction shall be taken into custody by a law enforcement officer, the Department of Human Services, the Department of Child Protection Services, or any other person unless the judge or his designee has issued a custody order to take the child into custody.

(3) The judge or his designee may require a law enforcement officer, the Department of Human Services, the Department of Child Protection Services, or any suitable person to take a child into custody for a period not longer than forty-eight (48) hours, excluding Saturdays, Sundays, and statutory state holidays.

(a) Custody orders under this subsection may be issued if it appears that there is probable cause to believe that:



5290 (i) The child is within the jurisdiction of the
5291 court;

5292 (ii) Custody is necessary because of any of the
5293 following reasons: the child is in danger of a significant risk
5294 of harm, any person would be in danger of a significant risk of
5295 harm by the child, to ensure the child's attendance in court at
5296 such time as required, or a parent, guardian or custodian is not
5297 available to provide for the care and supervision of the child;
5298 and

5299 (iii) There is no reasonable alternative to
5300 custody.

5301 A finding of probable cause under this subsection (3)(a)
5302 shall not be based solely upon a positive drug test of a newborn
5303 or parent for marijuana or solely upon the status of a parent as a
5304 cardholder under the Mississippi Medical Cannabis Act; however, a
5305 finding of probable cause may be based upon an evidence-based
5306 finding of harm to the child or a parent's inability to provide
5307 for the care and supervision of the child due to the parent's use
5308 of marijuana. Probable cause for unlawful use of any controlled
5309 substance, except as otherwise provided in this subsection (3)(a)
5310 for marijuana, may be based: 1. upon a parent's positive drug
5311 test for unlawful use of a controlled substance only if the child
5312 is in danger of a significant risk of harm or the parent is unable
5313 to provide proper care or supervision of the child because of the
5314 unlawful use and there is no reasonable alternative to custody;



5315 and 2. upon a newborn's positive drug screen for a controlled
5316 substance that was used unlawfully only if the child is in danger
5317 of a significant risk of harm or the parent is unable to provide
5318 proper care or supervision of the child because of the unlawful
5319 use and there is no reasonable alternative to custody.

5320 (b) Custody orders under this subsection shall be
5321 written. In emergency cases, a judge or his designee may issue an
5322 oral custody order, but the order shall be reduced to writing
5323 within forty-eight (48) hours of its issuance.

5324 (c) Each youth court judge shall develop and make
5325 available to law enforcement a list of designees who are available
5326 after hours, on weekends and on holidays.

5327 (4) The judge or his designee may order, orally or in
5328 writing, the immediate release of any child in the custody of any
5329 person or agency. Except as otherwise provided in subsection (3)
5330 of this section, custody orders as provided by this chapter and
5331 authorizations of temporary custody may be written or oral, but,
5332 if oral, reduced to writing within forty-eight (48) hours,
5333 excluding Saturdays, Sundays and statutory state holidays. The
5334 written order shall:

5335 (a) Specify the name and address of the child, or, if
5336 unknown, designate him or her by any name or description by which
5337 he or she can be identified with reasonable certainty;



5338 (b) Specify the age of the child, or, if unknown, that
5339 he or she is believed to be of an age subject to the jurisdiction
5340 of the youth court;

5341 (c) Except in cases where the child is alleged to be a
5342 delinquent child or a child in need of supervision, state that the
5343 effect of the continuation of the child's residing within his or
5344 her own home would be contrary to the welfare of the child, that
5345 the placement of the child in foster care is in the best interests
5346 of the child, and unless the reasonable efforts requirement is
5347 bypassed under Section 43-21-603(7)(c), also state that (i)
5348 reasonable efforts have been made to maintain the child within his
5349 or her own home, but that the circumstances warrant his removal
5350 and there is no reasonable alternative to custody; or (ii) the
5351 circumstances are of such an emergency nature that no reasonable
5352 efforts have been made to maintain the child within his own home,
5353 and that there is no reasonable alternative to custody. If the
5354 court makes a finding in accordance with (ii) of this paragraph,
5355 the court shall order that reasonable efforts be made toward the
5356 reunification of the child with his or her family;

5357 (d) State that the child shall be brought immediately
5358 before the youth court or be taken to a place designated by the
5359 order to be held pending review of the order;

5360 (e) State the date issued and the youth court by which
5361 the order is issued; and



5362 (f) Be signed by the judge or his designee with the
5363 title of his office.

5364 (5) The taking of a child into custody shall not be
5365 considered an arrest except for evidentiary purposes.

5366 (6) (a) No child who has been accused or adjudicated of any
5367 offense that would not be a crime if committed by an adult shall
5368 be placed in an adult jail or lockup. An accused status offender
5369 shall not be held in secure detention longer than twenty-four (24)
5370 hours prior to and twenty-four (24) hours after an initial court
5371 appearance, excluding Saturdays, Sundays and statutory state
5372 holidays, except under the following circumstances: a status
5373 offender may be held in secure detention for violating a valid
5374 court order pursuant to the criteria as established by the federal
5375 Juvenile Justice and Delinquency Prevention Act of 2002, and any
5376 subsequent amendments thereto, and out-of-state runaways may be
5377 detained pending return to their home state.

5378 (b) No accused or adjudicated juvenile offender, except
5379 for an accused or adjudicated juvenile offender in cases where
5380 jurisdiction is waived to the adult criminal court, shall be
5381 detained or placed into custody of any adult jail or lockup for a
5382 period in excess of six (6) hours.

5383 (c) If any county violates the provisions of paragraph
5384 (a) or (b) of this subsection, the state agency authorized to
5385 allocate federal funds received pursuant to the Juvenile Justice
5386 and Delinquency Prevention Act of 1974, 88 Stat. 2750 (codified in



5387 scattered Sections of 5, 18, 42 USCS), shall withhold the county's
5388 share of such funds.

5389 (d) Any county that does not have a facility in which
5390 to detain its juvenile offenders in compliance with the provisions
5391 of paragraphs (a) and (b) of this subsection may enter into a
5392 contractual agreement to detain or place into custody the juvenile
5393 offenders of that county with any county or municipality that does
5394 have such a facility, or with the State of Mississippi, or with
5395 any private entity that maintains a juvenile correctional
5396 facility.

5397 (e) Notwithstanding the provisions of paragraphs (a),
5398 (b), (c) and (d) of this subsection, all counties shall be allowed
5399 a one-year grace period from March 27, 1993, to comply with the
5400 provisions of this subsection.

5401 **SECTION 63.** Section 43-21-303, Mississippi Code of 1972, is
5402 amended as follows:

5403 43-21-303. (1) No child in a matter in which the youth
5404 court has original exclusive jurisdiction shall be taken into
5405 custody by any person without a custody order except that:

5406 (a) A law enforcement officer may take a child in
5407 custody if:

5408 (i) Grounds exist for the arrest of an adult in
5409 identical circumstances; and



5410 (ii) Such law enforcement officer has probable
5411 cause to believe that custody is necessary as defined in Section
5412 43-21-301; and

5413 (iii) Such law enforcement officer can find no
5414 reasonable alternative to custody; or

5415 (b) A law enforcement officer or an agent of the
5416 Department of Child Protection Services or the Department of Human
5417 Services may take a child into immediate custody if:

5418 (i) There is probable cause to believe that the
5419 child is in immediate danger of personal harm; however, probable
5420 cause shall not be based solely upon a positive drug test of a
5421 newborn or parent for marijuana or solely upon the status of a
5422 parent as a cardholder under the Mississippi Medical Cannabis Act,
5423 but a finding of probable cause may be based upon an
5424 evidence-based finding of harm to the child or a parent's
5425 inability to provide for the care and supervision of the child due
5426 to the parent's use of marijuana. Probable cause for unlawful use
5427 of any controlled substance, except as otherwise provided in this
5428 subparagraph (i) for marijuana, may be based: 1. upon a parent's
5429 positive drug test for unlawful use of a controlled substance only
5430 if the child is in danger of a significant risk of harm or the
5431 parent is unable to provide proper care or supervision of the
5432 child because of the unlawful use and there is no reasonable
5433 alternative to custody; and 2. upon a newborn's positive drug
5434 screen for a controlled substance that was used unlawfully only if



5435 the child is in danger of a significant risk of harm or the parent
5436 is unable to provide proper care or supervision of the child
5437 because of the unlawful use and there is no reasonable alternative
5438 to custody; and

5439 (ii) There is probable cause to believe that
5440 immediate custody is necessary as set forth in Section
5441 43-21-301(3); and

5442 (iii) There is no reasonable alternative to
5443 custody; and

5444 (c) Any other person may take a child into custody if
5445 grounds exist for the arrest of an adult in identical
5446 circumstances. Such other person shall immediately surrender
5447 custody of the child to the proper law enforcement officer who
5448 shall thereupon continue custody only as provided in subsection
5449 (1)(a) of this section.

5450 (2) When it is necessary to take a child into custody, the
5451 least restrictive custody should be selected.

5452 (3) Unless the child is immediately released, the person
5453 taking the child into custody shall immediately notify the judge
5454 or his designee. A person taking a child into custody shall also
5455 make continuing reasonable efforts to notify the child's parent,
5456 guardian or custodian and invite the parent, guardian or custodian
5457 to be present during any questioning.

5458 (4) A child taken into custody shall not be held in custody
5459 for a period longer than reasonably necessary, but not to exceed



5460 twenty-four (24) hours, and shall be released to his parent,
5461 guardian or custodian unless the judge or his designee authorizes
5462 temporary custody.

5463 **SECTION 64.** Section 45-9-101, Mississippi Code of 1972, is
5464 amended as follows:

5465 45-9-101. (1) (a) Except as otherwise provided, the
5466 Department of Public Safety is authorized to issue licenses to
5467 carry stun guns, concealed pistols or revolvers to persons
5468 qualified as provided in this section. Such licenses shall be
5469 valid throughout the state for a period of five (5) years from the
5470 date of issuance, except as provided in subsection (25) of this
5471 section. Any person possessing a valid license issued pursuant to
5472 this section may carry a stun gun, concealed pistol or concealed
5473 revolver.

5474 (b) The licensee must carry the license, together with
5475 valid identification, at all times in which the licensee is
5476 carrying a stun gun, concealed pistol or revolver and must display
5477 both the license and proper identification upon demand by a law
5478 enforcement officer. A violation of the provisions of this
5479 paragraph (b) shall constitute a noncriminal violation with a
5480 penalty of Twenty-five Dollars (\$25.00) and shall be enforceable
5481 by summons.

5482 (2) The Department of Public Safety shall issue a license if
5483 the applicant:



5484 (a) Is a resident of the state. However, this
5485 residency requirement may be waived if the applicant possesses a
5486 valid permit from another state, is a member of any active or
5487 reserve component branch of the United States of America Armed
5488 Forces stationed in Mississippi, is the spouse of a member of any
5489 active or reserve component branch of the United States of America
5490 Armed Forces stationed in Mississippi, or is a retired law
5491 enforcement officer establishing residency in the state;

5492 (b) (i) Is twenty-one (21) years of age or older; or

5493 (ii) Is at least eighteen (18) years of age but
5494 not yet twenty-one (21) years of age and the applicant:

5495 1. Is a member or veteran of the United
5496 States Armed Forces, including National Guard or Reserve; and

5497 2. Holds a valid Mississippi driver's license
5498 or identification card issued by the Department of Public Safety
5499 or a valid and current tribal identification card issued by a
5500 federally recognized Indian tribe containing a photograph of the
5501 holder;

5502 (c) Does not suffer from a physical infirmity which
5503 prevents the safe handling of a stun gun, pistol or revolver;

5504 (d) Is not ineligible to possess a firearm by virtue of
5505 having been convicted of a felony in a court of this state, of any
5506 other state, or of the United States without having been pardoned
5507 or without having been expunged for same;



5508 (e) Does not chronically or habitually abuse controlled
5509 substances to the extent that his normal faculties are impaired.
5510 It shall be presumed that an applicant chronically and habitually
5511 uses controlled substances to the extent that his faculties are
5512 impaired if the applicant has been voluntarily or involuntarily
5513 committed to a treatment facility for the abuse of a controlled
5514 substance or been found guilty of a crime under the provisions of
5515 the Uniform Controlled Substances Law or similar laws of any other
5516 state or the United States relating to controlled substances
5517 within a three-year period immediately preceding the date on which
5518 the application is submitted;

5519 (f) Does not chronically and habitually use alcoholic
5520 beverages to the extent that his normal faculties are impaired.
5521 It shall be presumed that an applicant chronically and habitually
5522 uses alcoholic beverages to the extent that his normal faculties
5523 are impaired if the applicant has been voluntarily or
5524 involuntarily committed as an alcoholic to a treatment facility or
5525 has been convicted of two (2) or more offenses related to the use
5526 of alcohol under the laws of this state or similar laws of any
5527 other state or the United States within the three-year period
5528 immediately preceding the date on which the application is
5529 submitted;

5530 (g) Desires a legal means to carry a stun gun,
5531 concealed pistol or revolver to defend himself;



5532 (h) Has not been adjudicated mentally incompetent, or
5533 has waited five (5) years from the date of his restoration to
5534 capacity by court order;

5535 (i) Has not been voluntarily or involuntarily committed
5536 to a mental institution or mental health treatment facility unless
5537 he possesses a certificate from a psychiatrist licensed in this
5538 state that he has not suffered from disability for a period of
5539 five (5) years;

5540 (j) Has not had adjudication of guilt withheld or
5541 imposition of sentence suspended on any felony unless three (3)
5542 years have elapsed since probation or any other conditions set by
5543 the court have been fulfilled;

5544 (k) Is not a fugitive from justice; and

5545 (l) Is not disqualified to possess a weapon based on
5546 federal law.

5547 (3) The Department of Public Safety may deny a license if
5548 the applicant has been found guilty of one or more crimes of
5549 violence constituting a misdemeanor unless three (3) years have
5550 elapsed since probation or any other conditions set by the court
5551 have been fulfilled or expunction has occurred prior to the date
5552 on which the application is submitted, or may revoke a license if
5553 the licensee has been found guilty of one or more crimes of
5554 violence within the preceding three (3) years. The department
5555 shall, upon notification by a law enforcement agency or a court
5556 and subsequent written verification, suspend a license or the



5557 processing of an application for a license if the licensee or
5558 applicant is arrested or formally charged with a crime which would
5559 disqualify such person from having a license under this section,
5560 until final disposition of the case. The provisions of subsection
5561 (7) of this section shall apply to any suspension or revocation of
5562 a license pursuant to the provisions of this section.

5563 (4) The application shall be completed, under oath, on a
5564 form promulgated by the Department of Public Safety and shall
5565 include only:

5566 (a) The name, address, place and date of birth, race,
5567 sex and occupation of the applicant;

5568 (b) The driver's license number or social security
5569 number of applicant;

5570 (c) Any previous address of the applicant for the two
5571 (2) years preceding the date of the application;

5572 (d) A statement that the applicant is in compliance
5573 with criteria contained within subsections (2) and (3) of this
5574 section;

5575 (e) A statement that the applicant has been furnished a
5576 copy of this section and is knowledgeable of its provisions;

5577 (f) A conspicuous warning that the application is
5578 executed under oath and that a knowingly false answer to any
5579 question, or the knowing submission of any false document by the
5580 applicant, subjects the applicant to criminal prosecution; and



5581 (g) A statement that the applicant desires a legal
5582 means to carry a stun gun, concealed pistol or revolver to defend
5583 himself.

5584 (5) The applicant shall submit only the following to the
5585 Department of Public Safety:

5586 (a) A completed application as described in subsection
5587 (4) of this section;

5588 (b) A full-face photograph of the applicant taken
5589 within the preceding thirty (30) days in which the head, including
5590 hair, in a size as determined by the Department of Public Safety,
5591 except that an applicant who is younger than twenty-one (21) years
5592 of age must submit a photograph in profile of the applicant;

5593 (c) A nonrefundable license fee of Eighty Dollars
5594 (\$80.00). Costs for processing the set of fingerprints as
5595 required in paragraph (d) of this subsection shall be borne by the
5596 applicant. Honorably retired law enforcement officers, disabled
5597 veterans and active duty members of the Armed Forces of the United
5598 States, and law enforcement officers employed with a law
5599 enforcement agency of a municipality, county or state at the time
5600 of application for the license, shall be exempt from the payment
5601 of the license fee;

5602 (d) A full set of fingerprints of the applicant
5603 administered by the Department of Public Safety; and

5604 (e) A waiver authorizing the Department of Public
5605 Safety access to any records concerning commitments of the



5606 applicant to any of the treatment facilities or institutions
5607 referred to in subsection (2) of this section and permitting
5608 access to all the applicant's criminal records.

5609 (6) (a) The Department of Public Safety, upon receipt of
5610 the items listed in subsection (5) of this section, shall forward
5611 the full set of fingerprints of the applicant to the appropriate
5612 agencies for state and federal processing.

5613 (b) The Department of Public Safety shall forward a
5614 copy of the applicant's application to the sheriff of the
5615 applicant's county of residence and, if applicable, the police
5616 chief of the applicant's municipality of residence. The sheriff
5617 of the applicant's county of residence, and, if applicable, the
5618 police chief of the applicant's municipality of residence may, at
5619 his discretion, participate in the process by submitting a
5620 voluntary report to the Department of Public Safety containing any
5621 readily discoverable prior information that he feels may be
5622 pertinent to the licensing of any applicant. The reporting shall
5623 be made within thirty (30) days after the date he receives the
5624 copy of the application. Upon receipt of a response from a
5625 sheriff or police chief, such sheriff or police chief shall be
5626 reimbursed at a rate set by the department.

5627 (c) The Department of Public Safety shall, within
5628 forty-five (45) days after the date of receipt of the items listed
5629 in subsection (5) of this section:

5630 (i) Issue the license;



5631 (ii) Deny the application based solely on the
5632 ground that the applicant fails to qualify under the criteria
5633 listed in subsections (2) and (3) of this section. If the
5634 Department of Public Safety denies the application, it shall
5635 notify the applicant in writing, stating the ground for denial,
5636 and the denial shall be subject to the appeal process set forth in
5637 subsection (7); or

5638 (iii) Notify the applicant that the department is
5639 unable to make a determination regarding the issuance or denial of
5640 a license within the forty-five-day period prescribed by this
5641 subsection, and provide an estimate of the amount of time the
5642 department will need to make the determination.

5643 (d) In the event a legible set of fingerprints, as
5644 determined by the Department of Public Safety and the Federal
5645 Bureau of Investigation, cannot be obtained after a minimum of two
5646 (2) attempts, the Department of Public Safety shall determine
5647 eligibility based upon a name check by the Mississippi Highway
5648 Safety Patrol and a Federal Bureau of Investigation name check
5649 conducted by the Mississippi Highway Safety Patrol at the request
5650 of the Department of Public Safety.

5651 (7) (a) If the Department of Public Safety denies the
5652 issuance of a license, or suspends or revokes a license, the party
5653 aggrieved may appeal such denial, suspension or revocation to the
5654 Commissioner of Public Safety, or his authorized agent, within
5655 thirty (30) days after the aggrieved party receives written notice



of such denial, suspension or revocation. The Commissioner of Public Safety, or his duly authorized agent, shall rule upon such appeal within thirty (30) days after the appeal is filed and failure to rule within this thirty-day period shall constitute sustaining such denial, suspension or revocation. Such review shall be conducted pursuant to such reasonable rules and regulations as the Commissioner of Public Safety may adopt.

(b) If the revocation, suspension or denial of issuance is sustained by the Commissioner of Public Safety, or his duly authorized agent pursuant to paragraph (a) of this subsection, the aggrieved party may file within ten (10) days after the rendition of such decision a petition in the circuit or county court of his residence for review of such decision. A hearing for review shall be held and shall proceed before the court without a jury upon the record made at the hearing before the Commissioner of Public Safety or his duly authorized agent. No such party shall be allowed to carry a stun gun, concealed pistol or revolver pursuant to the provisions of this section while any such appeal is pending.

(8) The Department of Public Safety shall maintain an automated listing of license holders and such information shall be available online, upon request, at all times, to all law enforcement agencies through the Mississippi Crime Information Center. However, the records of the department relating to applications for licenses to carry stun guns, concealed pistols or



revolvers and records relating to license holders shall be exempt from the provisions of the Mississippi Public Records Act of 1983, and shall be released only upon order of a court having proper jurisdiction over a petition for release of the record or records.

(9) Within thirty (30) days after the changing of a permanent address, or within thirty (30) days after having a license lost or destroyed, the licensee shall notify the Department of Public Safety in writing of such change or loss. Failure to notify the Department of Public Safety pursuant to the provisions of this subsection shall constitute a noncriminal violation with a penalty of Twenty-five Dollars (\$25.00) and shall be enforceable by a summons.

(10) In the event that a stun gun, concealed pistol or revolver license is lost or destroyed, the person to whom the license was issued shall comply with the provisions of subsection (9) of this section and may obtain a duplicate, or substitute thereof, upon payment of Fifteen Dollars (\$15.00) to the Department of Public Safety, and furnishing a notarized statement to the department that such license has been lost or destroyed.

(11) A license issued under this section shall be revoked if the licensee becomes ineligible under the criteria set forth in subsection (2) of this section.

(12) (a) Except as provided in subsection (25) of this section, no less than ninety (90) days prior to the expiration date of the license, the Department of Public Safety shall mail to



5706 each licensee a written notice of the expiration and a renewal
5707 form prescribed by the department. The licensee must renew his
5708 license on or before the expiration date by filing with the
5709 department the renewal form, a notarized affidavit stating that
5710 the licensee remains qualified pursuant to the criteria specified
5711 in subsections (2) and (3) of this section, and a full set of
5712 fingerprints administered by the Department of Public Safety or
5713 the sheriff of the county of residence of the licensee. The first
5714 renewal may be processed by mail and the subsequent renewal must
5715 be made in person. Thereafter every other renewal may be
5716 processed by mail to assure that the applicant must appear in
5717 person every ten (10) years for the purpose of obtaining a new
5718 photograph.

5719 (i) Except as provided in this subsection, a
5720 renewal fee of Forty Dollars (\$40.00) shall also be submitted
5721 along with costs for processing the fingerprints;

5722 (ii) Honorably retired law enforcement officers,
5723 disabled veterans, active duty members of the Armed Forces of the
5724 United States and law enforcement officers employed with a law
5725 enforcement agency of a municipality, county or state at the time
5726 of renewal, shall be exempt from the renewal fee; and

5727 (iii) The renewal fee for a Mississippi resident
5728 aged sixty-five (65) years of age or older shall be Twenty Dollars
5729 (\$20.00).



5730 (b) The Department of Public Safety shall forward the
5731 full set of fingerprints of the applicant to the appropriate
5732 agencies for state and federal processing. The license shall be
5733 renewed upon receipt of the completed renewal application and
5734 appropriate payment of fees.

5735 (c) A licensee who fails to file a renewal application
5736 on or before its expiration date must renew his license by paying
5737 a late fee of Fifteen Dollars (\$15.00). No license shall be
5738 renewed six (6) months or more after its expiration date, and such
5739 license shall be deemed to be permanently expired. A person whose
5740 license has been permanently expired may reapply for licensure;
5741 however, an application for licensure and fees pursuant to
5742 subsection (5) of this section must be submitted, and a background
5743 investigation shall be conducted pursuant to the provisions of
5744 this section.

5745 (13) No license issued pursuant to this section shall
5746 authorize any person, except a law enforcement officer as defined
5747 in Section 45-6-3 with a distinct license authorized by the
5748 Department of Public Safety, to carry a stun gun, concealed pistol
5749 or revolver into any place of nuisance as defined in Section
5750 95-3-1, Mississippi Code of 1972; any police, sheriff or highway
5751 patrol station; any detention facility, prison or jail; any
5752 courthouse; any courtroom, except that nothing in this section
5753 shall preclude a judge from carrying a concealed weapon or
5754 determining who will carry a concealed weapon in his courtroom;



5755 any polling place; any meeting place of the governing body of any
5756 governmental entity; any meeting of the Legislature or a committee
5757 thereof; any school, college or professional athletic event not
5758 related to firearms; any portion of an establishment, licensed to
5759 dispense alcoholic beverages for consumption on the premises, that
5760 is primarily devoted to dispensing alcoholic beverages; any
5761 portion of an establishment in which beer, light spirit product or
5762 light wine is consumed on the premises, that is primarily devoted
5763 to such purpose; any elementary or secondary school facility; any
5764 junior college, community college, college or university facility
5765 unless for the purpose of participating in any authorized
5766 firearms-related activity; inside the passenger terminal of any
5767 airport, except that no person shall be prohibited from carrying
5768 any legal firearm into the terminal if the firearm is encased for
5769 shipment, for purposes of checking such firearm as baggage to be
5770 lawfully transported on any aircraft; any church or other place of
5771 worship, except as provided in Section 45-9-171; or any place
5772 where the carrying of firearms is prohibited by federal law. In
5773 addition to the places enumerated in this subsection, the carrying
5774 of a stun gun, concealed pistol or revolver may be disallowed in
5775 any place in the discretion of the person or entity exercising
5776 control over the physical location of such place by the placing of
5777 a written notice clearly readable at a distance of not less than
5778 ten (10) feet that the "carrying of a pistol or revolver is
5779 prohibited." No license issued pursuant to this section shall



5780 authorize the participants in a parade or demonstration for which
5781 a permit is required to carry a stun gun, concealed pistol or
5782 revolver.

5783 (14) A law enforcement officer as defined in Section 45-6-3,
5784 chiefs of police, sheriffs and persons licensed as professional
5785 bondsmen pursuant to Chapter 39, Title 83, Mississippi Code of
5786 1972, shall be exempt from the licensing requirements of this
5787 section.

5788 (a) The Commissioner of Public Safety shall promulgate
5789 rules and regulations to provide licenses to law enforcement
5790 officers as defined in Section 45-6-3 who choose to obtain a
5791 license under the provisions of this section, which shall include
5792 a distinction that the officer is an "active duty" law enforcement
5793 officer and an endorsement that such officer is authorized to
5794 carry in the locations listed in subsection (13). A law
5795 enforcement officer shall provide the following information to
5796 receive the license described in this subsection: (i) a letter,
5797 with the official letterhead of the agency or department for which
5798 the officer is employed at the time of application and (ii) a
5799 letter with the official letterhead of the agency or department,
5800 which explains that such officer has completed a certified law
5801 enforcement training academy.

5802 (b) The licensing requirements of this section do not
5803 apply to the carrying by any person of a stun gun, pistol or



5804 revolver, knife, or other deadly weapon that is not concealed as
5805 defined in Section 97-37-1.

5806 (15) Any person who knowingly submits a false answer to any
5807 question on an application for a license issued pursuant to this
5808 section, or who knowingly submits a false document when applying
5809 for a license issued pursuant to this section, shall, upon
5810 conviction, be guilty of a misdemeanor and shall be punished as
5811 provided in Section 99-19-31, Mississippi Code of 1972.

5812 (16) All fees collected by the Department of Public Safety
5813 pursuant to this section shall be deposited into a special fund
5814 hereby created in the State Treasury and shall be used for
5815 implementation and administration of this section. After the
5816 close of each fiscal year, the balance in this fund shall be
5817 certified to the Legislature and then may be used by the
5818 Department of Public Safety as directed by the Legislature.

5819 (17) All funds received by a sheriff or police chief
5820 pursuant to the provisions of this section shall be deposited into
5821 the general fund of the county or municipality, as appropriate,
5822 and shall be budgeted to the sheriff's office or police department
5823 as appropriate.

5824 (18) Nothing in this section shall be construed to require
5825 or allow the registration, documentation or providing of serial
5826 numbers with regard to any stun gun or firearm.

5827 (19) Any person holding a valid unrevoked and unexpired
5828 license to carry stun guns, concealed pistols or revolvers issued



5829 in another state shall have such license recognized by this state
5830 to carry stun guns, concealed pistols or revolvers. The
5831 Department of Public Safety is authorized to enter into a
5832 reciprocal agreement with another state if that state requires a
5833 written agreement in order to recognize licenses to carry stun
5834 guns, concealed pistols or revolvers issued by this state.

5835 (20) The provisions of this section shall be under the
5836 supervision of the Commissioner of Public Safety. The
5837 commissioner is authorized to promulgate reasonable rules and
5838 regulations to carry out the provisions of this section.

5839 (21) For the purposes of this section, the term "stun gun"
5840 means a portable device or weapon from which an electric current,
5841 impulse, wave or beam may be directed, which current, impulse,
5842 wave or beam is designed to incapacitate temporarily, injure,
5843 momentarily stun, knock out, cause mental disorientation or
5844 paralyze.

5845 (22) (a) From and after January 1, 2016, the Commissioner
5846 of Public Safety shall promulgate rules and regulations which
5847 provide that licenses authorized by this section for honorably
5848 retired law enforcement officers and honorably retired
5849 correctional officers from the Mississippi Department of
5850 Corrections shall (i) include the words "retired law enforcement
5851 officer" on the front of the license, and (ii) unless the licensee
5852 chooses to have this license combined with a driver's license or
5853 identification card under subsection (25) of this section, that



5854 the license itself have a red background to distinguish it from
5855 other licenses issued under this section.

5856 (b) An honorably retired law enforcement officer and
5857 honorably retired correctional officer shall provide the following
5858 information to receive the license described in this section: (i)
5859 a letter, with the official letterhead of the agency or department
5860 from which such officer is retiring, which explains that such
5861 officer is honorably retired, and (ii) a letter with the official
5862 letterhead of the agency or department, which explains that such
5863 officer has completed a certified law enforcement training
5864 academy.

5865 (23) A disabled veteran who seeks to qualify for an
5866 exemption under this section shall be required to provide a
5867 veterans health services identification card issued by the United
5868 States Department of Veterans Affairs indicating a
5869 service-connected disability, which shall be sufficient proof of
5870 such service-connected disability.

5871 (24) A license under this section is not required for a
5872 loaded or unloaded pistol or revolver to be carried upon the
5873 person in a sheath, belt holster or shoulder holster or in a
5874 purse, handbag, satchel, other similar bag or briefcase or fully
5875 enclosed case if the person is not engaged in criminal activity
5876 other than a misdemeanor traffic offense, is not otherwise
5877 prohibited from possessing a pistol or revolver under state or
5878 federal law, and is not in a location prohibited under subsection



5879 (13) of this section. However, the medical use of medical
5880 cannabis by a cardholder who is a registered qualifying patient
5881 which is lawful under the provisions of the Mississippi Medical
5882 Cannabis Act and in compliance with rules and regulations adopted
5883 thereunder shall not disqualify a person under this subsection
5884 (24) solely because the person is prohibited from possessing a
5885 firearm under 18 USCS Section 922(g) (3) due to such medical use of
5886 medical cannabis.

5887 (25) An applicant for a license under this section shall
5888 have the option of, instead of being issued a separate card for
5889 the license, having the license appear as a notation on the
5890 individual's driver's license or identification card. If the
5891 applicant chooses this option, the license issued under this
5892 section shall have the same expiration date as the driver's
5893 license or identification card, and renewal shall take place at
5894 the same time and place as renewal of the driver's license or
5895 identification card. The Commissioner of Public Safety shall have
5896 the authority to promulgate rules and regulations which may be
5897 necessary to ensure the effectiveness of the concurrent
5898 application and renewal processes.

5899 **SECTION 65.** Section 59-23-7, Mississippi Code of 1972, is
5900 amended as follows:

5901 59-23-7. (1) It is unlawful for any person to operate a
5902 watercraft on the public waters of this state who:

5903 (a) Is under the influence of intoxicating liquor;



5904 (b) Is under the influence of any other substance which
5905 has impaired such person's ability to operate a watercraft; or

5906 (c) Has eight one-hundredths percent (.08%) or more by
5907 weight volume of alcohol in the person's blood based upon
5908 milligrams of alcohol per one hundred (100) cubic centimeters of
5909 blood as shown by a chemical analysis of such person's breath,
5910 blood or urine administered as authorized by this chapter.

5911 (2) (a) Upon conviction of any person for the first offense
5912 of violating subsection (1) of this section where chemical tests
5913 provided for under Section 59-23-5 were given, or where chemical
5914 test results are not available, such person shall be fined not
5915 less than Two Hundred Fifty Dollars (\$250.00) nor more than One
5916 Thousand Dollars (\$1,000.00), or imprisoned for not more than
5917 twenty-four (24) hours in jail, or both; and the court shall order
5918 such person to attend and complete a boating safety education
5919 course developed by the Department of Wildlife, Fisheries and
5920 Parks.

5921 (b) Upon any second conviction of any person violating
5922 subsection (1) of this section, the offenses being committed
5923 within a period of five (5) years, the person shall be fined not
5924 less than Six Hundred Dollars (\$600.00) nor more than One Thousand
5925 Dollars (\$1,000.00) and shall be imprisoned not less than
5926 forty-eight (48) consecutive hours nor more than one (1) year or
5927 sentenced to community service work for not less than ten (10)



5928 days nor more than one (1) year. The court shall order the person
5929 not to operate a watercraft for one (1) year.

5930 (c) For any third conviction of any person violating
5931 subsection (1) of this section, the offenses being committed
5932 within a period of five (5) years, the person shall be fined not
5933 less than Eight Hundred Dollars (\$800.00) nor more than One
5934 Thousand Dollars (\$1,000.00) and shall be imprisoned not less than
5935 thirty (30) days nor more than one (1) year. The court shall
5936 order the person not to operate a watercraft for two (2) years.

5937 (d) Any fourth or subsequent violation of subsection
5938 (1) of this section shall be a felony offense and, upon
5939 conviction, the offenses being committed within a period of five
5940 (5) years, the person shall be fined not less than Two Thousand
5941 Dollars (\$2,000.00) nor more than Five Thousand Dollars
5942 (\$5,000.00) and shall be imprisoned not less than ninety (90) days
5943 nor more than five (5) years in the custody of the Department of
5944 Corrections. The court shall order the person not to operate a
5945 watercraft for three (3) years.

5946 (3) Any person convicted of operating any watercraft in
5947 violation of subsection (1) of this section where the person (a)
5948 refused a law enforcement officer's request to submit to a
5949 chemical test, or (b) was unconscious at the time of a chemical
5950 test and refused to consent to the introduction of the results of
5951 such test in any prosecution, shall be punished consistent with
5952 the penalties prescribed herein for persons submitting to the test



and the court shall order the person not to operate a watercraft for the time periods specified in subsection (2) of this section.

(4) Any person who operates any watercraft in violation of the provisions of subsection (1) of this section and who in a negligent manner causes the death of another or mutilates, disfigures, permanently disables or destroys the tongue, eye, lip, nose or any other member or limb of another shall, upon conviction, be guilty of a felony and shall be committed to the custody of the Department of Corrections for a period of time not to exceed ten (10) years.

(5) Upon conviction of any violation of subsection (1) of this section, the judge shall cause a copy of the citation and any other pertinent documents concerning the conviction to be sent immediately to the Mississippi Department of Wildlife, Fisheries and Parks and the Department of Marine Resources. A copy of the citation or other pertinent documents, having been attested as true and correct by the Director of the Mississippi Department of Wildlife, Fisheries and Parks, or his designee, or the Director of the Department of Marine Resources, or his designee, shall be sufficient proof of the conviction for purposes of determining the enhanced penalty for any subsequent convictions of violations of subsection (1) of this section.

(6) The provisions of this section are fully applicable to any person who is under the influence of medical cannabis that is lawful under the Mississippi Medical Cannabis Act and in



5978 compliance with rules and regulations adopted thereunder which has
5979 impaired the person's ability to operate a watercraft.

5980 **SECTION 66.** Section 63-11-30, Mississippi Code of 1972, is
5981 amended as follows:

5982 63-11-30. (1) It is unlawful for a person to drive or
5983 otherwise operate a vehicle within this state if the person:

5984 (a) Is under the influence of intoxicating liquor;

5985 (b) Is under the influence of any other substance that
5986 has impaired the person's ability to operate a motor vehicle;

5987 (c) Is under the influence of any drug or controlled
5988 substance, the possession of which is unlawful under the
5989 Mississippi Controlled Substances Law; or

5990 (d) Has an alcohol concentration in the person's blood,
5991 based upon grams of alcohol per one hundred (100) milliliters of
5992 blood, or grams of alcohol per two hundred ten (210) liters of
5993 breath, as shown by a chemical analysis of the person's breath,
5994 blood or urine administered as authorized by this chapter, of:

5995 (i) Eight one-hundredths percent (.08%) or more
5996 for a person who is above the legal age to purchase alcoholic
5997 beverages under state law;

5998 (ii) Two one-hundredths percent (.02%) or more for
5999 a person who is below the legal age to purchase alcoholic
6000 beverages under state law; or

6001 (iii) Four one-hundredths percent (.04%) or more
6002 for a person operating a commercial motor vehicle.



(2) Except as otherwise provided in subsection (3) of this section (Zero Tolerance for Minors):

(a) **First offense DUI.** (i) Upon conviction of any person for the first offense of violating subsection (1) of this section where chemical tests under Section 63-11-5 were given, or where chemical test results are not available, the person shall be fined not less than Two Hundred Fifty Dollars (\$250.00) nor more than One Thousand Dollars (\$1,000.00), or imprisoned for not more than forty-eight (48) hours in jail, or both; the court shall order the person to attend and complete an alcohol safety education program as provided in Section 63-11-32 within six (6) months of sentencing. The court may substitute attendance at a victim impact panel instead of forty-eight (48) hours in jail.

(ii) Suspension of commercial driving privileges is governed by Section 63-1-216.

(iii) A qualifying first offense may be nonadjudicated by the court under subsection (14) of this section. The holder of a commercial driver's license or a commercial learning permit at the time of the offense is ineligible for nonadjudication.

(iv) Eligibility for an interlock-restricted license is governed by Section 63-11-31 and suspension of regular driving privileges is governed by Section 63-11-23.

(b) **Second offense DUI.** (i) Upon any second conviction of any person violating subsection (1) of this section,



6028 the offenses being committed within a period of five (5) years,
6029 the person shall be guilty of a misdemeanor, fined not less than
6030 Six Hundred Dollars (\$600.00) nor more than One Thousand Five
6031 Hundred Dollars (\$1,500.00), shall be imprisoned not less than
6032 five (5) days nor more than six (6) months and sentenced to
6033 community service work for not less than ten (10) days nor more
6034 than six (6) months. The minimum penalties shall not be suspended
6035 or reduced by the court and no prosecutor shall offer any
6036 suspension or sentence reduction as part of a plea bargain.

6037 (ii) Suspension of commercial driving privileges
6038 is governed by Section 63-1-216.

6039 (iii) Eligibility for an interlock-restricted
6040 license is governed by Section 63-11-31 and suspension of regular
6041 driving privileges is governed by Section 63-11-23.

6042 (c) **Third offense DUI.** (i) For a third conviction of
6043 a person for violating subsection (1) of this section, the
6044 offenses being committed within a period of five (5) years, the
6045 person shall be guilty of a felony and fined not less than Two
6046 Thousand Dollars (\$2,000.00) nor more than Five Thousand Dollars
6047 (\$5,000.00), and shall serve not less than one (1) year nor more
6048 than five (5) years in the custody of the Department of
6049 Corrections. For any offense that does not result in serious
6050 injury or death to any person, the sentence of incarceration may
6051 be served in the county jail rather than in the State Penitentiary
6052 at the discretion of the circuit court judge. The minimum



6053 penalties shall not be suspended or reduced by the court and no
6054 prosecutor shall offer any suspension or sentence reduction as
6055 part of a plea bargain.

6056 (ii) The suspension of commercial driving
6057 privileges is governed by Section 63-1-216.

6058 (iii) The suspension of regular driving privileges
6059 is governed by Section 63-11-23.

6060 (d) **Fourth and subsequent offense DUI.** (i) For any
6061 fourth or subsequent conviction of a violation of subsection (1)
6062 of this section, without regard to the time period within which
6063 the violations occurred, the person shall be guilty of a felony
6064 and fined not less than Three Thousand Dollars (\$3,000.00) nor
6065 more than Ten Thousand Dollars (\$10,000.00), and shall serve not
6066 less than two (2) years nor more than ten (10) years in the
6067 custody of the Department of Corrections.

6068 (ii) The suspension of commercial driving
6069 privileges is governed by Section 63-1-216.

6070 (iii) A person convicted of a fourth or subsequent
6071 offense is ineligible to exercise the privilege to operate a motor
6072 vehicle that is not equipped with an ignition-interlock device for
6073 ten (10) years.

6074 (e) Any person convicted of a second or subsequent
6075 violation of subsection (1) of this section shall receive an
6076 in-depth diagnostic assessment, and if as a result of the
6077 assessment is determined to be in need of treatment for alcohol or



6078 drug abuse, the person must successfully complete treatment at a
6079 program site certified by the Department of Mental Health. Each
6080 person who receives a diagnostic assessment shall pay a fee
6081 representing the cost of the assessment. Each person who
6082 participates in a treatment program shall pay a fee representing
6083 the cost of treatment.

6084 (f) The use of ignition-interlock devices is governed
6085 by Section 63-11-31.

6086 (3) **Zero Tolerance for Minors.** (a) This subsection shall
6087 be known and may be cited as Zero Tolerance for Minors. The
6088 provisions of this subsection shall apply only when a person under
6089 the age of twenty-one (21) years has a blood alcohol concentration
6090 of two one-hundredths percent (.02%) or more, but lower than eight
6091 one-hundredths percent (.08%). If the person's blood alcohol
6092 concentration is eight one-hundredths percent (.08%) or more, the
6093 provisions of subsection (2) shall apply.

6094 (b) (i) A person under the age of twenty-one (21) is
6095 eligible for nonadjudication of a qualifying first offense by the
6096 court pursuant to subsection (14) of this section.

6097 (ii) Upon conviction of any person under the age
6098 of twenty-one (21) years for the first offense of violating
6099 subsection (1) of this section where chemical tests provided for
6100 under Section 63-11-5 were given, or where chemical test results
6101 are not available, the person shall be fined Two Hundred Fifty
6102 Dollars (\$250.00); the court shall order the person to attend and



6103 complete an alcohol safety education program as provided in
6104 Section 63-11-32 within six (6) months. The court may also
6105 require attendance at a victim impact panel.

6106 (c) A person under the age of twenty-one (21) years who
6107 is convicted of a second violation of subsection (1) of this
6108 section, the offenses being committed within a period of five (5)
6109 years, shall be fined not more than Five Hundred Dollars
6110 (\$500.00).

6111 (d) A person under the age of twenty-one (21) years who
6112 is convicted of a third or subsequent violation of subsection (1)
6113 of this section, the offenses being committed within a period of
6114 five (5) years, shall be fined not more than One Thousand Dollars
6115 (\$1,000.00).

6116 (e) License suspension is governed by Section 63-11-23
6117 and ignition interlock is governed by Section 63-11-31.

6118 (f) Any person under the age of twenty-one (21) years
6119 convicted of a third or subsequent violation of subsection (1) of
6120 this section must complete treatment of an alcohol or drug abuse
6121 program at a site certified by the Department of Mental Health.

6122 (4) **DUI test refusal.** In addition to the other penalties
6123 provided in this section, every person refusing a law enforcement
6124 officer's request to submit to a chemical test of the person's
6125 breath as provided in this chapter, or who was unconscious at the
6126 time of a chemical test and refused to consent to the introduction
6127 of the results of the test in any prosecution, shall suffer an



6128 additional administrative suspension of driving privileges as set
6129 forth in Section 63-11-23.

6130 (5) **Aggravated DUI.** (a) Every person who operates any
6131 motor vehicle in violation of the provisions of subsection (1) of
6132 this section and who in a negligent manner causes the death of
6133 another or mutilates, disfigures, permanently disables or destroys
6134 the tongue, eye, lip, nose or any other limb, organ or member of
6135 another shall, upon conviction, be guilty of a separate felony for
6136 each victim who suffers death, mutilation, disfigurement or other
6137 injury and shall be committed to the custody of the State
6138 Department of Corrections for a period of time of not less than
6139 five (5) years and not to exceed twenty-five (25) years for each
6140 death, mutilation, disfigurement or other injury, and the
6141 imprisonment for the second or each subsequent conviction, in the
6142 discretion of the court, shall commence either at the termination
6143 of the imprisonment for the preceding conviction or run
6144 concurrently with the preceding conviction. Any person charged
6145 with causing the death of another as described in this subsection
6146 shall be required to post bail before being released after arrest.

6147 (b) A holder of a commercial driver's license who is
6148 convicted of operating a commercial motor vehicle with an alcohol
6149 concentration of eight one- * * * hundredths percent (.08%) or more
6150 shall be guilty of a felony and shall be committed to the custody
6151 of the Department of Corrections for not less than two (2) years
6152 and not more than ten (10) years.



6153 (c) The court shall order an ignition-interlock
6154 restriction on the offender's privilege to drive as a condition of
6155 probation or post-release supervision not to exceed five (5) years
6156 unless a longer restriction is required under other law. The
6157 ignition-interlock restriction shall not be applied to commercial
6158 license privileges until the driver serves the full
6159 disqualification period required by Section 63-1-216.

6160 (6) **DUI citations.** (a) Upon conviction of a violation of
6161 subsection (1) of this section, the trial judge shall sign in the
6162 place provided on the traffic ticket, citation or affidavit
6163 stating that the person arrested either employed an attorney or
6164 waived his right to an attorney after having been properly
6165 advised. If the person arrested employed an attorney, the name,
6166 address and telephone number of the attorney shall be written on
6167 the ticket, citation or affidavit. The court clerk must
6168 immediately send a copy of the traffic ticket, citation or
6169 affidavit, and any other pertinent documents concerning the
6170 conviction or other order of the court, to the Department of
6171 Public Safety as provided in Section 63-11-37.

6172 (b) A copy of the traffic ticket, citation or affidavit
6173 and any other pertinent documents, having been attested as true
6174 and correct by the Commissioner of Public Safety, or his designee,
6175 shall be sufficient proof of the conviction for purposes of
6176 determining the enhanced penalty for any subsequent convictions of
6177 violations of subsection (1) of this section. The Department of



6178 Public Safety shall maintain a central database for verification
6179 of prior offenses and convictions.

6180 (7) **Out-of-state prior convictions.** Convictions in another
6181 state, territory or possession of the United States, or under the
6182 law of a federally recognized Native American tribe, of violations
6183 for driving or operating a vehicle while under the influence of an
6184 intoxicating liquor or while under the influence of any other
6185 substance that has impaired the person's ability to operate a
6186 motor vehicle occurring within five (5) years before an offense
6187 shall be counted for the purposes of determining if a violation of
6188 subsection (1) of this section is a second, third, fourth or
6189 subsequent offense and the penalty that shall be imposed upon
6190 conviction for a violation of subsection (1) of this section.

6191 (8) **Charging of subsequent offenses.** (a) For the purposes
6192 of determining how to impose the sentence for a second, third,
6193 fourth or subsequent conviction under this section, the affidavit
6194 or indictment shall not be required to enumerate previous
6195 convictions. It shall only be necessary that the affidavit or
6196 indictment states the number of times that the defendant has been
6197 convicted and sentenced within the past five (5) years for a
6198 second or third offense, or without a time limitation for a fourth
6199 or subsequent offense, under this section to determine if an
6200 enhanced penalty shall be imposed. The amount of fine and
6201 imprisonment imposed in previous convictions shall not be



6202 considered in calculating offenses to determine a second, third,
6203 fourth or subsequent offense of this section.

6204 (b) Before a defendant enters a plea of guilty to an
6205 offense under this section, law enforcement must submit
6206 certification to the prosecutor that the defendant's driving
6207 record, the confidential registry and National Crime Information
6208 Center record have been searched for all prior convictions,
6209 nonadjudications, pretrial diversions and arrests for driving or
6210 operating a vehicle while under the influence of an intoxicating
6211 liquor or while under the influence of any other substance that
6212 has impaired the person's ability to operate a motor vehicle. The
6213 results of the search must be included in the certification.

6214 (9) **License eligibility for underage offenders.** A person
6215 who is under the legal age to obtain a license to operate a motor
6216 vehicle at the time of the offense and who is convicted under this
6217 section shall not be eligible to receive a driver's license until
6218 the person reaches the age of eighteen (18) years.

6219 (10) **License suspensions and restrictions to run**
6220 **consecutively.** Suspension or restriction of driving privileges
6221 for any person convicted of or nonadjudicated for violations of
6222 subsection (1) of this section shall run consecutively to and not
6223 concurrently with any other administrative license suspension.

6224 (11) **Ignition interlock.** If the court orders installation
6225 and use of an ignition-interlock device as provided in Section
6226 63-11-31 for every vehicle operated by a person convicted or



nonadjudicated under this section, each device shall be installed, maintained and removed as provided in Section 63-11-31.

(12) **DUI child endangerment.** A person over the age of twenty-one (21) who violates subsection (1) of this section while transporting in a motor vehicle a child under the age of sixteen (16) years is guilty of the separate offense of endangering a child by driving under the influence of alcohol or any other substance which has impaired the person's ability to operate a motor vehicle. The offense of endangering a child by driving under the influence of alcohol or any other substance which has impaired the person's ability to operate a motor vehicle shall not be merged with an offense of violating subsection (1) of this section for the purposes of prosecution and sentencing. An offender who is convicted of a violation of this subsection shall be punished as follows:

(a) A person who commits a violation of this subsection which does not result in the serious injury or death of a child and which is a first conviction shall be guilty of a misdemeanor and, upon conviction, shall be fined not more than One Thousand Dollars (\$1,000.00) or shall be imprisoned for not more than twelve (12) months, or both;

(b) A person who commits a violation of this subsection which does not result in the serious injury or death of a child and which is a second conviction shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than One Thousand



6252 Dollars (\$1,000.00) nor more than Five Thousand Dollars
6253 (\$5,000.00) or shall be imprisoned for one (1) year, or both;

6254 (c) A person who commits a violation of this subsection
6255 which does not result in the serious injury or death of a child
6256 and which is a third or subsequent conviction shall be guilty of a
6257 felony and, upon conviction, shall be fined not less than Ten
6258 Thousand Dollars (\$10,000.00) or shall be imprisoned for not less
6259 than one (1) year nor more than five (5) years, or both; and

6260 (d) A person who commits a violation of this subsection
6261 which results in the serious injury or death of a child, without
6262 regard to whether the offense was a first, second, third or
6263 subsequent offense, shall be guilty of a felony and, upon
6264 conviction, shall be punished by a fine of not less than Ten
6265 Thousand Dollars (\$10,000.00) and shall be imprisoned for not less
6266 than five (5) years nor more than twenty-five (25) years.

6267 (13) **Expunction.** (a) Any person convicted under subsection
6268 (2) or (3) of this section of a first offense of driving under the
6269 influence and who was not the holder of a commercial driver's
6270 license or a commercial learning permit at the time of the offense
6271 may petition the circuit court of the county in which the
6272 conviction was had for an order to expunge the record of the
6273 conviction at least five (5) years after successful completion of
6274 all terms and conditions of the sentence imposed for the
6275 conviction. Expunction under this subsection will only be
6276 available to a person:



6277 (i) Who has successfully completed all terms and
6278 conditions of the sentence imposed for the conviction;
6279 (ii) Who did not refuse to submit to a test of his
6280 blood or breath;
6281 (iii) Whose blood alcohol concentration tested
6282 below sixteen one-hundredths percent (.16%) if test results are
6283 available;
6284 (iv) Who has not been convicted of and does not
6285 have pending any other offense of driving under the influence;
6286 (v) Who has provided the court with justification
6287 as to why the conviction should be expunged; and
6288 (vi) Who has not previously had a nonadjudication
6289 or expunction of a violation of this section.
6290 (b) A person is eligible for only one (1) expunction
6291 under this subsection, and the Department of Public Safety shall
6292 maintain a permanent confidential registry of all cases of
6293 expunction under this subsection for the sole purpose of
6294 determining a person's eligibility for expunction, for
6295 nonadjudication, or as a first offender under this section.
6296 (c) The court in its order of expunction shall state in
6297 writing the justification for which the expunction was granted and
6298 forward the order to the Department of Public Safety within five
6299 (5) days of the entry of the order.
6300 (14) **Nonadjudication.** (a) For the purposes of this
6301 chapter, "nonadjudication" means that the court withholds



6302 adjudication of guilt and sentencing, either at the conclusion of
6303 a trial on the merits or upon the entry of a plea of guilt by a
6304 defendant, and places the defendant in a nonadjudication program
6305 conditioned upon the successful completion of the requirements
6306 imposed by the court under this subsection.

6307 (b) A person is eligible for nonadjudication of an
6308 offense under this Section 63-11-30 only one (1) time under any
6309 provision of a law that authorizes nonadjudication and only for an
6310 offender:

6311 (i) Who has successfully completed all terms and
6312 conditions imposed by the court after placement of the defendant
6313 in a nonadjudication program;

6314 (ii) Who was not the holder of a commercial
6315 driver's license or a commercial learning permit at the time of
6316 the offense;

6317 (iii) Who has not previously been convicted of and
6318 does not have pending any former or subsequent charges under this
6319 section; and

6320 (iv) Who has provided the court with justification
6321 as to why nonadjudication is appropriate.

6322 (c) Nonadjudication may be initiated upon the filing of
6323 a petition for nonadjudication or at any stage of the proceedings
6324 in the discretion of the court; the court may withhold
6325 adjudication of guilt, defer sentencing, and upon the agreement of
6326 the offender to participate in a nonadjudication program, enter an



6327 order imposing requirements on the offender for a period of court
6328 supervision before the order of nonadjudication is entered.
6329 Failure to successfully complete a nonadjudication program
6330 subjects the person to adjudication of the charges against him and
6331 to imposition of all penalties previously withheld due to entrance
6332 into a nonadjudication program. The court shall immediately
6333 inform the commissioner of the conviction as required in Section
6334 63-11-37.

6335 (i) The court shall order the person to:

6336 1. Pay the nonadjudication fee imposed under
6337 Section 63-11-31 if applicable;

6338 2. Pay all fines, penalties and assessments
6339 that would have been imposed for conviction;

6340 3. Attend and complete an alcohol safety
6341 education program as provided in Section 63-11-32 within six (6)
6342 months of the date of the order;

6343 4. a. If the court determines that the
6344 person violated this section with respect to alcohol or
6345 intoxicating liquor, the person must install an ignition-interlock
6346 device on every motor vehicle operated by the person, obtain an
6347 interlock-restricted license, and maintain that license for one
6348 hundred twenty (120) days or suffer a one-hundred-twenty-day
6349 suspension of the person's regular driver's license, during which
6350 time the person must not operate any vehicle.



6351 b. If the court determines that the
6352 person violated this section by operating a vehicle when under the
6353 influence of a substance other than alcohol that has impaired the
6354 person's ability to operate a motor vehicle, including any drug or
6355 controlled substance which is unlawful to possess under the
6356 Mississippi Controlled Substances Law, the person must submit to a
6357 one-hundred-twenty-day period of a nonadjudication program that
6358 includes court-ordered drug testing at the person's own expense
6359 not less often than every thirty (30) days, during which time the
6360 person may drive if compliant with the terms of the program, or
6361 suffer a one-hundred-twenty-day suspension of the person's regular
6362 driver's license, during which time the person will not operate
6363 any vehicle.

6364 (ii) Other conditions that may be imposed by the
6365 court include, but are not limited to, alcohol or drug screening,
6366 or both, proof that the person has not committed any other traffic
6367 violations while under court supervision, proof of immobilization
6368 or impoundment of vehicles owned by the offender if required, and
6369 attendance at a victim-impact panel.

6370 (d) The court may enter an order of nonadjudication
6371 only if the court finds, after a hearing or after ex parte
6372 examination of reliable documentation of compliance, that the
6373 offender has successfully completed all conditions imposed by law
6374 and previous orders of the court. The court shall retain



6375 jurisdiction over cases involving nonadjudication for a period of
6376 not more than two (2) years.

6377 (e) (i) The clerk shall immediately forward a record
6378 of every person placed in a nonadjudication program and of every
6379 nonadjudication order to the Department of Public Safety for
6380 inclusion in the permanent confidential registry of all cases that
6381 are nonadjudicated under this subsection (14).

6382 (ii) Judges, clerks and prosecutors involved in
6383 the trial of implied consent violations and law enforcement
6384 officers involved in the issuance of citations for implied consent
6385 violations shall have secure online access to the confidential
6386 registry for the purpose of determining whether a person has
6387 previously been the subject of a nonadjudicated case and 1. is
6388 therefore ineligible for another nonadjudication; 2. is ineligible
6389 as a first offender for a violation of this section; or 3. is
6390 ineligible for expunction of a conviction of a violation of this
6391 section.

6392 (iii) The Driver Services Bureau of the department
6393 shall have access to the confidential registry for the purpose of
6394 determining whether a person is eligible for a form of license not
6395 restricted to operating a vehicle equipped with an
6396 ignition-interlock device.

6397 (iv) The Mississippi Alcohol Safety Education
6398 Program shall have secure online access to the confidential
6399 registry for research purposes only.



6400 (15) The provisions of this section are fully applicable to
6401 any person who is under the influence of medical cannabis that is
6402 lawful under the Mississippi Medical Cannabis Act and in
6403 compliance with rules and regulations adopted thereunder which has
6404 impaired the person's ability to operate a motor vehicle.

6405 **SECTION 67.** Section 71-3-7, Mississippi Code of 1972, is
6406 amended as follows:

6407 71-3-7. (1) Compensation shall be payable for disability or
6408 death of an employee from injury or occupational disease arising
6409 out of and in the course of employment, without regard to fault as
6410 to the cause of the injury or occupational disease. An
6411 occupational disease shall be deemed to arise out of and in the
6412 course of employment when there is evidence that there is a direct
6413 causal connection between the work performed and the occupational
6414 disease. In all claims in which no benefits, including
6415 disability, death and medical benefits, have been paid, the
6416 claimant shall file medical records in support of his claim for
6417 benefits when filing a petition to controvert. If the claimant is
6418 unable to file the medical records in support of his claim for
6419 benefits at the time of filing the petition to controvert because
6420 of a limitation of time established by Section 71-3-35 or Section
6421 71-3-53, the claimant shall file medical records in support of his
6422 claim within sixty (60) days after filing the petition to
6423 controvert.



6424 (2) Where a preexisting physical handicap, disease, or
6425 lesion is shown by medical findings to be a material contributing
6426 factor in the results following injury, the compensation which,
6427 but for this subsection, would be payable shall be reduced by that
6428 proportion which such preexisting physical handicap, disease, or
6429 lesion contributed to the production of the results following the
6430 injury. The preexisting condition does not have to be
6431 occupationally disabling for this apportionment to apply.

6432 (3) The following provisions shall apply to subsections (1)
6433 and (2) of this section:

6434 (a) Apportionment shall not be applied until the
6435 claimant has reached maximum medical recovery.

6436 (b) The employer or carrier does not have the power to
6437 determine the date of maximum medical recovery or percentage of
6438 apportionment. This must be done by the attorney-referee, subject
6439 to review by the commission as the ultimate finder of fact.

6440 (c) After the date the claimant reaches maximum medical
6441 recovery, weekly compensation benefits and maximum recovery shall
6442 be reduced by that proportion which the preexisting physical
6443 handicap, disease, or lesion contributes to the results following
6444 injury.

6445 (d) If maximum medical recovery has occurred before the
6446 hearing and order of the attorney-referee, credit for excess
6447 payments shall be allowed in future payments. Such allowances and
6448 method of accomplishment of the same shall be determined by the



6449 attorney-referee, subject to review by the commission. However,
6450 no actual repayment of such excess shall be made to the employer
6451 or carrier.

6452 (4) No compensation shall be payable if the use of drugs
6453 illegally, or the use of a valid prescription medication(s) taken
6454 contrary to the prescriber's instructions and/or contrary to label
6455 warnings, or the use of medical cannabis in accordance with the
6456 Mississippi Medical Cannabis Act and rules and regulations adopted
6457 thereunder, or intoxication due to the use of alcohol of the
6458 employee was the proximate cause of the injury, or if it was the
6459 willful intention of the employee to injure or kill himself or
6460 another.

6461 (5) Every employer to whom this chapter applies shall be
6462 liable for and shall secure the payment to his employees of the
6463 compensation payable under its provisions.

6464 (6) In the case of an employer who is a subcontractor, the
6465 contractor shall be liable for and shall secure the payment of
6466 such compensation to employees of the subcontractor, unless the
6467 subcontractor has secured such payment.

6468 **SECTION 68.** Section 71-3-121, Mississippi Code of 1972, is
6469 amended as follows:

6470 71-3-121. (1) In the event that an employee sustains an
6471 injury at work or asserts a work-related injury, the employer
6472 shall have the right to administer drug and alcohol testing or
6473 require that the employee submit himself to drug and alcohol



6474 testing. If the employee has a positive test indicating the
6475 presence, at the time of injury, of any drug illegally used or the
6476 use of a valid prescription medication(s) taken contrary to the
6477 prescriber's instructions and/or contrary to label warnings, or
6478 the use of medical cannabis in accordance with the Mississippi
6479 Medical Cannabis Act and rules and regulations adopted thereunder,
6480 or eight one-hundredths percent (.08%) or more by weight volume of
6481 alcohol in the person's blood, it shall be presumed that the
6482 proximate cause of the injury was the use of a drug illegally, or
6483 the use of a valid prescription medication(s) taken contrary to
6484 the prescriber's instructions and/or contrary to label warnings,
6485 or the use of medical cannabis in accordance with the Mississippi
6486 Medical Cannabis Act and rules and regulations adopted thereunder,
6487 or the intoxication due to the use of alcohol by the employee. If
6488 the employee refuses to submit himself to drug and alcohol testing
6489 immediately after the alleged work-related injury, then it shall
6490 be presumed that the employee was using a drug illegally, or was
6491 using a valid prescription medication(s) contrary to the
6492 prescriber's instructions and/or contrary to label warnings, or
6493 the use of medical cannabis in accordance with the Mississippi
6494 Medical Cannabis Act and rules and regulations adopted thereunder,
6495 or was intoxicated due to the use of alcohol at the time of the
6496 accident and that the proximate cause of the injury was the use of
6497 a drug illegally, or the use of a valid prescription medication(s)
6498 taken contrary to the prescriber's instructions and/or contrary to



6499 label warnings, or the use of medical cannabis in accordance with
6500 the Mississippi Medical Cannabis Act and rules and regulations
6501 adopted thereunder, or the intoxication due to the use of alcohol
6502 of the employee. The burden of proof will then be placed upon the
6503 employee to prove that the use of drugs illegally, or the use of a
6504 valid prescription medication(s) taken contrary to the
6505 prescriber's instructions and/or contrary to label warnings, or
6506 the use of medical cannabis in accordance with the Mississippi
6507 Medical Cannabis Act and rules and regulations adopted thereunder,
6508 or intoxication due to the use of alcohol was not a contributing
6509 cause of the accident in order to defeat the defense of the
6510 employer provided under Section 71-3-7.

6511 (2) The results of the drug and alcohol tests,
6512 employer-administered or otherwise, shall be considered admissible
6513 evidence solely on the issue of causation in the determination of
6514 the use of drugs illegally, or the use of a valid prescription
6515 medication(s) taken contrary to the prescriber's instructions
6516 and/or contrary to label warnings, or the use of medical cannabis
6517 in accordance with the Mississippi Medical Cannabis Act and rules
6518 and regulations adopted thereunder, or the intoxication due to the
6519 use of alcohol of an employee at the time of injury for workers'
6520 compensation purposes under Section 71-3-7.

6521 (3) No cause of action for defamation of character, libel,
6522 slander or damage to reputation arises in favor of any person
6523 against an employer under the provisions of this section.



SECTION 69. Section 73-15-29, Mississippi Code of 1972, is amended as follows:

73-15-29. (1) The board shall have power to revoke, suspend or refuse to renew any license issued by the board, or to revoke or suspend any privilege to practice, or to deny an application for a license, or to fine, place on probation and/or discipline a licensee, in any manner specified in this article, upon proof that such person:

(a) Has committed fraud or deceit in securing or attempting to secure such license;

(b) Has been convicted of a felony, or a crime involving moral turpitude or has had accepted by a court a plea of nolo contendere to a felony or a crime involving moral turpitude (a certified copy of the judgment of the court of competent jurisdiction of such conviction or pleas shall be prima facie evidence of such conviction);

(c) Has negligently or willfully acted in a manner inconsistent with the health or safety of the persons under the licensee's care;

(d) Has had a license or privilege to practice as a registered nurse or a licensed practical nurse suspended or revoked in any jurisdiction, has voluntarily surrendered such license or privilege to practice in any jurisdiction, has been placed on probation as a registered nurse or licensed practical nurse in any jurisdiction or has been placed under a disciplinary



6549 order(s) in any manner as a registered nurse or licensed practical
6550 nurse in any jurisdiction, (a certified copy of the order of
6551 suspension, revocation, probation or disciplinary action shall be
6552 prima facie evidence of such action);

6553 (e) Has negligently or willfully practiced nursing in a
6554 manner that fails to meet generally accepted standards of such
6555 nursing practice;

6556 (f) Has negligently or willfully violated any order,
6557 rule or regulation of the board pertaining to nursing practice or
6558 licensure;

6559 (g) Has falsified or in a repeatedly negligent manner
6560 made incorrect entries or failed to make essential entries on
6561 records;

6562 (h) Is addicted to or dependent on alcohol or other
6563 habit-forming drugs or is a habitual user of narcotics,
6564 barbiturates, amphetamines, hallucinogens, or other drugs having
6565 similar effect, or has misappropriated any medication;

6566 (i) Has a physical, mental or emotional condition that
6567 renders the licensee unable to perform nursing services or duties
6568 with reasonable skill and safety;

6569 (j) Has engaged in any other conduct, whether of the
6570 same or of a different character from that specified in this
6571 article, that would constitute a crime as defined in Title 97 of
6572 the Mississippi Code of 1972, as now or hereafter amended, and



6573 that relates to such person's employment as a registered nurse or
6574 licensed practical nurse;

6575 (k) Engages in conduct likely to deceive, defraud or
6576 harm the public;

6577 (l) Engages in any unprofessional conduct as identified
6578 by the board in its rules;

6579 (m) Has violated any provision of this article; or

6580 (n) Violation(s) of the provisions of Sections 41-121-1
6581 through 41-121-9 relating to deceptive advertisement by health
6582 care practitioners. This paragraph shall stand repealed on July
6583 1, 2025.

6584 (2) When the board finds any person unqualified because of
6585 any of the grounds set forth in subsection (1) of this section, it
6586 may enter an order imposing one or more of the following
6587 penalties:

6588 (a) Denying application for a license or other
6589 authorization to practice nursing or practical nursing;

6590 (b) Administering a reprimand;

6591 (c) Suspending or restricting the license or other
6592 authorization to practice as a registered nurse or licensed
6593 practical nurse for up to two (2) years without review;

6594 (d) Revoking the license or other authorization to
6595 practice nursing or practical nursing;

6596 (e) Requiring the discipline to submit to care,
6597 counseling or treatment by persons and/or agencies approved or



6598 designated by the board as a condition for initial, continued or
6599 renewed licensure or other authorization to practice nursing or
6600 practical nursing;

6601 (f) Requiring the discipline to participate in a
6602 program of education prescribed by the board as a condition for
6603 initial, continued or renewed licensure or other authorization to
6604 practice;

6605 (g) Requiring the discipline to practice under the
6606 supervision of a registered nurse for a specified period of time;
6607 or

6608 (h) Imposing a fine not to exceed Five Hundred Dollars
6609 (\$500.00).

6610 (3) In addition to the grounds specified in subsection (1)
6611 of this section, the board shall be authorized to suspend the
6612 license or privilege to practice of any licensee for being out of
6613 compliance with an order for support, as defined in Section
6614 93-11-153. The procedure for suspension of a license or privilege
6615 to practice for being out of compliance with an order for support,
6616 and the procedure for the reissuance or reinstatement of a license
6617 or privilege to practice suspended for that purpose, and the
6618 payment of any fees for the reissuance or reinstatement of a
6619 license or privilege to practice suspended for that purpose, shall
6620 be governed by Section 93-11-157 or 93-11-163, as the case may be.
6621 If there is any conflict between any provision of Section
6622 93-11-157 or 93-11-163 and any provision of this article, the



6623 provisions of Section 93-11-157 or 93-11-163, as the case may be,
6624 shall control.

6625 (4) If the public health, safety or welfare imperatively
6626 requires emergency action and the board incorporates a finding to
6627 that effect in an order, the board may order summary suspension of
6628 a license pending proceedings for revocation or other action.
6629 These proceedings shall be promptly instituted and determined by
6630 the board.

6631 (5) The board may establish by rule an alternative to
6632 discipline program for licensees who have an impairment as a
6633 result of substance abuse or a mental health condition, which
6634 program shall include at least the following components:

6635 (a) Participation in the program is voluntary with the
6636 licensee, and the licensee must enter the program before the board
6637 holds a disciplinary action hearing regarding the licensee;

6638 (b) The full cost of participation in the program,
6639 including the cost of any care, counseling, treatment and/or
6640 education received by the licensee, shall be borne by the
6641 licensee;

6642 (c) All of the procedures and records regarding the
6643 licensee's participation in the program shall be confidential,
6644 shall not be disclosed and shall be exempt from the provisions of
6645 the Mississippi Public Records Act of 1983; and



(d) A licensee may not participate in the program more often than one (1) time during any period of five (5) years or such longer period as set by the board.

(6) A nurse practitioner who provides a written certification as authorized under the Mississippi Medical Cannabis Act and in compliance with rules and regulations adopted thereunder shall not be subject to any disciplinary action under this section solely due to providing the written certification.

SECTION 70. Section 73-19-23, Mississippi Code of 1972, is amended as follows:

73-19-23. (1) (a) The board shall refuse to grant a certificate of licensure to any applicant and may cancel, revoke or suspend the operation of any certificate by it granted for any or all of the following reasons: unprofessional and unethical conduct or the conviction of a crime involving moral turpitude, habitual intemperance in the use of ardent spirits, or stimulants, narcotics, or any other substance that impairs the intellect and judgment to such an extent as to incapacitate one for the performance of the duties of an optometrist. The certificate of licensure of any person can be revoked for violating any section of this chapter.

(b) The board shall conduct a criminal history records check on licensure applicants and on licensees whose licenses are subject to investigation.



6670 (i) The applicant or licensee shall undergo a
6671 fingerprint-based criminal history records check of the
6672 Mississippi central criminal database and the Federal Bureau of
6673 Investigation criminal history database. Each applicant or
6674 licensee shall submit a full set of the applicant's fingerprints
6675 in a form or manner prescribed by the board, which shall be
6676 forwarded to the Bureau of Investigation Identification Division
6677 for this purpose.

6678 (ii) Any and all state or national criminal
6679 history records information obtained by the board that is not
6680 already a matter of public record shall be deemed nonpublic and
6681 confidential information restricted to the exclusive use of the
6682 board, its members, officers, investigators, agents and attorneys
6683 in evaluating the applicant's eligibility or disqualification for
6684 licensure, and shall be exempt from the Mississippi Public Records
6685 Act of 1983. Except when introduced into evidence in a hearing
6686 before the board to determine licensure, no such information or
6687 records related thereto shall, except with the written consent of
6688 the applicant or licensee or by order of a court of competent
6689 jurisdiction, be released or otherwise disclosed by the board to
6690 any other person or agency.

6691 (iii) The board shall provide to the department
6692 the fingerprints of the applicant or licensee, any additional
6693 information that may be required by the department, and a form
6694 signed by the applicant consenting to the check of the criminal



6695 records and to the use of the fingerprints and other identifying
6696 information required by the state or national repositories.

6697 (iv) The board shall charge and collect from the
6698 applicant or licensee, in addition to all other applicable fees
6699 and costs, such amount as may be incurred by the board in
6700 requesting and obtaining state and national criminal history
6701 records information on the applicant or licensee.

6702 (2) The board shall further be authorized to take
6703 disciplinary action against a licensee for any unlawful acts,
6704 which shall include violations of regulations promulgated by the
6705 board, as well as the following acts:

6706 (a) Fraud or misrepresentation in applying for or
6707 procuring an optometric license or in connection with applying for
6708 or procuring periodic renewal of an optometric license.

6709 (b) Cheating on or attempting to subvert the optometric
6710 licensing examination(s).

6711 (c) The conviction of a felony in this state or any
6712 other jurisdiction, or the entry of a guilty or nolo contendere
6713 plea to a felony charge.

6714 (d) The conviction of a felony as defined by federal
6715 law, or the entry of a guilty or nolo contendere plea to a felony
6716 charge.

6717 (e) Conduct likely to deceive, defraud or harm the
6718 public.



6719 (f) Making a false or misleading statement regarding
6720 his or her skill or the efficacy or value of the medicine, device,
6721 treatment or remedy prescribed by him or her or used at his or her
6722 direction in the treatment of any disease or other condition.

6723 (g) Willfully or negligently violating the
6724 confidentiality between doctor and patient, except as required by
6725 law.

6726 (h) Negligence or gross incompetence in the practice of
6727 optometry as determined by the board.

6728 (i) Being found to be a person with mental illness or
6729 with an intellectual disability by any court of competent
6730 jurisdiction.

6731 (j) The use of any false, fraudulent, deceptive or
6732 misleading statement in any document connected with the practice
6733 of optometry.

6734 (k) Aiding or abetting the practice of optometry by an
6735 unlicensed, incompetent or impaired person.

6736 (l) Commission of any act of sexual abuse, misconduct
6737 or exploitation related to the licensee's practice of optometry.

6738 (m) Being addicted or habituated to a drug or
6739 intoxicant.

6740 (n) Violating any state or federal law or regulation
6741 relating to a drug legally classified as a controlled substance.

6742 (o) Obtaining any fee by fraud, deceit or
6743 misrepresentation.



6744 (p) Disciplinary action of another state or
6745 jurisdiction against a licensee or other authorization to practice
6746 optometry based upon acts or conduct by the licensee similar to
6747 acts or conduct that would constitute grounds for action as
6748 defined in this chapter, a certified copy of the record of the
6749 action taken by the other state or jurisdiction being conclusive
6750 evidence thereof.

6751 (q) Failure to report to the board the relocation of
6752 his or her office in or out of the jurisdiction, or to furnish
6753 floor plans as required by regulation.

6754 (r) Violation of any provision(s) of the Optometry
6755 Practice Act or the rules and regulations of the board or of an
6756 action, stipulation or agreement of the board.

6757 (s) To advertise in a manner that tends to deceive,
6758 mislead or defraud the public.

6759 (t) The designation of any person licensed under this
6760 chapter, other than by the terms "optometrist," "Doctor of
6761 Optometry" or "O.D.," which through June 30, 2025, shall include
6762 any violation(s) of the provisions of Sections 41-121-1 through
6763 41-121-9 relating to deceptive advertisement by health care
6764 practitioners.

6765 (u) To knowingly submit or cause to be submitted any
6766 misleading, deceptive or fraudulent representation on a claim
6767 form, bill or statement.



6768 (v) To practice or attempt to practice optometry while
6769 his or her license is suspended.

6770 (3) Any person who is a holder of a certificate of licensure
6771 or who is an applicant for examination for a certificate of
6772 licensure, against whom is preferred any charges, shall be
6773 furnished by the board with a copy of the complaint and shall have
6774 a hearing in Jackson, Mississippi, before the board, at which
6775 hearing he may be represented by counsel. At the hearing,
6776 witnesses may be examined for and against the accused respecting
6777 those charges, and the hearing orders or appeals will be conducted
6778 according to the procedure now provided in Section 73-25-27. The
6779 suspension of a certificate of licensure by reason of the use of
6780 stimulants or narcotics may be removed when the holder of the
6781 certificate has been adjudged by the board to be cured and capable
6782 of practicing optometry.

6783 (4) In addition to the reasons specified in subsections (1)
6784 and (2) of this section, the board shall be authorized to suspend
6785 the license of any licensee for being out of compliance with an
6786 order for support, as defined in Section 93-11-153. The procedure
6787 for suspension of a license for being out of compliance with an
6788 order for support, and the procedure for the reissuance or
6789 reinstatement of a license suspended for that purpose, and the
6790 payment of any fees for the reissuance or reinstatement of a
6791 license suspended for that purpose, shall be governed by Section
6792 93-11-157 or 93-11-163, as the case may be. If there is any



conflict between any provision of Section 93-11-157 or 93-11-163 and any provision of this chapter, the provisions of Section 93-11-157 or 93-11-163, as the case may be, shall control.

(5) A licensee who provides a written certification as authorized under the Mississippi Medical Cannabis Act and in compliance with rules and regulations adopted thereunder shall not be subject to any disciplinary action under this section solely due to providing the written certification.

SECTION 71. Section 73-21-127, Mississippi Code of 1972, is amended as follows:

73-21-127. (1) The Board of Pharmacy shall develop and implement a computerized program to track prescriptions for controlled substances and to report suspected abuse and misuse of controlled substances in compliance with the federal regulations promulgated under authority of the National All Schedules Prescription Electronic Reporting Act of 2005 and in compliance with the federal HIPAA law, under the following conditions:

(a) Submission or reporting of dispensing information shall be mandatory and required by the State Board of Pharmacy for any entity dispensing controlled substances in or into the State of Mississippi, except for the dispensing of controlled substance drugs by a veterinarian residing in the State of Mississippi.

(b) The prescriptions tracked shall be prescriptions for controlled substances listed in Schedule II, III, IV or V and specified noncontrolled substances identified by the State Board



6818 of Pharmacy that are dispensed to residents in the State of
6819 Mississippi by licensed pharmacies, nonresident pharmacies,
6820 institutions and dispensing practitioners, regardless of dispenser
6821 location.

6822 (c) The Board of Pharmacy shall report any activity it
6823 reasonably suspects may be fraudulent or illegal to the
6824 appropriate law enforcement agency or occupational licensing board
6825 and provide them with the relevant information obtained for
6826 further investigation.

6827 (d) The program shall provide information regarding the
6828 potential inappropriate use of controlled substances and the
6829 specified noncontrolled substances to practitioners,
6830 pharmacists-in-charge and appropriate state agencies in order to
6831 prevent the inappropriate or illegal use of these controlled
6832 substances. The specific purposes of the program shall be to: be
6833 proactive in safeguarding public health and safety; support the
6834 legitimate use of controlled substances; facilitate and encourage
6835 the identification, intervention with and treatment of individuals
6836 addicted to controlled substances and specified noncontrolled
6837 drugs; identify and prevent drug diversion; provide assistance to
6838 those state and federal law enforcement and regulatory agencies
6839 investigating cases of drug diversion or other misuse; and inform
6840 the public and health care professionals of the use and abuse
6841 trends related to controlled substance and specified noncontrolled
6842 drugs.



6843 (e) (i) Access to collected data shall be confidential
6844 and not subject to the provisions of the federal Freedom of
6845 Information Act or the Mississippi Public Records Act. Upon
6846 request, the State Board of Pharmacy shall provide collected
6847 information to: pharmacists or practitioners who are properly
6848 registered with the State Board of Pharmacy and are authorized to
6849 prescribe or dispense controlled substances for the purpose of
6850 providing medical and pharmaceutical care for their patients;
6851 local, state and federal law enforcement officials engaged in the
6852 administration, investigation or enforcement of the laws governing
6853 illicit drug use; regulatory and licensing boards in this state;
6854 Division of Medicaid regarding Medicaid and Medicare Program
6855 recipients; judicial authorities under grand jury subpoena; an
6856 individual who requests the individual's own prescription
6857 monitoring information; and prescription monitoring programs in
6858 other states through mutual agreement adhering to State Board of
6859 Pharmacy policies.

6860 (ii) The Director of the Mississippi Bureau of
6861 Narcotics, or his designee, shall have access to the Prescription
6862 Monitoring Program (PMP) database for the purpose of investigating
6863 the potential illegal acquisition, distribution, dispensing,
6864 prescribing or administering of the controlled and noncontrolled
6865 substances monitored by the program, subject to all legal
6866 restrictions on further dissemination of the information obtained.



6867 (iii) The State Board of Pharmacy may also provide
6868 statistical data for research or educational purposes if the board
6869 determines the use of the data to be of significant benefit to
6870 public health and safety. The board maintains the right to refuse
6871 any request for PMP data.

6872 (iv) A pharmacist licensed by the Mississippi
6873 Board of Pharmacy must be a registered user of the PMP. Failure
6874 of a pharmacist licensed by the Mississippi Board of Pharmacy to
6875 register as a user of the PMP is grounds for disciplinary action
6876 by the board.

6877 (v) All licensed practitioners as defined under
6878 Section 73-21-73(ee) holding an active DEA number shall register
6879 as users of the PMP.

6880 (f) The Prescription Monitoring Program through the
6881 Board of Pharmacy may:

6882 (i) Establish the cost of administration,
6883 maintenance, and operation of the program and charge to like
6884 agencies a fee based on a formula to be determined by the board
6885 with collaboration and input from participating agencies; and

6886 (ii) Assess charges for information and/or
6887 statistical data provided to agencies, institutions and
6888 individuals. The amounts of those fees shall be set by the
6889 Executive Director of the Board of Pharmacy based on the
6890 recommendation of the Director of the PMP.



6891 All such fees collected shall be deposited into the special
6892 fund of the State Board of Pharmacy and used to support the
6893 operations of the PMP.

6894 (g) A dispenser pharmacist or practitioner licensed to
6895 dispense controlled substances and specified noncontrolled
6896 substance drugs who knowingly fails to submit drug-monitoring
6897 information or knowingly submits incorrect dispensing information
6898 shall be subject to actions against the pharmacist's or
6899 practitioner's license, registrations or permit and/or an
6900 administrative penalty as provided in Sections 73-21-97 and
6901 73-21-103. Any misuse of the PMP is subject to penalties as
6902 provided in Sections 73-21-97 and 73-21-103.

6903 (h) The Board of Pharmacy and the Prescription
6904 Monitoring Program shall be immune from civil liability arising
6905 from inaccuracy of any of the information submitted to the
6906 program.

6907 (i) "Practitioner," as used in this section, shall
6908 include any person licensed, registered or otherwise permitted to
6909 distribute, dispense, prescribe or administer a controlled
6910 substance, as defined under Section 41-29-105(y), and any person
6911 defined as a "practitioner" under Section 73-21-73(ee).

6912 (j) In addition to any funds appropriated by the
6913 Legislature, the State Board of Pharmacy may apply for any
6914 available grants and accept any gifts, grants or donations to
6915 assist in future development or in maintaining the program.



(2) In addition to receiving the dispensing information regarding controlled substances as provided in subsection (1) of this section, the State Board of Pharmacy shall receive and maintain in the Prescription Monitoring Program (a) the medical cannabis dispensing information that medical cannabis dispensaries under the Mississippi Medical Cannabis Act are required to report to the PMP under Section 17 of this act, and (b) any other medical cannabis dispensing information that dispensaries are required to report to the PMP. The medical cannabis dispensing information reported by medical cannabis dispensaries under Section 17 of this act shall not be considered to be a prescription for the purposes of the Mississippi Pharmacy Practice Act or the Uniform Controlled Substances Law.

SECTION 72. Section 73-25-29, Mississippi Code of 1972, is amended as follows:

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

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

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

(3) Administering, dispensing or prescribing any narcotic drug, or any other drug having addiction-forming or



6941 addiction-sustaining liability otherwise than in the course of
6942 legitimate professional practice.

6943 (4) Conviction of violation of any federal or state law
6944 regulating the possession, distribution or use of any narcotic
6945 drug or any drug considered a controlled substance under state or
6946 federal law, a certified copy of the conviction order or judgment
6947 rendered by the trial court being prima facie evidence thereof,
6948 notwithstanding the pendency of any appeal.

6949 (5) Procuring, or attempting to procure, or aiding in,
6950 an abortion that is not medically indicated.

6951 (6) Conviction of a felony or misdemeanor involving
6952 moral turpitude, a certified copy of the conviction order or
6953 judgment rendered by the trial court being prima facie evidence
6954 thereof, notwithstanding the pendency of any appeal.

6955 (7) Obtaining or attempting to obtain a license by
6956 fraud or deception.

6957 (8) Unprofessional conduct, which includes, but is not
6958 limited to:

6959 (a) Practicing medicine under a false or assumed
6960 name or impersonating another practitioner, living or dead.

6961 (b) Knowingly performing any act which in any way
6962 assists an unlicensed person to practice medicine.

6963 (c) Making or willfully causing to be made any
6964 flamboyant claims concerning the licensee's professional
6965 excellence.



6966 (d) Being guilty of any dishonorable or unethical
6967 conduct likely to deceive, defraud or harm the public.

6968 (e) Obtaining a fee as personal compensation or
6969 gain from a person on fraudulent representation of a disease or
6970 injury condition generally considered incurable by competent
6971 medical authority in the light of current scientific knowledge and
6972 practice can be cured or offering, undertaking, attempting or
6973 agreeing to cure or treat the same by a secret method, which he
6974 refuses to divulge to the board upon request.

6975 (f) Use of any false, fraudulent or forged
6976 statement or document, or the use of any fraudulent, deceitful,
6977 dishonest or immoral practice in connection with any of the
6978 licensing requirements, including the signing in his professional
6979 capacity any certificate that is known to be false at the time he
6980 makes or signs such certificate.

6981 (g) Failing to identify a physician's school of
6982 practice in all professional uses of his name by use of his earned
6983 degree or a description of his school of practice.

6984 (9) The refusal of a licensing authority of another
6985 state or jurisdiction to issue or renew a license, permit or
6986 certificate to practice medicine in that jurisdiction or the
6987 revocation, suspension or other restriction imposed on a license,
6988 permit or certificate issued by such licensing authority which
6989 prevents or restricts practice in that jurisdiction, a certified
6990 copy of the disciplinary order or action taken by the other state



6991 or jurisdiction being prima facie evidence thereof,
6992 notwithstanding the pendency of any appeal.

6993 (10) Surrender of a license or authorization to
6994 practice medicine in another state or jurisdiction or surrender of
6995 membership on any medical staff or in any medical or professional
6996 association or society while under disciplinary investigation by
6997 any of those authorities or bodies for acts or conduct similar to
6998 acts or conduct which would constitute grounds for action as
6999 defined in this section.

7000 (11) Final sanctions imposed by the United States
7001 Department of Health and Human Services, Office of Inspector
7002 General or any successor federal agency or office, based upon a
7003 finding of incompetency, gross misconduct or failure to meet
7004 professionally recognized standards of health care; a certified
7005 copy of the notice of final sanction being prima facie evidence
7006 thereof. As used in this paragraph, the term "final sanction"
7007 means the written notice to a physician from the United States
7008 Department of Health and Human Services, Officer of Inspector
7009 General or any successor federal agency or office, which
7010 implements the exclusion.

7011 (12) Failure to furnish the board, its investigators or
7012 representatives information legally requested by the board.

7013 (13) Violation of any provision(s) of the Medical
7014 Practice Act or the rules and regulations of the board or of any
7015 order, stipulation or agreement with the board.



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

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

(16) Performing an abortion on a pregnant woman after determining that the unborn human individual that the pregnant woman is carrying has a detectable fetal heartbeat as provided in Section 41-41-34.1.

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

A physician who provides a written certification as authorized under the Mississippi Medical Cannabis Act and in



compliance with rules and regulations adopted thereunder shall not
be subject to any disciplinary action under this section solely
due to providing the written certification.

SECTION 73. Section 83-9-22, Mississippi Code of 1972, is
amended as follows:

83-9-22. (1) (a) Notwithstanding any other provision of
the law to the contrary, except as otherwise provided in
subsection (3) of this section, no health coverage plan shall
restrict coverage for medically appropriate treatment prescribed
by a physician and agreed to by a fully informed insured, or if
the insured lacks legal capacity to consent by a person who has
legal authority to consent on his or her behalf, based on an
insured's diagnosis with a terminal condition. Refusing to pay
for treatment rendered to an insured near the end of life that is
consistent with best practices for treatment of a disease or
condition, approved uses of a drug or device, or uses supported by
peer reviewed medical literature, is a per se violation of this
section.

(b) Violations of this section shall constitute an
unfair trade practice and subject the violator to the penalties
provided by law.

(c) As used in this section "terminal condition" means
any aggressive malignancy, chronic end-stage cardiovascular or
cerebral vascular disease, or any other disease, illness or
condition which a physician diagnoses as terminal.



7066 (d) As used in this section, a "health coverage plan"
7067 shall mean any hospital, health or medical expense insurance
7068 policy, hospital or medical service contract, employee welfare
7069 benefit plan, contract or agreement with a health maintenance
7070 organization or a preferred provider organization, health and
7071 accident insurance policy, or any other insurance contract of this
7072 type, including a group insurance plan and the State Health and
7073 Life Insurance Plan.

7074 (2) (a) Notwithstanding any other provision of the law to
7075 the contrary, no health benefit paid directly or indirectly with
7076 state funds, specifically Medicaid, shall restrict coverage for
7077 medically appropriate treatment prescribed by a physician and
7078 agreed to by a fully informed individual, or if the individual
7079 lacks legal capacity to consent by a person who has legal
7080 authority to consent on his or her behalf, based on an
7081 individual's diagnosis with a terminal condition.

7082 (b) Refusing to pay for treatment rendered to an
7083 individual near the end of life that is consistent with best
7084 practices for treatment of a disease or condition, approved uses
7085 of a drug or device, or uses supported by peer reviewed medical
7086 literature, is a per se violation of this section.

7087 (c) As used in this section "terminal condition" means
7088 any aggressive malignancy, chronic end-stage cardiovascular or
7089 cerebral vascular disease, or any other disease, illness or
7090 condition which a physician diagnoses as terminal.



(3) This section does not require a health coverage plan to cover and pay for the treatment of a person who is a cardholder and registered qualifying patient with medical cannabis that is lawful under the Mississippi Medical Cannabis Act and in compliance with rules and regulations adopted thereunder.

SECTION 74. Sections 1 through 28 and Sections 30 through 33 of this act shall be codified as a new chapter in Title 41, Mississippi Code of 1972. Section 29 of this act shall be codified as a new chapter in Title 27, Mississippi Code of 1972.

SECTION 75. Section 27-7-22.5, Mississippi Code of 1972, is amended as follows:

27-7-22.5. (1) (a) For any manufacturer, distributor, wholesale or retail merchant who pays to a county, municipality, school district, levee district or any other taxing authority of the state or a political subdivision thereof, ad valorem taxes imposed on commodities, raw materials, works-in-process, products, goods, wares and merchandise held for resale, a credit against the income taxes imposed under this chapter shall be allowed for the portion of the ad valorem taxes so paid in the amounts prescribed in subsection (2).

(b) (i) For any person, firm or corporation who pays to a county, municipality, school district, levee district or any other taxing authority of the state or a political subdivision thereof, ad valorem taxes imposed on rental equipment, a credit against the income taxes imposed under this chapter shall be



7116 allowed for the portion of the ad valorem taxes so paid in the
7117 amounts prescribed in subsection (2).

7118 (ii) As used in this paragraph, "rental equipment"
7119 means any rental equipment or other rental items which are held
7120 for short-term rental to the public:

7121 1. Under rental agreements with no specific
7122 term;

7123 2. Under at-will or open-ended agreements; or

7124 3. Under rental agreements with terms
7125 ordinarily of less than three hundred sixty-five (365) days; and

7126 4. Is not subject to privilege taxes imposed
7127 in Chapter 19, Title 27, Mississippi Code of 1972.

7128 (c) The tax credit allowed by this section may not be
7129 claimed by a taxpayer that is a medical cannabis establishment as
7130 defined in the Mississippi Medical Cannabis Act.

7131 (2) The tax credit allowed by this section shall not exceed
7132 the amounts set forth in paragraphs (a) through (g) of this
7133 subsection; and may be claimed for each location where such
7134 commodities, raw material, works-in-process, products, goods,
7135 wares, merchandise and/or rental equipment are found and upon
7136 which the ad valorem taxes have been paid. Any tax credit claimed
7137 under this section but not used in any taxable year may be carried
7138 forward for five (5) consecutive years from the close of the tax
7139 year in which the credit was earned.



7140 (a) For the 1994 taxable year, the tax credit for each
7141 location of the taxpayer shall not exceed the lesser of Two
7142 Thousand Dollars (\$2,000.00) or the amount of income taxes due the
7143 State of Mississippi that are attributable to such location.

7144 (b) For the 1995 taxable year, the tax credit for each
7145 location of the taxpayer shall not exceed the lesser of Three
7146 Thousand Dollars (\$3,000.00) or the amount of income taxes due the
7147 State of Mississippi that are attributable to such location.

7148 (c) For the 1996 taxable year, the tax credit for each
7149 location of the taxpayer shall not exceed the lesser of Four
7150 Thousand Dollars (\$4,000.00) or the amount of income taxes due the
7151 State of Mississippi that are attributable to such location.

7152 (d) For the 1997 taxable year and each taxable year
7153 thereafter through taxable year 2013, the tax credit for each
7154 location of the taxpayer shall not exceed the lesser of Five
7155 Thousand Dollars (\$5,000.00) or the amount of income taxes due the
7156 State of Mississippi that are attributable to such location.

7157 (e) For the 2014 taxable year, the tax credit for each
7158 location of the taxpayer shall not exceed the lesser of Ten
7159 Thousand Dollars (\$10,000.00) or the amount of income taxes due
7160 the State of Mississippi that are attributable to such location.

7161 (f) For the 2015 taxable year, the tax credit for each
7162 location of the taxpayer shall not exceed the lesser of Fifteen
7163 Thousand Dollars (\$15,000.00) or the amount of income taxes due
7164 the State of Mississippi that are attributable to such location.



7165 (g) For the 2016 taxable year and each taxable year
7166 thereafter, the tax credit of the taxpayer shall be the lesser of
7167 the amount of the ad valorem taxes described in subsection (1)
7168 paid or the amount of income taxes due the State of Mississippi
7169 that are attributable to such location.

7170 (3) Any amount of ad valorem taxes paid by a taxpayer that
7171 is applied toward the tax credit allowed in this section may not
7172 be used as a deduction by the taxpayer for state income tax
7173 purposes. In the case of a taxpayer that is a partnership,
7174 limited liability company or S corporation, the credit may be
7175 applied only to the tax attributable to partnership, limited
7176 liability company or S corporation income derived from the
7177 taxpayer.

7178 **SECTION 76.** Section 27-7-22.30, Mississippi Code of 1972, is
7179 amended as follows:

7180 27-7-22.30. (1) As used in this section:

7181 (a) "Manufacturing enterprise" means an enterprise
7182 that:

7183 (i) Falls within the definition of the term
7184 "manufacturer" in Section 27-65-11; and

7185 (ii) Has operated in this state for not less than
7186 two (2) years prior to application for the credit authorized by
7187 this section * * *.



7188 (b) "Eligible investment" means an investment of at
7189 least One Million Dollars (\$1,000,000.00) in buildings and/or
7190 equipment for the manufacturing enterprise.

7191 The term "manufacturing enterprise" does not include any
7192 medical cannabis establishment as defined in the Mississippi
7193 Medical Cannabis Act.

7194 (2) A manufacturing enterprise is allowed a manufacturing
7195 investment tax credit for taxes imposed by Section 27-7-5 equal to
7196 five percent (5%) of the eligible investments made by the
7197 manufacturing enterprise.

7198 (3) Any tax credit claimed under this section but not used
7199 in any taxable year may be carried forward for five (5) years from
7200 the close of the tax year in which the eligible investment was
7201 made, but the credit established by this section taken in any one
7202 tax year shall not exceed fifty percent (50%) of the taxpayer's
7203 state income tax liability which is attributable to income derived
7204 from operations in the state for that year reduced by the sum of
7205 all other income tax credits allowable to the taxpayer, except
7206 credit for tax payments made by or on behalf of the taxpayer.

7207 (4) The maximum credit that may be claimed by a taxpayer on
7208 any project shall be limited to One Million Dollars
7209 (\$1,000,000.00).

7210 (5) The credit received under this section is subject to
7211 recapture if the property for which the tax credit was received is
7212 disposed of, or converted to, other than business use. The amount



7213 of the credit subject to recapture is one hundred percent (100%)
7214 of the credit in the first year and fifty percent (50%) of the
7215 credit in the second year. This subsection shall not apply in
7216 cases in which an entire facility is sold.

7217 (6) The sale, merger, acquisition, reorganization,
7218 bankruptcy or relocation from one (1) county to another county
7219 within the state of any manufacturing enterprise may not create
7220 new eligibility in any succeeding business entity, but any unused
7221 manufacturing investment tax credit may be transferred and
7222 continued by any transferee of the enterprise. The * * *
7223 department shall determine whether or not qualifying net increases
7224 or decreases have occurred or proper transfers of credit have been
7225 made and may require reports, promulgate regulations, and hold
7226 hearings as needed for substantiation and qualification.

7227 (7) No manufacturing enterprise for the transportation,
7228 handling, storage, processing or disposal of hazardous waste is
7229 eligible to receive the tax credits provided in this section.

7230 (8) The credits allowed under this section shall not be used
7231 by any business enterprise or corporation other than the
7232 manufacturing enterprise actually qualifying for the credits.

7233 **SECTION 77.** Section 27-31-51, Mississippi Code of 1972, is
7234 amended as follows:

7235 27-31-51. (1) As used in Sections 27-31-51 through
7236 27-31-61:



7237 (a) "Warehouse" or "storage facility" shall not apply
7238 to caves or cavities in the earth, whether natural or artificial;

7239 (b) "Governing authorities" means the board of
7240 supervisors of the county wherein the warehouse or storage
7241 facility is located or the governing authorities of the
7242 municipality wherein the warehouse or storage facility is located,
7243 as the case may be;

7244 (c) "Tax assessor" means the tax assessor of each
7245 taxing jurisdiction in which the warehouse or storage facility may
7246 be located.

7247 (2) All warehouses, public or private, or other storage
7248 facilities in the State of Mississippi regularly engaged in the
7249 handling and storage of personal property in structures or in
7250 places adopted for such handling and storage which is consigned or
7251 transferred to such warehouse or storage facility for storage and
7252 handling shall be eligible for licensing under the provisions of
7253 Sections 27-31-51 through 27-31-61 as a "free port warehouse." A
7254 manufacturer of personal property that maintains separate
7255 facilities, structures, places or areas for the temporary storage
7256 and handling of such personal property pending transit to a final
7257 destination outside the State of Mississippi shall be eligible for
7258 licensing under Sections 27-31-51 through 27-31-61 as a "free port
7259 warehouse," and any license issued to such a manufacturer before
7260 January 1, 2012, is hereby ratified, approved and confirmed. No
7261 medical cannabis establishment, as defined in the Mississippi



Medical Cannabis Act, or warehouses, facilities, structures,
places or areas belonging to or used by a medical cannabis
establishment may be licensed as a free port warehouse.

(3) Such licenses shall be issued by the governing
authorities to such warehouse or storage facility as will qualify
under the definition of "free port warehouse" as herein defined,
upon application by the warehouse or storage facility operator.

SECTION 78. Section 27-31-53, Mississippi Code of 1972, is
amended as follows:

27-31-53. All personal property in transit through this
state which is (a) moving in interstate commerce through or over
the territory of the State of Mississippi, (b) which was consigned
or transferred to a licensed "free port warehouse," public or
private, within the State of Mississippi for storage in transit to
a final destination outside the State of Mississippi, whether
specified when transportation begins or afterward, (c)
manufactured in the State of Mississippi and stored in separate
facilities, structures, places or areas maintained by a
manufacturer, licensed as a free port warehouse, for temporary
storage or handling pending transit to a final destination outside
the State of Mississippi, or (d) consigned or transferred to a
licensed free port warehouse, public or private, within the State
of Mississippi, for storage pending transit to not more than one
(1) other location in this state for production or processing into
a component or part that is then transported to a final



7287 destination outside of the State of Mississippi, may, in the
7288 discretion of the board of supervisors of the county wherein the
7289 warehouse or storage facility is located, and in the discretion of
7290 the governing authorities of the municipality wherein the
7291 warehouse or storage facility is located, as the case may be, be
7292 exempt from all ad valorem taxes imposed by the respective county
7293 or municipality and the property exempted therefrom shall not be
7294 deemed to have acquired a situs in the State of Mississippi for
7295 the purposes of such taxation. Any exemption granted to a
7296 licensed "free port warehouse" pursuant to this section shall be
7297 effective as of the first calendar day of the taxable year in
7298 which the warehouse applied for the exemption by virtue of
7299 submitting the application for licensure, and shall remain in
7300 effect for such period of time as the respective governing
7301 authority may prescribe. Such property shall not be deprived of
7302 exemption because while in a warehouse the property is bound,
7303 divided, broken in bulk, labeled, relabeled or repackaged. Any
7304 exemption from ad valorem taxes granted before January 1, 2012, is
7305 hereby ratified, approved and confirmed.

7306 The exemption provided for in this section shall not be
7307 authorized for any personal property of a medical cannabis
7308 establishment as defined in the Mississippi Medical Cannabis Act.

7309 **SECTION 79.** Section 27-31-101, Mississippi Code of 1972, is
7310 amended as follows:

7311 **[Through June 30, 2022, this section shall read as follows:]**



7312 27-31-101. (1) County boards of supervisors and municipal
7313 authorities are hereby authorized and empowered, in their
7314 discretion, to grant exemptions from ad valorem taxation, except
7315 state ad valorem taxation; however, such governing authorities
7316 shall not exempt ad valorem taxes for school district purposes on
7317 tangible property used in, or necessary to, the operation of the
7318 manufacturers and other new enterprises enumerated by classes in
7319 this section, except to the extent authorized in Sections
7320 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
7321 taxes the products of the manufacturers or other new enterprises
7322 or automobiles and trucks belonging to the manufacturers or other
7323 new enterprises operating on and over the highways of the State of
7324 Mississippi. The time of such exemption shall be for a period not
7325 to exceed a total of ten (10) years which shall begin on the date
7326 of completion of the new enterprise for which the exemption is
7327 granted; however, boards of supervisors and municipal authorities,
7328 in lieu of granting the exemption for one (1) period of ten (10)
7329 years, may grant the exemption in a period of less than ten (10)
7330 years. When the initial exemption period granted is less than ten
7331 (10) years, the boards of supervisors and municipal authorities
7332 may grant a subsequent consecutive period or periods to follow the
7333 initial period of exemption, provided that the total of all
7334 periods of exemption shall not exceed ten (10) years. The date of
7335 completion of the new enterprise, from which the initial period of
7336 exemption shall begin, shall be the date on which operations of



7337 the new enterprise begin. The initial request for an exemption
7338 must be made in writing by June 1 of the year immediately
7339 following the year in which the date of completion of a new
7340 enterprise occurs. If the initial request for the exemption is
7341 not timely made, the board of supervisors or municipal authorities
7342 may grant a subsequent request for the exemption and, in such
7343 case, the exemption shall begin on the anniversary date of
7344 completion of the enterprise in the year in which the request is
7345 made and may be for a period of time extending not more than ten
7346 (10) years from the date of completion of the new enterprise. Any
7347 subsequent request for the exemption must be made in writing by
7348 June 1 of the year in which it is granted.

7349 (2) Any board of supervisors or municipal authority which
7350 has granted an exemption for a period of less than ten (10) years
7351 may grant subsequent periods of exemption to run consecutively
7352 with the initial exemption period, or a subsequently granted
7353 exemption period, but in no case shall the total of the exemption
7354 periods granted for a new enterprise exceed ten (10) years. Any
7355 consecutive period of exemption shall be granted by entry of an
7356 order by the board or the authority granting the consecutive
7357 exemption on its minutes, reflecting the granting of the
7358 consecutive exemption period and the dates upon which such
7359 consecutive exemption period begins and expires. The entry of
7360 this order granting the consecutive period of exemption shall be



made before the expiration of the exemption period immediately preceding the consecutive exemption period being granted.

(3) (a) The new enterprises for which any or all of the tangible property described in paragraph (b) of this subsection (3) may be exempt from ad valorem taxation, except state ad valorem taxation, ad valorem taxes for school district purposes, and ad valorem taxes on the products thereof or on automobiles and trucks belonging thereto and operating on and over the highways of the State of Mississippi, are enumerated as and limited to the following, as determined by the Department of Revenue:

(i) Warehouse and/or distribution centers;

(ii) Manufacturing, processors and refineries;

(iii) Research facilities;

(iv) Corporate regional and national headquarters meeting minimum criteria established by the Mississippi Development Authority;

(v) Movie industry studios meeting minimum criteria established by the Mississippi Development Authority;

(vi) Air transportation and maintenance facilities meeting minimum criteria established by the Mississippi Development Authority;

(vii) Recreational facilities that impact tourism meeting minimum criteria established by the Mississippi Development Authority;



7385 (viii) Data/information processing enterprises
7386 meeting minimum criteria established by the Mississippi
7387 Development Authority;
7388 (ix) Technology intensive enterprises or
7389 facilities meeting criteria established by the Mississippi
7390 Development Authority;
7391 (x) Health care industry facilities as defined in
7392 Section 57-117-3;
7393 (xi) Data centers as defined in Section 57-113-21;
7394 and
7395 (xii) Telecommunications enterprises meeting
7396 minimum criteria established by the Mississippi Development
7397 Authority. The term "telecommunications enterprises" means
7398 entities engaged in the creation, display, management, storage,
7399 processing, transmission or distribution for compensation of
7400 images, text, voice, video or data by wire or by wireless means,
7401 or entities engaged in the construction, design, development,
7402 manufacture, maintenance or distribution for compensation of
7403 devices, products, software or structures used in the above
7404 activities. Companies organized to do business as commercial
7405 broadcast radio stations, television stations or news
7406 organizations primarily serving in-state markets shall not be
7407 included within the definition of the term "telecommunications
7408 enterprises."



7409 The new enterprises enumerated in this paragraph (a) do not
7410 include medical cannabis establishments as defined in the
7411 Mississippi Medical Cannabis Act.

7412 (b) An exemption from ad valorem taxes granted under
7413 this section may include any or all tangible property, real or
7414 personal, including any leasehold interests therein but excluding
7415 automobiles and trucks operating on and over the highways of the
7416 State of Mississippi, used in connection with, or necessary to,
7417 the operation of an enterprise enumerated in paragraph (a) of this
7418 subsection (3), whether or not such property is owned, leased,
7419 subleased, licensed or otherwise obtained by such enterprise,
7420 irrespective of the taxpayer to which any such leased property is
7421 assessed for ad valorem tax purposes. If an exemption is granted
7422 pursuant to this section with respect to any leasehold interest
7423 under a lease, sublease or license of tangible property used in
7424 connection with, or necessary to, the operation of an enterprise
7425 enumerated in paragraph (a) of this subsection (3), the
7426 corresponding ownership interest of the owner, lessor and
7427 sublessor of such tangible property shall similarly and
7428 automatically be exempt without any action being required to be
7429 taken by such owner, lessor or sublessor.

7430 (4) Any exemption from ad valorem taxes granted under this
7431 section before March 28, 2019, and consistent herewith, is hereby
7432 ratified, approved and confirmed.



7433 **[From and after July 1, 2022, this section shall read as**
7434 **follows:]**

7435 27-31-101. (1) County boards of supervisors and municipal
7436 authorities are hereby authorized and empowered, in their
7437 discretion, to grant exemptions from ad valorem taxation, except
7438 state ad valorem taxation; however, such governing authorities
7439 shall not exempt ad valorem taxes for school district purposes on
7440 tangible property used in, or necessary to, the operation of the
7441 manufacturers and other new enterprises enumerated by classes in
7442 this section, except to the extent authorized in Sections
7443 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
7444 taxes the products of the manufacturers or other new enterprises
7445 or automobiles and trucks belonging to the manufacturers or other
7446 new enterprises operating on and over the highways of the State of
7447 Mississippi. The time of such exemption shall be for a period not
7448 to exceed a total of ten (10) years which shall begin on the date
7449 of completion of the new enterprise for which the exemption is
7450 granted; however, boards of supervisors and municipal authorities,
7451 in lieu of granting the exemption for one (1) period of ten (10)
7452 years, may grant the exemption in a period of less than ten (10)
7453 years. When the initial exemption period granted is less than ten
7454 (10) years, the boards of supervisors and municipal authorities
7455 may grant a subsequent consecutive period or periods to follow the
7456 initial period of exemption, provided that the total of all
7457 periods of exemption shall not exceed ten (10) years. The date of



7458 completion of the new enterprise, from which the initial period of
7459 exemption shall begin, shall be the date on which operations of
7460 the new enterprise begin. The initial request for an exemption
7461 must be made in writing by June 1 of the year immediately
7462 following the year in which the date of completion of a new
7463 enterprise occurs. If the initial request for the exemption is
7464 not timely made, the board of supervisors or municipal authorities
7465 may grant a subsequent request for the exemption and, in such
7466 case, the exemption shall begin on the anniversary date of
7467 completion of the enterprise in the year in which the request is
7468 made and may be for a period of time extending not more than ten
7469 (10) years from the date of completion of the new enterprise. Any
7470 subsequent request for the exemption must be made in writing by
7471 June 1 of the year in which it is granted.

7472 (2) Any board of supervisors or municipal authority which
7473 has granted an exemption for a period of less than ten (10) years
7474 may grant subsequent periods of exemption to run consecutively
7475 with the initial exemption period, or a subsequently granted
7476 exemption period, but in no case shall the total of the exemption
7477 periods granted for a new enterprise exceed ten (10) years. Any
7478 consecutive period of exemption shall be granted by entry of an
7479 order by the board or the authority granting the consecutive
7480 exemption on its minutes, reflecting the granting of the
7481 consecutive exemption period and the dates upon which such
7482 consecutive exemption period begins and expires. The entry of



7483 this order granting the consecutive period of exemption shall be
7484 made before the expiration of the exemption period immediately
7485 preceding the consecutive exemption period being granted.

7486 (3) (a) The new enterprises for which any or all of the
7487 tangible property described in paragraph (b) of this subsection
7488 (3) may be exempt from ad valorem taxation, except state ad
7489 valorem taxation, ad valorem taxes for school district purposes,
7490 and ad valorem taxes on the products thereof or on automobiles and
7491 trucks belonging thereto and operating on and over the highways of
7492 the State of Mississippi, are enumerated as and limited to the
7493 following, as determined by the Department of Revenue:

7494 (i) Warehouse and/or distribution centers;

7495 (ii) Manufacturing, processors and refineries;

7496 (iii) Research facilities;

7497 (iv) Corporate regional and national headquarters
7498 meeting minimum criteria established by the Mississippi
7499 Development Authority;

7500 (v) Movie industry studios meeting minimum
7501 criteria established by the Mississippi Development Authority;

7502 (vi) Air transportation and maintenance facilities
7503 meeting minimum criteria established by the Mississippi
7504 Development Authority;

7505 (vii) Recreational facilities that impact tourism
7506 meeting minimum criteria established by the Mississippi
7507 Development Authority;



7508 (viii) Data/information processing enterprises
7509 meeting minimum criteria established by the Mississippi
7510 Development Authority;

7511 (ix) Technology intensive enterprises or
7512 facilities meeting criteria established by the Mississippi
7513 Development Authority;

7514 (x) Data centers as defined in Section 57-113-21;
7515 and

7516 (xi) Telecommunications enterprises meeting
7517 minimum criteria established by the Mississippi Development
7518 Authority. The term "telecommunications enterprises" means
7519 entities engaged in the creation, display, management, storage,
7520 processing, transmission or distribution for compensation of
7521 images, text, voice, video or data by wire or by wireless means,
7522 or entities engaged in the construction, design, development,
7523 manufacture, maintenance or distribution for compensation of
7524 devices, products, software or structures used in the above
7525 activities. Companies organized to do business as commercial
7526 broadcast radio stations, television stations or news
7527 organizations primarily serving in-state markets shall not be
7528 included within the definition of the term "telecommunications
7529 enterprises."

7530 The new enterprises enumerated in this paragraph (a) do not
7531 include medical cannabis establishments as defined in the
7532 Mississippi Medical Cannabis Act.



(b) An exemption from ad valorem taxes granted under this section may include any or all tangible property, real or personal, including any leasehold interests therein but excluding automobiles and trucks operating on and over the highways of the State of Mississippi, used in connection with, or necessary to, the operation of an enterprise enumerated in paragraph (a) of this subsection (3), whether or not such property is owned, leased, subleased, licensed or otherwise obtained by such enterprise, irrespective of the taxpayer to which any such leased property is assessed for ad valorem tax purposes. If an exemption is granted pursuant to this section with respect to any leasehold interest under a lease, sublease or license of tangible property used in connection with, or necessary to, the operation of an enterprise enumerated in paragraph (a) of this subsection (3), the corresponding ownership interest of the owner, lessor and sublessor of such tangible property shall similarly and automatically be exempt without any action being required to be taken by such owner, lessor or sublessor.

(4) Any exemption from ad valorem taxes granted under this section before March 28, 2019, and consistent herewith, is hereby ratified, approved and confirmed.

SECTION 80. Section 27-31-104, Mississippi Code of 1972, is amended as follows:

[Through June 30, 2022, this section shall read as follows:]



7557 27-31-104. (1) (a) County boards of supervisors and
7558 municipal authorities are each hereby authorized and empowered to
7559 enter into an agreement with an enterprise granting, and pursuant
7560 to such agreement grant a fee-in-lieu of ad valorem taxes,
7561 including ad valorem taxes levied for school purposes, for the
7562 following:

7563 (i) Projects totaling over Sixty Million Dollars
7564 (\$60,000,000.00) by any new enterprises enumerated in Section
7565 27-31-101;

7566 (ii) Projects by a private company (as such term
7567 is defined in Section 57-61-5) having a minimum capital investment
7568 of Sixty Million Dollars (\$60,000,000.00);

7569 (iii) Projects by a qualified business (as such
7570 term is defined in Section 57-117-3) meeting minimum criteria
7571 established by the Mississippi Development Authority;

7572 (iv) Projects, in addition to those projects
7573 referenced in Section 27-31-105, totaling over Sixty Million
7574 Dollars (\$60,000,000.00) by an existing enterprise that has been
7575 doing business in the county or municipality for twenty-four (24)
7576 months. For purposes of this subparagraph (iv), the term
7577 "existing enterprise" includes those enterprises enumerated in
7578 Section 27-31-101; or

7579 (v) A private company (as such term is defined in
7580 Section 57-61-5) having a minimum capital investment of One
7581 Hundred Million Dollars (\$100,000,000.00) from any source or



7582 combination of sources, provided that a majority of the capital
7583 investment is from private sources, when such project is located
7584 within a geographic area for which a Presidential Disaster
7585 Declaration was issued on or after January 1, 2014.

7586 County boards of supervisors and municipal authorities may
7587 not enter into an agreement with an enterprise that is a medical
7588 cannabis establishment, as defined in the Mississippi Medical
7589 Cannabis Act, granting, and pursuant to such agreement grant a
7590 fee-in-lieu of ad valorem taxes.

7591 (b) A fee-in-lieu of ad valorem taxes granted in
7592 accordance with this section may include any or all tangible
7593 property, real or personal, including any leasehold interests
7594 therein but excluding automobiles and trucks operating on and over
7595 the highways of the State of Mississippi, used in connection with,
7596 or necessary to, the operation of any enterprise, private company
7597 or business described in paragraph (a) of this subsection (1), as
7598 applicable, whether or not such property is owned, leased,
7599 subleased, licensed or otherwise obtained by such enterprise,
7600 private company or business, as applicable, irrespective of the
7601 taxpayer to which any such leased property is assessed for ad
7602 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is
7603 granted pursuant to this section with respect to any leasehold
7604 interest under a lease, sublease or license of tangible property
7605 used in connection with, or necessary to, the operation of an
7606 enterprise, private company or business described in paragraph (a)



of this subsection (1), as applicable, the corresponding ownership interest of the owner, lessor and sublessor of such tangible property shall similarly and automatically be exempt and subject to the fee-in-lieu granted in accordance herewith without any action being required to be taken by such owner, lessor or sublessor.

(2) A county board of supervisors may enter into a fee-in-lieu agreement on behalf of the county and any county school district, and a municipality may enter into such a fee-in-lieu agreement on behalf of the municipality and any municipal school district located in the municipality; however, if the project is located outside the limits of a municipality but within the boundaries of the municipal school district, then the county board of supervisors may enter into such a fee-in-lieu agreement on behalf of the school district granting a fee-in-lieu of ad valorem taxes for school district purposes.

(3) Any grant of a fee-in-lieu of ad valorem taxes shall be evidenced by a written agreement negotiated by the enterprise and the county board of supervisors and/or municipal authority, as the case may be, and given final approval by the Mississippi Development Authority as satisfying the requirements of this section.

(4) The minimum sum allowable as a fee-in-lieu shall not be less than one-third (1/3) of the ad valorem levy, including ad valorem taxes for school district purposes, and except as



7632 otherwise provided, the sum allowed shall be apportioned between
7633 the county or municipality, as appropriate, and the school
7634 districts in such amounts as may be determined by the county board
7635 of supervisors or municipal governing authority, as the case may
7636 be, however, except as otherwise provided in this section, from
7637 the sum allowed the apportionment to school districts shall not be
7638 less than the school districts' pro rata share based upon the
7639 proportion that the millage imposed for the school districts by
7640 the appropriate levying authority bears to the millage imposed by
7641 such levying authority for all other county or municipal purposes.
7642 Any fee-in-lieu agreement entered into under this section shall
7643 become a binding obligation of the parties to the agreement, be
7644 effective upon its execution by the parties and approval by the
7645 Mississippi Development Authority and, except as otherwise
7646 provided in Section 17-25-23 or Section 57-75-33, or any other
7647 provision of law, continue in effect for a period not to exceed
7648 thirty (30) years commencing on the date that the fee-in-lieu
7649 granted thereunder begins in accordance with the agreement;
7650 however, no particular parcel of land, real property improvement
7651 or item of personal property shall be subject to a fee-in-lieu for
7652 a duration of more than ten (10) years. Any such agreement shall
7653 be binding, according to its terms, on future boards of
7654 supervisors of the county and/or governing authorities of a
7655 municipality, as the case may be, for the duration of the
7656 agreement.



7657 (5) The fee-in-lieu may be a stated fraction or percentage
7658 of the ad valorem taxes otherwise payable or a stated dollar
7659 amount. If the fee is a fraction or percentage of the ad valorem
7660 tax levy, it shall be annually computed on all ad valorem taxes
7661 otherwise payable, including school taxes, as the same may vary
7662 from year to year based upon changes in the millage rate or
7663 assessed value and shall not be less than one-third (1/3) of that
7664 amount. If the fee is a stated dollar amount, said amount shall
7665 be the higher of the sum provided for fixed payment or one-third
7666 (1/3) of the total of all ad valorem taxes otherwise payable as
7667 annually determined during each year of the fee-in-lieu.

7668 (6) Notwithstanding Section 27-31-111, the parties to a
7669 fee-in-lieu may agree on terms and conditions providing for the
7670 reduction, suspension, termination or reinstatement of a
7671 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
7672 upon the cessation of operations by project for twelve (12) or
7673 more consecutive months or due to other conditions set forth in
7674 the agreement.

7675 (7) For a project as defined in Section 57-75-5(f)(xxi) and
7676 located in a county that is a member of a regional economic
7677 development alliance created under Section 57-64-1 et seq., the
7678 members of the regional economic development alliance may divide
7679 the sum allowed as a fee-in-lieu in a manner as determined by the
7680 alliance agreement, and the boards of supervisors of the member



7681 counties may then apportion the sum allowed between school
7682 district purposes and all other county purposes.

7683 (8) For a project as defined in Section 57-75-5(f) (xxvi),
7684 the board of supervisors of the county in which the project is
7685 located may negotiate with the school district in which the
7686 project is located and apportion to the school district an amount
7687 of the fee-in-lieu that is agreed upon in the negotiations
7688 different than the amount provided for in subsection (3) of this
7689 section.

7690 (9) For a project as defined in Section 57-75-5(f) (xxviii),
7691 the annual amount of the fee-in-lieu apportioned to the county
7692 shall not be less than the amount necessary to pay the debt
7693 service on bonds issued by the county pursuant to Section
7694 57-75-37(3) (c) .

7695 (10) Any fee-in-lieu of ad valorem taxes granted under this
7696 section before the effective date of this act, and consistent
7697 herewith, is hereby ratified, approved and confirmed.

7698 **[From and after July 1, 2022, this section shall read as**
7699 **follows:]**

7700 27-31-104. (1) (a) County boards of supervisors and
7701 municipal authorities are each hereby authorized and empowered to
7702 enter into an agreement with an enterprise granting, and pursuant
7703 to such agreement grant a fee-in-lieu of ad valorem taxes,
7704 including ad valorem taxes levied for school purposes, for the
7705 following:



7706 (i) Projects totaling over Sixty Million Dollars
7707 (\$60,000,000.00) by any new enterprises enumerated in Section
7708 27-31-101;

7709 (ii) Projects by a private company (as such term
7710 is defined in Section 57-61-5, Mississippi Code of 1972) having a
7711 minimum capital investment of Sixty Million Dollars
7712 (\$60,000,000.00);

7713 (iii) Projects, in addition to those projects
7714 referenced in Section 27-31-105, totaling over Sixty Million
7715 Dollars (\$60,000,000.00) by an existing enterprise that has been
7716 doing business in the county or municipality for twenty-four (24)
7717 months. For purposes of this subparagraph (iii), the term
7718 "existing enterprise" includes those enterprises enumerated in
7719 Section 27-31-101; or

7720 (iv) A private company (as such term is defined in
7721 Section 57-61-5) having a minimum capital investment of One
7722 Hundred Million Dollars (\$100,000,000.00) from any source or
7723 combination of sources, provided that a majority of the capital
7724 investment is from private sources, when such project is located
7725 within a geographic area for which a Presidential Disaster
7726 Declaration was issued on or after January 1, 2014.

7727 County boards of supervisors and municipal authorities may
7728 not enter into an agreement with an enterprise that is a medical
7729 cannabis establishment, as defined in the Mississippi Medical



7730 Cannabis Act, granting, and pursuant to such agreement grant a
7731 fee-in-lieu of ad valorem taxes.

7732 (b) A fee-in-lieu of ad valorem taxes granted in
7733 accordance with this section may include any or all tangible
7734 property, real or personal, including any leasehold interests
7735 therein but excluding automobiles and trucks operating on and over
7736 the highways of the State of Mississippi, used in connection with,
7737 or necessary to, the operation of any enterprise, private company
7738 or business described in paragraph (a) of this subsection (1), as
7739 applicable, whether or not such property is owned, leased,
7740 subleased, licensed or otherwise obtained by such enterprise,
7741 private company or business, as applicable, irrespective of the
7742 taxpayer to which any such leased property is assessed for ad
7743 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is
7744 granted pursuant to this section with respect to any leasehold
7745 interest under a lease, sublease or license of tangible property
7746 used in connection with, or necessary to, the operation of an
7747 enterprise, private company or business described in paragraph (a)
7748 of this subsection (1), as applicable, the corresponding ownership
7749 interest of the owner, lessor and sublessor of such tangible
7750 property shall similarly and automatically be exempt and subject
7751 to the fee-in-lieu granted in accordance herewith without any
7752 action being required to be taken by such owner, lessor or
7753 sublessor.



7754 (2) A county board of supervisors may enter into a
7755 fee-in-lieu agreement on behalf of the county and any county
7756 school district, and a municipality may enter into such a
7757 fee-in-lieu agreement on behalf of the municipality and any
7758 municipal school district located in the municipality; however, if
7759 the project is located outside the limits of a municipality but
7760 within the boundaries of the municipal school district, then the
7761 county board of supervisors may enter into such a fee-in-lieu
7762 agreement on behalf of the school district granting a fee-in-lieu
7763 of ad valorem taxes for school district purposes.

7764 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
7765 evidenced by a written agreement negotiated by the enterprise and
7766 the county board of supervisors and/or municipal authority, as the
7767 case may be, and given final approval by the Mississippi
7768 Development Authority as satisfying the requirements of this
7769 section.

7770 (4) The minimum sum allowable as a fee-in-lieu shall not be
7771 less than one-third (1/3) of the ad valorem levy, including ad
7772 valorem taxes for school district purposes, and except as
7773 otherwise provided, the sum allowed shall be apportioned between
7774 the county or municipality, as appropriate, and the school
7775 districts in such amounts as may be determined by the county board
7776 of supervisors or municipal governing authority, as the case may
7777 be, however, except as otherwise provided in this section, from
7778 the sum allowed the apportionment to school districts shall not be



7779 less than the school districts' pro rata share based upon the
7780 proportion that the millage imposed for the school districts by
7781 the appropriate levying authority bears to the millage imposed by
7782 such levying authority for all other county or municipal purposes.
7783 Any fee-in-lieu agreement entered into under this section shall
7784 become a binding obligation of the parties to the agreement, be
7785 effective upon its execution by the parties and approval by the
7786 Mississippi Development Authority and, except as otherwise
7787 provided in Section 17-25-23 or Section 57-75-33, or any other
7788 provision of law, continue in effect for a period not to exceed
7789 thirty (30) years commencing on the date that the fee-in-lieu
7790 granted thereunder begins in accordance with the agreement;
7791 however, no particular parcel of land, real property improvement
7792 or item of personal property shall be subject to a fee-in-lieu for
7793 a duration of more than ten (10) years. Any such agreement shall
7794 be binding, according to its terms, on future boards of
7795 supervisors of the county and/or governing authorities of a
7796 municipality, as the case may be, for the duration of the
7797 agreement.

7798 (5) The fee-in-lieu may be a stated fraction or percentage
7799 of the ad valorem taxes otherwise payable or a stated dollar
7800 amount. If the fee is a fraction or percentage of the ad valorem
7801 tax levy, it shall be annually computed on all ad valorem taxes
7802 otherwise payable, including school taxes, as the same may vary
7803 from year to year based upon changes in the millage rate or



7804 assessed value and shall not be less than one-third (1/3) of that
7805 amount. If the fee is a stated dollar amount, said amount shall
7806 be the higher of the sum provided for fixed payment or one-third
7807 (1/3) of the total of all ad valorem taxes otherwise payable as
7808 annually determined during each year of the fee-in-lieu.

7809 (6) Notwithstanding Section 27-31-111, the parties to a
7810 fee-in-lieu may agree on terms and conditions providing for the
7811 reduction, suspension, termination or reinstatement of a
7812 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
7813 upon the cessation of operations by project for twelve (12) or
7814 more consecutive months or due to other conditions set forth in
7815 the agreement.

7816 (7) For a project as defined in Section 57-75-5(f)(xxi) and
7817 located in a county that is a member of a regional economic
7818 development alliance created under Section 57-64-1 et seq., the
7819 members of the regional economic development alliance may divide
7820 the sum allowed as a fee-in-lieu in a manner as determined by the
7821 alliance agreement, and the boards of supervisors of the member
7822 counties may then apportion the sum allowed between school
7823 district purposes and all other county purposes.

7824 (8) For a project as defined in Section 57-75-5(f)(xxvi),
7825 the board of supervisors of the county in which the project is
7826 located may negotiate with the school district in which the
7827 project is located and apportion to the school district an amount
7828 of the fee-in-lieu that is agreed upon in the negotiations



7829 different than the amount provided for in subsection (3) of this
7830 section.

7831 (9) For a project as defined in Section 57-75-5(f)(xxviii),
7832 the annual amount of the fee-in-lieu apportioned to the county
7833 shall not be less than the amount necessary to pay the annual debt
7834 service on bonds issued by the county pursuant to Section
7835 57-75-37(3)(c).

7836 (10) Any fee-in-lieu of ad valorem taxes granted under this
7837 section before the effective date of this act, and consistent
7838 herewith, is hereby ratified, approved and confirmed.

7839 **SECTION 81.** Section 27-65-17, Mississippi Code of 1972, is
7840 amended as follows:

7841 27-65-17. (1) (a) Except as otherwise provided in this
7842 section, upon every person engaging or continuing within this
7843 state in the business of selling any tangible personal property
7844 whatsoever there is hereby levied, assessed and shall be collected
7845 a tax equal to seven percent (7%) of the gross proceeds of the
7846 retail sales of the business.

7847 (b) Retail sales of farm tractors and parts and labor
7848 used to maintain and/or repair such tractors shall be taxed at the
7849 rate of one and one-half percent (1-1/2%) when made to farmers for
7850 agricultural purposes.

7851 (c) (i) Retail sales of farm implements sold to
7852 farmers and used directly in the production of poultry, ratite,
7853 domesticated fish as defined in Section 69-7-501, livestock,



7854 livestock products, agricultural crops or ornamental plant crops
7855 or used for other agricultural purposes, and parts and labor used
7856 to maintain and/or repair such implements, shall be taxed at the
7857 rate of one and one-half percent (1-1/2%) when used on the farm.

7858 (ii) The one and one-half percent (1-1/2%) rate
7859 shall also apply to all equipment used in logging, pulpwood
7860 operations or tree farming, and parts and labor used to maintain
7861 and/or repair such equipment, which is either:

- 7862 1. Self-propelled, or
7863 2. Mounted so that it is permanently attached
7864 to other equipment which is self-propelled or attached to other
7865 equipment drawn by a vehicle which is self-propelled.

7866 In order to be eligible for the rate of tax provided for in
7867 this subparagraph (ii), such sales must be made to a professional
7868 logger. For the purposes of this subparagraph (ii), a
7869 "professional logger" is a person, corporation, limited liability
7870 company or other entity, or an agent thereof, who possesses a
7871 professional logger's permit issued by the Department of Revenue
7872 and who presents the permit to the seller at the time of purchase.
7873 The department shall establish an application process for a
7874 professional logger's permit to be issued, which shall include a
7875 requirement that the applicant submit a copy of documentation
7876 verifying that the applicant is certified according to Sustainable
7877 Forestry Initiative guidelines. Upon a determination that an



7878 applicant is a professional logger, the department shall issue the
7879 applicant a numbered professional logger's permit.

7880 (d) Except as otherwise provided in subsection (3) of
7881 this section, retail sales of aircraft, automobiles, trucks,
7882 truck-tractors, semitrailers and manufactured or mobile homes
7883 shall be taxed at the rate of three percent (3%).

7884 (e) Sales of manufacturing machinery or manufacturing
7885 machine parts when made to a manufacturer or custom processor for
7886 plant use only when the machinery and machine parts will be used
7887 exclusively and directly within this state in manufacturing a
7888 commodity for sale, rental or in processing for a fee shall be
7889 taxed at the rate of one and one-half percent (1-1/2%).

7890 (f) Sales of machinery and machine parts when made to a
7891 technology intensive enterprise for plant use only when the
7892 machinery and machine parts will be used exclusively and directly
7893 within this state for industrial purposes, including, but not
7894 limited to, manufacturing or research and development activities,
7895 shall be taxed at the rate of one and one-half percent (1-1/2%).
7896 In order to be considered a technology intensive enterprise for
7897 purposes of this paragraph:

7898 (i) The enterprise shall meet minimum criteria
7899 established by the Mississippi Development Authority;

7900 (ii) The enterprise shall employ at least ten (10)
7901 persons in full-time jobs;



7902 (iii) At least ten percent (10%) of the workforce
7903 in the facility operated by the enterprise shall be scientists,
7904 engineers or computer specialists;

7905 (iv) The enterprise shall manufacture plastics,
7906 chemicals, automobiles, aircraft, computers or electronics; or
7907 shall be a research and development facility, a computer design or
7908 related facility, or a software publishing facility or other
7909 technology intensive facility or enterprise as determined by the
7910 Mississippi Development Authority;

7911 (v) The average wage of all workers employed by
7912 the enterprise at the facility shall be at least one hundred fifty
7913 percent (150%) of the state average annual wage; and

7914 (vi) The enterprise must provide a basic health
7915 care plan to all employees at the facility.

7916 A medical cannabis establishment, as defined in the
7917 Mississippi Medical Cannabis Act, shall not be considered to be a
7918 technology intensive enterprise for the purposes of this paragraph
7919 (f).

7920 (g) Sales of materials for use in track and track
7921 structures to a railroad whose rates are fixed by the Interstate
7922 Commerce Commission or the Mississippi Public Service Commission
7923 shall be taxed at the rate of three percent (3%).

7924 (h) Sales of tangible personal property to electric
7925 power associations for use in the ordinary and necessary operation



7926 of their generating or distribution systems shall be taxed at the
7927 rate of one percent (1%).

7928 (i) Wholesale sales of beer shall be taxed at the rate
7929 of seven percent (7%), and the retailer shall file a return and
7930 compute the retail tax on retail sales but may take credit for the
7931 amount of the tax paid to the wholesaler on said return covering
7932 the subsequent sales of same property, provided adequate invoices
7933 and records are maintained to substantiate the credit.

7934 (j) Wholesale sales of food and drink for human
7935 consumption to full-service vending machine operators to be sold
7936 through vending machines located apart from and not connected with
7937 other taxable businesses shall be taxed at the rate of eight
7938 percent (8%).

7939 (k) Sales of equipment used or designed for the purpose
7940 of assisting disabled persons, such as wheelchair equipment and
7941 lifts, that is mounted or attached to or installed on a private
7942 carrier of passengers or light carrier of property, as defined in
7943 Section 27-51-101, at the time when the private carrier of
7944 passengers or light carrier of property is sold shall be taxed at
7945 the same rate as the sale of such vehicles under this section.

7946 (l) Sales of the factory-built components of modular
7947 homes, panelized homes and precut homes, and panel constructed
7948 homes consisting of structural insulated panels, shall be taxed at
7949 the rate of three percent (3%).



7950 (m) Sales of materials used in the repair, renovation,
7951 addition to, expansion and/or improvement of buildings and related
7952 facilities used by a dairy producer shall be taxed at the rate of
7953 three and one-half percent (3-1/2%). For the purposes of this
7954 paragraph (m), "dairy producer" means any person engaged in the
7955 production of milk for commercial use.

7956 (2) From and after January 1, 1995, retail sales of private
7957 carriers of passengers and light carriers of property, as defined
7958 in Section 27-51-101, shall be taxed an additional two percent
7959 (2%).

7960 (3) A manufacturer selling at retail in this state shall be
7961 required to make returns of the gross proceeds of such sales and
7962 pay the tax imposed in this section.

7963 **SECTION 82.** Section 27-65-101, Mississippi Code of 1972, is
7964 amended as follows:

7965 27-65-101. (1) The exemptions from the provisions of this
7966 chapter which are of an industrial nature or which are more
7967 properly classified as industrial exemptions than any other
7968 exemption classification of this chapter shall be confined to
7969 those persons or property exempted by this section or by the
7970 provisions of the Constitution of the United States or the State
7971 of Mississippi. No industrial exemption as now provided by any
7972 other section except Section 57-3-33 shall be valid as against the
7973 tax herein levied. Any subsequent industrial exemption from the
7974 tax levied hereunder shall be provided by amendment to this



7975 section. No exemption provided in this section shall apply to
7976 taxes levied by Section 27-65-15 or 27-65-21.

7977 The tax levied by this chapter shall not apply to the
7978 following:

7979 (a) Sales of boxes, crates, cartons, cans, bottles and
7980 other packaging materials to manufacturers and wholesalers for use
7981 as containers or shipping materials to accompany goods sold by
7982 said manufacturers or wholesalers where possession thereof will
7983 pass to the customer at the time of sale of the goods contained
7984 therein and sales to anyone of containers or shipping materials
7985 for use in ships engaged in international commerce.

7986 (b) Sales of raw materials, catalysts, processing
7987 chemicals, welding gases or other industrial processing gases
7988 (except natural gas) to a manufacturer for use directly in
7989 manufacturing or processing a product for sale or rental or
7990 repairing or reconditioning vessels or barges of fifty (50) tons
7991 load displacement and over. For the purposes of this exemption,
7992 electricity used directly in the electrolysis process in the
7993 production of sodium chlorate shall be considered a raw material.
7994 This exemption shall not apply to any property used as fuel except
7995 to the extent that such fuel comprises by-products which have no
7996 market value.

7997 (c) The gross proceeds of sales of dry docks, offshore
7998 drilling equipment for use in oil or natural gas exploration or
7999 production, vessels or barges of fifty (50) tons load displacement



8000 and over, when the vessels or barges are sold by the manufacturer
8001 or builder thereof. In addition to other types of equipment,
8002 offshore drilling equipment for use in oil or natural gas
8003 exploration or production shall include aircraft used
8004 predominately to transport passengers or property to or from
8005 offshore oil or natural gas exploration or production platforms or
8006 vessels, and engines, accessories and spare parts for such
8007 aircraft.

8008 (d) Sales to commercial fishermen of commercial fishing
8009 boats of over five (5) tons load displacement and not more than
8010 fifty (50) tons load displacement as registered with the United
8011 States Coast Guard and licensed by the Mississippi Commission on
8012 Marine Resources.

8013 (e) The gross income from repairs to vessels and barges
8014 engaged in foreign trade or interstate transportation.

8015 (f) Sales of petroleum products to vessels or barges
8016 for consumption in marine international commerce or interstate
8017 transportation businesses.

8018 (g) Sales and rentals of rail rolling stock (and
8019 component parts thereof) for ultimate use in interstate commerce
8020 and gross income from services with respect to manufacturing,
8021 repairing, cleaning, altering, reconditioning or improving such
8022 rail rolling stock (and component parts thereof).

8023 (h) Sales of raw materials, catalysts, processing
8024 chemicals, welding gases or other industrial processing gases



8025 (except natural gas) used or consumed directly in manufacturing,
8026 repairing, cleaning, altering, reconditioning or improving such
8027 rail rolling stock (and component parts thereof). This exemption
8028 shall not apply to any property used as fuel.

8029 (i) Sales of machinery or tools or repair parts
8030 therefor or replacements thereof, fuel or supplies used directly
8031 in manufacturing, converting or repairing ships, vessels or barges
8032 of three thousand (3,000) tons load displacement and over, but not
8033 to include office and plant supplies or other equipment not
8034 directly used on the ship, vessel or barge being built, converted
8035 or repaired. For purposes of this exemption, "ships, vessels or
8036 barges" shall not include floating structures described in Section
8037 27-65-18.

8038 (j) Sales of tangible personal property to persons
8039 operating ships in international commerce for use or consumption
8040 on board such ships. This exemption shall be limited to cases in
8041 which procedures satisfactory to the commissioner, ensuring
8042 against use in this state other than on such ships, are
8043 established.

8044 (k) Sales of materials used in the construction of a
8045 building, or any addition or improvement thereon, and sales of any
8046 machinery and equipment not later than three (3) months after the
8047 completion of construction of the building, or any addition
8048 thereon, to be used therein, to qualified businesses, as defined
8049 in Section 57-51-5, which are located in a county or portion



8050 thereof designated as an enterprise zone pursuant to Sections
8051 57-51-1 through 57-51-15.

8052 (1) Sales of materials used in the construction of a
8053 building, or any addition or improvement thereon, and sales of any
8054 machinery and equipment not later than three (3) months after the
8055 completion of construction of the building, or any addition
8056 thereon, to be used therein, to qualified businesses, as defined
8057 in Section 57-54-5.

8058 (m) Income from storage and handling of perishable
8059 goods by a public storage warehouse.

8060 (n) The value of natural gas lawfully injected into the
8061 earth for cycling, repressuring or lifting of oil, or lawfully
8062 vented or flared in connection with the production of oil;
8063 however, if any gas so injected into the earth is sold for such
8064 purposes, then the gas so sold shall not be exempt.

8065 (o) The gross collections from self-service commercial
8066 laundering, drying, cleaning and pressing equipment.

8067 (p) Sales of materials used in the construction of a
8068 building, or any addition or improvement thereon, and sales of any
8069 machinery and equipment not later than three (3) months after the
8070 completion of construction of the building, or any addition
8071 thereon, to be used therein, to qualified companies, certified as
8072 such by the Mississippi Development Authority under Section
8073 57-53-1.



8074 (q) Sales of component materials used in the
8075 construction of a building, or any addition or improvement
8076 thereon, sales of machinery and equipment to be used therein, and
8077 sales of manufacturing or processing machinery and equipment which
8078 is permanently attached to the ground or to a permanent foundation
8079 and which is not by its nature intended to be housed within a
8080 building structure, not later than three (3) months after the
8081 initial start-up date, to permanent business enterprises engaging
8082 in manufacturing or processing in Tier Three areas (as such term
8083 is defined in Section 57-73-21), which businesses are certified by
8084 the Department of Revenue as being eligible for the exemption
8085 granted in this paragraph (q). The exemption provided in this
8086 paragraph (q) shall not apply to sales to any business enterprise
8087 that is a medical cannabis establishment as defined in the
8088 Mississippi Medical Cannabis Act.

8089 (r) (i) Sales of component materials used in the
8090 construction of a building, or any addition or improvement
8091 thereon, and sales of any machinery and equipment not later than
8092 three (3) months after the completion of the building, addition or
8093 improvement thereon, to be used therein, for any company
8094 establishing or transferring its national or regional headquarters
8095 from within or outside the State of Mississippi and creating a
8096 minimum of twenty (20) jobs at the new headquarters in this state.
8097 The exemption provided in this subparagraph (i) shall not apply to
8098 sales for any company that is a medical cannabis establishment as



8099 defined in the Mississippi Medical Cannabis Act. The Department
8100 of Revenue shall establish criteria and prescribe procedures to
8101 determine if a company qualifies as a national or regional
8102 headquarters for the purpose of receiving the exemption provided
8103 in this subparagraph (i).

8104 (ii) Sales of component materials used in the
8105 construction of a building, or any addition or improvement
8106 thereon, and sales of any machinery and equipment not later than
8107 three (3) months after the completion of the building, addition or
8108 improvement thereon, to be used therein, for any company expanding
8109 or making additions after January 1, 2013, to its national or
8110 regional headquarters within the State of Mississippi and creating
8111 a minimum of twenty (20) new jobs at the headquarters as a result
8112 of the expansion or additions. The exemption provided in this
8113 subparagraph (ii) shall not apply to sales for any company that is
8114 a medical cannabis establishment as defined in the Mississippi
8115 Medical Cannabis Act. The Department of Revenue shall establish
8116 criteria and prescribe procedures to determine if a company
8117 qualifies as a national or regional headquarters for the purpose
8118 of receiving the exemption provided in this subparagraph (ii).

8119 (s) The gross proceeds from the sale of semitrailers,
8120 trailers, boats, travel trailers, motorcycles, all-terrain cycles
8121 and rotary-wing aircraft if exported from this state within
8122 forty-eight (48) hours and registered and first used in another
8123 state.



8124 (t) Gross income from the storage and handling of
8125 natural gas in underground salt domes and in other underground
8126 reservoirs, caverns, structures and formations suitable for such
8127 storage.

8128 (u) Sales of machinery and equipment to nonprofit
8129 organizations if the organization:

8130 (i) Is tax exempt pursuant to Section 501(c)(4) of
8131 the Internal Revenue Code of 1986, as amended;

8132 (ii) Assists in the implementation of the
8133 contingency plan or area contingency plan, and which is created in
8134 response to the requirements of Title IV, Subtitle B of the Oil
8135 Pollution Act of 1990, Public Law 101-380; and

8136 (iii) Engages primarily in programs to contain,
8137 clean up and otherwise mitigate spills of oil or other substances
8138 occurring in the United States coastal and tidal waters.

8139 For purposes of this exemption, "machinery and equipment"
8140 means any ocean-going vessels, barges, booms, skimmers and other
8141 capital equipment used primarily in the operations of nonprofit
8142 organizations referred to herein.

8143 (v) Sales or leases of materials and equipment to
8144 approved business enterprises as provided under the Growth and
8145 Prosperity Act.

8146 (w) From and after July 1, 2001, sales of pollution
8147 control equipment to manufacturers or custom processors for
8148 industrial use. For the purposes of this exemption, "pollution



8149 control equipment" means equipment, devices, machinery or systems
8150 used or acquired to prevent, control, monitor or reduce air, water
8151 or groundwater pollution, or solid or hazardous waste as required
8152 by federal or state law or regulation.

8153 (x) Sales or leases to a manufacturer of motor vehicles
8154 or powertrain components operating a project that has been
8155 certified by the Mississippi Major Economic Impact Authority as a
8156 project as defined in Section 57-75-5(f)(iv)1, Section
8157 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
8158 equipment; special tooling such as dies, molds, jigs and similar
8159 items treated as special tooling for federal income tax purposes;
8160 or repair parts therefor or replacements thereof; repair services
8161 thereon; fuel, supplies, electricity, coal and natural gas used
8162 directly in the manufacture of motor vehicles or motor vehicle
8163 parts or used to provide climate control for manufacturing areas.

8164 (y) Sales or leases of component materials, machinery
8165 and equipment used in the construction of a building, or any
8166 addition or improvement thereon to an enterprise operating a
8167 project that has been certified by the Mississippi Major Economic
8168 Impact Authority as a project as defined in Section
8169 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
8170 or Section 57-75-5(f)(xxviii) and any other sales or leases
8171 required to establish or operate such project.

8172 (z) Sales of component materials and equipment to a
8173 business enterprise as provided under Section 57-64-33.



8174 (aa) The gross income from the stripping and painting
8175 of commercial aircraft engaged in foreign or interstate
8176 transportation business.

8177 (bb) [Repealed]

8178 (cc) Sales or leases to an enterprise owning or
8179 operating a project that has been designated by the Mississippi
8180 Major Economic Impact Authority as a project as defined in Section
8181 57-75-5(f)(xviii) of machinery and equipment; special tooling such
8182 as dies, molds, jigs and similar items treated as special tooling
8183 for federal income tax purposes; or repair parts therefor or
8184 replacements thereof; repair services thereon; fuel, supplies,
8185 electricity, coal and natural gas used directly in the
8186 manufacturing/production operations of the project or used to
8187 provide climate control for manufacturing/production areas.

8188 (dd) Sales or leases of component materials, machinery
8189 and equipment used in the construction of a building, or any
8190 addition or improvement thereon to an enterprise owning or
8191 operating a project that has been designated by the Mississippi
8192 Major Economic Impact Authority as a project as defined in Section
8193 57-75-5(f)(xviii) and any other sales or leases required to
8194 establish or operate such project.

8195 (ee) Sales of parts used in the repair and servicing of
8196 aircraft not registered in Mississippi engaged exclusively in the
8197 business of foreign or interstate transportation to businesses
8198 engaged in aircraft repair and maintenance.



8199 (ff) Sales of component materials used in the
8200 construction of a facility, or any addition or improvement
8201 thereon, and sales or leases of machinery and equipment not later
8202 than three (3) months after the completion of construction of the
8203 facility, or any addition or improvement thereto, to be used in
8204 the building or any addition or improvement thereto, to a
8205 permanent business enterprise operating a data/information
8206 enterprise in Tier Three areas (as such areas are designated in
8207 accordance with Section 57-73-21), meeting minimum criteria
8208 established by the Mississippi Development Authority. The
8209 exemption provided in this paragraph (ff) shall not apply to sales
8210 to any business enterprise that is a medical cannabis
8211 establishment as defined in the Mississippi Medical Cannabis Act.

8212 (gg) Sales of component materials used in the
8213 construction of a facility, or any addition or improvement
8214 thereto, and sales of machinery and equipment not later than three
8215 (3) months after the completion of construction of the facility,
8216 or any addition or improvement thereto, to be used in the facility
8217 or any addition or improvement thereto, to technology intensive
8218 enterprises for industrial purposes in Tier Three areas (as such
8219 areas are designated in accordance with Section 57-73-21), as
8220 certified by the Department of Revenue. For purposes of this
8221 paragraph, an enterprise must meet the criteria provided for in
8222 Section 27-65-17(1)(f) in order to be considered a technology
8223 intensive enterprise.



8224 (hh) Sales of component materials used in the
8225 replacement, reconstruction or repair of a building or facility
8226 that has been destroyed or sustained extensive damage as a result
8227 of a disaster declared by the Governor, sales of machinery and
8228 equipment to be used therein to replace machinery or equipment
8229 damaged or destroyed as a result of such disaster, including, but
8230 not limited to, manufacturing or processing machinery and
8231 equipment which is permanently attached to the ground or to a
8232 permanent foundation and which is not by its nature intended to be
8233 housed within a building structure, to enterprises or companies
8234 that were eligible for the exemptions authorized in paragraph (q),
8235 (r), (ff) or (gg) of this subsection during initial construction
8236 of the building that was destroyed or damaged, which enterprises
8237 or companies are certified by the Department of Revenue as being
8238 eligible for the exemption granted in this paragraph.

8239 (ii) Sales of software or software services transmitted
8240 by the Internet to a destination outside the State of Mississippi
8241 where the first use of such software or software services by the
8242 purchaser occurs outside the State of Mississippi.

8243 (jj) Gross income of public storage warehouses derived
8244 from the temporary storage of raw materials that are to be used in
8245 an eligible facility as defined in Section 27-7-22.35.

8246 (kk) Sales of component building materials and
8247 equipment for initial construction of facilities or expansion of



8248 facilities as authorized under Sections 57-113-1 through 57-113-7
8249 and Sections 57-113-21 through 57-113-27.

8250 (ll) Sales and leases of machinery and equipment
8251 acquired in the initial construction to establish facilities as
8252 authorized in Sections 57-113-1 through 57-113-7.

8253 (mm) Sales and leases of replacement hardware, software
8254 or other necessary technology to operate a data center as
8255 authorized under Sections 57-113-21 through 57-113-27.

8256 (nn) Sales of component materials used in the
8257 construction of a building, or any addition or improvement
8258 thereon, and sales or leases of machinery and equipment not later
8259 than three (3) months after the completion of the construction of
8260 the facility, to be used in the facility, to permanent business
8261 enterprises operating a facility producing renewable crude oil
8262 from biomass harvested or produced, in whole or in part, in
8263 Mississippi, which businesses meet minimum criteria established by
8264 the Mississippi Development Authority. As used in this paragraph,
8265 the term "biomass" shall have the meaning ascribed to such term in
8266 Section 57-113-1.

8267 (oo) Sales of supplies, equipment and other personal
8268 property to an organization that is exempt from taxation under
8269 Section 501(c)(3) of the Internal Revenue Code and is the host
8270 organization coordinating a professional golf tournament played or
8271 to be played in this state and the supplies, equipment or other



8272 personal property will be used for purposes related to the golf
8273 tournament and related activities.

8274 (pp) Sales of materials used in the construction of a
8275 health care industry facility, as defined in Section 57-117-3, or
8276 any addition or improvement thereon, and sales of any machinery
8277 and equipment not later than three (3) months after the completion
8278 of construction of the facility, or any addition thereon, to be
8279 used therein, to qualified businesses, as defined in Section
8280 57-117-3. This paragraph shall be repealed from and after July 1,
8281 2022.

8282 (qq) Sales or leases to a manufacturer of automotive
8283 parts operating a project that has been certified by the
8284 Mississippi Major Economic Impact Authority as a project as
8285 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;
8286 or repair parts therefor or replacements thereof; repair services
8287 thereon; fuel, supplies, electricity, coal, nitrogen and natural
8288 gas used directly in the manufacture of automotive parts or used
8289 to provide climate control for manufacturing areas.

8290 (rr) Gross collections derived from guided tours on any
8291 navigable waters of this state, which include providing
8292 accommodations, guide services and/or related equipment operated
8293 by or under the direction of the person providing the tour, for
8294 the purposes of outdoor tourism. The exemption provided in this
8295 paragraph (rr) does not apply to the sale of tangible personal
8296 property by a person providing such tours.



8297 (ss) Retail sales of truck-tractors and semitrailers
8298 used in interstate commerce and registered under the International
8299 Registration Plan (IRP) or any similar reciprocity agreement or
8300 compact relating to the proportional registration of commercial
8301 vehicles entered into as provided for in Section 27-19-143.

8302 (tt) Sales exempt under the Facilitating Business Rapid
8303 Response to State Declared Disasters Act of 2015 (Sections
8304 27-113-1 through 27-113-9).

8305 (uu) Sales or leases to an enterprise and its
8306 affiliates operating a project that has been certified by the
8307 Mississippi Major Economic Impact Authority as a project as
8308 defined in Section 57-75-5(f)(xxix) of:

8309 (i) All personal property and fixtures, including
8310 without limitation, sales or leases to the enterprise and its
8311 affiliates of:

8312 1. Manufacturing machinery and equipment;

8313 2. Special tooling such as dies, molds, jigs
8314 and similar items treated as special tooling for federal income
8315 tax purposes;

8316 3. Component building materials, machinery
8317 and equipment used in the construction of buildings, and any other
8318 additions or improvements to the project site for the project;

8319 4. Nonmanufacturing furniture, fixtures and
8320 equipment (inclusive of all communications, computer, server,
8321 software and other hardware equipment); and



8322 5. Fuel, supplies (other than
8323 nonmanufacturing consumable supplies and water), electricity,
8324 nitrogen gas and natural gas used directly in the
8325 manufacturing/production operations of such project or used to
8326 provide climate control for manufacturing/production areas of such
8327 project;

8328 (ii) All replacements of, repair parts for or
8329 services to repair items described in subparagraph (i)1, 2 and 3
8330 of this paragraph; and

8331 (iii) All services taxable pursuant to Section
8332 27-65-23 required to establish, support, operate, repair and/or
8333 maintain such project.

8334 (vv) Sales or leases to an enterprise operating a
8335 project that has been certified by the Mississippi Major Economic
8336 Impact Authority as a project as defined in Section
8337 57-75-5(f) (xxx) of:

8338 (i) Purchases required to establish and operate
8339 the project, including, but not limited to, sales of component
8340 building materials, machinery and equipment required to establish
8341 the project facility and any additions or improvements thereon;
8342 and

8343 (ii) Machinery, special tools (such as dies,
8344 molds, and jigs) or repair parts thereof, or replacements and
8345 lease thereof, repair services thereon, fuel, supplies and
8346 electricity, coal and natural gas used in the manufacturing



8347 process and purchased by the enterprise owning or operating the
8348 project for the benefit of the project.

8349 (ww) Sales of component materials used in the
8350 construction of a building, or any expansion or improvement
8351 thereon, sales of machinery and/or equipment to be used therein,
8352 and sales of processing machinery and equipment which is
8353 permanently attached to the ground or to a permanent foundation
8354 which is not by its nature intended to be housed in a building
8355 structure, no later than three (3) months after initial startup,
8356 expansion or improvement of a permanent enterprise solely engaged
8357 in the conversion of natural sand into proppants used in oil and
8358 gas exploration and development with at least ninety-five percent
8359 (95%) of such proppants used in the production of oil and/or gas
8360 from horizontally drilled wells and/or horizontally drilled
8361 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

8362 (2) Sales of component materials used in the construction of
8363 a building, or any addition or improvement thereon, sales of
8364 machinery and equipment to be used therein, and sales of
8365 manufacturing or processing machinery and equipment which is
8366 permanently attached to the ground or to a permanent foundation
8367 and which is not by its nature intended to be housed within a
8368 building structure, not later than three (3) months after the
8369 initial start-up date, to permanent business enterprises engaging
8370 in manufacturing or processing in Tier Two areas and Tier One
8371 areas (as such areas are designated in accordance with Section



57-73-21), which businesses are certified by the Department of Revenue as being eligible for the exemption granted in this subsection, shall be exempt from one-half (1/2) of the taxes imposed on such transactions under this chapter. The exemption provided in this subsection (2) shall not apply to sales to any business enterprise that is a medical cannabis establishment as defined in the Mississippi Medical Cannabis Act.

(3) Sales of component materials used in the construction of a facility, or any addition or improvement thereon, and sales or leases of machinery and equipment not later than three (3) months after the completion of construction of the facility, or any addition or improvement thereto, to be used in the building or any addition or improvement thereto, to a permanent business enterprise operating a data/information enterprise in Tier Two areas and Tier One areas (as such areas are designated in accordance with Section 57-73-21), which businesses meet minimum criteria established by the Mississippi Development Authority, shall be exempt from one-half (1/2) of the taxes imposed on such transaction under this chapter. The exemption provided in this subsection (3) shall not apply to sales to any business enterprise that is a medical cannabis establishment as defined in the Mississippi Medical Cannabis Act.

(4) Sales of component materials used in the construction of a facility, or any addition or improvement thereto, and sales of machinery and equipment not later than three (3) months after the



8397 completion of construction of the facility, or any addition or
8398 improvement thereto, to be used in the building or any addition or
8399 improvement thereto, to technology intensive enterprises for
8400 industrial purposes in Tier Two areas and Tier One areas (as such
8401 areas are designated in accordance with Section 57-73-21), which
8402 businesses are certified by the Department of Revenue as being
8403 eligible for the exemption granted in this subsection, shall be
8404 exempt from one-half (1/2) of the taxes imposed on such
8405 transactions under this chapter. For purposes of this subsection,
8406 an enterprise must meet the criteria provided for in Section
8407 27-65-17(1)(f) in order to be considered a technology intensive
8408 enterprise.

8409 (5) (a) For purposes of this subsection:

8410 (i) "Telecommunications enterprises" shall have
8411 the meaning ascribed to such term in Section 57-73-21;

8412 (ii) "Tier One areas" mean counties designated as
8413 Tier One areas pursuant to Section 57-73-21;

8414 (iii) "Tier Two areas" mean counties designated as
8415 Tier Two areas pursuant to Section 57-73-21;

8416 (iv) "Tier Three areas" mean counties designated
8417 as Tier Three areas pursuant to Section 57-73-21; and

8418 (v) "Equipment used in the deployment of broadband
8419 technologies" means any equipment capable of being used for or in
8420 connection with the transmission of information at a rate, prior
8421 to taking into account the effects of any signal degradation, that



8422 is not less than three hundred eighty-four (384) kilobits per
8423 second in at least one (1) direction, including, but not limited
8424 to, asynchronous transfer mode switches, digital subscriber line
8425 access multiplexers, routers, servers, multiplexers, fiber optics
8426 and related equipment.

8427 (b) Sales of equipment to telecommunications
8428 enterprises after June 30, 2003, and before July 1, 2025, that is
8429 installed in Tier One areas and used in the deployment of
8430 broadband technologies shall be exempt from one-half (1/2) of the
8431 taxes imposed on such transactions under this chapter.

8432 (c) Sales of equipment to telecommunications
8433 enterprises after June 30, 2003, and before July 1, 2025, that is
8434 installed in Tier Two and Tier Three areas and used in the
8435 deployment of broadband technologies shall be exempt from the
8436 taxes imposed on such transactions under this chapter.

8437 (6) Sales of component materials used in the replacement,
8438 reconstruction or repair of a building that has been destroyed or
8439 sustained extensive damage as a result of a disaster declared by
8440 the Governor, sales of machinery and equipment to be used therein
8441 to replace machinery or equipment damaged or destroyed as a result
8442 of such disaster, including, but not limited to, manufacturing or
8443 processing machinery and equipment which is permanently attached
8444 to the ground or to a permanent foundation and which is not by its
8445 nature intended to be housed within a building structure, to
8446 enterprises that were eligible for the partial exemptions provided



for in subsections (2), (3) and (4) of this section during initial construction of the building that was destroyed or damaged, which enterprises are certified by the Department of Revenue as being eligible for the partial exemption granted in this subsection, shall be exempt from one-half (1/2) of the taxes imposed on such transactions under this chapter.

SECTION 83. Section 37-148-3, Mississippi Code of 1972, is amended as follows:

37-148-3. As used in this chapter, the following words and phrases have the meanings ascribed in this section unless the context clearly indicates otherwise:

(a) "College" means the state institutions of higher learning in Mississippi which are accredited by the Southern Association of Colleges and Schools.

(b) "Investor" means a natural person, partnership, limited liability company, association, corporation, business trust or other business entity, not formed for the specific purpose of acquiring the rebate offered, which is subject to Mississippi income tax. The term "investor" does not include any medical cannabis establishment as defined in the Mississippi Medical Cannabis Act.

(c) "Qualified research" means the systematic investigative process that is undertaken for the purpose of discovering information. The term "qualified research" does not include research conducted outside the State of Mississippi or



8472 research expenses that are already being funded by any grant,
8473 contract or otherwise by another person or governmental entity.

8474 (d) "Research agreement" means a written contract,
8475 grant or cooperative agreement entered into between a person and a
8476 college or research corporation for the performance of qualified
8477 research. All qualified research costs generating a SMART
8478 Business Rebate must be spent by the college or research
8479 corporation on qualified research undertaken according to a
8480 research agreement.

8481 (e) "Research corporation" means any research
8482 corporation formed under Section 37-147-15 if the corporation is
8483 wholly owned by or affiliated with a college and all income and
8484 profits of the corporation inure to the benefit of the college.

8485 (f) "Qualified research costs" means costs paid or
8486 incurred by an investor to a college or research corporation for
8487 qualified research undertaken according to a research agreement.

8488 (g) "State" means the State of Mississippi or a
8489 governmental entity of the State of Mississippi.

8490 (h) "IHL" means the Board of Trustees of State
8491 Institutions of Higher Learning in Mississippi.

8492 (i) "SMART Business" means Strengthening Mississippi
8493 Academic Research Through Business.

8494 (j) "Applicant" means a college or research corporation
8495 applying for SMART Business Accelerate Initiative funds to develop
8496 state-owned intellectual property into products and services.



8497 (k) "Qualified validation expense" includes, but is not
8498 limited to, services that accelerate the development of early
8499 product concepts, conducting proof-of-concept studies, and
8500 manufacturing prototypes to perform research validation.

8501 Qualified validation expense does not include salaries or wages
8502 associated with a licensee of state-owned intellectual property,
8503 legal fees or any payment in conflict with state law.

8504 (l) "Research validation" means research intended to
8505 validate the commercial viability of state-owned intellectual
8506 property.

8507 (m) "Disbursement" means a grant of funds to support
8508 research validation.

8509 **SECTION 84.** Section 57-1-16, Mississippi Code of 1972, is
8510 amended as follows:

8511 57-1-16. (1) As used in this section:

8512 (a) "Extraordinary economic development opportunity"
8513 means a new or expanded business or industry which maintains a
8514 strong financial condition and minimal credit risk and creates
8515 substantial employment, particularly in areas of high
8516 unemployment. The term "extraordinary economic development
8517 opportunity" does not include any medical cannabis establishment
8518 as defined in the Mississippi Medical Cannabis Act.

8519 (b) "Local economic development entities" means state
8520 institutions of higher learning or public or private nonprofit
8521 local economic development entities including, but not limited to,



chambers of commerce, local authorities, commissions or other entities created by local and private legislation or districts created pursuant to Section 19-5-99.

(c) "MDA" means the Mississippi Development Authority.

(2) (a) There is hereby created in the State Treasury a special fund to be designated as the ACE Fund, which shall consist of money from any public or private source designated for deposit into such fund. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the fund shall be deposited to the credit of the fund. The purpose of the fund shall be to assist in maximizing extraordinary economic development opportunities related to any new or expanded business or industry or to assist a local unit of government as authorized in subsection (5) of this section. Such funds may be used to make grants to local economic development entities to assist any new or expanding business or industry that meets the criteria provided in this section when such assistance aids the consummation of a project within the State of Mississippi, including any federal Indian reservation located within the geographical boundary of Mississippi, or to make grants to a local unit of government as authorized in subsection (5) of this section.

(b) Monies in the fund which are derived from the proceeds of general obligation bonds may be used to reimburse reasonable actual and necessary costs incurred by the MDA for the



8547 administration of the various grant, loan and financial incentive
8548 programs administered by the MDA. An accounting of actual costs
8549 incurred for which reimbursement is sought shall be maintained by
8550 the MDA. Reimbursement of reasonable actual and necessary costs
8551 shall not exceed three percent (3%) of the proceeds of bonds
8552 issued. Reimbursements made under this subsection shall satisfy
8553 any applicable federal tax law requirements.

8554 (3) The MDA shall establish a grant program to make grants
8555 from the ACE Fund created under this section. Local economic
8556 development entities may apply to the MDA for a grant under this
8557 section in the manner provided for in subsection (4) of this
8558 section. Local units of government may apply to the MDA for a
8559 grant under this section in the manner provided in subsection (5)
8560 of this section.

8561 (4) (a) Any business or industry desiring assistance from a
8562 local economic development entity under this section shall submit
8563 an application to the local economic development entity which
8564 shall include, at a minimum:

8565 (i) Evidence that the business or industry meets
8566 the definition of an extraordinary economic development
8567 opportunity;

8568 (ii) A demonstration that the business or industry
8569 is at an economic disadvantage by locating the new or expanded
8570 project in the county;



8571 (iii) A description, including the cost, of the
8572 requested assistance;

8573 (iv) A description of the purpose for which the
8574 assistance is requested;

8575 (v) A two-year business plan;

8576 (vi) Financial statements or tax returns for the
8577 three (3) years immediately prior to the application;

8578 (vii) Credit reports on all persons or entities
8579 with a twenty percent (20%) or greater interest in the business or
8580 industry; and

8581 (viii) Any other information required by the MDA.

8582 (b) The MDA shall require that binding commitments be
8583 entered into requiring that:

8584 (i) The minimum requirements of this section and
8585 such other requirements as the MDA considers proper shall be met;
8586 and

8587 (ii) If such requirements are not met, all or a
8588 portion of the funds provided by this section as determined by the
8589 MDA shall be repaid.

8590 (c) Upon receipt of the application from a business or
8591 industry, the local economic development entity may apply to the
8592 MDA for assistance under this section. Such application must
8593 contain evidence that the business or industry meets the
8594 definition of an extraordinary economic development opportunity, a
8595 demonstration that the business or industry is at an economic



disadvantage by locating the new or expanded project in the county, a description, including the cost, of the requested assistance, and a statement of what efforts have been made or are being made by the business or industry for securing or qualifying for other local, state, federal or private funds for the project.

(d) The MDA shall have sole discretion in the awarding of ACE funds, provided that the business or industry and the local economic development entity have met the statutory requirements of this section. However, in making grants under this section, the MDA shall attempt to provide for an equitable distribution of such grants among each of the congressional districts of this state in order to promote economic development across the entire state.

(5) (a) The MDA may make grants to local units of government to assist the local unit of government in purchasing real property for the benefit of an existing industry that commits to maintain a minimum of one thousand three hundred (1,300) jobs for a minimum of ten (10) years after the date the grant is made. The MDA shall not make grants under this subsection to assist local units of government for the benefit of any medical cannabis establishment as defined in the Mississippi Medical Cannabis Act.

(b) Any local unit of government seeking a grant authorized under this subsection shall apply to MDA. The application shall contain such information as the MDA may require.

(c) The MDA shall require that binding commitments be entered into requiring that:



8621 (i) The minimum requirements of this subsection
8622 and such other requirements as the MDA considers proper shall be
8623 met; and

8624 (ii) If such requirements are not met, all or a
8625 portion of the funds provided by this section as determined by the
8626 MDA shall be repaid.

8627 (6) The MDA shall promulgate rules and regulations, in
8628 accordance with the Mississippi Administrative Procedures Law, for
8629 the implementation of this section. However, before the
8630 implementation of any such rules and regulations, they shall be
8631 submitted to a committee consisting of five (5) members of the
8632 Senate Finance Committee and five (5) members of the House of
8633 Representatives Ways and Means Committee, appointed by the
8634 respective committee chairmen.

8635 **SECTION 85.** Section 57-1-221, Mississippi Code of 1972, is
8636 amended as follows:

8637 57-1-221. (1) As used in this section:

8638 (a) "Approved business enterprise" means any project
8639 that:

8640 (i) Locates or expands in this state, including
8641 any federal Indian reservation located within the geographical
8642 boundary of this state, and creates a minimum of two hundred fifty
8643 (250) new, full-time jobs with a total capital investment in the
8644 state of a minimum of Thirty Million Dollars (\$30,000,000.00) in
8645 Tier 1 or Tier 2 counties;



8646 (ii) Locates or expands in this state, including
8647 any federal Indian reservation located within the geographical
8648 boundary of this state, and creates a minimum of one hundred fifty
8649 (150) new, full-time jobs with a total capital investment in the
8650 state of a minimum of Fifteen Million Dollars (\$15,000,000.00) in
8651 areas federally designated as low-income census tracts;

8652 (iii) Locates or expands in this state, including
8653 any federal Indian reservation located within the geographical
8654 boundary of this state, and creates a minimum of one thousand
8655 (1,000) new, full-time jobs;

8656 (iv) Is a manufacturer of high-end kitchen
8657 appliances having at least four hundred (400) employees working at
8658 its Mississippi facilities on January 1, 2015, and with a capital
8659 investment of at least Five Million Dollars (\$5,000,000.00) made
8660 after July 1, 2014, through four (4) years after July 1, 2015,
8661 that expands in this state, including any federal Indian
8662 reservation located within the geographical boundary of this
8663 state, and retains a minimum of four hundred (400) jobs; or

8664 (v) Locates or expands in this state, including
8665 any federal Indian reservation located within the geographical
8666 boundary of this state, with significant regional impact as
8667 determined by MDA.

8668 (b) "MDA" means the Mississippi Development Authority.

8669 (c) "Facility related to the project" means and
8670 includes any of the following, as they may pertain to the project:



8671 (i) Facilities to provide potable and industrial
8672 water supply systems, sewage and waste disposal systems and water,
8673 natural gas and electric transmission systems to the site of the
8674 project;

8675 (ii) Building facilities and equipment necessary
8676 to operate the facility;

8677 (iii) Rail lines;

8678 (iv) Airports, airfields, air terminals and port
8679 facilities;

8680 (v) Highways, streets and other roadways; and

8681 (vi) Fire protection facilities, equipment and
8682 elevated water tanks.

8683 (d) "Project" means any industrial, commercial,
8684 research and development, warehousing, distribution,
8685 transportation, processing, mining, United States government or
8686 tourism enterprise together with all real property required for
8687 construction, maintenance and operation of the enterprise that is
8688 approved by the MDA. The term "project" does not include any
8689 medical cannabis establishment as defined in the Mississippi
8690 Medical Cannabis Act.

8691 (2) (a) There is created a special fund in the State
8692 Treasury to be known as the Mississippi Industry Incentive
8693 Financing Revolving Fund which shall consist of monies from any
8694 source designated for deposit into the fund. Unexpended amounts
8695 remaining in the fund at the end of a fiscal year shall not lapse



8696 into the State General Fund, and any interest earned on amounts in
8697 the fund shall be deposited to the credit of the fund. Except as
8698 otherwise provided, monies in the fund shall be disbursed by the
8699 Mississippi Development Authority for the purposes authorized in
8700 subsection (3) of this section. The Mississippi Development
8701 Authority shall allocate and disburse Thirty Million Dollars
8702 (\$30,000,000.00) from the fund as a grant to Mississippi State
8703 University for the construction, furnishing and equipping of a
8704 high-performance computing data center that is home to federally
8705 designated centers of computing excellence. The disbursement of
8706 such funds shall not be subject to any requirements of this
8707 section relating to grants and loans made by the Mississippi
8708 Development Authority under this section. The Mississippi
8709 Development Authority shall allocate and disburse Three Million
8710 Dollars (\$3,000,000.00) from the fund as a grant to Delta Health
8711 System for capital costs related to hospital systems expansion.
8712 The disbursement of such funds shall not be subject to any
8713 requirements of this section relating to grants and loans made by
8714 the Mississippi Development Authority under this section. The
8715 Mississippi Development Authority shall disburse such funds to
8716 Delta Health System not later than thirty (30) days after April
8717 22, 2021.

8718 (b) Monies in the fund that are derived from the
8719 proceeds of general obligation bonds may be used to reimburse
8720 reasonable actual and necessary costs incurred by the MDA for the



8721 administration of the various grant, loan and financial incentive
8722 programs administered by the MDA. An accounting of actual costs
8723 incurred for which reimbursement is sought shall be maintained by
8724 the MDA. Reimbursement of reasonable actual and necessary costs
8725 shall not exceed three percent (3%) of the proceeds of bonds
8726 issued. Reimbursements made under this subsection shall satisfy
8727 any applicable federal tax law requirements.

8728 (3) The MDA shall establish a program to make grants or
8729 loans from the Mississippi Industry Incentive Financing Revolving
8730 Fund to local governments, including, but not limited to,
8731 counties, municipalities, industrial development authorities and
8732 economic development districts, and approved business enterprises
8733 to construct or otherwise provide facilities related to the
8734 project. Local governments are authorized to accept grants and
8735 enter into loans authorized under the program, and to sell, lease
8736 or otherwise dispose of a project or any property related to the
8737 project in whole or in part.

8738 (4) (a) Except as otherwise provided in this section, any
8739 business enterprise or local government desiring a grant or loan
8740 under this section shall submit an application to the MDA which
8741 shall include, at a minimum:

8742 (i) Evidence that the business or industry meets
8743 the definition of an approved business enterprise;

8744 (ii) A description, including the cost, of the
8745 requested assistance;



8746 (iii) A description of the purpose for which the
8747 assistance is requested; and

8748 (iv) Any other information required by the MDA.

8749 (b) Except as otherwise provided in this section, the
8750 MDA shall require that binding commitments be entered into
8751 requiring that:

8752 (i) The minimum requirements of this section and
8753 such other requirements as the MDA considers proper shall be met;
8754 and

8755 (ii) If such requirements are not met, all or a
8756 portion of the funds provided by this section as determined by the
8757 MDA shall be repaid.

8758 (c) Upon receipt of the application from a business
8759 enterprise or local government for a grant or loan under this
8760 section, the MDA shall determine whether the enterprise meets the
8761 definition of an approved business enterprise and determine
8762 whether to provide the assistance requested in the form of a grant
8763 or a loan.

8764 (d) Except as otherwise provided in subsection (2) (a)
8765 of this section, the MDA shall have sole discretion in providing
8766 grants or loans under this section. The terms of a grant or loan
8767 provided under this section and the manner of repayment of any
8768 loan shall be within the discretion of the MDA. Repayments of
8769 loans made under this section shall be deposited to the credit of
8770 the Mississippi Industry Incentive Financing Revolving Fund until



8771 the uncommitted balance in the fund reaches Fifty Million Dollars
8772 (\$50,000,000.00). Once the uncommitted balance in the fund
8773 reaches Fifty Million Dollars (\$50,000,000.00), repayments of
8774 loans under this section shall be deposited to the credit of Fund
8775 No. 3951 in the State Treasury to pay debt service on bonds until
8776 such time as the uncommitted balance in the fund falls below Fifty
8777 Million Dollars (\$50,000,000.00).

8778 (e) The MDA shall notify the Chairman of the Senate
8779 Finance Committee and the Chairman of the House Ways and Means
8780 Committee of the approval of any grant or loan application thirty
8781 (30) days prior to the disbursement of any monies for the loan or
8782 grant from the Mississippi Industry Incentive Financing Revolving
8783 Fund. The notification shall identify the applicant and the
8784 purposes for which the loan or grant is made.

8785 (5) (a) Contracts, by local governments, including, but not
8786 limited to, design and construction contracts, for the
8787 acquisition, purchase, construction or installation of a project
8788 shall be exempt from the provisions of Section 31-7-13 if:

8789 (i) The MDA finds and records such finding on its
8790 minutes, that because of availability or the particular nature of
8791 a project, it would not be in the public interest or would less
8792 effectively achieve the purposes of this section to enter into
8793 such contracts on the basis of Section 31-7-13; and

8794 (ii) The approved business enterprise that is
8795 involved in the project concurs in such finding.



8796 (b) When the requirements of paragraph (a) of this
8797 subsection are met:

8798 (i) The requirements of Section 31-7-13 shall not
8799 apply to such contracts; and

8800 (ii) The contracts may be entered into on the
8801 basis of negotiation.

8802 (6) It is the policy of the MDA and the MDA is authorized to
8803 accommodate and support any enterprise that receives a loan under
8804 this section for a project defined in Section 17-25-23 that wishes
8805 to have a program of diversity in contracting, and/or that wishes
8806 to do business with or cause its prime contractor to do business
8807 with Mississippi companies, including those companies that are
8808 small business concerns owned and controlled by socially and
8809 economically disadvantaged individuals. The term "socially and
8810 economically disadvantaged individuals" shall have the meaning
8811 ascribed to such term under Section 8(d) of the Small Business Act
8812 (15 USCS 637(d)) and relevant subcontracting regulations
8813 promulgated pursuant thereto; except that women shall be presumed
8814 to be socially and economically disadvantaged individuals for the
8815 purposes of this subsection.

8816 (7) The MDA shall promulgate rules and regulations, in
8817 accordance with the Mississippi Administrative Procedures Law, for
8818 the implementation of this section.

8819 **SECTION 86.** Section 57-10-401, Mississippi Code of 1972, is
8820 amended as follows:



8821 **[In cases involving an economic development project for which**
8822 **the Mississippi Business Finance Corporation has issued bonds for**
8823 **the purpose of financing the approved costs of such project prior**
8824 **to July 1, 1994, this section shall read as follows:]**

8825 57-10-401. As used in Sections 57-10-401 through 57-10-445,
8826 the following terms shall have the meanings ascribed to them
8827 herein unless the context clearly indicates otherwise:

8828 (a) "Approved company" means any eligible company
8829 seeking to locate an economic development project in a county,
8830 which eligible company is approved by the corporation.

8831 (b) "Approved costs" means:

8832 (i) Obligations incurred for equipment and labor
8833 and to contractors, subcontractors, builders and materialmen in
8834 connection with the acquisition, construction and installation of
8835 an economic development project;

8836 (ii) The cost of acquiring land or rights in land
8837 and any cost incidental thereto, including recording fees;

8838 (iii) The cost of contract bonds and of insurance
8839 of all kinds that may be required or necessary during the course
8840 of acquisition, construction and installation of an economic
8841 development project which is not paid by the contractor or
8842 contractors or otherwise provided for;

8843 (iv) All costs of architectural and engineering
8844 services, including test borings, surveys, estimates, plans and
8845 specifications, preliminary investigations, and supervision of



8846 construction, as well as for the performance of all the duties
8847 required by or consequent upon the acquisition, construction and
8848 installation of an economic development project;

8849 (v) All costs which shall be required to be paid
8850 under the terms of any contract or contracts for the acquisition,
8851 construction and installation of an economic development project;

8852 (vi) All costs, expenses and fees incurred in
8853 connection with the issuance of bonds pursuant to Sections
8854 57-10-401 through 57-10-445;

8855 (vii) All costs funded by a loan made under the
8856 Mississippi Small Enterprise Development Finance Act; and

8857 (viii) All costs of professionals permitted to be
8858 engaged under the Mississippi Small Enterprise Development Finance
8859 Act for a loan made under such act.

8860 (c) "Assessment" means the job development assessment
8861 fee authorized in Section 57-10-413.

8862 (d) "Bonds" means the revenue bonds, notes or other
8863 debt obligations of the corporation authorized to be issued by the
8864 corporation on behalf of an eligible company or other state
8865 agency.

8866 (e) "Corporation" means the Mississippi Business
8867 Finance Corporation created under Section 57-10-167, Mississippi
8868 Code of 1972.

8869 (f) "Economic development project" means and includes
8870 the acquisition of any equipment or real estate in a county and



8871 the construction and installation thereon, and with respect
8872 thereto, of improvements and facilities necessary or desirable for
8873 improvement of the real estate, including surveys, site tests and
8874 inspections, subsurface site work, excavation, removal of
8875 structures, roadways, cemeteries and other surface obstructions,
8876 filling, grading and provision of drainage, storm water detention,
8877 installation of utilities such as water, sewer, sewage treatment,
8878 gas, electricity, communications and similar facilities, off-site
8879 construction of utility extensions to the boundaries of the real
8880 estate, and the acquisition, construction and installation of
8881 manufacturing, telecommunications, data processing, distribution
8882 or warehouse facilities on the real estate, for lease or financial
8883 arrangement by the corporation to an approved company for use and
8884 occupancy by the approved company or its affiliates for
8885 manufacturing, telecommunications, data processing, distribution
8886 or warehouse purposes. Such term also includes, without
8887 limitation, any project the financing of which has been approved
8888 under the Mississippi Small Enterprise Development Finance Act.
8889 From and after January 1, 2014, such term also includes the
8890 economic development project of a related approved company that is
8891 merged into or consolidated with another approved company where
8892 the approved companies are engaged in a vertically integrated
8893 manufacturing or warehouse operation.



8894 (g) "Eligible company" means any corporation,
8895 partnership, sole proprietorship, business trust, or other entity
8896 which is:

8897 (i) Engaged in manufacturing which meets the
8898 standards promulgated by the corporation under Sections 57-10-401
8899 through 57-10-445;

8900 (ii) A private company approved by the corporation
8901 for a loan under the Mississippi Small Enterprise Development
8902 Finance Act;

8903 (iii) A distribution or warehouse facility
8904 employing a minimum of fifty (50) people or employing a minimum of
8905 twenty (20) people and having a capital investment in such
8906 facility of at least Five Million Dollars (\$5,000,000.00); or

8907 (iv) A telecommunications or data processing
8908 business.

8909 (h) "Executive director" means the Executive Director
8910 of the Mississippi Business Finance Corporation.

8911 (i) "Financing agreement" means any financing documents
8912 and agreements, indentures, loan agreements, lease agreements,
8913 security agreements and the like, entered into by and among the
8914 corporation, private lenders and an approved company with respect
8915 to an economic development project.

8916 (j) "Manufacturing" means any activity involving the
8917 manufacturing, processing, assembling or production of any
8918 property, including the processing resulting in a change in the



8919 conditions of the property and any activity functionally related
8920 thereto, together with the storage, warehousing, distribution and
8921 related office facilities in respect thereof as determined by the
8922 Mississippi Business Finance Corporation; however, in no event
8923 shall "manufacturing" include mining, coal or mineral processing,
8924 or extraction of Mississippi minerals.

8925 (k) "State agency" means any state board, commission,
8926 committee, council, university, department or unit thereof created
8927 by the Constitution or laws of this state.

8928 (l) "Revenues" shall not be considered state funds.

8929 (m) "State" means the State of Mississippi.

8930 (n) "Mississippi Small Enterprise Development Finance
8931 Act" means the provisions of law contained in Section 57-71-1 et
8932 seq.

8933 **[In cases involving an economic development project for which**
8934 **the Mississippi Business Finance Corporation has not issued bonds**
8935 **for the purpose of financing the approved costs of such project**
8936 **prior to July 1, 1994, this section shall read as follows:]**

8937 57-10-401. As used in Sections 57-10-401 through 57-10-445,
8938 the following terms shall have the meanings ascribed to them
8939 herein unless the context clearly indicates otherwise:

8940 (a) "Approved company" means any eligible company
8941 seeking to locate an economic development project in a county,
8942 which eligible company is approved by the corporation.

8943 (b) "Approved costs" means:



8944 (i) Obligations incurred for equipment and labor
8945 and to contractors, subcontractors, builders and materialmen in
8946 connection with the acquisition, construction and installation of
8947 an economic development project;

8948 (ii) The cost of acquiring land or rights in land
8949 and any cost incidental thereto, including recording fees;

8950 (iii) The cost of contract bonds and of insurance
8951 of all kinds that may be required or necessary during the course
8952 of acquisition, construction and installation of an economic
8953 development project which is not paid by the contractor or
8954 contractors or otherwise provided for;

8955 (iv) All costs of architectural and engineering
8956 services, including test borings, surveys, estimates, plans and
8957 specifications, preliminary investigations, and supervision of
8958 construction, as well as for the performance of all the duties
8959 required by or consequent upon the acquisition, construction and
8960 installation of an economic development project;

8961 (v) All costs which shall be required to be paid
8962 under the terms of any contract or contracts for the acquisition,
8963 construction and installation of an economic development project;

8964 (vi) All costs, expenses and fees incurred in
8965 connection with the issuance of bonds pursuant to Sections
8966 57-10-401 through 57-10-445;

8967 (vii) All costs funded by a loan made under the
8968 Mississippi Small Enterprise Development Finance Act; and



8969 (viii) All costs of professionals permitted to be
8970 engaged under the Mississippi Small Enterprise Development Finance
8971 Act for a loan made under such act.

8972 (c) "Assessment" means the job development assessment
8973 fee authorized in Section 57-10-413.

8974 (d) "Bonds" means the revenue bonds, notes or other
8975 debt obligations of the corporation authorized to be issued by the
8976 corporation on behalf of an eligible company or other state
8977 agency.

8978 (e) "Corporation" means the Mississippi Business
8979 Finance Corporation created under Section 57-10-167, Mississippi
8980 Code of 1972.

8981 (f) "Economic development project" means and includes
8982 the acquisition of any equipment or real estate in a county and
8983 the construction and installation thereon, and with respect
8984 thereto, of improvements and facilities necessary or desirable for
8985 improvement of the real estate, including surveys, site tests and
8986 inspections, subsurface site work, excavation, removal of
8987 structures, roadways, cemeteries and other surface obstructions,
8988 filling, grading and provision of drainage, storm water detention,
8989 installation of utilities such as water, sewer, sewage treatment,
8990 gas, electricity, communications and similar facilities, off-site
8991 construction of utility extensions to the boundaries of the real
8992 estate, and the acquisition, construction and installation of
8993 manufacturing, telecommunications, data processing, distribution



8994 or warehouse facilities on the real estate, for lease or financial
8995 arrangement by the corporation to an approved company for use and
8996 occupancy by the approved company or its affiliates for
8997 manufacturing, telecommunications, data processing, distribution
8998 or warehouse purposes. Such term also includes, without
8999 limitation, any project the financing of which has been approved
9000 under the Mississippi Small Enterprise Development Finance Act.

9001 If an eligible company closes a facility in this state and
9002 becomes an approved company under the provisions of Sections
9003 57-10-401 through 57-10-449, only that portion of the project for
9004 which such company is attempting to obtain financing that is in
9005 excess of the value of the closed facility shall be included
9006 within the definition of the term "economic development project."
9007 The Mississippi Business Finance Corporation shall promulgate
9008 rules and regulations to govern the determination of the
9009 difference between the value of the closed facility and the new
9010 facility.

9011 (g) "Eligible company" means any corporation,
9012 partnership, sole proprietorship, business trust, or other entity
9013 which:

9014 (i) Engaged in manufacturing which meets the
9015 standards promulgated by the corporation under Sections 57-10-401
9016 through 57-10-445;



9017 (ii) A private company approved by the corporation
9018 for a loan under the Mississippi Small Enterprise Development
9019 Finance Act;

9020 (iii) A distribution or warehouse facility
9021 employing a minimum of fifty (50) people or employing a minimum of
9022 twenty (20) people and having a capital investment in such
9023 facility of at least Five Million Dollars (\$5,000,000.00);

9024 (iv) A telecommunications or data/information
9025 processing business meeting criteria established by the
9026 Mississippi Business Finance Corporation;

9027 (v) National or regional headquarters meeting
9028 criteria established by the Mississippi Business Finance
9029 Corporation;

9030 (vi) Research and development facilities meeting
9031 criteria established by the Mississippi Business Finance
9032 Corporation; or

9033 (vii) Technology intensive enterprises or
9034 facilities meeting criteria established by the Mississippi
9035 Business Finance Corporation.

9036 The term "eligible company" does not include any medical
9037 cannabis establishment as defined in the Mississippi Medical
9038 Cannabis Act.

9039 (h) "Executive director" means the Executive Director
9040 of the Mississippi Business Finance Corporation.



9041 (i) "Financing agreement" means any financing documents
9042 and agreements, indentures, loan agreements, lease agreements,
9043 security agreements and the like, entered into by and among the
9044 corporation, private lenders and an approved company with respect
9045 to an economic development project.

9046 (j) "Manufacturing" means any activity involving the
9047 manufacturing, processing, assembling or production of any
9048 property, including the processing resulting in a change in the
9049 conditions of the property and any activity functionally related
9050 thereto, together with the storage, warehousing, distribution and
9051 related office facilities in respect thereof as determined by the
9052 Mississippi Business Finance Corporation; however, in no event
9053 shall "manufacturing" include mining, coal or mineral processing,
9054 or extraction of Mississippi minerals.

9055 (k) "State agency" means any state board, commission,
9056 committee, council, university, department or unit thereof created
9057 by the Constitution or laws of this state.

9058 (l) "Revenues" shall not be considered state funds.

9059 (m) "State" means the State of Mississippi.

9060 (n) "Mississippi Small Enterprise Development Finance
9061 Act" means the provisions of law contained in Section 57-71-1 et
9062 seq.

9063 **SECTION 87.** Section 57-61-5, Mississippi Code of 1972, is
9064 amended as follows:



57-61-5. The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

(a) "Department" means the Mississippi * * * Development Authority.

(b) "Board" means the Mississippi * * * Development Authority operating through its executive director.

(c) "Improvements" means the construction, rehabilitation or repair of drainage systems; energy facilities (power generation and distribution); fire safety facilities (excluding vehicles); sewer systems (pipe treatment); transportation directly affecting the site of the proposed investment, including roads, sidewalks, bridges, rail, port, river, airport or pipeline (excluding vehicles); bulkheads; buildings; and facilities necessary to accommodate a United States Navy home port; and means land reclamation; waste disposal; water supply (storage, treatment and distribution); land acquisition; and the dredging of channels and basins.

(d) "Municipality" means any county or any incorporated city, or town, acting individually or jointly, or any agency of the State of Mississippi operating a state-owned port.

(e) "Private company" means any agricultural, aquacultural, maricultural, industrial, manufacturing, service, tourism, or research and development enterprise or enterprises. The term "private company" shall not include any retail trade



9090 enterprise except regional shopping malls having a minimum capital
9091 investment of One Hundred Million Dollars (\$100,000,000.00). The
9092 term "private company" shall not include any medical cannabis
9093 establishment as defined in the Mississippi Medical Cannabis Act.
9094 No more than fifteen percent (15%) of the aggregate funds made
9095 available under this chapter shall be used to fund aquacultural,
9096 maricultural and tourism enterprises. The funds made available to
9097 tourism enterprises under this chapter shall be limited to
9098 infrastructure improvements and to the acquisition of land and
9099 shall not be made available to fund tourism promotions or to fund
9100 the construction, improvement or acquisition of hotels and/or
9101 motels or to finance or refinance any obligations of hotels and/or
9102 motels.

9103 (f) "Governmental unit" means a department or
9104 subsidiary of the United States government, or an agency of the
9105 State of Mississippi operating a state-owned port.

9106 (g) "Private match" means any new private investment by
9107 the private company and/or governmental unit in land, buildings,
9108 depreciable fixed assets, and improvements of the project used to
9109 match improvements funded under this chapter. The term "private
9110 match" includes improvements made prior to the effective date of
9111 this chapter [Laws, 1986, Chapter 419, effective March 31, 1986]
9112 pursuant to contracts entered into contingent upon assistance
9113 being made available under this chapter.



9114 (h) "Publicly owned property" means property which is
9115 owned by the local, state or United States government and is not
9116 under the control of a private company.

9117 (i) "Director" means the Executive Director of
9118 the * * * Mississippi Development Authority.

9119 (j) "Small community" means a county with a population
9120 of twenty-five thousand (25,000) or less; or a municipality with a
9121 population of ten thousand (10,000) or less and any area within
9122 five (5) miles of the limits of such municipality, according to
9123 the most recent federal decennial census.

9124 (k) "Strategic investment" means an investment by the
9125 private and public sectors that will have a major impact on job
9126 creation and maintenance in the state of no less than one hundred
9127 fifty (150) jobs, that will have a major impact on enlargement and
9128 enhancement of international and foreign trade and commerce to and
9129 from the State of Mississippi, or which is considered to be unique
9130 to the state and have statewide or regional impact as determined
9131 by the department.

9132 (l) "Seller" means the State Bond Commission or the
9133 State Development Bank.

9134 **SECTION 88.** Section 57-62-5, Mississippi Code of 1972, is
9135 amended as follows:

9136 **[For businesses or industries that received or applied for**
9137 **incentive payments prior to July 1, 2005, this section shall read**
9138 **as follows:]**



9139 57-62-5. As used in this chapter, the following words and
9140 phrases shall have the meanings ascribed in this section unless
9141 the context clearly indicates otherwise:

9142 (a) "Qualified business or industry" means any
9143 corporation, limited liability company, partnership, sole
9144 proprietorship, business trust or other legal entity and subunits
9145 or affiliates thereof, pursuant to rules and regulations of the
9146 MDA, which provides an average annual salary, excluding benefits
9147 which are not subject to Mississippi income taxes, of at least one
9148 hundred twenty-five percent (125%) of the most recently published
9149 state average annual wage or the most recently published average
9150 annual wage of the county in which the qualified business or
9151 industry is located as determined by the Mississippi Department of
9152 Employment Security, whichever is the lesser. An establishment
9153 shall not be considered to be a qualified business or industry
9154 unless it offers, or will offer within one hundred eighty (180)
9155 days of the date it receives the first incentive payment pursuant
9156 to the provisions of this chapter, a basic health benefits plan to
9157 the individuals it employs in new direct jobs in this state which
9158 is approved by the MDA. Qualified business or industry does not
9159 include retail business or gaming business;

9160 (b) "New direct job" means full-time employment in this
9161 state in a qualified business or industry that has qualified to
9162 receive an incentive payment pursuant to this chapter, which
9163 employment did not exist in this state before the date of approval



9164 by the MDA of the application of the qualified business or
9165 industry pursuant to the provisions of this chapter. "New direct
9166 job" shall include full-time employment in this state of employees
9167 who are employed by an entity other than the establishment that
9168 has qualified to receive an incentive payment and who are leased
9169 to the qualified business or industry, if such employment did not
9170 exist in this state before the date of approval by the MDA of the
9171 application of the establishment;

9172 (c) "Full-time job" means a job of at least thirty-five
9173 (35) hours per week;

9174 (d) "Estimated direct state benefits" means the tax
9175 revenues projected by the MDA to accrue to the state as a result
9176 of the qualified business or industry;

9177 (e) "Estimated direct state costs" means the costs
9178 projected by the MDA to accrue to the state as a result of the
9179 qualified business or industry;

9180 (f) "Estimated net direct state benefits" means the
9181 estimated direct state benefits less the estimated direct state
9182 costs;

9183 (g) "Net benefit rate" means the estimated net direct
9184 state benefits computed as a percentage of gross payroll, provided
9185 that:

9186 (i) Except as otherwise provided in this paragraph
9187 (g), the net benefit rate may be variable and shall not exceed



four percent (4%) of the gross payroll; and shall be set in the sole discretion of the MDA;

(ii) In no event shall incentive payments, cumulatively, exceed the estimated net direct state benefits;

(h) "Gross payroll" means wages for new direct jobs of the qualified business or industry; and

(i) "MDA" means the Mississippi Development Authority.

[For businesses or industries that received or applied for incentive payments from and after July 1, 2005, but prior to July 1, 2010, this section shall read as follows:]

57-62-5. As used in this chapter, the following words and phrases shall have the meanings ascribed in this section unless the context clearly indicates otherwise:

(a) "Qualified business or industry" means any corporation, limited liability company, partnership, sole proprietorship, business trust or other legal entity and subunits or affiliates thereof, pursuant to rules and regulations of the MDA, which:

(i) Is a data/information processing enterprise meeting minimum criteria established by the MDA that provides an average annual salary, excluding benefits which are not subject to Mississippi income taxes, of at least one hundred percent (100%) of the most recently published state average annual wage or the most recently published average annual wage of the county in which the qualified business or industry is located as determined by the



9213 Mississippi Department of Employment Security, whichever is the
9214 lesser, and creates not less than two hundred (200) new direct
9215 jobs if the enterprise is located in a Tier One or Tier Two area
9216 (as such areas are designated in accordance with Section
9217 57-73-21), or which creates not less than one hundred (100) new
9218 jobs if the enterprise is located in a Tier Three area (as such
9219 areas are designated in accordance with Section 57-73-21);

9220 (ii) Is a manufacturing or distribution enterprise
9221 meeting minimum criteria established by the MDA that provides an
9222 average annual salary, excluding benefits which are not subject to
9223 Mississippi income taxes, of at least one hundred ten percent
9224 (110%) of the most recently published state average annual wage or
9225 the most recently published average annual wage of the county in
9226 which the qualified business or industry is located as determined
9227 by the Mississippi Department of Employment Security, whichever is
9228 the lesser, invests not less than Twenty Million Dollars
9229 (\$20,000,000.00) in land, buildings and equipment, and creates not
9230 less than fifty (50) new direct jobs if the enterprise is located
9231 in a Tier One or Tier Two area (as such areas are designated in
9232 accordance with Section 57-73-21), or which creates not less than
9233 twenty (20) new jobs if the enterprise is located in a Tier Three
9234 area (as such areas are designated in accordance with Section
9235 57-73-21);

9236 (iii) Is a corporation, limited liability company,
9237 partnership, sole proprietorship, business trust or other legal



9238 entity and subunits or affiliates thereof, pursuant to rules and
9239 regulations of the MDA, which provides an average annual salary,
9240 excluding benefits which are not subject to Mississippi income
9241 taxes, of at least one hundred twenty-five percent (125%) of the
9242 most recently published state average annual wage or the most
9243 recently published average annual wage of the county in which the
9244 qualified business or industry is located as determined by the
9245 Mississippi Department of Employment Security, whichever is the
9246 lesser, and creates not less than twenty-five (25) new direct jobs
9247 if the enterprise is located in a Tier One or Tier Two area (as
9248 such areas are designated in accordance with Section 57-73-21), or
9249 which creates not less than ten (10) new jobs if the enterprise is
9250 located in a Tier Three area (as such areas are designated in
9251 accordance with Section 57-73-21). An establishment shall not be
9252 considered to be a qualified business or industry unless it
9253 offers, or will offer within one hundred eighty (180) days of the
9254 date it receives the first incentive payment pursuant to the
9255 provisions of this chapter, a basic health benefits plan to the
9256 individuals it employs in new direct jobs in this state which is
9257 approved by the MDA. Qualified business or industry does not
9258 include retail business or gaming business; or

9259 (iv) Is a research and development or a technology
9260 intensive enterprise meeting minimum criteria established by the
9261 MDA that provides an average annual salary, excluding benefits
9262 which are not subject to Mississippi income taxes, of at least one



9263 hundred fifty percent (150%) of the most recently published state
9264 average annual wage or the most recently published average annual
9265 wage of the county in which the qualified business or industry is
9266 located as determined by the Mississippi Department of Employment
9267 Security, whichever is the lesser, and creates not less than ten
9268 (10) new direct jobs.

9269 An establishment shall not be considered to be a qualified
9270 business or industry unless it offers, or will offer within one
9271 hundred eighty (180) days of the date it receives the first
9272 incentive payment pursuant to the provisions of this chapter, a
9273 basic health benefits plan to the individuals it employs in new
9274 direct jobs in this state which is approved by the MDA. Qualified
9275 business or industry does not include retail business or gaming
9276 business.

9277 (b) "New direct job" means full-time employment in this
9278 state in a qualified business or industry that has qualified to
9279 receive an incentive payment pursuant to this chapter, which
9280 employment did not exist in this state before the date of approval
9281 by the MDA of the application of the qualified business or
9282 industry pursuant to the provisions of this chapter. "New direct
9283 job" shall include full-time employment in this state of employees
9284 who are employed by an entity other than the establishment that
9285 has qualified to receive an incentive payment and who are leased
9286 to the qualified business or industry, if such employment did not



9287 exist in this state before the date of approval by the MDA of the
9288 application of the establishment.

9289 (c) "Full-time job" or "full-time employment" means a
9290 job of at least thirty-five (35) hours per week.

9291 (d) "Estimated direct state benefits" means the tax
9292 revenues projected by the MDA to accrue to the state as a result
9293 of the qualified business or industry.

9294 (e) "Estimated direct state costs" means the costs
9295 projected by the MDA to accrue to the state as a result of the
9296 qualified business or industry.

9297 (f) "Estimated net direct state benefits" means the
9298 estimated direct state benefits less the estimated direct state
9299 costs.

9300 (g) "Net benefit rate" means the estimated net direct
9301 state benefits computed as a percentage of gross payroll, provided
9302 that:

9303 (i) Except as otherwise provided in this paragraph
9304 (g), the net benefit rate may be variable and shall not exceed
9305 four percent (4%) of the gross payroll; and shall be set in the
9306 sole discretion of the MDA;

9307 (ii) In no event shall incentive payments,
9308 cumulatively, exceed the estimated net direct state benefits.

9309 (h) "Gross payroll" means wages for new direct jobs of
9310 the qualified business or industry.

9311 (i) "MDA" means the Mississippi Development Authority.



9312 **[For businesses or industries that apply for incentive**
9313 **payments from and after July 1, 2010, this section shall read as**
9314 **follows:]**

9315 57-62-5. As used in this chapter, the following words and
9316 phrases shall have the meanings ascribed in this section unless
9317 the context clearly indicates otherwise:

9318 (a) "Qualified business or industry" means any
9319 corporation, limited liability company, partnership, sole
9320 proprietorship, business trust or other legal entity and subunits
9321 or affiliates thereof, pursuant to rules and regulations of the
9322 MDA, which:

9323 (i) Is a data/information processing enterprise
9324 meeting minimum criteria established by the MDA that provides an
9325 average annual salary, excluding benefits which are not subject to
9326 Mississippi income taxes, of at least one hundred percent (100%)
9327 of the most recently published state average annual wage or the
9328 most recently published average annual wage of the county in which
9329 the qualified business or industry is located as determined by the
9330 Mississippi Department of Employment Security, whichever is the
9331 lesser, and creates not less than two hundred (200) new direct
9332 jobs;

9333 (ii) Is a corporation, limited liability company,
9334 partnership, sole proprietorship, business trust or other legal
9335 entity and subunits or affiliates thereof, pursuant to rules and
9336 regulations of the MDA, which provides an average annual salary,



9337 excluding benefits which are not subject to Mississippi income
9338 taxes, of at least one hundred ten percent (110%) of the most
9339 recently published state average annual wage or the most recently
9340 published average annual wage of the county in which the qualified
9341 business or industry is located as determined by the Mississippi
9342 Department of Employment Security, whichever is the lesser, and
9343 creates not less than twenty-five (25) new direct jobs; or

9344 (iii) Is a corporation, limited liability company,
9345 partnership, sole proprietorship, business trust or other legal
9346 entity and subunits or affiliates thereof, pursuant to rules and
9347 regulations of the MDA, which is a manufacturer that:

9348 1. Provides an average annual salary,
9349 excluding benefits which are not subject to Mississippi income
9350 taxes, of at least one hundred ten percent (110%) of the most
9351 recently published state average annual wage or the most recently
9352 published average annual wage of the county in which the qualified
9353 business or industry is located as determined by the Mississippi
9354 Department of Employment Security, whichever is the lesser;

9355 2. Has a minimum of five thousand (5,000)
9356 existing employees as of the last day of the previous calendar
9357 year; and

9358 3. MDA determines will create not less than
9359 three thousand (3,000) new direct jobs within forty-eight (48)
9360 months of the date the MDA determines that the applicant is
9361 qualified to receive incentive payments.



9362 An establishment shall not be considered to be a qualified
9363 business or industry unless it offers, or will offer within one
9364 hundred eighty (180) days of the date it receives the first
9365 incentive payment pursuant to the provisions of this chapter, a
9366 basic health benefits plan to the individuals it employs in new
9367 direct jobs in this state which is approved by the MDA. Qualified
9368 business or industry does not include retail business or gaming
9369 business, or any medical cannabis establishment as defined in the
9370 Mississippi Medical Cannabis Act.

9371 (b) "New direct job" means full-time employment in this
9372 state in a qualified business or industry that has qualified to
9373 receive an incentive payment pursuant to this chapter, which
9374 employment did not exist in this state:

9375 (i) Before the date of approval by the MDA of the
9376 application of the qualified business or industry pursuant to the
9377 provisions of this chapter; or

9378 (ii) Solely with respect to any farm equipment
9379 manufacturer that locates its North American headquarters to
9380 Mississippi between January 1, 2018, and December 31, 2020, before
9381 a specific date determined by the MDA that falls on or after the
9382 date that the MDA first issues to such farm equipment manufacturer
9383 one or more written commitments or offers of any incentives in
9384 connection with the new headquarters project and related
9385 facilities expected to result in the creation of such new job.



"New direct job" shall include full-time employment in this state of employees who are employed by an entity other than the establishment that has qualified to receive an incentive payment and who are leased to the qualified business or industry, if such employment did not exist in this state before the date of approval by the MDA of the application of the establishment.

(c) "Full-time job" or "full-time employment" means a job of at least thirty-five (35) hours per week.

(d) "Gross payroll" means wages for new direct jobs of the qualified business or industry.

(e) "MDA" means the Mississippi Development Authority.

SECTION 89. Section 57-69-3, Mississippi Code of 1972, is amended as follows:

57-69-3. Unless the context requires otherwise, the following words shall have the following meanings for the purposes of this chapter:

(a) "Class of contract basis" means an entire group of contracts having a common characteristic.

(b) "Commercially useful function" means being responsible for execution of a contract or a distinct element of the work under a contract by actually performing, managing, and supervising the work involved.

(c) "Contract" means all types of state agreements, regardless of what they may be called, for the purchase of



9410 supplies or services or for construction or major repairs.
9411 "Contract" includes the following:
9412 (i) Awards and notices of award.
9413 (ii) Contracts of a fixed price, cost,
9414 cost-plus-a-fixed-fee, or incentive types.
9415 (iii) Contracts providing for the issuance of job
9416 or task orders.
9417 (iv) Leases.
9418 (v) Letter contracts.
9419 (vi) Purchase orders.
9420 (vii) Any supplemental agreements with respect to
9421 (i) through (vi) of this * * * paragraph.
9422 (d) "Contracting base" means the dollar amount of
9423 contracts for public works and procurement of goods and services
9424 awarded by a state agency or a state educational institution
9425 during a fiscal year.
9426 (e) "Contract by contract basis" means a single
9427 contract within a specific class of contracts.
9428 (f) "Contractor" means a party who enters into a
9429 contract to provide a state or educational institution with goods
9430 or services, including construction, or a subcontractor or
9431 sublessee of such a party.
9432 (g) "Director" means the Executive Director of the
9433 Office of Minority Business Enterprises of the Mississippi
9434 Development Authority.



9435 (h) "Educational institutions" means the state
9436 universities, vocational institutions, and any other
9437 state-supported educational institutions.

9438 (i) "Joint venture" means an association of two (2) or
9439 more persons or businesses to carry out a single business
9440 enterprise for profit for which purpose they combine their
9441 property, capital, efforts, skills, and knowledge, and in which
9442 they exercise control and share in profits and losses in
9443 proportion to their contribution to the enterprise.

9444 (j) "Minority" means a person who is a citizen or
9445 lawful permanent resident of the United States and who is:

9446 (i) Black: having origins in any of the black
9447 racial groups of Africa.

9448 (ii) Hispanic: of Mexican, Puerto Rican, Cuban,
9449 Central or South American, or other Spanish or Portuguese culture
9450 or origin regardless of race.

9451 (iii) Asian American: having origins in any of
9452 the original peoples of the Far East, Southeast Asia, the Indian
9453 subcontinent, or the Pacific Islands.

9454 (iv) American Indian or Alaskan Native: having
9455 origins in any of the original peoples of North America.

9456 (v) Female.

9457 (k) "Minority business enterprise" or "minority owned
9458 business" means a socially and economically disadvantaged small
9459 business concern organized for profit performing a commercially



9460 useful function which is owned and controlled by one or more
9461 individuals or minority business enterprises certified by the
9462 office, at least seventy-five percent (75%) of whom are resident
9463 citizens of the State of Mississippi. For purposes of this
9464 paragraph, the term "socially and economically disadvantaged small
9465 business concern" shall have the meaning ascribed to such term
9466 under the Small Business Act (15 USCS, Section 637(a)). Owned and
9467 controlled means a business in which one or more minorities or
9468 minority business enterprises certified by the office own at least
9469 fifty-one percent (51%) or in the case of a corporation at least
9470 fifty-one percent (51%) of the voting stock and control at least
9471 fifty-one percent (51%) of the management and daily business
9472 operations of the business. The term "minority business
9473 enterprise" does not include any medical cannabis establishment as
9474 defined in the Mississippi Medical Cannabis Act.

9475 (1) "Minority business enterprise supplier" means a
9476 socially and economically disadvantaged small business concern
9477 which is owned and controlled by one or more individuals, at least
9478 seventy-five percent (75%) of whom are resident citizens of the
9479 State of Mississippi. For purposes of this paragraph, the term
9480 "socially and economically disadvantaged small business concern"
9481 shall have the meaning ascribed to such term under the Small
9482 Business Act (15 USCS, Section 637(a)) except that the net worth
9483 of the business may not be greater than Seven Hundred Fifty
9484 Thousand Dollars (\$750,000.00). Owned and controlled means a



9485 business in which one or more minorities own at least fifty-one
9486 percent (51%) or in the case of a corporation at least fifty-one
9487 percent (51%) of the voting stock and control at least fifty-one
9488 percent (51%) of the management and daily business operations of
9489 the business. The term "minority business enterprise supplier"
9490 does not include any medical cannabis establishment as defined in
9491 the Mississippi Medical Cannabis Act.

9492 (m) "Office" means the Office of Minority Business
9493 Enterprises of the Mississippi Development Authority.

9494 (n) "Procurement" means the purchase, lease, or rental
9495 of any goods or services.

9496 (o) "Commodities" means the various items described in
9497 Section 31-7-1(e).

9498 (p) "Professional services" means all personal service
9499 contracts utilized by state agencies and institutions.

9500 (q) "Small business" means a small business as defined
9501 by the Small Business Administration of the United States
9502 government which for purposes of size eligibility or other factors
9503 meets the applicable criteria set forth in Part 121 of Title 13 of
9504 the Code of Federal Regulations as amended, and which has its
9505 principal place of business in Mississippi.

9506 (r) "State agency" includes the State of Mississippi
9507 and all agencies, departments, offices, divisions, boards,
9508 commissions, and correctional and other types of institutions.
9509 "State agency" does not include the Mississippi Department of



9510 Transportation nor the judicial or legislative branches of
9511 government except to the extent that procurement or public works
9512 for these branches is performed by a state agency.

9513 **SECTION 90.** Section 57-71-5, Mississippi Code of 1972, is
9514 amended as follows:

9515 57-71-5. The following words and phrases when used in this
9516 act shall have the meaning given to them in this section unless
9517 the context clearly indicates otherwise:

9518 (a) "MBFC" or "company" means the Mississippi Business
9519 Finance Corporation.

9520 (b) "Private company" means any agricultural,
9521 aquacultural, horticultural, industrial, manufacturing or research
9522 and development enterprise or enterprises, or the lessor thereof,
9523 or any commercial enterprise approved by the Mississippi Business
9524 Finance Corporation; however, the term "private company" shall not
9525 include any business, corporation or entity having a gaming
9526 license issued under Section 75-76-1 et seq., or any medical
9527 cannabis establishment as defined in the Mississippi Medical
9528 Cannabis Act.

9529 (c) "Qualified financial institution" means any
9530 commercial bank or savings and loan institution approved by the
9531 Mississippi Business Finance Corporation to provide letters of
9532 credit under this act.



9533 (d) "Letter of credit" means a letter of credit
9534 obligation from a qualified financial institution approved by the
9535 Mississippi Business Finance Corporation.

9536 (e) "Planning and development districts" means the
9537 organized planning and development districts in Mississippi.

9538 (f) "Director" means the Executive Director of the
9539 Mississippi Business Finance Corporation.

9540 (g) "Seller" means the State Bond Commission.

9541 **SECTION 91.** Section 57-73-21, Mississippi Code of 1972, is
9542 amended as follows:

9543 **[In cases involving business enterprises that received or**
9544 **applied for the job tax credit authorized by this section prior to**
9545 **January 1, 2005, this section shall read as follows:]**

9546 57-73-21. (1) Annually by December 31, using the most
9547 current data available from the University Research Center,
9548 Mississippi Department of Employment Security and the United
9549 States Department of Commerce, the State Tax Commission shall rank
9550 and designate the state's counties as provided in this section.
9551 The twenty-eight (28) counties in this state having a combination
9552 of the highest unemployment rate and lowest per capita income for
9553 the most recent thirty-six-month period, with equal weight being
9554 given to each category, are designated Tier Three areas. The
9555 twenty-seven (27) counties in the state with a combination of the
9556 next highest unemployment rate and next lowest per capita income
9557 for the most recent thirty-six-month period, with equal weight



9558 being given to each category, are designated Tier Two areas. The
9559 twenty-seven (27) counties in the state with a combination of the
9560 lowest unemployment rate and the highest per capita income for the
9561 most recent thirty-six-month period, with equal weight being given
9562 to each category, are designated Tier One areas. Counties
9563 designated by the Tax Commission qualify for the appropriate tax
9564 credit for jobs as provided in subsections (2), (3) and (4) of
9565 this section. The designation by the Tax Commission is effective
9566 for the tax years of permanent business enterprises which begin
9567 after the date of designation. For companies which plan an
9568 expansion in their labor forces, the Tax Commission shall
9569 prescribe certification procedures to ensure that the companies
9570 can claim credits in future years without regard to whether or not
9571 a particular county is removed from the list of Tier Three or Tier
9572 Two areas.

9573 (2) Permanent business enterprises primarily engaged in
9574 manufacturing, processing, warehousing, distribution, wholesaling
9575 and research and development, or permanent business enterprises
9576 designated by rule and regulation of the Mississippi Development
9577 Authority as air transportation and maintenance facilities, final
9578 destination or resort hotels having a minimum of one hundred fifty
9579 (150) guest rooms, recreational facilities that impact tourism,
9580 movie industry studios, telecommunications enterprises, data or
9581 information processing enterprises or computer software
9582 development enterprises or any technology intensive facility or



9583 enterprise, in counties designated by the Tax Commission as Tier
9584 Three areas are allowed a job tax credit for taxes imposed by
9585 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually
9586 for each net new full-time employee job for five (5) years
9587 beginning with years two (2) through six (6) after the creation of
9588 the job; however, if the permanent business enterprise is located
9589 in an area that has been declared by the Governor to be a disaster
9590 area and as a direct result of the disaster the permanent business
9591 enterprise is unable to maintain the required number of jobs, the
9592 Chairman of the State Tax Commission may extend this time period
9593 for not more two (2) years. The number of new full-time jobs must
9594 be determined by comparing the monthly average number of full-time
9595 employees subject to the Mississippi income tax withholding for
9596 the taxable year with the corresponding period of the prior
9597 taxable year. Only those permanent businesses that increase
9598 employment by ten (10) or more in a Tier Three area are eligible
9599 for the credit. Credit is not allowed during any of the five (5)
9600 years if the net employment increase falls below ten (10). The
9601 Tax Commission shall adjust the credit allowed each year for the
9602 net new employment fluctuations above the minimum level of ten
9603 (10).

9604 (3) Permanent business enterprises primarily engaged in
9605 manufacturing, processing, warehousing, distribution, wholesaling
9606 and research and development, or permanent business enterprises
9607 designated by rule and regulation of the Mississippi Development



9608 Authority as air transportation and maintenance facilities, final
9609 destination or resort hotels having a minimum of one hundred fifty
9610 (150) guest rooms, recreational facilities that impact tourism,
9611 movie industry studios, telecommunications enterprises, data or
9612 information processing enterprises or computer software
9613 development enterprises or any technology intensive facility or
9614 enterprise, in counties that have been designated by the Tax
9615 Commission as Tier Two areas are allowed a job tax credit for
9616 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
9617 (\$1,000.00) annually for each net new full-time employee job for
9618 five (5) years beginning with years two (2) through six (6) after
9619 the creation of the job; however, if the permanent business
9620 enterprise is located in an area that has been declared by the
9621 Governor to be a disaster area and as a direct result of the
9622 disaster the permanent business enterprise is unable to maintain
9623 the required number of jobs, the Chairman of the State Tax
9624 Commission may extend this time period for not more two (2) years.
9625 The number of new full-time jobs must be determined by comparing
9626 the monthly average number of full-time employees subject to
9627 Mississippi income tax withholding for the taxable year with the
9628 corresponding period of the prior taxable year. Only those
9629 permanent businesses that increase employment by fifteen (15) or
9630 more in Tier Two areas are eligible for the credit. The credit is
9631 not allowed during any of the five (5) years if the net employment
9632 increase falls below fifteen (15). The Tax Commission shall



9633 adjust the credit allowed each year for the net new employment
9634 fluctuations above the minimum level of fifteen (15).

9635 (4) Permanent business enterprises primarily engaged in
9636 manufacturing, processing, warehousing, distribution, wholesaling
9637 and research and development, or permanent business enterprises
9638 designated by rule and regulation of the Mississippi Development
9639 Authority as air transportation and maintenance facilities, final
9640 destination or resort hotels having a minimum of one hundred fifty
9641 (150) guest rooms, recreational facilities that impact tourism,
9642 movie industry studios, telecommunications enterprises, data or
9643 information processing enterprises or computer software
9644 development enterprises or any technology intensive facility or
9645 enterprise, in counties designated by the Tax Commission as Tier
9646 One areas are allowed a job tax credit for taxes imposed by
9647 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually
9648 for each net new full-time employee job for five (5) years
9649 beginning with years two (2) through six (6) after the creation of
9650 the job; however, if the permanent business enterprise is located
9651 in an area that has been declared by the Governor to be a disaster
9652 area and as a direct result of the disaster the permanent business
9653 enterprise is unable to maintain the required number of jobs, the
9654 Chairman of the State Tax Commission may extend this time period
9655 for not more than two (2) years. The number of new full-time jobs
9656 must be determined by comparing the monthly average number of
9657 full-time employees subject to Mississippi income tax withholding



9658 for the taxable year with the corresponding period of the prior
9659 taxable year. Only those permanent businesses that increase
9660 employment by twenty (20) or more in Tier One areas are eligible
9661 for the credit. The credit is not allowed during any of the five
9662 (5) years if the net employment increase falls below twenty (20).
9663 The Tax Commission shall adjust the credit allowed each year for
9664 the net new employment fluctuations above the minimum level of
9665 twenty (20).

9666 (5) In addition to the credits authorized in subsections
9667 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)
9668 credit for each net new full-time employee or an additional One
9669 Thousand Dollars (\$1,000.00) credit for each net new full-time
9670 employee who is paid a salary, excluding benefits which are not
9671 subject to Mississippi income taxation, of at least one hundred
9672 twenty-five percent (125%) of the average annual wage of the state
9673 or an additional Two Thousand Dollars (\$2,000.00) credit for each
9674 net new full-time employee who is paid a salary, excluding
9675 benefits which are not subject to Mississippi income taxation, of
9676 at least two hundred percent (200%) of the average annual wage of
9677 the state, shall be allowed for any company establishing or
9678 transferring its national or regional headquarters from within or
9679 outside the State of Mississippi. A minimum of thirty-five (35)
9680 jobs must be created to qualify for the additional credit. The
9681 State Tax Commission shall establish criteria and prescribe
9682 procedures to determine if a company qualifies as a national or



9683 regional headquarters for purposes of receiving the credit awarded
9684 in this subsection. As used in this subsection, the average
9685 annual wage of the state is the most recently published average
9686 annual wage as determined by the Mississippi Department of
9687 Employment Security.

9688 (6) In addition to the credits authorized in subsections
9689 (2), (3), (4) and (5), any job requiring research and development
9690 skills (chemist, engineer, etc.) shall qualify for an additional
9691 One Thousand Dollars (\$1,000.00) credit for each net new full-time
9692 employee.

9693 (7) In lieu of the tax credits provided in subsections (2)
9694 through (6), any commercial or industrial property owner which
9695 remediates contaminated property in accordance with Sections
9696 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
9697 imposed by Section 27-7-5 equal to the amounts provided in
9698 subsection (2), (3) or (4) for each net new full-time employee job
9699 for five (5) years beginning with years two (2) through six (6)
9700 after the creation of the job. The number of new full-time jobs
9701 must be determined by comparing the monthly average number of
9702 full-time employees subject to Mississippi income tax withholding
9703 for the taxable year with the corresponding period of the prior
9704 taxable year. This subsection shall be administered in the same
9705 manner as subsections (2), (3) and (4), except the landowner shall
9706 not be required to increase employment by the levels provided in
9707 subsections (2), (3) and (4) to be eligible for the tax credit.



9708 (8) Tax credits for five (5) years for the taxes imposed by
9709 Section 27-7-5 shall be awarded for additional net new full-time
9710 jobs created by business enterprises qualified under subsections
9711 (2), (3), (4), (5), (6) and (7) of this section. Except as
9712 otherwise provided, the Tax Commission shall adjust the credit
9713 allowed in the event of employment fluctuations during the
9714 additional five (5) years of credit.

9715 (9) (a) The sale, merger, acquisition, reorganization,
9716 bankruptcy or relocation from one (1) county to another county
9717 within the state of any business enterprise may not create new
9718 eligibility in any succeeding business entity, but any unused job
9719 tax credit may be transferred and continued by any transferee of
9720 the business enterprise. The Tax Commission shall determine
9721 whether or not qualifying net increases or decreases have occurred
9722 or proper transfers of credit have been made and may require
9723 reports, promulgate regulations, and hold hearings as needed for
9724 substantiation and qualification.

9725 (b) This subsection shall not apply in cases in which a
9726 business enterprise has ceased operation, laid off all its
9727 employees and is subsequently acquired by another unrelated
9728 business entity that continues operation of the enterprise in the
9729 same or a similar type of business. In such a case the succeeding
9730 business entity shall be eligible for the credit authorized by
9731 this section unless the cessation of operation of the business



9732 enterprise was for the purpose of obtaining new eligibility for
9733 the credit.

9734 (10) Any tax credit claimed under this section but not used
9735 in any taxable year may be carried forward for five (5) years from
9736 the close of the tax year in which the qualified jobs were
9737 established but the credit established by this section taken in
9738 any one (1) tax year must be limited to an amount not greater than
9739 fifty percent (50%) of the taxpayer's state income tax liability
9740 which is attributable to income derived from operations in the
9741 state for that year. If the permanent business enterprise is
9742 located in an area that has been declared by the Governor to be a
9743 disaster area and as a direct result of the disaster the business
9744 enterprise is unable to use the existing carryforward, the
9745 Chairman of the State Tax Commission may extend the period that
9746 the credit may be carried forward for a period of time not to
9747 exceed two (2) years.

9748 (11) No business enterprise for the transportation,
9749 handling, storage, processing or disposal of hazardous waste is
9750 eligible to receive the tax credits provided in this section.

9751 (12) The credits allowed under this section shall not be
9752 used by any business enterprise or corporation other than the
9753 business enterprise actually qualifying for the credits.

9754 (13) The tax credits provided for in this section shall be
9755 in addition to any tax credits described in Sections 57-51-13(b),
9756 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official



9757 action by the Mississippi Development Authority prior to July 1,
9758 1989, to any business enterprise determined prior to July 1, 1989,
9759 by the Mississippi Development Authority to be a qualified
9760 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
9761 a qualified company as described in Section 57-53-1, as the case
9762 may be; however, from and after July 1, 1989, tax credits shall be
9763 allowed only under either this section or Sections 57-51-13(b),
9764 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
9765 employee.

9766 (14) As used in this section, the term "telecommunications
9767 enterprises" means entities engaged in the creation, display,
9768 management, storage, processing, transmission or distribution for
9769 compensation of images, text, voice, video or data by wire or by
9770 wireless means, or entities engaged in the construction, design,
9771 development, manufacture, maintenance or distribution for
9772 compensation of devices, products, software or structures used in
9773 the above activities. Companies organized to do business as
9774 commercial broadcast radio stations, television stations or news
9775 organizations primarily serving in-state markets shall not be
9776 included within the definition of the term "telecommunications
9777 enterprises."

9778 **[In cases involving business enterprises that apply for the**
9779 **job tax credit authorized by this section from and after January**
9780 **1, 2005, this section shall read as follows:]**



9781 57-73-21. (1) Annually by December 31, using the most
9782 current data available from the University Research Center,
9783 Mississippi Department of Employment Security and the United
9784 States Department of Commerce, the Department of Revenue shall
9785 rank and designate the state's counties as provided in this
9786 section. The twenty-eight (28) counties in this state having a
9787 combination of the highest unemployment rate and lowest per capita
9788 income for the most recent thirty-six-month period, with equal
9789 weight being given to each category, are designated Tier Three
9790 areas. The twenty-seven (27) counties in the state with a
9791 combination of the next highest unemployment rate and next lowest
9792 per capita income for the most recent thirty-six-month period,
9793 with equal weight being given to each category, are designated
9794 Tier Two areas. The twenty-seven (27) counties in the state with
9795 a combination of the lowest unemployment rate and the highest per
9796 capita income for the most recent thirty-six-month period, with
9797 equal weight being given to each category, are designated Tier One
9798 areas. Counties designated by the Department of Revenue qualify
9799 for the appropriate tax credit for jobs as provided in this
9800 section. The designation by the Department of Revenue is
9801 effective for the tax years of permanent business enterprises
9802 which begin after the date of designation. For companies which
9803 plan an expansion in their labor forces, the Department of Revenue
9804 shall prescribe certification procedures to ensure that the
9805 companies can claim credits in future years without regard to



9806 whether or not a particular county is removed from the list of
9807 Tier Three or Tier Two areas.

9808 (2) Permanent business enterprises in counties designated by
9809 the Department of Revenue as Tier Three areas are allowed a job
9810 tax credit for taxes imposed by Section 27-7-5 equal to ten
9811 percent (10%) of the payroll of the enterprise for net new
9812 full-time employee jobs for five (5) years beginning with years
9813 two (2) through six (6) after the creation of the minimum number
9814 of jobs required by this subsection; however, if the permanent
9815 business enterprise is located in an area that has been declared
9816 by the Governor to be a disaster area and as a direct result of
9817 the disaster the permanent business enterprise is unable to
9818 maintain the required number of jobs, the Commissioner of Revenue
9819 may extend this time period for not more than two (2) years. The
9820 number of new full-time jobs must be determined by comparing the
9821 monthly average number of full-time employees subject to the
9822 Mississippi income tax withholding for the taxable year with the
9823 corresponding period of the prior taxable year. Only those
9824 permanent business enterprises that increase employment by ten
9825 (10) or more in a Tier Three area are eligible for the credit.
9826 Credit is not allowed during any of the five (5) years if the net
9827 employment increase falls below ten (10). The Department of
9828 Revenue shall adjust the credit allowed each year for the net new
9829 employment fluctuations above the minimum level of ten (10).
9830 Medical cannabis establishments as defined in the Mississippi



9831 Medical Cannabis Act shall not be eligible for the tax credit
9832 authorized in this subsection (2).

9833 (3) Permanent business enterprises in counties that have
9834 been designated by the Department of Revenue as Tier Two areas are
9835 allowed a job tax credit for taxes imposed by Section 27-7-5 equal
9836 to five percent (5%) of the payroll of the enterprise for net new
9837 full-time employee jobs for five (5) years beginning with years
9838 two (2) through six (6) after the creation of the minimum number
9839 of jobs required by this subsection; however, if the permanent
9840 business enterprise is located in an area that has been declared
9841 by the Governor to be a disaster area and as a direct result of
9842 the disaster the permanent business enterprise is unable to
9843 maintain the required number of jobs, the Commissioner of Revenue
9844 may extend this time period for not more than two (2) years. The
9845 number of new full-time jobs must be determined by comparing the
9846 monthly average number of full-time employees subject to
9847 Mississippi income tax withholding for the taxable year with the
9848 corresponding period of the prior taxable year. Only those
9849 permanent business enterprises that increase employment by fifteen
9850 (15) or more in Tier Two areas are eligible for the credit. The
9851 credit is not allowed during any of the five (5) years if the net
9852 employment increase falls below fifteen (15). The Department of
9853 Revenue shall adjust the credit allowed each year for the net new
9854 employment fluctuations above the minimum level of fifteen (15).
9855 Medical cannabis establishments as defined in the Mississippi



9856 Medical Cannabis Act shall not be eligible for the tax credit
9857 authorized in this subsection (3).

9858 (4) Permanent business enterprises in counties designated by
9859 the Department of Revenue as Tier One areas are allowed a job tax
9860 credit for taxes imposed by Section 27-7-5 equal to two and
9861 one-half percent (2.5%) of the payroll of the enterprise for net
9862 new full-time employee jobs for five (5) years beginning with
9863 years two (2) through six (6) after the creation of the minimum
9864 number of jobs required by this subsection; however, if the
9865 permanent business enterprise is located in an area that has been
9866 declared by the Governor to be a disaster area and as a direct
9867 result of the disaster the permanent business enterprise is unable
9868 to maintain the required number of jobs, the Commissioner of
9869 Revenue may extend this time period for not more than two (2)
9870 years. The number of new full-time jobs must be determined by
9871 comparing the monthly average number of full-time employees
9872 subject to Mississippi income tax withholding for the taxable year
9873 with the corresponding period of the prior taxable year. Only
9874 those permanent business enterprises that increase employment by
9875 twenty (20) or more in Tier One areas are eligible for the credit.
9876 The credit is not allowed during any of the five (5) years if the
9877 net employment increase falls below twenty (20). The Department
9878 of Revenue shall adjust the credit allowed each year for the net
9879 new employment fluctuations above the minimum level of twenty
9880 (20). Medical cannabis establishments as defined in the



9881 Mississippi Medical Cannabis Act shall not be eligible for the tax
9882 credit authorized in this subsection (4).

9883 (5) (a) In addition to the other credits authorized in this
9884 section, an additional Five Hundred Dollars (\$500.00) credit for
9885 each net new full-time employee or an additional One Thousand
9886 Dollars (\$1,000.00) credit for each net new full-time employee who
9887 is paid a salary, excluding benefits which are not subject to
9888 Mississippi income taxation, of at least one hundred twenty-five
9889 percent (125%) of the average annual wage of the state or an
9890 additional Two Thousand Dollars (\$2,000.00) credit for each net
9891 new full-time employee who is paid a salary, excluding benefits
9892 which are not subject to Mississippi income taxation, of at least
9893 two hundred percent (200%) of the average annual wage of the
9894 state, shall be allowed for any company establishing or
9895 transferring its national or regional headquarters from within or
9896 outside the State of Mississippi. A minimum of twenty (20) jobs
9897 must be created to qualify for the additional credit. The
9898 Department of Revenue shall establish criteria and prescribe
9899 procedures to determine if a company qualifies as a national or
9900 regional headquarters for purposes of receiving the credit awarded
9901 in this paragraph (a). As used in this paragraph (a), the average
9902 annual wage of the state is the most recently published average
9903 annual wage as determined by the Mississippi Department of
9904 Employment Security. Medical cannabis establishments as defined



9905 in the Mississippi Medical Cannabis Act shall not be eligible for
9906 the tax credit authorized in this paragraph (a).

9907 (b) In addition to the other credits authorized in this
9908 section, an additional Five Hundred Dollars (\$500.00) credit for
9909 each net new full-time employee or an additional One Thousand
9910 Dollars (\$1,000.00) credit for each net new full-time employee who
9911 is paid a salary, excluding benefits which are not subject to
9912 Mississippi income taxation, of at least one hundred twenty-five
9913 percent (125%) of the average annual wage of the state or an
9914 additional Two Thousand Dollars (\$2,000.00) credit for each net
9915 new full-time employee who is paid a salary, excluding benefits
9916 which are not subject to Mississippi income taxation, of at least
9917 two hundred percent (200%) of the average annual wage of the
9918 state, shall be allowed for any company expanding or making
9919 additions after January 1, 2013, to its national or regional
9920 headquarters within the State of Mississippi. A minimum of twenty
9921 (20) new jobs must be created to qualify for the additional
9922 credit. The Department of Revenue shall establish criteria and
9923 prescribe procedures to determine if a company qualifies as a
9924 national or regional headquarters for purposes of receiving the
9925 credit awarded in this paragraph (b). As used in this paragraph
9926 (b), the average annual wage of the state is the most recently
9927 published average annual wage as determined by the Mississippi
9928 Department of Employment Security. Medical cannabis
9929 establishments as defined in the Mississippi Medical Cannabis Act



9930 shall not be eligible for the tax credit authorized in this
9931 paragraph (b).

9932 (6) In addition to the other credits authorized in this
9933 section, any job requiring research and development skills
9934 (chemist, engineer, etc.) shall qualify for an additional One
9935 Thousand Dollars (\$1,000.00) credit for each net new full-time
9936 employee. Medical cannabis establishments as defined in the
9937 Mississippi Medical Cannabis Act shall not be eligible for the tax
9938 credit authorized in this subsection (6).

9939 (7) (a) In addition to the other credits authorized in this
9940 section, any company that transfers or relocates its national or
9941 regional headquarters to the State of Mississippi from outside the
9942 State of Mississippi may receive a tax credit in an amount equal
9943 to the actual relocation costs paid by the company. A minimum of
9944 twenty (20) jobs must be created in order to qualify for the
9945 additional credit authorized under this subsection. Relocation
9946 costs for which a credit may be awarded shall be determined by the
9947 Department of Revenue and shall include those nondepreciable
9948 expenses that are necessary to relocate headquarters employees to
9949 the national or regional headquarters, including, but not limited
9950 to, costs such as travel expenses for employees and members of
9951 their households to and from Mississippi in search of homes and
9952 moving expenses to relocate furnishings, household goods and
9953 personal property of the employees and members of their
9954 households. Medical cannabis establishments as defined in the



9955 Mississippi Medical Cannabis Act shall not be eligible for the tax
9956 credit authorized in this subsection (7).

9957 (b) The tax credit authorized under this subsection
9958 shall be applied for the taxable year in which the relocation
9959 costs are paid. The maximum cumulative amount of tax credits that
9960 may be claimed by all taxpayers claiming a credit under this
9961 subsection in any one (1) state fiscal year shall not exceed One
9962 Million Dollars (\$1,000,000.00), exclusive of credits that might
9963 be carried forward from previous taxable years. A company may not
9964 receive a credit for the relocation of an employee more than one
9965 (1) time in a twelve-month period for that employee.

9966 (c) The Department of Revenue shall establish criteria
9967 and prescribe procedures to determine if a company creates the
9968 required number of jobs and qualifies as a national or regional
9969 headquarters for purposes of receiving the credit awarded in this
9970 subsection. A company desiring to claim a credit under this
9971 subsection must submit an application for such credit with the
9972 Department of Revenue in a manner prescribed by the department.

9973 (d) In order to participate in the provisions of this
9974 section, a company must certify to the Mississippi Department of
9975 Revenue that it complies with the equal pay provisions of the
9976 federal Equal Pay Act of 1963, the Americans with Disabilities Act
9977 of 1990 and the fair pay provisions of the Civil Rights Act of
9978 1964.



9979 (e) This subsection shall stand repealed on July 1,
9980 2022.

9981 (8) In lieu of the other tax credits provided in this
9982 section, any commercial or industrial property owner which
9983 remediates contaminated property in accordance with Sections
9984 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
9985 imposed by Section 27-7-5 equal to the percentage of payroll
9986 provided in subsection (2), (3) or (4) of this section for net new
9987 full-time employee jobs for five (5) years beginning with years
9988 two (2) through six (6) after the creation of the jobs. The
9989 number of new full-time jobs must be determined by comparing the
9990 monthly average number of full-time employees subject to
9991 Mississippi income tax withholding for the taxable year with the
9992 corresponding period of the prior taxable year. This subsection
9993 shall be administered in the same manner as subsections (2), (3)
9994 and (4), except the landowner shall not be required to increase
9995 employment by the levels provided in subsections (2), (3) and (4)
9996 to be eligible for the tax credit.

9997 (9) (a) Tax credits for five (5) years for the taxes
9998 imposed by Section 27-7-5 shall be awarded for increases in the
9999 annual payroll for net new full-time jobs created by business
10000 enterprises qualified under this section. The Department of
10001 Revenue shall adjust the credit allowed in the event of payroll
10002 fluctuations during the additional five (5) years of credit.



10003 (b) Tax credits for five (5) years for the taxes
10004 imposed by Section 27-7-5 shall be awarded for additional net new
10005 full-time jobs created by business enterprises qualified under
10006 subsections (5) and (6) of this section and for additional
10007 relocation costs paid by companies qualified under subsection (7)
10008 of this section. The Department of Revenue shall adjust the
10009 credit allowed in the event of employment fluctuations during the
10010 additional five (5) years of credit.

10011 (10) (a) The sale, merger, acquisition, reorganization,
10012 bankruptcy or relocation from one (1) county to another county
10013 within the state of any business enterprise may not create new
10014 eligibility in any succeeding business entity, but any unused job
10015 tax credit may be transferred and continued by any transferee of
10016 the business enterprise. The Department of Revenue shall
10017 determine whether or not qualifying net increases or decreases
10018 have occurred or proper transfers of credit have been made and may
10019 require reports, promulgate regulations, and hold hearings as
10020 needed for substantiation and qualification.

10021 (b) This subsection shall not apply in cases in which a
10022 business enterprise has ceased operation, laid off all its
10023 employees and is subsequently acquired by another unrelated
10024 business entity that continues operation of the enterprise in the
10025 same or a similar type of business. In such a case the succeeding
10026 business entity shall be eligible for the credit authorized by
10027 this section unless the cessation of operation of the business



10028 enterprise was for the purpose of obtaining new eligibility for
10029 the credit.

10030 (11) Any tax credit claimed under this section but not used
10031 in any taxable year may be carried forward for five (5) years from
10032 the close of the tax year in which the qualified jobs were
10033 established and/or headquarters relocation costs paid, as
10034 applicable, but the credit established by this section taken in
10035 any one (1) tax year must be limited to an amount not greater than
10036 fifty percent (50%) of the taxpayer's state income tax liability
10037 which is attributable to income derived from operations in the
10038 state for that year. If the permanent business enterprise is
10039 located in an area that has been declared by the Governor to be a
10040 disaster area and as a direct result of the disaster the business
10041 enterprise is unable to use the existing carryforward, the
10042 Commissioner of Revenue may extend the period that the credit may
10043 be carried forward for a period of time not to exceed two (2)
10044 years.

10045 (12) No business enterprise for the transportation,
10046 handling, storage, processing or disposal of hazardous waste is
10047 eligible to receive the tax credits provided in this section.

10048 (13) The credits allowed under this section shall not be
10049 used by any business enterprise or corporation other than the
10050 business enterprise actually qualifying for the credits.

10051 (14) As used in this section:



10052 (a) "Business enterprises" means entities primarily
10053 engaged in:

10054 (i) Manufacturing, processing, warehousing,
10055 warehousing activities, distribution, wholesaling and research and
10056 development, or

10057 (ii) Permanent business enterprises designated by
10058 rule and regulation of the Mississippi Development Authority as
10059 air transportation and maintenance facilities, final destination
10060 or resort hotels having a minimum of one hundred fifty (150) guest
10061 rooms, recreational facilities that impact tourism, movie industry
10062 studios, telecommunications enterprises, data or information
10063 processing enterprises or computer software development
10064 enterprises or any technology intensive facility or enterprise.

10065 (b) "Telecommunications enterprises" means entities
10066 engaged in the creation, display, management, storage, processing,
10067 transmission or distribution for compensation of images, text,
10068 voice, video or data by wire or by wireless means, or entities
10069 engaged in the construction, design, development, manufacture,
10070 maintenance or distribution for compensation of devices, products,
10071 software or structures used in the above activities. Companies
10072 organized to do business as commercial broadcast radio stations,
10073 television stations or news organizations primarily serving
10074 in-state markets shall not be included within the definition of
10075 the term "telecommunications enterprises."



10076 (c) "Warehousing activities" means entities that
10077 establish or expand facilities that service and support multiple
10078 retail or wholesale locations within and outside the state.
10079 Warehousing activities may be performed solely to support the
10080 primary activities of the entity, and credits generated shall
10081 offset the income of the entity based on an apportioned ratio of
10082 payroll for warehouse employees of the entity to total Mississippi
10083 payroll of the entity that includes the payroll of retail
10084 employees of the entity.

10085 (15) The tax credits provided for in this section shall be
10086 in addition to any tax credits described in Sections 57-51-13(b),
10087 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
10088 action by the Mississippi Development Authority prior to July 1,
10089 1989, to any business enterprise determined prior to July 1, 1989,
10090 by the Mississippi Development Authority to be a qualified
10091 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
10092 a qualified company as described in Section 57-53-1, as the case
10093 may be; however, from and after July 1, 1989, tax credits shall be
10094 allowed only under either this section or Sections 57-51-13(b),
10095 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
10096 employee.

10097 (16) A business enterprise that chooses to receive job
10098 training assistance pursuant to Section 57-1-451 shall not be
10099 eligible for the tax credits provided for in this section.



10100 **SECTION 92.** Section 57-80-5, Mississippi Code of 1972, is
10101 amended as follows:

10102 57-80-5. As used in this chapter, the following words and
10103 phrases shall have the meanings ascribed herein unless the context
10104 clearly indicates otherwise:

10105 (a) "Approved business enterprise" means any business
10106 enterprise seeking to locate or expand in a growth and prosperity
10107 county, which business enterprise is approved by the MDA.

10108 (b) "Business enterprise" means any new or expanded (i)
10109 industry for the manufacturing, processing, assembling, storing,
10110 warehousing, servicing, distributing or selling of any products or
10111 goods, including products of agriculture; (ii) enterprises for
10112 research and development, including, but not limited to,
10113 scientific laboratories; or (iii) such other businesses or
10114 industry as will be in furtherance of the public purposes of this
10115 chapter as determined by the MDA and which creates a minimum of
10116 ten (10) jobs. "Business enterprise" does not include retail or
10117 gaming businesses or electrical generation facilities, or medical
10118 cannabis establishments as defined in the Mississippi Medical
10119 Cannabis Act.

10120 (c) "Eligible supervisors district" means:

10121 (i) A supervisors district:

10122 1. As such district exists on January 1,
10123 2001, in which thirty percent (30%) or more of such district's
10124 population as of June 30, 2000, is at or below the federal poverty



10125 level according to the official data compiled by the United States
10126 Census Bureau as of June 30, 2000, or the official 1990 census
10127 poverty rate data (the official 1990 census poverty rate data
10128 shall not be used to make any such determination after December
10129 31, 2002); or

10130 2. In which thirty percent (30%) or more of
10131 such district's population is at or below the federal poverty
10132 level according to the latest official data compiled by the United
10133 States Census Bureau;

10134 (ii) Which is contiguous to a county that meets
10135 the criteria of Section 57-80-7(1)(b); and

10136 (iii) Which is located in a county which has been
10137 issued a certificate of public convenience and necessity under
10138 this chapter.

10139 (d) "Growth and prosperity counties" means those
10140 counties which meet the requirements of this chapter and which
10141 have by resolution or order given its consent to participate in
10142 the Growth and Prosperity Program.

10143 (e) "Local tax" means any county or municipal ad
10144 valorem tax imposed on the approved business enterprise pursuant
10145 to law, except the school portion of the tax and any portion of
10146 the tax imposed to pay the cost of providing fire and police
10147 protection.

10148 (f) "Local taxing authority" means any county or
10149 municipality which by resolution or order has given its consent to



10150 participate in the Growth and Prosperity Program acting through
10151 its respective board of supervisors or the municipal governing
10152 board, council, commission or other legal authority.

10153 (g) "MDA" means the Mississippi Development Authority.

10154 (h) "State tax" means:

10155 (i) Any sales and use tax imposed on the business
10156 enterprise pursuant to law related to the purchase of component
10157 building materials and equipment for initial construction of
10158 facilities or expansion of facilities in a growth and prosperity
10159 county or supervisors districts, as the case may be;

10160 (ii) All income tax imposed pursuant to law on
10161 income earned by the business enterprise in a growth and
10162 prosperity county, or supervisors district, as the case may be;

10163 (iii) Franchise tax imposed pursuant to law on the
10164 value of capital used, invested or employed by the business
10165 enterprise in a growth and prosperity county, or supervisors
10166 district, as the case may be; and

10167 (iv) Any sales and use tax imposed on the lease of
10168 machinery and equipment acquired in the initial construction to
10169 establish the facility or for an expansion, including, but not
10170 limited to, leases in existence prior to January 1, 2001, as
10171 certified by the MDA, in a growth and prosperity county, or
10172 supervisors district, as the case may be.

10173 **SECTION 93.** Section 57-85-5, Mississippi Code of 1972, is
10174 amended as follows:



10175 57-85-5. (1) For the purposes of this section, the
10176 following words and phrases shall have the meanings ascribed in
10177 this section unless the context clearly indicates otherwise:

10178 (a) "MDA" means the Mississippi Development Authority.

10179 (b) "Project" means construction, rehabilitation or
10180 repair of buildings; sewer systems and transportation directly
10181 affecting the site of the proposed rural business; sewer
10182 facilities, acquisition of real property, development of real
10183 property, improvements to real property, and any other project
10184 approved by the Mississippi Development Authority. The term
10185 "project" does not include any medical cannabis establishment as
10186 defined in the Mississippi Medical Cannabis Act.

10187 (c) "Rural business" means a new or existing business
10188 located or to be located in a rural community or a business or
10189 industry located or to be located within five (5) miles of a rural
10190 community. "Rural business" does not include gaming businesses or
10191 utility businesses, or medical cannabis establishments as defined
10192 in the Mississippi Medical Cannabis Act.

10193 (d) "Rural community" means a county in the State of
10194 Mississippi that meets the population criteria for the term
10195 "limited population county" as provided in Section 57-1-18.
10196 "Rural community" also means a municipality in the State of
10197 Mississippi that meets the population criteria for the term "small
10198 municipality" as provided in Section 57-1-18.



10199 (2) (a) There is created in the State Treasury a special
10200 fund to be designated as the "Mississippi Rural Impact Fund,"
10201 which shall consist of funds appropriated or otherwise made
10202 available by the Legislature in any manner and funds from any
10203 other source designated for deposit into such fund. Unexpended
10204 amounts remaining in the fund at the end of a fiscal year shall
10205 not lapse into the State General Fund, and any investment earnings
10206 or interest earned on amounts in the fund shall be deposited to
10207 the credit of the fund. Monies in the fund shall be used to make
10208 grants and loans to rural communities and loan guaranties on
10209 behalf of rural businesses to assist in completing projects under
10210 this section.

10211 (b) Monies in the fund which are derived from proceeds
10212 of bonds issued after April 15, 2003, may be used to reimburse
10213 reasonable actual and necessary costs incurred by the MDA for the
10214 administration of the various grant, loan and financial incentive
10215 programs administered by the MDA. An accounting of actual costs
10216 incurred for which reimbursement is sought shall be maintained by
10217 the MDA. Reimbursement of reasonable actual and necessary costs
10218 shall not exceed three percent (3%) of the proceeds of bonds
10219 issued. Reimbursements under this paragraph (b) shall satisfy any
10220 applicable federal tax law requirements.

10221 (c) The MDA may use monies in the fund to pay for the
10222 services of architects, engineers, attorneys and such other
10223 advisors, consultants and agents that the MDA determines are



10224 necessary to review loan and grant applications and to implement
10225 and administer the program established under this section.

10226 (d) The State Auditor may conduct performance and
10227 compliance audits under this chapter according to Section
10228 7-7-211(o) and may bill the oversight agency.

10229 (3) The MDA shall establish a program to make grants and
10230 loans to rural communities and loan guaranties on behalf of rural
10231 businesses from the Mississippi Rural Impact Fund. A rural
10232 community may apply to the MDA for a grant or loan under this
10233 section in the manner provided for in this section. A rural
10234 business may apply to the MDA for a loan guaranty under this
10235 section in the manner provided in this section.

10236 (4) A rural community desiring assistance under this section
10237 must submit an application to the MDA. The application must
10238 include a description of the project for which assistance is
10239 requested, the cost of the project for which assistance is
10240 requested and any other information required by the MDA. A rural
10241 business desiring assistance under this section must submit an
10242 application to the MDA. The application must include a
10243 description of the purpose for which assistance is requested and
10244 any other information required by the MDA. The MDA may waive any
10245 requirements of the program established under this section in
10246 order to expedite funding for unique projects.

10247 (5) The MDA shall have all powers necessary to implement and
10248 administer the program established under this section, and the MDA



10249 shall promulgate rules and regulations, in accordance with the
10250 Mississippi Administrative Procedures Law, necessary for the
10251 implementation of this section.

10252 **SECTION 94.** Section 57-91-5, Mississippi Code of 1972, is
10253 amended as follows:

10254 57-91-5. As used in this chapter, the following words and
10255 phrases shall have the meanings ascribed herein unless the context
10256 clearly indicates otherwise:

10257 (a) "Business enterprise" means any permanent business
10258 enterprise locating or relocating within a redevelopment project
10259 area, including, without limitation:

10260 (i) Industry for the manufacturing, processing,
10261 assembling, storing, warehousing, servicing, distributing or
10262 selling of any products or goods, including products of
10263 agriculture;

10264 (ii) Enterprises for research and development,
10265 including, but not limited to, scientific laboratories;

10266 (iii) Industry for the retail sale of goods and
10267 services;

10268 (iv) The industry for recreation and hospitality,
10269 including, but not limited to, restaurants, hotels and sports
10270 facilities; and

10271 (v) Such other businesses or industry as will be
10272 in furtherance of the public purposes of this chapter as
10273 determined by the MDA.



10274 The term "business enterprise" shall not include gaming
10275 businesses, or medical cannabis establishments as defined in the
10276 Mississippi Medical Cannabis Act.

10277 (b) "Contaminated site" means real property that is
10278 either (i) subject to a bankruptcy court order in which the
10279 property has been abandoned from the bankruptcy estate, or (ii)
10280 Brownfield property that is subject to a Brownfield agreement
10281 under Section 49-35-11, and the expansion, redevelopment or reuse
10282 of which is complicated by the presence or potential presence of a
10283 hazardous substance, pollutant or contaminant.

10284 (c) "County" means any county of this state.

10285 (d) "Developer" means any person who assumes certain
10286 environmental liability at a contaminated site and enters into an
10287 agreement with a redevelopment county or municipality whereby the
10288 developer agrees to undertake a redevelopment project. "Developer
10289 agreement" means said agreement.

10290 (e) "Governing body" means the board of supervisors of
10291 any county or the governing board of a municipality.

10292 (f) "Law" means any act or statute, general, special or
10293 local, of this state.

10294 (g) "MDA" means the Mississippi Development Authority.

10295 (h) "MDEQ" means the Mississippi Department of
10296 Environmental Quality.

10297 (i) "Municipality" means any incorporated municipality
10298 in the state.



10299 (j) "Person" means a natural person, partnership,
10300 association, corporation, business trust or other business entity.

10301 (k) "Redevelopment counties and municipalities" means
10302 those counties or municipalities which meet the requirements of
10303 this chapter and which have by resolution or order designated a
10304 redevelopment project area and given its consent to participate in
10305 the program established under this chapter.

10306 (l) "Redevelopment project" means a project that
10307 combines remediation of a contaminated site with the planned
10308 development of such site and surrounding land in a manner
10309 conducive to use by the public or business enterprises including
10310 the construction of recreational facilities.

10311 (m) "Redevelopment project area" means the geographic
10312 area defined by resolution of the county or municipality within
10313 which the remediation and planned development will take place
10314 containing the contaminated site and additional surrounding and
10315 adjacent land and waterfront, not exceeding six hundred fifty
10316 (650) acres, suitable for development.

10317 (n) "Resolution" means an order, resolution, ordinance,
10318 act, record of minutes or other appropriate enactment of a
10319 governing body.

10320 (o) "State taxes and fees" means any sales tax imposed
10321 on the sales or certain purchases by a business enterprise
10322 pursuant to law within a redevelopment project area, all income
10323 tax imposed pursuant to law on income earned by the approved



10324 business enterprise within a redevelopment project area and all
10325 franchise tax imposed pursuant to law on the value of capital
10326 used, invested or employed by the approved business enterprise in
10327 a redevelopment project area.

10328 **SECTION 95.** Section 57-117-3, Mississippi Code of 1972, is
10329 amended as follows:

10330 57-117-3. In this chapter:

10331 (a) "Health care industry facility" means:

10332 (i) A business engaged in the research and
10333 development of pharmaceuticals, biologics, biotechnology,
10334 diagnostic imaging, medical supplies, medical equipment or
10335 medicine and related manufacturing or processing, medical service
10336 providers, medical product distribution, or laboratory testing
10337 that creates a minimum of twenty-five (25) new full-time jobs
10338 and/or Ten Million Dollars (\$10,000,000.00) of capital investment
10339 after July 1, 2012; or

10340 (ii) A business that * * * 1. is located on land
10341 owned by or leased from an academic health science center with a
10342 medical school accredited by the Liaison Committee on Medical
10343 Education and a hospital accredited by the Joint Committee on
10344 Accreditation of Healthcare Organizations and * * * 2. creates a
10345 minimum of twenty-five (25) new jobs and/or Twenty Million Dollars
10346 (\$20,000,000.00) of capital investment after July 1, 2012.



10347 The term "health care industry facility" does not include any
10348 medical cannabis establishment as defined in the Mississippi
10349 Medical Cannabis Act.

10350 (b) "MDA" means the Mississippi Development Authority.

10351 (c) "Health care industry zone" means a geographical
10352 area certified by the MDA as provided for in Section 57-117-5.

10353 (d) "Local government unit" means any county or
10354 incorporated city, town or village in the State of Mississippi.

10355 (e) "Person" means a natural person, partnership,
10356 limited liability company, association, corporation, business
10357 trust or other business entity.

10358 (f) "Qualified business" means a business or health
10359 care industry facility that meets the requirements of Section
10360 57-117-7 and any other requirements of this chapter. The term
10361 "qualified business" does not include any medical cannabis
10362 establishment as defined in the Mississippi Medical Cannabis Act.

10363 **SECTION 96.** Section 57-119-11, Mississippi Code of 1972, is
10364 amended as follows:

10365 57-119-11. (1) MDA is further authorized, on such terms and
10366 conditions consistent with the criteria set forth in this section
10367 as it may determine, to establish programs for making loans, loan
10368 guarantees, grants and any other financial assistance from the
10369 GCRF to applicants whose projects are approved for assistance
10370 under this section. MDA shall establish criteria, rules and
10371 procedures for accepting, reviewing, granting or denying



10372 applications, and for terms and conditions of financial assistance
10373 under this section in accordance with state law. The Legislature
10374 shall appropriate monies from the GCRF to the MDA to fund the
10375 programs established under this section in an amount requested
10376 annually by MDA for such purpose.

10377 (2) Applicants who are eligible for assistance under this
10378 section include, but are not limited to, local units of
10379 government, nongovernmental organizations, institutions of higher
10380 learning, community colleges, ports, airports, public-private
10381 partnerships, private for-profit entities, private nonprofit
10382 entities, and local economic development entities.

10383 (3) MDA shall establish programs and an application process
10384 to provide assistance to applicants under this section that
10385 prioritize:

10386 (a) Projects that will impact the long-term
10387 competitiveness of the region and may result in a significant
10388 positive impact on tax base, private sector job creation and
10389 private sector investment in the region;

10390 (b) Projects that demonstrate the maximum long-term
10391 economic benefits and long-term growth potential of the region
10392 based on a financial analysis such as a cost-benefit analysis or a
10393 return-on-investment analysis;

10394 (c) Projects that demonstrate long-term financial
10395 sustainability, including clear performance metrics, over the
10396 duration of the project;



10397 (d) Projects that leverage or encourage leveraging of
10398 other private sector, local, state and federal funding sources
10399 with preference to projects that can demonstrate contributions
10400 from other sources than funds from the BP settlement;

10401 (e) Projects that are supported by multiple government
10402 or private sector entities;

10403 (f) Projects that can move quickly and efficiently to
10404 the design, engineering, and permitting phase;

10405 (g) Projects that enhance the quality of life/place and
10406 business environment of the region, including tourism and
10407 recreational opportunities;

10408 (h) Projects that expand the region's ability to
10409 attract high-growth industries or establish new high-growth
10410 industries in the region;

10411 (i) Projects that leverage or further enhance key
10412 regional assets, including educational institutions, research
10413 facilities, ports, airports, rails and military bases;

10414 (j) Projects that are transformational for the future
10415 of the region but create a wider regional impact;

10416 (k) Projects that enhance the marketability of existing
10417 industrial properties;

10418 (l) Projects that enhance a targeted industry cluster
10419 or create a Center of Excellence unique to the region;

10420 (m) Infrastructure projects for business retention and
10421 development;



10422 (n) Projects that enhance research and innovative
10423 technologies in the region; and

10424 (o) Projects that provide outcome and return on
10425 investment measures, to be judged by clear performance metrics,
10426 over the duration of the project or program.

10427 (4) The MDA shall not approve any application for assistance
10428 or provide any assistance under this section for projects that are
10429 medical cannabis establishments as defined in the Mississippi
10430 Medical Cannabis Act or for projects related in any manner to
10431 medical cannabis establishments.

10432 **SECTION 97.** Section 65-4-5, Mississippi Code of 1972, is
10433 amended as follows:

10434 65-4-5. (1) The following words when used in this chapter
10435 shall have the meanings herein ascribed unless the context
10436 otherwise clearly requires:

10437 (a) "Board" means the Mississippi Development
10438 Authority;

10439 (b) "Department" means the Mississippi Department of
10440 Transportation;

10441 (c) "High economic benefit project" means:

10442 (i) Any new investment by a private company with
10443 capital investments in land, buildings, depreciable fixed assets
10444 and improvements of at least Seventy Million Dollars
10445 (\$70,000,000.00);



10446 (ii) Any new investment of at least Twenty Million
10447 Dollars (\$20,000,000.00) by a private company having capital
10448 investments in this state in land, buildings, depreciable fixed
10449 assets and improvements of at least One Billion Dollars
10450 (\$1,000,000,000.00) in the aggregate;

10451 (iii) Public investment of at least One Hundred
10452 Million Dollars (\$100,000,000.00) to take place over a specified
10453 period of time and in accordance with a master plan duly adopted
10454 by the controlling political subdivision;

10455 (iv) Any new investments in land, buildings,
10456 depreciable fixed assets and improvements by two (2) private
10457 companies upon land that is adjacent whenever the new investments
10458 of both companies are at least Sixty Million Dollars
10459 (\$60,000,000.00) in the aggregate, and such new investments by
10460 both private companies provide for the employment of at least five
10461 hundred (500) employees in the aggregate;

10462 (v) Any project which would benefit from the
10463 construction of any highway bypass which would aid in economic
10464 development and would provide an alternate route to avoid an
10465 existing route which underpasses a railroad and which would aid in
10466 existing or proposed industry;

10467 (vi) Any master planned community;

10468 (vii) Any new investments in land, buildings,
10469 depreciable fixed assets and improvements by not more than three
10470 (3) private companies physically located within a one-half-mile



10471 radius of each other whenever the new investments of such
10472 companies are at least Sixty Million Dollars (\$60,000,000.00) in
10473 the aggregate, and such new investments by such companies provide
10474 for the employment of at least three hundred (300) new employees
10475 in the aggregate;

10476 (viii) Any new investments in land, buildings,
10477 depreciable fixed assets and improvements by two (2) or more
10478 private companies upon lands originally adjacent, but now divided
10479 by a four-lane state highway and bordered by a two-lane state
10480 highway, and the new investments of the companies are at least
10481 Fifty Million Dollars (\$50,000,000.00) in the aggregate, and a
10482 portion of such new investment will be utilized for the
10483 construction of a hospital;

10484 (ix) [Repealed]

10485 (x) Any project as defined in Section
10486 57-75-5(f)(xxi); however, the term "high economic benefit project"
10487 does not include the construction of Mississippi Highway 348;

10488 (xi) Any project as defined in Section 17-25-17;

10489 (xii) Any project which would allow access to a
10490 national intermodal facility with a minimum capital investment of
10491 One Hundred Million Dollars (\$100,000,000.00) that is located
10492 within five (5) miles of the State of Mississippi and has direct
10493 access into an industrial park within the state;

10494 (xiii) Any new investments in land, buildings and
10495 depreciable fixed assets and improvements by a private company of



10496 at least One Hundred Million Dollars (\$100,000,000.00) over a
10497 specified period of time in accordance with a defined capital
10498 improvement project approved by the board;

10499 (xiv) Any new investments in land, buildings,
10500 depreciable fixed assets and improvements of at least Fifteen
10501 Million Dollars (\$15,000,000.00) by a private company to establish
10502 a private regional or national headquarters and such new
10503 investments provide for the employment of at least one hundred
10504 (100) new employees in the aggregate over a five-year period with
10505 those new employees earning an annual average salary, excluding
10506 benefits which are not subject to Mississippi income taxes, of at
10507 least one hundred fifty percent (150%) of the most recently
10508 published state average annual wage or the most recently published
10509 average annual wage of the county in which the qualified private
10510 regional or national headquarters is located, as determined by the
10511 Mississippi Department of Employment Security, whichever is less;

10512 However, if the initial investments that a private company
10513 made in order to meet the definition of a high economic benefit
10514 project under this paragraph (c)(i) and in order to be approved
10515 for such project exceeded Fifty Million Dollars (\$50,000,000.00),
10516 or if subsequent to being approved for the initial project the
10517 same company and/or one or more other private companies made
10518 additional capital investments exceeding Fifty Million Dollars
10519 (\$50,000,000.00) in aggregate value in land, buildings,
10520 depreciable fixed assets and improvements physically attached to



10521 or forming a part of the initially planned site development, then
10522 an amount equal to fifty percent (50%) of all such investments
10523 that exceeds Fifty Million Dollars (\$50,000,000.00) shall be
10524 subtracted from the Sixty Million Dollars (\$60,000,000.00) in
10525 aggregate value of new investments required under this paragraph
10526 (c)(vii).

10527 The term "high economic benefit project" does not include any
10528 medical cannabis establishment as defined in the Mississippi
10529 Medical Cannabis Act or any form of investment related thereto;

10530 (d) "Political subdivision" means one or more counties
10531 or incorporated municipalities in the state, or a state-owned port
10532 located in a county bordering on the Gulf of Mexico;

10533 (e) "Private company" means:

10534 (i) Any agricultural, aquacultural, maricultural,
10535 processing, distribution, warehousing, manufacturing,
10536 transportation, tourism or research and development enterprise;

10537 (ii) Any air transportation and maintenance
10538 facility, regional shopping mall, hospital, large hotel, resort or
10539 movie industry studio;

10540 (iii) The federal government with respect to any
10541 specific project which meets the criteria established in paragraph
10542 (c)(i) of this subsection;

10543 (iv) Any existing or proposed industry in regard
10544 to a project described in paragraph (c)(v) of this subsection;



10545 (v) A developer with respect to any specific
10546 project which meets the criteria established in paragraph (c) (vi)
10547 of this subsection; or

10548 (vi) A tourism project approved by the
10549 board * * *.

10550 The term "private company" does not include any medical
10551 cannabis establishment as defined in the Mississippi Medical
10552 Cannabis Act;

10553 (f) "Master planned community" shall have the same
10554 meaning as that term is defined in Section 19-5-10.

10555 (2) The Mississippi Department of Transportation is hereby
10556 authorized to purchase rights-of-way and construct and maintain
10557 roads and highways authorized to be constructed pursuant to this
10558 chapter.

10559 **SECTION 98.** Section 69-2-11, Mississippi Code of 1972, is
10560 amended as follows:

10561 69-2-11. Emerging crop designations shall include, but not
10562 be limited to:

10563 (a) Blueberries;

10564 (b) Muscadines;

10565 (c) Christmas trees;

10566 (d) Aquaculture, including any species from the Gulf of
10567 Mexico and its tributaries;

10568 (e) Horticulture;

10569 (f) Rabbit farming and processing; and



10570 (g) Others designated by the * * * Mississippi
10571 Development Authority or Legislature.

10572 Emerging crop designations shall not include medical cannabis
10573 establishments as defined in the Mississippi Medical Cannabis Act.

10574 **SECTION 99.** Section 69-2-13, Mississippi Code of 1972, is
10575 amended as follows:

10576 69-2-13. (1) There is hereby established in the State
10577 Treasury a fund to be known as the "Emerging Crops Fund," which
10578 shall be used to pay the interest on loans made to farmers for
10579 nonland capital costs of establishing production of emerging crops
10580 on land in Mississippi, and to make loans and grants which are
10581 authorized under this section to be made from the fund. The fund
10582 shall be administered by the Mississippi Development Authority. A
10583 board comprised of the directors of the authority, the Mississippi
10584 Cooperative Extension Service, the Mississippi Small Farm
10585 Development Center and the Mississippi Agricultural and Forestry
10586 Experiment Station, or their designees, shall develop definitions,
10587 guidelines and procedures for the implementation of this chapter.
10588 Funds for the Emerging Crops Fund shall be provided from the
10589 issuance of bonds or notes under Sections 69-2-19 through 69-2-37
10590 and from repayment of interest loans made from the fund.

10591 (2) (a) The Mississippi Development Authority shall develop
10592 a program which gives fair consideration to making loans for the
10593 processing and manufacturing of goods and services by
10594 agribusiness, greenhouse production horticulture, and small



10595 business concerns. It is the policy of the State of Mississippi
10596 that the Mississippi Development Authority shall give due
10597 recognition to and shall aid, counsel, assist and protect, insofar
10598 as is possible, the interests of agribusiness, greenhouse
10599 production horticulture, and small business concerns. To ensure
10600 that the purposes of this subsection are carried out, the
10601 Mississippi Development Authority shall loan not more than One
10602 Million Dollars (\$1,000,000.00) to finance any single
10603 agribusiness, greenhouse production horticulture, or small
10604 business concern. Loans made pursuant to this subsection shall be
10605 made in accordance with the criteria established in Section
10606 57-71-11.

10607 (b) The Mississippi Development Authority may, out of
10608 the total amount of bonds authorized to be issued under this
10609 chapter, make available funds to any planning and development
10610 district in accordance with the criteria established in Section
10611 57-71-11. Planning and development districts which receive monies
10612 pursuant to this provision shall use such monies to make loans to
10613 private companies for purposes consistent with this subsection.

10614 (c) The Mississippi Development Authority is hereby
10615 authorized to engage legal services, financial advisors,
10616 appraisers and consultants if needed to review and close loans
10617 made hereunder and to establish and assess reasonable fees,
10618 including, but not limited to, liquidation expenses.



10619 (d) The State Auditor may conduct performance and
10620 compliance audits under this chapter according to Section
10621 7-7-211(o) and may bill the oversight agency.

10622 (3) (a) The Mississippi Development Authority shall, in
10623 addition to the other programs described in this section, provide
10624 for the following programs of loans to be made to agribusiness or
10625 greenhouse production horticulture enterprises for the purpose of
10626 encouraging thereby the extension of conventional financing and
10627 the issuance of letters of credit to such agribusiness or
10628 greenhouse production horticulture enterprises by private
10629 institutions. Monies to make such loans by the Mississippi
10630 Development Authority shall be drawn from the Emerging Crops Fund.

10631 (b) The Mississippi Development Authority may make
10632 loans to agribusiness or greenhouse production horticulture
10633 enterprises. The amount of any loan to any single enterprise
10634 under this paragraph (b) shall not exceed twenty percent (20%) of
10635 the total cost of the project for which financing is sought or Two
10636 Hundred Fifty Thousand Dollars (\$250,000.00), whichever is less.
10637 No interest shall be charged on such loans, and only the amount
10638 actually loaned shall be required to be repaid. Repayments shall
10639 be deposited into the Emerging Crops Fund.

10640 (c) The Mississippi Development Authority also may make
10641 loans under this subsection (3) to existing agribusiness or
10642 greenhouse production horticulture enterprises for the purpose of
10643 assisting such enterprises to make upgrades, renovations, repairs



10644 and other improvements to their equipment, facilities and
10645 operations, which shall not exceed Two Hundred Fifty Thousand
10646 Dollars (\$250,000.00) or thirty percent (30%) of the total cost of
10647 the project for which financing is sought, whichever is less. No
10648 interest shall be charged on loans made under this paragraph, and
10649 only the amount actually loaned shall be required to be repaid.
10650 Repayments shall be deposited into the Emerging Crops Fund.

10651 (d) The maximum aggregate amount of loans that may be
10652 made under this subsection (3) to any one (1) agribusiness shall
10653 be not more than Five Hundred Thousand Dollars (\$500,000.00).

10654 (4) (a) Through June 30, 2010, the Mississippi Development
10655 Authority may loan or grant to qualified planning and development
10656 districts, and to small business investment corporations,
10657 bank-based community development corporations, the Recruitment and
10658 Training Program, Inc., the City of Jackson Business Development
10659 Loan Fund, the Lorman Southwest Mississippi Development
10660 Corporation, the West Jackson Community Development Corporation,
10661 the East Mississippi Development Corporation, and other entities
10662 meeting the criteria established by the Mississippi Development
10663 Authority (all referred to hereinafter as "qualified entities"),
10664 funds for the purpose of establishing loan revolving funds to
10665 assist in providing financing for minority economic development.
10666 The monies loaned or granted by the Mississippi Development
10667 Authority shall be drawn from the Emerging Crops Fund and shall
10668 not exceed Twenty-nine Million Dollars (\$29,000,000.00) in the



10669 aggregate. Planning and development districts or qualified
10670 entities which receive monies pursuant to this provision shall use
10671 such monies to make loans to minority business enterprises
10672 consistent with criteria established by the Mississippi
10673 Development Authority. Such criteria shall include, at a minimum,
10674 the following:

10675 (i) The business enterprise must be a private,
10676 for-profit enterprise.

10677 (ii) If the business enterprise is a
10678 proprietorship, the borrower must be a resident citizen of the
10679 State of Mississippi; if the business enterprise is a corporation
10680 or partnership, at least fifty percent (50%) of the owners must be
10681 resident citizens of the State of Mississippi.

10682 (iii) The borrower must have at least five percent
10683 (5%) equity interest in the business enterprise.

10684 (iv) The borrower must demonstrate ability to
10685 repay the loan.

10686 (v) The borrower must not be in default of any
10687 previous loan from the state or federal government.

10688 (vi) Loan proceeds may be used for financing all
10689 project costs associated with development or expansion of a new
10690 small business, including fixed assets, working capital, start-up
10691 costs, rental payments, interest expense during construction and
10692 professional fees related to the project.



10693 (vii) Loan proceeds shall not be used to pay off
10694 existing debt for loan consolidation purposes; to finance the
10695 acquisition, construction, improvement or operation of real
10696 property which is to be held primarily for sale or investment; to
10697 provide for, or free funds, for speculation in any kind of
10698 property; or as a loan to owners, partners or stockholders of the
10699 applicant which do not change ownership interest by the applicant.
10700 However, this does not apply to ordinary compensation for services
10701 rendered in the course of business.

10702 (viii) The maximum amount that may be loaned to
10703 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars
10704 (\$250,000.00).

10705 (ix) The Mississippi Development Authority shall
10706 review each loan before it is made, and no loan shall be made to
10707 any borrower until the loan has been reviewed and approved by the
10708 Mississippi Development Authority.

10709 (b) For the purpose of this subsection, the term
10710 "minority business enterprise" means a socially and economically
10711 disadvantaged small business concern, organized for profit,
10712 performing a commercially useful function which is owned and
10713 controlled by one or more minorities or minority business
10714 enterprises certified by the Mississippi Development Authority, at
10715 least fifty percent (50%) of whom are resident citizens of the
10716 State of Mississippi. Except as otherwise provided, for purposes
10717 of this subsection, the term "socially and economically



10718 disadvantaged small business concern" shall have the meaning
10719 ascribed to such term under the Small Business Act (15 USCS,
10720 Section 637(a)), or women, and the term "owned and controlled"
10721 means a business in which one or more minorities or minority
10722 business enterprises certified by the Mississippi Development
10723 Authority own sixty percent (60%) or, in the case of a
10724 corporation, sixty percent (60%) of the voting stock, and control
10725 sixty percent (60%) of the management and daily business
10726 operations of the business. However, an individual whose personal
10727 net worth exceeds Five Hundred Thousand Dollars (\$500,000.00)
10728 shall not be considered to be an economically disadvantaged
10729 individual.

10730 From and after July 1, 2010, monies not loaned or granted by
10731 the Mississippi Development Authority to planning and development
10732 districts or qualified entities under this subsection, and monies
10733 not loaned by planning and development districts or qualified
10734 entities, shall be deposited to the credit of the sinking fund
10735 created and maintained in the State Treasury for the retirement of
10736 bonds issued under Section 69-2-19.

10737 (c) Notwithstanding any other provision of this
10738 subsection to the contrary, if federal funds are not available for
10739 commitments made by a planning and development district to provide
10740 assistance under any federal loan program administered by the
10741 planning and development district in coordination with the
10742 Appalachian Regional Commission or Economic Development



10743 Administration, or both, a planning and development district may
10744 use funds in its loan revolving fund, which have not been
10745 committed otherwise to provide assistance, for the purpose of
10746 providing temporary funding for such commitments. If a planning
10747 and development district uses uncommitted funds in its loan
10748 revolving fund to provide such temporary funding, the district
10749 shall use funds repaid to the district under the temporarily
10750 funded federal loan program to replenish the funds used to provide
10751 the temporary funding. Funds used by a planning and development
10752 district to provide temporary funding under this paragraph (c)
10753 must be repaid to the district's loan revolving fund no later than
10754 twelve (12) months after the date the district provides the
10755 temporary funding. A planning and development district may not
10756 use uncommitted funds in its loan revolving fund to provide
10757 temporary funding under this paragraph (c) on more than two (2)
10758 occasions during a calendar year. A planning and development
10759 district may provide temporary funding for multiple commitments on
10760 each such occasion. The maximum aggregate amount of uncommitted
10761 funds in a loan revolving fund that may be used for such purposes
10762 during a calendar year shall not exceed seventy percent (70%) of
10763 the uncommitted funds in the loan revolving fund on the date the
10764 district first provides temporary funding during the calendar
10765 year.

10766 (d) If the Mississippi Development Authority determines
10767 that a planning and development district or qualified entity has



10768 provided loans to minority businesses in a manner inconsistent
10769 with the provisions of this subsection, then the amount of such
10770 loans so provided shall be withheld by the Mississippi Development
10771 Authority from any additional grant funds to which the planning
10772 and development district or qualified entity becomes entitled
10773 under this subsection. If the Mississippi Development Authority
10774 determines, after notifying such planning and development district
10775 or qualified entity twice in writing and providing such planning
10776 and development district or qualified entity a reasonable
10777 opportunity to comply, that a planning and development district or
10778 qualified entity has consistently failed to comply with this
10779 subsection, the Mississippi Development Authority may declare such
10780 planning and development district or qualified entity in default
10781 under this subsection and, upon receipt of notice thereof from the
10782 Mississippi Development Authority, such planning and development
10783 district or qualified entity shall immediately cease providing
10784 loans under this subsection, shall refund to the Mississippi
10785 Development Authority for distribution to other planning and
10786 development districts or qualified entities all funds held in its
10787 revolving loan fund and, if required by the Mississippi
10788 Development Authority, shall convey to the Mississippi Development
10789 Authority all administrative and management control of loans
10790 provided by it under this subsection.

10791 (e) If the Mississippi Development Authority
10792 determines, after notifying a planning and development district or



10793 qualified entity twice in writing and providing copies of such
10794 notification to each member of the Legislature in whose district
10795 or in a part of whose district such planning and development
10796 district or qualified entity is located and providing such
10797 planning and development district or qualified entity a reasonable
10798 opportunity to take corrective action, that a planning and
10799 development district or qualified entity administering a revolving
10800 loan fund under the provisions of this subsection is not actively
10801 engaged in lending as defined by the rules and regulations of the
10802 Mississippi Development Authority, the Mississippi Development
10803 Authority may declare such planning and development district or
10804 qualified entity in default under this subsection and, upon
10805 receipt of notice thereof from the Mississippi Development
10806 Authority, such planning and development district or qualified
10807 entity shall immediately cease providing loans under this
10808 subsection, shall refund to the Mississippi Development Authority
10809 for distribution to other planning and development districts or
10810 qualified entities all funds held in its revolving loan fund and,
10811 if required by the Mississippi Development Authority, shall convey
10812 to the Mississippi Development Authority all administrative and
10813 management control of loans provided by it under this subsection.

10814 (5) The Mississippi Development Authority shall develop a
10815 program which will assist minority business enterprises by
10816 guaranteeing bid, performance and payment bonds which such
10817 minority businesses are required to obtain in order to contract



10818 with federal agencies, state agencies or political subdivisions of
10819 the state. The Mississippi Development Authority may secure
10820 letters of credit, as determined necessary by the authority, to
10821 guarantee bid, performance and payment bonds pursuant to this
10822 subsection. Monies for such program shall be drawn from the
10823 monies allocated under subsection (4) of this section to assist
10824 the financing of minority economic development and shall not
10825 exceed Three Million Dollars (\$3,000,000.00) in the aggregate.
10826 The Mississippi Development Authority may promulgate rules and
10827 regulations for the operation of the program established pursuant
10828 to this subsection. For the purpose of this subsection (5), the
10829 term "minority business enterprise" has the meaning assigned such
10830 term in subsection (4) of this section.

10831 (6) The Mississippi Development Authority may loan or grant
10832 to public entities and to nonprofit corporations funds to defray
10833 the expense of financing (or to match any funds available from
10834 other public or private sources for the expense of financing)
10835 projects in this state which are devoted to the study, teaching
10836 and/or promotion of regional crafts and which are deemed by the
10837 authority to be significant tourist attractions. The monies
10838 loaned or granted shall be drawn from the Emerging Crops Fund and
10839 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)
10840 in the aggregate.

10841 (7) Through June 30, 2006, the Mississippi Development
10842 Authority shall make available to the Mississippi Department of



10843 Agriculture and Commerce funds for the purpose of establishing
10844 loan revolving funds and other methods of financing for
10845 agribusiness programs administered under the Mississippi
10846 Agribusiness Council Act of 1993. The monies made available by
10847 the Mississippi Development Authority shall be drawn from the
10848 Emerging Crops Fund and shall not exceed One Million Two Hundred
10849 Thousand Dollars (\$1,200,000.00) in the aggregate. The
10850 Mississippi Department of Agriculture and Commerce shall establish
10851 control and auditing procedures for use of these funds. These
10852 funds will be used primarily for quick payment to farmers for
10853 vegetable and fruit crops processed and sold through vegetable
10854 processing plants associated with the Department of Agriculture
10855 and Commerce and the Mississippi State Extension Service.

10856 (8) From and after July 1, 1996, the Mississippi Development
10857 Authority shall make available to the Mississippi Small Farm
10858 Development Center One Million Dollars (\$1,000,000.00) to be used
10859 by the center to assist small entrepreneurs as provided in Section
10860 37-101-25, Mississippi Code of 1972. The monies made available by
10861 the Mississippi Development Authority shall be drawn from the
10862 Emerging Crops Fund.

10863 (9) [Repealed]

10864 (10) The Mississippi Development Authority shall make
10865 available to the Small Farm Development Center at Alcorn State
10866 University funds in an aggregate amount not to exceed Three
10867 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash



10868 balance of the Emerging Crops Fund. The Small Farm Development
10869 Center at Alcorn State University shall use such funds to make
10870 loans to producers of sweet potatoes and cooperatives anywhere in
10871 the State of Mississippi owned by sweet potato producers to assist
10872 in the planting of sweet potatoes and the purchase of sweet potato
10873 production and harvesting equipment. A report of the loans made
10874 under this subsection shall be furnished by January 15 of each
10875 year to the Chairman of the Senate Agriculture Committee and the
10876 Chairman of the House Agriculture Committee.

10877 (11) The Mississippi Development Authority shall make
10878 available to the Mississippi Department of Agriculture and
10879 Commerce "Make Mine Mississippi" program an amount not to exceed
10880 One Hundred Fifty Thousand Dollars (\$150,000.00) to be drawn from
10881 the cash balance of the Emerging Crops Fund.

10882 (12) The Mississippi Development Authority shall make
10883 available to the Mississippi Department of Agriculture and
10884 Commerce an amount not to exceed One Hundred Fifty Thousand
10885 Dollars (\$150,000.00) to be drawn from the cash balance of the
10886 Emerging Crops Fund to be used for the rehabilitation and
10887 maintenance of the Mississippi Farmers Central Market in Jackson,
10888 Mississippi.

10889 (13) The Mississippi Development Authority shall make
10890 available to the Mississippi Department of Agriculture and
10891 Commerce an amount not to exceed Twenty-five Thousand Dollars
10892 (\$25,000.00) to be drawn from the cash balance of the Emerging



10893 Crops Fund to be used for advertising purposes related to the
10894 Mississippi Farmers Central Market in Jackson, Mississippi.

10895 (14) (a) The Mississippi Development Authority shall, in
10896 addition to the other programs described in this section, provide
10897 for a program of loan guaranties to be made on behalf of any
10898 nonprofit entity qualified under Section 501(c)(3) of the Internal
10899 Revenue Code and certified by the United States Department of the
10900 Treasury as a community development financial institution for the
10901 purpose of encouraging the extension of financing to such an
10902 entity which financing the entity will use to make funds available
10903 to other entities for the purpose of making loans available in
10904 low-income communities in Mississippi. Monies to make such loan
10905 guaranties by the Mississippi Development Authority shall be drawn
10906 from the Emerging Crops Fund and shall not exceed Two Million
10907 Dollars (\$2,000,000.00) in the aggregate. The amount of a loan
10908 guaranty on behalf of such an entity under this subsection (14)
10909 shall not exceed Two Million Dollars (\$2,000,000.00). Assistance
10910 received by an entity under this subsection (14) shall not
10911 disqualify the entity from obtaining any other assistance under
10912 this chapter.

10913 (b) An entity desiring assistance under this subsection
10914 (14) must submit an application to the Mississippi Development
10915 Authority. The application must include any information required
10916 by the Mississippi Development Authority.



10917 (c) The Mississippi Development Authority shall have
10918 all powers necessary to implement and administer the program
10919 established under this subsection (14), and the Mississippi
10920 Development Authority shall promulgate rules and regulations, in
10921 accordance with the Mississippi Administrative Procedures Law,
10922 necessary for the implementation of this subsection (14).

10923 (15) (a) The Mississippi Development Authority shall, in
10924 addition to the other programs described in this section, provide
10925 for a program of grants to agribusiness enterprises that process,
10926 dry, store or ship peanuts and if the enterprise has invested
10927 prior to April 17, 2009, a minimum of Six Million Dollars
10928 (\$6,000,000.00) in land, facilities and equipment in this state
10929 that are utilized to process, dry, store or ship peanuts. Monies
10930 to make such grants by the Mississippi Development Authority shall
10931 be drawn from the Emerging Crops Fund and shall not exceed One
10932 Million Dollars (\$1,000,000.00) in the aggregate. The amount of a
10933 grant under this subsection (15) shall not exceed One Million
10934 Dollars (\$1,000,000.00).

10935 (b) An entity desiring assistance under this subsection
10936 (15) must submit an application to the Mississippi Development
10937 Authority. The application must include a description of the
10938 project for which assistance is requested, the cost of the project
10939 for which assistance is requested, the amount of assistance
10940 requested and any other information required by the Mississippi
10941 Development Authority.



10942 (c) As a condition of the receipt of a grant under this
10943 subsection (15), an entity must agree to remain in business in
10944 this state for not less than five (5) years and must meet other
10945 conditions established by the Mississippi Development Authority to
10946 ensure that the assistance results in an economic benefit to the
10947 state. The Mississippi Development Authority shall require that
10948 binding commitments be entered into requiring that:

10949 (i) The minimum requirements provided for in this
10950 subsection (15) and the conditions established by the Mississippi
10951 Development Authority are met; and

10952 (ii) If such commitments and conditions are not
10953 met, all or a portion of the funds provided pursuant to this
10954 subsection (15) shall be repaid.

10955 (d) The Mississippi Development Authority shall have
10956 all powers necessary to implement and administer the program
10957 established under this subsection (15), and the Mississippi
10958 Development Authority shall promulgate rules and regulations, in
10959 accordance with the Mississippi Administrative Procedures Law,
10960 necessary for the implementation of this subsection (15).

10961 (16) (a) The Mississippi Development Authority, in addition
10962 to the other programs described in this section, shall provide for
10963 a program of loan guaranties to be made on behalf of certain
10964 agribusinesses engaged in sweet potato growing and farming for the
10965 purpose of encouraging thereby the extension of conventional
10966 financing and the issuance of letters of credit to such



10967 agribusinesses by lenders. The amount of a loan guaranty made on
10968 behalf of such an agribusiness shall be ninety percent (90%) of
10969 the amount of assistance made available by a lender for the
10970 purposes authorized under this subsection (16). Monies to make
10971 such loan guaranties by the Mississippi Development Authority
10972 shall be drawn from the Emerging Crops Fund and shall not exceed
10973 Seventeen Million Dollars (\$17,000,000.00) in the aggregate.

10974 (b) In order to be eligible for assistance under this
10975 subsection (16) an agribusiness must:

10976 (i) Have been actively engaged in sweet potato
10977 growing and farming in this state before January 1, 2010;

10978 (ii) Have incurred a disaster-related loss for
10979 sweet potato growing and farming purposes for calendar year 2009,
10980 as determined by a lender;

10981 (iii) Agree to obtain and maintain federal
10982 Noninsured Agricultural Program (NAP) insurance coverage for the
10983 outstanding balance of any assistance received under this
10984 subsection (16); and

10985 (iv) Satisfy underwriting criteria established by
10986 a lender related to loans under this subsection (16).

10987 (c) (i) An entity desiring assistance under this
10988 subsection must submit an application for assistance to a lender
10989 not later than August 1, 2010. The application must include:



10990 1. Information verifying the length of time
10991 the applicant has been actively engaged in sweet potato growing
10992 and farming in this state;

10993 2. Information regarding the number of acres
10994 used by the applicant for sweet potato growing and farming
10995 purposes during the 2009 calendar year, as certified to by the
10996 Farm Services Authority (FSA) or the Mississippi Department of
10997 Agriculture and Commerce (MDAC), and the number of acres the
10998 applicant intends to use for such purposes during the 2010
10999 calendar year;

11000 3. The average cost per acre incurred by the
11001 applicant for sweet potato growing and farming purposes during the
11002 2009 calendar year, as certified to by the FSA or MDAC, and an
11003 estimate of the average cost per acre to be incurred by the
11004 applicant for such purposes during the calendar year for which
11005 application is made;

11006 4. The amount of assistance requested;

11007 5. A statement from the applicant agreeing
11008 that he will obtain and maintain NAP insurance coverage for the
11009 outstanding balance of any assistance received under this
11010 subsection (16); and

11011 6. Any other information required by the
11012 lender and/or the MDA.

11013 (ii) The lender shall review the application for
11014 assistance and determine whether the applicant qualifies for



11015 assistance under this subsection (16). If the lender determines
11016 that the applicant qualifies for assistance, the lender shall loan
11017 funds to the applicant subject to the provisions of this
11018 subsection (16).

11019 (d) Loans made under this subsection (16) shall be
11020 subject to the following conditions:

11021 (i) The maximum amount of a loan to a borrower
11022 shall not exceed One Thousand Seven Hundred Dollars (\$1,700.00)
11023 per acre and shall exclude any machinery and equipment costs.

11024 (ii) The proceeds of a loan may be used only for
11025 paying a borrower's sweet potato planting, production and
11026 harvesting costs, excluding machinery and equipment costs.

11027 (iii) The proceeds of a loan may not be used to
11028 repay, satisfy or finance existing debt.

11029 (iv) The time allowed for repayment of a loan
11030 shall not be more than five (5) years, and there shall be no
11031 penalty, fee or other charge imposed for the prepayment of a loan.

11032 (e) The receipt of assistance by a person or other
11033 entity under any other program described in this section shall not
11034 disqualify the person or entity from obtaining a loan under the
11035 program established in this subsection (16) if the person or
11036 entity is otherwise eligible under this program. In addition, the
11037 receipt of a loan by a person or other entity under the program
11038 established under this subsection (16) shall not disqualify the



11039 person or entity from obtaining assistance under any other program
11040 described in this section.

11041 (f) The Mississippi Development Authority shall have
11042 all powers necessary to implement and administer the program
11043 established under this subsection (16), and the Mississippi
11044 Development Authority shall promulgate rules and regulations, in
11045 accordance with the Mississippi Administrative Procedures Law,
11046 necessary for the implementation of this subsection (16).

11047 (17) Notwithstanding any other provision of this section to
11048 the contrary, the Mississippi Development Authority shall not
11049 provide loans, loan guaranties, grants or any other form of
11050 assistance to medical cannabis establishments as defined in the
11051 Mississippi Medical Cannabis Act.

11052 **SECTION 100.** This act shall take effect and be in force from
11053 and after its passage.

