

House Amendments to Senate Bill No. 2857

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

19 **SECTION 1.** Section 41-137-39, Mississippi Code of 1972, is
20 amended as follows:

21 41-137-39. (1) (a) * * * The MDOH shall obtain criminal
22 records background checks on all persons applying to become a
23 licensee, an agent, or representative as defined herein, of a
24 medical cannabis establishment. This shall include performing
25 criminal records background checks on all potential employees,
26 current employees, or representatives/agents of the MDOH Medical
27 Cannabis Program. The required criminal history background
28 includes information provided by the Federal Bureau of
29 Investigation.

30 (b) For the purposes of this section, an applicant is
31 any person who registers with or applies for an initial medical
32 cannabis work permit, or a renewal of a medical cannabis work
33 permit. Such a person or applicant may also be defined as an
34 agent, an employee, a representative, etc. as further defined and
35 sometimes used interchangeably as referenced in this section.

36 (c) For purposes of this section, an agent is a person
37 who acts for or on behalf of, or who represents a medical cannabis
38 establishment while in the course of business or employment with
39 the Mississippi Medical Cannabis Program and may also be referred
40 to as an agent, a representative, or vice versa.

41 (d) Representative means a principal officer, owner of
42 ten percent (10%) or greater economic interest in a medical
43 cannabis establishment with direct or indirect interest, officer,
44 director, manager, employee, agent, volunteer, or other type
45 representative of a registered medical cannabis licensee
46 establishment.

47 (e) Principal officer means a person(s) who has
48 ultimate responsibility for implementing the decisions of a
49 cannabis testing facility or other such medical cannabis
50 establishment and includes, but are not necessarily limited to,
51 the Chief Executive Officer (CEO), Chief Administrative Office
52 (CAO), Chief Financial Officer, (CFO), as applicable. Elected or
53 appointed, the board as a whole creates agency policies and
54 oversees the agency's managerial positions.

55 (f) Board member means an individual on a medical
56 cannabis establishment's company or agency board which serves as
57 an organization's governing body.

58 (g) Principal owner means the primary owner of a
59 medical cannabis establishment, but often may be the sole owner.

60 (h) Any and every person/applicant seeking to become an
61 owner or principal owner, principal officer, or officer, board

62 member, director, manager, agent/representative, employee, care
63 giver, or volunteer of a medical cannabis establishment shall
64 apply for, or authorize the MDOH to obtain state and national
65 criminal background checks to be conducted by the Mississippi
66 Justice Information Center of the Department of Public Safety and
67 the Federal Bureau of Investigation.

68 (i) Such criminal background checks shall conform to
69 the applicable federal standards and shall include the taking of
70 fingerprints.

71 (j) Once the Mississippi Justice Information Center of
72 the Department of Public Safety completes a state level criminal
73 history background check, they will forward the fingerprints to
74 the Federal Bureau of Investigation for a national criminal
75 history background check.

76 (k) The person seeking to become an
77 agent/representative of a medical cannabis establishment shall
78 authorize the release of such criminal background check to the
79 MDOH and shall be responsible for the payment of any fee
80 associated with the criminal background checks.

81 (l) The Mississippi Justice Information Center of the
82 Department of Public Safety shall forward to the MDOH all
83 information obtained concerning the applicant. MDOH will not
84 disseminate the information and will only use such information as
85 required to fulfill the purposes of this act.

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

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

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

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

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

98 (5) All cultivation, harvesting, processing and packaging of
99 medical cannabis must take place in an enclosed, locked and secure
100 facility with a physical address provided to the MDOH during the
101 licensing and registration process. The facility shall be
102 equipped with locks or other security devices that permit access
103 only by agents of the medical cannabis establishment, emergency
104 personnel or adults who are twenty-one (21) years of age and older
105 and who are accompanied by medical cannabis establishment agents.

106 (6) No medical cannabis establishment other than a cannabis
107 processing facility or cannabis research facility may produce
108 cannabis concentrates, cannabis extractions, or other cannabis
109 products.

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

112 (8) Medical cannabis establishments are subject to
113 inspection by the MDOR and MDOH during business hours.

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

116 (a) Require that the individual present a registry
117 identification card;

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

120 (c) Make a diligent effort to verify that the person
121 presenting the registry identification card is the person
122 identified on the registry identification card presented to the
123 dispensary agent; and

124 (d) Not believe that the amount of medical cannabis
125 dispensed would cause the person to possess more than the
126 allowable amount of medical cannabis.

127 (10) A medical cannabis establishment shall not sell more
128 than the allowable amount of medical cannabis to a cardholder.

129 * * * A resident cardholder shall not obtain more than a total
130 of twenty-four (24) MMCEUs of allowable medical cannabis in thirty
131 (30) days from a dispensary or a combination of dispensaries.

132 The possession limit for resident cardholders of the
133 allowable amount of medical cannabis shall be a total of
134 twenty-eight (28) MMCEUs. There shall not be a possession limit
135 on nonconsumable medical cannabis, including, but not limited to,
136 suppositories, ointments, soaps, and lotions or other topical
137 agents.

138 (11) For purposes of this chapter, total THC is defined as
139 THCA multiplied by .877 plus THC Delta 9 and all other

140 psychoactive forms or isomers of THC added together. A medical
141 cannabis establishment shall not sell cannabis flower or trim that
142 has a potency of greater than thirty percent (30%) total THC. A
143 medical cannabis dispensary shall not sell cannabis tinctures,
144 oils or concentrates that have a potency of greater than sixty
145 percent (60%) total THC. Cannabis products that have a potency of
146 over thirty percent (30%) total THC shall be clearly labeled as
147 "extremely potent." Edible cannabis products, including food or
148 drink products, that have been combined with usable cannabis or
149 cannabis products shall be physically demarked and labeled with a
150 clear determination of how much total THC is in a single-serving
151 size and how much THC is in the entire package.

152 A medical cannabis product shall contain a notice of harm
153 regarding the use of cannabis products. Edible cannabis products
154 shall be homogenized to ensure uniform disbursement of
155 cannabinoids throughout the product. All molded edible cannabis
156 products shall be presented in the form of geometric shapes and
157 shall not be molded to contain any images or characters designed
158 or likely to appeal to minors, such as cartoons, toys, animals or
159 children.

160 (12) A dispensary may not dispense more than the allowable
161 amount of cannabis to a registered qualifying patient or a
162 nonresident cardholder, directly or via a registered designated
163 caregiver. Dispensaries shall ensure compliance with this
164 limitation by maintaining internal, confidential records that
165 include records specifying how much medical cannabis is being

166 dispensed to the registered qualifying patient or nonresident
167 cardholder and whether it was dispensed directly to a registered
168 qualifying patient, nonresident cardholder or to the registered
169 designated caregiver.

170 (13) A nonresident cardholder shall not obtain more than a
171 total of six (6) MMCEUs of allowable medical cannabis in a week
172 from a dispensary or a combination of dispensaries. A nonresident
173 cardholder shall not obtain more than a total of twelve (12)
174 MMCEUs of allowable cannabis from a dispensary or a combination of
175 dispensaries in a fifteen-day period.

176 (14) A nonresident may apply to receive a nonresident
177 registry identification card up to thirty (30) days before
178 arriving in Mississippi. A nonresident registry identification
179 card shall be valid for fifteen (15) days. After the expiration
180 of the card, a nonresident may apply for a renewal of the card and
181 may be granted another card which shall be valid for another
182 fifteen-day period. A nonresident registry identification card
183 shall only be valid, at a maximum, for two (2) separate periods of
184 fifteen (15) days in a three-hundred-sixty-five-day period. An
185 applicant may indicate on his or her application the specific time
186 period that he or she wishes for the card to be valid. The
187 possession limit of the allowable amount of medical cannabis for
188 nonresident cardholders shall be fourteen (14) MMCEUs.

189 (15) A medical cannabis dispensary agent or employee shall
190 not issue a written certification. Employees and agents of a
191 medical cannabis dispensary shall complete at least eight (8)

192 hours of continuing education in medical cannabis as regulated by
193 the MDOR in order to be certified to work at a medical cannabis
194 dispensary. After the first year of employment, these employees
195 shall complete five (5) hours of continuing education in medical
196 cannabis annually to maintain this certification.

197 (16) Notwithstanding any other provision to the contrary, a
198 patient with a debilitating medical condition who is between
199 eighteen (18) years to twenty-five (25) years of age is not
200 eligible for a medical cannabis registry identification card
201 unless two (2) practitioners from separate medical practices have
202 diagnosed the patient as having a debilitating medical condition
203 after an in-person consultation. One (1) of these practitioners
204 must be a physician or doctor of osteopathic medicine.

205 If one (1) of the recommending practitioners is not the
206 patient's primary care practitioner, the recommending practitioner
207 shall review the records of a diagnosing practitioner. The
208 requirement that the two (2) practitioners be from separate
209 medical practices does not apply if the patient is homebound or if
210 the patient had a registry identification card before the age of
211 eighteen (18).

212 (17) Except as otherwise provided in this section, a medical
213 cannabis establishment shall not allow an individual who is
214 younger than twenty-one (21) years old to enter the premises of
215 the establishment unless the individual possesses a registry
216 identification card and is accompanied by his or her legal
217 guardian.

218 (18) A medical cannabis establishment shall only purchase,
219 grow, cultivate, and use cannabis that is grown and cultivated in
220 this state. Any medical cannabis that is grown and cultivated in
221 this state shall not be transported outside of this state.

222 (19) Employees of all medical cannabis establishments shall
223 apply for a work permit with the MDOH and MDOR, as applicable,
224 before beginning employment with any establishment. The licensing
225 agency for the respective medical cannabis establishment may issue
226 work permits to these individuals. These licensing agencies shall
227 maintain a work registry of all applicants and work permits
228 issued. The fee for a work permit shall be Twenty-five Dollars
229 (\$25.00) and the permit shall be valid for five (5) years. Work
230 permits shall be the property of the employee and shall not be
231 transferable to other employees.

232 (20) For purposes of this subsection, "plant growth
233 regulator cannabis" shall mean a cannabis plant whose growth and
234 structure has been modified using plant growth hormones. A
235 cannabis cultivation facility shall not cultivate and a cannabis
236 dispensary shall not sell, transfer or provide for consumption
237 plant growth regulator cannabis.

238 (21) A medical cannabis dispensary shall only make sales to
239 cardholders inside the dispensary. A medical cannabis dispensary
240 shall not sell or otherwise convey medical cannabis to a
241 cardholder through the means of a drive-through, curbside delivery
242 or other delivery outside the premises of the dispensary. Any
243 topical cannabis product that is purchased by a dispensary from a

244 licensed processor, and that is not ingested by the liver, may be
245 sold to a cardholder or any person over the age of twenty-one (21)
246 years old who is not a cardholder. Such products shall be placed
247 in an area of the dispensary that does not require access with a
248 registry identification card.

249 (22) Any and all contracts or agreements entered into by the
250 MDOH and MDOR for information technology software, hardware,
251 and/or services for the purpose of implementing and/or operating
252 under the Mississippi Medical Cannabis Act shall include language
253 reasonably limiting the ability of the vendor to escalate the
254 ongoing cost of such software, hardware, and/or services during
255 the term of the contract, including any amendments and/or
256 extensions.

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

260 **SECTION 2.** Section 41-137-47, Mississippi Code of 1972, is
261 amended as follows:

262 41-137-47. (1) The licensing agency is authorized to
263 investigate, either on the basis of complaints filed with it or on
264 its own initiative through compliance visits, reviews or audits,
265 instances of suspected violations of any nature, including, but
266 not limited to:

267 (a) Performing the duties and requirements set forth
268 for licensees within the relevant statute and regulations;

269 (b) The providing of false information on an
270 application or renewal for a license, incident to a hearing, or
271 otherwise;

272 (c) The conviction of a licensee of a felony;

273 (d) The misappropriation of funds; and

274 (e) The inversion or diversion of medical cannabis or
275 medical cannabis products, or of any other matter reflecting
276 unfavorably upon the holder of a license under the act.

277 (2) On the basis of information developed during such an
278 investigation, the licensing agency may exercise any number of
279 compliance actions including:

280 (a) To revoke, suspend or refuse to renew any license
281 issued by the licensing agency;

282 (b) Deny an application for a license; or

283 (c) Reprimand, fine and/or take any other actions in
284 relation to a license, as the licensing agency may deem proper
285 under the circumstances.

286 * * *

287 (3) The licensing agency may deny the application of any
288 applicant who fails to meet the qualifications for obtaining such
289 license under this chapter or any rules and regulations under this
290 chapter.

291 (4) Whenever the results of such an investigation are filed,
292 the licensee may request an administrative hearing on the matter.

293 If a licensee or applicant wishes to appeal the licensing agency's

294 decision, the licensee or applicant shall file its administrative
295 appeal within twenty (20) days of receipt of the initial notice.
296 If such a hearing is requested, the licensing agency shall set a
297 day for a hearing and shall notify the licensee that on the day
298 fixed for hearing he or she may appear so that an administrative
299 hearing may take place. The licensing agency shall then conduct a
300 hearing on the record pursuant to the licensing agency's rules and
301 regulations governing such hearings, at which time the burden
302 shall be on the licensee or applicant to prove that the agency's
303 decision was:

- 304 (a) Unsupported by substantial evidence;
305 (b) Arbitrary or capricious;
306 (c) Beyond the power of the administrative agency to
307 make; or
308 (d) Violated some statutory or constitutional right of
309 the aggrieved party.

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

313 (5) In cases where violations of this chapter have been
314 substantiated, the licensing agency may assess a monetary penalty
315 or recoupment of costs for those reasonable costs that are
316 expended by the licensing agency in the investigation and conduct
317 of a proceeding for the compliance issue that is the subject
318 matter of the hearing, including, but not limited to, the costs of
319 process service, court reporters, expert witnesses and

320 investigations. The licensing agency shall determine the amount
321 of investigative fees and costs owed by a licensee based on an
322 itemized accounting after the investigation has been officially
323 completed and a final determination or action has been determined.
324 Upon final determination or action, the licensing agency shall
325 give to the licensee an itemized accounting of the investigative
326 fees and costs incurred. The licensing agency may recommend
327 denial of, or refusal to take final action to approve the renewal
328 of a licensee unless all investigative fees and costs have been
329 paid in full by the licensee.

330 (* * *6) The licensing agency shall provide its initial
331 notice of suspension, revocation, fine or other sanction by
332 personal delivery or mailing by certified mail, signature
333 required, to the medical cannabis establishment at the address on
334 the registration certificate. A suspension shall not be for a
335 longer period than six (6) months. The licensing agency shall
336 provide its initial notice of denial by personal delivery, mailing
337 by certified mail, signature required, or by electronic mail to
338 the applicant at the physical or electronic address listed in its
339 application.

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

344 (* * *8) The MDOH shall immediately revoke the registry
345 identification card of any cardholder who sells or otherwise

346 transfers medical cannabis to a person or other entity, and the
347 cardholder shall be disqualified from further participation in the
348 medical cannabis program under this chapter.

349 (* * *9) Except as otherwise provided in subsection
350 (* * *8) of this section, the MDOH may revoke the registry
351 identification card of any cardholder who knowingly commits a
352 violation of this chapter.

353 (* * *10) The hearing decision of the agency on a denial,
354 revocation, suspension or fine is a final decision of the
355 applicable agency subject to judicial review in accordance with
356 Section 41-137-59.

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

361 (* * *12) Any ongoing investigation by a licensing agency
362 under this section shall be considered confidential and exempt
363 from disclosure under the Mississippi Public Records Act of 1983,
364 Sections 25-61-1 through 25-61-17.

365 **SECTION 3.** This act shall take effect and be in force from
366 and after July 1, 2024.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 41-137-39, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE ADDITIONAL AUTHORIZATIONS AND REQUIREMENTS RELATED TO
3 PERFORMING BACKGROUND CHECKS AS PART OF THE MEDICAL CANNABIS ACT;
4 TO AUTHORIZE THE DEPARTMENT OF HEALTH TO OBTAIN CRIMINAL RECORDS

5 BACKGROUND CHECKS FROM THE MISSISSIPPI JUSTICE INFORMATION CENTER
6 OF THE DEPARTMENT OF PUBLIC SAFETY AND THE F.B.I.; TO AUTHORIZE
7 THE DEPARTMENT TO RECOUP ANY FEE ASSOCIATED WITH THE BACKGROUND
8 CHECK; TO DELETE THE PROVISION OF LAW THAT PROHIBITS A RESIDENT
9 CARDHOLDER FROM OBTAINING MORE THAN A TOTAL OF SIX MMCEUS OF
10 ALLOWABLE MEDICAL CANNABIS IN A WEEK FROM A DISPENSARY OR A
11 COMBINATION OF DISPENSARIES; TO AMEND SECTION 41-137-47,
12 MISSISSIPPI CODE OF 1972, TO PROVIDE ADDITIONAL MEASURES RELATED
13 TO INVESTIGATION PROCEDURES BY LICENSING AGENCIES UNDER THE
14 MEDICAL CANNABIS ACT; TO SET CERTAIN ADMINISTRATIVE HEARING
15 PROCEDURES; TO AUTHORIZE THE LICENSING AGENCY TO RECOUP ANY FEE
16 ASSOCIATED WITH THE INVESTIGATION OR HEARING PROCESS; AND FOR
17 RELATED PURPOSES.

HR26\SB2857A.J

Andrew Ketchings
Clerk of the House of Representatives