

Senate Amendments to House Bill No. 1676

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE 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:

121 **SECTION 1.** Section 69-25-201, Mississippi Code of 1972, is
122 amended as follows:

123 69-25-201. This article shall be known as the "Mississippi
124 Intoxicating Hemp * * * Regulation Act." The regulation of hemp
125 cultivation and processing shall be governed exclusively by the
126 provisions of the Mississippi Intoxicating Hemp * * * Regulation
127 Act. A municipality, county or other political subdivision of
128 this state shall not enact, adopt or enforce a rule, ordinance,
129 order, resolution or other regulation that allows, prohibits or
130 penalizes the cultivation, production or processing of hemp in
131 this state.

132 **SECTION 2.** Section 69-25-203, Mississippi Code of 1972, is
133 amended as follows:

134 69-25-203. For purposes of this article, the following words
135 and phrases shall have the meanings set forth below unless the
136 context clearly indicates otherwise:

137 * * *

138 (* * *a) "Business entity" means a nonnatural person
139 and includes nonprofit and for-profit corporations, partnerships,
140 limited liability corporations, and other legal entities
141 recognized by law.

142 (* * *b) "Commissioner" means the Commissioner of
143 Agriculture and Commerce of the State of Mississippi. Where
144 applicable under the provisions of this article, "commissioner"
145 shall include the commissioner's designee.

146 (* * *c) "Delta-9-tetrahydrocannabinol" means the sum
147 of the percentage by weight of tetrahydrocannabinol acid
148 multiplied by eight hundred seventy-seven thousandths (0.877) plus
149 the percentage by weight of delta-9-tetrahydrocannabinol.

150 (* * *d) "Department" means the Mississippi Department
151 of Agriculture and Commerce.

152 (* * *e) "Grower" means a person, business entity,
153 joint venture or cooperative that cultivates, grows or harvests
154 hemp.

155 (* * *f) "Hemp" means the plant Cannabis sativa L. and
156 any part of that plant, including the seeds thereof and all
157 derivatives, extracts, cannabinoids, isomers, acids, salts and
158 salts of isomers, whether growing or not, with a
159 delta-9-tetrahydrocannabinol (THC) concentration of not more than
160 three-tenths percent (0.3%) on a dry weight basis that is grown or
161 processed under this article.

162 (g) "Intoxicating hemp product" means a finished
163 product intended for human or animal consumption containing any

164 hemp, including naturally occurring cannabinoids, compounds,
165 extracts, isolates, or resins, and that contains greater than five
166 (5) milligrams of total THC per container; but does not exceed ten
167 (10) milligrams of total THC per serving and one hundred (100)
168 milligrams per container.

169 (h) "Legal description of land" means Global Position
170 System coordinates and shall also include the metes and bounds to
171 include township, range, and section for the location in which
172 hemp is grown.

173 (i) "Person" means any person, firm, association,
174 corporation or business entity.

175 (j) "Processor" means a person, business entity, joint
176 venture or cooperative that receives hemp for processing into
177 commodities, products or hemp seed. A processor also includes any
178 such entity that brokers and/or stores hemp.

179 (k) "State plan" means the plan contemplated by 7
180 C.F.R. Part 990 Subpart B that a state must file for approval with
181 the United States Secretary of Agriculture.

182 (l) "Total THC" means any and all forms of
183 tetrahydrocannabinol that are contained naturally in the cannabis
184 plant, as well as synthesized forms of THC and derived variations,
185 derivatives, isomers and allotropes that have similar molecular
186 and physiological characteristics of tetrahydrocannabinol,
187 including, but not limited to, THCA, THC Delta 9, THC Delta 8, THC
188 Delta 10 and THC Delta 6.

189 (* * *m) "USDA" means the United States Department of
190 Agriculture.

191 **SECTION 3.** Section 69-25-207, Mississippi Code of 1972, is
192 amended as follows:

193 69-25-207. (1) Pursuant to the provisions of this
194 article, * * * growing and processing of hemp, as defined in
195 Section 69-25-203, are authorized in this state. * * * Growing
196 and processing of hemp are subject to regulation by the department
197 and may only be performed by persons or business entities that
198 hold a valid license or registration issued * * * under this
199 article.

200 (2) The commissioner shall create a State Plan for
201 submission to and approval by the United States Department of
202 Agriculture and the United States Secretary of Agriculture. The
203 commissioner and the department shall promulgate such reasonable
204 regulations as necessary to implement the State Plan and
205 provisions of this article. The commissioner and the department
206 shall be authorized to promulgate any rule or regulation deemed
207 necessary for the administration of the provisions of this article
208 in compliance with any federal law, rule or regulation promulgated
209 by the United States Department of Agriculture.

210 (3) The department is authorized to accept applications, and
211 issue licenses and/or registrations for all hemp growers and hemp
212 processors. The department shall adopt and enforce all rules and
213 regulations related to those licenses and/or registrations.

214 (4) All hemp growers must be licensed by the department.

215 (5) All hemp processors must register with the department.

216 (6) All licensed * * * growers and registered processors
217 shall keep and maintain crop and/or processing records in
218 accordance with rules and regulations adopted and enforced by the
219 department. The department may subject the required records to
220 inspection. The department may make an inspection for the purpose
221 of ensuring compliance with:

222 (a) USDA guidelines;

223 (b) Provisions of this article;

224 (c) Department rules and regulations;

225 (d) Any terms or conditions of a license issued
226 hereunder;

227 (e) Good manufacturing practices (GMP);

228 (* * *f) Registration with the department; or

229 (* * *g) A final department order directed to the
230 grower's or processor's hemp operations or activities.

231 (7) All hemp growers and processors shall be subject to a
232 background investigation conducted by the Department of Public
233 Safety, which shall include both a state and federal background
234 check.

235 **SECTION 4.** Section 69-25-213, Mississippi Code of 1972, is
236 amended as follows:

237 69-25-213. **Negligent violations.** (1) Upon a determination
238 by the commissioner or the commissioner's designee, the following
239 may constitute negligent violations:

240 (a) Failing to provide a legal description of land on
241 which the grower produces hemp;

242 (b) Failing to obtain a license or other required
243 authorization from the department;

244 (c) Failing to register with the department;

245 (d) Producing Cannabis sativa L. with a
246 delta-9-tetrahydrocannabinol concentration of more than * * *
247 three-tenths percent (0.3%) on a dry weight basis; or

248 (e) Any other violation of the State Plan, including
249 any rules and regulations set forth by the department.

250 (2) **Corrective action plan.** (a) A hemp grower shall comply
251 with a plan established by the commissioner or the commissioner's
252 designee to correct the negligent violation, including:

253 (i) A reasonable date by which the hemp grower
254 shall correct the negligent violation; and

255 (ii) A requirement that the hemp grower shall
256 periodically report to the commissioner or the commissioner's
257 designee regarding the compliance with the corrective plan for a
258 period of not less than the next two (2) calendar years.

259 (b) The department shall notify the Mississippi Bureau
260 of Narcotics of all corrective action plans implemented by the
261 commissioner or the commissioner's designee.

262 (3) **Result of negligent violation.** A hemp grower that
263 negligently violates the State Plan shall not, as a result of that
264 violation, be subject to any criminal enforcement action by a
265 state, county or local government entity.

266 (4) **Repeat violations.** A hemp grower that negligently
267 violates the State Plan three (3) times in a five-year period
268 shall be ineligible to produce hemp for a period of five (5) years
269 beginning on the date of the third violation.

270 **SECTION 5.** Section 69-25-217, Mississippi Code of 1972, is
271 amended as follows:

272 69-25-217. (1) It shall be unlawful for any person or
273 business entity to:

274 (a) Violate this chapter or any rules or regulations
275 promulgated under this chapter;

276 (b) Fail to comply with a corrective action plan issued
277 by the commissioner under Section 69-25-213(2);

278 (c) Transport hemp or hemp materials in violation of
279 Section 69-25-209 or rules or regulations adopted under this
280 chapter; * * *

281 (d) Cultivate or grow hemp with a
282 delta-9-tetrahydrocannabinol (THC) concentration of more than
283 three-tenths percent (0.3%) on a dry weight basis * * *;

284 (e) Produce, process or sell any intoxicating hemp
285 products within the State of Mississippi, except as authorized
286 through this Act or the Mississippi Medical Cannabis Act;

287 (f) Produce, process, or sell any hemp product that
288 contains an artificially derived cannabinoid as defined in Section
289 41-137-3;

290 (g) Sell or distribute any intoxicating hemp product to
291 any person under the age of twenty-one (21) years old; or

292 (h) Sell any finished hemp product intended for human
293 or animal consumption to a consumer within the state of
294 Mississippi that contains greater than ten (10) milligrams of
295 total THC per serving and one hundred (100) milligrams per
296 container.

297 (2) In addition to any other penalty, fine or conviction, as
298 applicable, any person or business entity that purposely,
299 knowingly or recklessly violates this provision of this chapter
300 relating to hemp production, sales, distribution or processing
301 shall be guilty of a misdemeanor and, upon conviction of the
302 violation, shall be fined in an amount not to exceed Five Thousand
303 Dollars (\$5,000.00), or sentenced to imprisonment in the county
304 jail for not more than one (1) year, or both such fine and
305 imprisonment.

306 (3) Notwithstanding subsection (2) of this section, if any
307 person or entity purposely, recklessly or knowingly cultivates or
308 grows hemp with a delta-9-tetrahydrocannabinol (THC) concentration
309 of more than one percent (1%) on a dry weight basis that person or
310 entity shall be guilty of a felony punishable by imprisonment for
311 not more than five (5) years, or a fine of not more than Ten
312 Thousand Dollars (\$10,000.00), or both such fine and imprisonment.

313 (4) For purposes of this section, the terms "purposely",
314 "knowingly" and "recklessly" have the following meanings:

315 (a) "Purposefully" means a person acts purposely with
316 respect to a material element of an offense if:

317 (i) The element involves the nature of his or her
318 conduct or a result thereof, it is his or her conscious object to
319 engage in conduct of that nature or to cause such a result; and

320 (ii) The element involves the attendant
321 circumstances, he or she is aware of the existence of such
322 circumstances or he or she believes or hopes that they exist.

323 (b) "Knowingly" means a person acts knowingly with
324 respect to a material element of an offense if:

325 (i) The element involves the nature of his or her
326 conduct or the attendant circumstances, he or she is aware that
327 his or her conduct is of that nature or that such circumstances
328 exist; and

329 (ii) The element involves a result of his or her
330 conduct, he or she is aware that it is practically certain that
331 his or her conduct will cause such a result.

332 (c) "Recklessly" means a person acts recklessly with
333 respect to a material element of an offense when he or she
334 consciously disregards a substantial and unjustifiable risk that
335 the material element exists or will result from his or her
336 conduct. The risk must be of such a nature and degree that,
337 considering the nature and purpose of the actor's conduct and the
338 circumstances known to him or her, its disregard involves a gross
339 deviation from the standard of conduct that a law-abiding person
340 would observe in the actor's situation.

341 **SECTION 6.** (1) Intoxicating hemp products may only be sold
342 to consumers in Mississippi by dispensaries licensed under the
343 Mississippi Medical Cannabis Act.

344 (2) Nothing in this article shall limit or affect the
345 interstate transport of hemp or hemp products through the state.

346 (3) Nothing in this article prohibits the transfer of hemp,
347 hemp ingredients, or intoxicating hemp products by growers and
348 processors to medical cannabis establishments in accordance with
349 the Medical Cannabis Act.

350 **SECTION 7.** All labels for any product containing finished
351 nonintoxicating hemp shall be approved by the department, provided
352 that packaging, labeling, marketing, and other finished product
353 regulation for intoxicating hemp products shall be governed by the
354 Medical Cannabis Act.

355 A finalized sample of any finished nonintoxicating hemp
356 product shall have a complete certificate of analysis (COA) from
357 an independent testing facility and/or laboratory that analyzes
358 the safety and potency of hemp products, and such COA shall be
359 provided to the department.

360 **SECTION 8.** Any entity registered with the Department as
361 provided under this article, shall submit a report on a quarterly
362 basis due by the 20th of the following month detailing any hemp
363 product produced, distributed, purchased, sold at wholesale or
364 sold at retail.

365 A processor shall be subject to a fine as prescribed by the
366 department per incident for the unlawful sale or purchase of any
367 hemp products.

368 Any processor shall pay a minimum fine of One Thousand
369 Dollars (\$1,000.00) for failing to report to the department by the
370 20th of the following month, hemp products purchased or sold in
371 Mississippi.

372 An electronic reporting system shall be implemented by the
373 department.

374 **SECTION 9.** Products that contain hemp shall be tested in a
375 testing facility and/or laboratory that meets the requirements of
376 the Agricultural Act of 2018 and that analyzes the safety and
377 potency of CBD products.

378 **SECTION 10.** (1) Any medical cannabis processing facility
379 that intends to process intoxicating hemp products shall register
380 with the Department of Health. Any such facility shall be subject
381 to a nonrefundable annual registration fee of Five Thousand
382 Dollars (\$5,000.00), which shall be in addition to the prescribed
383 licensing fee to operate as a medical cannabis processing
384 facility. The Department of Health may register a medical
385 cannabis processing facility as a medical cannabis processing
386 facility that also processes intoxicating hemp products after such
387 facility pays the fees required of this subsection. The
388 Department of Health shall be responsible for oversight of any
389 medical cannabis processing facility that processes intoxicating
390 hemp products.

391 (2) Any medical cannabis dispensary that intends to acquire,
392 possess, store, transfer, sell, supply or dispense intoxicating
393 hemp products shall register with the Department of Revenue. Any
394 such facility shall be subject to a nonrefundable annual
395 registration fee of Five Thousand Dollars (\$5,000.00), which shall
396 be in addition to the prescribed licensing fee to operate as a
397 medical cannabis dispensary. The Department of Revenue may
398 register a medical cannabis dispensary as a medical cannabis
399 dispensary that also acquires, possesses, stores, transfers,
400 sells, supplies or dispenses intoxicating hemp products after such
401 facility pays the fees required of this subsection. The
402 Department of Revenue shall be responsible for the oversight of
403 any such medical cannabis dispensary that acquires, possesses,
404 stores, transfers, sells, supplies or dispenses intoxicating hemp
405 products.

406 **SECTION 11.** (1) There is imposed, levied and assessed an
407 excise tax on intoxicating hemp products. Dispensaries shall
408 collect and remit an excise tax on forms and in a manner specified
409 by the Commissioner of Revenue.

410 The excise tax on intoxicating hemp products shall be based
411 on the sales price for which a dispensary sells to a consumer, and
412 the rate of the excise tax shall be five percent (5%) of such
413 sales price.

414 (2) All administrative provisions of the sales tax law and
415 amendments thereto, including those which fix damages, penalties
416 and interest for nonpayment of taxes and for noncompliance with

417 the provision of the sales tax law, and all other requirements and
418 duties imposed upon a taxpayer, shall apply to all persons liable
419 for taxes under the provisions of this subsection. The
420 Commissioner of the Department of Revenue shall exercise all power
421 and authority and perform all duties with respect to taxpayers
422 under this subsection as are provided in the sales tax law, except
423 where there is conflict, then the provisions of this subsection
424 shall control.

425 All excise taxes collected under the provisions of this
426 section shall be deposited into the State General Fund.

427 (3) A dispensary, on forms and in a manner specified by the
428 Commissioner of Revenue, shall collect and remit the sales tax
429 levied in Section 27-65-17(1) (a) from the gross proceeds derived
430 from each retail sale of intoxicating hemp products.

431 **SECTION 12.** Section 69-25-211, Mississippi Code of 1972, is
432 amended as follows:

433 69-25-211. (1) (a) The commissioner or the commissioner's
434 designee may enter, at reasonable times, upon any public or
435 private property at which hemp is being cultivated or processed
436 for the purpose of determining compliance with this * * * article
437 and rules adopted under it. The * * * commissioner or the
438 commissioner's designee may apply for, and any judge of a court of
439 competent jurisdiction, may issue a search warrant as is necessary
440 to achieve the purposes of this * * * article relating to things,
441 property or places within the court's territorial jurisdiction.

442 (b) If the commissioner or the commissioner's designee
443 determines that emergency conditions exist requiring immediate
444 action necessary to protect public health or safety of the
445 environment, the commissioner or the commissioner's designee may
446 issue an order stating the existence of such conditions and
447 requiring specific actions be taken to mitigate those conditions
448 without providing prior notice or an adjudication hearing.

449 (c) Any person to whom such an order is issued shall
450 immediately comply with that order, and may apply to the
451 commissioner or the commissioner's for an adjudication hearing.
452 Upon receiving an application for an adjudication hearing,
453 the * * * commissioner or the commissioner's designee shall hold
454 the hearing as soon as practicable and not later than thirty (30)
455 days after receipt of the application. On the basis of the
456 hearing, the * * * commissioner or the commissioner's designee
457 shall continue the order in effect, revoke it, or modify it.

458 (d) In addition to any other available remedies, the
459 commissioner or the Mississippi Attorney General may apply to the
460 circuit court in the county where any provision of this * * *
461 article or an order issued under paragraph (b) of this subsection
462 is being violated for an injunction restraining any person from
463 continuing the violation.

464 (e) An employee of the state or any division, agency,
465 institution thereof involved in the administration and/or
466 enforcement of this article, shall not be subject to prosecution
467 for violations related to possession or transportation of hemp or

468 cannabis in conjunction with the employee's duties arising under
469 this * * * article.

470 (2) In addition to any other liability or penalty provided
471 by law, the department may revoke or refuse to issue or renew a
472 hemp grower license or hemp processor registration and may impose
473 a civil penalty for violations of:

474 (a) A license or registration requirement;
475 (b) License or registration terms or conditions;
476 (c) Department rules and regulations relating to
477 growing or processing hemp; or

478 (d) A final order of the department that is
479 specifically directed to the grower's or processor's hemp
480 operations or activities.

481 (3) The department may impose administrative penalties for
482 violations under this section in * * * substantially the same
483 manner as provided for the Department of Agriculture and Commerce
484 in Section 69-25-51.

485 **SECTION 13.** Section 69-25-215, Mississippi Code of 1972, is
486 amended as follows:

487 69-25-215. If a hemp grower violates the State Plan,
488 including growing hemp containing a delta-9-tetrahydrocannabinol
489 (THC) concentration that exceeds three-tenths percent (0.3%) on a
490 dry mass basis or a tolerance range as specified by USDA, with a
491 culpable mental state greater than negligence as determined by the
492 department, the commissioner shall immediately report the
493 violation and the hemp grower to the United States Attorney

494 General, the Mississippi Attorney General and the Mississippi
495 Public Safety Commissioner. Such violations shall also be
496 referred to the Mississippi Bureau of Narcotics for investigation.
497 The Bureau of Narcotics may detain, seize and/or destroy the crop
498 and may initiate a criminal case for any violation of this article
499 or the Mississippi Uniform Controlled Substances Law. The
500 Mississippi Attorney General shall, in person or by his or her
501 designee, prosecute all criminal actions related to violations
502 arising under this * * * article relating to hemp, on behalf of
503 the state. Violations of the State Plan that involve culpability
504 greater than negligence must be reported to the United States
505 Attorney General and the Mississippi Attorney General. The
506 provisions of Section 69-25-213 shall not apply to nonnegligent
507 violations.

508 **SECTION 14.** Section 69-25-219, Mississippi Code of 1972, is
509 amended as follows:

510 69-25-219. (1) Any person convicted of a felony relating to
511 a controlled substance under state or federal law before, on or
512 after * * * June 29, 2020, shall be ineligible, during the
513 ten-year period following the date of the conviction to
514 participate in the program established under this article and
515 to * * * grow or process hemp under any regulations or guidelines
516 issued under this article.

517 (2) Any person who materially falsifies any information
518 contained in an application to participate in the State Plan

519 established under this article shall be ineligible to participate
520 in the State Plan.

521 (3) In addition to any inspection conducted, the department
522 may inspect any hemp crop at any time and take a representative
523 composite sample for analysis. It shall be the duty of the
524 department to take such samples and deliver them to the State
525 Chemist for examination and analysis. It shall be the duty of the
526 State Chemist to cause as many analyses to be made of samples
527 delivered to him or her by the department as may be necessary to
528 properly implement the intent of this article. The State Chemist
529 shall make a report of such analyses to the department.

530 (4) The department shall charge growers and processors a fee
531 or fees as determined by the department in a sufficient amount to
532 cover the costs required to administer and enforce the provisions
533 of this * * * article.

534 **SECTION 15.** Section 69-25-221, Mississippi Code of 1972, is
535 amended as follows:

536 69-25-221. No person shall operate as a hemp processor
537 without first having secured a surety bond pursuant to this
538 section. The * * * department shall promulgate rules and
539 regulations as necessary to require hemp processors to secure a
540 surety bond. A hemp processor may file with the department, in
541 lieu of a surety bond, a certificate of deposit or irrevocable
542 letter of credit from any bank or banking corporation insured by
543 the Federal Deposit Insurance Corporation. Rules and regulations

544 required for certificates of deposit and irrevocable letters of
545 credit shall be promulgated by the * * * department.

546 **SECTION 16.** Section 69-25-223, Mississippi Code of 1972, is
547 amended as follows:

548 69-25-223. (1) The provisions of this article which provide
549 authority to the Commission of Agriculture and Commerce and the
550 Mississippi Department of Agriculture and Commerce to administer
551 the provisions, related to hemp operators, of the "Mississippi
552 Intoxicating Hemp * * * Regulation Act * * *" shall be subject to
553 legislative appropriation or receipt of necessary funding from any
554 private or public entity for purposes of implementation.

555 (2) The provisions of this article shall not have any effect
556 upon any programs administered by Mississippi State University,
557 which shall remain exempt, as such programs related to the
558 educational, research or testing functions performed by
559 Mississippi State Chemical Laboratory, shall continue to function
560 in accordance with the mission of the university, as approved by
561 the Board of Trustees of State Institutions of Higher Learning.

562 **SECTION 17.** Section 41-137-3, Mississippi Code of 1972, is
563 amended as follows:

564 41-137-3. For purposes of this chapter, unless the context
565 requires otherwise, the following terms shall have the meanings
566 ascribed herein:

567 (a) "Ancillary product" means:

568 (i) Any equipment, products or materials of any
569 kind which are used, intended for use, or designed for use in

570 storing, smoking, vaporizing, or containing medical cannabis,
571 cannabis products, or intoxicating hemp products, or for
572 ingesting, inhaling, or otherwise introducing medical cannabis,
573 cannabis products, or intoxicating hemp products into the human
574 body; and

575 (ii) Intoxicating hemp products, and
576 non-intoxicating hemp products.

577 (* * *b) "Artificially derived cannabinoid" means a
578 chemical substance that is created by a chemical reaction that
579 changes the molecular structure of any chemical substance derived
580 from the plant Cannabis family Cannabaceae. Such term shall not
581 include:

582 (i) A naturally occurring chemical substance that
583 is separated from the plant Cannabis family Cannabaceae by a
584 chemical or mechanical extraction process;

585 (ii) Cannabinoids that are produced or processed
586 by decarboxylation from a naturally occurring cannabinoid acid
587 without the use of a chemical catalyst; or

588 (iii) Any other chemical substance identified by
589 MDOH.

590 (* * *c) "Allowable amount of medical cannabis" means
591 an amount not to exceed the maximum amount of Mississippi Medical
592 Cannabis Equivalency Units ("MMCEU").

593 (* * *d) "Bona fide practitioner-patient relationship"
594 means:

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

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

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

606 (* * *e) "Cannabis" means all parts of the plant of
607 the genus cannabis, the flower, the seeds thereof, the resin
608 extracted from any part of the plant and every compound, * * *
609 process, salt, derivative, mixture or preparation of the plant,
610 its seeds or its resin, including whole plant extracts. Such term
611 shall not mean cannabis-derived drug products approved by the
612 federal Food and Drug Administration under Section 505 of the
613 Federal Food, Drug, and Cosmetic Act, or hemp as defined in
614 Section 69-25-203.

615 (* * *f) "Cannabis cultivation facility" means a
616 business entity licensed and registered by the Mississippi
617 Department of Health that * * * is authorized to:

618 (i) Acquire, grow, cultivate and harvest medical
619 cannabis in an indoor, enclosed, locked and secure area for sale
620 to other medical cannabis establishments;

621 (ii) Acquire and possess hemp-derived ingredients
622 and intoxicating hemp products to sell to other medical cannabis
623 establishments.

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

628 (* * *h) "Cannabis processing facility" means a
629 business entity that is licensed and registered by the Mississippi
630 Department of Health that:

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

633 (ii) Possesses cannabis or hemp with the intent
634 to * * * process a cannabis product or an intoxicating hemp
635 product;

636 (iii) * * * Processes or intends to * * * process
637 a cannabis or intoxicating hemp product from unprocessed hemp
638 ingredients, cannabis or a cannabis extract; and

639 (iv) Sells or intends to sell a cannabis product
640 and/or intoxicating hemp products to a medical cannabis
641 dispensary, cannabis testing facility or cannabis research
642 facility.

643 (* * *i) "Cannabis products" means cannabis flower,
644 concentrated cannabis, cannabis extracts and products that are
645 infused with cannabis or an extract thereof and are intended for
646 use or consumption by humans. The term includes, without

647 limitation, edible cannabis products, beverages, topical products,
648 ointments, oils, tinctures and suppositories that contain
649 tetrahydrocannabinol (THC) and/or cannabidiol (CBD) except those
650 products excluded from control under Sections 41-29-113 and
651 41-29-136.

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

660 (* * *k) "Cannabis testing facility" or "testing
661 facility" means an independent entity licensed and registered by
662 the Mississippi Department of Health that analyzes the safety and
663 potency of cannabis, cannabis products and hemp products,
664 including, but not limited to, intoxicating hemp products.

665 (* * *l) "Cannabis transportation entity" means an
666 independent entity licensed and registered by the Mississippi
667 Department of Health that is involved in the commercial
668 transportation of medical cannabis, cannabis products and
669 intoxicating hemp products.

670 (* * *m) "Cannabis waste" means plant debris of the
671 plant of the genus cannabis, including dead plants and all unused

672 plant parts. This term shall not include seeds, roots, stems and
673 stalks.

674 (* * *n) "Cannabinoid" means any of the chemical
675 compounds that are the active constituents derived from THC.

676 (* * *o) "Canopy" means the total surface area within
677 a cultivation area that is dedicated to the cultivation of
678 flowering cannabis plants. The surface area of the plant canopy
679 must be calculated in square feet and measured and must include
680 all of the area within the boundaries where the cultivation of the
681 flowering cannabis plants occurs. If the surface area of the
682 plant canopy consists of noncontiguous areas, each component area
683 must be separated by identifiable boundaries. If a tiered or
684 shelving system is used in the cultivation area the surface area
685 of each tier or shelf must be included in calculating the area of
686 the plant canopy. Calculation of the area of the plant canopy may
687 not include the areas within the cultivation area that are used to
688 cultivate immature cannabis plants and seedlings, prior to
689 flowering, and that are not used at any time to cultivate mature
690 cannabis plants.

691 (* * *p) "Cardholder" means a registered qualifying
692 patient or a registered designated caregiver who has been issued
693 and possesses a valid registry identification card.

694 (* * *q) "Chronic pain" means a pain state in which
695 the cause of the pain cannot be removed or otherwise treated, and
696 which in the generally accepted course of medical practice, no

697 relief or cure of the cause of the pain is possible, or none has
698 been found after reasonable efforts by a practitioner.

699 (* * * r) "Concentrate" means a substance obtained by
700 separating cannabinoids from cannabis by:

701 (i) A mechanical extraction process;

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

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

709 (* * * s) "Debilitating medical condition" means:

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

719 (ii) A chronic, terminal or debilitating disease
720 or medical condition, or its treatment, that produces one or more
721 of the following: cachexia or wasting syndrome, chronic pain,
722 severe or intractable nausea, seizures, or severe and persistent

723 muscle spasms, including, but not limited to, those characteristic
724 of multiple sclerosis; or

725 (iii) Any other serious medical condition or its
726 treatment added by the Mississippi Department of Health, as
727 provided for in Section 41-137-17.

728 (* * *t) "Designated caregiver" means a person who:

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

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

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

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

742 (u) "Delta-9-tetrahydrocannabinol" means the sum of the
743 percentage by weight of tetrahydrocannabinol acid multiplied by
744 eight hundred seventy-seven thousandths (0.877) plus the
745 percentage by weight of delta-9-tetrahydrocannabinol.

746 (* * *y) "Disqualifying felony offense" means:

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

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

753 (iii) A conviction for a violation of a state or
754 federal controlled substances law that was classified as a felony
755 in the jurisdiction where the person was convicted, including the
756 service of any term of probation, incarceration or supervised
757 release within the previous five (5) years and the offender has
758 not committed another similar offense since the conviction. Under
759 this subparagraph (iii), a disqualifying felony offense shall not
760 include a conviction that consisted of conduct for which this
761 chapter would likely have prevented the conviction but for the
762 fact that the conduct occurred before February 2, 2022.

763 (* * *w) "Edible cannabis products" means products
764 that:

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

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

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

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

775 (y) "Grower" has the same meaning as set forth in
776 Section 69-25-203.

777 (z) "Hemp" has the same meaning as set forth in Section
778 69-25-203.

779 (aa) "Hemp-derived ingredient" means a hemp biomass,
780 hemp-derived distillate, or other substance derived from hemp to
781 be used in the production of an intoxicating hemp product.
782 Notwithstanding any provision to the contrary, hemp derived
783 ingredients that may have a Total THC concentration above three
784 tenths percent (0.3%) and less than or equal to five percent
785 (5.0%) if not for consumer use or distribution and only sold or
786 transferred between licensed hemp growers, processors, medical
787 cannabis establishments, or certified laboratories, and will
788 undergo further refinement or processing into a hemp product.

789 (bb) "Intoxicating hemp product" means a product as
790 defined in Section 69-25-203.

791 (* * *cc) "MMCEU" means Mississippi Medical Cannabis
792 Equivalency Unit. One unit of MMCEU shall be considered equal
793 to * * * one (1) gram of THC in any medical cannabis product.

794 (* * *dd) "MDOH" means the Mississippi Department of
795 Health.

796 (* * *ee) "MDOR" means the Mississippi Department of
797 Revenue.

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

801 (* * *gg) "Medical cannabis dispensary" or
802 "dispensary" means an entity licensed and registered with the MDOR
803 that acquires, possesses, stores, transfers, sells, supplies or
804 dispenses medical cannabis, equipment used for medical cannabis,
805 cannabis products, ancillary products or related supplies and
806 educational materials to cardholders or to other individuals as
807 authorized by this act.

808 (* * *hh) "Medical cannabis establishment" means a
809 cannabis cultivation facility, cannabis processing facility,
810 cannabis testing facility, cannabis dispensary, cannabis
811 transportation entity, cannabis disposal entity or cannabis
812 research facility licensed and registered by the appropriate
813 agency.

814 (* * *ii) "Medical cannabis establishment agent" means
815 an owner, officer, board member, employee, volunteer or agent of a
816 medical cannabis establishment.

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

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

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

830 (* * *kk) "Nonresident cardholder" means a person who:

831 (i) Has been diagnosed with a debilitating medical
832 condition by a practitioner in his or her respective state or
833 territory, or is the parent, guardian, conservator or other person
834 with authority to consent to the medical use of medical cannabis
835 by a person who has been diagnosed with a debilitating medical
836 condition;

837 (ii) Is not a resident of Mississippi or who has
838 been a resident of Mississippi for less than forty-five (45) days;
839 and

840 (iii) Has submitted any documentation required by
841 MDOH rules and regulations and has received confirmation of
842 registration.

843 (* * *ll) "Practitioner" means a physician, certified
844 nurse practitioner, physician assistant or optometrist who is
845 licensed to prescribe medicine under the licensing requirements of
846 their respective occupational boards and the laws of this state.
847 In relation to a nonresident cardholder, the term means a
848 physician, certified nurse practitioner, physician assistant or
849 optometrist who is licensed to prescribe medicine under the
850 licensing requirements of their respective occupational boards and
851 under the laws of the state or territory in which the nonresident
852 patient resides. For registered qualifying patients who are

853 minors, "practitioner" shall mean a physician or doctor of
854 osteopathic medicine who is licensed to prescribe medicine under
855 the licensing requirements of their respective occupational boards
856 and the laws of this state.

857 (mm) "Processor" has the same meaning as set forth in
858 Section 69-25-203.

859 (* * * nn) "Public place" means a church or any area to
860 which the general public is invited or in which the general public
861 is permitted, regardless of the ownership of the area, and any
862 area owned or controlled by a municipality, county, state or
863 federal government, including, but not limited to, streets,
864 sidewalks or other forms of public transportation. Such term
865 shall not mean a private residential dwelling.

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

869 (* * * pp) "Registry identification card" means a
870 document issued by the MDOH that identifies a person as a
871 registered qualifying patient, nonresident registered qualifying
872 patient or registered designated caregiver.

873 (* * * qq) "School" means an institution for the
874 teaching of children, consisting of a physical location, whether
875 owned or leased, including instructional staff members and
876 students, and which is in session each school year. This
877 definition shall include, but not be limited to, public, private,
878 church and parochial programs for kindergarten, elementary, junior

879 high and high schools. Such term shall not mean a home
880 instruction program.

881 (* * *rr) "Scope of practice" means the defined
882 parameters of various duties, services or activities that may be
883 provided or performed by a certified nurse practitioner as
884 authorized under Sections 73-15-5 and 73-15-20, by an optometrist
885 as authorized under Section 73-19-1, by a physician as authorized
886 under Section 73-25-33, or by a physician assistant under Section
887 73-26-5, and rules and regulations adopted by the respective
888 licensing boards for those practitioners.

889 (* * *ss) * * * "Total THC" means any and all forms of
890 tetrahydrocannabinol that are contained naturally in the cannabis
891 plant, as well as synthesized forms of THC and derived variations,
892 derivatives, isomers and allotropes that have similar molecular
893 and physiological characteristics of tetrahydrocannabinol,
894 including, but not limited to, THCA, THC Delta 9, THC Delta 8, THC
895 Delta 10 and THC Delta 6.

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

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

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

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

906 (iv) The practitioner's signature.

907 **SECTION 18.** Section 41-137-9, Mississippi Code of 1972, is
908 amended as follows:

909 41-137-9. (1) There is a presumption that a registered
910 qualifying patient is engaged in the medical use of medical
911 cannabis under this chapter if the person is in possession of a
912 registry identification card and an amount of medical cannabis
913 that does not exceed the allowable amount of medical cannabis.
914 There is a presumption that a registered designated caregiver is
915 assisting in the medical use of medical cannabis under this
916 chapter if the person is in possession of a registry
917 identification card and an amount of medical cannabis that does
918 not exceed the allowable amount of medical cannabis. These
919 presumptions may be rebutted by evidence that conduct related to
920 medical cannabis was not for the purpose of treating or
921 alleviating a registered qualifying patient's debilitating medical
922 condition or symptoms associated with the registered qualifying
923 patient's debilitating medical condition under this chapter.

924 (2) Subject to the conditions, limitations, requirements and
925 exceptions set forth in this chapter, the following activities
926 related to medical cannabis or ancillary products shall be
927 considered lawful:

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

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

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

937 (d) The provision, by a professional or occupational
938 licensee, of advice or services related to medical cannabis
939 activities allowed under this chapter, to the extent such advice
940 or services meet or exceed the applicable professional or
941 occupational standard of care;

942 (e) Providing or selling equipment used to ingest
943 medical cannabis to a cardholder, nonresident cardholder or to a
944 medical cannabis establishment;

945 (f) Acting as a designated caregiver to assist a
946 registered qualifying patient with the act of using or
947 administering medical cannabis;

948 (g) Activities by a medical cannabis establishment or a
949 medical cannabis establishment agent that are allowed by its
950 license and registration;

951 (h) Activities by a dispensary or a dispensary agent
952 to:

953 (i) Possess, store or sell medical cannabis, ancillary products * * * and educational materials * * * to
954 cardholders, nonresident cardholders * * *, other

956 dispensaries, * * * and other individuals as permitted under the
957 act;

958 (ii) To purchase or otherwise acquire medical
959 cannabis products, cannabis products, ancillary products and
960 intoxicating hemp products from cannabis cultivation facilities,
961 cannabis processing facilities, cannabis research facilities or
962 other dispensaries; or

963 (iii) Possess, store or sell intoxicating hemp
964 products to any consumer twenty-one (21) years of age or older;

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

967 (i) Possess, plant, propagate, cultivate, grow,
968 harvest, produce, process, manufacture, compound, convert,
969 prepare, pack, repack or store medical cannabis and hemp-derived
970 ingredients or intoxicating hemp products;

971 (ii) Purchase or otherwise acquire medical
972 cannabis * * *, cannabis products, and intoxicating hemp products
973 from medical cannabis establishments; or

974 (iii) Purchase or otherwise acquire hemp-derived
975 ingredients or ancillary products from any lawful source; or

976 (* * *iv) Sell, supply or transfer medical
977 cannabis products, cannabis products, ancillary products,
978 equipment used to ingest medical cannabis, and related supplies
979 and educational materials to other cannabis cultivation
980 facilities, cannabis processing facilities or dispensaries * * *;

981 (j) Activities by a cannabis research facility, a
982 cannabis testing facility or agents of these facilities to:

983 (i) Purchase or otherwise acquire medical cannabis
984 from medical cannabis establishments;

985 (ii) Possess, purchase or otherwise acquire
986 hemp-derived ingredients, or cannabis products, or intoxicating
987 hemp products;

988 (* * * iii) Possess, produce, process, compound,
989 convert, prepare, pack, test, repack and store medical cannabis,
990 hemp-derived ingredients and cannabis products obtained from
991 medical cannabis establishments; or

992 (* * * iv) Sell, supply or transfer medical
993 cannabis, hemp-derived ingredients, cannabis products, ancillary
994 products, and educational materials * * * to cannabis cultivation
995 facilities, cannabis processing facilities, cannabis testing
996 facilities and cannabis research facilities * * *;

997 (k) Activities by a cannabis transportation entity or a
998 cannabis disposal entity to transport, supply, deliver, dispose of
999 or destroy cannabis, cannabis products, intoxicating hemp products
1000 or hemp-derived ingredients, as applicable.

1001 (3) Any medical cannabis, cannabis product, * * * ancillary
1002 product, or other interest in or right to property that is
1003 possessed, owned or used in connection with the medical use of
1004 medical cannabis as authorized by this chapter, or acts incidental
1005 to such use, shall not be seized or forfeited. This chapter shall
1006 not prevent the seizure or forfeiture of medical cannabis

1007 exceeding the allowable amounts of medical cannabis, nor shall it
1008 prevent seizure or forfeiture if the basis for the action is
1009 unrelated to the medical cannabis that is possessed, processed,
1010 transferred or used pursuant to this chapter. This section shall
1011 not be construed to prevent the seizure of intoxicating hemp
1012 products by the proper agency under this act.

1013 (4) Possession of, or application for, a registry
1014 identification card shall not:

1015 (a) Constitute probable cause or reasonable suspicion;

1016 (b) Be used to support a search of the person or
1017 property of the person possessing or applying for the registry
1018 identification card; or

1019 (c) Subject the person or property of the person to
1020 inspection by any governmental agency.

1021 (5) It is the public policy of the State of Mississippi that
1022 contracts related to medical cannabis that are entered into by
1023 cardholders, medical cannabis establishments, medical cannabis
1024 establishment agents and those who allow property to be used by
1025 those persons, should be enforceable to the extent that those
1026 activities comply with the other provisions of this chapter. It
1027 is the public policy of the State of Mississippi that no contract
1028 entered into by a cardholder, a medical cannabis establishment, or
1029 a medical cannabis establishment agent, or by a person who allows
1030 property to be used for activities that are authorized under this
1031 chapter, shall be unenforceable on the basis that activities
1032 related to cannabis are prohibited by federal law.

1033 (6) An applicant for a professional or occupational license
1034 shall not be denied a license based on previous employment related
1035 to medical cannabis activities that are allowed under this
1036 chapter.

1037 **SECTION 19.** Section 41-137-11, Mississippi Code of 1972, is
1038 amended as follows:

1039 41-137-11. (1) Each medical cannabis establishment shall
1040 use a statewide seed-to-sale tracking system certified by the MDOH
1041 to track medical cannabis from seed or immature plant stage until
1042 the medical cannabis is purchased by a registered qualifying
1043 patient or registered designated caregiver or destroyed. Records
1044 entered into the seed-to-sale tracking system shall include each
1045 day's beginning inventory, harvests, acquisitions, sales,
1046 disbursements, remediations, disposals, transfers, ending
1047 inventory, and any other data necessary for inventory control
1048 records in the statewide seed-to-sale tracking system. Each
1049 medical cannabis dispensary shall be responsible for ensuring that
1050 all medical cannabis sold or disbursed to a registered qualifying
1051 patient or registered designated caregiver is recorded in the
1052 seed-to-sale tracking system as a purchase by or on behalf of the
1053 applicable registered qualifying patients.

1054 (2) Amounts of medical cannabis shall be recorded in the
1055 following manner:

1056 (a) For dried, unprocessed cannabis, in ounces or
1057 grams;

1058 (b) For concentrates, in grams; or

1059 (c) For infused products, by milligrams of THC.

1060 (3) The seed-to-sale tracking system used by cannabis
1061 cultivation facilities, dispensaries, cannabis processing
1062 facilities, cannabis testing facilities, cannabis research
1063 facilities, cannabis transportation entities and cannabis disposal
1064 entities shall be capable of:

1065 (a) Allowing those facilities and entities to interface
1066 with the statewide system such that a facility may enter and
1067 access information in the statewide system;

1068 (b) Providing the MDOR and MDOH with access to all
1069 information stored in the system's database;

1070 (c) Maintaining the confidentiality of all patient and
1071 caregiver data and records accessed or stored by the system such
1072 that all persons or entities other than the MDOR and MDOH may only
1073 access the information in the system that they are authorized by
1074 law to access;

1075 (d) Producing analytical reports to the MDOR and MDOH
1076 regarding the total quantity of daily, monthly, and yearly sales
1077 at the facility per product type; the average prices of daily,
1078 monthly, and yearly sales at the facility per product type; and
1079 total inventory or sales record adjustments at the facility; * * *

1080 (e) The ability to determine the amount of medical
1081 cannabis that a registered qualifying patient or registered
1082 designated caregiver has purchased that day in real time by
1083 searching a patient registration number * * *; and

1084 (f) Incorporating hemp-derived ingredients,
1085 intoxicating hemp products, and cannabis products purchased and
1086 sold by medical cannabis establishments.

1087 (4) Banks and other financial institutions may be allowed
1088 access to specific limited information from the seed-to-sale
1089 tracking system. The information that may be available to these
1090 institutions shall be limited to financial data of individuals and
1091 business entities that have a business relationship with these
1092 institutions. This information shall be limited to the
1093 information needed for banks to comply with applicable federal
1094 regulations and shall not disclose any medical or personal
1095 information about registered cardholders or designated caregivers.

1096 **SECTION 20.** Section 41-137-35, Mississippi Code of 1972, is
1097 amended as follows:

1098 41-137-35. (1) The MDOH shall issue licenses for cannabis
1099 cultivation facilities, cannabis processing facilities, cannabis
1100 transportation entities, cannabis disposal entities, cannabis
1101 research facilities and cannabis testing facilities. The MDOR
1102 shall issue licenses for medical cannabis dispensaries.

1103 (2) The cannabis cultivation facility license application
1104 fee shall be subject to the following tiers:

1105 (a) Micro-cultivators.

1106 (i) Tier 1. A cannabis cultivation facility with
1107 a canopy of one thousand (1,000) square feet or less shall be
1108 subject to a one-time nonrefundable license application fee of One

1109 Thousand Five Hundred Dollars (\$1,500.00). The annual license fee
1110 shall be a nonrefundable fee of Two Thousand Dollars (\$2,000.00).

1111 (ii) Tier 2. A cannabis cultivation facility with
1112 a canopy of more than one thousand (1,000) square feet but not
1113 more than two thousand (2,000) square feet shall be subject to a
1114 one-time nonrefundable license application fee of Two Thousand
1115 Five Hundred Dollars (\$2,500.00). The annual license fee shall be
1116 a nonrefundable fee of Three Thousand Five Hundred Dollars
1117 (\$3,500.00).

1118 (b) Cultivators.

1119 (i) Tier 1. A cannabis cultivation facility with
1120 a canopy of not less than two thousand (2,000) square feet but not
1121 more than five thousand (5,000) square feet shall be subject to a
1122 one-time nonrefundable license application fee of Five Thousand
1123 Dollars (\$5,000.00). The annual license fee shall be a
1124 nonrefundable fee of Fifteen Thousand Dollars (\$15,000.00).

1125 (ii) Tier 2. A cannabis cultivation facility with
1126 a canopy of not less than five thousand (5,000) square feet but
1127 not more than fifteen thousand (15,000) square feet shall be
1128 subject to a one-time nonrefundable license application fee of Ten
1129 Thousand Dollars (\$10,000.00). The annual license fee shall be a
1130 nonrefundable fee of Twenty-five Thousand Dollars (\$25,000.00).

1131 (iii) Tier 3. A cannabis cultivation facility
1132 with a canopy of not less than fifteen thousand (15,000) square
1133 feet but not more than thirty thousand (30,000) square feet shall
1134 be subject to a one-time nonrefundable license application fee of

1135 Twenty Thousand Dollars (\$20,000.00). The annual license fee
1136 shall be a nonrefundable fee of Fifty Thousand Dollars
1137 (\$50,000.00).

1138 (iv) Tier 4. A cannabis cultivation facility with
1139 a canopy of not less than thirty thousand (30,000) square feet but
1140 not more than sixty thousand (60,000) square feet shall be subject
1141 to a one-time nonrefundable license application fee of Thirty
1142 Thousand Dollars (\$30,000.00). The annual license fee shall be a
1143 nonrefundable fee of Seventy-five Thousand Dollars (\$75,000.00).

1144 (v) Tier 5. A cannabis cultivation facility with
1145 a canopy of not less than sixty thousand (60,000) square feet but
1146 not more than one hundred thousand (100,000) square feet shall be
1147 subject to a one-time nonrefundable license application fee of
1148 Forty Thousand Dollars (\$40,000.00). The annual license fee shall
1149 be a nonrefundable fee of One Hundred Thousand Dollars
1150 (\$100,000.00).

1151 (vi) Tier 6. A cannabis cultivation facility with
1152 a canopy of not less than one hundred thousand (100,000) square
1153 feet but not more than one hundred fifty thousand (150,000) square
1154 feet shall be subject to a one-time nonrefundable license
1155 application fee of Sixty Thousand Dollars (\$60,000.00). The
1156 annual license fee shall be a nonrefundable fee of One Hundred
1157 Fifty Thousand Dollars (\$150,000.00). Tier 6 cannabis cultivation
1158 facilities shall have not more than two (2) locations; however,
1159 the total canopy space of both locations combined may not exceed
1160 one hundred fifty thousand (150,000) square feet.

1161 (3) The cannabis processing facility license application fee
1162 shall be subject to the following tiers:

1163 (a) Micro-processors.

1164 (i) Tier 1. A cannabis processing facility which
1165 processes less than two thousand (2,000) pounds of dried biomass
1166 cannabis material annually shall be subject to a one-time
1167 nonrefundable license application fee of Two Thousand Dollars
1168 (\$2,000.00). The annual license fee shall be a nonrefundable fee
1169 of Three Thousand Five Hundred Dollars (\$3,500.00).

1170 (ii) Tier 2. A cannabis processing facility which
1171 processes not less than two thousand (2,000) pounds but less than
1172 three thousand (3,000) pounds of dried biomass cannabis material
1173 annually shall be subject to a one-time nonrefundable license
1174 application fee of Two Thousand Five Hundred Dollars (\$2,500.00).
1175 The annual license fee shall be a nonrefundable fee of Five
1176 Thousand Dollars (\$5,000.00).

1177 (b) Processors. A cannabis processing facility which
1178 processes not less than three thousand (3,000) pounds of biomass
1179 cannabis material annually shall be subject to a one-time
1180 nonrefundable license application fee of Fifteen Thousand Dollars
1181 (\$15,000.00). The annual license fee shall be a nonrefundable fee
1182 of Twenty Thousand Dollars (\$20,000.00).

1183 (4) A medical cannabis dispensary shall be subject to a
1184 one-time nonrefundable license application fee of Fifteen Thousand
1185 Dollars (\$15,000.00). The annual license fee shall be a
1186 nonrefundable fee of Twenty-five Thousand Dollars (\$25,000.00).

1187 (5) Cannabis transportation entities shall be subject to a
1188 one-time nonrefundable application fee of Five Thousand Dollars
1189 (\$5,000.00). The annual license fee shall be a nonrefundable fee
1190 of Seven Thousand Five Hundred Dollars (\$7,500.00).

1191 (6) Cannabis disposal entities shall be subject to a
1192 one-time nonrefundable application fee of Five Thousand Dollars
1193 (\$5,000.00). The annual license fee shall be a nonrefundable fee
1194 of Seven Thousand Five Hundred Dollars (\$7,500.00).

1195 (7) Cannabis testing facilities shall be subject to a
1196 one-time nonrefundable application fee of Ten Thousand Dollars
1197 (\$10,000.00) and an annual license fee of Fifteen Thousand Dollars
1198 (\$15,000.00). An individual or business entity that has a direct
1199 or indirect ownership or economic interest in a licensed cannabis
1200 testing facility may also have a direct or indirect ownership or
1201 economic interest in a licensed medical cannabis transportation
1202 entity. A cannabis testing facility may enter into an agreement
1203 for the transportation of medical cannabis by a licensed medical
1204 cannabis transportation entity. MDOH may contract with a private
1205 laboratory for the purpose of conducting compliance testing
1206 oversight of medical cannabis testing facilities licensed in the
1207 state. Any such laboratory under contract for compliance testing
1208 oversight shall be prohibited from conducting any other commercial
1209 medical cannabis testing in this state.

1210 (8) Cannabis research facilities shall be subject to a
1211 one-time nonrefundable application fee of Ten Thousand Dollars
1212 (\$10,000.00) and an annual license fee of Fifteen Thousand Dollars

1213 (\$15,000.00). A research facility at any university or college in
1214 this state shall be exempt from all fees imposed under this
1215 section.

1216 (9) No individual or business entity shall have a direct or
1217 indirect ownership or economic interest of greater than ten
1218 percent (10%) in:

1219 (a) More than one (1) cannabis cultivation facility
1220 license;

1221 (b) More than one (1) cannabis processing facility
1222 license; and

1223 (c) More than five (5) medical cannabis dispensary
1224 licenses.

1225 (10) Minimum qualifications for applicants for a cannabis
1226 cultivation facility, a cannabis processing facility, a medical
1227 cannabis dispensary, a medical cannabis transportation entity or a
1228 medical cannabis disposal entity license(s) are as follows:

1229 (a) An individual applicant for a cannabis cultivation
1230 facility, cannabis processing facility, medical cannabis
1231 dispensary, medical cannabis transportation entity or medical
1232 cannabis disposal license shall be a natural person who:

1233 (i) Is at least twenty-one (21) years of age;

1234 (ii) Has not previously held a license for a
1235 cannabis cultivation facility, cannabis processing facility,
1236 medical cannabis dispensary, medical cannabis transportation
1237 entity or medical cannabis disposal entity that has been revoked;

1238 (iii) Has not been convicted of a disqualifying
1239 felony offense;

1240 (iv) If possessing a professional or occupational
1241 license, that the license is in good standing;

1242 (v) Has submitted a sworn statement indicating
1243 that he or she is a true and actual owner of the entity for which
1244 the license is desired, and that he or she intends to carry on the
1245 business authorized for himself or herself and the entity and not
1246 as the agent for any other entity * * *;

1247 (vi) Has no outstanding tax delinquencies owed to
1248 the State of Mississippi;

1249 (vii) Is not serving as a member of the
1250 Mississippi Senate or Mississippi House of Representatives through
1251 December 31, 2022;

1252 (viii) Is not the spouse of a person serving as a
1253 member of the Mississippi Senate or Mississippi House of
1254 Representatives through December 31, 2022; and

1255 (b) If the applicant is applying on behalf of an
1256 entity, in addition to paragraph (a) of this subsection, the
1257 individual applicant shall:

1258 (i) Be legally authorized to submit an application
1259 on behalf of the entity;

1260 (ii) Serve as the primary point of contact with
1261 the MDOR and MDOH;

1262 (iii) Submit sufficient proof that the entity has
1263 no owner, board member, officer, or anyone with an economic
1264 interest in the entity who:

- 1265 1. Is under the age of twenty-one (21);
- 1266 2. Has previously been an owner of a medical
1267 cannabis dispensary, cannabis cultivation facility, a cannabis
1268 processing facility, medical cannabis transportation entity or
1269 medical cannabis disposal entity that has had its license revoked;
- 1270 3. Has been convicted of a disqualifying
1271 felony offense;
- 1272 4. Owes delinquent taxes to the State of
1273 Mississippi;
- 1274 5. Is serving as a member of the Mississippi
1275 Senate or Mississippi House of Representatives through December
1276 31, 2022; and

- 1277 6. Is the spouse of a person serving as a
1278 member of the Mississippi Senate or Mississippi House of
1279 Representatives through December 31, 2022; and

1280 (iv) Submit sufficient proof that if an owner,
1281 board member, officer or anyone with an economic interest in the
1282 entity has or had a professional or occupational license, that the
1283 license is in good standing.

1284 (11) [Repealed]

1285 (12) A micro-cultivator or a micro-processor shall both meet
1286 the minimum qualifications in subsection (10) of this section and
1287 shall also submit sufficient proof of the following:

1288 (a) If a natural person, proof that the person has been
1289 a resident of the State of Mississippi and a citizen of the United
1290 States of America for at least three (3) years prior to the
1291 application date; or

1292 (b) If a business entity, provide proof that:

1293 (i) It was registered as an entity with the
1294 Secretary of State in Mississippi; and

1295 (ii) One-hundred percent (100%) of the equity
1296 ownership interests in the entity are held by individuals who have
1297 been residents of the State of Mississippi and citizens of the
1298 United States of America for at least three (3) consecutive years
1299 prior to the application date.

1300 (13) For purposes of this section, it shall be sufficient to
1301 prove Mississippi residency for the individual(s) to submit two
1302 (2) of the following source documents:

1303 (a) Mississippi Tax Return Form 80-105 or Form 80-205
1304 for each of the three (3) years preceding the application without
1305 schedules, worksheets, or attachments, and redacted to remove all
1306 financial information and all but the last four (4) digits of the
1307 individual's social security number for the three (3) years
1308 preceding the application;

1309 (b) Ownership, lease, or rental documents for place of
1310 primary domicile for the three (3) years preceding the
1311 application;

1312 (c) Billing statements, including utility bills for the
1313 three (3) years preceding the application; or

1314 (d) Vehicle registration for the three (3) years
1315 preceding the application.

1316 (14) Ownership in a cannabis cultivation facility license,
1317 cannabis processing facility license or a medical cannabis
1318 dispensary license or investment in a business that supports or
1319 benefits from such a license shall not disqualify or otherwise
1320 negatively impact the license or finding of suitability of such
1321 owner who is otherwise engaged in any other form of business
1322 operation in the state, if such business requires the owner to
1323 hold a license or be found suitable under state law.

1324 (15) Any business or state entity applying for registration
1325 as a medical cannabis establishment must meet all the requirements
1326 specified in this chapter.

1327 (16) A prospective medical cannabis establishment shall
1328 submit all of the following:

1329 (a) An application, including:

1330 (i) The legal name of the prospective medical
1331 cannabis establishment;

1332 (ii) The physical address of the prospective
1333 medical cannabis establishment, which shall not be within one
1334 thousand (1,000) feet of the nearest property boundary line of a
1335 school, church or child care facility which exists or has acquired
1336 necessary real property for the operation of such facility before
1337 the date of the medical cannabis establishment application unless
1338 the entity has received approval from the school, church or child
1339 care facility and received the applicable waiver from their

1340 licensing agency, provided that the main point of entry of the
1341 cannabis establishment is not located within five hundred (500)
1342 feet of the nearest property boundary line of any school, church
1343 or child care facility;

1344 (iii) The name of each principal officer and board
1345 member of the proposed medical cannabis establishment; and

1346 (iv) Any additional information requested by the
1347 MDOR and MDOH.

1348 (b) Operating procedures consistent with rules and
1349 regulations for oversight of the proposed medical cannabis
1350 establishment, including procedures to ensure accurate record
1351 keeping and adequate security measures.

1352 (c) If the municipality or county where the proposed
1353 medical cannabis establishment would be located has enacted zoning
1354 restrictions, a sworn statement certifying that the proposed
1355 medical cannabis establishment is in compliance with the
1356 restrictions.

1357 (d) If the municipality or county where the proposed
1358 medical cannabis establishment would be located requires a local
1359 registration, license or permit, then proof of receiving such
1360 registration, license or permit.

1361 (e) If the application is on behalf of an entity,
1362 verification that none of the principal officers or board members
1363 have served as a principal officer or board member for a medical
1364 cannabis establishment that has had its license revoked.

1365 (f) If the application is on behalf of an entity,
1366 verification that none of the principal officers or board members
1367 is under twenty-one (21) years of age.

1368 (17) If a dispensary license is issued to an applicant that
1369 is still constructing the licensed premises, the applicant must
1370 complete construction and fulfill all obligations required by the
1371 Department of Revenue to open for business within eighteen (18)
1372 months, or the license shall be revoked.

1373 (18) The MDOR and MDOH shall issue a renewal registration
1374 certificate within ten (10) days of receipt of the prescribed
1375 renewal application and renewal fee from a medical cannabis
1376 establishment if its license is not under suspension and has not
1377 been revoked.

1378 (19) A licensing agency shall require disclosure only of
1379 persons, entities or affiliated entities who directly or
1380 indirectly own ten percent (10%) or more of a medical cannabis
1381 establishment issued a license by the licensing agency.

1382 (20) Otherwise eligible applicants for licenses to operate
1383 as medical cannabis establishments under this chapter shall not be
1384 disqualified from receipt of a license based on:

1385 (a) Their location on Mississippi Choctaw Indian
1386 Reservation Lands; or

1387 (b) The involvement of the Mississippi Band of Choctaw
1388 Indians or any entity owned or operated by the Mississippi Band of
1389 Choctaw Indians as an owner or co-owner of such license, provided
1390 that such license shall be subject to revocation for material

1391 noncompliance with this chapter on the same basis as any other
1392 license.

1393 (21) A cannabis processing facility that produces edible
1394 cannabis products shall hold a permit to operate as a food
1395 establishment and shall comply with all applicable requirements
1396 for food establishments as set by the MDOH.

1397 * * *

1398 **SECTION 21.** Section 41-137-39, Mississippi Code of 1972, as
1399 amended by Senate Bill No. 2857, 2024 Regular Session, is amended
1400 as follows:

1401 41-137-39. (1) (a) * * * The MDOH shall obtain criminal
1402 records background checks on all persons applying to become a
1403 licensee, an agent, or representative as defined herein, of a
1404 medical cannabis establishment. This shall include performing
1405 criminal records background checks on all potential employees,
1406 current employees, or representatives/agents of the MDOH Medical
1407 Cannabis Program. The required criminal history background
1408 includes information provided by the Federal Bureau of
1409 Investigation.

1410 (b) * * * For the purposes of this section, an
1411 applicant is any person who registers with or applies for an
1412 initial medical cannabis work permit, or a renewal of a medical
1413 cannabis work permit. Such a person or applicant may also be
1414 defined as an agent, an employee, a representative, etc. as
1415 further defined and sometimes used interchangeably as referenced
1416 in this section.

1417 (c) * * * For purposes of this section, an agent is a
1418 person who acts for or on behalf of, or who represents a medical
1419 cannabis establishment while in the course of business or
1420 employment with the Mississippi Medical Cannabis Program and may
1421 also be referred to as an agent, a representative, or vice versa.

1422 (d) * * * Representative means a principal officer,
1423 owner of ten percent (10%) or greater economic interest in a
1424 medical cannabis establishment with direct or indirect interest,
1425 officer, director, manager, employee, agent, volunteer, or other
1426 type representative of a registered medical cannabis licensee
1427 establishment.

1428 (e) * * * Principal officer means a person(s) who has
1429 ultimate responsibility for implementing the decisions of a
1430 cannabis testing facility or other such medical cannabis
1431 establishment and includes, but are not necessarily limited to,
1432 the Chief Executive Officer (CEO), Chief Administrative Office
1433 (CAO), Chief Financial Officer, (CFO), as applicable. Elected or
1434 appointed, the board as a whole creates agency policies and
1435 oversees the agency's managerial positions.

1436 (f) Board member means an individual on a medical
1437 cannabis establishment's company or agency board which serves as
1438 an organization's governing body.

1439 (g) Principal owner means the primary owner of a
1440 medical cannabis establishment, but often may be the sole owner.

1441 (h) Any and every person/applicant seeking to become an
1442 owner or principal owner, principal officer, or officer, board

1443 member, director, manager, agent/representative, employee, care
1444 giver, or volunteer of a medical cannabis establishment shall
1445 apply for, or authorize the MDOH to obtain state and national
1446 criminal background checks to be conducted by the Mississippi
1447 Justice Information Center of the Department of Public Safety and
1448 the Federal Bureau of Investigation.

1449 (i) Such criminal background checks shall conform to
1450 the applicable federal standards and shall include the taking of
1451 fingerprints.

1452 (j) Once the Mississippi Justice Information Center of
1453 the Department of Public Safety completes a state level criminal
1454 history background check, they will forward the fingerprints to
1455 the Federal Bureau of Investigation for a national criminal
1456 history background check.

1457 (k) The person seeking to become an
1458 agent/representative of a medical cannabis establishment shall
1459 authorize the release of such criminal background check to the
1460 MDOH and shall be responsible for the payment of any fee
1461 associated with the criminal background checks.

1462 (l) The Mississippi Justice Information Center of the
1463 Department of Public Safety shall forward to the MDOH all
1464 information obtained concerning the applicant. MDOH will not
1465 disseminate the information and will only use such information as
1466 required to fulfill the purposes of this act.

1467 (2) A medical cannabis establishment may not employ any
1468 person who:

1469 (a) Was convicted of a disqualifying felony offense; or

1470 (b) Is under twenty-one (21) years of age.

1471 (3) The operating documents of a medical cannabis
1472 establishment must include procedures for the oversight of the
1473 medical cannabis establishment and procedures to ensure accurate
1474 record keeping and adequate security measures.

1475 (4) A medical cannabis establishment shall implement
1476 appropriate security measures designed to deter and prevent the
1477 theft of medical cannabis and unauthorized entrance into areas
1478 containing medical cannabis.

1479 (5) All cultivation, harvesting, processing and packaging of
1480 medical cannabis must take place in an enclosed, locked and secure
1481 facility with a physical address provided to the MDOH during the
1482 licensing and registration process. The facility shall be
1483 equipped with locks or other security devices that permit access
1484 only by agents of the medical cannabis establishment, emergency
1485 personnel or adults who are twenty-one (21) years of age and older
1486 and who are accompanied by medical cannabis establishment agents.

1487 (6) No medical cannabis establishment other than a cannabis
1488 processing facility or cannabis research facility may * * *
1489 process cannabis concentrates, cannabis extractions, or other
1490 cannabis products.

1491 (7) A medical cannabis establishment may not share office
1492 space with or refer patients to a practitioner.

1493 (8) Medical cannabis establishments are subject to
1494 inspection by the MDOR and MDOH during business hours.

1495 (9) Before medical cannabis may be dispensed to a
1496 cardholder, a medical cannabis dispensary agent must:

1497 (a) Require that the individual present a registry
1498 identification card;

1499 (b) Make a diligent effort to verify that the registry
1500 identification card presented to the dispensary is valid;

1501 (c) Make a diligent effort to verify that the person
1502 presenting the registry identification card is the person
1503 identified on the registry identification card presented to the
1504 medical cannabis dispensary agent; and

1505 (d) Not believe that the amount of medical cannabis
1506 dispensed would cause the person to possess more than the
1507 allowable amount of medical cannabis.

1508 (10) A medical cannabis establishment shall not sell more
1509 than the allowable amount of medical cannabis to a
1510 cardholder. * * * A resident cardholder shall not obtain more
1511 than a total of twenty-four (24) MMCEUs of allowable medical
1512 cannabis in thirty (30) days from a dispensary or a combination of
1513 dispensaries.

1514 The possession limit for resident cardholders of the
1515 allowable amount of medical cannabis shall be a total of
1516 twenty-eight (28) MMCEUs. There shall not be a possession limit
1517 on intoxicating hemp products or nonconsumable medical cannabis,
1518 including, but not limited to, suppositories, ointments, soaps,
1519 and lotions or other topical agents.

1520 (11) For purposes of this chapter, total THC is defined as
1521 THCA multiplied by .877 plus THC Delta 9 and all other
1522 psychoactive forms or isomers of THC added together. A medical
1523 cannabis establishment shall not sell cannabis flower or trim that
1524 has a potency of greater than thirty percent (30%) total THC. A
1525 medical cannabis dispensary shall not sell cannabis tinctures,
1526 oils or concentrates that have a potency of greater than sixty
1527 percent (60%) total THC. Cannabis products that have a potency of
1528 over thirty percent (30%) total THC shall be clearly labeled as
1529 "extremely potent." Edible cannabis products, including food or
1530 drink products, that have been combined with usable cannabis or
1531 cannabis products shall be physically demarked and labeled with a
1532 clear determination of how much total THC is in a single-serving
1533 size and how much THC is in the entire package.

1534 A medical cannabis product shall contain a notice of harm
1535 regarding the use of cannabis products. Edible cannabis products
1536 shall be homogenized to ensure uniform disbursement of
1537 cannabinoids throughout the product. All molded edible cannabis
1538 products shall be presented in the form of geometric shapes and
1539 shall not be molded to contain any images or characters designed
1540 or likely to appeal to minors, such as cartoons, toys, animals or
1541 children.

1542 (12) A dispensary may not dispense more than the allowable
1543 amount of cannabis to a registered qualifying patient or a
1544 nonresident cardholder, directly or via a registered designated
1545 caregiver. Dispensaries shall ensure compliance with this

1546 limitation by maintaining internal, confidential records that
1547 include records specifying how much medical cannabis is being
1548 dispensed to the registered qualifying patient or nonresident
1549 cardholder and whether it was dispensed directly to a registered
1550 qualifying patient, nonresident cardholder or to the registered
1551 designated caregiver.

1552 (13) A nonresident cardholder shall not obtain more than a
1553 total of six (6) MMCEUs of allowable medical cannabis in a week
1554 from a dispensary or a combination of dispensaries. A nonresident
1555 cardholder shall not obtain more than a total of twelve (12)
1556 MMCEUs of allowable cannabis from a dispensary or a combination of
1557 dispensaries in a fifteen-day period.

1558 (14) A nonresident may apply to receive a nonresident
1559 registry identification card up to thirty (30) days before
1560 arriving in Mississippi. A nonresident registry identification
1561 card shall be valid for fifteen (15) days. After the expiration
1562 of the card, a nonresident may apply for a renewal of the card and
1563 may be granted another card which shall be valid for another
1564 fifteen-day period. A nonresident registry identification card
1565 shall only be valid, at a maximum, for two (2) separate periods of
1566 fifteen (15) days in a three-hundred-sixty-five-day period. An
1567 applicant may indicate on his or her application the specific time
1568 period that he or she wishes for the card to be valid. The
1569 possession limit of the allowable amount of medical cannabis for
1570 nonresident cardholders shall be fourteen (14) MMCEUs.

1571 (15) A medical cannabis dispensary agent or employee shall
1572 not issue a written certification. Employees and agents of a
1573 medical cannabis dispensary shall complete at least eight (8)
1574 hours of continuing education in medical cannabis as regulated by
1575 the MDOR in order to be certified to work at a medical cannabis
1576 dispensary. After the first year of employment, these employees
1577 shall complete five (5) hours of continuing education in medical
1578 cannabis annually to maintain this certification.

1579 (16) Notwithstanding any other provision to the contrary, a
1580 patient with a debilitating medical condition who is between
1581 eighteen (18) years to twenty-five (25) years of age is not
1582 eligible for a medical cannabis registry identification card
1583 unless two (2) practitioners from separate medical practices have
1584 diagnosed the patient as having a debilitating medical condition
1585 after an in-person consultation. One (1) of these practitioners
1586 must be a physician or doctor of osteopathic medicine.

1587 If one (1) of the recommending practitioners is not the
1588 patient's primary care practitioner, the recommending practitioner
1589 shall review the records of a diagnosing practitioner. The
1590 requirement that the two (2) practitioners be from separate
1591 medical practices does not apply if the patient is homebound or if
1592 the patient had a registry identification card before the age of
1593 eighteen (18).

1594 (17) Except as otherwise provided in this section, a medical
1595 cannabis establishment shall not allow an individual who is
1596 younger than twenty-one (21) years old to enter the premises of

1597 the establishment unless the individual possesses a registry
1598 identification card and is accompanied by his or her legal
1599 guardian.

1600 (18) A medical cannabis establishment shall only purchase,
1601 grow, cultivate, and use cannabis that is grown and cultivated in
1602 this state.

1603 (19) Any medical cannabis that is grown and cultivated in
1604 this state shall not be transported outside of this state. A hemp
1605 grower, hemp processor, medical cannabis cultivator and medical
1606 cannabis processor shall be permitted to purchase intoxicating
1607 hemp products and hemp-derived ingredients, as applicable, from
1608 outside of the state, provided that the intoxicating hemp
1609 products, or hemp-derived ingredients, as applicable, were
1610 produced using, or are, lawful hemp grown under another state's
1611 U.S.D.A. approved hemp program, and the intoxicating hemp products
1612 are in compliance with this act, the Mississippi Intoxicating Hemp
1613 Regulation Act, and the Agriculture Improvement Act of 2018 and
1614 any subsequent authorizations. Such materials shall be subject to
1615 laboratory testing requirements set forth in this act. A medical
1616 cannabis processor shall provide proof of compliance with the
1617 testing requirements of this act to the Department of Health. A
1618 medical cannabis processor shall upload each intoxicating hemp
1619 product into the seed-to-sale tracking system.

1620 (* * *20) Employees of all medical cannabis establishments
1621 shall apply for a work permit with the MDOH and MDOR, as
1622 applicable, before beginning employment with any establishment.

1623 The licensing agency for the respective medical cannabis
1624 establishment may issue work permits to these individuals. These
1625 licensing agencies shall maintain a work registry of all
1626 applicants and work permits issued. The fee for a work permit
1627 shall be Twenty-five Dollars (\$25.00) and the permit shall be
1628 valid for five (5) years. Work permits shall be the property of
1629 the employee and shall not be transferable to other employees.

1630 (* * * 21) For purposes of this subsection, "plant growth
1631 regulator cannabis" shall mean a cannabis plant whose growth and
1632 structure has been modified using plant growth hormones. A
1633 cannabis cultivation facility shall not cultivate and a cannabis
1634 dispensary shall not sell, transfer or provide for consumption
1635 plant growth regulator cannabis.

1636 (* * * 22) A medical cannabis dispensary shall only make
1637 medical cannabis sales to cardholders inside the dispensary. A
1638 medical cannabis dispensary shall not sell or otherwise convey
1639 medical cannabis to a cardholder through the means of a
1640 drive-through, curbside delivery or other delivery outside the
1641 premises of the dispensary. Any topical cannabis product that is
1642 purchased by a dispensary from a licensed processor, and that is
1643 not ingested by the liver, may be sold to a cardholder or any
1644 person over the age of twenty-one (21) years old who is not a
1645 cardholder. Any intoxicating hemp product may be sold by a
1646 medical cannabis dispensary to a cardholder or any person over the
1647 age of twenty-one (21) years old who is not a cardholder. Such
1648 products * * * may be placed in an area of the dispensary that

1649 does not require access with a registry identification card;
1650 provided, however, that all such products shall be placed in an
1651 area of the store that is separate and distinguishable from the
1652 area of the store that offers medical cannabis.

1653 (* * *23) Any and all contracts or agreements entered into
1654 by the MDOH and MDOR for information technology software,
1655 hardware, and/or services for the purpose of implementing and/or
1656 operating under the Mississippi Medical Cannabis Act shall include
1657 language reasonably limiting the ability of the vendor to escalate
1658 the ongoing cost of such software, hardware, and/or services
1659 during the term of the contract, including any amendments and/or
1660 extensions.

1661 (* * *24) The MDOR and MDOH shall not share the name,
1662 address or personal data of a registry identification cardholder
1663 to any federal government entity.

1664 (25) Any finished hemp product intended for human or animal
1665 consumption that contains greater than ten (10) milligrams of
1666 total THC per serving and one hundred (100) milligrams per
1667 container shall not be sold or transferred to consumers in
1668 Mississippi. Nothing in this section shall prohibit the sale of
1669 intoxicating hemp products to medical cannabis establishments
1670 where such intoxicating hemp products were produced in compliance
1671 with this act and applicable state law.

1672 **SECTION 22.** Section 41-137-45, Mississippi Code of 1972, is
1673 amended as follows:

1674 41-137-45. (1) It shall be unlawful for any person or
1675 entity to cultivate, process, transport, use, possess, purchase,
1676 sell or transfer cannabis except as authorized by this chapter.

1677 (2) A cardholder or medical cannabis establishment that
1678 purposely or knowingly fails to provide a notice required by
1679 Section 41-137-31 is guilty of a civil offense, punishable by a
1680 fine of no more than One Thousand Five Hundred Dollars
1681 (\$1,500.00), which may be assessed and collected by the licensing
1682 agency.

1683 (3) A medical cannabis establishment or an agent of a
1684 medical cannabis establishment that purposely, knowingly, or
1685 recklessly sells or otherwise transfers medical cannabis other
1686 than to a cardholder, a nonresident cardholder, or to a medical
1687 cannabis establishment or its agent as authorized under this
1688 chapter is guilty of a felony punishable by a fine of not more
1689 than Ten Thousand Dollars (\$10,000.00), or by commitment to the
1690 custody of the Department of Corrections for not more than two (2)
1691 years, or both. A person convicted under this subsection may not
1692 continue to be affiliated with the medical cannabis establishment
1693 and is disqualified from further participation in the medical
1694 cannabis program under this chapter.

1695 (4) A cardholder or nonresident cardholder who purposely,
1696 knowingly, or recklessly sells or otherwise transfers medical
1697 cannabis to a person or other entity is guilty of a felony
1698 punishable by a fine of not more than Three Thousand Dollars
1699 (\$3,000.00), or by commitment to the custody of the Department of

1700 Corrections for not more than two (2) years, or both. A person
1701 convicted under this subsection is disqualified from further
1702 participation in the medical cannabis program under this chapter.

1703 (5) A person who purposely, knowingly, or recklessly makes a
1704 false statement to a law enforcement official about any fact or
1705 circumstance relating to the medical use of cannabis to avoid
1706 arrest or prosecution is guilty of a misdemeanor punishable by a
1707 fine of not more than One Thousand Dollars (\$1,000.00), by
1708 imprisonment in the county jail for not more than ninety (90)
1709 days, or both. If a person convicted of violating this subsection
1710 is a cardholder, the person is disqualified from further
1711 participation in the medical cannabis program under this chapter.

1712 (6) A person who purposely submits false records or
1713 documentation for an application for a license for a medical
1714 cannabis establishment under this chapter is guilty of a felony
1715 punishable by a fine of not more than Five Thousand Dollars
1716 (\$5,000.00), or by commitment to the custody of the Department of
1717 Corrections for not more than two (2) years, or both. A person
1718 convicted under this subsection may not continue to be affiliated
1719 with the medical cannabis establishment and is disqualified from
1720 further participation in the medical cannabis program under this
1721 chapter.

1722 (7) A practitioner who purposely refers patients to a
1723 specific medical cannabis establishment or to a registered
1724 designated caregiver, who advertises in a medical cannabis
1725 establishment, or who issues written certifications while holding

1726 a financial interest in a medical cannabis establishment, is
1727 guilty of a civil offense for every false certification and shall
1728 be fined up to Five Thousand Dollars (\$5,000.00) by the MDOH.

1729 (8) Any person, including an employee or official of an
1730 agency or local government, who purposely, knowingly, or
1731 recklessly breaches the confidentiality of information obtained
1732 under this chapter is guilty of a misdemeanor punishable by a fine
1733 of not more than One Thousand Dollars (\$1,000.00), or by
1734 imprisonment for not more than one hundred eighty (180) days in
1735 the county jail, or both.

1736 (9) No person, other than a cannabis or hemp processing
1737 facility or its agents, complying with this chapter, or Chapter 25
1738 of Title 69, Mississippi Code of 1972, as applicable to hemp
1739 operations, and the rules and regulations promulgated under * * *
1740 those chapters, may extract compounds from cannabis that involves
1741 a chemical extraction process using a nonhydrocarbon-based or
1742 other solvent, such as water, vegetable glycerin, vegetable oils,
1743 animal fats, steam distillation, food-grade ethanol, or
1744 hydrocarbon-based solvent carbon dioxide. No person may extract
1745 compounds from cannabis using ethanol in the presence or vicinity
1746 of an open flame. It shall be a felony punishable by commitment
1747 to the custody of the Mississippi Department of Corrections for up
1748 to three (3) years and a Ten Thousand Dollar (\$10,000.00) fine for
1749 any person to purposely, knowingly, or recklessly violate this
1750 subsection.

1751 (10) A medical cannabis establishment is guilty of a civil
1752 offense for any purposeful, knowing or reckless violation of this
1753 chapter or the rules and regulations issued under this chapter
1754 where no penalty has been specified, and shall be fined not more
1755 than Five Thousand Dollars (\$5,000.00) for each such violation by
1756 its licensing agency.

1757 (11) The penalties provided for under this section are in
1758 addition to any other criminal, civil or administrative penalties
1759 provided for under law, rule or regulation.

1760 (12) In addition to peace officers within their
1761 jurisdiction, all law enforcement officers of MDOH and MDOR may
1762 enforce the provisions made unlawful by this chapter.

1763 (13) It is unlawful for any person or entity to sell or
1764 transfer intoxicating hemp products to individuals in the State of
1765 Mississippi except as authorized by this chapter. Nothing in this
1766 act shall prohibit interstate transport of hemp as allowed under
1767 federal law and the Mississippi Intoxicating Hemp Regulation Act.

1768 (14) In addition to any other penalty, fine or conviction,
1769 as applicable, a person or business entity that purposely,
1770 knowingly, or recklessly sells or otherwise transfers intoxicating
1771 hemp products to a person in the State of Mississippi except as
1772 authorized under this chapter is guilty of a misdemeanor
1773 punishable by a fine of not more than Five Thousand Dollars
1774 (\$5,000.00), or by commitment to the custody of the Department of
1775 Corrections for not more than one (1) year, or both. A person
1776 convicted under this subsection is disqualified from further

1777 participation in the medical cannabis program under this chapter
1778 and the hemp program under the Mississippi Intoxicating Hemp
1779 Regulation Act.

1780 (15) Notwithstanding the foregoing, nothing in this section
1781 shall prohibit:

1782 (a) Any licensed medical cannabis establishment from
1783 making, purchasing, selling, giving away, exchanging,
1784 distributing, marketing, or otherwise holding out for sale any
1785 cannabis product or ancillary product in accordance with the
1786 Medical Cannabis Act;

1787 (b) The sale of an intoxicating hemp product to a
1788 medical cannabis cultivator or processor by an entity operating in
1789 accordance with the Agricultural Improvement Act of 2018, any
1790 subsequent authorizations and applicable state law.

1791 (16) In addition to any other enforcement authority
1792 previously granted thereto, the Department of Health, Department
1793 of Revenue, and Department of Agriculture and Commerce, as
1794 applicable, may each investigate, either on the basis of
1795 complaints filed with it or on its own initiative through
1796 compliance visits, reviews or audits, instances of suspected
1797 violations of any nature, including, but not limited to:

1798 (a) The inversion or diversion of medical cannabis,
1799 medical cannabis products, intoxicating hemp products, ancillary
1800 products or of any other matter that may violate the provisions of
1801 this act or pose a serious danger to the public;

1802 (b) The sale of medical cannabis, medical cannabis
1803 products, intoxicating hemp products or ancillary products by an
1804 unlicensed entity; or

1805 (c) The sale of medical cannabis, medical cannabis
1806 products, intoxicating hemp products or ancillary products by an
1807 entity to anyone who is ineligible to receive such product under
1808 the laws of this state.

1809 (17) On the basis of information developed during such an
1810 investigation, any of the agencies listed in subsection (16) of
1811 this section may exercise any number of actions including:

1812 (a) To revoke, suspend or refuse to renew any license
1813 issued by the licensing agency;

1814 (b) Deny an application for a license;

1815 (c) Reprimand, fine and/or take any other actions in
1816 relation to a license, as the licensing agency may deem proper
1817 under the circumstances; or

1818 (d) Seize medical cannabis, medical cannabis products,
1819 intoxicating hemp products or ancillary products that were used in
1820 violation of the laws of this state.

1821 (18) In cases where violations of this chapter have been
1822 substantiated, the licensing agency may assess a monetary penalty
1823 or recoupment of costs for those reasonable costs that are
1824 expended by the licensing agency in the investigation and conduct
1825 of a proceeding for the compliance issue or violation that is the
1826 subject matter of the hearing, including, but not limited to, the
1827 costs of process service, court reporters, expert witnesses and

1828 investigations. The licensing agency shall determine the amount
1829 of investigative fees and costs owed by an individual or entity
1830 that violated the provisions of this chapter, as applicable, based
1831 on an itemized accounting after the investigation has been
1832 officially completed and a final determination or action has been
1833 determined.

1834 (19) A dispensary shall not sell, transfer or distribute any
1835 intoxicating hemp product to a consumer online, or via electronic
1836 or digital application.

1837 **SECTION 23.** Section 41-137-13, Mississippi Code of 1972, is
1838 amended as follows:

1839 41-137-13. (1) This chapter shall not be construed to do
1840 any of the following:

1841 (a) Require an organization for managed care, health
1842 benefit plan, private health insurer, government medical
1843 assistance program, employer, property and casualty, or workers'
1844 compensation insurer or self-insured group providing coverage for
1845 a medical, pharmacy or health care service to pay for or reimburse
1846 any other individual or entity for costs associated with the
1847 medical use of cannabis;

1848 (b) Require any employer to permit, accommodate, or
1849 allow the medical use of medical cannabis, or to modify any job or
1850 working conditions of any employee who engages in the medical use
1851 of medical cannabis or who for any reason seeks to engage in the
1852 medical use of medical cannabis;

1853 (c) Prohibit any employer from refusing to hire,
1854 discharging, disciplining, or otherwise taking an adverse
1855 employment action against an individual with respect to hiring,
1856 discharging, tenure, terms, conditions, or privileges of
1857 employment as a result, in whole or in part, of that individual's
1858 medical use of medical cannabis, regardless of the individual's
1859 impairment or lack of impairment resulting from the medical use of
1860 medical cannabis;

1861 (d) Prohibit or limit the ability of any employer from
1862 establishing or enforcing a drug-testing policy;

1863 (e) Interfere with, impair or impede any federal
1864 restrictions or requirements on employment or contracting,
1865 including, but not limited to, regulations adopted by the United
1866 States Department of Transportation in Title 49, Code of Federal
1867 Regulations;

1868 (f) Permit, authorize, or establish any individual's
1869 right to commence or undertake any legal action against an
1870 employer for refusing to hire, discharging, disciplining or
1871 otherwise taking an adverse employment action against an
1872 individual with respect to hiring, discharging, tenure, terms,
1873 conditions or privileges of employment due to the individual's
1874 medical use of medical cannabis;

1875 (g) Affect, alter or otherwise impact the workers'
1876 compensation premium discount available to employers who establish
1877 a drug-free workplace program in accordance with Section 71-3-201
1878 et seq.;

1879 (h) Affect, alter or otherwise impact an employer's
1880 right to deny or establish legal defenses to the payment of
1881 workers' compensation benefits to an employee on the basis of a
1882 positive drug test or refusal to submit to or cooperate with a
1883 drug test, as provided under Section 71-3-7 and Section 71-3-121;
1884 or

1885 (i) Affect, alter or supersede any obligation or
1886 condition imposed on a parolee, probationer or an individual
1887 participating in a pretrial diversion program or other
1888 court-ordered substance abuse rehabilitation program.

1889 (2) This chapter does not authorize any individual to engage
1890 in, and does not prevent the imposition of any civil, criminal or
1891 other penalties for engaging in, the following conduct:

1892 (a) Acting with negligence, gross negligence,
1893 recklessness, in breach of any applicable professional or
1894 occupational standard of care, or to effect an intentional wrong,
1895 as a result, in whole or in part, of that individual's medical use
1896 of medical cannabis;

1897 (b) Possessing medical cannabis or otherwise engaging
1898 in the medical use of medical cannabis in any correctional
1899 facility, unless the correctional facility has elected to allow
1900 the cardholder to engage in the use of medical cannabis;

1901 (c) Smoking medical cannabis or a hemp product,
1902 including, but not limited to, an intoxicating hemp product, in a
1903 public place or in a motor vehicle; for purposes of this paragraph

1904 (c), the term "smoking" includes vaping and any other method of
1905 inhalation of medical cannabis or a hemp product, as applicable;

1906 (d) Operating, navigating, or being in actual physical
1907 control of any motor vehicle, aircraft, train, motorboat or other
1908 conveyance in a manner that would violate Section 59-23-7, Section
1909 63-11-30 or federal law as a result, in whole or in part, of that
1910 individual's medical use of medical cannabis;

1911 (e) Possessing medical cannabis in excess of the
1912 allowable amount of medical cannabis; or

1913 (f) Consumption, by a registered designated caregiver,
1914 of cannabis provided for use to a registered qualifying patient.

1915 **SECTION 24.** Sections 6 through 9 of this act shall be
1916 codified in Article 4 of Chapter 25, Title 69, Mississippi Code of
1917 1972.

1918 **SECTION 25.** Section 25-9-107, Mississippi Code of 1972, is
1919 amended as follows:

1920 25-9-107. The following terms, when used in this chapter,
1921 unless a different meaning is plainly required by the context,
1922 shall have the following meanings:

1923 (a) "Board" means the State Personnel Board created
1924 under the provisions of this chapter.

1925 (b) "State service" means all employees of state
1926 departments, agencies and institutions as defined herein, except
1927 those officers and employees excluded by this chapter.

1928 (c) "Nonstate service" means the following officers and
1929 employees excluded from the state service by this chapter. The
1930 following are excluded from the state service:

1931 (i) Members of the State Legislature, their staff
1932 and other employees of the legislative branch;

1933 (ii) The Governor and staff members of the
1934 immediate Office of the Governor;

1935 (iii) Justices and judges of the judicial branch
1936 or members of appeals boards on a per diem basis;

1937 (iv) The Lieutenant Governor, staff members of the
1938 immediate Office of the Lieutenant Governor and officers and
1939 employees directly appointed by the Lieutenant Governor;

1940 (v) Officers and officials elected by popular vote
1941 and persons appointed to fill vacancies in elective offices;

1942 (vi) Members of boards and commissioners appointed
1943 by the Governor, Lieutenant Governor or the State Legislature;

1944 (vii) All academic officials, members of the
1945 teaching staffs and employees of the state institutions of higher
1946 learning, the Mississippi Community College Board, and community
1947 and junior colleges;

1948 (viii) Officers and enlisted members of the
1949 National Guard of the state;

1950 (ix) Prisoners, inmates, student or patient help
1951 working in or about institutions;

1952 (x) Contract personnel; provided that any agency
1953 which employs state service employees may enter into contracts for

1954 personal and professional services only if such contracts are
1955 approved in compliance with the rules and regulations promulgated
1956 by the Public Procurement Review Board under Section 27-104-7.
1957 Before paying any warrant for such contractual services in excess
1958 of Seventy-five Thousand Dollars (\$75,000.00), the Auditor of
1959 Public Accounts, or the successor to those duties, shall determine
1960 whether the contract involved was for personal or professional
1961 services, and, if so, was approved by the Public Procurement
1962 Review Board as required by law;

1963 (xi) Part-time employees; however, part-time
1964 employees shall only be hired into authorized employment positions
1965 classified by the board, shall meet minimum qualifications as set
1966 by the board, and shall be paid in accordance with the Variable
1967 Compensation Plan as certified by the board;

1968 (xii) Persons appointed on an emergency basis for
1969 the duration of the emergency; the effective date of the emergency
1970 appointments shall not be earlier than the date approved by the
1971 State Personnel Director, and shall be limited to thirty (30)
1972 working days. Emergency appointments may be extended to sixty
1973 (60) working days by the State Personnel Board;

1974 (xiii) Physicians, dentists, veterinarians, nurse
1975 practitioners and attorneys, while serving in their professional
1976 capacities in authorized employment positions who are required by
1977 statute to be licensed, registered or otherwise certified as such,
1978 provided that the State Personnel Director shall verify that the

1979 statutory qualifications are met prior to issuance of a payroll
1980 warrant by the Auditor;

1981 (xiv) Personnel who are employed and paid from
1982 funds received from a federal grant program which has been
1983 approved by the Legislature or the Department of Finance and
1984 Administration whose length of employment has been determined to
1985 be time-limited in nature. This subparagraph shall apply to
1986 personnel employed under the provisions of the Comprehensive
1987 Employment and Training Act of 1973, as amended, and other special
1988 federal grant programs which are not a part of regular federally
1989 funded programs wherein appropriations and employment positions
1990 are appropriated by the Legislature. Such employees shall be paid
1991 in accordance with the Variable Compensation Plan and shall meet
1992 all qualifications required by federal statutes or by the
1993 Mississippi Classification Plan;

1994 (xv) The administrative head who is in charge of
1995 any state department, agency, institution, board or commission,
1996 wherein the statute specifically authorizes the Governor, board,
1997 commission or other authority to appoint said administrative head;
1998 however, the salary of such administrative head shall be
1999 determined by the State Personnel Board in accordance with the
2000 Variable Compensation Plan unless otherwise fixed by statute;

2001 (xvi) The State Personnel Board shall exclude
2002 top-level positions if the incumbents determine and publicly
2003 advocate substantive program policy and report directly to the
2004 agency head, or the incumbents are required to maintain a direct

2005 confidential working relationship with a key excluded official.
2006 Further, a written job classification shall be approved by the
2007 board for each such position, and positions so excluded shall be
2008 paid in conformity with the Variable Compensation Plan;

2009 (xvii) Employees whose employment is solely in
2010 connection with an agency's contract to produce, store or
2011 transport goods, and whose compensation is derived therefrom;

2012 (xviii) Repealed;

2013 (xix) The associate director, deputy directors and
2014 bureau directors within the Department of Agriculture and
2015 Commerce;

2016 (xx) Personnel employed by the Mississippi
2017 Industries for the Blind; provided that any agency may enter into
2018 contracts for the personal services of MIB employees without the
2019 prior approval of the State Personnel Board or the State Personal
2020 Service Contract Review Board; however, any agency contracting for
2021 the personal services of an MIB employee shall provide the MIB
2022 employee with not less than the entry-level compensation and
2023 benefits that the agency would provide to a full-time employee of
2024 the agency who performs the same services;

2025 (xxi) Personnel employed by the Mississippi
2026 Department of Wildlife, Fisheries and Parks and the Mississippi
2027 Department of Marine Resources as law enforcement trainees
2028 (cadets); such personnel shall be paid in accordance with the
2029 Colonel Guy Groff State Variable Compensation Plan;

2030 (xxii) Administrators and instructional employees
2031 under contract or employed by the Mississippi School of the Arts
2032 (MSA) established in Section 37-140-1 et seq.;

2033 (xxiii) The President of the Mississippi Lottery
2034 Corporation and personnel employed by the Mississippi Lottery
2035 Corporation;

2036 (xxiv) Employees, excluding administrative
2037 employees, of the State Veterans Affairs Board who are employed at
2038 a veterans home established by the State Veterans Affairs Board
2039 under Section 35-1-19;

2040 (xxv) Personnel employed by the Mississippi
2041 Department of Health whose employment is * * * in connection with
2042 the department's responsibilities in implementing, administering
2043 and enforcing provisions of the Mississippi Medical Cannabis Act,
2044 and enforcing any provision of Sections 1 through 23 of this act,
2045 as applicable to the department. This subparagraph shall stand
2046 repealed on June 30, 2026; and

2047 (xxvi) Personnel employed by the Mississippi
2048 Department of Revenue whose employment is * * * in connection with
2049 the department's responsibilities in implementing, administering
2050 and enforcing provisions of the Mississippi Medical Cannabis Act,
2051 and enforcing any provision of Sections 1 through 23 of this act,
2052 as applicable to the department. This subparagraph shall stand
2053 repealed on June 30, 2026.

2054 (d) "Agency" means any state board, commission,
2055 committee, council, department or unit thereof created by the

2056 Constitution or statutes if such board, commission, committee,
2057 council, department, unit or the head thereof, is authorized to
2058 appoint subordinate staff by the Constitution or statute, except a
2059 legislative or judicial board, commission, committee, council,
2060 department or unit thereof.

2061 **SECTION 26.** Section 25-43-1.103, Mississippi Code of 1972,
2062 is amended as follows:

2063 25-43-1.103. (1) This chapter applies to all agencies and
2064 all proceedings not expressly exempted under this chapter.

2065 (2) This chapter creates only procedural rights and imposes
2066 only procedural duties. They are in addition to those created and
2067 imposed by other statutes.

2068 (3) Specific statutory provisions which govern agency
2069 proceedings and which are in conflict with any of the provisions
2070 of this chapter shall continue to be applied to all proceedings of
2071 any such agency to the extent of such conflict only.

2072 (4) The provisions of this chapter shall not be construed to
2073 amend, repeal or supersede the provisions of any other law; and,
2074 to the extent that the provisions of any other law conflict or are
2075 inconsistent with the provisions of this chapter, the provisions
2076 of such other law shall govern and control.

2077 (5) An agency may grant procedural rights to persons in
2078 addition to those conferred by this chapter so long as rights
2079 conferred upon other persons by any provision of law are not
2080 substantially prejudiced.

2081 (6) For the purposes of implementing, administering and/or
2082 enforcing the provisions of rules and regulations promulgated
2083 pursuant to the Mississippi Medical Cannabis Act, and the
2084 provisions in Sections 1 through 23 of this act, as applicable to
2085 each department, the Mississippi State Department of Health and
2086 the Mississippi Department of Revenue shall be exempted from this
2087 chapter from February 2, 2022, through June 30, 2026. This
2088 subsection shall stand repealed on June 30, 2026.

2089 **SECTION 27.** Section 25-53-1, Mississippi Code of 1972, is
2090 amended as follows:

2091 25-53-1. The Legislature recognizes that in order for the
2092 State of Mississippi to receive the maximum use and benefit from
2093 information technology and services now in operation or which will
2094 in the future be placed in operation, there should be full
2095 cooperation and cohesive planning and effort by and between the
2096 several state agencies and that it is the responsibility of the
2097 Legislature to provide statutory authority therefor. The
2098 Legislature, therefore, declares and determines that for these and
2099 other related purposes there is hereby established an agency of
2100 state government to be known as the Mississippi Department of
2101 Information Technology Services (MDITS). The Legislature further
2102 declares that the Mississippi Department of Information Technology
2103 Services (MDITS) shall provide statewide services that facilitate
2104 cost-effective information processing and telecommunication
2105 solutions. State agencies shall work in full cooperation with the
2106 board of MDITS to identify opportunities to minimize duplication,

2107 reduce costs and improve the efficiency of providing common
2108 technology services across agency boundaries. The provisions of
2109 this chapter shall not apply to the Department of Human Services
2110 for a period of three (3) years beginning July 1, 2017. The
2111 provisions of this chapter shall not apply to the Department of
2112 Child Protection Services for a period of three (3) years
2113 beginning July 1, 2017. Through June 30, * * * 2026, the
2114 provisions of this chapter shall not apply to the Department of
2115 Health and the Department of Revenue for the purposes of
2116 implementing, administering and enforcing the provisions of the
2117 Mississippi Medical Cannabis Act, and any provision in Sections 1
2118 through 23 of this act that are applicable to the departments
2119 individually or jointly.

2120 **SECTION 28.** Section 25-53-5, Mississippi Code of 1972, is
2121 amended as follows:

2122 25-53-5. The authority shall have the following powers,
2123 duties, and responsibilities:

2124 (a) (i) The authority shall provide for the
2125 development of plans for the efficient acquisition and utilization
2126 of computer equipment and services by all agencies of state
2127 government, and provide for their implementation. In so doing,
2128 the authority may use the MDITS' staff, at the discretion of the
2129 executive director of the authority, or the authority may contract
2130 for the services of qualified consulting firms in the field of
2131 information technology and utilize the service of such consultants
2132 as may be necessary for such purposes. Pursuant to Section

2133 25-53-1, the provisions of this section shall not apply to the
2134 Department of Human Services for a period of three (3) years
2135 beginning on July 1, 2017. Pursuant to Section 25-53-1, the
2136 provisions of this section shall not apply to the Department of
2137 Child Protection Services for a period of three (3) years
2138 beginning July 1, 2017.

2139 (ii) [Repealed]

2140 (b) The authority shall immediately institute
2141 procedures for carrying out the purposes of this chapter and
2142 supervise the efficient execution of the powers and duties of the
2143 office of executive director of the authority. In the execution
2144 of its functions under this chapter, the authority shall maintain
2145 as a paramount consideration the successful internal organization
2146 and operation of the several agencies so that efficiency existing
2147 therein shall not be adversely affected or impaired. In executing
2148 its functions in relation to the institutions of higher learning
2149 and junior colleges in the state, the authority shall take into
2150 consideration the special needs of such institutions in relation
2151 to the fields of teaching and scientific research.

2152 (c) Title of whatever nature of all computer equipment
2153 now vested in any agency of the State of Mississippi is hereby
2154 vested in the authority, and no such equipment shall be disposed
2155 of in any manner except in accordance with the direction of the
2156 authority or under the provisions of such rules and regulations as
2157 may hereafter be adopted by the authority in relation thereto.

2158 (d) The authority shall adopt rules, regulations, and
2159 procedures governing the acquisition of computer and
2160 telecommunications equipment and services which shall, to the
2161 fullest extent practicable, ensure the maximum of competition
2162 between all manufacturers of supplies or equipment or services.
2163 In the writing of specifications, in the making of contracts
2164 relating to the acquisition of such equipment and services, and in
2165 the performance of its other duties the authority shall provide
2166 for the maximum compatibility of all information systems hereafter
2167 installed or utilized by all state agencies and may require the
2168 use of common computer languages where necessary to accomplish the
2169 purposes of this chapter. The authority may establish by
2170 regulation and charge reasonable fees on a nondiscriminatory basis
2171 for the furnishing to bidders of copies of bid specifications and
2172 other documents issued by the authority.

2173 (e) The authority shall adopt rules and regulations
2174 governing the sharing with, or the sale or lease of information
2175 technology services to any nonstate agency or person. Such
2176 regulations shall provide that any such sharing, sale or lease
2177 shall be restricted in that same shall be accomplished only where
2178 such services are not readily available otherwise within the
2179 state, and then only at a charge to the user not less than the
2180 prevailing rate of charge for similar services by private
2181 enterprise within this state.

2182 (f) The authority may, in its discretion, establish a
2183 special technical advisory committee or committees to study and

2184 make recommendations on technology matters within the competence
2185 of the authority as the authority may see fit. Persons serving on
2186 the Information Resource Council, its task forces, or any such
2187 technical advisory committees shall be entitled to receive their
2188 actual and necessary expenses actually incurred in the performance
2189 of such duties, together with mileage as provided by law for state
2190 employees, provided the same has been authorized by a resolution
2191 duly adopted by the authority and entered on its minutes prior to
2192 the performance of such duties.

2193 (g) The authority may provide for the development and
2194 require the adoption of standardized computer programs and may
2195 provide for the dissemination of information to and the
2196 establishment of training programs for the personnel of the
2197 various information technology centers of state agencies and
2198 personnel of the agencies utilizing the services thereof.

2199 (h) The authority shall adopt reasonable rules and
2200 regulations requiring the reporting to the authority through the
2201 office of executive director of such information as may be
2202 required for carrying out the purposes of this chapter and may
2203 also establish such reasonable procedures to be followed in the
2204 presentation of bills for payment under the terms of all contracts
2205 for the acquisition of computer equipment and services now or
2206 hereafter in force as may be required by the authority or by the
2207 executive director in the execution of their powers and duties.

2208 (i) The authority shall require such adequate
2209 documentation of information technology procedures utilized by the

2210 various state agencies and may require the establishment of such
2211 organizational structures within state agencies relating to
2212 information technology operations as may be necessary to
2213 effectuate the purposes of this chapter.

2214 (j) The authority may adopt such further reasonable
2215 rules and regulations as may be necessary to fully implement the
2216 purposes of this chapter. All rules and regulations adopted by
2217 the authority shall be published and disseminated in readily
2218 accessible form to all affected state agencies, and to all current
2219 suppliers of computer equipment and services to the state, and to
2220 all prospective suppliers requesting the same. Such rules and
2221 regulations shall be kept current, be periodically revised, and
2222 copies thereof shall be available at all times for inspection by
2223 the public at reasonable hours in the offices of the authority.
2224 Whenever possible no rule, regulation or any proposed amendment to
2225 such rules and regulations shall be finally adopted or enforced
2226 until copies of the proposed rules and regulations have been
2227 furnished to all interested parties for their comment and
2228 suggestions.

2229 (k) The authority shall establish rules and regulations
2230 which shall provide for the submission of all contracts proposed
2231 to be executed by the executive director for computer equipment
2232 and/or telecommunications or services, including cloud computing,
2233 to the authority for approval before final execution, and the
2234 authority may provide that such contracts involving the
2235 expenditure of less than such specified amount as may be

2236 established by the authority may be finally executed by the
2237 executive director without first obtaining such approval by the
2238 authority.

2239 (1) The authority is authorized to consider new
2240 technologies, such as cloud computing, to purchase, lease, or rent
2241 computer equipment or services and to operate that equipment and
2242 use those services in providing services to one or more state
2243 agencies when in its opinion such operation will provide maximum
2244 efficiency and economy in the functions of any such agency or
2245 agencies.

2246 (m) Upon the request of the governing body of a
2247 political subdivision or instrumentality, the authority shall
2248 assist the political subdivision or instrumentality in its
2249 development of plans for the efficient acquisition and utilization
2250 of computer equipment and services. An appropriate fee shall be
2251 charged the political subdivision by the authority for such
2252 assistance.

2253 (n) The authority shall adopt rules and regulations
2254 governing the protest procedures to be followed by any actual or
2255 prospective bidder, offerer or contractor who is aggrieved in
2256 connection with the solicitation or award of a contract for the
2257 acquisition of computer equipment or services. Such rules and
2258 regulations shall prescribe the manner, time and procedure for
2259 making protests and may provide that a protest not timely filed
2260 shall be summarily denied. The authority may require the
2261 protesting party, at the time of filing the protest, to post a

2262 bond, payable to the state, in an amount that the authority
2263 determines sufficient to cover any expense or loss incurred by the
2264 state, the authority or any state agency as a result of the
2265 protest if the protest subsequently is determined by a court of
2266 competent jurisdiction to have been filed without any substantial
2267 basis or reasonable expectation to believe that the protest was
2268 meritorious; however, in no event may the amount of the bond
2269 required exceed a reasonable estimate of the total project cost.
2270 The authority, in its discretion, also may prohibit any
2271 prospective bidder, offerer or contractor who is a party to any
2272 litigation involving any such contract with the state, the
2273 authority or any agency of the state to participate in any other
2274 such bid, offer or contract, or to be awarded any such contract,
2275 during the pendency of the litigation.

2276 (o) The authority shall make a report in writing to the
2277 Legislature each year in the month of January. Such report shall
2278 contain a full and detailed account of the work of the authority
2279 for the preceding year as specified in Section 25-53-29(3).

2280 All acquisitions of computer equipment and services involving
2281 the expenditure of funds in excess of the dollar amount
2282 established in Section 31-7-13(c), or rentals or leases in excess
2283 of the dollar amount established in Section 31-7-13(c) for the
2284 term of the contract, shall be based upon competitive and open
2285 specifications, and contracts therefor shall be entered into only
2286 after advertisements for bids are published in one or more daily
2287 newspapers having a general circulation in the state not less than

2288 fourteen (14) days prior to receiving sealed bids therefor. The
2289 authority may reserve the right to reject any or all bids, and if
2290 all bids are rejected, the authority may negotiate a contract
2291 within the limitations of the specifications so long as the terms
2292 of any such negotiated contract are equal to or better than the
2293 comparable terms submitted by the lowest and best bidder, and so
2294 long as the total cost to the State of Mississippi does not exceed
2295 the lowest bid. If the authority accepts one (1) of such bids, it
2296 shall be that which is the lowest and best. Through June
2297 30, * * * 2026, the provisions of this paragraph shall not apply
2298 to acquisitions of information technology equipment and services
2299 made by the Mississippi Department of Health and the Mississippi
2300 Department of Revenue for the purposes of implementing,
2301 administering and enforcing the provisions of the Mississippi
2302 Medical Cannabis Act, and any provision in Sections 1 through 23
2303 of this act that are applicable to the departments individually or
2304 jointly.

2305 (p) When applicable, the authority may procure
2306 equipment, systems and related services in accordance with the law
2307 or regulations, or both, which govern the Bureau of Purchasing of
2308 the Office of General Services or which govern the Mississippi
2309 Department of Information Technology Services procurement of
2310 telecommunications equipment, software and services.

2311 (q) The authority is authorized to purchase, lease, or
2312 rent information technology and services for the purpose of
2313 establishing pilot projects to investigate emerging technologies.

2314 These acquisitions shall be limited to new technologies and shall
2315 be limited to an amount set by annual appropriation of the
2316 Legislature. These acquisitions shall be exempt from the
2317 advertising and bidding requirement.

2318 (r) To promote the maximum use and benefit from
2319 technology and services now in operation or which will in the
2320 future be placed in operation and to identify opportunities,
2321 minimize duplication, reduce costs and improve the efficiency of
2322 providing common technology services the authority is authorized
2323 to:

2324 (i) Enter into master agreements for computer or
2325 telecommunications equipment or services, including cloud
2326 computing, available for shared use by state agencies, * * *
2327 institutions of higher learning and governing authorities; and

2328 (ii) Enter into contracts for the acquisition of
2329 computer or telecommunications equipment or services, including
2330 cloud computing, that have been acquired by other entities,
2331 located within or outside of the State of Mississippi, so long as
2332 it is determined by the authority to be in the best interest of
2333 the state. The acquisitions provided in this paragraph (r) shall
2334 be exempt from the advertising and bidding requirements of Section
2335 25-53-1 et seq.

2336 (s) All fees collected by the Mississippi Department of
2337 Information Technology Services shall be deposited into the
2338 Mississippi Department of Information Technology Services
2339 Revolving Fund unless otherwise specified by the Legislature.

2340 (t) The authority shall work closely with the council
2341 to bring about effective coordination of policies, standards and
2342 procedures relating to procurement of remote sensing and
2343 geographic information systems (GIS) resources. In addition, the
2344 authority is responsible for development, operation and
2345 maintenance of a delivery system infrastructure for geographic
2346 information systems data. The authority shall provide a warehouse
2347 for Mississippi's geographic information systems data.

2348 (u) The authority shall manage one or more State Data
2349 Centers to provide information technology services on a
2350 cost-sharing basis. In determining the appropriate services to be
2351 provided through the State Data Center, the authority should
2352 consider those services that:

- 2353 (i) Result in savings to the state as a whole;
- 2354 (ii) Improve and enhance the security and
2355 reliability of the state's information and business systems; and
- 2356 (iii) Optimize the efficient use of the state's
2357 information technology assets, including, but not limited to,
2358 promoting partnerships with the state institutions of higher
2359 learning and community colleges to capitalize on advanced
2360 information technology resources.

2361 (v) The authority shall increase federal participation
2362 in the cost of the State Data Center to the extent provided by law
2363 and its shared technology infrastructure through providing such
2364 shared services to agencies that receive federal funds. With
2365 regard to state institutions of higher learning and community

2366 colleges, the authority may provide shared services when mutually
2367 agreeable, following a determination by both the authority and the
2368 Board of Trustees of State Institutions of Higher Learning or the
2369 Mississippi Community College Board, as the case may be, that the
2370 sharing of services is mutually beneficial.

2371 (w) The authority, in its discretion, may require new
2372 or replacement agency business applications to be hosted at the
2373 State Data Center. With regard to state institutions of higher
2374 learning and community colleges, the authority and the Board of
2375 Trustees of State Institutions of Higher Learning or the
2376 Mississippi Community College Board, as the case may be, may agree
2377 that institutions of higher learning or community colleges may
2378 utilize business applications that are hosted at the State Data
2379 Center, following a determination by both the authority and the
2380 applicable board that the hosting of those applications is
2381 mutually beneficial. In addition, the authority may establish
2382 partnerships to capitalize on the advanced technology resources of
2383 the Board of Trustees of State Institutions of Higher Learning or
2384 the Mississippi Community College Board, following a determination
2385 by both the authority and the applicable board that such a
2386 partnership is mutually beneficial.

2387 (x) The authority shall provide a periodic update
2388 regarding reform-based information technology initiatives to the
2389 Chairmen of the House and Senate Accountability, Efficiency and
2390 Transparency Committees.

2391 From and after July 1, 2018, the expenses of this agency
2392 shall be defrayed by appropriation from the State General Fund.
2393 In addition, in order to receive the maximum use and benefit from
2394 information technology and services, expenses for the provision of
2395 statewide shared services that facilitate cost-effective
2396 information processing and telecommunication solutions shall be
2397 defrayed by pass-through funding and shall be deposited into the
2398 Mississippi Department of Information Technology Services
2399 Revolving Fund unless otherwise specified by the Legislature.
2400 These funds shall only be utilized to pay the actual costs
2401 incurred by the Mississippi Department of Information Technology
2402 Services for providing these shared services to state agencies.
2403 Furthermore, state agencies shall work in full cooperation with
2404 the Board of the Mississippi Department of Information Technology
2405 Services to identify computer equipment or services to minimize
2406 duplication, reduce costs, and improve the efficiency of providing
2407 common technology services across agency boundaries.

2408 **SECTION 29.** Section 27-104-7, Mississippi Code of 1972, is
2409 amended as follows:

2410 27-104-7. (1) (a) There is created the Public Procurement
2411 Review Board, which shall be reconstituted on January 1, 2018, and
2412 shall be composed of the following members:

2413 (i) Three (3) individuals appointed by the
2414 Governor with the advice and consent of the Senate;

2415 (ii) Two (2) individuals appointed by the
2416 Lieutenant Governor with the advice and consent of the Senate; and

2417 (iii) The Executive Director of the Department of
2418 Finance and Administration, serving as an ex officio and nonvoting
2419 member.

2420 (b) The initial terms of each appointee shall be as
2421 follows:

2422 (i) One (1) member appointed by the Governor to
2423 serve for a term ending on June 30, 2019;

2424 (ii) One (1) member appointed by the Governor to
2425 serve for a term ending on June 30, 2020;

2426 (iii) One (1) member appointed by the Governor to
2427 serve for a term ending on June 30, 2021;

2428 (iv) One (1) member appointed by the Lieutenant
2429 Governor to serve for a term ending on June 30, 2019; and

2430 (v) One (1) member appointed by the Lieutenant
2431 Governor to serve for a term ending on June 30, 2020.

2432 After the expiration of the initial terms, all appointed
2433 members' terms shall be for a period of four (4) years from the
2434 expiration date of the previous term, and until such time as the
2435 member's successor is duly appointed and qualified.

2436 (c) When appointing members to the Public Procurement
2437 Review Board, the Governor and Lieutenant Governor shall take into
2438 consideration persons who possess at least five (5) years of
2439 management experience in general business, health care or finance
2440 for an organization, corporation or other public or private
2441 entity. Any person, or any employee or owner of a company, who
2442 receives any grants, procurements or contracts that are subject to

2443 approval under this section shall not be appointed to the Public
2444 Procurement Review Board. Any person, or any employee or owner of
2445 a company, who is a principal of the source providing a personal
2446 or professional service shall not be appointed to the Public
2447 Procurement Review Board if the principal owns or controls a
2448 greater than five percent (5%) interest or has an ownership value
2449 of One Million Dollars (\$1,000,000.00) in the source's business,
2450 whichever is smaller. No member shall be an officer or employee
2451 of the State of Mississippi while serving as a voting member on
2452 the Public Procurement Review Board.

2453 (d) Members of the Public Procurement Review Board
2454 shall be entitled to per diem as authorized by Section 25-3-69 and
2455 travel reimbursement as authorized by Section 25-3-41.

2456 (e) The members of the Public Procurement Review Board
2457 shall elect a chair from among the membership, and he or she shall
2458 preside over the meetings of the board. The board shall annually
2459 elect a vice chair, who shall serve in the absence of the chair.
2460 No business shall be transacted, including adoption of rules of
2461 procedure, without the presence of a quorum of the board. Three
2462 (3) members shall be a quorum. No action shall be valid unless
2463 approved by a majority of the members present and voting, entered
2464 upon the minutes of the board and signed by the chair. Necessary
2465 clerical and administrative support for the board shall be
2466 provided by the Department of Finance and Administration. Minutes
2467 shall be kept of the proceedings of each meeting, copies of which
2468 shall be filed on a monthly basis with the chairs of the

2469 Accountability, Efficiency and Transparency Committees of the
2470 Senate and House of Representatives and the chairs of the
2471 Appropriations Committees of the Senate and House of
2472 Representatives.

2473 (2) The Public Procurement Review Board shall have the
2474 following powers and responsibilities:

2475 (a) Approve all purchasing regulations governing the
2476 purchase or lease by any agency, as defined in Section 31-7-1, of
2477 commodities and equipment, except computer equipment acquired
2478 pursuant to Sections 25-53-1 through 25-53-29;

2479 (b) Adopt regulations governing the approval of
2480 contracts let for the construction and maintenance of state
2481 buildings and other state facilities as well as related contracts
2482 for architectural and engineering services.

2483 The provisions of this paragraph (b) shall not apply to such
2484 contracts involving buildings and other facilities of state
2485 institutions of higher learning which are self-administered as
2486 provided under this paragraph (b) or Section 37-101-15(m);

2487 (c) Adopt regulations governing any lease or rental
2488 agreement by any state agency or department, including any state
2489 agency financed entirely by federal funds, for space outside the
2490 buildings under the jurisdiction of the Department of Finance and
2491 Administration. These regulations shall require each agency
2492 requesting to lease such space to provide the following
2493 information that shall be published by the Department of Finance
2494 and Administration on its website: the agency to lease the space;

2495 the terms of the lease; the approximate square feet to be leased;
2496 the use for the space; a description of a suitable space; the
2497 general location desired for the leased space; the contact
2498 information for a person from the agency; the deadline date for
2499 the agency to have received a lease proposal; any other specific
2500 terms or conditions of the agency; and any other information
2501 deemed appropriate by the Division of Real Property Management of
2502 the Department of Finance and Administration or the Public
2503 Procurement Review Board. The information shall be provided
2504 sufficiently in advance of the time the space is needed to allow
2505 the Division of Real Property Management of the Department of
2506 Finance and Administration to review and preapprove the lease
2507 before the time for advertisement begins;

2508 (d) Adopt, in its discretion, regulations to set aside
2509 at least five percent (5%) of anticipated annual expenditures for
2510 the purchase of commodities from minority businesses; however, all
2511 such set-aside purchases shall comply with all purchasing
2512 regulations promulgated by the department and shall be subject to
2513 all bid requirements. Set-aside purchases for which competitive
2514 bids are required shall be made from the lowest and best minority
2515 business bidder; however, if no minority bid is available or if
2516 the minority bid is more than two percent (2%) higher than the
2517 lowest bid, then bids shall be accepted and awarded to the lowest
2518 and best bidder. However, the provisions in this paragraph shall
2519 not be construed to prohibit the rejection of a bid when only one
2520 (1) bid is received. Such rejection shall be placed in the

2521 minutes. For the purposes of this paragraph, the term "minority
2522 business" means a business which is owned by a person who is a
2523 citizen or lawful permanent resident of the United States and who
2524 is:

2525 (i) Black: having origins in any of the black
2526 racial groups of Africa;

2527 (ii) Hispanic: of Mexican, Puerto Rican, Cuban,
2528 Central or South American, or other Spanish or Portuguese culture
2529 or origin regardless of race;

2530 (iii) Asian-American: having origins in any of
2531 the original people of the Far East, Southeast Asia, the Indian
2532 subcontinent, or the Pacific Islands;

2533 (iv) American Indian or Alaskan Native: having
2534 origins in any of the original people of North America; or

2535 (v) Female;

2536 (e) In consultation with and approval by the Chairs of
2537 the Senate and House Public Property Committees, approve leases,
2538 for a term not to exceed eighteen (18) months, entered into by
2539 state agencies for the purpose of providing parking arrangements
2540 for state employees who work in the Woolfolk Building, the Carroll
2541 Gartin Justice Building or the Walter Sillers Office Building;

2542 (f) (i) Except as otherwise provided in subparagraph
2543 (ii) of this paragraph, promulgate rules and regulations governing
2544 the solicitation and selection of contractual services personnel,
2545 including personal and professional services contracts for any
2546 form of consulting, policy analysis, public relations, marketing,

2547 public affairs, legislative advocacy services or any other
2548 contract that the board deems appropriate for oversight, with the
2549 exception of:

2550 1. Any personal service contracts entered
2551 into by any agency that employs only nonstate service employees as
2552 defined in Section 25-9-107(c);

2553 2. Any personal service contracts entered
2554 into for computer or information technology-related services
2555 governed by the Mississippi Department of Information Technology
2556 Services;

2557 3. Any personal service contracts entered
2558 into by the individual state institutions of higher learning;

2559 4. Any personal service contracts entered
2560 into by the Mississippi Department of Transportation;

2561 5. Any personal service contracts entered
2562 into by the Department of Human Services through June 30, 2019,
2563 which the Executive Director of the Department of Human Services
2564 determines would be useful in establishing and operating the
2565 Department of Child Protection Services;

2566 6. Any personal service contracts entered
2567 into by the Department of Child Protection Services through June
2568 30, 2019;

2569 7. Any contracts for entertainers and/or
2570 performers at the Mississippi State Fairgrounds entered into by
2571 the Mississippi Fair Commission;

2572 8. Any contracts entered into by the
2573 Department of Finance and Administration when procuring aircraft
2574 maintenance, parts, equipment and/or services;

2575 9. Any contract entered into by the
2576 Department of Public Safety for service on specialized equipment
2577 and/or software required for the operation of such specialized
2578 equipment for use by the Office of Forensics Laboratories;

2579 10. Any personal or professional service
2580 contract entered into by the Mississippi Department of Health or
2581 the Department of Revenue * * * in connection with their
2582 respective responsibilities under the Mississippi Medical Cannabis
2583 Act, and any provision in Sections 1 through 23 of this act that
2584 are applicable to the departments individually or jointly, from
2585 February 2, 2022, through June 30, 2026;

2586 11. Any contract for attorney, accountant,
2587 actuary auditor, architect, engineer, anatomical pathologist, or
2588 utility rate expert services;

2589 12. Any personal service contracts approved
2590 by the Executive Director of the Department of Finance and
2591 Administration and entered into by the Coordinator of Mental
2592 Health Accessibility through June 30, 2022;

2593 13. Any personal or professional services
2594 contract entered into by the State Department of Health in
2595 carrying out its responsibilities under the ARPA Rural Water
2596 Associations Infrastructure Grant Program through June 30, 2026;
2597 and

2598 14. And any personal or professional services
2599 contract entered into by the Mississippi Department of
2600 Environmental Quality in carrying out its responsibilities under
2601 the Mississippi Municipality and County Water Infrastructure Grant
2602 Program Act of 2022, through June 30, 2026.

2603 Any such rules and regulations shall provide for maintaining
2604 continuous internal audit covering the activities of such agency
2605 affecting its revenue and expenditures as required under Section
2606 7-7-3(6) (d). Any rules and regulation changes related to personal
2607 and professional services contracts that the Public Procurement
2608 Review Board may propose shall be submitted to the Chairs of the
2609 Accountability, Efficiency and Transparency Committees of the
2610 Senate and House of Representatives and the Chairs of the
2611 Appropriation Committees of the Senate and House of
2612 Representatives at least fifteen (15) days before the board votes
2613 on the proposed changes, and those rules and regulation changes,
2614 if adopted, shall be promulgated in accordance with the
2615 Mississippi Administrative Procedures Act.

2616 (ii) From and after July 1, 2024, the Public
2617 Procurement Review Board shall promulgate rules and regulations
2618 that require the Department of Finance and Administration to
2619 conduct personal and professional services solicitations as
2620 provided in subparagraph (i) of this paragraph for those services
2621 in excess of Seventy-five Thousand Dollars (\$75,000.00) for the
2622 Department of Marine Resources, the Department of Wildlife,
2623 Fisheries and Parks, the Mississippi Emergency Management Agency

2624 and the Mississippi Development Authority, with assistance to be
2625 provided from these entities. Any powers that have been conferred
2626 upon agencies in order to comply with the provisions of this
2627 section for personal and professional services solicitations shall
2628 be conferred upon the Department of Finance and Administration to
2629 conduct personal and professional services solicitations for the
2630 Department of Marine Resources, the Department of Wildlife,
2631 Fisheries and Parks, the Mississippi Emergency Management Agency
2632 and the Mississippi Development Authority for those services in
2633 excess of Seventy-five Thousand Dollars (\$75,000.00). The
2634 Department of Finance and Administration shall make any
2635 submissions that are required to be made by other agencies to the
2636 Public Procurement Review Board for the Department of Marine
2637 Resources, the Department of Wildlife, Fisheries and Parks, the
2638 Mississippi Emergency Management Agency and the Mississippi
2639 Development Authority.

2640 The provisions of this subparagraph (ii) shall stand repealed
2641 on June 30, 2027;

2642 (g) Approve all personal and professional services
2643 contracts involving the expenditures of funds in excess of
2644 Seventy-five Thousand Dollars (\$75,000.00), except as provided in
2645 paragraph (f) of this subsection (2) and in subsection (8);

2646 (h) Develop mandatory standards with respect to
2647 contractual services personnel that require invitations for public
2648 bid, requests for proposals, record keeping and financial
2649 responsibility of contractors. The Public Procurement Review

2650 Board shall, unless exempted under this paragraph (h) or under
2651 paragraph (i) or (o) of this subsection (2), require the agency
2652 involved to submit the procurement to a competitive procurement
2653 process, and may reserve the right to reject any or all resulting
2654 procurements;

2655 (i) Prescribe certain circumstances by which agency
2656 heads may enter into contracts for personal and professional
2657 services without receiving prior approval from the Public
2658 Procurement Review Board. The Public Procurement Review Board may
2659 establish a preapproved list of providers of various personal and
2660 professional services for set prices with which state agencies may
2661 contract without bidding or prior approval from the board;

2662 (i) Agency requirements may be fulfilled by
2663 procuring services performed incident to the state's own programs.
2664 The agency head shall determine in writing whether the price
2665 represents a fair market value for the services. When the
2666 procurements are made from other governmental entities, the
2667 private sector need not be solicited; however, these contracts
2668 shall still be submitted for approval to the Public Procurement
2669 Review Board.

2670 (ii) Contracts between two (2) state agencies,
2671 both under Public Procurement Review Board purview, shall not
2672 require Public Procurement Review Board approval. However, the
2673 contracts shall still be entered into the enterprise resource
2674 planning system;

2675 (j) Provide standards for the issuance of requests for
2676 proposals, the evaluation of proposals received, consideration of
2677 costs and quality of services proposed, contract negotiations, the
2678 administrative monitoring of contract performance by the agency
2679 and successful steps in terminating a contract;

2680 (k) Present recommendations for governmental
2681 privatization and to evaluate privatization proposals submitted by
2682 any state agency;

2683 (l) Authorize personal and professional service
2684 contracts to be effective for more than one (1) year provided a
2685 funding condition is included in any such multiple year contract,
2686 except the State Board of Education, which shall have the
2687 authority to enter into contractual agreements for student
2688 assessment for a period up to ten (10) years. The State Board of
2689 Education shall procure these services in accordance with the
2690 Public Procurement Review Board procurement regulations;

2691 (m) Request the State Auditor to conduct a performance
2692 audit on any personal or professional service contract;

2693 (n) Prepare an annual report to the Legislature
2694 concerning the issuance of personal and professional services
2695 contracts during the previous year, collecting any necessary
2696 information from state agencies in making such report;

2697 (o) Develop and implement the following standards and
2698 procedures for the approval of any sole source contract for
2699 personal and professional services regardless of the value of the
2700 procurement:

2701 (i) For the purposes of this paragraph (o), the
2702 term "sole source" means only one (1) source is available that can
2703 provide the required personal or professional service.

2704 (ii) An agency that has been issued a binding,
2705 valid court order mandating that a particular source or provider
2706 must be used for the required service must include a copy of the
2707 applicable court order in all future sole source contract reviews
2708 for the particular personal or professional service referenced in
2709 the court order.

2710 (iii) Any agency alleging to have a sole source
2711 for any personal or professional service, other than those
2712 exempted under paragraph (f) of this subsection (2) and subsection
2713 (8), shall publish on the procurement portal website established
2714 by Sections 25-53-151 and 27-104-165, for at least fourteen (14)
2715 days, the terms of the proposed contract for those services. In
2716 addition, the publication shall include, but is not limited to,
2717 the following information:

2718 1. The personal or professional service
2719 offered in the contract;

2720 2. An explanation of why the personal or
2721 professional service is the only one that can meet the needs of
2722 the agency;

2723 3. An explanation of why the source is the
2724 only person or entity that can provide the required personal or
2725 professional service;

2726 4. An explanation of why the amount to be
2727 expended for the personal or professional service is reasonable;
2728 and

2729 5. The efforts that the agency went through
2730 to obtain the best possible price for the personal or professional
2731 service.

2732 (iv) If any person or entity objects and proposes
2733 that the personal or professional service published under
2734 subparagraph (iii) of this paragraph (o) is not a sole source
2735 service and can be provided by another person or entity, then the
2736 objecting person or entity shall notify the Public Procurement
2737 Review Board and the agency that published the proposed sole
2738 source contract with a detailed explanation of why the personal or
2739 professional service is not a sole source service.

2740 (v) 1. If the agency determines after review that
2741 the personal or professional service in the proposed sole source
2742 contract can be provided by another person or entity, then the
2743 agency must withdraw the sole source contract publication from the
2744 procurement portal website and submit the procurement of the
2745 personal or professional service to an advertised competitive bid
2746 or selection process.

2747 2. If the agency determines after review that
2748 there is only one (1) source for the required personal or
2749 professional service, then the agency may appeal to the Public
2750 Procurement Review Board. The agency has the burden of proving

2751 that the personal or professional service is only provided by one
2752 (1) source.

2753 3. If the Public Procurement Review Board has
2754 any reasonable doubt as to whether the personal or professional
2755 service can only be provided by one (1) source, then the agency
2756 must submit the procurement of the personal or professional
2757 service to an advertised competitive bid or selection process. No
2758 action taken by the Public Procurement Review Board in this appeal
2759 process shall be valid unless approved by a majority of the
2760 members of the Public Procurement Review Board present and voting.

2761 (vi) The Public Procurement Review Board shall
2762 prepare and submit a quarterly report to the House of
2763 Representatives and Senate Accountability, Efficiency and
2764 Transparency Committees that details the sole source contracts
2765 presented to the Public Procurement Review Board and the reasons
2766 that the Public Procurement Review Board approved or rejected each
2767 contract. These quarterly reports shall also include the
2768 documentation and memoranda required in subsection (4) of this
2769 section. An agency that submitted a sole source contract shall be
2770 prepared to explain the sole source contract to each committee by
2771 December 15 of each year upon request by the committee;

2772 (p) Assess any fines and administrative penalties
2773 provided for in Sections 31-7-401 through 31-7-423.

2774 (3) All submissions shall be made sufficiently in advance of
2775 each monthly meeting of the Public Procurement Review Board as
2776 prescribed by the Public Procurement Review Board. If the Public

2777 Procurement Review Board rejects any contract submitted for review
2778 or approval, the Public Procurement Review Board shall clearly set
2779 out the reasons for its action, including, but not limited to, the
2780 policy that the agency has violated in its submitted contract and
2781 any corrective actions that the agency may take to amend the
2782 contract to comply with the rules and regulations of the Public
2783 Procurement Review Board.

2784 (4) All sole source contracts for personal and professional
2785 services awarded by state agencies, other than those exempted
2786 under Section 27-104-7(2)(f) and (8), whether approved by an
2787 agency head or the Public Procurement Review Board, shall contain
2788 in the procurement file a written determination for the approval,
2789 using a request form furnished by the Public Procurement Review
2790 Board. The written determination shall document the basis for the
2791 determination, including any market analysis conducted in order to
2792 ensure that the service required was practicably available from
2793 only one (1) source. A memorandum shall accompany the request
2794 form and address the following four (4) points:

2795 (a) Explanation of why this service is the only service
2796 that can meet the needs of the purchasing agency;

2797 (b) Explanation of why this vendor is the only
2798 practicably available source from which to obtain this service;

2799 (c) Explanation of why the price is considered
2800 reasonable; and

2801 (d) Description of the efforts that were made to
2802 conduct a noncompetitive negotiation to get the best possible
2803 price for the taxpayers.

2804 (5) In conjunction with the State Personnel Board, the
2805 Public Procurement Review Board shall develop and promulgate rules
2806 and regulations to define the allowable legal relationship between
2807 contract employees and the contracting departments, agencies and
2808 institutions of state government under the jurisdiction of the
2809 State Personnel Board, in compliance with the applicable rules and
2810 regulations of the federal Internal Revenue Service (IRS) for
2811 federal employment tax purposes. Under these regulations, the
2812 usual common law rules are applicable to determine and require
2813 that such worker is an independent contractor and not an employee,
2814 requiring evidence of lawful behavioral control, lawful financial
2815 control and lawful relationship of the parties. Any state
2816 department, agency or institution shall only be authorized to
2817 contract for personnel services in compliance with those
2818 regulations.

2819 (6) No member of the Public Procurement Review Board shall
2820 use his or her official authority or influence to coerce, by
2821 threat of discharge from employment, or otherwise, the purchase of
2822 commodities, the contracting for personal or professional
2823 services, or the contracting for public construction under this
2824 chapter.

2825 (7) Notwithstanding any other laws or rules to the contrary,
2826 the provisions of subsection (2) of this section shall not be
2827 applicable to the Mississippi State Port Authority at Gulfport.

2828 (8) Nothing in this section shall impair or limit the
2829 authority of the Board of Trustees of the Public Employees'
2830 Retirement System to enter into any personal or professional
2831 services contracts directly related to their constitutional
2832 obligation to manage the trust funds, including, but not limited
2833 to, actuarial, custodial banks, cash management, investment
2834 consultant and investment management contracts. Nothing in this
2835 section shall impair or limit the authority of the State Treasurer
2836 to enter into any personal or professional services contracts
2837 involving the management of trust funds, including, but not
2838 limited to, actuarial, custodial banks, cash management,
2839 investment consultant and investment management contracts.

2840 (9) Through December 31, 2024, the provisions of this
2841 section related to rental agreements or leasing of real property
2842 for the purpose of conducting agency business shall not apply to
2843 the Office of Workforce Development created in Section 37-153-7.

2844 **SECTION 30.** Section 31-7-13, Mississippi Code of 1972, is
2845 amended as follows:

2846 31-7-13. All agencies and governing authorities shall
2847 purchase their commodities and printing; contract for garbage
2848 collection or disposal; contract for solid waste collection or
2849 disposal; contract for sewage collection or disposal; contract for
2850 public construction; and contract for rentals as herein provided.

2851 (a) **Bidding procedure for purchases not over \$5,000.00.**

2852 Purchases which do not involve an expenditure of more than Five
2853 Thousand Dollars (\$5,000.00), exclusive of freight or shipping
2854 charges, may be made without advertising or otherwise requesting
2855 competitive bids. However, nothing contained in this paragraph
2856 (a) shall be construed to prohibit any agency or governing
2857 authority from establishing procedures which require competitive
2858 bids on purchases of Five Thousand Dollars (\$5,000.00) or less.

2859 (b) **Bidding procedure for purchases over \$5,000.00 but**
2860 **not over \$75,000.00.** Purchases which involve an expenditure of
2861 more than Five Thousand Dollars (\$5,000.00) but not more than
2862 Seventy-five Thousand Dollars (\$75,000.00), exclusive of freight
2863 and shipping charges, may be made from the lowest and best bidder
2864 without publishing or posting advertisement for bids, provided at
2865 least two (2) competitive written bids have been obtained. Any
2866 state agency or community or junior college purchasing commodities
2867 or procuring construction pursuant to this paragraph (b) may
2868 authorize its purchasing agent, or his designee, to accept the
2869 lowest competitive written bid under Seventy-five Thousand Dollars
2870 (\$75,000.00). Any governing authority purchasing commodities
2871 pursuant to this paragraph (b) may authorize its purchasing agent,
2872 or his designee, with regard to governing authorities other than
2873 counties, or its purchase clerk, or his designee, with regard to
2874 counties, to accept the lowest and best competitive written bid.
2875 Such authorization shall be made in writing by the governing
2876 authority and shall be maintained on file in the primary office of

2877 the agency and recorded in the official minutes of the governing
2878 authority, as appropriate. The purchasing agent or the purchase
2879 clerk, or his designee, as the case may be, and not the governing
2880 authority, shall be liable for any penalties and/or damages as may
2881 be imposed by law for any act or omission of the purchasing agent
2882 or purchase clerk, or his designee, constituting a violation of
2883 law in accepting any bid without approval by the governing
2884 authority. The term "competitive written bid" shall mean a bid
2885 submitted on a bid form furnished by the buying agency or
2886 governing authority and signed by authorized personnel
2887 representing the vendor, or a bid submitted on a vendor's
2888 letterhead or identifiable bid form and signed by authorized
2889 personnel representing the vendor. "Competitive" shall mean that
2890 the bids are developed based upon comparable identification of the
2891 needs and are developed independently and without knowledge of
2892 other bids or prospective bids. Any bid item for construction in
2893 excess of Five Thousand Dollars (\$5,000.00) shall be broken down
2894 by components to provide detail of component description and
2895 pricing. These details shall be submitted with the written bids
2896 and become part of the bid evaluation criteria. Bids may be
2897 submitted by facsimile, electronic mail or other generally
2898 accepted method of information distribution. Bids submitted by
2899 electronic transmission shall not require the signature of the
2900 vendor's representative unless required by agencies or governing
2901 authorities.

2902 (c) **Bidding procedure for purchases over \$75,000.00.**

2903 (i) **Publication requirement.**

2904 1. Purchases which involve an expenditure of
2905 more than Seventy-five Thousand Dollars (\$75,000.00), exclusive of
2906 freight and shipping charges, may be made from the lowest and best
2907 bidder after advertising for competitive bids once each week for
2908 two (2) consecutive weeks in a regular newspaper published in the
2909 county or municipality in which such agency or governing authority
2910 is located. However, all American Recovery and Reinvestment Act
2911 projects in excess of Twenty-five Thousand Dollars (\$25,000.00)
2912 shall be bid. All references to American Recovery and
2913 Reinvestment Act projects in this section shall not apply to
2914 programs identified in Division B of the American Recovery and
2915 Reinvestment Act.

2916 2. Reverse auctions shall be the primary
2917 method for receiving bids during the bidding process. If a
2918 purchasing entity determines that a reverse auction is not in the
2919 best interest of the state, then that determination must be
2920 approved by the Public Procurement Review Board. The purchasing
2921 entity shall submit a detailed explanation of why a reverse
2922 auction would not be in the best interest of the state and present
2923 an alternative process to be approved by the Public Procurement
2924 Review Board. If the Public Procurement Review Board authorizes
2925 the purchasing entity to solicit bids with a method other than
2926 reverse auction, then the purchasing entity may designate the
2927 other methods by which the bids will be received, including, but
2928 not limited to, bids sealed in an envelope, bids received

2929 electronically in a secure system, or bids received by any other
2930 method that promotes open competition and has been approved by the
2931 Office of Purchasing and Travel. However, reverse auction shall
2932 not be used for any public contract for design, construction,
2933 improvement, repair or remodeling of any public facilities,
2934 including the purchase of materials, supplies, equipment or goods
2935 for same and including buildings, roads and bridges. The Public
2936 Procurement Review Board must approve any contract entered into by
2937 alternative process. The provisions of this item 2 shall not
2938 apply to the individual state institutions of higher learning.
2939 The provisions of this item 2 requiring reverse auction as the
2940 primary method of receiving bids shall not apply to term contract
2941 purchases as provided in paragraph (n) of this section; however, a
2942 purchasing entity may, in its discretion, utilize reverse auction
2943 for such purchases. The provisions of this item 2 shall not apply
2944 to individual public schools, including public charter schools and
2945 public school districts, only when purchasing copyrighted
2946 educational supplemental materials and software as a service
2947 product. For such purchases, a local school board may authorize a
2948 purchasing entity in its jurisdiction to use a Request for
2949 Qualifications which promotes open competition and meets the
2950 requirements of the Office of Purchasing and Travel.

2951 3. The date as published for the bid opening
2952 shall not be less than seven (7) working days after the last
2953 published notice; however, if the purchase involves a construction
2954 project in which the estimated cost is in excess of Seventy-five

2955 Thousand Dollars (\$75,000.00), such bids shall not be opened in
2956 less than fifteen (15) working days after the last notice is
2957 published and the notice for the purchase of such construction
2958 shall be published once each week for two (2) consecutive weeks.
2959 However, all American Recovery and Reinvestment Act projects in
2960 excess of Twenty-five Thousand Dollars (\$25,000.00) shall be bid.
2961 For any projects in excess of Twenty-five Thousand Dollars
2962 (\$25,000.00) under the American Recovery and Reinvestment Act,
2963 publication shall be made one (1) time and the bid opening for
2964 construction projects shall not be less than ten (10) working days
2965 after the date of the published notice. The notice of intention
2966 to let contracts or purchase equipment shall state the time and
2967 place at which bids shall be received, list the contracts to be
2968 made or types of equipment or supplies to be purchased, and, if
2969 all plans and/or specifications are not published, refer to the
2970 plans and/or specifications on file. If there is no newspaper
2971 published in the county or municipality, then such notice shall be
2972 given by posting same at the courthouse, or for municipalities at
2973 the city hall, and at two (2) other public places in the county or
2974 municipality, and also by publication once each week for two (2)
2975 consecutive weeks in some newspaper having a general circulation
2976 in the county or municipality in the above-provided manner. On
2977 the same date that the notice is submitted to the newspaper for
2978 publication, the agency or governing authority involved shall mail
2979 written notice to, or provide electronic notification to the main
2980 office of the Mississippi Procurement Technical Assistance Program

2981 under the Mississippi Development Authority that contains the same
2982 information as that in the published notice. Submissions received
2983 by the Mississippi Procurement Technical Assistance Program for
2984 projects funded by the American Recovery and Reinvestment Act
2985 shall be displayed on a separate and unique Internet web page
2986 accessible to the public and maintained by the Mississippi
2987 Development Authority for the Mississippi Procurement Technical
2988 Assistance Program. Those American Recovery and Reinvestment Act
2989 related submissions shall be publicly posted within twenty-four
2990 (24) hours of receipt by the Mississippi Development Authority and
2991 the bid opening shall not occur until the submission has been
2992 posted for ten (10) consecutive days. The Department of Finance
2993 and Administration shall maintain information regarding contracts
2994 and other expenditures from the American Recovery and Reinvestment
2995 Act, on a unique Internet web page accessible to the public. The
2996 Department of Finance and Administration shall promulgate rules
2997 regarding format, content and deadlines, unless otherwise
2998 specified by law, of the posting of award notices, contract
2999 execution and subsequent amendments, links to the contract
3000 documents, expenditures against the awarded contracts and general
3001 expenditures of funds from the American Recovery and Reinvestment
3002 Act. Within one (1) working day of the contract award, the agency
3003 or governing authority shall post to the designated web page
3004 maintained by the Department of Finance and Administration, notice
3005 of the award, including the award recipient, the contract amount,
3006 and a brief summary of the contract in accordance with rules

3007 promulgated by the department. Within one (1) working day of the
3008 contract execution, the agency or governing authority shall post
3009 to the designated web page maintained by the Department of Finance
3010 and Administration a summary of the executed contract and make a
3011 copy of the appropriately redacted contract documents available
3012 for linking to the designated web page in accordance with the
3013 rules promulgated by the department. The information provided by
3014 the agency or governing authority shall be posted to the web page
3015 for the duration of the American Recovery and Reinvestment Act
3016 funding or until the project is completed, whichever is longer.

3017 (ii) **Bidding process amendment procedure.** If all
3018 plans and/or specifications are published in the notification,
3019 then the plans and/or specifications may not be amended. If all
3020 plans and/or specifications are not published in the notification,
3021 then amendments to the plans/specifications, bid opening date, bid
3022 opening time and place may be made, provided that the agency or
3023 governing authority maintains a list of all prospective bidders
3024 who are known to have received a copy of the bid documents and all
3025 such prospective bidders are sent copies of all amendments. This
3026 notification of amendments may be made via mail, facsimile,
3027 electronic mail or other generally accepted method of information
3028 distribution. No addendum to bid specifications may be issued
3029 within two (2) working days of the time established for the
3030 receipt of bids unless such addendum also amends the bid opening
3031 to a date not less than five (5) working days after the date of
3032 the addendum.

3033 (iii) **Filing requirement.** In all cases involving
3034 governing authorities, before the notice shall be published or
3035 posted, the plans or specifications for the construction or
3036 equipment being sought shall be filed with the clerk of the board
3037 of the governing authority. In addition to these requirements, a
3038 bid file shall be established which shall indicate those vendors
3039 to whom such solicitations and specifications were issued, and
3040 such file shall also contain such information as is pertinent to
3041 the bid.

3042 (iv) **Specification restrictions.**

3043 1. Specifications pertinent to such bidding
3044 shall be written so as not to exclude comparable equipment of
3045 domestic manufacture. However, if valid justification is
3046 presented, the Department of Finance and Administration or the
3047 board of a governing authority may approve a request for specific
3048 equipment necessary to perform a specific job. Further, such
3049 justification, when placed on the minutes of the board of a
3050 governing authority, may serve as authority for that governing
3051 authority to write specifications to require a specific item of
3052 equipment needed to perform a specific job. In addition to these
3053 requirements, from and after July 1, 1990, vendors of relocatable
3054 classrooms and the specifications for the purchase of such
3055 relocatable classrooms published by local school boards shall meet
3056 all pertinent regulations of the State Board of Education,
3057 including prior approval of such bid by the State Department of
3058 Education.

3059 2. Specifications for construction projects
3060 may include an allowance for commodities, equipment, furniture,
3061 construction materials or systems in which prospective bidders are
3062 instructed to include in their bids specified amounts for such
3063 items so long as the allowance items are acquired by the vendor in
3064 a commercially reasonable manner and approved by the
3065 agency/governing authority. Such acquisitions shall not be made
3066 to circumvent the public purchasing laws.

3067 (v) **Electronic bids.** Agencies and governing
3068 authorities shall provide a secure electronic interactive system
3069 for the submittal of bids requiring competitive bidding that shall
3070 be an additional bidding option for those bidders who choose to
3071 submit their bids electronically. The Department of Finance and
3072 Administration shall provide, by regulation, the standards that
3073 agencies must follow when receiving electronic bids. Agencies and
3074 governing authorities shall make the appropriate provisions
3075 necessary to accept electronic bids from those bidders who choose
3076 to submit their bids electronically for all purchases requiring
3077 competitive bidding under this section. Any special condition or
3078 requirement for the electronic bid submission shall be specified
3079 in the advertisement for bids required by this section. Agencies
3080 or governing authorities that are currently without available high
3081 speed Internet access shall be exempt from the requirement of this
3082 subparagraph (v) until such time that high speed Internet access
3083 becomes available. Any county having a population of less than
3084 twenty thousand (20,000) shall be exempt from the provisions of

3085 this subparagraph (v). Any municipality having a population of
3086 less than ten thousand (10,000) shall be exempt from the
3087 provisions of this subparagraph (v). The provisions of this
3088 subparagraph (v) shall not require any bidder to submit bids
3089 electronically. When construction bids are submitted
3090 electronically, the requirement for including a certificate of
3091 responsibility, or a statement that the bid enclosed does not
3092 exceed Fifty Thousand Dollars (\$50,000.00), on the exterior of the
3093 bid envelope as indicated in Section 31-3-21(1) and (2) shall be
3094 deemed in compliance with by including same as an attachment with
3095 the electronic bid submittal.

3096 (d) **Lowest and best bid decision procedure.**

3097 (i) **Decision procedure.** Purchases may be made
3098 from the lowest and best bidder. In determining the lowest and
3099 best bid, freight and shipping charges shall be included.
3100 Life-cycle costing, total cost bids, warranties, guaranteed
3101 buy-back provisions and other relevant provisions may be included
3102 in the best bid calculation. All best bid procedures for state
3103 agencies must be in compliance with regulations established by the
3104 Department of Finance and Administration. If any governing
3105 authority accepts a bid other than the lowest bid actually
3106 submitted, it shall place on its minutes detailed calculations and
3107 narrative summary showing that the accepted bid was determined to
3108 be the lowest and best bid, including the dollar amount of the
3109 accepted bid and the dollar amount of the lowest bid. No agency

3110 or governing authority shall accept a bid based on items not
3111 included in the specifications.

3112 (ii) **Decision procedure for Certified Purchasing**

3113 **Offices.** In addition to the decision procedure set forth in
3114 subparagraph (i) of this paragraph (d), Certified Purchasing
3115 Offices may also use the following procedure: Purchases may be
3116 made from the bidder offering the best value. In determining the
3117 best value bid, freight and shipping charges shall be included.
3118 Life-cycle costing, total cost bids, warranties, guaranteed
3119 buy-back provisions, documented previous experience, training
3120 costs and other relevant provisions, including, but not limited
3121 to, a bidder having a local office and inventory located within
3122 the jurisdiction of the governing authority, may be included in
3123 the best value calculation. This provision shall authorize
3124 Certified Purchasing Offices to utilize a Request For Proposals
3125 (RFP) process when purchasing commodities. All best value
3126 procedures for state agencies must be in compliance with
3127 regulations established by the Department of Finance and
3128 Administration. No agency or governing authority shall accept a
3129 bid based on items or criteria not included in the specifications.

3130 (iii) **Decision procedure for Mississippi**

3131 **Landmarks.** In addition to the decision procedure set forth in
3132 subparagraph (i) of this paragraph (d), where purchase involves
3133 renovation, restoration, or both, of the State Capitol Building or
3134 any other historical building designated for at least five (5)
3135 years as a Mississippi Landmark by the Board of Trustees of the

3136 Department of Archives and History under the authority of Sections
3137 39-7-7 and 39-7-11, the agency or governing authority may use the
3138 following procedure: Purchases may be made from the lowest and
3139 best prequalified bidder. Prequalification of bidders shall be
3140 determined not less than fifteen (15) working days before the
3141 first published notice of bid opening. Prequalification criteria
3142 shall be limited to bidder's knowledge and experience in
3143 historical restoration, preservation and renovation. In
3144 determining the lowest and best bid, freight and shipping charges
3145 shall be included. Life-cycle costing, total cost bids,
3146 warranties, guaranteed buy-back provisions and other relevant
3147 provisions may be included in the best bid calculation. All best
3148 bid and prequalification procedures for state agencies must be in
3149 compliance with regulations established by the Department of
3150 Finance and Administration. If any governing authority accepts a
3151 bid other than the lowest bid actually submitted, it shall place
3152 on its minutes detailed calculations and narrative summary showing
3153 that the accepted bid was determined to be the lowest and best
3154 bid, including the dollar amount of the accepted bid and the
3155 dollar amount of the lowest bid. No agency or governing authority
3156 shall accept a bid based on items not included in the
3157 specifications.

3158 (iv) **Construction project negotiations authority.**

3159 If the lowest and best bid is not more than ten percent (10%)
3160 above the amount of funds allocated for a public construction or
3161 renovation project, then the agency or governing authority shall

3162 be permitted to negotiate with the lowest bidder in order to enter
3163 into a contract for an amount not to exceed the funds allocated.

3164 (e) **Lease-purchase authorization.** For the purposes of
3165 this section, the term "equipment" shall mean equipment, furniture
3166 and, if applicable, associated software and other applicable
3167 direct costs associated with the acquisition. Any lease-purchase
3168 of equipment which an agency is not required to lease-purchase
3169 under the master lease-purchase program pursuant to Section
3170 31-7-10 and any lease-purchase of equipment which a governing
3171 authority elects to lease-purchase may be acquired by a
3172 lease-purchase agreement under this paragraph (e). Lease-purchase
3173 financing may also be obtained from the vendor or from a
3174 third-party source after having solicited and obtained at least
3175 two (2) written competitive bids, as defined in paragraph (b) of
3176 this section, for such financing without advertising for such
3177 bids. Solicitation for the bids for financing may occur before or
3178 after acceptance of bids for the purchase of such equipment or,
3179 where no such bids for purchase are required, at any time before
3180 the purchase thereof. No such lease-purchase agreement shall be
3181 for an annual rate of interest which is greater than the overall
3182 maximum interest rate to maturity on general obligation
3183 indebtedness permitted under Section 75-17-101, and the term of
3184 such lease-purchase agreement shall not exceed the useful life of
3185 equipment covered thereby as determined according to the upper
3186 limit of the asset depreciation range (ADR) guidelines for the
3187 Class Life Asset Depreciation Range System established by the

3188 Internal Revenue Service pursuant to the United States Internal
3189 Revenue Code and regulations thereunder as in effect on December
3190 31, 1980, or comparable depreciation guidelines with respect to
3191 any equipment not covered by ADR guidelines. Any lease-purchase
3192 agreement entered into pursuant to this paragraph (e) may contain
3193 any of the terms and conditions which a master lease-purchase
3194 agreement may contain under the provisions of Section 31-7-10(5),
3195 and shall contain an annual allocation dependency clause
3196 substantially similar to that set forth in Section 31-7-10(8).
3197 Each agency or governing authority entering into a lease-purchase
3198 transaction pursuant to this paragraph (e) shall maintain with
3199 respect to each such lease-purchase transaction the same
3200 information as required to be maintained by the Department of
3201 Finance and Administration pursuant to Section 31-7-10(13).
3202 However, nothing contained in this section shall be construed to
3203 permit agencies to acquire items of equipment with a total
3204 acquisition cost in the aggregate of less than Ten Thousand
3205 Dollars (\$10,000.00) by a single lease-purchase transaction. All
3206 equipment, and the purchase thereof by any lessor, acquired by
3207 lease-purchase under this paragraph and all lease-purchase
3208 payments with respect thereto shall be exempt from all Mississippi
3209 sales, use and ad valorem taxes. Interest paid on any
3210 lease-purchase agreement under this section shall be exempt from
3211 State of Mississippi income taxation.

3212 (f) **Alternate bid authorization.** When necessary to
3213 ensure ready availability of commodities for public works and the

3214 timely completion of public projects, no more than two (2)
3215 alternate bids may be accepted by a governing authority for
3216 commodities. No purchases may be made through use of such
3217 alternate bids procedure unless the lowest and best bidder cannot
3218 deliver the commodities contained in his bid. In that event,
3219 purchases of such commodities may be made from one (1) of the
3220 bidders whose bid was accepted as an alternate.

3221 (g) **Construction contract change authorization.** In the
3222 event a determination is made by an agency or governing authority
3223 after a construction contract is let that changes or modifications
3224 to the original contract are necessary or would better serve the
3225 purpose of the agency or the governing authority, such agency or
3226 governing authority may, in its discretion, order such changes
3227 pertaining to the construction that are necessary under the
3228 circumstances without the necessity of further public bids;
3229 provided that such change shall be made in a commercially
3230 reasonable manner and shall not be made to circumvent the public
3231 purchasing statutes. In addition to any other authorized person,
3232 the architect or engineer hired by an agency or governing
3233 authority with respect to any public construction contract shall
3234 have the authority, when granted by an agency or governing
3235 authority, to authorize changes or modifications to the original
3236 contract without the necessity of prior approval of the agency or
3237 governing authority when any such change or modification is less
3238 than one percent (1%) of the total contract amount. The agency or

3239 governing authority may limit the number, manner or frequency of
3240 such emergency changes or modifications.

3241 (h) **Petroleum purchase alternative.** In addition to
3242 other methods of purchasing authorized in this chapter, when any
3243 agency or governing authority shall have a need for gas, diesel
3244 fuel, oils and/or other petroleum products in excess of the amount
3245 set forth in paragraph (a) of this section, such agency or
3246 governing authority may purchase the commodity after having
3247 solicited and obtained at least two (2) competitive written bids,
3248 as defined in paragraph (b) of this section. If two (2)
3249 competitive written bids are not obtained, the entity shall comply
3250 with the procedures set forth in paragraph (c) of this section.
3251 In the event any agency or governing authority shall have
3252 advertised for bids for the purchase of gas, diesel fuel, oils and
3253 other petroleum products and coal and no acceptable bids can be
3254 obtained, such agency or governing authority is authorized and
3255 directed to enter into any negotiations necessary to secure the
3256 lowest and best contract available for the purchase of such
3257 commodities.

3258 (i) **Road construction petroleum products price**
3259 **adjustment clause authorization.** Any agency or governing
3260 authority authorized to enter into contracts for the construction,
3261 maintenance, surfacing or repair of highways, roads or streets,
3262 may include in its bid proposal and contract documents a price
3263 adjustment clause with relation to the cost to the contractor,
3264 including taxes, based upon an industry-wide cost index, of

3265 petroleum products including asphalt used in the performance or
3266 execution of the contract or in the production or manufacture of
3267 materials for use in such performance. Such industry-wide index
3268 shall be established and published monthly by the Mississippi
3269 Department of Transportation with a copy thereof to be mailed,
3270 upon request, to the clerks of the governing authority of each
3271 municipality and the clerks of each board of supervisors
3272 throughout the state. The price adjustment clause shall be based
3273 on the cost of such petroleum products only and shall not include
3274 any additional profit or overhead as part of the adjustment. The
3275 bid proposals or document contract shall contain the basis and
3276 methods of adjusting unit prices for the change in the cost of
3277 such petroleum products.

3278 (j) **State agency emergency purchase procedure.** If the
3279 governing board or the executive head, or his designees, of any
3280 agency of the state shall determine that an emergency exists in
3281 regard to the purchase of any commodities or repair contracts, so
3282 that the delay incident to giving opportunity for competitive
3283 bidding would be detrimental to the interests of the state, then
3284 the head of such agency, or his designees, shall file with the
3285 Department of Finance and Administration (i) a statement
3286 explaining the conditions and circumstances of the emergency,
3287 which shall include a detailed description of the events leading
3288 up to the situation and the negative impact to the entity if the
3289 purchase is made following the statutory requirements set forth in
3290 paragraph (a), (b) or (c) of this section, and (ii) a certified

3291 copy of the appropriate minutes of the board of such agency
3292 requesting the emergency purchase, if applicable. Upon receipt of
3293 the statement and applicable board certification, the State Fiscal
3294 Officer, or his designees, may, in writing, authorize the purchase
3295 or repair without having to comply with competitive bidding
3296 requirements.

3297 If the governing board or the executive head, or his
3298 designees, of any agency determines that an emergency exists in
3299 regard to the purchase of any commodities or repair contracts, so
3300 that the delay incident to giving opportunity for competitive
3301 bidding would threaten the health or safety of any person, or the
3302 preservation or protection of property, then the provisions in
3303 this section for competitive bidding shall not apply, and any
3304 officer or agent of the agency having general or specific
3305 authority for making the purchase or repair contract shall approve
3306 the bill presented for payment, and he shall certify in writing
3307 from whom the purchase was made, or with whom the repair contract
3308 was made.

3309 Total purchases made under this paragraph (j) shall only be
3310 for the purpose of meeting needs created by the emergency
3311 situation. Following the emergency purchase, documentation of the
3312 purchase, including a description of the commodity purchased, the
3313 purchase price thereof and the nature of the emergency shall be
3314 filed with the Department of Finance and Administration. Any
3315 contract awarded pursuant to this paragraph (j) shall not exceed a
3316 term of one (1) year.

3317 Purchases under the grant program established under Section
3318 37-68-7 in response to COVID-19 and the directive that school
3319 districts create a distance learning plan and fulfill technology
3320 needs expeditiously shall be deemed an emergency purchase for
3321 purposes of this paragraph (j).

3322 (k) **Governing authority emergency purchase procedure.**

3323 If the governing authority, or the governing authority acting
3324 through its designee, shall determine that an emergency exists in
3325 regard to the purchase of any commodities or repair contracts, so
3326 that the delay incident to giving opportunity for competitive
3327 bidding would be detrimental to the interest of the governing
3328 authority, then the provisions herein for competitive bidding
3329 shall not apply and any officer or agent of such governing
3330 authority having general or special authority therefor in making
3331 such purchase or repair shall approve the bill presented therefor,
3332 and he shall certify in writing thereon from whom such purchase
3333 was made, or with whom such a repair contract was made. At the
3334 board meeting next following the emergency purchase or repair
3335 contract, documentation of the purchase or repair contract,
3336 including a description of the commodity purchased, the price
3337 thereof and the nature of the emergency shall be presented to the
3338 board and shall be placed on the minutes of the board of such
3339 governing authority. Purchases under the grant program
3340 established under Section 37-68-7 in response to COVID-19 and the
3341 directive that school districts create a distance learning plan

3342 and fulfill technology needs expeditiously shall be deemed an
3343 emergency purchase for purposes of this paragraph (k).

3344 (1) **Hospital purchase, lease-purchase and lease**
3345 **authorization.**

3346 (i) The commissioners or board of trustees of any
3347 public hospital may contract with such lowest and best bidder for
3348 the purchase or lease-purchase of any commodity under a contract
3349 of purchase or lease-purchase agreement whose obligatory payment
3350 terms do not exceed five (5) years.

3351 (ii) In addition to the authority granted in
3352 subparagraph (i) of this paragraph (1), the commissioners or board
3353 of trustees is authorized to enter into contracts for the lease of
3354 equipment or services, or both, which it considers necessary for
3355 the proper care of patients if, in its opinion, it is not
3356 financially feasible to purchase the necessary equipment or
3357 services. Any such contract for the lease of equipment or
3358 services executed by the commissioners or board shall not exceed a
3359 maximum of five (5) years' duration and shall include a
3360 cancellation clause based on unavailability of funds. If such
3361 cancellation clause is exercised, there shall be no further
3362 liability on the part of the lessee. Any such contract for the
3363 lease of equipment or services executed on behalf of the
3364 commissioners or board that complies with the provisions of this
3365 subparagraph (ii) shall be excepted from the bid requirements set
3366 forth in this section.

3367 (m) **Exceptions from bidding requirements.** Excepted
3368 from bid requirements are:

3369 (i) **Purchasing agreements approved by department.**
3370 Purchasing agreements, contracts and maximum price regulations
3371 executed or approved by the Department of Finance and
3372 Administration.

3373 (ii) **Outside equipment repairs.** Repairs to
3374 equipment, when such repairs are made by repair facilities in the
3375 private sector; however, engines, transmissions, rear axles and/or
3376 other such components shall not be included in this exemption when
3377 replaced as a complete unit instead of being repaired and the need
3378 for such total component replacement is known before disassembly
3379 of the component; however, invoices identifying the equipment,
3380 specific repairs made, parts identified by number and name,
3381 supplies used in such repairs, and the number of hours of labor
3382 and costs therefor shall be required for the payment for such
3383 repairs.

3384 (iii) **In-house equipment repairs.** Purchases of
3385 parts for repairs to equipment, when such repairs are made by
3386 personnel of the agency or governing authority; however, entire
3387 assemblies, such as engines or transmissions, shall not be
3388 included in this exemption when the entire assembly is being
3389 replaced instead of being repaired.

3390 (iv) **Raw gravel or dirt.** Raw unprocessed deposits
3391 of gravel or fill dirt which are to be removed and transported by
3392 the purchaser.

3393 (v) **Governmental equipment auctions.** Motor
3394 vehicles or other equipment purchased from a federal agency or
3395 authority, another governing authority or state agency of the
3396 State of Mississippi, or any governing authority or state agency
3397 of another state at a public auction held for the purpose of
3398 disposing of such vehicles or other equipment. Any purchase by a
3399 governing authority under the exemption authorized by this
3400 subparagraph (v) shall require advance authorization spread upon
3401 the minutes of the governing authority to include the listing of
3402 the item or items authorized to be purchased and the maximum bid
3403 authorized to be paid for each item or items.

3404 (vi) **Intergovernmental sales and transfers.**
3405 Purchases, sales, transfers or trades by governing authorities or
3406 state agencies when such purchases, sales, transfers or trades are
3407 made by a private treaty agreement or through means of
3408 negotiation, from any federal agency or authority, another
3409 governing authority or state agency of the State of Mississippi,
3410 or any state agency or governing authority of another state.
3411 Nothing in this section shall permit such purchases through public
3412 auction except as provided for in subparagraph (v) of this
3413 paragraph (m). It is the intent of this section to allow
3414 governmental entities to dispose of and/or purchase commodities
3415 from other governmental entities at a price that is agreed to by
3416 both parties. This shall allow for purchases and/or sales at
3417 prices which may be determined to be below the market value if the
3418 selling entity determines that the sale at below market value is

3419 in the best interest of the taxpayers of the state. Governing
3420 authorities shall place the terms of the agreement and any
3421 justification on the minutes, and state agencies shall obtain
3422 approval from the Department of Finance and Administration, prior
3423 to releasing or taking possession of the commodities.

3424 (vii) **Perishable supplies or food.** Perishable
3425 supplies or food purchased for use in connection with hospitals,
3426 the school lunch programs, homemaking programs and for the feeding
3427 of county or municipal prisoners.

3428 (viii) **Single-source items.** Noncompetitive items
3429 available from one (1) source only. In connection with the
3430 purchase of noncompetitive items only available from one (1)
3431 source, a certification of the conditions and circumstances
3432 requiring the purchase shall be filed by the agency with the
3433 Department of Finance and Administration and by the governing
3434 authority with the board of the governing authority. Upon receipt
3435 of that certification the Department of Finance and Administration
3436 or the board of the governing authority, as the case may be, may,
3437 in writing, authorize the purchase, which authority shall be noted
3438 on the minutes of the body at the next regular meeting thereafter.
3439 In those situations, a governing authority is not required to
3440 obtain the approval of the Department of Finance and
3441 Administration. Following the purchase, the executive head of the
3442 state agency, or his designees, shall file with the Department of
3443 Finance and Administration, documentation of the purchase,

3444 including a description of the commodity purchased, the purchase
3445 price thereof and the source from whom it was purchased.

3446 (ix) **Waste disposal facility construction**
3447 **contracts.** Construction of incinerators and other facilities for
3448 disposal of solid wastes in which products either generated
3449 therein, such as steam, or recovered therefrom, such as materials
3450 for recycling, are to be sold or otherwise disposed of; however,
3451 in constructing such facilities, a governing authority or agency
3452 shall publicly issue requests for proposals, advertised for in the
3453 same manner as provided herein for seeking bids for public
3454 construction projects, concerning the design, construction,
3455 ownership, operation and/or maintenance of such facilities,
3456 wherein such requests for proposals when issued shall contain
3457 terms and conditions relating to price, financial responsibility,
3458 technology, environmental compatibility, legal responsibilities
3459 and such other matters as are determined by the governing
3460 authority or agency to be appropriate for inclusion; and after
3461 responses to the request for proposals have been duly received,
3462 the governing authority or agency may select the most qualified
3463 proposal or proposals on the basis of price, technology and other
3464 relevant factors and from such proposals, but not limited to the
3465 terms thereof, negotiate and enter contracts with one or more of
3466 the persons or firms submitting proposals.

3467 (x) **Hospital group purchase contracts.** Supplies,
3468 commodities and equipment purchased by hospitals through group
3469 purchase programs pursuant to Section 31-7-38.

3470 (xi) **Information technology products.** Purchases
3471 of information technology products made by governing authorities
3472 under the provisions of purchase schedules, or contracts executed
3473 or approved by the Mississippi Department of Information
3474 Technology Services and designated for use by governing
3475 authorities.

3476 (xii) **Energy efficiency services and equipment.**
3477 Energy efficiency services and equipment acquired by school
3478 districts, community and junior colleges, institutions of higher
3479 learning and state agencies or other applicable governmental
3480 entities on a shared-savings, lease or lease-purchase basis
3481 pursuant to Section 31-7-14.

3482 (xiii) **Municipal electrical utility system fuel.**
3483 Purchases of coal and/or natural gas by municipally owned electric
3484 power generating systems that have the capacity to use both coal
3485 and natural gas for the generation of electric power.

3486 (xiv) **Library books and other reference materials.**
3487 Purchases by libraries or for libraries of books and periodicals;
3488 processed film, videocassette tapes, filmstrips and slides;
3489 recorded audiotapes, cassettes and diskettes; and any such items
3490 as would be used for teaching, research or other information
3491 distribution; however, equipment such as projectors, recorders,
3492 audio or video equipment, and monitor televisions are not exempt
3493 under this subparagraph.

3494 (xv) **Unmarked vehicles.** Purchases of unmarked
3495 vehicles when such purchases are made in accordance with

3496 purchasing regulations adopted by the Department of Finance and
3497 Administration pursuant to Section 31-7-9(2).

3498 (xvi) **Election ballots.** Purchases of ballots
3499 printed pursuant to Section 23-15-351.

3500 (xvii) **Multichannel interactive video systems.**
3501 From and after July 1, 1990, contracts by Mississippi Authority
3502 for Educational Television with any private educational
3503 institution or private nonprofit organization whose purposes are
3504 educational in regard to the construction, purchase, lease or
3505 lease-purchase of facilities and equipment and the employment of
3506 personnel for providing multichannel interactive video systems
3507 (ITSF) in the school districts of this state.

3508 (xviii) **Purchases of prison industry products by**
3509 **the Department of Corrections, regional correctional facilities or**
3510 **privately owned prisons.** Purchases made by the Mississippi
3511 Department of Corrections, regional correctional facilities or
3512 privately owned prisons involving any item that is manufactured,
3513 processed, grown or produced from the state's prison industries.

3514 (xix) **Undercover operations equipment.** Purchases
3515 of surveillance equipment or any other high-tech equipment to be
3516 used by law enforcement agents in undercover operations, provided
3517 that any such purchase shall be in compliance with regulations
3518 established by the Department of Finance and Administration.

3519 (xx) **Junior college books for rent.** Purchases by
3520 community or junior colleges of textbooks which are obtained for

3521 the purpose of renting such books to students as part of a book
3522 service system.

3523 (xxi) **Certain school district purchases.**

3524 Purchases of commodities made by school districts from vendors
3525 with which any levying authority of the school district, as
3526 defined in Section 37-57-1, has contracted through competitive
3527 bidding procedures for purchases of the same commodities.

3528 (xxii) **Garbage, solid waste and sewage contracts.**

3529 Contracts for garbage collection or disposal, contracts for solid
3530 waste collection or disposal and contracts for sewage collection
3531 or disposal.

3532 (xxiii) **Municipal water tank maintenance**

3533 **contracts.** Professional maintenance program contracts for the
3534 repair or maintenance of municipal water tanks, which provide
3535 professional services needed to maintain municipal water storage
3536 tanks for a fixed annual fee for a duration of two (2) or more
3537 years.

3538 (xxiv) **Purchases of Mississippi Industries for the**

3539 **Blind products or services.** Purchases made by state agencies or
3540 governing authorities involving any item that is manufactured,
3541 processed or produced by, or any services provided by, the
3542 Mississippi Industries for the Blind.

3543 (xxv) **Purchases of state-adopted textbooks.**

3544 Purchases of state-adopted textbooks by public school districts.

3545 (xxvi) **Certain purchases under the Mississippi**
3546 **Major Economic Impact Act.** Contracts entered into pursuant to the
3547 provisions of Section 57-75-9(2), (3) and (4).

3548 (xxvii) **Used heavy or specialized machinery or**
3549 **equipment for installation of soil and water conservation**
3550 **practices purchased at auction.** Used heavy or specialized
3551 machinery or equipment used for the installation and
3552 implementation of soil and water conservation practices or
3553 measures purchased subject to the restrictions provided in
3554 Sections 69-27-331 through 69-27-341. Any purchase by the State
3555 Soil and Water Conservation Commission under the exemption
3556 authorized by this subparagraph shall require advance
3557 authorization spread upon the minutes of the commission to include
3558 the listing of the item or items authorized to be purchased and
3559 the maximum bid authorized to be paid for each item or items.

3560 (xxviii) **Hospital lease of equipment or services.**
3561 Leases by hospitals of equipment or services if the leases are in
3562 compliance with paragraph (1)(ii).

3563 (xxix) **Purchases made pursuant to qualified**
3564 **cooperative purchasing agreements.** Purchases made by certified
3565 purchasing offices of state agencies or governing authorities
3566 under cooperative purchasing agreements previously approved by the
3567 Office of Purchasing and Travel and established by or for any
3568 municipality, county, parish or state government or the federal
3569 government, provided that the notification to potential
3570 contractors includes a clause that sets forth the availability of

3571 the cooperative purchasing agreement to other governmental
3572 entities. Such purchases shall only be made if the use of the
3573 cooperative purchasing agreements is determined to be in the best
3574 interest of the governmental entity.

3575 (xxx) **School yearbooks.** Purchases of school
3576 yearbooks by state agencies or governing authorities; however,
3577 state agencies and governing authorities shall use for these
3578 purchases the RFP process as set forth in the Mississippi
3579 Procurement Manual adopted by the Office of Purchasing and Travel.

3580 (xxxii) **Design-build method of contracting and**
3581 **certain other contracts.** Contracts entered into under the
3582 provisions of Section 31-7-13.1, 37-101-44 or 65-1-85.

3583 (xxxiii) **Toll roads and bridge construction**
3584 **projects.** Contracts entered into under the provisions of Section
3585 65-43-1 or 65-43-3.

3586 (xxxiiii) **Certain purchases under Section 57-1-221.**
3587 Contracts entered into pursuant to the provisions of Section
3588 57-1-221.

3589 (xxxiv) **Certain transfers made pursuant to the**
3590 **provisions of Section 57-105-1(7).** Transfers of public property
3591 or facilities under Section 57-105-1(7) and construction related
3592 to such public property or facilities.

3593 (xxxv) **Certain purchases or transfers entered into**
3594 **with local electrical power associations.** Contracts or agreements
3595 entered into under the provisions of Section 55-3-33.

3596 (xxxvi) **Certain purchases by an academic medical**
3597 **center or health sciences school.** Purchases by an academic
3598 medical center or health sciences school, as defined in Section
3599 37-115-50, of commodities that are used for clinical purposes and
3600 1. intended for use in the diagnosis of disease or other
3601 conditions or in the cure, mitigation, treatment or prevention of
3602 disease, and 2. medical devices, biological, drugs and
3603 radiation-emitting devices as defined by the United States Food
3604 and Drug Administration.

3605 (xxxvii) **Certain purchases made under the Alyce G.**
3606 **Clarke Mississippi Lottery Law.** Contracts made by the Mississippi
3607 Lottery Corporation pursuant to the Alyce G. Clarke Mississippi
3608 Lottery Law.

3609 (xxxviii) **Certain purchases made by the Department**
3610 **of Health and the Department of Revenue.** Purchases made by the
3611 Department of Health and the Department of Revenue * * * for the
3612 purpose of fulfilling their respective responsibilities under the
3613 Mississippi Medical Cannabis Act, and any provision in Sections 1
3614 through 23 of this act that are applicable to the departments
3615 individually or jointly. This subparagraph shall stand repealed
3616 on June 30, 2026.

3617 (n) **Term contract authorization.** All contracts for the
3618 purchase of:

3619 (i) All contracts for the purchase of commodities,
3620 equipment and public construction (including, but not limited to,
3621 repair and maintenance), may be let for periods of not more than

3622 sixty (60) months in advance, subject to applicable statutory
3623 provisions prohibiting the letting of contracts during specified
3624 periods near the end of terms of office. Term contracts for a
3625 period exceeding twenty-four (24) months shall also be subject to
3626 ratification or cancellation by governing authority boards taking
3627 office subsequent to the governing authority board entering the
3628 contract.

3629 (ii) Bid proposals and contracts may include price
3630 adjustment clauses with relation to the cost to the contractor
3631 based upon a nationally published industry-wide or nationally
3632 published and recognized cost index. The cost index used in a
3633 price adjustment clause shall be determined by the Department of
3634 Finance and Administration for the state agencies and by the
3635 governing board for governing authorities. The bid proposal and
3636 contract documents utilizing a price adjustment clause shall
3637 contain the basis and method of adjusting unit prices for the
3638 change in the cost of such commodities, equipment and public
3639 construction.

3640 (o) **Purchase law violation prohibition and vendor**
3641 **penalty.** No contract or purchase as herein authorized shall be
3642 made for the purpose of circumventing the provisions of this
3643 section requiring competitive bids, nor shall it be lawful for any
3644 person or concern to submit individual invoices for amounts within
3645 those authorized for a contract or purchase where the actual value
3646 of the contract or commodity purchased exceeds the authorized
3647 amount and the invoices therefor are split so as to appear to be

3648 authorized as purchases for which competitive bids are not
3649 required. Submission of such invoices shall constitute a
3650 misdemeanor punishable by a fine of not less than Five Hundred
3651 Dollars (\$500.00) nor more than One Thousand Dollars (\$1,000.00),
3652 or by imprisonment for thirty (30) days in the county jail, or
3653 both such fine and imprisonment. In addition, the claim or claims
3654 submitted shall be forfeited.

3655 (p) **Electrical utility petroleum-based equipment**
3656 **purchase procedure.** When in response to a proper advertisement
3657 therefor, no bid firm as to price is submitted to an electric
3658 utility for power transformers, distribution transformers, power
3659 breakers, reclosers or other articles containing a petroleum
3660 product, the electric utility may accept the lowest and best bid
3661 therefor although the price is not firm.

3662 (q) **Fuel management system bidding procedure.** Any
3663 governing authority or agency of the state shall, before
3664 contracting for the services and products of a fuel management or
3665 fuel access system, enter into negotiations with not fewer than
3666 two (2) sellers of fuel management or fuel access systems for
3667 competitive written bids to provide the services and products for
3668 the systems. In the event that the governing authority or agency
3669 cannot locate two (2) sellers of such systems or cannot obtain
3670 bids from two (2) sellers of such systems, it shall show proof
3671 that it made a diligent, good-faith effort to locate and negotiate
3672 with two (2) sellers of such systems. Such proof shall include,
3673 but not be limited to, publications of a request for proposals and

3674 letters soliciting negotiations and bids. For purposes of this
3675 paragraph (q), a fuel management or fuel access system is an
3676 automated system of acquiring fuel for vehicles as well as
3677 management reports detailing fuel use by vehicles and drivers, and
3678 the term "competitive written bid" shall have the meaning as
3679 defined in paragraph (b) of this section. Governing authorities
3680 and agencies shall be exempt from this process when contracting
3681 for the services and products of fuel management or fuel access
3682 systems under the terms of a state contract established by the
3683 Office of Purchasing and Travel.

3684 (r) **Solid waste contract proposal procedure.** Before
3685 entering into any contract for garbage collection or disposal,
3686 contract for solid waste collection or disposal or contract for
3687 sewage collection or disposal, which involves an expenditure of
3688 more than Seventy-five Thousand Dollars (\$75,000.00), a governing
3689 authority or agency shall issue publicly a request for proposals
3690 concerning the specifications for such services which shall be
3691 advertised for in the same manner as provided in this section for
3692 seeking bids for purchases which involve an expenditure of more
3693 than the amount provided in paragraph (c) of this section. Any
3694 request for proposals when issued shall contain terms and
3695 conditions relating to price, financial responsibility,
3696 technology, legal responsibilities and other relevant factors as
3697 are determined by the governing authority or agency to be
3698 appropriate for inclusion; all factors determined relevant by the
3699 governing authority or agency or required by this paragraph (r)

3700 shall be duly included in the advertisement to elicit proposals.
3701 After responses to the request for proposals have been duly
3702 received, the governing authority or agency shall select the most
3703 qualified proposal or proposals on the basis of price, technology
3704 and other relevant factors and from such proposals, but not
3705 limited to the terms thereof, negotiate and enter into contracts
3706 with one or more of the persons or firms submitting proposals. If
3707 the governing authority or agency deems none of the proposals to
3708 be qualified or otherwise acceptable, the request for proposals
3709 process may be reinitiated. Notwithstanding any other provisions
3710 of this paragraph, where a county with at least thirty-five
3711 thousand (35,000) nor more than forty thousand (40,000)
3712 population, according to the 1990 federal decennial census, owns
3713 or operates a solid waste landfill, the governing authorities of
3714 any other county or municipality may contract with the governing
3715 authorities of the county owning or operating the landfill,
3716 pursuant to a resolution duly adopted and spread upon the minutes
3717 of each governing authority involved, for garbage or solid waste
3718 collection or disposal services through contract negotiations.

3719 (s) **Minority set-aside authorization.** Notwithstanding
3720 any provision of this section to the contrary, any agency or
3721 governing authority, by order placed on its minutes, may, in its
3722 discretion, set aside not more than twenty percent (20%) of its
3723 anticipated annual expenditures for the purchase of commodities
3724 from minority businesses; however, all such set-aside purchases
3725 shall comply with all purchasing regulations promulgated by the

3726 Department of Finance and Administration and shall be subject to
3727 bid requirements under this section. Set-aside purchases for
3728 which competitive bids are required shall be made from the lowest
3729 and best minority business bidder. For the purposes of this
3730 paragraph, the term "minority business" means a business which is
3731 owned by a majority of persons who are United States citizens or
3732 permanent resident aliens (as defined by the Immigration and
3733 Naturalization Service) of the United States, and who are Asian,
3734 Black, Hispanic or Native American, according to the following
3735 definitions:

3736 (i) "Asian" means persons having origins in any of
3737 the original people of the Far East, Southeast Asia, the Indian
3738 subcontinent, or the Pacific Islands.

3739 (ii) "Black" means persons having origins in any
3740 black racial group of Africa.

3741 (iii) "Hispanic" means persons of Spanish or
3742 Portuguese culture with origins in Mexico, South or Central
3743 America, or the Caribbean Islands, regardless of race.

3744 (iv) "Native American" means persons having
3745 origins in any of the original people of North America, including
3746 American Indians, Eskimos and Aleuts.

3747 (t) **Construction punch list restriction.** The
3748 architect, engineer or other representative designated by the
3749 agency or governing authority that is contracting for public
3750 construction or renovation may prepare and submit to the
3751 contractor only one (1) preliminary punch list of items that do

3752 not meet the contract requirements at the time of substantial
3753 completion and one (1) final list immediately before final
3754 completion and final payment.

3755 (u) **Procurement of construction services by state**
3756 **institutions of higher learning.** Contracts for privately financed
3757 construction of auxiliary facilities on the campus of a state
3758 institution of higher learning may be awarded by the Board of
3759 Trustees of State Institutions of Higher Learning to the lowest
3760 and best bidder, where sealed bids are solicited, or to the
3761 offeror whose proposal is determined to represent the best value
3762 to the citizens of the State of Mississippi, where requests for
3763 proposals are solicited.

3764 (v) **Insurability of bidders for public construction or**
3765 **other public contracts.** In any solicitation for bids to perform
3766 public construction or other public contracts to which this
3767 section applies, including, but not limited to, contracts for
3768 repair and maintenance, for which the contract will require
3769 insurance coverage in an amount of not less than One Million
3770 Dollars (\$1,000,000.00), bidders shall be permitted to either
3771 submit proof of current insurance coverage in the specified amount
3772 or demonstrate ability to obtain the required coverage amount of
3773 insurance if the contract is awarded to the bidder. Proof of
3774 insurance coverage shall be submitted within five (5) business
3775 days from bid acceptance.

3776 (w) **Purchase authorization clarification.** Nothing in
3777 this section shall be construed as authorizing any purchase not
3778 authorized by law.

3779 (x) **Mississippi Regional Pre-Need Disaster Clean Up**

3780 **Act.** (i) The Department of Finance and Administration shall
3781 enter into nine (9) contracts for the pre-need purchase of labor,
3782 services, work, materials, equipment, supplies or other personal
3783 property for disaster-related solid waste collection, disposal or
3784 monitoring. One (1) contract shall be entered into for each of
3785 the nine (9) Mississippi Emergency Management Association
3786 districts:

3787 1. Coahoma, DeSoto, Grenada, Panola, Quitman,
3788 Tallahatchie, Tate, Tunica and Yalobusha Counties;

3789 2. Alcorn, Benton, Itawamba, Lafayette, Lee,
3790 Marshall, Pontotoc, Prentiss, Tippah, Tishomingo and Union
3791 Counties;

3792 3. Attala, Bolivar, Carroll, Holmes,
3793 Humphreys, Leflore, Montgomery, Sunflower and Washington Counties;

3794 4. Calhoun, Chickasaw, Choctaw, Clay,
3795 Lowndes, Monroe, Noxubee, Oktibbeha, Webster and Winston Counties;

3796 5. Claiborne, Copiah, Hinds, Issaquena,
3797 Madison, Rankin, Sharkey, Simpson, Warren and Yazoo Counties;

3798 6. Clarke, Jasper, Kemper, Lauderdale, Leake,
3799 Neshoba, Newton, Scott, and Smith Counties and the Mississippi
3800 Band of Choctaw Indians;

3801 7. Adams, Amite, Franklin, Jefferson,
3802 Lawrence, Lincoln, Pike, Walthall and Wilkinson Counties;
3803 8. Covington, Forrest, Greene, Jefferson
3804 Davis, Jones, Lamar, Marion, Perry and Wayne Counties; and
3805 9. George, Hancock, Harrison, Jackson, Pearl
3806 River and Stone Counties.

3807 Any such contract shall set forth the manner of awarding such
3808 a contract, the method of payment, and any other matter deemed
3809 necessary to carry out the purposes of the agreement. Such
3810 contract may be entered into only for a term of one (1) year, with
3811 an option for an additional one-year extension after the
3812 conclusion of the first year of the contract, and only after
3813 having solicited bids or proposals, as appropriate, which shall be
3814 publicly advertised by posting on a web page maintained by the
3815 Department of Finance and Administration through submission of
3816 such advertisement to the Mississippi Procurement Technical
3817 Assistance Program under the Mississippi Development Authority.
3818 The bid opening shall not occur until after the submission has
3819 been posted for at least ten (10) consecutive days. The state's
3820 share of expenditures for solid waste collection, disposal or
3821 monitoring under any contract shall be appropriated and paid in
3822 the manner set forth in the contract and in the same manner as for
3823 other solid waste collection, disposal, or monitoring expenses of
3824 the state. Any contract entered into under this paragraph shall
3825 not be subject to the provisions of Section 17-13-11.

3826 (ii) Any board of supervisors of any county or any
3827 governing authority of any municipality may opt in to the benefits
3828 and services provided under the appropriate and relevant contract
3829 established in subparagraph (i) of this paragraph at the time of a
3830 disaster event in that county or municipality. At the time of opt
3831 in, the county or municipality shall assume responsibility for
3832 payment in full to the contractor for the disaster-related solid
3833 waste collection, disposal or monitoring services provided.
3834 Nothing in this subparagraph (ii) shall be construed as requiring
3835 a county or municipality to opt in to any such contract
3836 established in subparagraph (i) of this paragraph.

3837 **SECTION 31.** (1) It shall be unlawful for any person to have
3838 or possess, with the intent to sell, intoxicating hemp intended
3839 for use in violating the provisions of this chapter, or
3840 regulations prescribed under this chapter. No property rights
3841 shall exist in any such products. All such property shall be
3842 considered contraband and shall be seized and forfeited to the
3843 state of Mississippi.

3844 (2) An individual or entity that is not authorized to sell
3845 intoxicating hemp products in accordance with the provisions of
3846 this act that advertises the sale of intoxicating hemp products or
3847 offers to consumers products that are packaged and labeled as
3848 intoxicating hemp products shall be presumed to be violating the
3849 provisions of this act and such products shall be subject to
3850 seizure and forfeiture.

3851 (3) The following are subject to forfeiture:

3852 (a) All intoxicating hemp products, as defined in
3853 69-25-203, which have been distributed, dispensed or acquired in
3854 violation of this chapter;

3855 (b) All property which is used, or intended for use, as
3856 a container for property described in items (a) of this
3857 subsection;

3858 (c) All money, deadly weapons, books, records and
3859 research products and materials, including formulas, microfilm,
3860 tapes and data which are used, or intended for use, in violation
3861 of this chapter.

3862 (4) Property subject to forfeiture may be seized by the
3863 Department of Health, Department of Revenue, and Department of
3864 Agriculture and its agents, and duly sworn law enforcement
3865 officers acting within their jurisdiction upon process issued by
3866 any appropriate court having jurisdiction over the property.
3867 Seizure without process may be made if:

3868 (a) The seizure is incident to an arrest or a search
3869 under a search warrant or an investigation under Section
3870 41-137-45;

3871 (b) The property subject to seizure has been the
3872 subject of a prior judgment in favor of the state in a criminal
3873 injunction or forfeiture proceeding based upon this chapter; or

3874 (c) The Department of Health, Department of Revenue,
3875 and Department of Agriculture and Commerce, as applicable, and
3876 other law enforcement personnel described in this subsection have

3877 probable cause to believe that the property was used or is
3878 intended to be used in violation of this chapter.

3879 (5) Intoxicating hemp products, seized or detained under the
3880 authority of this chapter, are deemed to be in the custody of the
3881 agent or agency so seizing the property and subject only to the
3882 orders and decrees of the court having jurisdiction over the
3883 property. When such property is seized, it may be retained as
3884 evidence until final disposition of the cause in which such
3885 property is involved.

3886 (6) Any intoxicating hemp seized under the authority of this
3887 chapter, shall be destroyed, adulterated and disposed of or
3888 otherwise rendered harmless and disposed of, upon written
3889 authorization of the Commissioner of Agriculture, Commissioner of
3890 the Mississippi Department of Revenue, or the State Health Officer
3891 of the Mississippi Department of Health, as applicable, after such
3892 intoxicating hemp product has served its usefulness as evidence or
3893 after such product is no longer useful for training or
3894 demonstration purposes. No intoxicating hemp product shall be
3895 disposed of, destroyed or rendered harmless under the authority of
3896 this section without an order from the director, Commissioner of
3897 the Mississippi Department of Revenue or the State Health Officer
3898 of the Mississippi Department of Health, as applicable, and
3899 without at least two (2) officers or agents of the bureau present
3900 as witnesses.

3901 (7) A record of the disposition of such intoxicating hemp
3902 products and the method of destruction or adulteration employed

3903 along with the names of witnesses to such destruction or
3904 adulteration shall be retained by the applicable department.

3905 (8) Any person under the age of twenty-one (21) years who
3906 purchases, receives, or has in his or her possession in any public
3907 place, any intoxicating hemp product(s), shall be guilty of a
3908 misdemeanor and shall be punished by a fine of not less than Two
3909 Hundred Dollars (\$200.00) nor more than Five Hundred Dollars
3910 (\$500.00). If a person under the age of twenty-one (21) years is
3911 convicted or enters a plea of guilty of purchasing, receiving or
3912 having in his or her possession in any public place any
3913 intoxicating hemp product(s) in violation of this subsection, the
3914 trial judge, in lieu of the penalties otherwise provided under
3915 this subsection, shall suspend the minor's driver's license by
3916 taking and keeping it in the custody of the court for a period of
3917 time not to exceed ninety (90) days. The judge so ordering the
3918 suspension shall enter upon his docket "DEFENDANT'S DRIVER'S
3919 LICENSE SUSPENDED FOR ____ DAYS IN LIEU OF CONVICTION" and such
3920 action by the trial judge shall not constitute a conviction.
3921 During the period that the minor's driver's license is suspended,
3922 the trial judge shall suspend the imposition of any fines or
3923 penalties that may be imposed under this subsection and may place
3924 the minor on probation subject to such conditions as the judge
3925 deems appropriate. If the minor violates any of the conditions of
3926 probation, then the trial judge shall return the driver's license
3927 to the minor and impose the fines, penalties or both, that he

3928 would have otherwise imposed, and such action shall constitute a
3929 conviction.

3930 **SECTION 32.** This act shall take effect and be in force from
3931 and after July 1, 2024, and shall stand repealed on June 30, 2024.

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

1 AN ACT TO AMEND SECTION 69-25-201, MISSISSIPPI CODE OF 1972,
2 TO RENAME THE "MISSISSIPPI HEMP CULTIVATION ACT" AS THE
3 "MISSISSIPPI INTOXICATING HEMP REGULATION ACT"; TO AMEND SECTION
4 69-25-203, MISSISSIPPI CODE OF 1972, TO DEFINE THE TERMS
5 "INTOXICATING HEMP PRODUCT" AND "TOTAL THC"; TO AMEND SECTION
6 69-25-207, MISSISSIPPI CODE OF 1972, TO REQUIRE ALL LICENSE
7 HOLDERS TO ADHERE TO GOOD MANUFACTURING PRACTICES TO AMEND SECTION
8 69-25-213, MISSISSIPPI CODE OF 1972, TO REDUCE FROM A
9 CONCENTRATION OF MORE THAN 0.5% TO A CONCENTRATION OF MORE THAN
10 0.3%, THE VIOLATION OF PRODUCING CANNABIS SATIVA L. WITH A CERTAIN
11 DELTA-9-TETRAHYDROCANNABINOL CONCENTRATION ON A DRY WEIGHT BASIS;
12 TO AMEND SECTION 69-25-217, MISSISSIPPI CODE OF 1972, TO PROHIBIT
13 THE PROCESSING OR GROWING OF ANY INTOXICATING HEMP PRODUCTS FOR
14 SALE WITHIN THE STATE OF MISSISSIPPI, WITH CERTAIN EXCEPTIONS; TO
15 PROHIBIT THE SALE OF ANY INTOXICATING HEMP PRODUCTS WITHIN THE
16 STATE OF MISSISSIPPI, WITH CERTAIN EXCEPTIONS; TO PROHIBIT THE
17 PROCESSING, GROWING, OR SALE OF ANY HEMP PRODUCTS THAT CONTAIN AN
18 ARTIFICIALLY DERIVED CANNABINOID; TO PROHIBIT THE SALE OF ANY HEMP
19 PRODUCT TO ANY PERSON UNDER THE AGE OF 21 YEARS; TO REGULATE THE
20 PROCESSING, GROWING, DISTRIBUTION, AND SALE OF AN INTOXICATING
21 HEMP PRODUCT THAT CONTAINS MORE THAN FIVE MILLIGRAMS OF TOTAL THC
22 PER CONTAINER; TO PROVIDE THAT INTOXICATING HEMP PRODUCTS MAY ONLY
23 BE SOLD TO CONSUMERS IN MISSISSIPPI BY PERSONS OR BUSINESS
24 ENTITIES LICENSED UNDER THE MISSISSIPPI MEDICAL CANNABIS ACT; TO
25 REQUIRE THAT A FINALIZED SAMPLE OF FINISHED NONINTOXICATING HEMP
26 PRODUCTS HAVE A CERTIFICATE OF ANALYSIS; TO REQUIRE THAT LABELS
27 FOR INTOXICATING HEMP PRODUCTS BE APPROVED BY THE DEPARTMENT OF
28 AGRICULTURE; TO REQUIRE LICENSED HEMP GROWERS AND PROCESSORS TO
29 PROVIDE A QUARTERLY REPORT; TO REQUIRE ALL HEMP PRODUCTS BE TESTED
30 IN A TESTING FACILITY THAT MEETS CERTAIN REQUIREMENTS; TO REQUIRE
31 ANY MEDICAL CANNABIS PROCESSING FACILITY THAT INTENDS TO PROCESS
32 INTOXICATING HEMP PRODUCTS REGISTER WITH THE DEPARTMENT OF HEALTH;
33 TO REQUIRE SUCH ENTITY PAY A NONREFUNDABLE ANNUAL REGISTRATION FEE
34 OF \$5,000.00; TO REQUIRE ANY MEDICAL CANNABIS DISPENSARY THAT
35 INTENDS TO ACQUIRE OR SELL INTOXICATING HEMP PRODUCTS TO REGISTER
36 WITH THE DEPARTMENT OF REVENUE; TO REQUIRE SUCH ENTITY PAY A
37 NONREFUNDABLE ANNUAL REGISTRATION FEE OF \$5,000.00; TO IMPOSE A 5%
38 EXCISE TAX ON INTOXICATING HEMP PRODUCTS; TO AMEND SECTIONS

39 69-25-211, 69-25-215, 69-25-219, 69-25-221 AND 69-25-223,
40 MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PRECEDING PROVISIONS;
41 TO AMEND SECTION 41-137-3, MISSISSIPPI CODE OF 1972, TO DEFINE THE
42 TERMS "HEMP-DERIVED INGREDIENT," "INTOXICATING HEMP PRODUCT" AND
43 "ANCILLARY PRODUCT"; TO REVISE VARIOUS DEFINITIONS RELATED TO THE
44 MEDICAL CANNABIS ACT, INCLUDING "TOTAL THC" AND "UNIT"; TO AMEND
45 SECTION 41-137-9, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
46 PURCHASE OR ACQUISITION OF HEMP-DERIVED INGREDIENTS AND
47 INTOXICATING HEMP PRODUCTS BY A CANNABIS CULTIVATION, PROCESSING,
48 DISPENSING, OR RESEARCH FACILITY FOR THE MEDICAL USE OF CANNABIS;
49 TO AMEND SECTION 41-137-11, MISSISSIPPI CODE OF 1972, TO INCLUDE
50 INCORPORATING HEMP-DERIVED INGREDIENTS PURCHASED BY MEDICAL
51 CANNABIS ESTABLISHMENTS IN THE CAPABILITIES OF THE SEED-TO-SALE
52 TRACKING SYSTEM; TO AMEND SECTION 41-137-35, MISSISSIPPI CODE OF
53 1972, TO CONFORM WITH THE PROVISIONS OF THE ACT; TO AMEND SECTION
54 41-137-39, MISSISSIPPI CODE OF 1972, AS AMENDED BY SENATE BILL NO.
55 2857, 2024 REGULAR SESSION, TO PROVIDE THAT ENTITIES NOT LICENSED
56 UNDER THE MISSISSIPPI MEDICAL CANNABIS ACT ARE PROHIBITED FROM
57 SELLING INTOXICATING HEMP PRODUCTS TO CONSUMERS; TO AUTHORIZE
58 ENTITIES TO PURCHASE HEMP PRODUCTS FROM OUTSIDE OF THE STATE IF
59 THE PRODUCTS WERE TESTED ACCORDING TO CERTAIN STATE AND FEDERAL
60 STANDARDS; TO REQUIRE A MEDICAL CANNABIS PROCESSOR TO UPLOAD EACH
61 INTOXICATING HEMP PRODUCT INTO THE SEED-TO-SALE TRACKING SYSTEM;
62 TO PROVIDE THAT MEDICAL CANNABIS AND INTOXICATING HEMP PRODUCTS
63 SHALL BE IN SEPARATE AND DISTINGUISHABLE AREAS IN DISPENSARIES; TO
64 PROHIBIT ANY FINISHED HEMP PRODUCT INTENDED FOR HUMAN OR ANIMAL
65 CONSUMPTION THAT CONTAINS GREATER THAN TEN MILLIGRAMS OF TOTAL THC
66 PER SERVING AND 100 MILLIGRAMS PER CONTAINER FROM BEING SOLD OR
67 TRANSFERRED TO CONSUMERS IN MISSISSIPPI; TO AMEND SECTION
68 41-137-45, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IT IS
69 UNLAWFUL FOR ANY PERSON OR ENTITY NOT LICENSED AS A DISPENSARY
70 UNDER THE MEDICAL CANNABIS ACT TO SELL OR TRANSFER INTOXICATING
71 HEMP PRODUCTS TO CONSUMERS IN THE STATE OF MISSISSIPPI, WITH
72 CERTAIN EXCEPTIONS; TO PROVIDE PENALTIES FOR A PERSON OR BUSINESS
73 ENTITY THAT UNLAWFULLY SELLS INTOXICATING HEMP PRODUCTS; TO
74 PROVIDE CERTAIN ENFORCEMENT AUTHORITY TO THE DEPARTMENT OF HEALTH,
75 DEPARTMENT OF REVENUE, AND DEPARTMENT OF AGRICULTURE AND COMMERCE,
76 AS APPLICABLE, TO ADMINISTER THE PROVISIONS OF THIS ACT; TO
77 AUTHORIZE LICENSING AGENCIES TO ASSESS A MONETARY PENALTY OR
78 RECOUPMENT OF COSTS FOR THOSE REASONABLE COSTS THAT ARE EXPENDED
79 BY THE AGENCY IN THE INVESTIGATION AND CONDUCT OF A PROCEEDING FOR
80 A COMPLIANCE ISSUE OR VIOLATION OF THE ACT; TO PROHIBIT A
81 DISPENSARY FROM SELLING ANY INTOXICATING HEMP PRODUCT TO A
82 CONSUMER ONLINE, OR VIA ELECTRONIC OR DIGITAL APPLICATION; TO
83 AMEND SECTION 41-137-13, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
84 THIS CHAPTER DOES NOT PREVENT THE IMPOSITION OF ANY CIVIL,
85 CRIMINAL OR OTHER PENALTIES FROM THE SMOKING OF HEMP PRODUCTS IN
86 PUBLIC PLACES; TO AMEND SECTION 25-9-107, MISSISSIPPI CODE OF
87 1972, TO PROVIDE THAT PERSONNEL EMPLOYED BY THE MISSISSIPPI
88 DEPARTMENT OF HEALTH AND/OR THE DEPARTMENT OF REVENUE WHOSE
89 EMPLOYMENT IS IN CONNECTION WITH EITHER DEPARTMENT'S
90 RESPONSIBILITIES IN IMPLEMENTING, ADMINISTERING AND ENFORCING

91 PROVISIONS OF THE MISSISSIPPI MEDICAL CANNABIS ACT OR PROVISIONS
92 OF THIS ACT SHALL BE EXEMPT FROM BEING CONSIDERED AS STATE SERVICE
93 EMPLOYEES FOR PURPOSES OF THE STATE PERSONNEL BOARD; TO AMEND
94 SECTION 25-43-1.103, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT FOR
95 THE PURPOSES OF IMPLEMENTING, ADMINISTERING AND/OR ENFORCING THE
96 PROVISIONS OF THE RULES AND REGULATIONS PROMULGATED PURSUANT TO
97 THE MISSISSIPPI MEDICAL CANNABIS ACT AND THE PROVISIONS OF THIS
98 ACT, THE MISSISSIPPI STATE DEPARTMENT OF HEALTH AND THE
99 MISSISSIPPI DEPARTMENT OF REVENUE SHALL BE EXEMPTED FROM THE
100 ADMINISTRATIVE PROCEDURE ACT UNTIL 2026; TO AMEND SECTION 25-53-1,
101 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THROUGH JUNE 30, 2026,
102 THE PROVISIONS OF THE MISSISSIPPI DEPARTMENT OF INFORMATION
103 TECHNOLOGY SERVICES BID AND CONTRACT REQUIREMENTS SHALL NOT APPLY
104 TO THE DEPARTMENT OF HEALTH AND THE DEPARTMENT OF REVENUE FOR THE
105 PURPOSES OF IMPLEMENTING, ADMINISTERING AND ENFORCING THE
106 PROVISIONS OF THE MISSISSIPPI MEDICAL CANNABIS ACT AND THE
107 PROVISIONS OF THIS ACT; TO AMEND SECTION 25-53-5, MISSISSIPPI CODE
108 OF 1972, TO CONFORM TO THE PROVISIONS OF THE ACT; TO AMEND SECTION
109 27-104-7, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ANY PERSONAL
110 OR PROFESSIONAL SERVICE CONTRACT ENTERED INTO BY THE MISSISSIPPI
111 DEPARTMENT OF HEALTH AND/OR THE DEPARTMENT OF REVENUE IN
112 CONNECTION WITH THEIR RESPECTIVE RESPONSIBILITIES UNDER THE
113 MISSISSIPPI MEDICAL CANNABIS ACT OR THE PROVISIONS OF THIS ACT
114 UNTIL JUNE 30, 2026; TO AMEND SECTION 31-7-13, MISSISSIPPI CODE OF
115 1972, TO PROVIDE THAT CERTAIN PURCHASES MADE BY THE DEPARTMENT OF
116 HEALTH AND/OR THE DEPARTMENT OF REVENUE FOR THE PURPOSE OF
117 FULFILLING THEIR RESPECTIVE RESPONSIBILITIES UNDER THE MISSISSIPPI
118 MEDICAL CANNABIS ACT AND THE PROVISIONS OF THIS ACT TO BE EXEMPT
119 FROM CERTAIN BIDDING REQUIREMENTS; AND FOR RELATED PURPOSES.

SS36\HB1676PS.J

Amanda White
Secretary of the Senate