

**Adopted
SUBSTITUTE NO 1 FOR COMMITTEE AMENDMENT NO 1 PROPOSED
TO**

House Bill No. 1676

BY: Senator(s) Blackwell

**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) Merchandise including, but not limited to,
569 clothing, hats, pencils, pens, keychains, mugs, water bottles,
570 beverage glasses, notepads, lanyards, or cannabis accessories
571 which include or display a brand of a licensee and comply with
572 state law;



573 (ii) Any equipment, products or materials of any
574 kind which are used, intended for use, or designed for use in
575 storing, smoking, vaporizing, or containing medical cannabis,
576 cannabis products, or intoxicating hemp products, or for
577 ingesting, inhaling, or otherwise introducing medical cannabis,
578 cannabis products, or intoxicating hemp products into the human
579 body; and

580 (iii) Intoxicating hemp products, and
581 non-intoxicating hemp products.

582 (* * *b) "Artificially derived cannabinoid" means a
583 chemical substance that is created by a chemical reaction that
584 changes the molecular structure of any chemical substance derived
585 from the plant Cannabis family Cannabaceae. Such term shall not
586 include:

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

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

593 (iii) Any other chemical substance identified by
594 MDOH.

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



598 (* * *d) "Bona fide practitioner-patient relationship"

599 means:

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

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

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

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

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



623 (i) Acquire, grow, cultivate and harvest medical
624 cannabis and/or hemp in an indoor, enclosed, locked and secure
625 area for sale to other medical cannabis establishments;

626 (ii) Acquire and possess hemp-derived ingredients
627 and intoxicating hemp products to sell to other medical cannabis
628 establishments.

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

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

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

638 (ii) Possesses cannabis or hemp with the intent
639 to * * * process a cannabis product or an intoxicating hemp
640 product;

641 (iii) * * * Processes or intends to * * * process
642 a cannabis or intoxicating hemp product from unprocessed hemp
643 ingredients, cannabis or a cannabis extract; and

644 (iv) Sells or intends to sell a cannabis product
645 and/or intoxicating hemp products to a medical cannabis
646 dispensary, cannabis testing facility or cannabis research
647 facility.



648 (* * *i) "Cannabis products" means cannabis flower,
649 concentrated cannabis, cannabis extracts and products that are
650 infused with cannabis or an extract thereof and are intended for
651 use or consumption by humans. The term includes, without
652 limitation, edible cannabis products, beverages, topical products,
653 ointments, oils, tinctures and suppositories that contain
654 tetrahydrocannabinol (THC) and/or cannabidiol (CBD) except those
655 products excluded from control under Sections 41-29-113 and
656 41-29-136.

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

665 (* * *k) "Cannabis testing facility" or "testing
666 facility" means an independent entity licensed and registered by
667 the Mississippi Department of Health that analyzes the safety and
668 potency of cannabis, cannabis products and hemp products,
669 including, but not limited to, intoxicating hemp products.

670 (* * *l) "Cannabis transportation entity" means an
671 independent entity licensed and registered by the Mississippi
672 Department of Health that is involved in the commercial



673 transportation of medical cannabis, cannabis products and
674 intoxicating hemp products.

675 (* * *m) "Cannabis waste" means plant debris of the
676 plant of the genus cannabis, including dead plants and all unused
677 plant parts. This term shall not include seeds, roots, stems and
678 stalks.

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

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



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

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

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

706 (i) A mechanical extraction process;

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

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

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

715 (i) Cancer, Parkinson's disease, Huntington's
716 disease, muscular dystrophy, glaucoma, spastic quadriplegia,
717 positive status for human immunodeficiency virus (HIV), acquired
718 immune deficiency syndrome (AIDS), hepatitis, amyotrophic lateral
719 sclerosis (ALS), Crohn's disease, ulcerative colitis, sickle-cell
720 anemia, Alzheimer's disease, agitation of dementia, post-traumatic



721 stress disorder (PTSD), autism, pain refractory to appropriate
722 opioid management, diabetic/peripheral neuropathy, spinal cord
723 disease or severe injury, or the treatment of these conditions;

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

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

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

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

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

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



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

747 (u) "Delta-9-tetrahydrocannabinol" means the sum of the
748 percentage by weight of tetrahydrocannabinol acid multiplied by
749 eight hundred seventy-seven thousandths (0.877) plus the
750 percentage by weight of delta-9-tetrahydrocannabinol.

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

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

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

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

768 (* * * w) "Edible cannabis products" means products
769 that:



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

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

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

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

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

782 (z) "Hemp" has the same meaning as set forth in Section
783 69-25-203.

784 (aa) "Hemp-derived ingredient" means a hemp biomass,
785 hemp-derived distillate, or other substance derived from hemp to
786 be used in the production of an intoxicating hemp product.

787 Notwithstanding any provision to the contrary, hemp derived
788 ingredients that may have a Total THC concentration above three
789 tenths percent (0.3%) and less than or equal to five percent
790 (5.0%) if not for consumer use or distribution and only sold or
791 transferred between licensed hemp growers, processors, medical
792 cannabis establishments, or certified laboratories, and will
793 undergo further refinement or processing into a hemp product.



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

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

799 (* * * dd) "MDOH" means the Mississippi Department of
800 Health.

801 (* * * ee) "MDOR" means the Mississippi Department of
802 Revenue.

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

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

813 (* * * hh) "Medical cannabis establishment" means a
814 cannabis cultivation facility, cannabis processing facility,
815 cannabis testing facility, cannabis dispensary, cannabis
816 transportation entity, cannabis disposal entity or cannabis
817 research facility licensed and registered by the appropriate
818 agency.



819 (* * *ii) "Medical cannabis establishment agent" means
820 an owner, officer, board member, employee, volunteer or agent of a
821 medical cannabis establishment.

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

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

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

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

836 (i) Has been diagnosed with a debilitating medical
837 condition by a practitioner in his or her respective state or
838 territory, or is the parent, guardian, conservator or other person
839 with authority to consent to the medical use of medical cannabis
840 by a person who has been diagnosed with a debilitating medical
841 condition;



842 (ii) Is not a resident of Mississippi or who has
843 been a resident of Mississippi for less than forty-five (45) days;
844 and

845 (iii) Has submitted any documentation required by
846 MDOH rules and regulations and has received confirmation of
847 registration.

848 (* * * ll) "Practitioner" means a physician, certified
849 nurse practitioner, physician assistant or optometrist who is
850 licensed to prescribe medicine under the licensing requirements of
851 their respective occupational boards and the laws of this state.
852 In relation to a nonresident cardholder, the term means a
853 physician, certified nurse practitioner, physician assistant or
854 optometrist who is licensed to prescribe medicine under the
855 licensing requirements of their respective occupational boards and
856 under the laws of the state or territory in which the nonresident
857 patient resides. For registered qualifying patients who are
858 minors, "practitioner" shall mean a physician or doctor of
859 osteopathic medicine who is licensed to prescribe medicine under
860 the licensing requirements of their respective occupational boards
861 and the laws of this state.

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

864 (* * * nn) "Public place" means a church or any area to
865 which the general public is invited or in which the general public
866 is permitted, regardless of the ownership of the area, and any



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

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

874 (* * *pp) "Registry identification card" means a
875 document issued by the MDOH that identifies a person as a
876 registered qualifying patient, nonresident registered qualifying
877 patient or registered designated caregiver.

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

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



892 73-26-5, and rules and regulations adopted by the respective
893 licensing boards for those practitioners.

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

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

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

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

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

911 (iv) The practitioner's signature.

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

914 41-137-9. (1) There is a presumption that a registered
915 qualifying patient is engaged in the medical use of medical
916 cannabis under this chapter if the person is in possession of a



917 registry identification card and an amount of medical cannabis
918 that does not exceed the allowable amount of medical cannabis.
919 There is a presumption that a registered designated caregiver is
920 assisting in the medical use of medical cannabis under this
921 chapter if the person is in possession of a registry
922 identification card and an amount of medical cannabis that does
923 not exceed the allowable amount of medical cannabis. These
924 presumptions may be rebutted by evidence that conduct related to
925 medical cannabis was not for the purpose of treating or
926 alleviating a registered qualifying patient's debilitating medical
927 condition or symptoms associated with the registered qualifying
928 patient's debilitating medical condition under this chapter.

929 (2) Subject to the conditions, limitations, requirements and
930 exceptions set forth in this chapter, the following activities
931 related to medical cannabis or ancillary products shall be
932 considered lawful:

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

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

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



942 (d) The provision, by a professional or occupational
943 licensee, of advice or services related to medical cannabis
944 activities allowed under this chapter, to the extent such advice
945 or services meet or exceed the applicable professional or
946 occupational standard of care;

947 (e) Providing or selling equipment used to ingest
948 medical cannabis to a cardholder, nonresident cardholder or to a
949 medical cannabis establishment;

950 (f) Acting as a designated caregiver to assist a
951 registered qualifying patient with the act of using or
952 administering medical cannabis;

953 (g) Activities by a medical cannabis establishment or a
954 medical cannabis establishment agent that are allowed by its
955 license and registration;

956 (h) Activities by a dispensary or a dispensary agent
957 to:

958 (i) Possess, store or sell medical cannabis,
959 ancillary products * * * and educational materials * * * to
960 cardholders, nonresident cardholders * * *,
961 dispensaries, * * * and other individuals as permitted under the
962 act;

963 (ii) To purchase or otherwise acquire medical
964 cannabis products, cannabis products, ancillary products and
965 intoxicating hemp products from cannabis cultivation facilities,



966 cannabis processing facilities, cannabis research facilities or
967 other dispensaries; or

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

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

972 (i) Possess, plant, propagate, cultivate, grow,
973 harvest, produce, process, manufacture, compound, convert,
974 prepare, pack, repack or store medical cannabis and hemp-derived
975 ingredients or intoxicating hemp products;

976 (ii) Purchase or otherwise acquire medical
977 cannabis * * *, cannabis products, and intoxicating hemp products
978 from medical cannabis establishments; or

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

981 (* * *iv) Sell, supply or transfer medical
982 cannabis products, cannabis products, ancillary products,
983 equipment used to ingest medical cannabis, and related supplies
984 and educational materials to other cannabis cultivation
985 facilities, cannabis processing facilities or dispensaries * * *;

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

988 (i) Purchase or otherwise acquire medical cannabis
989 from medical cannabis establishments;



990 (ii) Possess, purchase or otherwise acquire
991 hemp-derived ingredients, or cannabis products, or intoxicating
992 hemp products;

993 (* * *iii) Possess, produce, process, compound,
994 convert, prepare, pack, test, repack and store medical cannabis,
995 hemp-derived ingredients and cannabis products obtained from
996 medical cannabis establishments; or

997 (* * *iv) Sell, supply or transfer medical
998 cannabis, hemp-derived ingredients, cannabis products, ancillary
999 products, and educational materials * * * to cannabis cultivation
1000 facilities, cannabis processing facilities, cannabis testing
1001 facilities and cannabis research facilities * * *;

1002 (k) Activities by a cannabis transportation entity or a
1003 cannabis disposal entity to transport, supply, deliver, dispose of
1004 or destroy cannabis, cannabis products, intoxicating hemp products
1005 or hemp-derived ingredients, as applicable.

1006 (3) Any medical cannabis, cannabis product, * * * ancillary
1007 product, or other interest in or right to property that is
1008 possessed, owned or used in connection with the medical use of
1009 medical cannabis as authorized by this chapter, or acts incidental
1010 to such use, shall not be seized or forfeited. This chapter shall
1011 not prevent the seizure or forfeiture of medical cannabis
1012 exceeding the allowable amounts of medical cannabis, nor shall it
1013 prevent seizure or forfeiture if the basis for the action is
1014 unrelated to the medical cannabis that is possessed, processed,



1015 transferred or used pursuant to this chapter. This section shall
1016 not be construed to prevent the seizure of intoxicating hemp
1017 products by the proper agency under this act.

1018 (4) Possession of, or application for, a registry
1019 identification card shall not:

1020 (a) Constitute probable cause or reasonable suspicion;

1021 (b) Be used to support a search of the person or
1022 property of the person possessing or applying for the registry
1023 identification card; or

1024 (c) Subject the person or property of the person to
1025 inspection by any governmental agency.

1026 (5) It is the public policy of the State of Mississippi that
1027 contracts related to medical cannabis that are entered into by
1028 cardholders, medical cannabis establishments, medical cannabis
1029 establishment agents and those who allow property to be used by
1030 those persons, should be enforceable to the extent that those
1031 activities comply with the other provisions of this chapter. It
1032 is the public policy of the State of Mississippi that no contract
1033 entered into by a cardholder, a medical cannabis establishment, or
1034 a medical cannabis establishment agent, or by a person who allows
1035 property to be used for activities that are authorized under this
1036 chapter, shall be unenforceable on the basis that activities
1037 related to cannabis are prohibited by federal law.

1038 (6) An applicant for a professional or occupational license
1039 shall not be denied a license based on previous employment related



1040 to medical cannabis activities that are allowed under this
1041 chapter.

1042 **SECTION 19.** Section 41-137-11, Mississippi Code of 1972, is
1043 amended as follows:

1044 41-137-11. (1) Each medical cannabis establishment shall
1045 use a statewide seed-to-sale tracking system certified by the MDOH
1046 to track medical cannabis from seed or immature plant stage until
1047 the medical cannabis is purchased by a registered qualifying
1048 patient or registered designated caregiver or destroyed. Records
1049 entered into the seed-to-sale tracking system shall include each
1050 day's beginning inventory, harvests, acquisitions, sales,
1051 disbursements, remediations, disposals, transfers, ending
1052 inventory, and any other data necessary for inventory control
1053 records in the statewide seed-to-sale tracking system. Each
1054 medical cannabis dispensary shall be responsible for ensuring that
1055 all medical cannabis sold or disbursed to a registered qualifying
1056 patient or registered designated caregiver is recorded in the
1057 seed-to-sale tracking system as a purchase by or on behalf of the
1058 applicable registered qualifying patients.

1059 (2) Amounts of medical cannabis shall be recorded in the
1060 following manner:

1061 (a) For dried, unprocessed cannabis, in ounces or
1062 grams;

1063 (b) For concentrates, in grams; or

1064 (c) For infused products, by milligrams of THC.



1065 (3) The seed-to-sale tracking system used by cannabis
1066 cultivation facilities, dispensaries, cannabis processing
1067 facilities, cannabis testing facilities, cannabis research
1068 facilities, cannabis transportation entities and cannabis disposal
1069 entities shall be capable of:

1070 (a) Allowing those facilities and entities to interface
1071 with the statewide system such that a facility may enter and
1072 access information in the statewide system;

1073 (b) Providing the MDOR and MDOH with access to all
1074 information stored in the system's database;

1075 (c) Maintaining the confidentiality of all patient and
1076 caregiver data and records accessed or stored by the system such
1077 that all persons or entities other than the MDOR and MDOH may only
1078 access the information in the system that they are authorized by
1079 law to access;

1080 (d) Producing analytical reports to the MDOR and MDOH
1081 regarding the total quantity of daily, monthly, and yearly sales
1082 at the facility per product type; the average prices of daily,
1083 monthly, and yearly sales at the facility per product type; and
1084 total inventory or sales record adjustments at the facility; * * *

1085 (e) The ability to determine the amount of medical
1086 cannabis that a registered qualifying patient or registered
1087 designated caregiver has purchased that day in real time by
1088 searching a patient registration number * * *; and



1089 (f) Incorporating hemp-derived ingredients,
1090 intoxicating hemp products, and cannabis products purchased and
1091 sold by medical cannabis establishments.

1092 (4) Banks and other financial institutions may be allowed
1093 access to specific limited information from the seed-to-sale
1094 tracking system. The information that may be available to these
1095 institutions shall be limited to financial data of individuals and
1096 business entities that have a business relationship with these
1097 institutions. This information shall be limited to the
1098 information needed for banks to comply with applicable federal
1099 regulations and shall not disclose any medical or personal
1100 information about registered cardholders or designated caregivers.

1101 **SECTION 20.** Section 41-137-35, Mississippi Code of 1972, is
1102 amended as follows:

1103 41-137-35. (1) The MDOH shall issue licenses for cannabis
1104 cultivation facilities, cannabis processing facilities, cannabis
1105 transportation entities, cannabis disposal entities, cannabis
1106 research facilities and cannabis testing facilities. The MDOR
1107 shall issue licenses for medical cannabis dispensaries.

1108 (2) The cannabis cultivation facility license application
1109 fee shall be subject to the following tiers:

1110 (a) Micro-cultivators.

1111 (i) Tier 1. A cannabis cultivation facility with
1112 a canopy of one thousand (1,000) square feet or less shall be
1113 subject to a one-time nonrefundable license application fee of One



1114 Thousand Five Hundred Dollars (\$1,500.00). The annual license fee
1115 shall be a nonrefundable fee of Two Thousand Dollars (\$2,000.00).

1116 (ii) Tier 2. A cannabis cultivation facility with
1117 a canopy of more than one thousand (1,000) square feet but not
1118 more than two thousand (2,000) square feet shall be subject to a
1119 one-time nonrefundable license application fee of Two Thousand
1120 Five Hundred Dollars (\$2,500.00). The annual license fee shall be
1121 a nonrefundable fee of Three Thousand Five Hundred Dollars
1122 (\$3,500.00).

1123 (b) Cultivators.

1124 (i) Tier 1. A cannabis cultivation facility with
1125 a canopy of not less than two thousand (2,000) square feet but not
1126 more than five thousand (5,000) square feet shall be subject to a
1127 one-time nonrefundable license application fee of Five Thousand
1128 Dollars (\$5,000.00). The annual license fee shall be a
1129 nonrefundable fee of Fifteen Thousand Dollars (\$15,000.00).

1130 (ii) Tier 2. A cannabis cultivation facility with
1131 a canopy of not less than five thousand (5,000) square feet but
1132 not more than fifteen thousand (15,000) square feet shall be
1133 subject to a one-time nonrefundable license application fee of Ten
1134 Thousand Dollars (\$10,000.00). The annual license fee shall be a
1135 nonrefundable fee of Twenty-five Thousand Dollars (\$25,000.00).

1136 (iii) Tier 3. A cannabis cultivation facility
1137 with a canopy of not less than fifteen thousand (15,000) square
1138 feet but not more than thirty thousand (30,000) square feet shall



1139 be subject to a one-time nonrefundable license application fee of
1140 Twenty Thousand Dollars (\$20,000.00). The annual license fee
1141 shall be a nonrefundable fee of Fifty Thousand Dollars
1142 (\$50,000.00).

1143 (iv) Tier 4. A cannabis cultivation facility with
1144 a canopy of not less than thirty thousand (30,000) square feet but
1145 not more than sixty thousand (60,000) square feet shall be subject
1146 to a one-time nonrefundable license application fee of Thirty
1147 Thousand Dollars (\$30,000.00). The annual license fee shall be a
1148 nonrefundable fee of Seventy-five Thousand Dollars (\$75,000.00).

1149 (v) Tier 5. A cannabis cultivation facility with
1150 a canopy of not less than sixty thousand (60,000) square feet but
1151 not more than one hundred thousand (100,000) square feet shall be
1152 subject to a one-time nonrefundable license application fee of
1153 Forty Thousand Dollars (\$40,000.00). The annual license fee shall
1154 be a nonrefundable fee of One Hundred Thousand Dollars
1155 (\$100,000.00).

1156 (vi) Tier 6. A cannabis cultivation facility with
1157 a canopy of not less than one hundred thousand (100,000) square
1158 feet but not more than one hundred fifty thousand (150,000) square
1159 feet shall be subject to a one-time nonrefundable license
1160 application fee of Sixty Thousand Dollars (\$60,000.00). The
1161 annual license fee shall be a nonrefundable fee of One Hundred
1162 Fifty Thousand Dollars (\$150,000.00). Tier 6 cannabis cultivation
1163 facilities shall have not more than two (2) locations; however,



1164 the total canopy space of both locations combined may not exceed
1165 one hundred fifty thousand (150,000) square feet.

1166 (3) The cannabis processing facility license application fee
1167 shall be subject to the following tiers:

1168 (a) Micro-processors.

1169 (i) Tier 1. A cannabis processing facility which
1170 processes less than two thousand (2,000) pounds of dried biomass
1171 cannabis material annually shall be subject to a one-time
1172 nonrefundable license application fee of Two Thousand Dollars
1173 (\$2,000.00). The annual license fee shall be a nonrefundable fee
1174 of Three Thousand Five Hundred Dollars (\$3,500.00).

1175 (ii) Tier 2. A cannabis processing facility which
1176 processes not less than two thousand (2,000) pounds but less than
1177 three thousand (3,000) pounds of dried biomass cannabis material
1178 annually shall be subject to a one-time nonrefundable license
1179 application fee of Two Thousand Five Hundred Dollars (\$2,500.00).
1180 The annual license fee shall be a nonrefundable fee of Five
1181 Thousand Dollars (\$5,000.00).

1182 (b) Processors. A cannabis processing facility which
1183 processes not less than three thousand (3,000) pounds of biomass
1184 cannabis material annually shall be subject to a one-time
1185 nonrefundable license application fee of Fifteen Thousand Dollars
1186 (\$15,000.00). The annual license fee shall be a nonrefundable fee
1187 of Twenty Thousand Dollars (\$20,000.00).



1188 (4) A medical cannabis dispensary shall be subject to a
1189 one-time nonrefundable license application fee of Fifteen Thousand
1190 Dollars (\$15,000.00). The annual license fee shall be a
1191 nonrefundable fee of Twenty-five Thousand Dollars (\$25,000.00).

1192 (5) Cannabis transportation entities shall be subject to a
1193 one-time nonrefundable application fee of Five Thousand Dollars
1194 (\$5,000.00). The annual license fee shall be a nonrefundable fee
1195 of Seven Thousand Five Hundred Dollars (\$7,500.00).

1196 (6) Cannabis disposal entities shall be subject to a
1197 one-time nonrefundable application fee of Five Thousand Dollars
1198 (\$5,000.00). The annual license fee shall be a nonrefundable fee
1199 of Seven Thousand Five Hundred Dollars (\$7,500.00).

1200 (7) Cannabis testing facilities shall be subject to a
1201 one-time nonrefundable application fee of Ten Thousand Dollars
1202 (\$10,000.00) and an annual license fee of Fifteen Thousand Dollars
1203 (\$15,000.00). An individual or business entity that has a direct
1204 or indirect ownership or economic interest in a licensed cannabis
1205 testing facility may also have a direct or indirect ownership or
1206 economic interest in a licensed medical cannabis transportation
1207 entity. A cannabis testing facility may enter into an agreement
1208 for the transportation of medical cannabis by a licensed medical
1209 cannabis transportation entity. MDOH * * * shall contract with a
1210 private laboratory for the purpose of conducting compliance
1211 testing oversight of medical cannabis testing facilities licensed
1212 in the state. Any such laboratory under contract for compliance



1213 testing oversight shall be prohibited from conducting any other
1214 commercial medical cannabis testing in this state.

1215 (8) Cannabis research facilities shall be subject to a
1216 one-time nonrefundable application fee of Ten Thousand Dollars
1217 (\$10,000.00) and an annual license fee of Fifteen Thousand Dollars
1218 (\$15,000.00). A research facility at any university or college in
1219 this state shall be exempt from all fees imposed under this
1220 section.

1221 (9) No individual or business entity shall have a direct or
1222 indirect ownership or economic interest of greater than ten
1223 percent (10%) in:

1224 (a) More than one (1) cannabis cultivation facility
1225 license;

1226 (b) More than one (1) cannabis processing facility
1227 license; and

1228 (c) More than five (5) medical cannabis dispensary
1229 licenses.

1230 (10) Minimum qualifications for applicants for a cannabis
1231 cultivation facility, a cannabis processing facility, a medical
1232 cannabis dispensary, a medical cannabis transportation entity or a
1233 medical cannabis disposal entity license(s) are as follows:

1234 (a) An individual applicant for a cannabis cultivation
1235 facility, cannabis processing facility, medical cannabis
1236 dispensary, medical cannabis transportation entity or medical
1237 cannabis disposal license shall be a natural person who:



1238 (i) Is at least twenty-one (21) years of age;
1239 (ii) Has not previously held a license for a
1240 cannabis cultivation facility, cannabis processing facility,
1241 medical cannabis dispensary, medical cannabis transportation
1242 entity or medical cannabis disposal entity that has been revoked;
1243 (iii) Has not been convicted of a disqualifying
1244 felony offense;
1245 (iv) If possessing a professional or occupational
1246 license, that the license is in good standing;
1247 (v) Has submitted a sworn statement indicating
1248 that he or she is a true and actual owner of the entity for which
1249 the license is desired, and that he or she intends to carry on the
1250 business authorized for himself or herself and the entity and not
1251 as the agent for any other entity * * *;
1252 (vi) Has no outstanding tax delinquencies owed to
1253 the State of Mississippi;
1254 (vii) Is not serving as a member of the
1255 Mississippi Senate or Mississippi House of Representatives through
1256 December 31, 2022;
1257 (viii) Is not the spouse of a person serving as a
1258 member of the Mississippi Senate or Mississippi House of
1259 Representatives through December 31, 2022; and
1260 (b) If the applicant is applying on behalf of an
1261 entity, in addition to paragraph (a) of this subsection, the
1262 individual applicant shall:



1263 (i) Be legally authorized to submit an application
1264 on behalf of the entity;

1265 (ii) Serve as the primary point of contact with
1266 the MDOR and MDOH;

1267 (iii) Submit sufficient proof that the entity has
1268 no owner, board member, officer, or anyone with an economic
1269 interest in the entity who:

1270 1. Is under the age of twenty-one (21);

1271 2. Has previously been an owner of a medical
1272 cannabis dispensary, cannabis cultivation facility, a cannabis
1273 processing facility, medical cannabis transportation entity or
1274 medical cannabis disposal entity that has had its license revoked;

1275 3. Has been convicted of a disqualifying
1276 felony offense;

1277 4. Owes delinquent taxes to the State of
1278 Mississippi;

1279 5. Is serving as a member of the Mississippi
1280 Senate or Mississippi House of Representatives through December
1281 31, 2022; and

1282 6. Is the spouse of a person serving as a
1283 member of the Mississippi Senate or Mississippi House of
1284 Representatives through December 31, 2022; and

1285 (iv) Submit sufficient proof that if an owner,
1286 board member, officer or anyone with an economic interest in the



1287 entity has or had a professional or occupational license, that the
1288 license is in good standing.

1289 (11) [Repealed]

1290 (12) A micro-cultivator or a micro-processor shall both meet
1291 the minimum qualifications in subsection (10) of this section and
1292 shall also submit sufficient proof of the following:

1293 (a) If a natural person, proof that the person has been
1294 a resident of the State of Mississippi and a citizen of the United
1295 States of America for at least three (3) years prior to the
1296 application date; or

1297 (b) If a business entity, provide proof that:

1298 (i) It was registered as an entity with the
1299 Secretary of State in Mississippi; and

1300 (ii) One-hundred percent (100%) of the equity
1301 ownership interests in the entity are held by individuals who have
1302 been residents of the State of Mississippi and citizens of the
1303 United States of America for at least three (3) consecutive years
1304 prior to the application date.

1305 (13) For purposes of this section, it shall be sufficient to
1306 prove Mississippi residency for the individual(s) to submit two
1307 (2) of the following source documents:

1308 (a) Mississippi Tax Return Form 80-105 or Form 80-205
1309 for each of the three (3) years preceding the application without
1310 schedules, worksheets, or attachments, and redacted to remove all
1311 financial information and all but the last four (4) digits of the



1312 individual's social security number for the three (3) years
1313 preceding the application;

1314 (b) Ownership, lease, or rental documents for place of
1315 primary domicile for the three (3) years preceding the
1316 application;

1317 (c) Billing statements, including utility bills for the
1318 three (3) years preceding the application; or

1319 (d) Vehicle registration for the three (3) years
1320 preceding the application.

1321 (14) Ownership in a cannabis cultivation facility license,
1322 cannabis processing facility license or a medical cannabis
1323 dispensary license or investment in a business that supports or
1324 benefits from such a license shall not disqualify or otherwise
1325 negatively impact the license or finding of suitability of such
1326 owner who is otherwise engaged in any other form of business
1327 operation in the state, if such business requires the owner to
1328 hold a license or be found suitable under state law.

1329 (15) Any business or state entity applying for registration
1330 as a medical cannabis establishment must meet all the requirements
1331 specified in this chapter.

1332 (16) A prospective medical cannabis establishment shall
1333 submit all of the following:

1334 (a) An application, including:

1335 (i) The legal name of the prospective medical
1336 cannabis establishment;



1337 (ii) The physical address of the prospective
1338 medical cannabis establishment, which shall not be within one
1339 thousand (1,000) feet of the nearest property boundary line of a
1340 school, church or child care facility which exists or has acquired
1341 necessary real property for the operation of such facility before
1342 the date of the medical cannabis establishment application unless
1343 the entity has received approval from the school, church or child
1344 care facility and received the applicable waiver from their
1345 licensing agency, provided that the main point of entry of the
1346 cannabis establishment is not located within five hundred (500)
1347 feet of the nearest property boundary line of any school, church
1348 or child care facility;

1349 (iii) The name of each principal officer and board
1350 member of the proposed medical cannabis establishment; and

1351 (iv) Any additional information requested by the
1352 MDOR and MDOH.

1353 (b) Operating procedures consistent with rules and
1354 regulations for oversight of the proposed medical cannabis
1355 establishment, including procedures to ensure accurate record
1356 keeping and adequate security measures.

1357 (c) If the municipality or county where the proposed
1358 medical cannabis establishment would be located has enacted zoning
1359 restrictions, a sworn statement certifying that the proposed
1360 medical cannabis establishment is in compliance with the
1361 restrictions.



1362 (d) If the municipality or county where the proposed
1363 medical cannabis establishment would be located requires a local
1364 registration, license or permit, then proof of receiving such
1365 registration, license or permit.

1366 (e) If the application is on behalf of an entity,
1367 verification that none of the principal officers or board members
1368 have served as a principal officer or board member for a medical
1369 cannabis establishment that has had its license revoked.

1370 (f) If the application is on behalf of an entity,
1371 verification that none of the principal officers or board members
1372 is under twenty-one (21) years of age.

1373 (17) If a dispensary license is issued to an applicant that
1374 is still constructing the licensed premises, the applicant must
1375 complete construction and fulfill all obligations required by the
1376 Department of Revenue to open for business within eighteen (18)
1377 months, or the license shall be revoked.

1378 (18) The MDOR and MDOH shall issue a renewal registration
1379 certificate within ten (10) days of receipt of the prescribed
1380 renewal application and renewal fee from a medical cannabis
1381 establishment if its license is not under suspension and has not
1382 been revoked.

1383 (19) A licensing agency shall require disclosure only of
1384 persons, entities or affiliated entities who directly or
1385 indirectly own ten percent (10%) or more of a medical cannabis
1386 establishment issued a license by the licensing agency.



1387 (20) Otherwise eligible applicants for licenses to operate
1388 as medical cannabis establishments under this chapter shall not be
1389 disqualified from receipt of a license based on:

1390 (a) Their location on Mississippi Choctaw Indian
1391 Reservation Lands; or

1392 (b) The involvement of the Mississippi Band of Choctaw
1393 Indians or any entity owned or operated by the Mississippi Band of
1394 Choctaw Indians as an owner or co-owner of such license, provided
1395 that such license shall be subject to revocation for material
1396 noncompliance with this chapter on the same basis as any other
1397 license.

1398 (21) A cannabis processing facility that produces edible
1399 cannabis products shall hold a permit to operate as a food
1400 establishment and shall comply with all applicable requirements
1401 for food establishments as set by the MDOH.

1402 * * *

1403 **SECTION 21.** Section 41-137-39, Mississippi Code of 1972, as
1404 amended by Senate Bill No. 2857, 2024 Regular Session, is amended
1405 as follows:

1406 41-137-39. (1) (a) * * * The MDOH shall obtain criminal
1407 records background checks on all persons applying to become a
1408 licensee, an agent, or representative as defined herein, of a
1409 medical cannabis establishment. This shall include performing
1410 criminal records background checks on all potential employees,
1411 current employees, or representatives/agents of the MDOH Medical



1412 Cannabis Program. The required criminal history background
1413 includes information provided by the Federal Bureau of
1414 Investigation.

1415 (b) * * * For the purposes of this section, an
1416 applicant is any person who registers with or applies for an
1417 initial medical cannabis work permit, or a renewal of a medical
1418 cannabis work permit. Such a person or applicant may also be
1419 defined as an agent, an employee, a representative, etc. as
1420 further defined and sometimes used interchangeably as referenced
1421 in this section.

1422 (c) * * * For purposes of this section, an agent is a
1423 person who acts for or on behalf of, or who represents a medical
1424 cannabis establishment while in the course of business or
1425 employment with the Mississippi Medical Cannabis Program and may
1426 also be referred to as an agent, a representative, or vice versa.

1427 (d) * * * Representative means a principal officer,
1428 owner of ten percent (10%) or greater economic interest in a
1429 medical cannabis establishment with direct or indirect interest,
1430 officer, director, manager, employee, agent, volunteer, or other
1431 type representative of a registered medical cannabis licensee
1432 establishment.

1433 (e) * * * Principal officer means a person(s) who has
1434 ultimate responsibility for implementing the decisions of a
1435 cannabis testing facility or other such medical cannabis
1436 establishment and includes, but are not necessarily limited to,



1437 the Chief Executive Officer (CEO), Chief Administrative Office
1438 (CAO), Chief Financial Officer, (CFO), as applicable. Elected or
1439 appointed, the board as a whole creates agency policies and
1440 oversees the agency's managerial positions.

1441 (f) Board member means an individual on a medical
1442 cannabis establishment's company or agency board which serves as
1443 an organization's governing body.

1444 (g) Principal owner means the primary owner of a
1445 medical cannabis establishment, but often may be the sole owner.

1446 (h) Any and every person/applicant seeking to become an
1447 owner or principal owner, principal officer, or officer, board
1448 member, director, manager, agent/representative, employee, care
1449 giver, or volunteer of a medical cannabis establishment shall
1450 apply for, or authorize the MDOH to obtain state and national
1451 criminal background checks to be conducted by the Mississippi
1452 Justice Information Center of the Department of Public Safety and
1453 the Federal Bureau of Investigation.

1454 (i) Such criminal background checks shall conform to
1455 the applicable federal standards and shall include the taking of
1456 fingerprints.

1457 (j) Once the Mississippi Justice Information Center of
1458 the Department of Public Safety completes a state level criminal
1459 history background check, they will forward the fingerprints to
1460 the Federal Bureau of Investigation for a national criminal
1461 history background check.



1462 (k) The person seeking to become an
1463 agent/representative of a medical cannabis establishment shall
1464 authorize the release of such criminal background check to the
1465 MDOH and shall be responsible for the payment of any fee
1466 associated with the criminal background checks.

1467 (l) The Mississippi Justice Information Center of the
1468 Department of Public Safety shall forward to the MDOH all
1469 information obtained concerning the applicant. MDOH will not
1470 disseminate the information and will only use such information as
1471 required to fulfill the purposes of this act.

1472 (2) A medical cannabis establishment may not employ any
1473 person who:

1474 (a) Was convicted of a disqualifying felony offense; or

1475 (b) Is under twenty-one (21) years of age.

1476 (3) The operating documents of a medical cannabis
1477 establishment must include procedures for the oversight of the
1478 medical cannabis establishment and procedures to ensure accurate
1479 record keeping and adequate security measures.

1480 (4) A medical cannabis establishment shall implement
1481 appropriate security measures designed to deter and prevent the
1482 theft of medical cannabis and unauthorized entrance into areas
1483 containing medical cannabis.

1484 (5) All cultivation, harvesting, processing and packaging of
1485 medical cannabis must take place in an enclosed, locked and secure
1486 facility with a physical address provided to the MDOH during the



1487 licensing and registration process. The facility shall be
1488 equipped with locks or other security devices that permit access
1489 only by agents of the medical cannabis establishment, emergency
1490 personnel or adults who are twenty-one (21) years of age and older
1491 and who are accompanied by medical cannabis establishment agents.

1492 (6) No medical cannabis establishment other than a cannabis
1493 processing facility or cannabis research facility may * * *
1494 process cannabis concentrates, cannabis extractions, or other
1495 cannabis products.

1496 (7) A medical cannabis establishment may not share office
1497 space with or refer patients to a practitioner.

1498 (8) Medical cannabis establishments are subject to
1499 inspection by the MDOR and MDOH during business hours.

1500 (9) Before medical cannabis may be dispensed to a
1501 cardholder, a medical cannabis dispensary agent must:

1502 (a) Require that the individual present a registry
1503 identification card;

1504 (b) Make a diligent effort to verify that the registry
1505 identification card presented to the dispensary is valid;

1506 (c) Make a diligent effort to verify that the person
1507 presenting the registry identification card is the person
1508 identified on the registry identification card presented to the
1509 medical cannabis dispensary agent; and



1510 (d) Not believe that the amount of medical cannabis
1511 dispensed would cause the person to possess more than the
1512 allowable amount of medical cannabis.

1513 (10) A medical cannabis establishment shall not sell more
1514 than the allowable amount of medical cannabis to a
1515 cardholder. * * * A resident cardholder shall not obtain more
1516 than a total of twenty-four (24) MMCEUs of allowable medical
1517 cannabis in thirty (30) days from a dispensary or a combination of
1518 dispensaries.

1519 The possession limit for resident cardholders of the
1520 allowable amount of medical cannabis shall be a total of
1521 twenty-eight (28) MMCEUs. There shall not be a possession limit
1522 on intoxicating hemp products or nonconsumable medical cannabis,
1523 including, but not limited to, suppositories, ointments, soaps,
1524 and lotions or other topical agents.

1525 (11) For purposes of this chapter, total THC is defined as
1526 THCA multiplied by .877 plus THC Delta 9 and all other
1527 psychoactive forms or isomers of THC added together. A medical
1528 cannabis establishment shall not sell cannabis flower or trim that
1529 has a potency of greater than thirty percent (30%) total THC. A
1530 medical cannabis dispensary shall not sell cannabis tinctures,
1531 oils or concentrates that have a potency of greater than sixty
1532 percent (60%) total THC. Cannabis products that have a potency of
1533 over thirty percent (30%) total THC shall be clearly labeled as
1534 "extremely potent." Edible cannabis products, including food or



1535 drink products, that have been combined with usable cannabis or
1536 cannabis products shall be physically demarked and labeled with a
1537 clear determination of how much total THC is in a single-serving
1538 size and how much THC is in the entire package.

1539 A medical cannabis product shall contain a notice of harm
1540 regarding the use of cannabis products. Edible cannabis products
1541 shall be homogenized to ensure uniform disbursement of
1542 cannabinoids throughout the product. All molded edible cannabis
1543 products shall be presented in the form of geometric shapes and
1544 shall not be molded to contain any images or characters designed
1545 or likely to appeal to minors, such as cartoons, toys, animals or
1546 children.

1547 (12) A dispensary may not dispense more than the allowable
1548 amount of cannabis to a registered qualifying patient or a
1549 nonresident cardholder, directly or via a registered designated
1550 caregiver. Dispensaries shall ensure compliance with this
1551 limitation by maintaining internal, confidential records that
1552 include records specifying how much medical cannabis is being
1553 dispensed to the registered qualifying patient or nonresident
1554 cardholder and whether it was dispensed directly to a registered
1555 qualifying patient, nonresident cardholder or to the registered
1556 designated caregiver.

1557 (13) A nonresident cardholder shall not obtain more than a
1558 total of six (6) MMCEUs of allowable medical cannabis in a week
1559 from a dispensary or a combination of dispensaries. A nonresident



1560 cardholder shall not obtain more than a total of twelve (12)
1561 MMCEUs of allowable cannabis from a dispensary or a combination of
1562 dispensaries in a fifteen-day period.

1563 (14) A nonresident may apply to receive a nonresident
1564 registry identification card up to thirty (30) days before
1565 arriving in Mississippi. A nonresident registry identification
1566 card shall be valid for fifteen (15) days. After the expiration
1567 of the card, a nonresident may apply for a renewal of the card and
1568 may be granted another card which shall be valid for another
1569 fifteen-day period. A nonresident registry identification card
1570 shall only be valid, at a maximum, for two (2) separate periods of
1571 fifteen (15) days in a three-hundred-sixty-five-day period. An
1572 applicant may indicate on his or her application the specific time
1573 period that he or she wishes for the card to be valid. The
1574 possession limit of the allowable amount of medical cannabis for
1575 nonresident cardholders shall be fourteen (14) MMCEUs.

1576 (15) A medical cannabis dispensary agent or employee shall
1577 not issue a written certification. Employees and agents of a
1578 medical cannabis dispensary shall complete at least eight (8)
1579 hours of continuing education in medical cannabis as regulated by
1580 the MDOR in order to be certified to work at a medical cannabis
1581 dispensary. After the first year of employment, these employees
1582 shall complete five (5) hours of continuing education in medical
1583 cannabis annually to maintain this certification.



1584 (16) Notwithstanding any other provision to the contrary, a
1585 patient with a debilitating medical condition who is between
1586 eighteen (18) years to twenty-five (25) years of age is not
1587 eligible for a medical cannabis registry identification card
1588 unless two (2) practitioners from separate medical practices have
1589 diagnosed the patient as having a debilitating medical condition
1590 after an in-person consultation. One (1) of these practitioners
1591 must be a physician or doctor of osteopathic medicine.

1592 If one (1) of the recommending practitioners is not the
1593 patient's primary care practitioner, the recommending practitioner
1594 shall review the records of a diagnosing practitioner. The
1595 requirement that the two (2) practitioners be from separate
1596 medical practices does not apply if the patient is homebound or if
1597 the patient had a registry identification card before the age of
1598 eighteen (18).

1599 (17) Except as otherwise provided in this section, a medical
1600 cannabis establishment shall not allow an individual who is
1601 younger than twenty-one (21) years old to enter the premises of
1602 the establishment unless the individual possesses a registry
1603 identification card and is accompanied by his or her legal
1604 guardian.

1605 (18) A medical cannabis establishment shall only purchase,
1606 grow, cultivate, and use cannabis that is grown and cultivated in
1607 this state.



1608 (19) Any medical cannabis that is grown and cultivated in
1609 this state shall not be transported outside of this state. A hemp
1610 grower, hemp processor, medical cannabis cultivator and medical
1611 cannabis processor shall be permitted to purchase intoxicating
1612 hemp products and hemp-derived ingredients, as applicable, from
1613 outside of the state, provided that the intoxicating hemp
1614 products, or hemp-derived ingredients, as applicable, were
1615 produced using, or are, lawful hemp grown under another state's
1616 U.S.D.A. approved hemp program, and the intoxicating hemp products
1617 are in compliance with this act, the Mississippi Intoxicating Hemp
1618 Regulation Act, and the Agriculture Improvement Act of 2018 and
1619 any subsequent authorizations. Such materials shall be subject to
1620 laboratory testing requirements set forth in this act. A medical
1621 cannabis processor shall provide proof of compliance with the
1622 testing requirements of this act to the Department of Health. A
1623 medical cannabis processor shall upload each intoxicating hemp
1624 product into the seed-to-sale tracking system.

1625 (* * *20) Employees of all medical cannabis establishments
1626 shall apply for a work permit with the MDOH and MDOR, as
1627 applicable, before beginning employment with any establishment.
1628 The licensing agency for the respective medical cannabis
1629 establishment may issue work permits to these individuals. These
1630 licensing agencies shall maintain a work registry of all
1631 applicants and work permits issued. The fee for a work permit
1632 shall be Twenty-five Dollars (\$25.00) and the permit shall be



1633 valid for five (5) years. Work permits shall be the property of
1634 the employee and shall not be transferable to other employees.

1635 (* * *21) For purposes of this subsection, "plant growth
1636 regulator cannabis" shall mean a cannabis plant whose growth and
1637 structure has been modified using plant growth hormones. A
1638 cannabis cultivation facility shall not cultivate and a cannabis
1639 dispensary shall not sell, transfer or provide for consumption
1640 plant growth regulator cannabis.

1641 (* * *22) A medical cannabis dispensary shall only make
1642 medical cannabis sales to cardholders inside the dispensary. A
1643 medical cannabis dispensary shall not sell or otherwise convey
1644 medical cannabis to a cardholder through the means of a
1645 drive-through, curbside delivery or other delivery outside the
1646 premises of the dispensary. Any topical cannabis product that is
1647 purchased by a dispensary from a licensed processor, and that is
1648 not ingested by the liver, may be sold to a cardholder or any
1649 person over the age of twenty-one (21) years old who is not a
1650 cardholder. Any intoxicating hemp product may be sold by a
1651 medical cannabis dispensary to a cardholder or any person over the
1652 age of twenty-one (21) years old who is not a cardholder. Such
1653 products * * * may be placed in an area of the dispensary that
1654 does not require access with a registry identification card;
1655 provided, however, that all such products shall be placed in an
1656 area of the store that is separate and distinguishable from the
1657 area of the store that offers medical cannabis.



1658 (* * *23) Any and all contracts or agreements entered into
1659 by the MDOH and MDOR for information technology software,
1660 hardware, and/or services for the purpose of implementing and/or
1661 operating under the Mississippi Medical Cannabis Act shall include
1662 language reasonably limiting the ability of the vendor to escalate
1663 the ongoing cost of such software, hardware, and/or services
1664 during the term of the contract, including any amendments and/or
1665 extensions.

1666 (* * *24) The MDOR and MDOH shall not share the name,
1667 address or personal data of a registry identification cardholder
1668 to any federal government entity.

1669 (25) Any finished hemp product intended for human or animal
1670 consumption that contains greater than ten (10) milligrams of
1671 total THC per serving and one hundred (100) milligrams per
1672 container shall not be sold or transferred to consumers in
1673 Mississippi. Nothing in this section shall prohibit the sale of
1674 intoxicating hemp products to medical cannabis establishments
1675 where such intoxicating hemp products were produced in compliance
1676 with this act and applicable state law.

1677 **SECTION 22.** Section 41-137-45, Mississippi Code of 1972, is
1678 amended as follows:

1679 41-137-45. (1) It shall be unlawful for any person or
1680 entity to cultivate, process, transport, use, possess, purchase,
1681 sell or transfer cannabis except as authorized by this chapter.



1682 (2) A cardholder or medical cannabis establishment that
1683 purposely or knowingly fails to provide a notice required by
1684 Section 41-137-31 is guilty of a civil offense, punishable by a
1685 fine of no more than One Thousand Five Hundred Dollars
1686 (\$1,500.00), which may be assessed and collected by the licensing
1687 agency.

1688 (3) A medical cannabis establishment or an agent of a
1689 medical cannabis establishment that purposely, knowingly, or
1690 recklessly sells or otherwise transfers medical cannabis other
1691 than to a cardholder, a nonresident cardholder, or to a medical
1692 cannabis establishment or its agent as authorized under this
1693 chapter is guilty of a felony punishable by a fine of not more
1694 than Ten Thousand Dollars (\$10,000.00), or by commitment to the
1695 custody of the Department of Corrections for not more than two (2)
1696 years, or both. A person convicted under this subsection may not
1697 continue to be affiliated with the medical cannabis establishment
1698 and is disqualified from further participation in the medical
1699 cannabis program under this chapter.

1700 (4) A cardholder or nonresident cardholder who purposely,
1701 knowingly, or recklessly sells or otherwise transfers medical
1702 cannabis to a person or other entity is guilty of a felony
1703 punishable by a fine of not more than Three Thousand Dollars
1704 (\$3,000.00), or by commitment to the custody of the Department of
1705 Corrections for not more than two (2) years, or both. A person
1706 convicted under this subsection is disqualified from further



1707 participation in the medical cannabis program under this chapter.

1708 (5) A person who purposely, knowingly, or recklessly makes a
1709 false statement to a law enforcement official about any fact or
1710 circumstance relating to the medical use of cannabis to avoid
1711 arrest or prosecution is guilty of a misdemeanor punishable by a
1712 fine of not more than One Thousand Dollars (\$1,000.00), by
1713 imprisonment in the county jail for not more than ninety (90)
1714 days, or both. If a person convicted of violating this subsection
1715 is a cardholder, the person is disqualified from further
1716 participation in the medical cannabis program under this chapter.

1717 (6) A person who purposely submits false records or
1718 documentation for an application for a license for a medical
1719 cannabis establishment under this chapter is guilty of a felony
1720 punishable by a fine of not more than Five Thousand Dollars
1721 (\$5,000.00), or by commitment to the custody of the Department of
1722 Corrections for not more than two (2) years, or both. A person
1723 convicted under this subsection may not continue to be affiliated
1724 with the medical cannabis establishment and is disqualified from
1725 further participation in the medical cannabis program under this
1726 chapter.

1727 (7) A practitioner who purposely refers patients to a
1728 specific medical cannabis establishment or to a registered
1729 designated caregiver, who advertises in a medical cannabis
1730 establishment, or who issues written certifications while holding
1731 a financial interest in a medical cannabis establishment, is



1732 guilty of a civil offense for every false certification and shall
1733 be fined up to Five Thousand Dollars (\$5,000.00) by the MDOH.

1734 (8) Any person, including an employee or official of an
1735 agency or local government, who purposely, knowingly, or
1736 recklessly breaches the confidentiality of information obtained
1737 under this chapter is guilty of a misdemeanor punishable by a fine
1738 of not more than One Thousand Dollars (\$1,000.00), or by
1739 imprisonment for not more than one hundred eighty (180) days in
1740 the county jail, or both.

1741 (9) No person, other than a cannabis or hemp processing
1742 facility or its agents, complying with this chapter, or Chapter 25
1743 of Title 69, Mississippi Code of 1972, as applicable to hemp
1744 operations, and the rules and regulations promulgated under * * *
1745 those chapters, may extract compounds from cannabis that involves
1746 a chemical extraction process using a nonhydrocarbon-based or
1747 other solvent, such as water, vegetable glycerin, vegetable oils,
1748 animal fats, steam distillation, food-grade ethanol, or
1749 hydrocarbon-based solvent carbon dioxide. No person may extract
1750 compounds from cannabis using ethanol in the presence or vicinity
1751 of an open flame. It shall be a felony punishable by commitment
1752 to the custody of the Mississippi Department of Corrections for up
1753 to three (3) years and a Ten Thousand Dollar (\$10,000.00) fine for
1754 any person to purposely, knowingly, or recklessly violate this
1755 subsection.



1756 (10) A medical cannabis establishment is guilty of a civil
1757 offense for any purposeful, knowing or reckless violation of this
1758 chapter or the rules and regulations issued under this chapter
1759 where no penalty has been specified, and shall be fined not more
1760 than Five Thousand Dollars (\$5,000.00) for each such violation by
1761 its licensing agency.

1762 (11) The penalties provided for under this section are in
1763 addition to any other criminal, civil or administrative penalties
1764 provided for under law, rule or regulation.

1765 (12) In addition to peace officers within their
1766 jurisdiction, all law enforcement officers of MDOH and MDOR may
1767 enforce the provisions made unlawful by this chapter.

1768 (13) It is unlawful for any person or entity to sell or
1769 transfer intoxicating hemp products to individuals in the State of
1770 Mississippi except as authorized by this chapter. Nothing in this
1771 act shall prohibit interstate transport of hemp as allowed under
1772 federal law and the Mississippi Intoxicating Hemp Regulation Act.

1773 (14) In addition to any other penalty, fine or conviction,
1774 as applicable, a person or business entity that purposely,
1775 knowingly, or recklessly sells or otherwise transfers intoxicating
1776 hemp products to a person in the State of Mississippi except as
1777 authorized under this chapter is guilty of a misdemeanor
1778 punishable by a fine of not more than Five Thousand Dollars
1779 (\$5,000.00), or by commitment to the custody of the Department of
1780 Corrections for not more than one (1) year, or both. A person



1781 convicted under this subsection is disqualified from further
1782 participation in the medical cannabis program under this chapter
1783 and the hemp program under the Mississippi Intoxicating Hemp
1784 Regulation Act.

1785 (15) Notwithstanding the foregoing, nothing in this section
1786 shall prohibit:

1787 (a) Any licensed medical cannabis establishment from
1788 making, purchasing, selling, giving away, exchanging,
1789 distributing, marketing, or otherwise holding out for sale any
1790 cannabis product or ancillary product in accordance with the
1791 Medical Cannabis Act;

1792 (b) The sale of an intoxicating hemp product to a
1793 medical cannabis cultivator or processor by an entity operating in
1794 accordance with the Agricultural Improvement Act of 2018, any
1795 subsequent authorizations and applicable state law.

1796 (16) In addition to any other enforcement authority
1797 previously granted thereto, the Department of Health, Department
1798 of Revenue, and Department of Agriculture and Commerce, as
1799 applicable, may each investigate, either on the basis of
1800 complaints filed with it or on its own initiative through
1801 compliance visits, reviews or audits, instances of suspected
1802 violations of any nature, including, but not limited to:

1803 (a) The inversion or diversion of medical cannabis,
1804 medical cannabis products, intoxicating hemp products, ancillary



1805 products or of any other matter that may violate the provisions of
1806 this act or pose a serious danger to the public;

1807 (b) The sale of medical cannabis, medical cannabis
1808 products, intoxicating hemp products or ancillary products by an
1809 unlicensed entity; or

1810 (c) The sale of medical cannabis, medical cannabis
1811 products, intoxicating hemp products or ancillary products by an
1812 entity to anyone who is ineligible to receive such product under
1813 the laws of this state.

1814 (17) On the basis of information developed during such an
1815 investigation, any of the agencies listed in subsection (16) of
1816 this section may exercise any number of actions including:

1817 (a) To revoke, suspend or refuse to renew any license
1818 issued by the licensing agency;

1819 (b) Deny an application for a license;

1820 (c) Reprimand, fine and/or take any other actions in
1821 relation to a license, as the licensing agency may deem proper
1822 under the circumstances; or

1823 (d) Seize medical cannabis, medical cannabis products,
1824 intoxicating hemp products or ancillary products that were used in
1825 violation of the laws of this state.

1826 (18) In cases where violations of this chapter have been
1827 substantiated, the licensing agency may assess a monetary penalty
1828 or recoupment of costs for those reasonable costs that are
1829 expended by the licensing agency in the investigation and conduct



1830 of a proceeding for the compliance issue or violation that is the
1831 subject matter of the hearing, including, but not limited to, the
1832 costs of process service, court reporters, expert witnesses and
1833 investigations. The licensing agency shall determine the amount
1834 of investigative fees and costs owed by an individual or entity
1835 that violated the provisions of this chapter, as applicable, based
1836 on an itemized accounting after the investigation has been
1837 officially completed and a final determination or action has been
1838 determined.

1839 (19) A dispensary shall not sell, transfer or distribute any
1840 intoxicating hemp product to a consumer online, or via electronic
1841 or digital application.

1842 **SECTION 23.** Section 41-137-13, Mississippi Code of 1972, is
1843 amended as follows:

1844 41-137-13. (1) This chapter shall not be construed to do
1845 any of the following:

1846 (a) Require an organization for managed care, health
1847 benefit plan, private health insurer, government medical
1848 assistance program, employer, property and casualty, or workers'
1849 compensation insurer or self-insured group providing coverage for
1850 a medical, pharmacy or health care service to pay for or reimburse
1851 any other individual or entity for costs associated with the
1852 medical use of cannabis;

1853 (b) Require any employer to permit, accommodate, or
1854 allow the medical use of medical cannabis, or to modify any job or



1855 working conditions of any employee who engages in the medical use
1856 of medical cannabis or who for any reason seeks to engage in the
1857 medical use of medical cannabis;

1858 (c) Prohibit any employer from refusing to hire,
1859 discharging, disciplining, or otherwise taking an adverse
1860 employment action against an individual with respect to hiring,
1861 discharging, tenure, terms, conditions, or privileges of
1862 employment as a result, in whole or in part, of that individual's
1863 medical use of medical cannabis, regardless of the individual's
1864 impairment or lack of impairment resulting from the medical use of
1865 medical cannabis;

1866 (d) Prohibit or limit the ability of any employer from
1867 establishing or enforcing a drug-testing policy;

1868 (e) Interfere with, impair or impede any federal
1869 restrictions or requirements on employment or contracting,
1870 including, but not limited to, regulations adopted by the United
1871 States Department of Transportation in Title 49, Code of Federal
1872 Regulations;

1873 (f) Permit, authorize, or establish any individual's
1874 right to commence or undertake any legal action against an
1875 employer for refusing to hire, discharging, disciplining or
1876 otherwise taking an adverse employment action against an
1877 individual with respect to hiring, discharging, tenure, terms,
1878 conditions or privileges of employment due to the individual's
1879 medical use of medical cannabis;



1880 (g) Affect, alter or otherwise impact the workers'
1881 compensation premium discount available to employers who establish
1882 a drug-free workplace program in accordance with Section 71-3-201
1883 et seq.;

1884 (h) Affect, alter or otherwise impact an employer's
1885 right to deny or establish legal defenses to the payment of
1886 workers' compensation benefits to an employee on the basis of a
1887 positive drug test or refusal to submit to or cooperate with a
1888 drug test, as provided under Section 71-3-7 and Section 71-3-121;
1889 or

1890 (i) Affect, alter or supersede any obligation or
1891 condition imposed on a parolee, probationer or an individual
1892 participating in a pretrial diversion program or other
1893 court-ordered substance abuse rehabilitation program.

1894 (2) This chapter does not authorize any individual to engage
1895 in, and does not prevent the imposition of any civil, criminal or
1896 other penalties for engaging in, the following conduct:

1897 (a) Acting with negligence, gross negligence,
1898 recklessness, in breach of any applicable professional or
1899 occupational standard of care, or to effect an intentional wrong,
1900 as a result, in whole or in part, of that individual's medical use
1901 of medical cannabis;

1902 (b) Possessing medical cannabis or otherwise engaging
1903 in the medical use of medical cannabis in any correctional



1904 facility, unless the correctional facility has elected to allow
1905 the cardholder to engage in the use of medical cannabis;

1906 (c) Smoking medical cannabis or a hemp product,
1907 including, but not limited to, an intoxicating hemp product, in a
1908 public place or in a motor vehicle; for purposes of this paragraph
1909 (c), the term "smoking" includes vaping and any other method of
1910 inhalation of medical cannabis or a hemp product, as applicable;

1911 (d) Operating, navigating, or being in actual physical
1912 control of any motor vehicle, aircraft, train, motorboat or other
1913 conveyance in a manner that would violate Section 59-23-7, Section
1914 63-11-30 or federal law as a result, in whole or in part, of that
1915 individual's medical use of medical cannabis;

1916 (e) Possessing medical cannabis in excess of the
1917 allowable amount of medical cannabis; or

1918 (f) Consumption, by a registered designated caregiver,
1919 of cannabis provided for use to a registered qualifying patient.

1920 **SECTION 24.** Sections 6 through 9 of this act shall be
1921 codified in Article 4 of Chapter 25, Title 69, Mississippi Code of
1922 1972.

1923 **SECTION 25.** Section 25-9-107, Mississippi Code of 1972, is
1924 amended as follows:

1925 25-9-107. The following terms, when used in this chapter,
1926 unless a different meaning is plainly required by the context,
1927 shall have the following meanings:



1928 (a) "Board" means the State Personnel Board created
1929 under the provisions of this chapter.

1930 (b) "State service" means all employees of state
1931 departments, agencies and institutions as defined herein, except
1932 those officers and employees excluded by this chapter.

1933 (c) "Nonstate service" means the following officers and
1934 employees excluded from the state service by this chapter. The
1935 following are excluded from the state service:

1936 (i) Members of the State Legislature, their staff
1937 and other employees of the legislative branch;

1938 (ii) The Governor and staff members of the
1939 immediate Office of the Governor;

1940 (iii) Justices and judges of the judicial branch
1941 or members of appeals boards on a per diem basis;

1942 (iv) The Lieutenant Governor, staff members of the
1943 immediate Office of the Lieutenant Governor and officers and
1944 employees directly appointed by the Lieutenant Governor;

1945 (v) Officers and officials elected by popular vote
1946 and persons appointed to fill vacancies in elective offices;

1947 (vi) Members of boards and commissioners appointed
1948 by the Governor, Lieutenant Governor or the State Legislature;

1949 (vii) All academic officials, members of the
1950 teaching staffs and employees of the state institutions of higher
1951 learning, the Mississippi Community College Board, and community
1952 and junior colleges;



1953 (viii) Officers and enlisted members of the
1954 National Guard of the state;

1955 (ix) Prisoners, inmates, student or patient help
1956 working in or about institutions;

1957 (x) Contract personnel; provided that any agency
1958 which employs state service employees may enter into contracts for
1959 personal and professional services only if such contracts are
1960 approved in compliance with the rules and regulations promulgated
1961 by the Public Procurement Review Board under Section 27-104-7.
1962 Before paying any warrant for such contractual services in excess
1963 of Seventy-five Thousand Dollars (\$75,000.00), the Auditor of
1964 Public Accounts, or the successor to those duties, shall determine
1965 whether the contract involved was for personal or professional
1966 services, and, if so, was approved by the Public Procurement
1967 Review Board as required by law;

1968 (xi) Part-time employees; however, part-time
1969 employees shall only be hired into authorized employment positions
1970 classified by the board, shall meet minimum qualifications as set
1971 by the board, and shall be paid in accordance with the Variable
1972 Compensation Plan as certified by the board;

1973 (xii) Persons appointed on an emergency basis for
1974 the duration of the emergency; the effective date of the emergency
1975 appointments shall not be earlier than the date approved by the
1976 State Personnel Director, and shall be limited to thirty (30)



1977 working days. Emergency appointments may be extended to sixty
1978 (60) working days by the State Personnel Board;

1979 (xiii) Physicians, dentists, veterinarians, nurse
1980 practitioners and attorneys, while serving in their professional
1981 capacities in authorized employment positions who are required by
1982 statute to be licensed, registered or otherwise certified as such,
1983 provided that the State Personnel Director shall verify that the
1984 statutory qualifications are met prior to issuance of a payroll
1985 warrant by the Auditor;

1986 (xiv) Personnel who are employed and paid from
1987 funds received from a federal grant program which has been
1988 approved by the Legislature or the Department of Finance and
1989 Administration whose length of employment has been determined to
1990 be time-limited in nature. This subparagraph shall apply to
1991 personnel employed under the provisions of the Comprehensive
1992 Employment and Training Act of 1973, as amended, and other special
1993 federal grant programs which are not a part of regular federally
1994 funded programs wherein appropriations and employment positions
1995 are appropriated by the Legislature. Such employees shall be paid
1996 in accordance with the Variable Compensation Plan and shall meet
1997 all qualifications required by federal statutes or by the
1998 Mississippi Classification Plan;

1999 (xv) The administrative head who is in charge of
2000 any state department, agency, institution, board or commission,
2001 wherein the statute specifically authorizes the Governor, board,



2002 commission or other authority to appoint said administrative head;
2003 however, the salary of such administrative head shall be
2004 determined by the State Personnel Board in accordance with the
2005 Variable Compensation Plan unless otherwise fixed by statute;

2006 (xvi) The State Personnel Board shall exclude
2007 top-level positions if the incumbents determine and publicly
2008 advocate substantive program policy and report directly to the
2009 agency head, or the incumbents are required to maintain a direct
2010 confidential working relationship with a key excluded official.
2011 Further, a written job classification shall be approved by the
2012 board for each such position, and positions so excluded shall be
2013 paid in conformity with the Variable Compensation Plan;

2014 (xvii) Employees whose employment is solely in
2015 connection with an agency's contract to produce, store or
2016 transport goods, and whose compensation is derived therefrom;

2017 (xviii) Repealed;

2018 (xix) The associate director, deputy directors and
2019 bureau directors within the Department of Agriculture and
2020 Commerce;

2021 (xx) Personnel employed by the Mississippi
2022 Industries for the Blind; provided that any agency may enter into
2023 contracts for the personal services of MIB employees without the
2024 prior approval of the State Personnel Board or the State Personal
2025 Service Contract Review Board; however, any agency contracting for
2026 the personal services of an MIB employee shall provide the MIB



2027 employee with not less than the entry-level compensation and
2028 benefits that the agency would provide to a full-time employee of
2029 the agency who performs the same services;

2030 (xxi) Personnel employed by the Mississippi
2031 Department of Wildlife, Fisheries and Parks and the Mississippi
2032 Department of Marine Resources as law enforcement trainees
2033 (cadets); such personnel shall be paid in accordance with the
2034 Colonel Guy Groff State Variable Compensation Plan;

2035 (xxii) Administrators and instructional employees
2036 under contract or employed by the Mississippi School of the Arts
2037 (MSA) established in Section 37-140-1 et seq.;

2038 (xxiii) The President of the Mississippi Lottery
2039 Corporation and personnel employed by the Mississippi Lottery
2040 Corporation;

2041 (xxiv) Employees, excluding administrative
2042 employees, of the State Veterans Affairs Board who are employed at
2043 a veterans home established by the State Veterans Affairs Board
2044 under Section 35-1-19;

2045 (xxv) Personnel employed by the Mississippi
2046 Department of Health whose employment is * * * in connection with
2047 the department's responsibilities in implementing, administering
2048 and enforcing provisions of the Mississippi Medical Cannabis Act,
2049 and enforcing any provision of Sections 1 through 23 of this act,
2050 as applicable to the department. This subparagraph shall stand
2051 repealed on June 30, 2026; and



2052 (xxvi) Personnel employed by the Mississippi
2053 Department of Revenue whose employment is * * * in connection with
2054 the department's responsibilities in implementing, administering
2055 and enforcing provisions of the Mississippi Medical Cannabis Act,
2056 and enforcing any provision of Sections 1 through 23 of this act,
2057 as applicable to the department. This subparagraph shall stand
2058 repealed on June 30, 2026.

2059 (d) "Agency" means any state board, commission,
2060 committee, council, department or unit thereof created by the
2061 Constitution or statutes if such board, commission, committee,
2062 council, department, unit or the head thereof, is authorized to
2063 appoint subordinate staff by the Constitution or statute, except a
2064 legislative or judicial board, commission, committee, council,
2065 department or unit thereof.

2066 **SECTION 26.** Section 25-43-1.103, Mississippi Code of 1972,
2067 is amended as follows:

2068 25-43-1.103. (1) This chapter applies to all agencies and
2069 all proceedings not expressly exempted under this chapter.

2070 (2) This chapter creates only procedural rights and imposes
2071 only procedural duties. They are in addition to those created and
2072 imposed by other statutes.

2073 (3) Specific statutory provisions which govern agency
2074 proceedings and which are in conflict with any of the provisions
2075 of this chapter shall continue to be applied to all proceedings of
2076 any such agency to the extent of such conflict only.



2077 (4) The provisions of this chapter shall not be construed to
2078 amend, repeal or supersede the provisions of any other law; and,
2079 to the extent that the provisions of any other law conflict or are
2080 inconsistent with the provisions of this chapter, the provisions
2081 of such other law shall govern and control.

2082 (5) An agency may grant procedural rights to persons in
2083 addition to those conferred by this chapter so long as rights
2084 conferred upon other persons by any provision of law are not
2085 substantially prejudiced.

2086 (6) For the purposes of implementing, administering and/or
2087 enforcing the provisions of rules and regulations promulgated
2088 pursuant to the Mississippi Medical Cannabis Act, and the
2089 provisions in Sections 1 through 23 of this act, as applicable to
2090 each department, the Mississippi State Department of Health and
2091 the Mississippi Department of Revenue shall be exempted from this
2092 chapter from February 2, 2022, through June 30, 2026. This
2093 subsection shall stand repealed on June 30, 2026.

2094 **SECTION 27.** Section 25-53-1, Mississippi Code of 1972, is
2095 amended as follows:

2096 25-53-1. The Legislature recognizes that in order for the
2097 State of Mississippi to receive the maximum use and benefit from
2098 information technology and services now in operation or which will
2099 in the future be placed in operation, there should be full
2100 cooperation and cohesive planning and effort by and between the
2101 several state agencies and that it is the responsibility of the



2102 Legislature to provide statutory authority therefor. The
2103 Legislature, therefore, declares and determines that for these and
2104 other related purposes there is hereby established an agency of
2105 state government to be known as the Mississippi Department of
2106 Information Technology Services (MDITS). The Legislature further
2107 declares that the Mississippi Department of Information Technology
2108 Services (MDITS) shall provide statewide services that facilitate
2109 cost-effective information processing and telecommunication
2110 solutions. State agencies shall work in full cooperation with the
2111 board of MDITS to identify opportunities to minimize duplication,
2112 reduce costs and improve the efficiency of providing common
2113 technology services across agency boundaries. The provisions of
2114 this chapter shall not apply to the Department of Human Services
2115 for a period of three (3) years beginning July 1, 2017. The
2116 provisions of this chapter shall not apply to the Department of
2117 Child Protection Services for a period of three (3) years
2118 beginning July 1, 2017. Through June 30, * * * 2026, the
2119 provisions of this chapter shall not apply to the Department of
2120 Health and the Department of Revenue for the purposes of
2121 implementing, administering and enforcing the provisions of the
2122 Mississippi Medical Cannabis Act, and any provision in Sections 1
2123 through 23 of this act that are applicable to the departments
2124 individually or jointly.

2125 **SECTION 28.** Section 25-53-5, Mississippi Code of 1972, is
2126 amended as follows:



2127 25-53-5. The authority shall have the following powers,
2128 duties, and responsibilities:

2129 (a) (i) The authority shall provide for the
2130 development of plans for the efficient acquisition and utilization
2131 of computer equipment and services by all agencies of state
2132 government, and provide for their implementation. In so doing,
2133 the authority may use the MDITS' staff, at the discretion of the
2134 executive director of the authority, or the authority may contract
2135 for the services of qualified consulting firms in the field of
2136 information technology and utilize the service of such consultants
2137 as may be necessary for such purposes. Pursuant to Section
2138 25-53-1, the provisions of this section shall not apply to the
2139 Department of Human Services for a period of three (3) years
2140 beginning on July 1, 2017. Pursuant to Section 25-53-1, the
2141 provisions of this section shall not apply to the Department of
2142 Child Protection Services for a period of three (3) years
2143 beginning July 1, 2017.

2144 (ii) [Repealed]

2145 (b) The authority shall immediately institute
2146 procedures for carrying out the purposes of this chapter and
2147 supervise the efficient execution of the powers and duties of the
2148 office of executive director of the authority. In the execution
2149 of its functions under this chapter, the authority shall maintain
2150 as a paramount consideration the successful internal organization
2151 and operation of the several agencies so that efficiency existing



2152 therein shall not be adversely affected or impaired. In executing
2153 its functions in relation to the institutions of higher learning
2154 and junior colleges in the state, the authority shall take into
2155 consideration the special needs of such institutions in relation
2156 to the fields of teaching and scientific research.

2157 (c) Title of whatever nature of all computer equipment
2158 now vested in any agency of the State of Mississippi is hereby
2159 vested in the authority, and no such equipment shall be disposed
2160 of in any manner except in accordance with the direction of the
2161 authority or under the provisions of such rules and regulations as
2162 may hereafter be adopted by the authority in relation thereto.

2163 (d) The authority shall adopt rules, regulations, and
2164 procedures governing the acquisition of computer and
2165 telecommunications equipment and services which shall, to the
2166 fullest extent practicable, ensure the maximum of competition
2167 between all manufacturers of supplies or equipment or services.
2168 In the writing of specifications, in the making of contracts
2169 relating to the acquisition of such equipment and services, and in
2170 the performance of its other duties the authority shall provide
2171 for the maximum compatibility of all information systems hereafter
2172 installed or utilized by all state agencies and may require the
2173 use of common computer languages where necessary to accomplish the
2174 purposes of this chapter. The authority may establish by
2175 regulation and charge reasonable fees on a nondiscriminatory basis



2176 for the furnishing to bidders of copies of bid specifications and
2177 other documents issued by the authority.

2178 (e) The authority shall adopt rules and regulations
2179 governing the sharing with, or the sale or lease of information
2180 technology services to any nonstate agency or person. Such
2181 regulations shall provide that any such sharing, sale or lease
2182 shall be restricted in that same shall be accomplished only where
2183 such services are not readily available otherwise within the
2184 state, and then only at a charge to the user not less than the
2185 prevailing rate of charge for similar services by private
2186 enterprise within this state.

2187 (f) The authority may, in its discretion, establish a
2188 special technical advisory committee or committees to study and
2189 make recommendations on technology matters within the competence
2190 of the authority as the authority may see fit. Persons serving on
2191 the Information Resource Council, its task forces, or any such
2192 technical advisory committees shall be entitled to receive their
2193 actual and necessary expenses actually incurred in the performance
2194 of such duties, together with mileage as provided by law for state
2195 employees, provided the same has been authorized by a resolution
2196 duly adopted by the authority and entered on its minutes prior to
2197 the performance of such duties.

2198 (g) The authority may provide for the development and
2199 require the adoption of standardized computer programs and may
2200 provide for the dissemination of information to and the



2201 establishment of training programs for the personnel of the
2202 various information technology centers of state agencies and
2203 personnel of the agencies utilizing the services thereof.

2204 (h) The authority shall adopt reasonable rules and
2205 regulations requiring the reporting to the authority through the
2206 office of executive director of such information as may be
2207 required for carrying out the purposes of this chapter and may
2208 also establish such reasonable procedures to be followed in the
2209 presentation of bills for payment under the terms of all contracts
2210 for the acquisition of computer equipment and services now or
2211 hereafter in force as may be required by the authority or by the
2212 executive director in the execution of their powers and duties.

2213 (i) The authority shall require such adequate
2214 documentation of information technology procedures utilized by the
2215 various state agencies and may require the establishment of such
2216 organizational structures within state agencies relating to
2217 information technology operations as may be necessary to
2218 effectuate the purposes of this chapter.

2219 (j) The authority may adopt such further reasonable
2220 rules and regulations as may be necessary to fully implement the
2221 purposes of this chapter. All rules and regulations adopted by
2222 the authority shall be published and disseminated in readily
2223 accessible form to all affected state agencies, and to all current
2224 suppliers of computer equipment and services to the state, and to
2225 all prospective suppliers requesting the same. Such rules and



2226 regulations shall be kept current, be periodically revised, and
2227 copies thereof shall be available at all times for inspection by
2228 the public at reasonable hours in the offices of the authority.
2229 Whenever possible no rule, regulation or any proposed amendment to
2230 such rules and regulations shall be finally adopted or enforced
2231 until copies of the proposed rules and regulations have been
2232 furnished to all interested parties for their comment and
2233 suggestions.

2234 (k) The authority shall establish rules and regulations
2235 which shall provide for the submission of all contracts proposed
2236 to be executed by the executive director for computer equipment
2237 and/or telecommunications or services, including cloud computing,
2238 to the authority for approval before final execution, and the
2239 authority may provide that such contracts involving the
2240 expenditure of less than such specified amount as may be
2241 established by the authority may be finally executed by the
2242 executive director without first obtaining such approval by the
2243 authority.

2244 (l) The authority is authorized to consider new
2245 technologies, such as cloud computing, to purchase, lease, or rent
2246 computer equipment or services and to operate that equipment and
2247 use those services in providing services to one or more state
2248 agencies when in its opinion such operation will provide maximum
2249 efficiency and economy in the functions of any such agency or
2250 agencies.



2251 (m) Upon the request of the governing body of a
2252 political subdivision or instrumentality, the authority shall
2253 assist the political subdivision or instrumentality in its
2254 development of plans for the efficient acquisition and utilization
2255 of computer equipment and services. An appropriate fee shall be
2256 charged the political subdivision by the authority for such
2257 assistance.

2258 (n) The authority shall adopt rules and regulations
2259 governing the protest procedures to be followed by any actual or
2260 prospective bidder, offerer or contractor who is aggrieved in
2261 connection with the solicitation or award of a contract for the
2262 acquisition of computer equipment or services. Such rules and
2263 regulations shall prescribe the manner, time and procedure for
2264 making protests and may provide that a protest not timely filed
2265 shall be summarily denied. The authority may require the
2266 protesting party, at the time of filing the protest, to post a
2267 bond, payable to the state, in an amount that the authority
2268 determines sufficient to cover any expense or loss incurred by the
2269 state, the authority or any state agency as a result of the
2270 protest if the protest subsequently is determined by a court of
2271 competent jurisdiction to have been filed without any substantial
2272 basis or reasonable expectation to believe that the protest was
2273 meritorious; however, in no event may the amount of the bond
2274 required exceed a reasonable estimate of the total project cost.
2275 The authority, in its discretion, also may prohibit any



2276 prospective bidder, offerer or contractor who is a party to any
2277 litigation involving any such contract with the state, the
2278 authority or any agency of the state to participate in any other
2279 such bid, offer or contract, or to be awarded any such contract,
2280 during the pendency of the litigation.

2281 (o) The authority shall make a report in writing to the
2282 Legislature each year in the month of January. Such report shall
2283 contain a full and detailed account of the work of the authority
2284 for the preceding year as specified in Section 25-53-29(3).

2285 All acquisitions of computer equipment and services involving
2286 the expenditure of funds in excess of the dollar amount
2287 established in Section 31-7-13(c), or rentals or leases in excess
2288 of the dollar amount established in Section 31-7-13(c) for the
2289 term of the contract, shall be based upon competitive and open
2290 specifications, and contracts therefor shall be entered into only
2291 after advertisements for bids are published in one or more daily
2292 newspapers having a general circulation in the state not less than
2293 fourteen (14) days prior to receiving sealed bids therefor. The
2294 authority may reserve the right to reject any or all bids, and if
2295 all bids are rejected, the authority may negotiate a contract
2296 within the limitations of the specifications so long as the terms
2297 of any such negotiated contract are equal to or better than the
2298 comparable terms submitted by the lowest and best bidder, and so
2299 long as the total cost to the State of Mississippi does not exceed
2300 the lowest bid. If the authority accepts one (1) of such bids, it



2301 shall be that which is the lowest and best. Through June
2302 30, * * * 2026, the provisions of this paragraph shall not apply
2303 to acquisitions of information technology equipment and services
2304 made by the Mississippi Department of Health and the Mississippi
2305 Department of Revenue for the purposes of implementing,
2306 administering and enforcing the provisions of the Mississippi
2307 Medical Cannabis Act, and any provision in Sections 1 through 23
2308 of this act that are applicable to the departments individually or
2309 jointly.

2310 (p) When applicable, the authority may procure
2311 equipment, systems and related services in accordance with the law
2312 or regulations, or both, which govern the Bureau of Purchasing of
2313 the Office of General Services or which govern the Mississippi
2314 Department of Information Technology Services procurement of
2315 telecommunications equipment, software and services.

2316 (q) The authority is authorized to purchase, lease, or
2317 rent information technology and services for the purpose of
2318 establishing pilot projects to investigate emerging technologies.
2319 These acquisitions shall be limited to new technologies and shall
2320 be limited to an amount set by annual appropriation of the
2321 Legislature. These acquisitions shall be exempt from the
2322 advertising and bidding requirement.

2323 (r) To promote the maximum use and benefit from
2324 technology and services now in operation or which will in the
2325 future be placed in operation and to identify opportunities,



2326 minimize duplication, reduce costs and improve the efficiency of
2327 providing common technology services the authority is authorized
2328 to:

2329 (i) Enter into master agreements for computer or
2330 telecommunications equipment or services, including cloud
2331 computing, available for shared use by state agencies, * * *
2332 institutions of higher learning and governing authorities; and

2333 (ii) Enter into contracts for the acquisition of
2334 computer or telecommunications equipment or services, including
2335 cloud computing, that have been acquired by other entities,
2336 located within or outside of the State of Mississippi, so long as
2337 it is determined by the authority to be in the best interest of
2338 the state. The acquisitions provided in this paragraph (r) shall
2339 be exempt from the advertising and bidding requirements of Section
2340 25-53-1 et seq.

2341 (s) All fees collected by the Mississippi Department of
2342 Information Technology Services shall be deposited into the
2343 Mississippi Department of Information Technology Services
2344 Revolving Fund unless otherwise specified by the Legislature.

2345 (t) The authority shall work closely with the council
2346 to bring about effective coordination of policies, standards and
2347 procedures relating to procurement of remote sensing and
2348 geographic information systems (GIS) resources. In addition, the
2349 authority is responsible for development, operation and
2350 maintenance of a delivery system infrastructure for geographic



2351 information systems data. The authority shall provide a warehouse
2352 for Mississippi's geographic information systems data.

2353 (u) The authority shall manage one or more State Data
2354 Centers to provide information technology services on a
2355 cost-sharing basis. In determining the appropriate services to be
2356 provided through the State Data Center, the authority should
2357 consider those services that:

2358 (i) Result in savings to the state as a whole;

2359 (ii) Improve and enhance the security and
2360 reliability of the state's information and business systems; and

2361 (iii) Optimize the efficient use of the state's
2362 information technology assets, including, but not limited to,
2363 promoting partnerships with the state institutions of higher
2364 learning and community colleges to capitalize on advanced
2365 information technology resources.

2366 (v) The authority shall increase federal participation
2367 in the cost of the State Data Center to the extent provided by law
2368 and its shared technology infrastructure through providing such
2369 shared services to agencies that receive federal funds. With
2370 regard to state institutions of higher learning and community
2371 colleges, the authority may provide shared services when mutually
2372 agreeable, following a determination by both the authority and the
2373 Board of Trustees of State Institutions of Higher Learning or the
2374 Mississippi Community College Board, as the case may be, that the
2375 sharing of services is mutually beneficial.



2376 (w) The authority, in its discretion, may require new
2377 or replacement agency business applications to be hosted at the
2378 State Data Center. With regard to state institutions of higher
2379 learning and community colleges, the authority and the Board of
2380 Trustees of State Institutions of Higher Learning or the
2381 Mississippi Community College Board, as the case may be, may agree
2382 that institutions of higher learning or community colleges may
2383 utilize business applications that are hosted at the State Data
2384 Center, following a determination by both the authority and the
2385 applicable board that the hosting of those applications is
2386 mutually beneficial. In addition, the authority may establish
2387 partnerships to capitalize on the advanced technology resources of
2388 the Board of Trustees of State Institutions of Higher Learning or
2389 the Mississippi Community College Board, following a determination
2390 by both the authority and the applicable board that such a
2391 partnership is mutually beneficial.

2392 (x) The authority shall provide a periodic update
2393 regarding reform-based information technology initiatives to the
2394 Chairmen of the House and Senate Accountability, Efficiency and
2395 Transparency Committees.

2396 From and after July 1, 2018, the expenses of this agency
2397 shall be defrayed by appropriation from the State General Fund.
2398 In addition, in order to receive the maximum use and benefit from
2399 information technology and services, expenses for the provision of
2400 statewide shared services that facilitate cost-effective



2401 information processing and telecommunication solutions shall be
2402 defrayed by pass-through funding and shall be deposited into the
2403 Mississippi Department of Information Technology Services
2404 Revolving Fund unless otherwise specified by the Legislature.
2405 These funds shall only be utilized to pay the actual costs
2406 incurred by the Mississippi Department of Information Technology
2407 Services for providing these shared services to state agencies.
2408 Furthermore, state agencies shall work in full cooperation with
2409 the Board of the Mississippi Department of Information Technology
2410 Services to identify computer equipment or services to minimize
2411 duplication, reduce costs, and improve the efficiency of providing
2412 common technology services across agency boundaries.

2413 **SECTION 29.** Section 27-104-7, Mississippi Code of 1972, is
2414 amended as follows:

2415 27-104-7. (1) (a) There is created the Public Procurement
2416 Review Board, which shall be reconstituted on January 1, 2018, and
2417 shall be composed of the following members:

2418 (i) Three (3) individuals appointed by the
2419 Governor with the advice and consent of the Senate;

2420 (ii) Two (2) individuals appointed by the
2421 Lieutenant Governor with the advice and consent of the Senate; and

2422 (iii) The Executive Director of the Department of
2423 Finance and Administration, serving as an ex officio and nonvoting
2424 member.



2425 (b) The initial terms of each appointee shall be as
2426 follows:

2427 (i) One (1) member appointed by the Governor to
2428 serve for a term ending on June 30, 2019;

2429 (ii) One (1) member appointed by the Governor to
2430 serve for a term ending on June 30, 2020;

2431 (iii) One (1) member appointed by the Governor to
2432 serve for a term ending on June 30, 2021;

2433 (iv) One (1) member appointed by the Lieutenant
2434 Governor to serve for a term ending on June 30, 2019; and

2435 (v) One (1) member appointed by the Lieutenant
2436 Governor to serve for a term ending on June 30, 2020.

2437 After the expiration of the initial terms, all appointed
2438 members' terms shall be for a period of four (4) years from the
2439 expiration date of the previous term, and until such time as the
2440 member's successor is duly appointed and qualified.

2441 (c) When appointing members to the Public Procurement
2442 Review Board, the Governor and Lieutenant Governor shall take into
2443 consideration persons who possess at least five (5) years of
2444 management experience in general business, health care or finance
2445 for an organization, corporation or other public or private
2446 entity. Any person, or any employee or owner of a company, who
2447 receives any grants, procurements or contracts that are subject to
2448 approval under this section shall not be appointed to the Public
2449 Procurement Review Board. Any person, or any employee or owner of



2450 a company, who is a principal of the source providing a personal
2451 or professional service shall not be appointed to the Public
2452 Procurement Review Board if the principal owns or controls a
2453 greater than five percent (5%) interest or has an ownership value
2454 of One Million Dollars (\$1,000,000.00) in the source's business,
2455 whichever is smaller. No member shall be an officer or employee
2456 of the State of Mississippi while serving as a voting member on
2457 the Public Procurement Review Board.

2458 (d) Members of the Public Procurement Review Board
2459 shall be entitled to per diem as authorized by Section 25-3-69 and
2460 travel reimbursement as authorized by Section 25-3-41.

2461 (e) The members of the Public Procurement Review Board
2462 shall elect a chair from among the membership, and he or she shall
2463 preside over the meetings of the board. The board shall annually
2464 elect a vice chair, who shall serve in the absence of the chair.
2465 No business shall be transacted, including adoption of rules of
2466 procedure, without the presence of a quorum of the board. Three
2467 (3) members shall be a quorum. No action shall be valid unless
2468 approved by a majority of the members present and voting, entered
2469 upon the minutes of the board and signed by the chair. Necessary
2470 clerical and administrative support for the board shall be
2471 provided by the Department of Finance and Administration. Minutes
2472 shall be kept of the proceedings of each meeting, copies of which
2473 shall be filed on a monthly basis with the chairs of the
2474 Accountability, Efficiency and Transparency Committees of the



2475 Senate and House of Representatives and the chairs of the
2476 Appropriations Committees of the Senate and House of
2477 Representatives.

2478 (2) The Public Procurement Review Board shall have the
2479 following powers and responsibilities:

2480 (a) Approve all purchasing regulations governing the
2481 purchase or lease by any agency, as defined in Section 31-7-1, of
2482 commodities and equipment, except computer equipment acquired
2483 pursuant to Sections 25-53-1 through 25-53-29;

2484 (b) Adopt regulations governing the approval of
2485 contracts let for the construction and maintenance of state
2486 buildings and other state facilities as well as related contracts
2487 for architectural and engineering services.

2488 The provisions of this paragraph (b) shall not apply to such
2489 contracts involving buildings and other facilities of state
2490 institutions of higher learning which are self-administered as
2491 provided under this paragraph (b) or Section 37-101-15(m);

2492 (c) Adopt regulations governing any lease or rental
2493 agreement by any state agency or department, including any state
2494 agency financed entirely by federal funds, for space outside the
2495 buildings under the jurisdiction of the Department of Finance and
2496 Administration. These regulations shall require each agency
2497 requesting to lease such space to provide the following
2498 information that shall be published by the Department of Finance
2499 and Administration on its website: the agency to lease the space;



2500 the terms of the lease; the approximate square feet to be leased;
2501 the use for the space; a description of a suitable space; the
2502 general location desired for the leased space; the contact
2503 information for a person from the agency; the deadline date for
2504 the agency to have received a lease proposal; any other specific
2505 terms or conditions of the agency; and any other information
2506 deemed appropriate by the Division of Real Property Management of
2507 the Department of Finance and Administration or the Public
2508 Procurement Review Board. The information shall be provided
2509 sufficiently in advance of the time the space is needed to allow
2510 the Division of Real Property Management of the Department of
2511 Finance and Administration to review and preapprove the lease
2512 before the time for advertisement begins;

2513 (d) Adopt, in its discretion, regulations to set aside
2514 at least five percent (5%) of anticipated annual expenditures for
2515 the purchase of commodities from minority businesses; however, all
2516 such set-aside purchases shall comply with all purchasing
2517 regulations promulgated by the department and shall be subject to
2518 all bid requirements. Set-aside purchases for which competitive
2519 bids are required shall be made from the lowest and best minority
2520 business bidder; however, if no minority bid is available or if
2521 the minority bid is more than two percent (2%) higher than the
2522 lowest bid, then bids shall be accepted and awarded to the lowest
2523 and best bidder. However, the provisions in this paragraph shall
2524 not be construed to prohibit the rejection of a bid when only one



2525 (1) bid is received. Such rejection shall be placed in the
2526 minutes. For the purposes of this paragraph, the term "minority
2527 business" means a business which is owned by a person who is a
2528 citizen or lawful permanent resident of the United States and who
2529 is:

2530 (i) Black: having origins in any of the black
2531 racial groups of Africa;

2532 (ii) Hispanic: of Mexican, Puerto Rican, Cuban,
2533 Central or South American, or other Spanish or Portuguese culture
2534 or origin regardless of race;

2535 (iii) Asian-American: having origins in any of
2536 the original people of the Far East, Southeast Asia, the Indian
2537 subcontinent, or the Pacific Islands;

2538 (iv) American Indian or Alaskan Native: having
2539 origins in any of the original people of North America; or

2540 (v) Female;

2541 (e) In consultation with and approval by the Chairs of
2542 the Senate and House Public Property Committees, approve leases,
2543 for a term not to exceed eighteen (18) months, entered into by
2544 state agencies for the purpose of providing parking arrangements
2545 for state employees who work in the Woolfolk Building, the Carroll
2546 Gartin Justice Building or the Walter Sillers Office Building;

2547 (f) (i) Except as otherwise provided in subparagraph
2548 (ii) of this paragraph, promulgate rules and regulations governing
2549 the solicitation and selection of contractual services personnel,



2550 including personal and professional services contracts for any
2551 form of consulting, policy analysis, public relations, marketing,
2552 public affairs, legislative advocacy services or any other
2553 contract that the board deems appropriate for oversight, with the
2554 exception of:

2555 1. Any personal service contracts entered
2556 into by any agency that employs only nonstate service employees as
2557 defined in Section 25-9-107(c);

2558 2. Any personal service contracts entered
2559 into for computer or information technology-related services
2560 governed by the Mississippi Department of Information Technology
2561 Services;

2562 3. Any personal service contracts entered
2563 into by the individual state institutions of higher learning;

2564 4. Any personal service contracts entered
2565 into by the Mississippi Department of Transportation;

2566 5. Any personal service contracts entered
2567 into by the Department of Human Services through June 30, 2019,
2568 which the Executive Director of the Department of Human Services
2569 determines would be useful in establishing and operating the
2570 Department of Child Protection Services;

2571 6. Any personal service contracts entered
2572 into by the Department of Child Protection Services through June
2573 30, 2019;



2574 7. Any contracts for entertainers and/or
2575 performers at the Mississippi State Fairgrounds entered into by
2576 the Mississippi Fair Commission;

2577 8. Any contracts entered into by the
2578 Department of Finance and Administration when procuring aircraft
2579 maintenance, parts, equipment and/or services;

2580 9. Any contract entered into by the
2581 Department of Public Safety for service on specialized equipment
2582 and/or software required for the operation of such specialized
2583 equipment for use by the Office of Forensics Laboratories;

2584 10. Any personal or professional service
2585 contract entered into by the Mississippi Department of Health or
2586 the Department of Revenue * * * in connection with their
2587 respective responsibilities under the Mississippi Medical Cannabis
2588 Act, and any provision in Sections 1 through 23 of this act that
2589 are applicable to the departments individually or jointly, from
2590 February 2, 2022, through June 30, 2026;

2591 11. Any contract for attorney, accountant,
2592 actuary auditor, architect, engineer, anatomical pathologist, or
2593 utility rate expert services;

2594 12. Any personal service contracts approved
2595 by the Executive Director of the Department of Finance and
2596 Administration and entered into by the Coordinator of Mental
2597 Health Accessibility through June 30, 2022;



2598 13. Any personal or professional services
2599 contract entered into by the State Department of Health in
2600 carrying out its responsibilities under the ARPA Rural Water
2601 Associations Infrastructure Grant Program through June 30, 2026;
2602 and

2603 14. And any personal or professional services
2604 contract entered into by the Mississippi Department of
2605 Environmental Quality in carrying out its responsibilities under
2606 the Mississippi Municipality and County Water Infrastructure Grant
2607 Program Act of 2022, through June 30, 2026.

2608 Any such rules and regulations shall provide for maintaining
2609 continuous internal audit covering the activities of such agency
2610 affecting its revenue and expenditures as required under Section
2611 7-7-3(6) (d). Any rules and regulation changes related to personal
2612 and professional services contracts that the Public Procurement
2613 Review Board may propose shall be submitted to the Chairs of the
2614 Accountability, Efficiency and Transparency Committees of the
2615 Senate and House of Representatives and the Chairs of the
2616 Appropriation Committees of the Senate and House of
2617 Representatives at least fifteen (15) days before the board votes
2618 on the proposed changes, and those rules and regulation changes,
2619 if adopted, shall be promulgated in accordance with the
2620 Mississippi Administrative Procedures Act.

2621 (ii) From and after July 1, 2024, the Public
2622 Procurement Review Board shall promulgate rules and regulations



2623 that require the Department of Finance and Administration to
2624 conduct personal and professional services solicitations as
2625 provided in subparagraph (i) of this paragraph for those services
2626 in excess of Seventy-five Thousand Dollars (\$75,000.00) for the
2627 Department of Marine Resources, the Department of Wildlife,
2628 Fisheries and Parks, the Mississippi Emergency Management Agency
2629 and the Mississippi Development Authority, with assistance to be
2630 provided from these entities. Any powers that have been conferred
2631 upon agencies in order to comply with the provisions of this
2632 section for personal and professional services solicitations shall
2633 be conferred upon the Department of Finance and Administration to
2634 conduct personal and professional services solicitations for the
2635 Department of Marine Resources, the Department of Wildlife,
2636 Fisheries and Parks, the Mississippi Emergency Management Agency
2637 and the Mississippi Development Authority for those services in
2638 excess of Seventy-five Thousand Dollars (\$75,000.00). The
2639 Department of Finance and Administration shall make any
2640 submissions that are required to be made by other agencies to the
2641 Public Procurement Review Board for the Department of Marine
2642 Resources, the Department of Wildlife, Fisheries and Parks, the
2643 Mississippi Emergency Management Agency and the Mississippi
2644 Development Authority.

2645 The provisions of this subparagraph (ii) shall stand repealed
2646 on June 30, 2027;



2647 (g) Approve all personal and professional services
2648 contracts involving the expenditures of funds in excess of
2649 Seventy-five Thousand Dollars (\$75,000.00), except as provided in
2650 paragraph (f) of this subsection (2) and in subsection (8);

2651 (h) Develop mandatory standards with respect to
2652 contractual services personnel that require invitations for public
2653 bid, requests for proposals, record keeping and financial
2654 responsibility of contractors. The Public Procurement Review
2655 Board shall, unless exempted under this paragraph (h) or under
2656 paragraph (i) or (o) of this subsection (2), require the agency
2657 involved to submit the procurement to a competitive procurement
2658 process, and may reserve the right to reject any or all resulting
2659 procurements;

2660 (i) Prescribe certain circumstances by which agency
2661 heads may enter into contracts for personal and professional
2662 services without receiving prior approval from the Public
2663 Procurement Review Board. The Public Procurement Review Board may
2664 establish a preapproved list of providers of various personal and
2665 professional services for set prices with which state agencies may
2666 contract without bidding or prior approval from the board;

2667 (i) Agency requirements may be fulfilled by
2668 procuring services performed incident to the state's own programs.
2669 The agency head shall determine in writing whether the price
2670 represents a fair market value for the services. When the
2671 procurements are made from other governmental entities, the



2672 private sector need not be solicited; however, these contracts
2673 shall still be submitted for approval to the Public Procurement
2674 Review Board.

2675 (ii) Contracts between two (2) state agencies,
2676 both under Public Procurement Review Board purview, shall not
2677 require Public Procurement Review Board approval. However, the
2678 contracts shall still be entered into the enterprise resource
2679 planning system;

2680 (j) Provide standards for the issuance of requests for
2681 proposals, the evaluation of proposals received, consideration of
2682 costs and quality of services proposed, contract negotiations, the
2683 administrative monitoring of contract performance by the agency
2684 and successful steps in terminating a contract;

2685 (k) Present recommendations for governmental
2686 privatization and to evaluate privatization proposals submitted by
2687 any state agency;

2688 (l) Authorize personal and professional service
2689 contracts to be effective for more than one (1) year provided a
2690 funding condition is included in any such multiple year contract,
2691 except the State Board of Education, which shall have the
2692 authority to enter into contractual agreements for student
2693 assessment for a period up to ten (10) years. The State Board of
2694 Education shall procure these services in accordance with the
2695 Public Procurement Review Board procurement regulations;



2696 (m) Request the State Auditor to conduct a performance
2697 audit on any personal or professional service contract;

2698 (n) Prepare an annual report to the Legislature
2699 concerning the issuance of personal and professional services
2700 contracts during the previous year, collecting any necessary
2701 information from state agencies in making such report;

2702 (o) Develop and implement the following standards and
2703 procedures for the approval of any sole source contract for
2704 personal and professional services regardless of the value of the
2705 procurement:

2706 (i) For the purposes of this paragraph (o), the
2707 term "sole source" means only one (1) source is available that can
2708 provide the required personal or professional service.

2709 (ii) An agency that has been issued a binding,
2710 valid court order mandating that a particular source or provider
2711 must be used for the required service must include a copy of the
2712 applicable court order in all future sole source contract reviews
2713 for the particular personal or professional service referenced in
2714 the court order.

2715 (iii) Any agency alleging to have a sole source
2716 for any personal or professional service, other than those
2717 exempted under paragraph (f) of this subsection (2) and subsection
2718 (8), shall publish on the procurement portal website established
2719 by Sections 25-53-151 and 27-104-165, for at least fourteen (14)
2720 days, the terms of the proposed contract for those services. In



2721 addition, the publication shall include, but is not limited to,
2722 the following information:

2723 1. The personal or professional service
2724 offered in the contract;

2725 2. An explanation of why the personal or
2726 professional service is the only one that can meet the needs of
2727 the agency;

2728 3. An explanation of why the source is the
2729 only person or entity that can provide the required personal or
2730 professional service;

2731 4. An explanation of why the amount to be
2732 expended for the personal or professional service is reasonable;
2733 and

2734 5. The efforts that the agency went through
2735 to obtain the best possible price for the personal or professional
2736 service.

2737 (iv) If any person or entity objects and proposes
2738 that the personal or professional service published under
2739 subparagraph (iii) of this paragraph (o) is not a sole source
2740 service and can be provided by another person or entity, then the
2741 objecting person or entity shall notify the Public Procurement
2742 Review Board and the agency that published the proposed sole
2743 source contract with a detailed explanation of why the personal or
2744 professional service is not a sole source service.



2745 (v) 1. If the agency determines after review that
2746 the personal or professional service in the proposed sole source
2747 contract can be provided by another person or entity, then the
2748 agency must withdraw the sole source contract publication from the
2749 procurement portal website and submit the procurement of the
2750 personal or professional service to an advertised competitive bid
2751 or selection process.

2752 2. If the agency determines after review that
2753 there is only one (1) source for the required personal or
2754 professional service, then the agency may appeal to the Public
2755 Procurement Review Board. The agency has the burden of proving
2756 that the personal or professional service is only provided by one
2757 (1) source.

2758 3. If the Public Procurement Review Board has
2759 any reasonable doubt as to whether the personal or professional
2760 service can only be provided by one (1) source, then the agency
2761 must submit the procurement of the personal or professional
2762 service to an advertised competitive bid or selection process. No
2763 action taken by the Public Procurement Review Board in this appeal
2764 process shall be valid unless approved by a majority of the
2765 members of the Public Procurement Review Board present and voting.

2766 (vi) The Public Procurement Review Board shall
2767 prepare and submit a quarterly report to the House of
2768 Representatives and Senate Accountability, Efficiency and
2769 Transparency Committees that details the sole source contracts



2770 presented to the Public Procurement Review Board and the reasons
2771 that the Public Procurement Review Board approved or rejected each
2772 contract. These quarterly reports shall also include the
2773 documentation and memoranda required in subsection (4) of this
2774 section. An agency that submitted a sole source contract shall be
2775 prepared to explain the sole source contract to each committee by
2776 December 15 of each year upon request by the committee;

2777 (p) Assess any fines and administrative penalties
2778 provided for in Sections 31-7-401 through 31-7-423.

2779 (3) All submissions shall be made sufficiently in advance of
2780 each monthly meeting of the Public Procurement Review Board as
2781 prescribed by the Public Procurement Review Board. If the Public
2782 Procurement Review Board rejects any contract submitted for review
2783 or approval, the Public Procurement Review Board shall clearly set
2784 out the reasons for its action, including, but not limited to, the
2785 policy that the agency has violated in its submitted contract and
2786 any corrective actions that the agency may take to amend the
2787 contract to comply with the rules and regulations of the Public
2788 Procurement Review Board.

2789 (4) All sole source contracts for personal and professional
2790 services awarded by state agencies, other than those exempted
2791 under Section 27-104-7(2)(f) and (8), whether approved by an
2792 agency head or the Public Procurement Review Board, shall contain
2793 in the procurement file a written determination for the approval,
2794 using a request form furnished by the Public Procurement Review



2795 Board. The written determination shall document the basis for the
2796 determination, including any market analysis conducted in order to
2797 ensure that the service required was practicably available from
2798 only one (1) source. A memorandum shall accompany the request
2799 form and address the following four (4) points:

2800 (a) Explanation of why this service is the only service
2801 that can meet the needs of the purchasing agency;

2802 (b) Explanation of why this vendor is the only
2803 practicably available source from which to obtain this service;

2804 (c) Explanation of why the price is considered
2805 reasonable; and

2806 (d) Description of the efforts that were made to
2807 conduct a noncompetitive negotiation to get the best possible
2808 price for the taxpayers.

2809 (5) In conjunction with the State Personnel Board, the
2810 Public Procurement Review Board shall develop and promulgate rules
2811 and regulations to define the allowable legal relationship between
2812 contract employees and the contracting departments, agencies and
2813 institutions of state government under the jurisdiction of the
2814 State Personnel Board, in compliance with the applicable rules and
2815 regulations of the federal Internal Revenue Service (IRS) for
2816 federal employment tax purposes. Under these regulations, the
2817 usual common law rules are applicable to determine and require
2818 that such worker is an independent contractor and not an employee,
2819 requiring evidence of lawful behavioral control, lawful financial



2820 control and lawful relationship of the parties. Any state
2821 department, agency or institution shall only be authorized to
2822 contract for personnel services in compliance with those
2823 regulations.

2824 (6) No member of the Public Procurement Review Board shall
2825 use his or her official authority or influence to coerce, by
2826 threat of discharge from employment, or otherwise, the purchase of
2827 commodities, the contracting for personal or professional
2828 services, or the contracting for public construction under this
2829 chapter.

2830 (7) Notwithstanding any other laws or rules to the contrary,
2831 the provisions of subsection (2) of this section shall not be
2832 applicable to the Mississippi State Port Authority at Gulfport.

2833 (8) Nothing in this section shall impair or limit the
2834 authority of the Board of Trustees of the Public Employees'
2835 Retirement System to enter into any personal or professional
2836 services contracts directly related to their constitutional
2837 obligation to manage the trust funds, including, but not limited
2838 to, actuarial, custodial banks, cash management, investment
2839 consultant and investment management contracts. Nothing in this
2840 section shall impair or limit the authority of the State Treasurer
2841 to enter into any personal or professional services contracts
2842 involving the management of trust funds, including, but not
2843 limited to, actuarial, custodial banks, cash management,
2844 investment consultant and investment management contracts.



2845 (9) Through December 31, 2024, the provisions of this
2846 section related to rental agreements or leasing of real property
2847 for the purpose of conducting agency business shall not apply to
2848 the Office of Workforce Development created in Section 37-153-7.

2849 **SECTION 30.** Section 31-7-13, Mississippi Code of 1972, is
2850 amended as follows:

2851 31-7-13. All agencies and governing authorities shall
2852 purchase their commodities and printing; contract for garbage
2853 collection or disposal; contract for solid waste collection or
2854 disposal; contract for sewage collection or disposal; contract for
2855 public construction; and contract for rentals as herein provided.

2856 (a) **Bidding procedure for purchases not over \$5,000.00.**
2857 Purchases which do not involve an expenditure of more than Five
2858 Thousand Dollars (\$5,000.00), exclusive of freight or shipping
2859 charges, may be made without advertising or otherwise requesting
2860 competitive bids. However, nothing contained in this paragraph
2861 (a) shall be construed to prohibit any agency or governing
2862 authority from establishing procedures which require competitive
2863 bids on purchases of Five Thousand Dollars (\$5,000.00) or less.

2864 (b) **Bidding procedure for purchases over \$5,000.00 but**
2865 **not over \$75,000.00.** Purchases which involve an expenditure of
2866 more than Five Thousand Dollars (\$5,000.00) but not more than
2867 Seventy-five Thousand Dollars (\$75,000.00), exclusive of freight
2868 and shipping charges, may be made from the lowest and best bidder
2869 without publishing or posting advertisement for bids, provided at



2870 least two (2) competitive written bids have been obtained. Any
2871 state agency or community or junior college purchasing commodities
2872 or procuring construction pursuant to this paragraph (b) may
2873 authorize its purchasing agent, or his designee, to accept the
2874 lowest competitive written bid under Seventy-five Thousand Dollars
2875 (\$75,000.00). Any governing authority purchasing commodities
2876 pursuant to this paragraph (b) may authorize its purchasing agent,
2877 or his designee, with regard to governing authorities other than
2878 counties, or its purchase clerk, or his designee, with regard to
2879 counties, to accept the lowest and best competitive written bid.
2880 Such authorization shall be made in writing by the governing
2881 authority and shall be maintained on file in the primary office of
2882 the agency and recorded in the official minutes of the governing
2883 authority, as appropriate. The purchasing agent or the purchase
2884 clerk, or his designee, as the case may be, and not the governing
2885 authority, shall be liable for any penalties and/or damages as may
2886 be imposed by law for any act or omission of the purchasing agent
2887 or purchase clerk, or his designee, constituting a violation of
2888 law in accepting any bid without approval by the governing
2889 authority. The term "competitive written bid" shall mean a bid
2890 submitted on a bid form furnished by the buying agency or
2891 governing authority and signed by authorized personnel
2892 representing the vendor, or a bid submitted on a vendor's
2893 letterhead or identifiable bid form and signed by authorized
2894 personnel representing the vendor. "Competitive" shall mean that



2895 the bids are developed based upon comparable identification of the
2896 needs and are developed independently and without knowledge of
2897 other bids or prospective bids. Any bid item for construction in
2898 excess of Five Thousand Dollars (\$5,000.00) shall be broken down
2899 by components to provide detail of component description and
2900 pricing. These details shall be submitted with the written bids
2901 and become part of the bid evaluation criteria. Bids may be
2902 submitted by facsimile, electronic mail or other generally
2903 accepted method of information distribution. Bids submitted by
2904 electronic transmission shall not require the signature of the
2905 vendor's representative unless required by agencies or governing
2906 authorities.

2907 (c) **Bidding procedure for purchases over \$75,000.00.**

2908 (i) **Publication requirement.**

2909 1. Purchases which involve an expenditure of
2910 more than Seventy-five Thousand Dollars (\$75,000.00), exclusive of
2911 freight and shipping charges, may be made from the lowest and best
2912 bidder after advertising for competitive bids once each week for
2913 two (2) consecutive weeks in a regular newspaper published in the
2914 county or municipality in which such agency or governing authority
2915 is located. However, all American Recovery and Reinvestment Act
2916 projects in excess of Twenty-five Thousand Dollars (\$25,000.00)
2917 shall be bid. All references to American Recovery and
2918 Reinvestment Act projects in this section shall not apply to



2919 programs identified in Division B of the American Recovery and
2920 Reinvestment Act.

2921 2. Reverse auctions shall be the primary
2922 method for receiving bids during the bidding process. If a
2923 purchasing entity determines that a reverse auction is not in the
2924 best interest of the state, then that determination must be
2925 approved by the Public Procurement Review Board. The purchasing
2926 entity shall submit a detailed explanation of why a reverse
2927 auction would not be in the best interest of the state and present
2928 an alternative process to be approved by the Public Procurement
2929 Review Board. If the Public Procurement Review Board authorizes
2930 the purchasing entity to solicit bids with a method other than
2931 reverse auction, then the purchasing entity may designate the
2932 other methods by which the bids will be received, including, but
2933 not limited to, bids sealed in an envelope, bids received
2934 electronically in a secure system, or bids received by any other
2935 method that promotes open competition and has been approved by the
2936 Office of Purchasing and Travel. However, reverse auction shall
2937 not be used for any public contract for design, construction,
2938 improvement, repair or remodeling of any public facilities,
2939 including the purchase of materials, supplies, equipment or goods
2940 for same and including buildings, roads and bridges. The Public
2941 Procurement Review Board must approve any contract entered into by
2942 alternative process. The provisions of this item 2 shall not
2943 apply to the individual state institutions of higher learning.



2944 The provisions of this item 2 requiring reverse auction as the
2945 primary method of receiving bids shall not apply to term contract
2946 purchases as provided in paragraph (n) of this section; however, a
2947 purchasing entity may, in its discretion, utilize reverse auction
2948 for such purchases. The provisions of this item 2 shall not apply
2949 to individual public schools, including public charter schools and
2950 public school districts, only when purchasing copyrighted
2951 educational supplemental materials and software as a service
2952 product. For such purchases, a local school board may authorize a
2953 purchasing entity in its jurisdiction to use a Request for
2954 Qualifications which promotes open competition and meets the
2955 requirements of the Office of Purchasing and Travel.

2956 3. The date as published for the bid opening
2957 shall not be less than seven (7) working days after the last
2958 published notice; however, if the purchase involves a construction
2959 project in which the estimated cost is in excess of Seventy-five
2960 Thousand Dollars (\$75,000.00), such bids shall not be opened in
2961 less than fifteen (15) working days after the last notice is
2962 published and the notice for the purchase of such construction
2963 shall be published once each week for two (2) consecutive weeks.
2964 However, all American Recovery and Reinvestment Act projects in
2965 excess of Twenty-five Thousand Dollars (\$25,000.00) shall be bid.
2966 For any projects in excess of Twenty-five Thousand Dollars
2967 (\$25,000.00) under the American Recovery and Reinvestment Act,
2968 publication shall be made one (1) time and the bid opening for



2969 construction projects shall not be less than ten (10) working days
2970 after the date of the published notice. The notice of intention
2971 to let contracts or purchase equipment shall state the time and
2972 place at which bids shall be received, list the contracts to be
2973 made or types of equipment or supplies to be purchased, and, if
2974 all plans and/or specifications are not published, refer to the
2975 plans and/or specifications on file. If there is no newspaper
2976 published in the county or municipality, then such notice shall be
2977 given by posting same at the courthouse, or for municipalities at
2978 the city hall, and at two (2) other public places in the county or
2979 municipality, and also by publication once each week for two (2)
2980 consecutive weeks in some newspaper having a general circulation
2981 in the county or municipality in the above-provided manner. On
2982 the same date that the notice is submitted to the newspaper for
2983 publication, the agency or governing authority involved shall mail
2984 written notice to, or provide electronic notification to the main
2985 office of the Mississippi Procurement Technical Assistance Program
2986 under the Mississippi Development Authority that contains the same
2987 information as that in the published notice. Submissions received
2988 by the Mississippi Procurement Technical Assistance Program for
2989 projects funded by the American Recovery and Reinvestment Act
2990 shall be displayed on a separate and unique Internet web page
2991 accessible to the public and maintained by the Mississippi
2992 Development Authority for the Mississippi Procurement Technical
2993 Assistance Program. Those American Recovery and Reinvestment Act



2994 related submissions shall be publicly posted within twenty-four
2995 (24) hours of receipt by the Mississippi Development Authority and
2996 the bid opening shall not occur until the submission has been
2997 posted for ten (10) consecutive days. The Department of Finance
2998 and Administration shall maintain information regarding contracts
2999 and other expenditures from the American Recovery and Reinvestment
3000 Act, on a unique Internet web page accessible to the public. The
3001 Department of Finance and Administration shall promulgate rules
3002 regarding format, content and deadlines, unless otherwise
3003 specified by law, of the posting of award notices, contract
3004 execution and subsequent amendments, links to the contract
3005 documents, expenditures against the awarded contracts and general
3006 expenditures of funds from the American Recovery and Reinvestment
3007 Act. Within one (1) working day of the contract award, the agency
3008 or governing authority shall post to the designated web page
3009 maintained by the Department of Finance and Administration, notice
3010 of the award, including the award recipient, the contract amount,
3011 and a brief summary of the contract in accordance with rules
3012 promulgated by the department. Within one (1) working day of the
3013 contract execution, the agency or governing authority shall post
3014 to the designated web page maintained by the Department of Finance
3015 and Administration a summary of the executed contract and make a
3016 copy of the appropriately redacted contract documents available
3017 for linking to the designated web page in accordance with the
3018 rules promulgated by the department. The information provided by



3019 the agency or governing authority shall be posted to the web page
3020 for the duration of the American Recovery and Reinvestment Act
3021 funding or until the project is completed, whichever is longer.

3022 (ii) **Bidding process amendment procedure.** If all
3023 plans and/or specifications are published in the notification,
3024 then the plans and/or specifications may not be amended. If all
3025 plans and/or specifications are not published in the notification,
3026 then amendments to the plans/specifications, bid opening date, bid
3027 opening time and place may be made, provided that the agency or
3028 governing authority maintains a list of all prospective bidders
3029 who are known to have received a copy of the bid documents and all
3030 such prospective bidders are sent copies of all amendments. This
3031 notification of amendments may be made via mail, facsimile,
3032 electronic mail or other generally accepted method of information
3033 distribution. No addendum to bid specifications may be issued
3034 within two (2) working days of the time established for the
3035 receipt of bids unless such addendum also amends the bid opening
3036 to a date not less than five (5) working days after the date of
3037 the addendum.

3038 (iii) **Filing requirement.** In all cases involving
3039 governing authorities, before the notice shall be published or
3040 posted, the plans or specifications for the construction or
3041 equipment being sought shall be filed with the clerk of the board
3042 of the governing authority. In addition to these requirements, a
3043 bid file shall be established which shall indicate those vendors



3044 to whom such solicitations and specifications were issued, and
3045 such file shall also contain such information as is pertinent to
3046 the bid.

3047 (iv) **Specification restrictions.**

3048 1. Specifications pertinent to such bidding
3049 shall be written so as not to exclude comparable equipment of
3050 domestic manufacture. However, if valid justification is
3051 presented, the Department of Finance and Administration or the
3052 board of a governing authority may approve a request for specific
3053 equipment necessary to perform a specific job. Further, such
3054 justification, when placed on the minutes of the board of a
3055 governing authority, may serve as authority for that governing
3056 authority to write specifications to require a specific item of
3057 equipment needed to perform a specific job. In addition to these
3058 requirements, from and after July 1, 1990, vendors of relocatable
3059 classrooms and the specifications for the purchase of such
3060 relocatable classrooms published by local school boards shall meet
3061 all pertinent regulations of the State Board of Education,
3062 including prior approval of such bid by the State Department of
3063 Education.

3064 2. Specifications for construction projects
3065 may include an allowance for commodities, equipment, furniture,
3066 construction materials or systems in which prospective bidders are
3067 instructed to include in their bids specified amounts for such
3068 items so long as the allowance items are acquired by the vendor in



3069 a commercially reasonable manner and approved by the
3070 agency/governing authority. Such acquisitions shall not be made
3071 to circumvent the public purchasing laws.

3072 (v) **Electronic bids.** Agencies and governing
3073 authorities shall provide a secure electronic interactive system
3074 for the submittal of bids requiring competitive bidding that shall
3075 be an additional bidding option for those bidders who choose to
3076 submit their bids electronically. The Department of Finance and
3077 Administration shall provide, by regulation, the standards that
3078 agencies must follow when receiving electronic bids. Agencies and
3079 governing authorities shall make the appropriate provisions
3080 necessary to accept electronic bids from those bidders who choose
3081 to submit their bids electronically for all purchases requiring
3082 competitive bidding under this section. Any special condition or
3083 requirement for the electronic bid submission shall be specified
3084 in the advertisement for bids required by this section. Agencies
3085 or governing authorities that are currently without available high
3086 speed Internet access shall be exempt from the requirement of this
3087 subparagraph (v) until such time that high speed Internet access
3088 becomes available. Any county having a population of less than
3089 twenty thousand (20,000) shall be exempt from the provisions of
3090 this subparagraph (v). Any municipality having a population of
3091 less than ten thousand (10,000) shall be exempt from the
3092 provisions of this subparagraph (v). The provisions of this
3093 subparagraph (v) shall not require any bidder to submit bids



3094 electronically. When construction bids are submitted
3095 electronically, the requirement for including a certificate of
3096 responsibility, or a statement that the bid enclosed does not
3097 exceed Fifty Thousand Dollars (\$50,000.00), on the exterior of the
3098 bid envelope as indicated in Section 31-3-21(1) and (2) shall be
3099 deemed in compliance with by including same as an attachment with
3100 the electronic bid submittal.

3101 (d) **Lowest and best bid decision procedure.**

3102 (i) **Decision procedure.** Purchases may be made
3103 from the lowest and best bidder. In determining the lowest and
3104 best bid, freight and shipping charges shall be included.
3105 Life-cycle costing, total cost bids, warranties, guaranteed
3106 buy-back provisions and other relevant provisions may be included
3107 in the best bid calculation. All best bid procedures for state
3108 agencies must be in compliance with regulations established by the
3109 Department of Finance and Administration. If any governing
3110 authority accepts a bid other than the lowest bid actually
3111 submitted, it shall place on its minutes detailed calculations and
3112 narrative summary showing that the accepted bid was determined to
3113 be the lowest and best bid, including the dollar amount of the
3114 accepted bid and the dollar amount of the lowest bid. No agency
3115 or governing authority shall accept a bid based on items not
3116 included in the specifications.

3117 (ii) **Decision procedure for Certified Purchasing**
3118 **Offices.** In addition to the decision procedure set forth in



3119 subparagraph (i) of this paragraph (d), Certified Purchasing
3120 Offices may also use the following procedure: Purchases may be
3121 made from the bidder offering the best value. In determining the
3122 best value bid, freight and shipping charges shall be included.
3123 Life-cycle costing, total cost bids, warranties, guaranteed
3124 buy-back provisions, documented previous experience, training
3125 costs and other relevant provisions, including, but not limited
3126 to, a bidder having a local office and inventory located within
3127 the jurisdiction of the governing authority, may be included in
3128 the best value calculation. This provision shall authorize
3129 Certified Purchasing Offices to utilize a Request For Proposals
3130 (RFP) process when purchasing commodities. All best value
3131 procedures for state agencies must be in compliance with
3132 regulations established by the Department of Finance and
3133 Administration. No agency or governing authority shall accept a
3134 bid based on items or criteria not included in the specifications.

3135 (iii) **Decision procedure for Mississippi**

3136 **Landmarks.** In addition to the decision procedure set forth in
3137 subparagraph (i) of this paragraph (d), where purchase involves
3138 renovation, restoration, or both, of the State Capitol Building or
3139 any other historical building designated for at least five (5)
3140 years as a Mississippi Landmark by the Board of Trustees of the
3141 Department of Archives and History under the authority of Sections
3142 39-7-7 and 39-7-11, the agency or governing authority may use the
3143 following procedure: Purchases may be made from the lowest and



3144 best prequalified bidder. Prequalification of bidders shall be
3145 determined not less than fifteen (15) working days before the
3146 first published notice of bid opening. Prequalification criteria
3147 shall be limited to bidder's knowledge and experience in
3148 historical restoration, preservation and renovation. In
3149 determining the lowest and best bid, freight and shipping charges
3150 shall be included. Life-cycle costing, total cost bids,
3151 warranties, guaranteed buy-back provisions and other relevant
3152 provisions may be included in the best bid calculation. All best
3153 bid and prequalification procedures for state agencies must be in
3154 compliance with regulations established by the Department of
3155 Finance and Administration. If any governing authority accepts a
3156 bid other than the lowest bid actually submitted, it shall place
3157 on its minutes detailed calculations and narrative summary showing
3158 that the accepted bid was determined to be the lowest and best
3159 bid, including the dollar amount of the accepted bid and the
3160 dollar amount of the lowest bid. No agency or governing authority
3161 shall accept a bid based on items not included in the
3162 specifications.

3163 (iv) **Construction project negotiations authority.**

3164 If the lowest and best bid is not more than ten percent (10%)
3165 above the amount of funds allocated for a public construction or
3166 renovation project, then the agency or governing authority shall
3167 be permitted to negotiate with the lowest bidder in order to enter
3168 into a contract for an amount not to exceed the funds allocated.



3169 (e) **Lease-purchase authorization.** For the purposes of
3170 this section, the term "equipment" shall mean equipment, furniture
3171 and, if applicable, associated software and other applicable
3172 direct costs associated with the acquisition. Any lease-purchase
3173 of equipment which an agency is not required to lease-purchase
3174 under the master lease-purchase program pursuant to Section
3175 31-7-10 and any lease-purchase of equipment which a governing
3176 authority elects to lease-purchase may be acquired by a
3177 lease-purchase agreement under this paragraph (e). Lease-purchase
3178 financing may also be obtained from the vendor or from a
3179 third-party source after having solicited and obtained at least
3180 two (2) written competitive bids, as defined in paragraph (b) of
3181 this section, for such financing without advertising for such
3182 bids. Solicitation for the bids for financing may occur before or
3183 after acceptance of bids for the purchase of such equipment or,
3184 where no such bids for purchase are required, at any time before
3185 the purchase thereof. No such lease-purchase agreement shall be
3186 for an annual rate of interest which is greater than the overall
3187 maximum interest rate to maturity on general obligation
3188 indebtedness permitted under Section 75-17-101, and the term of
3189 such lease-purchase agreement shall not exceed the useful life of
3190 equipment covered thereby as determined according to the upper
3191 limit of the asset depreciation range (ADR) guidelines for the
3192 Class Life Asset Depreciation Range System established by the
3193 Internal Revenue Service pursuant to the United States Internal



3194 Revenue Code and regulations thereunder as in effect on December
3195 31, 1980, or comparable depreciation guidelines with respect to
3196 any equipment not covered by ADR guidelines. Any lease-purchase
3197 agreement entered into pursuant to this paragraph (e) may contain
3198 any of the terms and conditions which a master lease-purchase
3199 agreement may contain under the provisions of Section 31-7-10(5),
3200 and shall contain an annual allocation dependency clause
3201 substantially similar to that set forth in Section 31-7-10(8).
3202 Each agency or governing authority entering into a lease-purchase
3203 transaction pursuant to this paragraph (e) shall maintain with
3204 respect to each such lease-purchase transaction the same
3205 information as required to be maintained by the Department of
3206 Finance and Administration pursuant to Section 31-7-10(13).
3207 However, nothing contained in this section shall be construed to
3208 permit agencies to acquire items of equipment with a total
3209 acquisition cost in the aggregate of less than Ten Thousand
3210 Dollars (\$10,000.00) by a single lease-purchase transaction. All
3211 equipment, and the purchase thereof by any lessor, acquired by
3212 lease-purchase under this paragraph and all lease-purchase
3213 payments with respect thereto shall be exempt from all Mississippi
3214 sales, use and ad valorem taxes. Interest paid on any
3215 lease-purchase agreement under this section shall be exempt from
3216 State of Mississippi income taxation.

3217 (f) **Alternate bid authorization.** When necessary to
3218 ensure ready availability of commodities for public works and the



3219 timely completion of public projects, no more than two (2)
3220 alternate bids may be accepted by a governing authority for
3221 commodities. No purchases may be made through use of such
3222 alternate bids procedure unless the lowest and best bidder cannot
3223 deliver the commodities contained in his bid. In that event,
3224 purchases of such commodities may be made from one (1) of the
3225 bidders whose bid was accepted as an alternate.

3226 (g) **Construction contract change authorization.** In the
3227 event a determination is made by an agency or governing authority
3228 after a construction contract is let that changes or modifications
3229 to the original contract are necessary or would better serve the
3230 purpose of the agency or the governing authority, such agency or
3231 governing authority may, in its discretion, order such changes
3232 pertaining to the construction that are necessary under the
3233 circumstances without the necessity of further public bids;
3234 provided that such change shall be made in a commercially
3235 reasonable manner and shall not be made to circumvent the public
3236 purchasing statutes. In addition to any other authorized person,
3237 the architect or engineer hired by an agency or governing
3238 authority with respect to any public construction contract shall
3239 have the authority, when granted by an agency or governing
3240 authority, to authorize changes or modifications to the original
3241 contract without the necessity of prior approval of the agency or
3242 governing authority when any such change or modification is less
3243 than one percent (1%) of the total contract amount. The agency or



3244 governing authority may limit the number, manner or frequency of
3245 such emergency changes or modifications.

3246 (h) **Petroleum purchase alternative.** In addition to
3247 other methods of purchasing authorized in this chapter, when any
3248 agency or governing authority shall have a need for gas, diesel
3249 fuel, oils and/or other petroleum products in excess of the amount
3250 set forth in paragraph (a) of this section, such agency or
3251 governing authority may purchase the commodity after having
3252 solicited and obtained at least two (2) competitive written bids,
3253 as defined in paragraph (b) of this section. If two (2)
3254 competitive written bids are not obtained, the entity shall comply
3255 with the procedures set forth in paragraph (c) of this section.
3256 In the event any agency or governing authority shall have
3257 advertised for bids for the purchase of gas, diesel fuel, oils and
3258 other petroleum products and coal and no acceptable bids can be
3259 obtained, such agency or governing authority is authorized and
3260 directed to enter into any negotiations necessary to secure the
3261 lowest and best contract available for the purchase of such
3262 commodities.

3263 (i) **Road construction petroleum products price**
3264 **adjustment clause authorization.** Any agency or governing
3265 authority authorized to enter into contracts for the construction,
3266 maintenance, surfacing or repair of highways, roads or streets,
3267 may include in its bid proposal and contract documents a price
3268 adjustment clause with relation to the cost to the contractor,



3269 including taxes, based upon an industry-wide cost index, of
3270 petroleum products including asphalt used in the performance or
3271 execution of the contract or in the production or manufacture of
3272 materials for use in such performance. Such industry-wide index
3273 shall be established and published monthly by the Mississippi
3274 Department of Transportation with a copy thereof to be mailed,
3275 upon request, to the clerks of the governing authority of each
3276 municipality and the clerks of each board of supervisors
3277 throughout the state. The price adjustment clause shall be based
3278 on the cost of such petroleum products only and shall not include
3279 any additional profit or overhead as part of the adjustment. The
3280 bid proposals or document contract shall contain the basis and
3281 methods of adjusting unit prices for the change in the cost of
3282 such petroleum products.

3283 (j) **State agency emergency purchase procedure.** If the
3284 governing board or the executive head, or his designees, of any
3285 agency of the state shall determine that an emergency exists in
3286 regard to the purchase of any commodities or repair contracts, so
3287 that the delay incident to giving opportunity for competitive
3288 bidding would be detrimental to the interests of the state, then
3289 the head of such agency, or his designees, shall file with the
3290 Department of Finance and Administration (i) a statement
3291 explaining the conditions and circumstances of the emergency,
3292 which shall include a detailed description of the events leading
3293 up to the situation and the negative impact to the entity if the



3294 purchase is made following the statutory requirements set forth in
3295 paragraph (a), (b) or (c) of this section, and (ii) a certified
3296 copy of the appropriate minutes of the board of such agency
3297 requesting the emergency purchase, if applicable. Upon receipt of
3298 the statement and applicable board certification, the State Fiscal
3299 Officer, or his designees, may, in writing, authorize the purchase
3300 or repair without having to comply with competitive bidding
3301 requirements.

3302 If the governing board or the executive head, or his
3303 designees, of any agency determines that an emergency exists in
3304 regard to the purchase of any commodities or repair contracts, so
3305 that the delay incident to giving opportunity for competitive
3306 bidding would threaten the health or safety of any person, or the
3307 preservation or protection of property, then the provisions in
3308 this section for competitive bidding shall not apply, and any
3309 officer or agent of the agency having general or specific
3310 authority for making the purchase or repair contract shall approve
3311 the bill presented for payment, and he shall certify in writing
3312 from whom the purchase was made, or with whom the repair contract
3313 was made.

3314 Total purchases made under this paragraph (j) shall only be
3315 for the purpose of meeting needs created by the emergency
3316 situation. Following the emergency purchase, documentation of the
3317 purchase, including a description of the commodity purchased, the
3318 purchase price thereof and the nature of the emergency shall be



3319 filed with the Department of Finance and Administration. Any
3320 contract awarded pursuant to this paragraph (j) shall not exceed a
3321 term of one (1) year.

3322 Purchases under the grant program established under Section
3323 37-68-7 in response to COVID-19 and the directive that school
3324 districts create a distance learning plan and fulfill technology
3325 needs expeditiously shall be deemed an emergency purchase for
3326 purposes of this paragraph (j).

3327 (k) **Governing authority emergency purchase procedure.**

3328 If the governing authority, or the governing authority acting
3329 through its designee, shall determine that an emergency exists in
3330 regard to the purchase of any commodities or repair contracts, so
3331 that the delay incident to giving opportunity for competitive
3332 bidding would be detrimental to the interest of the governing
3333 authority, then the provisions herein for competitive bidding
3334 shall not apply and any officer or agent of such governing
3335 authority having general or special authority therefor in making
3336 such purchase or repair shall approve the bill presented therefor,
3337 and he shall certify in writing thereon from whom such purchase
3338 was made, or with whom such a repair contract was made. At the
3339 board meeting next following the emergency purchase or repair
3340 contract, documentation of the purchase or repair contract,
3341 including a description of the commodity purchased, the price
3342 thereof and the nature of the emergency shall be presented to the
3343 board and shall be placed on the minutes of the board of such



3344 governing authority. Purchases under the grant program
3345 established under Section 37-68-7 in response to COVID-19 and the
3346 directive that school districts create a distance learning plan
3347 and fulfill technology needs expeditiously shall be deemed an
3348 emergency purchase for purposes of this paragraph (k).

3349 (1) **Hospital purchase, lease-purchase and lease**
3350 **authorization.**

3351 (i) The commissioners or board of trustees of any
3352 public hospital may contract with such lowest and best bidder for
3353 the purchase or lease-purchase of any commodity under a contract
3354 of purchase or lease-purchase agreement whose obligatory payment
3355 terms do not exceed five (5) years.

3356 (ii) In addition to the authority granted in
3357 subparagraph (i) of this paragraph (1), the commissioners or board
3358 of trustees is authorized to enter into contracts for the lease of
3359 equipment or services, or both, which it considers necessary for
3360 the proper care of patients if, in its opinion, it is not
3361 financially feasible to purchase the necessary equipment or
3362 services. Any such contract for the lease of equipment or
3363 services executed by the commissioners or board shall not exceed a
3364 maximum of five (5) years' duration and shall include a
3365 cancellation clause based on unavailability of funds. If such
3366 cancellation clause is exercised, there shall be no further
3367 liability on the part of the lessee. Any such contract for the
3368 lease of equipment or services executed on behalf of the



3369 commissioners or board that complies with the provisions of this
3370 subparagraph (ii) shall be excepted from the bid requirements set
3371 forth in this section.

3372 (m) **Exceptions from bidding requirements.** Excepted
3373 from bid requirements are:

3374 (i) **Purchasing agreements approved by department.**

3375 Purchasing agreements, contracts and maximum price regulations
3376 executed or approved by the Department of Finance and
3377 Administration.

3378 (ii) **Outside equipment repairs.** Repairs to
3379 equipment, when such repairs are made by repair facilities in the
3380 private sector; however, engines, transmissions, rear axles and/or
3381 other such components shall not be included in this exemption when
3382 replaced as a complete unit instead of being repaired and the need
3383 for such total component replacement is known before disassembly
3384 of the component; however, invoices identifying the equipment,
3385 specific repairs made, parts identified by number and name,
3386 supplies used in such repairs, and the number of hours of labor
3387 and costs therefor shall be required for the payment for such
3388 repairs.

3389 (iii) **In-house equipment repairs.** Purchases of
3390 parts for repairs to equipment, when such repairs are made by
3391 personnel of the agency or governing authority; however, entire
3392 assemblies, such as engines or transmissions, shall not be



3393 included in this exemption when the entire assembly is being
3394 replaced instead of being repaired.

3395 (iv) **Raw gravel or dirt.** Raw unprocessed deposits
3396 of gravel or fill dirt which are to be removed and transported by
3397 the purchaser.

3398 (v) **Governmental equipment auctions.** Motor
3399 vehicles or other equipment purchased from a federal agency or
3400 authority, another governing authority or state agency of the
3401 State of Mississippi, or any governing authority or state agency
3402 of another state at a public auction held for the purpose of
3403 disposing of such vehicles or other equipment. Any purchase by a
3404 governing authority under the exemption authorized by this
3405 subparagraph (v) shall require advance authorization spread upon
3406 the minutes of the governing authority to include the listing of
3407 the item or items authorized to be purchased and the maximum bid
3408 authorized to be paid for each item or items.

3409 (vi) **Intergovernmental sales and transfers.**
3410 Purchases, sales, transfers or trades by governing authorities or
3411 state agencies when such purchases, sales, transfers or trades are
3412 made by a private treaty agreement or through means of
3413 negotiation, from any federal agency or authority, another
3414 governing authority or state agency of the State of Mississippi,
3415 or any state agency or governing authority of another state.
3416 Nothing in this section shall permit such purchases through public
3417 auction except as provided for in subparagraph (v) of this



3418 paragraph (m). It is the intent of this section to allow
3419 governmental entities to dispose of and/or purchase commodities
3420 from other governmental entities at a price that is agreed to by
3421 both parties. This shall allow for purchases and/or sales at
3422 prices which may be determined to be below the market value if the
3423 selling entity determines that the sale at below market value is
3424 in the best interest of the taxpayers of the state. Governing
3425 authorities shall place the terms of the agreement and any
3426 justification on the minutes, and state agencies shall obtain
3427 approval from the Department of Finance and Administration, prior
3428 to releasing or taking possession of the commodities.

3429 (vii) **Perishable supplies or food.** Perishable
3430 supplies or food purchased for use in connection with hospitals,
3431 the school lunch programs, homemaking programs and for the feeding
3432 of county or municipal prisoners.

3433 (viii) **Single-source items.** Noncompetitive items
3434 available from one (1) source only. In connection with the
3435 purchase of noncompetitive items only available from one (1)
3436 source, a certification of the conditions and circumstances
3437 requiring the purchase shall be filed by the agency with the
3438 Department of Finance and Administration and by the governing
3439 authority with the board of the governing authority. Upon receipt
3440 of that certification the Department of Finance and Administration
3441 or the board of the governing authority, as the case may be, may,
3442 in writing, authorize the purchase, which authority shall be noted



3443 on the minutes of the body at the next regular meeting thereafter.
3444 In those situations, a governing authority is not required to
3445 obtain the approval of the Department of Finance and
3446 Administration. Following the purchase, the executive head of the
3447 state agency, or his designees, shall file with the Department of
3448 Finance and Administration, documentation of the purchase,
3449 including a description of the commodity purchased, the purchase
3450 price thereof and the source from whom it was purchased.

3451 (ix) **Waste disposal facility construction**
3452 **contracts.** Construction of incinerators and other facilities for
3453 disposal of solid wastes in which products either generated
3454 therein, such as steam, or recovered therefrom, such as materials
3455 for recycling, are to be sold or otherwise disposed of; however,
3456 in constructing such facilities, a governing authority or agency
3457 shall publicly issue requests for proposals, advertised for in the
3458 same manner as provided herein for seeking bids for public
3459 construction projects, concerning the design, construction,
3460 ownership, operation and/or maintenance of such facilities,
3461 wherein such requests for proposals when issued shall contain
3462 terms and conditions relating to price, financial responsibility,
3463 technology, environmental compatibility, legal responsibilities
3464 and such other matters as are determined by the governing
3465 authority or agency to be appropriate for inclusion; and after
3466 responses to the request for proposals have been duly received,
3467 the governing authority or agency may select the most qualified



3468 proposal or proposals on the basis of price, technology and other
3469 relevant factors and from such proposals, but not limited to the
3470 terms thereof, negotiate and enter contracts with one or more of
3471 the persons or firms submitting proposals.

3472 (x) **Hospital group purchase contracts.** Supplies,
3473 commodities and equipment purchased by hospitals through group
3474 purchase programs pursuant to Section 31-7-38.

3475 (xi) **Information technology products.** Purchases
3476 of information technology products made by governing authorities
3477 under the provisions of purchase schedules, or contracts executed
3478 or approved by the Mississippi Department of Information
3479 Technology Services and designated for use by governing
3480 authorities.

3481 (xii) **Energy efficiency services and equipment.**
3482 Energy efficiency services and equipment acquired by school
3483 districts, community and junior colleges, institutions of higher
3484 learning and state agencies or other applicable governmental
3485 entities on a shared-savings, lease or lease-purchase basis
3486 pursuant to Section 31-7-14.

3487 (xiii) **Municipal electrical utility system fuel.**
3488 Purchases of coal and/or natural gas by municipally owned electric
3489 power generating systems that have the capacity to use both coal
3490 and natural gas for the generation of electric power.

3491 (xiv) **Library books and other reference materials.**
3492 Purchases by libraries or for libraries of books and periodicals;



3493 processed film, videocassette tapes, filmstrips and slides;
3494 recorded audiotapes, cassettes and diskettes; and any such items
3495 as would be used for teaching, research or other information
3496 distribution; however, equipment such as projectors, recorders,
3497 audio or video equipment, and monitor televisions are not exempt
3498 under this subparagraph.

3499 (xv) **Unmarked vehicles.** Purchases of unmarked
3500 vehicles when such purchases are made in accordance with
3501 purchasing regulations adopted by the Department of Finance and
3502 Administration pursuant to Section 31-7-9(2).

3503 (xvi) **Election ballots.** Purchases of ballots
3504 printed pursuant to Section 23-15-351.

3505 (xvii) **Multichannel interactive video systems.**
3506 From and after July 1, 1990, contracts by Mississippi Authority
3507 for Educational Television with any private educational
3508 institution or private nonprofit organization whose purposes are
3509 educational in regard to the construction, purchase, lease or
3510 lease-purchase of facilities and equipment and the employment of
3511 personnel for providing multichannel interactive video systems
3512 (ITSF) in the school districts of this state.

3513 (xviii) **Purchases of prison industry products by**
3514 **the Department of Corrections, regional correctional facilities or**
3515 **privately owned prisons.** Purchases made by the Mississippi
3516 Department of Corrections, regional correctional facilities or



3517 privately owned prisons involving any item that is manufactured,
3518 processed, grown or produced from the state's prison industries.

3519 (xix) **Undercover operations equipment.** Purchases
3520 of surveillance equipment or any other high-tech equipment to be
3521 used by law enforcement agents in undercover operations, provided
3522 that any such purchase shall be in compliance with regulations
3523 established by the Department of Finance and Administration.

3524 (xx) **Junior college books for rent.** Purchases by
3525 community or junior colleges of textbooks which are obtained for
3526 the purpose of renting such books to students as part of a book
3527 service system.

3528 (xxi) **Certain school district purchases.**
3529 Purchases of commodities made by school districts from vendors
3530 with which any levying authority of the school district, as
3531 defined in Section 37-57-1, has contracted through competitive
3532 bidding procedures for purchases of the same commodities.

3533 (xxii) **Garbage, solid waste and sewage contracts.**
3534 Contracts for garbage collection or disposal, contracts for solid
3535 waste collection or disposal and contracts for sewage collection
3536 or disposal.

3537 (xxiii) **Municipal water tank maintenance**
3538 **contracts.** Professional maintenance program contracts for the
3539 repair or maintenance of municipal water tanks, which provide
3540 professional services needed to maintain municipal water storage



3541 tanks for a fixed annual fee for a duration of two (2) or more
3542 years.

3543 (xxiv) **Purchases of Mississippi Industries for the**
3544 **Blind products or services.** Purchases made by state agencies or
3545 governing authorities involving any item that is manufactured,
3546 processed or produced by, or any services provided by, the
3547 Mississippi Industries for the Blind.

3548 (xxv) **Purchases of state-adopted textbooks.**
3549 Purchases of state-adopted textbooks by public school districts.

3550 (xxvi) **Certain purchases under the Mississippi**
3551 **Major Economic Impact Act.** Contracts entered into pursuant to the
3552 provisions of Section 57-75-9(2), (3) and (4).

3553 (xxvii) **Used heavy or specialized machinery or**
3554 **equipment for installation of soil and water conservation**
3555 **practices purchased at auction.** Used heavy or specialized
3556 machinery or equipment used for the installation and
3557 implementation of soil and water conservation practices or
3558 measures purchased subject to the restrictions provided in
3559 Sections 69-27-331 through 69-27-341. Any purchase by the State
3560 Soil and Water Conservation Commission under the exemption
3561 authorized by this subparagraph shall require advance
3562 authorization spread upon the minutes of the commission to include
3563 the listing of the item or items authorized to be purchased and
3564 the maximum bid authorized to be paid for each item or items.



3565 (xxviii) **Hospital lease of equipment or services.**
3566 Leases by hospitals of equipment or services if the leases are in
3567 compliance with paragraph (1)(ii).

3568 (xxix) **Purchases made pursuant to qualified**
3569 **cooperative purchasing agreements.** Purchases made by certified
3570 purchasing offices of state agencies or governing authorities
3571 under cooperative purchasing agreements previously approved by the
3572 Office of Purchasing and Travel and established by or for any
3573 municipality, county, parish or state government or the federal
3574 government, provided that the notification to potential
3575 contractors includes a clause that sets forth the availability of
3576 the cooperative purchasing agreement to other governmental
3577 entities. Such purchases shall only be made if the use of the
3578 cooperative purchasing agreements is determined to be in the best
3579 interest of the governmental entity.

3580 (xxx) **School yearbooks.** Purchases of school
3581 yearbooks by state agencies or governing authorities; however,
3582 state agencies and governing authorities shall use for these
3583 purchases the RFP process as set forth in the Mississippi
3584 Procurement Manual adopted by the Office of Purchasing and Travel.

3585 (xxxi) **Design-build method of contracting and**
3586 **certain other contracts.** Contracts entered into under the
3587 provisions of Section 31-7-13.1, 37-101-44 or 65-1-85.



3588 (xxxiii) **Toll roads and bridge construction**
3589 **projects.** Contracts entered into under the provisions of Section
3590 65-43-1 or 65-43-3.

3591 (xxxiii) **Certain purchases under Section 57-1-221.**
3592 Contracts entered into pursuant to the provisions of Section
3593 57-1-221.

3594 (xxxiv) **Certain transfers made pursuant to the**
3595 **provisions of Section 57-105-1(7).** Transfers of public property
3596 or facilities under Section 57-105-1(7) and construction related
3597 to such public property or facilities.

3598 (xxxv) **Certain purchases or transfers entered into**
3599 **with local electrical power associations.** Contracts or agreements
3600 entered into under the provisions of Section 55-3-33.

3601 (xxxvi) **Certain purchases by an academic medical**
3602 **center or health sciences school.** Purchases by an academic
3603 medical center or health sciences school, as defined in Section
3604 37-115-50, of commodities that are used for clinical purposes and
3605 1. intended for use in the diagnosis of disease or other
3606 conditions or in the cure, mitigation, treatment or prevention of
3607 disease, and 2. medical devices, biological, drugs and
3608 radiation-emitting devices as defined by the United States Food
3609 and Drug Administration.

3610 (xxxvii) **Certain purchases made under the Alyce G.**
3611 **Clarke Mississippi Lottery Law.** Contracts made by the Mississippi



3612 Lottery Corporation pursuant to the Alyce G. Clarke Mississippi
3613 Lottery Law.

3614 (xxxviii) **Certain purchases made by the Department**
3615 **of Health and the Department of Revenue.** Purchases made by the
3616 Department of Health and the Department of Revenue * * * for the
3617 purpose of fulfilling their respective responsibilities under the
3618 Mississippi Medical Cannabis Act, and any provision in Sections 1
3619 through 23 of this act that are applicable to the departments
3620 individually or jointly. This subparagraph shall stand repealed
3621 on June 30, 2026.

3622 (n) **Term contract authorization.** All contracts for the
3623 purchase of:

3624 (i) All contracts for the purchase of commodities,
3625 equipment and public construction (including, but not limited to,
3626 repair and maintenance), may be let for periods of not more than
3627 sixty (60) months in advance, subject to applicable statutory
3628 provisions prohibiting the letting of contracts during specified
3629 periods near the end of terms of office. Term contracts for a
3630 period exceeding twenty-four (24) months shall also be subject to
3631 ratification or cancellation by governing authority boards taking
3632 office subsequent to the governing authority board entering the
3633 contract.

3634 (ii) Bid proposals and contracts may include price
3635 adjustment clauses with relation to the cost to the contractor
3636 based upon a nationally published industry-wide or nationally



3637 published and recognized cost index. The cost index used in a
3638 price adjustment clause shall be determined by the Department of
3639 Finance and Administration for the state agencies and by the
3640 governing board for governing authorities. The bid proposal and
3641 contract documents utilizing a price adjustment clause shall
3642 contain the basis and method of adjusting unit prices for the
3643 change in the cost of such commodities, equipment and public
3644 construction.

3645 (o) **Purchase law violation prohibition and vendor**
3646 **penalty.** No contract or purchase as herein authorized shall be
3647 made for the purpose of circumventing the provisions of this
3648 section requiring competitive bids, nor shall it be lawful for any
3649 person or concern to submit individual invoices for amounts within
3650 those authorized for a contract or purchase where the actual value
3651 of the contract or commodity purchased exceeds the authorized
3652 amount and the invoices therefor are split so as to appear to be
3653 authorized as purchases for which competitive bids are not
3654 required. Submission of such invoices shall constitute a
3655 misdemeanor punishable by a fine of not less than Five Hundred
3656 Dollars (\$500.00) nor more than One Thousand Dollars (\$1,000.00),
3657 or by imprisonment for thirty (30) days in the county jail, or
3658 both such fine and imprisonment. In addition, the claim or claims
3659 submitted shall be forfeited.

3660 (p) **Electrical utility petroleum-based equipment**
3661 **purchase procedure.** When in response to a proper advertisement



3662 therefor, no bid firm as to price is submitted to an electric
3663 utility for power transformers, distribution transformers, power
3664 breakers, reclosers or other articles containing a petroleum
3665 product, the electric utility may accept the lowest and best bid
3666 therefor although the price is not firm.

3667 (q) **Fuel management system bidding procedure.** Any
3668 governing authority or agency of the state shall, before
3669 contracting for the services and products of a fuel management or
3670 fuel access system, enter into negotiations with not fewer than
3671 two (2) sellers of fuel management or fuel access systems for
3672 competitive written bids to provide the services and products for
3673 the systems. In the event that the governing authority or agency
3674 cannot locate two (2) sellers of such systems or cannot obtain
3675 bids from two (2) sellers of such systems, it shall show proof
3676 that it made a diligent, good-faith effort to locate and negotiate
3677 with two (2) sellers of such systems. Such proof shall include,
3678 but not be limited to, publications of a request for proposals and
3679 letters soliciting negotiations and bids. For purposes of this
3680 paragraph (q), a fuel management or fuel access system is an
3681 automated system of acquiring fuel for vehicles as well as
3682 management reports detailing fuel use by vehicles and drivers, and
3683 the term "competitive written bid" shall have the meaning as
3684 defined in paragraph (b) of this section. Governing authorities
3685 and agencies shall be exempt from this process when contracting
3686 for the services and products of fuel management or fuel access



3687 systems under the terms of a state contract established by the
3688 Office of Purchasing and Travel.

3689 (r) **Solid waste contract proposal procedure.** Before
3690 entering into any contract for garbage collection or disposal,
3691 contract for solid waste collection or disposal or contract for
3692 sewage collection or disposal, which involves an expenditure of
3693 more than Seventy-five Thousand Dollars (\$75,000.00), a governing
3694 authority or agency shall issue publicly a request for proposals
3695 concerning the specifications for such services which shall be
3696 advertised for in the same manner as provided in this section for
3697 seeking bids for purchases which involve an expenditure of more
3698 than the amount provided in paragraph (c) of this section. Any
3699 request for proposals when issued shall contain terms and
3700 conditions relating to price, financial responsibility,
3701 technology, legal responsibilities and other relevant factors as
3702 are determined by the governing authority or agency to be
3703 appropriate for inclusion; all factors determined relevant by the
3704 governing authority or agency or required by this paragraph (r)
3705 shall be duly included in the advertisement to elicit proposals.
3706 After responses to the request for proposals have been duly
3707 received, the governing authority or agency shall select the most
3708 qualified proposal or proposals on the basis of price, technology
3709 and other relevant factors and from such proposals, but not
3710 limited to the terms thereof, negotiate and enter into contracts
3711 with one or more of the persons or firms submitting proposals. If



3712 the governing authority or agency deems none of the proposals to
3713 be qualified or otherwise acceptable, the request for proposals
3714 process may be reinitiated. Notwithstanding any other provisions
3715 of this paragraph, where a county with at least thirty-five
3716 thousand (35,000) nor more than forty thousand (40,000)
3717 population, according to the 1990 federal decennial census, owns
3718 or operates a solid waste landfill, the governing authorities of
3719 any other county or municipality may contract with the governing
3720 authorities of the county owning or operating the landfill,
3721 pursuant to a resolution duly adopted and spread upon the minutes
3722 of each governing authority involved, for garbage or solid waste
3723 collection or disposal services through contract negotiations.

3724 (s) **Minority set-aside authorization.** Notwithstanding
3725 any provision of this section to the contrary, any agency or
3726 governing authority, by order placed on its minutes, may, in its
3727 discretion, set aside not more than twenty percent (20%) of its
3728 anticipated annual expenditures for the purchase of commodities
3729 from minority businesses; however, all such set-aside purchases
3730 shall comply with all purchasing regulations promulgated by the
3731 Department of Finance and Administration and shall be subject to
3732 bid requirements under this section. Set-aside purchases for
3733 which competitive bids are required shall be made from the lowest
3734 and best minority business bidder. For the purposes of this
3735 paragraph, the term "minority business" means a business which is
3736 owned by a majority of persons who are United States citizens or



3737 permanent resident aliens (as defined by the Immigration and
3738 Naturalization Service) of the United States, and who are Asian,
3739 Black, Hispanic or Native American, according to the following
3740 definitions:

3741 (i) "Asian" means persons having origins in any of
3742 the original people of the Far East, Southeast Asia, the Indian
3743 subcontinent, or the Pacific Islands.

3744 (ii) "Black" means persons having origins in any
3745 black racial group of Africa.

3746 (iii) "Hispanic" means persons of Spanish or
3747 Portuguese culture with origins in Mexico, South or Central
3748 America, or the Caribbean Islands, regardless of race.

3749 (iv) "Native American" means persons having
3750 origins in any of the original people of North America, including
3751 American Indians, Eskimos and Aleuts.

3752 (t) **Construction punch list restriction.** The
3753 architect, engineer or other representative designated by the
3754 agency or governing authority that is contracting for public
3755 construction or renovation may prepare and submit to the
3756 contractor only one (1) preliminary punch list of items that do
3757 not meet the contract requirements at the time of substantial
3758 completion and one (1) final list immediately before final
3759 completion and final payment.

3760 (u) **Procurement of construction services by state**
3761 **institutions of higher learning.** Contracts for privately financed



3762 construction of auxiliary facilities on the campus of a state
3763 institution of higher learning may be awarded by the Board of
3764 Trustees of State Institutions of Higher Learning to the lowest
3765 and best bidder, where sealed bids are solicited, or to the
3766 offeror whose proposal is determined to represent the best value
3767 to the citizens of the State of Mississippi, where requests for
3768 proposals are solicited.

3769 (v) **Insurability of bidders for public construction or**
3770 **other public contracts.** In any solicitation for bids to perform
3771 public construction or other public contracts to which this
3772 section applies, including, but not limited to, contracts for
3773 repair and maintenance, for which the contract will require
3774 insurance coverage in an amount of not less than One Million
3775 Dollars (\$1,000,000.00), bidders shall be permitted to either
3776 submit proof of current insurance coverage in the specified amount
3777 or demonstrate ability to obtain the required coverage amount of
3778 insurance if the contract is awarded to the bidder. Proof of
3779 insurance coverage shall be submitted within five (5) business
3780 days from bid acceptance.

3781 (w) **Purchase authorization clarification.** Nothing in
3782 this section shall be construed as authorizing any purchase not
3783 authorized by law.

3784 (x) **Mississippi Regional Pre-Need Disaster Clean Up**
3785 **Act.** (i) The Department of Finance and Administration shall
3786 enter into nine (9) contracts for the pre-need purchase of labor,



3787 services, work, materials, equipment, supplies or other personal
3788 property for disaster-related solid waste collection, disposal or
3789 monitoring. One (1) contract shall be entered into for each of
3790 the nine (9) Mississippi Emergency Management Association
3791 districts:

3792 1. Coahoma, DeSoto, Grenada, Panola, Quitman,
3793 Tallahatchie, Tate, Tunica and Yalobusha Counties;

3794 2. Alcorn, Benton, Itawamba, Lafayette, Lee,
3795 Marshall, Pontotoc, Prentiss, Tippah, Tishomingo and Union
3796 Counties;

3797 3. Attala, Bolivar, Carroll, Holmes,
3798 Humphreys, Leflore, Montgomery, Sunflower and Washington Counties;

3799 4. Calhoun, Chickasaw, Choctaw, Clay,
3800 Lowndes, Monroe, Noxubee, Oktibbeha, Webster and Winston Counties;

3801 5. Claiborne, Covich, Hinds, Issaquena,
3802 Madison, Rankin, Sharkey, Simpson, Warren and Yazoo Counties;

3803 6. Clarke, Jasper, Kemper, Lauderdale, Leake,
3804 Neshoba, Newton, Scott, and Smith Counties and the Mississippi
3805 Band of Choctaw Indians;

3806 7. Adams, Amite, Franklin, Jefferson,
3807 Lawrence, Lincoln, Pike, Walthall and Wilkinson Counties;

3808 8. Covington, Forrest, Greene, Jefferson
3809 Davis, Jones, Lamar, Marion, Perry and Wayne Counties; and

3810 9. George, Hancock, Harrison, Jackson, Pearl
3811 River and Stone Counties.



3812 Any such contract shall set forth the manner of awarding such
3813 a contract, the method of payment, and any other matter deemed
3814 necessary to carry out the purposes of the agreement. Such
3815 contract may be entered into only for a term of one (1) year, with
3816 an option for an additional one-year extension after the
3817 conclusion of the first year of the contract, and only after
3818 having solicited bids or proposals, as appropriate, which shall be
3819 publicly advertised by posting on a web page maintained by the
3820 Department of Finance and Administration through submission of
3821 such advertisement to the Mississippi Procurement Technical
3822 Assistance Program under the Mississippi Development Authority.
3823 The bid opening shall not occur until after the submission has
3824 been posted for at least ten (10) consecutive days. The state's
3825 share of expenditures for solid waste collection, disposal or
3826 monitoring under any contract shall be appropriated and paid in
3827 the manner set forth in the contract and in the same manner as for
3828 other solid waste collection, disposal, or monitoring expenses of
3829 the state. Any contract entered into under this paragraph shall
3830 not be subject to the provisions of Section 17-13-11.

3831 (ii) Any board of supervisors of any county or any
3832 governing authority of any municipality may opt in to the benefits
3833 and services provided under the appropriate and relevant contract
3834 established in subparagraph (i) of this paragraph at the time of a
3835 disaster event in that county or municipality. At the time of opt
3836 in, the county or municipality shall assume responsibility for



3837 payment in full to the contractor for the disaster-related solid
3838 waste collection, disposal or monitoring services provided.
3839 Nothing in this subparagraph (ii) shall be construed as requiring
3840 a county or municipality to opt in to any such contract
3841 established in subparagraph (i) of this paragraph.

3842 **SECTION 31.** (1) It shall be unlawful for any person to have
3843 or possess, with the intent to sell, intoxicating hemp intended
3844 for use in violating the provisions of this chapter, or
3845 regulations prescribed under this chapter. No property rights
3846 shall exist in any such products. All such property shall be
3847 considered contraband and shall be seized and forfeited to the
3848 state of Mississippi.

3849 (2) An individual or entity that is not authorized to sell
3850 intoxicating hemp products in accordance with the provisions of
3851 this act that advertises the sale of intoxicating hemp products or
3852 offers to consumers products that are packaged and labeled as
3853 intoxicating hemp products shall be presumed to be violating the
3854 provisions of this act and such products shall be subject to
3855 seizure and forfeiture.

3856 (3) The following are subject to forfeiture:

3857 (a) All intoxicating hemp products, as defined in
3858 69-25-203, which have been distributed, dispensed or acquired in
3859 violation of this chapter;



3860 (b) All property which is used, or intended for use, as
3861 a container for property described in items (a) of this
3862 subsection;

3863 (c) All money, deadly weapons, books, records and
3864 research products and materials, including formulas, microfilm,
3865 tapes and data which are used, or intended for use, in violation
3866 of this chapter.

3867 (4) Property subject to forfeiture may be seized by the
3868 Department of Health, Department of Revenue, and Department of
3869 Agriculture and its agents, and duly sworn law enforcement
3870 officers acting within their jurisdiction upon process issued by
3871 any appropriate court having jurisdiction over the property.
3872 Seizure without process may be made if:

3873 (a) The seizure is incident to an arrest or a search
3874 under a search warrant or an investigation under Section
3875 41-137-45;

3876 (b) The property subject to seizure has been the
3877 subject of a prior judgment in favor of the state in a criminal
3878 injunction or forfeiture proceeding based upon this chapter; or

3879 (c) The Department of Health, Department of Revenue,
3880 and Department of Agriculture and Commerce, as applicable, and
3881 other law enforcement personnel described in this subsection have
3882 probable cause to believe that the property was used or is
3883 intended to be used in violation of this chapter.



3884 (5) Intoxicating hemp products, seized or detained under the
3885 authority of this chapter, are deemed to be in the custody of the
3886 agent or agency so seizing the property and subject only to the
3887 orders and decrees of the court having jurisdiction over the
3888 property. When such property is seized, it may be retained as
3889 evidence until final disposition of the cause in which such
3890 property is involved.

3891 (6) Any intoxicating hemp seized under the authority of this
3892 chapter, shall be destroyed, adulterated and disposed of or
3893 otherwise rendered harmless and disposed of, upon written
3894 authorization of the Commissioner of Agriculture, Commissioner of
3895 the Mississippi Department of Revenue, or the State Health Officer
3896 of the Mississippi Department of Health, as applicable, after such
3897 intoxicating hemp product has served its usefulness as evidence or
3898 after such product is no longer useful for training or
3899 demonstration purposes. No intoxicating hemp product shall be
3900 disposed of, destroyed or rendered harmless under the authority of
3901 this section without an order from the director, Commissioner of
3902 the Mississippi Department of Revenue or the State Health Officer
3903 of the Mississippi Department of Health, as applicable, and
3904 without at least two (2) officers or agents of the bureau present
3905 as witnesses.

3906 (7) A record of the disposition of such intoxicating hemp
3907 products and the method of destruction or adulteration employed



3908 along with the names of witnesses to such destruction or
3909 adulteration shall be retained by the applicable department.

3910 (8) Any person under the age of twenty-one (21) years who
3911 purchases, receives, or has in his or her possession in any public
3912 place, any intoxicating hemp product(s), shall be guilty of a
3913 misdemeanor and shall be punished by a fine of not less than Two
3914 Hundred Dollars (\$200.00) nor more than Five Hundred Dollars
3915 (\$500.00). If a person under the age of twenty-one (21) years is
3916 convicted or enters a plea of guilty of purchasing, receiving or
3917 having in his or her possession in any public place any
3918 intoxicating hemp product(s) in violation of this subsection, the
3919 trial judge, in lieu of the penalties otherwise provided under
3920 this subsection, shall suspend the minor's driver's license by
3921 taking and keeping it in the custody of the court for a period of
3922 time not to exceed ninety (90) days. The judge so ordering the
3923 suspension shall enter upon his docket "DEFENDANT'S DRIVER'S
3924 LICENSE SUSPENDED FOR ____ DAYS IN LIEU OF CONVICTION" and such
3925 action by the trial judge shall not constitute a conviction.
3926 During the period that the minor's driver's license is suspended,
3927 the trial judge shall suspend the imposition of any fines or
3928 penalties that may be imposed under this subsection and may place
3929 the minor on probation subject to such conditions as the judge
3930 deems appropriate. If the minor violates any of the conditions of
3931 probation, then the trial judge shall return the driver's license
3932 to the minor and impose the fines, penalties or both, that he



3933 would have otherwise imposed, and such action shall constitute a
3934 conviction.

3935 **SECTION 32.** This act shall take effect and be in force from
3936 and after its passage, subject to the following provisions:

3937 (a) Within one hundred twenty (120) days of the
3938 effective date of this act, the Department of Health and
3939 Department of Revenue shall promulgate rules and regulations
3940 related to their responsibilities under this act;

3941 (b) Beginning on October 1, 2024, each licensed medical
3942 cannabis testing facility may test hemp products, including, but
3943 not limited to, intoxicating hemp products;

3944 (c) Until November 1, 2024, all hemp products that
3945 would be considered intoxicating hemp products as of the effective
3946 date of this act may continue to be sold in retail entities that
3947 are not licensed as medical cannabis dispensaries; and

3948 (d) Beginning on November 1, 2024, all intoxicating
3949 hemp products shall only be sold to consumers through licensed
3950 medical cannabis dispensaries that are registered with the
3951 Department of Revenue to sell such products.

**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.

