

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT AND MR. SPEAKER:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 2857: Medical cannabis act; set additional provisions related to background checks, department investigations, fees and appeals.

We, therefore, respectfully submit the following report and recommendation:

1. That the House recede from its Amendment No. 1.
2. That the Senate and House adopt the following amendment:

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

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

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

32 (b) * * * For the purposes of this section, an
33 applicant is any person who registers with or applies for an



34 initial medical cannabis work permit, or a renewal of a medical
35 cannabis work permit. Such a person or applicant may also be
36 defined as an agent, an employee, a representative, etc. as
37 further defined and sometimes used interchangeably as referenced
38 in this section.

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

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

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



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

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

63 (h) Any and every person/applicant seeking to become an
64 owner or principal owner, principal officer, or officer, board
65 member, director, manager, agent/representative, employee, care
66 giver, or volunteer of a medical cannabis establishment shall
67 apply for, or authorize the MDOH to obtain state and national
68 criminal background checks to be conducted by the Mississippi
69 Justice Information Center of the Department of Public Safety and
70 the Federal Bureau of Investigation.

71 (i) Such criminal background checks shall conform to
72 the applicable federal standards and shall include the taking of
73 fingerprints.

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

79 (k) The person seeking to become an
80 agent/representative of a medical cannabis establishment shall
81 authorize the release of such criminal background checks to the
82 MDOH and shall be responsible for the payment of any fee that the



83 Mississippi Justice Information Center of the Department of Public
84 Safety or the MDOH charges to process fingerprint-based state and
85 national criminal background checks. The Department of Public
86 Safety and the MDOH each may charge and retain a fee not to exceed
87 Sixty Dollars (\$60.00) for each applicant.

88 (1) The Mississippi Justice Information Center of the
89 Department of Public Safety shall forward to the MDOH all
90 information obtained concerning the applicant. MDOH will not
91 disseminate the information and will only use such information as
92 required to fulfill the purposes of this act.

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

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

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

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

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

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



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

113 (6) No medical cannabis establishment other than a cannabis
114 processing facility or cannabis research facility may produce
115 cannabis concentrates, cannabis extractions, or other cannabis
116 products.

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

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

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

123 (a) Require that the individual present a registry
124 identification card;

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

127 (c) Make a diligent effort to verify that the person
128 presenting the registry identification card is the person
129 identified on the registry identification card presented to the
130 dispensary agent; and



131 (d) Not believe that the amount of medical cannabis
132 dispensed would cause the person to possess more than the
133 allowable amount of medical cannabis.

134 (10) A medical cannabis establishment shall not sell more
135 than the allowable amount of medical cannabis to a
136 cardholder. * * * A resident cardholder shall not obtain more
137 than a total of twenty-four (24) MMCEUs of allowable medical
138 cannabis in thirty (30) days from a dispensary or a combination of
139 dispensaries.

140 The possession limit for resident cardholders of the
141 allowable amount of medical cannabis shall be a total of
142 twenty-eight (28) MMCEUs. There shall not be a possession limit
143 on nonconsumable medical cannabis, including, but not limited to,
144 suppositories, ointments, soaps, and lotions or other topical
145 agents.

146 (11) For purposes of this chapter, total THC is defined as
147 THCA multiplied by .877 plus THC Delta 9 and all other
148 psychoactive forms or isomers of THC added together. A medical
149 cannabis establishment shall not sell cannabis flower or trim that
150 has a potency of greater than thirty percent (30%) total THC. A
151 medical cannabis dispensary shall not sell cannabis tinctures,
152 oils or concentrates that have a potency of greater than sixty
153 percent (60%) total THC. Cannabis products that have a potency of
154 over thirty percent (30%) total THC shall be clearly labeled as
155 "extremely potent." Edible cannabis products, including food or



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

160 A medical cannabis product shall contain a notice of harm
161 regarding the use of cannabis products. Edible cannabis products
162 shall be homogenized to ensure uniform disbursement of
163 cannabinoids throughout the product. All molded edible cannabis
164 products shall be presented in the form of geometric shapes and
165 shall not be molded to contain any images or characters designed
166 or likely to appeal to minors, such as cartoons, toys, animals or
167 children.

168 (12) A dispensary may not dispense more than the allowable
169 amount of cannabis to a registered qualifying patient or a
170 nonresident cardholder, directly or via a registered designated
171 caregiver. Dispensaries shall ensure compliance with this
172 limitation by maintaining internal, confidential records that
173 include records specifying how much medical cannabis is being
174 dispensed to the registered qualifying patient or nonresident
175 cardholder and whether it was dispensed directly to a registered
176 qualifying patient, nonresident cardholder or to the registered
177 designated caregiver.

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



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

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

197 (15) A medical cannabis dispensary agent or employee shall
198 not issue a written certification. Employees and agents of a
199 medical cannabis dispensary shall complete at least eight (8)
200 hours of continuing education in medical cannabis as regulated by
201 the MDOR in order to be certified to work at a medical cannabis
202 dispensary. After the first year of employment, these employees
203 shall complete five (5) hours of continuing education in medical
204 cannabis annually to maintain this certification.



205 (16) Notwithstanding any other provision to the contrary, a
206 patient with a debilitating medical condition who is between
207 eighteen (18) years to twenty-five (25) years of age is not
208 eligible for a medical cannabis registry identification card
209 unless two (2) practitioners from separate medical practices have
210 diagnosed the patient as having a debilitating medical condition
211 after an in-person consultation. One (1) of these practitioners
212 must be a physician or doctor of osteopathic medicine.

213 If one (1) of the recommending practitioners is not the
214 patient's primary care practitioner, the recommending practitioner
215 shall review the records of a diagnosing practitioner. The
216 requirement that the two (2) practitioners be from separate
217 medical practices does not apply if the patient is homebound or if
218 the patient had a registry identification card before the age of
219 eighteen (18).

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

226 (18) A medical cannabis establishment shall only purchase,
227 grow, cultivate, and use cannabis that is grown and cultivated in
228 this state. Any medical cannabis that is grown and cultivated in
229 this state shall not be transported outside of this state.



230 (19) Employees of all medical cannabis establishments shall
231 apply for a work permit with the MDOH and MDOR, as applicable,
232 before beginning employment with any establishment. The licensing
233 agency for the respective medical cannabis establishment may issue
234 work permits to these individuals. These licensing agencies shall
235 maintain a work registry of all applicants and work permits
236 issued. The fee for a work permit shall be Twenty-five Dollars
237 (\$25.00) and the permit shall be valid for five (5) years. Work
238 permits shall be the property of the employee and shall not be
239 transferable to other employees.

240 (20) For purposes of this subsection, "plant growth
241 regulator cannabis" shall mean a cannabis plant whose growth and
242 structure has been modified using plant growth hormones. A
243 cannabis cultivation facility shall not cultivate and a cannabis
244 dispensary shall not sell, transfer or provide for consumption
245 plant growth regulator cannabis.

246 (21) A medical cannabis dispensary shall only make sales to
247 cardholders inside the dispensary. A medical cannabis dispensary
248 shall not sell or otherwise convey medical cannabis to a
249 cardholder through the means of a drive-through, curbside delivery
250 or other delivery outside the premises of the dispensary. Any
251 topical cannabis product that is purchased by a dispensary from a
252 licensed processor, and that is not ingested by the liver, may be
253 sold to a cardholder or any person over the age of twenty-one (21)
254 years old who is not a cardholder. Such products shall be placed



255 in an area of the dispensary that does not require access with a
256 registry identification card.

257 (22) Any and all contracts or agreements entered into by the
258 MDOH and MDOR for information technology software, hardware,
259 and/or services for the purpose of implementing and/or operating
260 under the Mississippi Medical Cannabis Act shall include language
261 reasonably limiting the ability of the vendor to escalate the
262 ongoing cost of such software, hardware, and/or services during
263 the term of the contract, including any amendments and/or
264 extensions.

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

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

270 41-137-47. (1) * * * The licensing agency is authorized to
271 investigate, either on the basis of complaints filed with it or on
272 its own initiative through compliance visits, reviews or audits,
273 instances of suspected violations of any nature, including, but
274 not limited to:

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

277 (b) The providing of false information on an
278 application or renewal for a license, incident to a hearing, or
279 otherwise;



280 (c) The conviction of a licensee of a felony;
281 (d) The misappropriation of funds; and
282 (e) The inversion or diversion of medical cannabis or
283 medical cannabis products, or of any other matter reflecting
284 unfavorably upon the holder of a license under the act.

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

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

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

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

294 (3) The licensing agency may deny the application of any
295 applicant who fails to meet the qualifications for obtaining such
296 license under this chapter or any rules and regulations under this
297 chapter.

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

300 If a licensee or applicant wishes to appeal the licensing agency's
301 decision, the licensee or applicant shall file its administrative
302 appeal within twenty (20) days of receipt of the initial notice.

303 If such a hearing is requested, the licensing agency shall
304 set a day for a hearing and shall notify the licensee that on the



305 day fixed for hearing he or she may appear so that an
306 administrative hearing may take place. The licensing agency shall
307 then conduct a hearing on the record pursuant to the licensing
308 agency's rules and regulations governing such hearings, at which
309 time the burden shall be on the licensee or applicant to prove
310 that the agency's decision was:

- 311 (a) Unsupported by substantial evidence;
- 312 (b) Arbitrary or capricious;
- 313 (c) Beyond the power of the administrative agency to
314 make; or
- 315 (d) Violated some statutory or constitutional right of
316 the aggrieved party.

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

320 (5) In cases where violations of this chapter have been
321 substantiated, the licensing agency may assess a monetary penalty
322 or recoupment of costs for those reasonable costs that are
323 expended by the licensing agency in the investigation and conduct
324 of a proceeding for the compliance issue that is the subject
325 matter of the hearing, including, but not limited to, the costs of
326 process service, court reporters, expert witnesses and
327 investigations. The licensing agency shall determine the amount
328 of investigative fees and costs owed by a licensee based on an
329 itemized accounting after the investigation has been officially



330 completed and a final determination or action has been determined.
331 Upon final determination or action, the licensing agency shall
332 give to the licensee an itemized accounting of the investigative
333 fees and costs incurred. The licensing agency may recommend
334 denial of, or refusal to take final action to approve the renewal
335 of a licensee unless all investigative fees and costs have been
336 paid in full by the licensee.

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

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

351 (* * *8) The MDOH shall immediately revoke the registry
352 identification card of any cardholder who sells or otherwise
353 transfers medical cannabis to a person or other entity, and the



354 cardholder shall be disqualified from further participation in the
355 medical cannabis program under this chapter.

356 (* * *9) Except as otherwise provided in subsection
357 (* * *8) of this section, the MDOH may revoke the registry
358 identification card of any cardholder who knowingly commits a
359 violation of this chapter.

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

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

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

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

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

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



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

X (SIGNED)
Bryan

X (SIGNED)
Yancey

X (SIGNED)
Blackwell

X (SIGNED)
Calvert

X (SIGNED)
Johnson

X (SIGNED)
Hawkins

