

## Title 35 Mississippi Department of Revenue

### Part XI Cannabis Dispensaries

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#### Chapter 1 Definitions

100 “Cannabis” means all parts of the plant of the genus cannabis, the flower, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or its resin, including whole plant extracts. It does not mean cannabis derived from drug products approved by the federal Food and Drug Administration under Section 505 of the Food, Drug and Cosmetic Act.

- 101 “Cannabis product” means cannabis flower, concentrated cannabis, cannabis extracts, and products that are infused with cannabis or an extract thereof and are intended for use or consumption by humans. The term includes, without limitation, edible cannabis products, beverages, topical products, ointments, oils, tinctures and suppositories that contain tetrahydrocannabinol (THC) and/or cannabidiol (CBD) except those products excluded from control under Miss. Code Sections 41-29-113 and 41-29-136.
- 102 “Cardholder” means a registered patient or a registered designated caregiver who has been issued and possesses a valid registry identification card.
- 103 “Concentrate” means a substance obtained by separating cannabinoids from cannabis by:
1. A mechanical extraction process;
  2. A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, food-grade ethanol or steam distillation; or
  3. A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure.
- 104 “Department” means the Mississippi Department of Revenue.
- 105 “Department of Health” means the Mississippi Department of Health
- 106 “Dispensary” means an entity licensed and registered with the Department that acquires, possesses, stores, transfers, sells, supplies, or dispenses cannabis, cannabis products, equipment used for medical cannabis, or related supplies and educational materials to cardholders. An entity or individual cannot have greater than a ten (10%) interest in more than five (5) dispensaries.
- 107 “Disqualifying felony offense” means:
1. A conviction for a crime of violence, as defined in Miss. Code Section 97-3-2;
  2. A conviction for a crime that was defined as a violent crime in the law of the jurisdiction in which the offense was committed, and that was classified as a felony in the jurisdiction where the person was convicted; or
  3. A conviction for a violation of a state or federal controlled substances law that was classified as a felony in the jurisdiction where the person was convicted, including the service of any term of probation, incarceration, or supervised release within the previous five (5) years and the offender has not committed another similar offense since the conviction. Under this subparagraph (3), a disqualifying felony offense shall not include a conviction that consisted of conduct for which the Medical Cannabis Program would likely have prevented the conviction but for the fact that the conduct occurred before the effective date of the Program’s creation.
- 108 “Economic Interest” means holding an ownership interest as a sole proprietor, partner, limited partner, member holding at least a 10% equity or similar interest, stockholder owning at least 10% of available stock, or any other type of interest that entitles the individual or entity to regular payments for amounts based on a percentage of revenue

derived from the sale of cannabis or cannabis products in any licensed dispensary. This definition excludes the following:

1. Any investment that the investor does not control in nature, amount or timing, including mutual funds, group investments, etc.;
2. Lenders that have provided a loan to the dispensary where the repayment amounts for the loan are regular flat fee payments;
3. Operators under management agreements where the fee paid to management company is a flat monthly rate or is a percentage fee equal to less than 10% of the monthly gross revenue of the dispensary; or
4. Landlords that are receiving flat monthly rate lease payments from the dispensary.

109 “Edible cannabis products” means products that:

1. Contain or are infused with cannabis or an extract thereof;
2. Are intended for human consumption by oral ingestion; and
3. Are presented in the form of foodstuffs, beverages, extracts, oils, tinctures, lozenges and other similar products.

110 “Electronic tracking system” means the seed-to-sale system administered by the Mississippi Department of Health.

111 “Entity” means a corporation, general partnership, limited partnership or limited liability company that has been registered with the Secretary of State as applicable.

112 “Licensee” means the entity or individual who has received a license from the Mississippi Department of Revenue to operate a dispensary.

113 “Main Point of Entry” and “Main Entrance” both mean the primary entryway or door through which the majority of cardholders are directed to enter the dispensary to purchase medical cannabis products.

114 “MMCEU” means Mississippi Medical Cannabis Equivalency Unit. One unit of MMCEU shall be considered equal to:

1. Three and one-half (3.5) grams of medical cannabis flower;
2. One (1) gram of medical cannabis concentrate; or
3. One hundred (100) milligrams of THC in an infused product.

115 “Registry identification card” means a document issued by the Mississippi Department of Health that identifies a person as a registered qualifying patient, nonresident registered qualifying patient or registered designated caregiver.

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

117 “Brand” shall mean a name, term, design or symbol or any other feature that identifies one seller’s goods or services as distinct from those of other sellers. For the purposes of these regulations, a company logo is considered a brand.

118 Reserved

## **Chapter 2 Application Process**

100 An entity or individual may not sell, possess, store, transfer or distribute medical cannabis or medical cannabis products without first applying for and receiving the appropriate medical cannabis license from the State.

101 An application must include the following:

1. The names and other required information for all individuals and legal entities who are applicants.
2. Any forms required by the Department and any information identified in the forms that is required to be submitted.
3. A map or sketch of the premises proposed for licensure, including the defined boundaries of the premises and a scaled floorplan sketch of all enclosed areas with clear identification of the main entrance, walls, all areas of ingress and egress, and all limited access areas. This map must provide accurate measurements that allow the Department, at a minimum, to determine the precise main entrance location in reference to the rest of the premises.
4. If the application is based on proposed construction not completed at the time of application, the applicant must submit construction plans for the proposed building which will be the basis for the application investigation. These plans must, at a minimum, provide accurate measurements that allow the Department to determine the precise main entrance location in reference to the rest of the building.
5. An operating plan that demonstrates at a minimum how the applicant's proposed premises and business will comply with applicable laws and rules regarding:
  - a. Security;
  - b. Employee qualifications, including background checks, and training;
  - c. Record-keeping systems;
  - d. Hours of operation;
  - e. Preventing non-cardholders under the age of 21 from entering the licensed premises; and
  - f. Preventing non-cardholders from obtaining or attempting to obtain any items sold by the dispensary.
6. If the municipality or county where the proposed dispensary will be located has enacted zoning restrictions, a sworn attestation by the applicant certifying that the proposed dispensary is in compliance with the restrictions.
7. If the municipality or county where the proposed dispensary will be located requires a local registration, license, or permit, then the applicant must attach to the application a copy of each obtained registration, license or permit issued to the applicant. If construction is still under way at the time of the application resulting in the applicant’s inability to obtain the required local registrations, licenses or permits at

the time of application, then the applicant shall attach a signed attestation containing the following information in addition to attaching the obtained registrations, licenses or permits, if any:

- a. A list of all local registrations, licenses or permits that have not yet been obtained;
  - b. Anticipated dates that the applicant will obtain each local registration, license or permit; and
  - c. An acknowledgment that the applicant is aware that the outstanding registrations, licenses or permits are a condition of the medical cannabis dispensary license, and that the applicant will provide the Department with a copy of each registration, license and permit within ten (10) days of such receipt. The Department must receive a copy of all such applicable registrations, licenses and permits prior to the dispensary being eligible to open for business.
8. Applicants shall provide proof of authorization to occupy the property for the proposed dispensary. To establish proof, the applicant shall provide one of the following:
- a. If the building is owned by the applicant, the applicant shall provide a copy of the deed showing the applicant as the owner.
  - b. If the building is leased by the applicant, the applicant shall provide a copy of the lease.
  - c. If the building is not owned or leased by the applicant but will be if a license is issued, the applicant shall provide a contingent agreement with the owner or landlord certifying consent that the applicant has the option to lease or purchase the property contingent upon the issuance of a dispensary license.
9. Applicants must have a valid Sales Tax Permit for the proposed location.
10. Applicants may not owe delinquent taxes.
11. A survey completed in the last year by a professional land surveyor holding a current license in the State of Mississippi sufficient to show that there is no property boundary line of any church, school or childcare center within a 1,000-foot radius of the main entry way of the proposed location. If the survey shows that the nearest property boundary line is within 1,000 feet but over 500 feet away, the applicant must include approval of a waiver from the church, school or childcare center.
12. If construction is still under way at the time of application, information and statements provided in the application shall become conditions of the license if the application is granted, and failure to satisfy the conditions may be cause for revocation or denial of renewal. Licensees cannot deviate from submitted blueprints if the deviation would have disqualified the licensee at the time of application. An updated survey must be submitted during renewal showing that the licensee meets all distance requirements at the time of renewal.

102 In addition to submitting the application and the items described in Paragraph 101 of this rule, the Department will require the following to be submitted:

1. For applicants:
  - a. An affidavit provided by the Department affirming that, among other things, the applicant has not been convicted of a disqualifying felony; and

- b. Any forms required by the Department and any information identified in the form that is required to be submitted.
    2. The names and other required information for all individuals and legal entities with an economic interest in the business.
    3. For an individual identified as a person with an economic interest:
      - a. An affidavit provided by the Department affirming that, among other things, the applicant has not been convicted of a disqualifying felony; and
      - b. Any forms required by the Department and any information identified in the form that is required to be submitted.
    4. For a legal entity that is identified as having an economic interest:
      - a. An affidavit provided by the Department affirming that, among other things, the applicant has not been convicted of a disqualifying felony; and
      - b. Any forms required by the Department and any information identified in the form that is required to be submitted.
    5. Any additional information that the Department requires to supplement provided information and determine eligibility.
- 103 The Department will review an application to determine if it is complete. An application will not be considered complete if the applicant does not provide all information required by the application form, the full application and license fees have not been paid, or all of the additional information required under these rules is not submitted. If items are missing, the Department will send notification to the applicant that the application has been rejected and provide a description of the needed information. The applicant will need to resubmit an amended application for a license if the application is rejected.
- 104 Once all required information is received and the fees have been paid, the Department will send notification to the applicant that it has received a completed application. Once the application has been deemed complete, the Department will investigate the application and issue a determination within thirty (30) days of receiving the completed application. Applications will be processed in the order in which a completed application is filed. Investigations will be initiated based on the order in which a complete application is filed; however, the duration of the investigation will depend upon the information provided by the applicant.
- 105 The applicant will be required to pay the \$15,000 application fee and \$25,000 license fee before the application can be considered complete. If the applicant is denied a license because its main entrance is within 1,500 feet of a licensed dispensary, both the \$15,000 application fee and the \$25,000 license fee will be refunded. If the license is denied for any other reason, including violation of any other distance restriction, the \$25,000 license fee will be refunded, but the \$15,000 application fee will not be refunded. The application fee and license fee must be paid by credit card or ACH debit through the licensing vendor selected for the Mississippi Medical Cannabis Program.
- 106 The Department will make a determination as to whether to grant or deny a license within 30 days of receiving a completed application. If the Department is unable to receive results of a background check for disqualifying felonies within those 30 days, it will grant a license

to otherwise successful applicants. Thereafter, if the Department receives results from the background checks that include a disqualifying felony, it will provide the licensee with the opportunity to divest itself of the individual with a disqualifying felony. If the licensee is unable to or refuses to do so within 10 days of notice, the Department will revoke the subject license.

107 If a license is issued to an applicant that is still constructing the licensed premises, the applicant must complete construction and fulfill all obligations required by the Department to open for business prior to the end of its twelve (12) month license and are conducting transactions within the seed-to-sale system. If not, the license will not be eligible for renewal and the license will cease. The licensee will then be required to submit a new application for investigation.

108 Reserved

### **Chapter 3 Distance Requirements**

100 The main point of entry to a dispensary cannot be located within 1,000 feet of the nearest property boundary line of any school, church or child care facility unless the dispensary applicant is able to obtain a waiver from the school, church or child care facility. Regardless of the waiver, a dispensary may not be located within 500 feet of any school, church or child care facility property boundary line. The property boundary line to be considered is the parcel of land on which a school, church or child care facility is located. It does not include parcels of land owned by a school, church or child care facility but on which such a facility is not located.

101 The following applies under this Chapter for purposes of property boundary line measurements:

1. The applicable property boundary line for a church facility shall be the parcel of land on which a structure exists or is in the process of being constructed at the time of application where worship services are held on a regularly occurring basis to include religious ceremonies, religious counseling and/or religious studies. The applicable property boundary line does not include parking lots, fields on which no church facilities are located or other parcels owned by churches unless the parcel also includes a church facility.
2. The applicable property boundary line for a childcare facility shall be the parcel of land on which a structure exists or is in the process of being constructed at the time of application and for which the Mississippi Department of Health has issued a childcare facility license or would have issued a childcare facility license but for an applicable exemption under Miss. Code Ann. Section 43-20-5. The applicable property boundary line does not include parking lots, fields on which no childcare facilities are located or other parcels owned by a child care center unless the parcel also includes a child care facility.
3. The applicable property boundary line for a school shall be the parcel of land on which a facility exists or is in the process of being constructed at the time of application used for the teaching of children, whether owned or leased by the school,

including instructional staff members and students, and which is in session each school year. This includes, but is not limited to, public, private, church and parochial programs for kindergarten, elementary, junior high and high schools. The applicable property boundary line does not include parking lots, fields on which no school facility is located or other parcels owned by a school unless the parcel also includes a school facility.

- 102 The main point of entry for a dispensary cannot be located within 1,500 feet of the main point of entry for an existing dispensary. When two completed applications are received and the main points of entry for each are within 1,500 feet of the other, the first applicant to be issued a license will be controlling. The second applicant will not be eligible to receive a license for its applied location with the listed main point of entry.
- 103 All measurements shall be made using a straight line, point-to-point method. When a main point of entry constitutes an end point, measurement shall begin at the mid-point of the door if a single door; and the point where the doors meet for dual door entrances.
- 104 If the premises construction is complete at the time of application, the Department will investigate the application based on the completed construction when reviewing distance requirements. If the building construction is complete but there are planned changes to the main point of entry prior to opening, the Department will investigate the application based on the premises map or sketch included with the application. If the application is based on proposed building construction not completed at the time of application, the Department will investigate the application based on the survey and construction plans submitted with the application. The determination as to whether a license should be issued will be based on these respective documents. Therefore, any change to these documents or actual placement of a main point of entry which would have materially affected the decision of the Department to issue a license could subject the license to future revocation.
- 105 Reserved

#### **Chapter 4 Annual Renewal**

- 100 Active licenses must be renewed on an annual basis. Licenses are valid for one year from the date of issuance. At the time of renewal the licensee must demonstrate continued compliance with all applicable licensing criteria.
- 101 An annual inspection by the Department may be required for renewal of the license.
- 102 A license shall not be renewed by the Department if:
1. Outstanding fines are owed to the Department;
  2. An owner or individual with an economic interest has been convicted of a disqualifying felony;
  3. The licensed entity has not engaged in licensed activity at the licensed premises for a period of 1 year or more, unless the licensed entity submits evidence of reasonable justification, including without limitation death, illness, natural disaster, or other



circumstances beyond the licensee's control. This exception is not available to dispensaries that have not completed construction according to the plans submitted by the licensee during the application process;

4. Renewal will result in any person having a direct or indirect ownership or economic interest of great than 10% in more than 5 dispensary licenses;
5. The licensed entity owes delinquent taxes; or
6. The licensed entity no longer meets all eligibility requirements for the issuance of a dispensary permit.

103 The Department shall send notification to each licensee of the duty to renew no later than 60 days prior to the expiration date of an active license. Notification will be completed by mailing or e-mailing the renewal notice to the address listed by the licensee on its application or latest renewal, as applicable.

104 At the time of renewal, the licensee shall ensure that all material changes to the required plans have been communicated in writing to the Department.

105 The licensee shall submit proof, through a renewed local authorization certification form, that the licensee is still in compliance with all requisite local permits and licenses and is in good standing with the municipality or other local entity wherein the licensee's facility is located.

106 An applicant may appeal a renewal denial as provided by law.

107 The renewal fee must be paid by credit card or ACH debit through the licensing vendor selected for the Mississippi Medical Cannabis Program.

109 Reserved

## **Chapter 5 Department Approval Required for Transfer**

100 A licensee may transfer ownership interests, including without limitation partial ownership, only after the application for a transfer of an ownership interest has been approved by the Department.

101 An application for the transfer of ownership interests must:

1. Be completed on forms made available by the Department;
2. Be submitted to the Department; and
3. Be accompanied by all required forms and supplemental information, provided by the person or entity seeking to assume an ownership interest, similar to that required in an application for a dispensary license to demonstrate compliance with all applicable requirements for licensure.

102 Criminal history record checks are required for anyone proposed as an owner, officer, director, board member or anyone with an economic interest.

103 The Department may revoke or suspend a license upon discovery of any effort to transfer an ownership interest in a license without complying with the requirements of this subsection.

105 Reserved

### **Chapter 6 Temporary Appointee**

100 Ownership or operations generally may not be transferred to a person or business entity prior to the approval of an application for transfer of ownership interests. However, in case of death or physical or mental disability of any licensee, the estate, trustee, or guardianship of the licensee shall be allowed to operate the permitted business for a period not exceeding sixty (60) days after the death or disability. During the 60-day period, any member of the licensee's immediate family may make application to the Department for the unexpired portion of the license of the decedent to be assigned to him.

101 If such application is approved, the applicant shall be granted the right, without payment of an additional permit fee, to operate the licensed place of business for the unexpired portion of the time of the original license.

102 Reserved

### **Chapter 7 Application for Transfer of Location of Licensed Premises**

100 A licensee must apply for and obtain written approval from the Department prior to any relocation of a dispensary even if the move is entirely within a premise in the control of the licensee. This includes, but is not limited to, expansions, changes in actual address or changes to co-location of multiple establishment types.

101 The dispensary must include in its relocation application the following:

1. Documentation from the local government confirming that the proposed relocation would comply with all local zoning restrictions;
2. An updated facility plan, security plan, operating plan and proof of compliance with permitting requirements; and
3. Updated survey showing that all distance requirements are met and/or a distance waiver as applicable.

102 An application for relocation would be subject to all distance restrictions applicable to dispensaries.

103 Reserved

### **Chapter 8 Security Plans**

100 An applicant must have a security plan that is included in its operation plan that is approved by the Department as part of the initial application process. This security plan will list the

measures that will be taken by the dispensary to ensure that medical cannabis products are properly secured and safe. It shall include information relating to surveillance systems, camera placement, door security, alarm systems, and measures taken to secure manners of egress and ingress onto the premises. At a minimum, the security plan must meet all requirements set forth in these regulations.

- 101 A licensee must notify the Department in writing of any proposed changes to a security plan and must have approval prior to implementing any change. The Department will notify a licensee in writing whether the change is approved.
- 102 The Department may withdraw approval of the security plan at any time if there have been one or more documented instances of theft or loss of cannabis products on the licensed premises within the past year. If the Department withdraws its approval of the security plan, the licensee will be given thirty (30) days to modify the plan in a manner that satisfactorily safeguard against future theft or loss of cannabis products. Failure to modify in a satisfactory manner within the prescribed time may result in suspension or revocation.
- 103 Failure to comply with the terms of an approved security plan will result in disciplinary action by the Department.
- 104 Reserved

## **Chapter 9 Securing Cannabis and Cannabis Products**

- 100 A licensee is responsible for the security of all cannabis products on the licensed premises, providing adequate safeguards against theft or diversion of cannabis products, and records that are required to be kept.
- 101 The licensee must ensure that commercial grade, non-residential door locks are installed on every external door, and gate if applicable, of a licensed premises where cannabis products are present.
- 102 During all hours when the licensee is not operating, a licensee must ensure that:
1. All points of ingress and egress from a licensed premises are securely locked and any keys or key codes to the enclosed area remain in the possession of the licensee, licensee representative, or authorized personnel; and
  2. All cannabis products on a dispensary's premises are kept in a locked, secured location or enclosure within any area such that cannabis products are not visible from any area outside the licensed premises.
- 103 Reserved

## **Chapter 10 Alarm System**

- 100 A dispensary must have a fully operational security alarm system, activated at all times when the dispensary is closed for business.

- 101 The security alarm system for the licensed premises must:
1. Be able to detect unauthorized entry onto the licensed premises and unauthorized activity within any limited access area where cannabis and/or cannabis products are present; and
  2. Be programmed to notify the licensee, licensee representative or authorized personnel and, unless properly deactivated by user, local law enforcement in the event of an unauthorized entry.
- 102 A dispensary that has at least one authorized representative physically present on the licensed premises at all times when it is closed for business is not required to comply with Paragraph 100 and Paragraph 101(a) and (b) of this rule.
- 103 Upon request, a dispensary shall make all information related to security alarm systems, monitoring and alarm activity available to the Department
- 104 Reserved

## **Chapter 11 Video Surveillance**

- 100 A licensed premises must have a fully operational video surveillance recording system.
- 101 Video surveillance equipment must, at a minimum:
1. Consist of:
    - a. Digital video recorders;
    - b. Video monitors;
    - c. Digital archiving devices;
    - d. A minimum of one monitor on premises capable of viewing video; and
    - e. Interface devices, if required to adequately operate system or machinery such as a mouse and keyboard.
  2. Have the capability of producing and printing a still photograph from any camera image;
  3. Be equipped with a failure notification system that provides, within one hour, notification to an authorized representative of surveillance interruption or failure for more than 30 minutes; and
  4. Have sufficient battery backup to support a minimum of one hour of recording time in the event of a power outage.
- 102 A dispensary must have cameras that continuously record, 24 hours a day:
1. In all areas where cannabis products may be present, including but not limited to point of sales areas, on the licensed premises;
  2. All points of ingress and egress to and from areas where cannabis products may be present as well as any entrance or exit door from the premises;
  3. All areas in which the dispensary provides parking for cardholders;
  4. All areas in which the dispensary receives medical cannabis products from a third party or loads up medical cannabis products for transportation to a third party.

- 103 A licensee must:
1. In all areas where camera coverage is required, use cameras that record at a minimum resolution of HD 1080p and record at least 20 fps (frames per second);
  2. Use cameras that are capable of recording in both high and low lighting conditions;
  3. Have and keep surveillance recordings for a minimum of 120 calendar days;
  4. Maintain surveillance recordings in a format that can be easily accessed for viewing and easily reproduced;
  5. Upon request of the Department, keep surveillance recordings for periods exceeding the retention period specified in this rule;
  6. Have the date and time embedded on all surveillance recordings without significantly obscuring the picture;
  7. Make video surveillance records and recordings available immediately upon request to the Department in a format specified by the Department;
  8. Notify the Department within 48 hours of any equipment failure or system outage lasting 30 minutes or more; and
  9. Back up the video surveillance recordings off-site and in real time for the surveillance room or surveillance area.
- 104 A dispensary:
1. May not stop the recording or continuous real time back up of the recording for a surveillance area unless all other cameras on the licensed premises are shut down under this section or in instances where maintenance must be performed on an individual camera. During such a time the area formerly under surveillance must be monitored at all times by an employee of the licensee.
  2. Must resume all required recording no later than the date and time specified in the notice submitted under Paragraph 104 of this section.
  3. May not engage in any licensed privileges in any areas where recording was stopped under this section.
- 105 A dispensary may stop recording in areas where cannabis and/or cannabis products are not present due to seasonal closures or prolonged periods of inactivity of at least thirty (30) days. At least 24 hours before stopping recording, a dispensary must submit written notice to the Department. The notice must include:
1. A copy of the licensee's plot plan or diagram showing which cameras will be deactivated, the total number of cameras that will be deactivated, and a description or list of areas or applicable labels of the deactivated cameras.
  2. The date and time recording will stop.
  3. An explanation for why recording will be stopped.
  4. The date and time recording will resume.
- 106 A dispensary may not engage in any privileges of the license in an area that does not have camera coverage as required by law or in an area where camera coverage has been stopped, including but not limited to possessing, storing, transferring, or receiving cannabis products.
- 107 Reserved

## **Chapter 12 Advertising and Marketing**

100 Dispensaries shall comply with all restrictions on advertising and marketing set forth in Mississippi Department of Health regulations.

101 Reserved

## **Chapter 13 Use of Inducements**

100 Dispensaries may utilize inducements to assist qualified patients. Inducements must not persuade or influence the use of medical cannabis outside of practitioner recommendations and/or limitations or the amounts allowed by the Mississippi Medical Cannabis Act. Examples of authorized inducements include:

1. The use of discount cards;
2. The use of coupons;
3. The use of “punch cards” to offer discounts/free products;
4. Promotion of sales/discounts on medical cannabis, including “buy one, get one” discounts, and daily/weekly/monthly deal discounts; and
5. The giving away of educational materials, including but not limited to, branded merchandise.

101 Reserved

## **Chapter 14 Building Signage Requirements**

100 Each dispensary is required to place a sign on its exterior in a conspicuous location that may be clearly viewed by the public that identifies the name of the entity that owns the dispensary and lists the license number issued by the Department.

101 Each dispensary is required to place a copy of its dispensary license in a conspicuous location within the point of sale area in a manner that may be clearly viewed by patients.

102 These requirements shall be in addition to any general restrictions and obligations set forth in Mississippi Department of Health regulations.

103 Reserved

## **Chapter 15 Controlling Access to Areas of the Premises Designated for Retail Sales**

100 A dispensary shall maintain control of areas of the premises designated for sales to ensure that only authorized individuals are able to enter, using one of the following arrangements:

1. Stationing an employee at the entry door during all hours of public operation. The employee shall check for valid identification and control entry to the premises; or
2. Keeping entry doors locked. The establishment shall use a door buzzer or other means to alert employees that a person wants to enter the premises. An employee shall check for valid identification before allowing entry.

- 101 Individuals are prohibited from entering unless they are either over the age of 21 or they are under the age of 21, accompanied by a guardian and have a valid patient card.
- 102 Cannabis products may only be displayed in such a way that prevents access to persons who are not employees.
- 103 A dispensary may not sell anything to a non-cardholder, regardless of age.
- 104 A dispensary can be located in the same building as another business, but the dispensary cannot share a premises. The licensed premises of the dispensary cannot share common entries or exits with other businesses. Additionally, there cannot be an entrance or exit within the interior of the dispensary connecting it with another business.
- 105 Reserved

### **Chapter 16 Items that Dispensaries are Authorized to Sell on the Premises**

- 100 Dispensaries may only sell certain items on the licensed premises. This includes medical cannabis, equipment used for medical cannabis, or related supplies and educational materials. These items may only be sold to cardholders.
- 101 Medical cannabis includes cannabis, cannabis products and edibles containing cannabis.
- 102 Cannabis products include cannabis flower or trim of no more than 30% total THC, cannabis tinctures, oils and concentrates of no more than 60% total THC, and edible cannabis products of no more than 60% total THC.
- 103 Equipment used for medical cannabis includes pipes, bongs, rolling machines, grinders and similar products.
- 104 Related supplies include rolling papers, bags, glass container jars, rolling trays and similar products.
- 105 Dispensaries are prohibited from selling items outside this scope of categories on the licensed premises. This prohibition includes, but is not limited to, clothing, food that does not contain cannabis, beverages that do not contain cannabis, propane or butane, and vaping products that do not contain cannabis.
- 107 Reserved

### **Chapter 17 Point of Sale Areas**

- 100 A dispensary must keep all permitted cannabis products in limited access areas where access is restricted to licensees and employees.

- 101 No person who is not a licensee or employee may handle cannabis products in the point of sale area unless a licensee or its employee supervises the person at all times.
- 102 A patient may handle cannabis products without the supervision of a licensee or employee only following the completion of a sale and once the purchased items are no longer within the premises or within an area that the licensee controls. This language should not be construed to require that a patient be escorted from the premises after purchase.
- 103 Reserved

## **Chapter 18 General Requirements**

- 100 Dispensaries are responsible for the operation of their licensed establishment in compliance with all applicable state laws and rules.
- 101 Licensees have the responsibility to control their conduct and the conduct of employees, customers, contractors and visitors on the licensed premises at all times. Licensees shall ensure that at all times during operating hours and hours of apparent activity that there is an on-site employee authorized to cooperate with the Department during inspections of the premises and requests to review business records or surveillance videos. Except as otherwise provided by law, licensees or employees may not:
1. Use or be under the influence of alcoholic beverages, cannabis or controlled substances on the licensed premises;
  2. Permit any disorderly or visibly intoxicated person to remain on the licensed premises;
  3. Engage in or allow behavior on the licensed premises that provokes conduct which presents a threat to public safety;
  4. Engage in, or permit any employee or other person to engage in, conduct on the licensed premises that is prohibited by law; or
  5. Engage in or permit any employee or other person to engage in the consumption of any type of cannabis product on the premises.
- 102 Licensees are prohibited from manufacturing, selling or offering for sale any cannabis product intended for intravenous delivery or that involves any type of injection involving piercing of the skin of a human.
- 103 Except for dispensaries operating under management agreements under which no economic interest is created for the operator, the licensee in all cases must operate the business for himself and have direct control over its operation.
- 104 No management agreement for a licensed place of business shall be effective until the Department has approved the same including review of all economic interests created by such management agreements.



- 105 The management agreement must provide that the licensee will be absolutely responsible for any and all violations of the Mississippi Medical Cannabis Act or rules and regulations occurring on the licensed premises.
- 106 Licensees shall be accountable for any criminal or regulatory misconduct by its employees which occur on any part of the licensed premises whether the licensee or a manager is present or not. Such misconduct may result in a fine, suspension or revocation of the license depending upon the type of misconduct that occurs.
- 107 Licensees shall be accountable for any criminal or regulatory misconduct by non-employees when the Department finds that the licensee or licensee’s employees knew or reasonably should have known about the non-employee misconduct and did not take any action to stop the misconduct. Such misconduct may result in a fine, suspension or revocation of the license depending upon the type of misconduct that occurs.
- 108 Licensees must report medical cannabis dispensing information every twenty-four (24) hours to the Prescription Monitoring Program implemented and operated by the Mississippi Board of Pharmacy under Miss. Code Ann. Section 73-21-127. The dispensary information reported will be subject to rules and guidelines promulgated by the Mississippi Board of Pharmacy and will include, but not be limited to, the qualified patient’s registry identification card number and the amount of medical cannabis dispensed to the patient.
- 109 Licensees must complete all training required for the applicable seed-to-sale electronic tracking system to receive appropriate credentials and interact with the electronic tracking system as required by law and these regulations.
- 109 Reserved

## **Chapter 19 Operating Hours**

- 100 The operating plan of a dispensary must state the business hours for interaction with patients, including sales and consultation, and hours for business-related activities, including accepting delivery of product and employee training.
- 101 The operating plan shall state the hours (“normal business hours”) during which it will:
1. Sell or transfer cannabis products, along with cannabis paraphernalia, on the licensed premises to individuals upon presentation of a car;
  2. Refuse to sell any item to any person; or
  3. Provide consultations between employees and cardholders.
- 102 The following activities should be conducted during normal business hours as stated in the operating plan or two hours before or two hours after such normal business hours:
1. Accept deliveries of permitted items and manage its inventory;
  2. Enter transfers or deliveries into the tracking system;
  3. Conduct employee training; or
  4. Perform administrative work, cleaning or maintenance.

- 103 A dispensary must notify the Department in writing if it wishes to conduct activities outside these hours.
- 104 If a local government alters the business hours applicable to a dispensary, the dispensary shall amend its operating plan and submit the amended operating plan to the Department for approval within thirty (30) days of the local government's action.
- 105 Reserved

## **Chapter 20 Employees**

- 100 A dispensary may not employ anyone who has been convicted of a disqualifying felony offense or is under the age of twenty-one (21). A dispensary may not employ any individual who does not have a valid work permit.
- 101 A dispensary must complete a background check on each employee to verify that the employee does not have a disqualifying felony as defined by these regulations.
- 102 An individual will not be able to work at a dispensary until after he or she receives a work permit and completes eight (8) hours of continuing education relating to medical cannabis. Thereafter, it is the individual's responsibility to annually complete five (5) hours of continuing education relating to medical cannabis to maintain such certification. An individual is required to renew his or her permit every five (5) years.
- 103 If an individual does not complete the annual continuing education requirements, the Department may revoke the individual's work permit or suspend the work permit until such time as the education requirements are completed.
- 104 Each dispensary is required to create an identification badge for its employees. This badge will be conspicuously worn by employees at all times that they are on the licensed premises.
- 105 Reserved

## **Chapter 21 Sales Limits**

- 100 A dispensary may not sell any combination of cannabis products to a resident or non-resident cardholder within one week that results in the cardholder receiving greater than six (6) MMCEU's. This calculation is based on the total amount of cannabis products received by the individual from all dispensaries during that week, beginning on Monday morning and ending on Sunday night.
- 101 A resident cardholder may not receive more than twenty-four (24) MMCEU's during any rolling thirty-day period from a dispensary or a combination of dispensaries. A non-resident cardholder may not receive more than twelve (12) MMCEU's from a dispensary or a combination of dispensaries during any rolling fifteen-day period. "Rolling" shall be calculated by reviewing the previous twenty-nine day or fourteen-day period, as applicable.

- 102 A cardholder’s patient card may indicate that the patient is restricted to receiving an MMCEU amount less than the amounts stated in Paragraphs 100 and 101 above. It may also indicate that the patient is restricted to receiving medical cannabis products in certain forms. A dispensary is required to restrict its sales to any such patient to match the limitations set forth on the patient card.
- 103 A dispensary is required to report to the Department the identity of any individual who communicates the intent to divert cannabis products to individuals who do not have cards, across state lines or to be engaging in the unlicensed sale of cannabis. Such communication must be done as soon as reasonably possible.
- 104 A dispensary shall report any criminal activity of which it is aware related to the unlicensed sale or diversion of cannabis, cannabis products or cannabis plants. Failure to report such activity to the Department may result in penalties up to and including license suspension, revocation and monetary fines.
- 105 A dispensary shall report all transactions involving cannabis products into the State-run electronic tracking system.
- 106 Reserved

## **Chapter 22 Dispensing of Cannabis Products**

- 100 Before a dispensary may sell cannabis products to a cardholder, including resident cardholders, non-resident cardholders and designated primary caregiver cardholders, the dispensary employee will:
1. Verify the validity of the patient card by scanning the card;
  2. Verify that the amount of cannabis products the patient or the designated caregiver is requesting would not cause the patient to exceed the applicable MMCEU purchase and possession restrictions for cardholders or any applicable restrictions on the form of medical cannabis product that may be sold to the patient; and
  3. Enter the following information into the electronic tracking system:
    - a. The number of the registry identification card of the patient or the name of the designated primary caregiver of the patient;
    - b. The amount, sale price, package identification number, and type of cannabis product dispensed;
    - c. Whether the cannabis product was dispensed to the patient or to the designated primary caregiver of the patient;
    - d. The date and time at which the cannabis product was dispensed;
    - e. The employee’s work permit number; and
    - f. The license number of the dispensary.
- 101 Reserved

## **Chapter 23 Storage and Sale of Cannabis Products**

- 100 A dispensary must store all cannabis products behind a counter or other barrier to ensure a cardholder does not have direct access to the cannabis products.
- 101 Upon the request of a cardholder, a dispensary must disclose the name of the independent testing laboratory which performed the required quality assurance tests for the dispensary.
- 102 A dispensary may only sell concentrated cannabis, edible cannabis products and cannabis-infused products obtained from a facility for the production of such products which holds a license issued by the Mississippi Department of Health or from another dispensary licensed by the Department. Each dispensary shall maintain a file which contains test results for any such approved product at the dispensary and shall make the file available for review upon request.
- 103 Reserved

## **Chapter 24 Prohibited Conduct**

- 100 In addition to any other prohibitions and restrictions by law, a dispensary must not:
1. Conduct any transaction without face-to-face verification of the purchaser's identity and cardholder status by scanning the registry identification card;
  2. Sell cannabis product that has not passed mandatory testing as required by regulations issued by the Mississippi Department of Health;
  3. Sell cannabis product that has not been purchased from a licensed cultivator, processor or dispensary;
  4. Sell cannabis product that is not properly packaged or labeled in accordance with applicable rules or statutes;
  5. Give away cannabis products, immature cannabis plants or cannabis seedlings;
  6. Sell or give away:
    - a. Mature cannabis plants;
    - b. Food that does not contain cannabis intended for medical treatment; or
    - c. Any item that is not considered to be a cannabis product, equipment used for cannabis products, or related supplies and educational materials.
  7. Sell any item to a non-cardholder.
  8. Sell to any cardholder an amount of cannabis that exceeds applicable the weekly maximum amount or the applicable amount to be sold within a rolling 30 day time period;
  9. Sell to any cardholder a form of medical cannabis product to a patient whose patient card indicates that he or she is restricted to only receiving a certain form of medical cannabis product;
  10. Sell or distribute cannabis products using:
    - a. Curbside service;
    - b. A drive-through sales window; or
    - c. A delivery service.
  11. Sell cannabis products to a person who is visibly intoxicated;
  12. Sell or give away pressurized containers of butane, propane, carbon dioxide or other materials that could be used for extraction purposes in the home production of

- cannabis concentrate, except that a dispensary may sell or give away disposable butane lighters;
13. Sell any edible cannabis product that is molded to contain an image or character designed or likely to appeal to minors, such as images or characters that are cartoons, toys, animals or children;
  14. Sell cannabis product that is packaged in a manner that is designed to or likely will appeal to minors, including but not limited to the use of packaging that resembles popular candy brands or contains images or characters that are cartoons, toys, animals or children;
  15. Sell cannabis trim or flower that has a potency of more than 30% THC or cannabis edibles, tinctures, oils or concentrates with a potency of more than 60%;
  16. Allow cardholders or caregivers to be present on the licensed premises or sell to a cardholder during any hours not permitted on the operating plan;
  17. Conduct any activities during hours or on days not authorized in the licensee's operating plan;
  18. Sell or transfer returned or recalled cannabis product to another cardholder or caregiver;
  19. Allow a cardholder or caregiver to open or alter a package containing cannabis product or otherwise remove cannabis product from packaging required within the premises or in an area that the licensee controls;
  20. Allow a cardholder or caregiver to bring cannabis product onto the premises except for cannabis products being returned for refund or exchange;
  21. Engage in the sale of cannabis products if mandatory testing is not verified or verifiable with certificate of analysis, or if testing reports unsafe levels of potentially harmful substances, or if testing reports THC levels higher than those allowed by law;
  22. Mechanically or chemically extract THC from cannabis or possess, sell or store devices on the premises that can be used for this purpose.

101 Reserved

## **Chapter 25 Records Required to Be Kept for Current Year and Three (3) Preceding Calendar Years**

- 100 The following records shall be maintained in physical and/or electronic format for a minimum of three (3) years:
1. Records regarding the disposal of cannabis products.
  2. General Business Records, including purchase and sales information.
  3. Records of all required inventory reports.
  4. Records of each transaction, including the amount of cannabis product dispensed, the amount of compensation received, and the registry identification number of the qualifying patient or designated caregiver.
  5. Personnel Records.
- 101 General Business Records shall include itemized invoices for all cannabis products purchased, sales made, all bank statements and cancelled checks, and all other books and accounts as may be necessary to determine the financial position of the business. All

itemized purchase invoices and tickets shall bear the items purchased, the date of purchase, name of the seller and purchaser. Cash register tapes may not be used in lieu of itemized invoices for record purposes.

102 All required records will be adequate in substance to conform with generally accepted accounting practices. All records will be open for examination by the Department during regular business hours.

103 Reserved

## **Chapter 26 Transportation of Cannabis**

100 A dispensary shall adhere to all applicable Mississippi Department of Health transportation requirements when receiving or shipping medical cannabis.

101 Reserved

## **Chapter 27 Duty to Report**

100 Each licensee employee is responsible to monitor for unusual usage, or questionable disposition of medical cannabis. Each dispensary employee, immediately upon discovery of any fraudulent or otherwise unlawful recommendation, unusual usage or questionable disposition will notify the Department.

101 Each dispensary employee shall notify the Department within 24 hours upon discovery of the theft or loss of any cannabis product in transit that was either shipped from or to the dispensary.

102 Cannabis product thefts or unexplained losses must be reported to the Department in writing irrespective of whether the cannabis or cannabis product is recovered and/or the responsible parties are identified and action taken against them. Written reports must be provided to the Department within 48 hours following the discovery of such theft or loss.

1. The written report must include:
  - a. The name, address, and license number of the dispensary;
  - b. The amount and type of cannabis product lost or stolen;
  - c. The circumstances surrounding the loss or theft;
  - d. The date the loss or theft was discovered;
  - e. The person who discovered the loss or theft;
  - f. The person responsible for the loss or theft if known; and
  - g. Any other information that the reporter believes might be helpful in establishing the cause of the loss or theft.
2. An exemption may be obtained upon sufficient cause if the report cannot be completed within 48 hours.
3. A request for waiver of the 48 hours limit must be requested in writing.

- 103 All dispensary employees must report all known violations of state drug laws or Medical Cannabis regulations issued by this Department or the Mississippi Department of Health to the Department immediately.
- 104 Regulatory violations related to security and/or administration of cannabis products that a dispensary employee knows or reasonably should know shall be reported to the Department within twenty-four hours.
- 105 Reserved

**Chapter 28 Schedule of Disciplinary Actions**

100 In addition to any applicable criminal actions, the following schedule shall be used when administratively disciplining dispensaries for violating statutory and/or regulatory requirements. The Department reserves the right to increase penalties based on aggravating circumstances. Graduating penalties as a result of multiple violations within a given time period shall be based on a rolling two-year period.

<b>Violation</b>	<b>First Offense</b>	<b>Second Offense</b>	<b>Third Offense</b>
Failure of an employee to possess an active work permit	\$5,000	\$10,000	\$20,000 and one week suspension
Employment of someone under the age of 21 or with a disqualifying felony	\$5,000	\$10,000	\$20,000 and one week suspension
Failure to assist Department during recall of product	\$5,000	\$10,000 and one week suspension	\$20,000 and two week suspension
Failure to comply with approved security plan	\$5,000	\$10,000 and one week suspension	\$20,000 and two week suspension
On-site use of cannabis or alcohol by employees	\$5,000	\$10,000 and one week suspension	\$20,000 and two week suspension
On-site use of cannabis or alcohol by patient or non-employee	\$5,000	\$10,000 and one week suspension	\$20,000 and two week suspension
Permitting access to a non-cardholder under the age of 21	\$5,000	\$10,000 and two week suspension	Revocation
Failure to sufficiently maintain records	\$10,000	\$10,000 and one week suspension	\$20,000 and two week suspension
Extraction of THC on premises or possession, sale or storage of equipment that may be utilized for this purpose	\$10,000	\$20,000 and two week suspension	Revocation
Unlawful acquisition, transfer, purchase or sale of	\$10,000	\$20,000 and two week suspension	Revocation

product unless otherwise listed			
Sale in amounts exceeding applicable limits or type	\$10,000	\$20,000 and two week suspension	Revocation
Negligent failure to accurately track inventory	\$5,000	\$10,000 and one week suspension	\$20,000 and two month suspension
Willful failure to accurately track inventory	\$10,000 and one week suspension	\$20,000 and two week suspension	Revocation
Falsification of records	\$10,000 and one week suspension	\$20,000 and two week suspension	Revocation
Sale to non-cardholder	\$10,000 and one week suspension	\$20,000 and two week suspension	Revocation
Refusal to permit access by ABC Agents as required by law	Two week Suspension	Revocation	
Threat against law enforcement	Two week Suspension	Revocation	
Opening a dispensary to patients during a license suspension period	Revocation		
General Penalty if not specifically listed	\$5,000	\$10,000	\$20,000 and one week suspension