

**Title 15: Mississippi State Department of Health**

**Part 22: Medical Cannabis Program**

**Subpart 8: Cannabis Disposal Entities**

**Chapter 1 REGULATIONS FOR THE COMMERCIAL DISPOSAL OR DESTRUCTION OF CANNABIS AND/OR CANNABIS PRODUCTS**

**Subchapter 1 General Provisions**

Rule 8.1.1 Legal Authority: This regulation has been promulgated under the authority of and pursuant to ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.1.2 Definitions: The following terms shall have the meaning hereinafter respectively ascribed to them as they relate to licensed medical cannabis establishments participating in the Mississippi Medical Cannabis Program:

1. **Allowable amount of medical cannabis** – The term “allowable amount of medical cannabis” means an amount not to exceed the maximum amount of Mississippi Medical Cannabis Equivalency Units (“MMCEU”).
2. **Cannabis** - The term "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. Such term shall not mean cannabis-derived products approved by the federal Food and Drug Administration under Section 505 of the Federal Food, Drug, and Cosmetic Act.
3. **Cannabis container** – The term “cannabis container” means an individual locked and secure container in which an originating medical cannabis establishment places cannabis and/or cannabis products for transport to a receiving medical cannabis establishment.
4. **Cannabis cultivation facility** – The term “cannabis cultivation facility” means a business entity licensed and registered by the Mississippi Department of Health that acquires, grows, cultivates, and harvests medical cannabis in an indoor, enclosed, locked, and secure area.
5. **Cannabis disposal entity** – The term “cannabis disposal entity” means a business licensed and registered by the Mississippi Department of Health

that is involved in the commercial disposal or destruction of medical cannabis. These entities may also be known as “waste disposal entities”.

6. **Cannabis processing facility** – The term “cannabis processing facility” means a business entity that is licensed and registered by the Mississippi Department of Health that: acquires or intends to acquire cannabis from a cannabis cultivation facility; possesses cannabis with the intent to manufacture a cannabis product; manufactures or intends to manufacture a cannabis product from unprocessed cannabis or a cannabis extract; and sells or intends to sell a cannabis product to a medical cannabis transportation entity, cannabis testing facility or cannabis research facility. These entities may also be known as “processing facilities”, “processors”, or “cannabis processors”.
7. **Cannabis products** – The term “cannabis products” 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 Sections 41-29-113 and 41-29-136 of the MS Code.
8. **Cannabis research facility** – The term “cannabis research facility” or “research facility” means a research facility at any university or college in this state or an independent entity licensed and registered by the Mississippi Department of Health pursuant to this chapter that acquires cannabis from cannabis cultivation facilities and cannabis processing facilities in order to research cannabis, develop best practices for specific medical conditions, develop medicines and provide commercial access for medical use.
9. **Cannabis testing facility** – The term “cannabis testing facility” or “testing facility” means an independent entity licensed and registered by the Mississippi Department of Health that analyzes the safety and potency of cannabis.
10. **Cannabis waste** – The term “cannabis waste” means:
  - A. unused, surplus, returned or out-of- date cannabis; recalled cannabis; unused cannabis; plant debris of the plant of the genus cannabis, including dead plants and all unused plant parts, ~~except the term shall not include seeds, roots, stems, stalks and fan leaves,~~
  - B. all product which is deemed to fail laboratory testing and cannot be remediated or decontaminated, or

C. all products and inventory from medical cannabis establishments that have gone out of business and/or are unable to legally transfer or sell cannabis and/or cannabis products and inventory to another medical cannabis establishment.

D. all products and inventory from medical cannabis establishments that may be destroyed and/or rendered unrecognizable and unusable through waste disposal as a result of Department corrective and/or administrative actions.

11. **Department** – The term “Department” means the Mississippi State Department of Health.
12. **Economic interest** – The term “economic interest” means holding an ownership interest as a sole proprietor, partner, member, limited partner, member holding at least a 10% equity or similar interest stockholder owning at least 10% of available stock, or as 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 commercial transportation of cannabis or cannabis products by a cannabis transportation entity as defined by the MS Medical Cannabis Act.
13. **Locked storage container** – The term “locked storage container” means a secure storage/packing/loading container that may contain multiple individual cannabis containers for transport. A locked storage container is a fixed part of the vehicles used for transportation and is inaccessible to the driver during transport.
14. **Medical cannabis establishments** – The term “medical cannabis establishments” shall mean a cannabis cultivation facility, cannabis processing facility, cannabis testing facility, cannabis disposal entity, cannabis transportation entity, cannabis disposal entity, cannabis research facility licensed and registered by MS State Department of Health (the Department) or Mississippi Department of Revenue (MDOR). Medical Cannabis Establishments may also be known as licensed entities, licensees, or establishments.
15. **Medical cannabis transportation entity** – The term "Medical cannabis transportation entity" or "cannabis transportation entity" means an entity licensed and registered with the Mississippi Department of Health that acquires, possesses, stores, transfers, and transports cannabis and/or cannabis products to other medical cannabis establishments licensed by the MS State Department of Health and/or Mississippi Department of Revenue. The term “transporter” may also be utilized to describe these entities.
16. **Provisional license** - The term “provisional license” means a license issued by the Mississippi State Department of Health when a temporary condition

of non-compliance with the regulations contained in this Part exists. A provisional license shall be issued only if the Mississippi State Department of Health is satisfied that preparations are being made to qualify for a non-provisional license and that the health and safety of patients and the public will not be endangered. Business activities and operations ~~are~~ can be limited by the Department for this licensure category.

17. **Regular license** – The term “regular license” means a license issued by the Mississippi State Department of Health when there is evidence of compliance with all applicable rules and regulations in this Part and components of the Mississippi Medical Cannabis Act.

18. Unusable and unrecognizable – The term “unusable and unrecognizable” means that anything that contains THC must be destroyed to prevent THC-containing material(s) from being accessed or consumed.

18-19. Variance – The term “variance” means a Department granted exception to the rules contained in this Part.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.1.3 Severability. The provisions of this part are severable. If a court of competent jurisdiction declares any section, subsection, paragraph, or provision unconstitutional or invalid, the validity of the remaining provisions shall not be affected.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.1.4 Cannabis disposal entities must also comply with all applicable rules and regulations in this Part to include, but not limited to, licensure and registration as a cannabis transportation entity (see Title 15, Part 22, Subpart 7 of these rules for transportation requirements) if the cannabis disposal entity transports cannabis and/or cannabis products.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

## **Subchapter 2 Application for Licensure as a Cannabis Disposal Entity**

Rule 8.2.1 An application and all complete required documentation must be submitted to the Department using its required format and/or system.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.2.2 At a minimum, an application for licensure as a cannabis disposal entity must include the following:

1. The names and other required information for all individuals and legal entities who are applicants.
2. The proposed physical location of the cannabis disposal entity.
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~~Standard operating procedures that demonstrates at a minimum how the applicant's proposed premises and business will comply with applicable laws and rules regarding:
  - A. Security;
  - B. Employment practices ~~that include a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide employee protections~~ adhering to state and federal law;
  - C. Record-keeping systems;
  - D. Hours of operation;
  - E. Preventing diversion of cannabis and/or cannabis products; and,
  - F. Inventory control and tracking~~;~~.
6. If the municipality or county where the proposed cannabis disposal entity will be located has enacted zoning restrictions, a sworn attestation by the applicant certifying that the proposed cannabis disposal entity is in compliance with the restrictions.

7. If the municipality or county where the proposed cannabis disposal entity will be located requires a local registration, license, or permit, then the applicant must include a copy of such registration, license or permit issued to the applicant with the application submitted to the Department.
8. The names and other required information for all individuals and legal entities with an economic interest in the proposed cannabis disposal entity.
9. Fingerprint cards or electronic fingerprints collected by a live scan vendor documentation for applicant's individual owners, individuals/entities with economic interest in order to perform a criminal background check to determine whether a disqualify felony offense is present.
10. Other information that may be required by the Department.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.2.3 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/require correction/require additional information, the Department will send notification to the applicant that the application has been ~~rejected~~ returned for action and provide a description of the needed information. The applicant will need to resubmit an amended application and/or supporting documents for a license if the application is ~~rejected~~ returned for action.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.2.4 Upon review, the Department may return an application for action, an applicant will have three opportunities for correction. If an applicant is unable to present a complete and correct application, as determined by the Department, after these three attempts, the application will be denied. Upon denial, if the entity choses to apply again, a new application and supporting documents meeting the requirements in this Subchapter and Subchapter 3 of this Chapter must be submitted.

Source: Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.2.45 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 review 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 by the applicant. Review will be initiated based on the order in which a complete application is filed; however, the duration of the review will depend upon the information provided by the applicant.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

### **Subchapter 3            Fees**

Rule 8.3.1      The following nonrefundable fees are required at the time of initial application and renewal:

1.      One-time application fee of \$5,000.00; and,
2.      Annual license fee of \$7,500.00.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.3.2      Fees must be paid in a manner set forth by the Department.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.3.3      The one-time application fee and license fee must be paid in order for the application to be determined complete and move forward in the Department's review.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.3.4      A fee for a status change from provision license to regular license is not required. The application and license fees must be paid as stated in Rules 8.3.1 – 8.3.3.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

### **Subchapter 4            Licensure – Initial and Renewals**

Rule 8.4.1      A license, issued by the Department, shall be obtained for each cannabis disposal entity prior to the commencement of any disposal activities related to cannabis. Activities include, but are not limited to: acquiring, possessing, storing, or disposing of/destroying cannabis. Additionally, cannabis disposal entities are allowed to transport cannabis waste strictly for the purposes of disposal and/or destruction. Cannabis disposal entities are prohibited from transporting cannabis and/or cannabis products for general purposes such as transfer from one medical

cannabis establishment to another. Rules for Cannabis Transportation Entities (Subchapter 7 of this Part) must be followed.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21 Miss. Code Ann. §§ 41-137-3 – 41-137-67~~

Rule 8.4.2 A cannabis disposal entity may not acquire, possess, store, or dispose of cannabis or cannabis products for any person or entity other than a medical cannabis establishment authorized by this Part.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21 Miss. Code Ann. §§ 41-137-3 – 41-137-67~~

Rule 8.4.3 A medical cannabis establishment, inclusive of a cannabis disposal entity, shall not be within 1,000 feet of the nearest property boundary line of a school, church or child care facility which exists or has acquired necessary real property for the operation of such facility before the date of the medical cannabis establishment application unless the entity has received approval from the school, church or child care facility and received the applicable waiver from their licensing agency, provided that the main point of entry of the cannabis establishment is not located within five hundred (500) feet of the nearest property boundary line of any school, church or child care facility.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21 Miss. Code Ann. §§ 41-137-3 – 41-137-67~~

Rule 8.4.4 Licensure of a cannabis disposal entity is required annually.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21 Miss. Code Ann. §§ 41-137-3 – 41-137-67~~

Rule 8.4.5 A license shall be issued for the specific location identified on the application, and is valid only for the owner, premises and name designated on the application and Department issued license and the location for which it is issued.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21 Miss. Code Ann. §§ 41-137-3 – 41-137-67~~

Rule 8.4.6 Provisional Licensure. Within its discretion, the Department of Health may issue a provisional license when a temporary condition of non-compliance with the regulations contained in this Part exists. A provisional license shall be issued only if the Department is satisfied that preparations are being made to qualify for a regular license and that the health and safety of patients and the public will not be endangered. The Department identifies opportunities for diversion, such as a lack of plant/package tags and insufficient security measures, as dangers to the health and safety of patients and the public.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21 Miss. Code Ann. §§ 41-137-3 – 41-137-67~~

Rule 8.4.7 A provisional license may be issued when the following conditions exist:

1. Prior to the medical cannabis establishment's start date of operations and subsequent to meeting the licensure requirements for the development of all required standard operating procedures. The license issued under this provision shall be valid until the issuance of a regular license, but shall generally not exceed four (4) months following date of issuance whichever may be sooner.
2. When a temporary issue of non-compliance with these regulations exists that does not endanger the health and safety of patients and the public (at the discretion of the Department). The license issued under this provision shall be valid until the issues of non-compliance are remedied and evidence of compliance is submitted to the Department. The license issued under this provision shall be valid until the issuance of a regular license, but shall generally not exceed four (4) months following date of issuance whichever may be sooner.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21 Miss. Code Ann. §§ 41-137-3 – 41-137-67~~

Rule 8.4.9 Renewal of Licensure. Regular licenses must be renewed on an annual basis. Regular 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.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21 Miss. Code Ann. §§ 41-137-3 – 41-137-67~~

Rule 8.4.10 An annual inspection by the Department may be required for renewal of the license.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21 Miss. Code Ann. §§ 41-137-3 – 41-137-67~~

Rule 8.4.11 A license may be suspended, revoked, or shall not be renewed by the Department if:

1. Outstanding fines are owed to the Department;
2. An owner has been convicted of a disqualifying felony;
3. The medical cannabis establishment (medical cannabis establishment) has not engaged in licensed activity at the licensed premises for a period of 1 year or more, unless the medical cannabis establishment submits evidence

of reasonable justification, including without limitation death, illness, natural disaster, or other circumstances beyond the medical cannabis establishment's control. This exception is not available to medical cannabis establishments that have not completed construction according to the plans submitted by the establishment 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 1 cannabis cultivation facility; 1 cannabis processing facility; and up to 5 cannabis 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 cannabis disposal entity permit.
7. The licensed entity does not meet regulatory requirements set by the Department.
8. The licensed entity's renewal may be denied after consideration by the Department of the licensee's demonstrated history of violations of these Rules. The number and severity of violations will be considered by the Department.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.4.12 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 to the address listed by the licensee on its application or latest renewal, as applicable.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.4.13 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.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.4.14 The licensee shall submit proof that the licensee is still in compliance with all requisite local permits and licenses.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.4.15 An applicant may appeal a renewal denial as provided by the Mississippi Medical Cannabis Act.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 2~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.4.16 If the license of a medical cannabis establishment expires (by date), isn't renewed, is suspended or revoked, operations of that establishment that are authorized by rules and regulations in this Part and the MS Medical Cannabis Act must cease as instructed by the Department.

*Source: ~~Miss. Code Ann. §§ 41-137-3 – 41-137-67~~*

## **Subchapter 5 Transfer of Ownership**

Rule 8.5.1 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.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.5.2 An application for the transfer of ownership interests must:

1. Be completed on forms and/or system 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 cannabis disposal entity license to demonstrate compliance with all applicable requirements for licensure.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.5.3 Fingerprinting and criminal history record checks are required for anyone proposed as an owner, officer, director, board member or anyone with an economic interest.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.5.4 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 Part.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

## **Subchapter 6            Oversight Requirements**

Rule 8.6.1        The physical location of medical cannabis establishments, all general business (inclusive of employee records) of the establishments, all financial records of the establishments, and vehicles utilized to transport cannabis and/or cannabis products are subject to reasonable inspection by the Department.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.6.2        Medical cannabis establishments must cooperate with the Department during any inspections, requests to resolve complaints, requests for information/data, etc. in order to verify compliance with the rules and regulations in this Part, the MS Medical Cannabis Act and any subsequent versions of the rules and regulations in this Part and the Act.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.6.3        Medical cannabis establishments must notify the Department (in a format approved by the Department) of their intent to commence operations, along with the date of the commencement.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

## **Subchapter 7            Employees & Employment Records**

Rule 8.7.1        A cannabis disposal entity may not employ anyone who has been convicted of a disqualifying felony offense or is under the age of twenty-one (21). A cannabis disposal entity may not employ any individual who does not have a valid work permit issued by the Department.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.7.2        A cannabis disposal entity must complete a background check on each employee to verify that the employee does not have a disqualifying felony.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.7.3 An individual will not be able to work at a cannabis disposal entity 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.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.7.4 Within 30 calendar days of the date of hire, waste disposal entities must ensure all employees are trained in at least the following for a minimum of 8 hours of initial training and 5 hours of annual training:

1. The rules and regulations applicable to waste disposal entities contained in this Part.
2. The use of security measures and controls that have been adopted by the facility for the prevention of diversion, inversion, theft, or loss of cannabis and/or cannabis products;
3. Proper use of the statewide seed-to-sale system;
4. Response to an emergency, including severe weather, fire, natural disasters, and unauthorized intrusions;
5. Standard operating procedures for transportation and record keeping; and

Source: Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.7.45 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.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.7.56 Each cannabis disposal entity 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 or during transport of cannabis and/or cannabis products.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.7.6 All employees of the cannabis disposal entity must be entered into the state’s seed to sale system. Employees must be entered within seven (7) calendar days of their start dates with the medical cannabis establishment.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.7.7 All employees must possess a valid, unrestricted driver’s license issued by the State of Mississippi and a valid work permit issued by the Department. The cannabis disposal entity must also issue each employee an identification badge, with picture. All documents referenced in this Rule must be in the employee’s possession when in a vehicle transporting cannabis and/or cannabis products.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.7.8 A cannabis disposal entity must keep an employment record for all employees, including, but not limited to:

1. Full legal name and any nicknames;
2. Detailed job description;
3. Record of all training received or acquired by the employee;
4. Dates of employment;
5. Records of days and hours worked;
6. Records of time off; and,
7. Any disciplinary actions taken.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.7.9 Employment records must be maintained, either electronically or in hard copy, for at least three (3) years after the employee’s last date of employment with the cannabis disposal entity.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

## **Subchapter 8            General Recordkeeping Requirements**

Rule 8.8.1 Cannabis disposal entities must participate in and utilize the state's seed to sale system for inventory control and tracking purposes.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.8.2 Cannabis disposal entities are required to maintain the following for a minimum period of five (5) years:

1. All books and records necessary to fully account for each business transaction conducted under its license;
2. A copy of each transportation manifest for each transport of cannabis and/or cannabis products must be maintained;
3. Employment records;
4. Records of any theft, loss, or other unaccountability of any cannabis and/or cannabis products.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.8.3 All records must be maintained on-site and available for Department review at the address of the licensee.

Source: Miss. Code Ann. §§ 41-137-3 – 41-137-67

## **Subchapter 9 Operational Requirements**

Rule 8.9.1 A cannabis disposal entity shall be responsible for any and all cannabis and/or cannabis products within its custody, control, or possession.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.9.2 Unless specifically licensed by the Department to do so, cannabis disposal entities are prohibited from the following activities related to the medical cannabis program:

1. Growing/cultivating cannabis;
2. Manufacturing/processing cannabis and/or cannabis products;
3. Retail sales of cannabis and/or cannabis products;
4. The resale of cannabis and/or cannabis products to other entities and medical cannabis establishments;

5. Transportation, storage, and delivery of cannabis and/or cannabis products (outside of the purposes of disposal and/or destruction of cannabis waste); and,
6. Provision of cannabis and/or cannabis products directly to qualifying patients and/or caregivers as defined in this Part.

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21 Miss. Code Ann. §§ 41-137-3 – 41-137-67~~*

Rule 8.9.3 If a cannabis disposal entity is required to store cannabis and/or cannabis products, the storage location must, at a minimum, meet the following requirements:

1. Cannabis and/or cannabis products must be stored at location licensed by the Department as part of the cannabis disposal entity's license;
2. Be secure and enclosed with permanent walls;
3. Be locked at all times;
4. Be accessible only to specifically identified employees of the cannabis transportation entity;
5. Have an alarm system that meets the following:
  - A. Upon attempted unauthorized entry, the alarm system shall transmit a signal directly to a central protection company or a law enforcement agency that has a legal authority to respond. A designated employee of the cannabis transportation entity must also be notified.
  - B. Provide continuous, uninterrupted coverage (24 hours/7 days) for all points of ingress and egress to the facility, including without limitation doorways, windows, loading areas;
  - C. Provide continuous, uninterrupted coverage (24 hours/7 days) of any room with an exterior wall, any room containing a safe, and any room used to store cannabis and/or cannabis products;
  - D. Be equipped with failure notification systems to notify the transporter and law enforcement of any failure in the alarm system; and,
  - E. Have the ability to remain operational during a power outage.
6. Have continuous, uninterrupted video surveillance that meets the following:

- A. Provide continuous, uninterrupted coverage (24 hours/7 days) for all points of ingress and egress to the facility, including without limitation doorways, windows, loading areas, and parking areas;
- B. Provide continuous, uninterrupted coverage (24 hours/7 days) of any room with an exterior wall, any room containing a safe, and any room used to store cannabis and/or cannabis products;
- C. Digital archiving capabilities for a minimum of (120) days;
- D. On-site and off-site monitoring capabilities;
- E. Have the date and time embedded on all surveillance recordings without significantly obscuring the picture; and,
- F. Use cameras that are capable of recording in both high and low lighting conditions.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.9.4 All medical cannabis waste set for disposal shall be properly weighed and recorded in the state’s seed to sale system. Waste set for disposal must be weighed and recorded, at a minimum, the following points

- 1. On-site at the medical cannabis establishment for which the cannabis disposal entity is providing services.
- 2. At the final destination where disposal/destruction occurs.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.9.5 Cannabis waste shall be disposed through either a process which renders the waste unusable and unrecognizable through physical destruction or a recycling process that the waste disposal facility is authorized to conduct pursuant to Mississippi law.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.9.6 The disposal/destruction of cannabis waste must be done under video surveillance by the cannabis disposal entity’s video surveillance system described in Rule 8.9.3.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.9.7 Medical cannabis and/or cannabis products shall be rendered unusable by grinding and incorporating the cannabis plant waste with other ground materials, so the resulting mixture is at least 50% non-cannabis waste by volume. This includes compostable mixed waste and non-compostable mixed waste meeting the requirements below.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.9.8 Grinding and incorporating the cannabis waste into compostable mixed waste until it is unusable and unrecognizable: Cannabis waste to be disposed of as compost or in another organic waste method may be mixed with the following types of waste materials:

1. Food waste;
2. Yard waste;
3. Vegetable based grease oils;
4. Agricultural Materials;
5. Biodegradable products and paper;
6. Clean wood;
7. Fruits and vegetables; or
8. Plant matter.
9. Bokashi or other compost activators; or,
10. Other materials or methods approved by the Department that will render the cannabis waste unusable and unrecognizable.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.9.9 Grinding and incorporating the cannabis waste into non-compostable mixed waste until it is unusable and unrecognizable: Cannabis waste to be disposed of in a landfill or another disposal method, such as incineration, may be mixed with the following types of waste materials:

1. Paper waste;
2. Cardboard waste;

3. Plastic waste;
4. Soil;
5. Nonrecyclable plastic;
6. Broken glass; or,
7. Sawdust.
8. Other materials or methods approved by the Department that will render the cannabis waste unusable and unrecognizable.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.9.10 Licensure and/or permitting may be required through the MS Department of Environmental Quality. Local permitting may also be required dependent upon location of the cannabis disposal entity.

Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67

#### Subchapter 10                    **Schedule of Disciplinary Actions**

Rule 8.10.1 ~~In addition to any applicable criminal actions,~~ The following schedule shall be used when administratively disciplining medical cannabis establishments for violating statutory and/or regulatory requirements. The Department reserves the right to increase penalties based on aggravating circumstances and/or the medical cannabis establishment’s history of violations and corrective actions.

<b>Violation</b>	<b>First Offense</b>	<b>Second Offense</b>	<b>Third Offense</b>	<b>Unit of Measurement</b>
Failure of an employee to possess an active work permit	\$5,000	<del>\$10,000</del>	<del>\$20,000 and one week suspension</del>	<u>Each employee found without an active work permit</u>
Employment of someone under the age of 21	\$5,000	<del>\$10,000</del>	<del>\$20,000 and one week suspension</del>	<u>Each employee found under the age of 21</u>
Failure to assist Department during recall of product	\$5,000	<del>\$10,000 and one week suspension</del>	<del>\$20,000 and two week suspension</del>	<u>Each directive from the Department regarding recall</u>

Failure to comply with security requirements	\$5,000	<del>\$10,000 and one week suspension</del>	<del>\$20,000 and two week suspension</del>	<u>Each security deficiency related to Rules in this Part</u>
On-site use of cannabis or alcohol by employees	\$5,000	<del>\$10,000 and one week suspension</del>	<del>\$20,000 and two week suspension</del>	<u>Each employee found using cannabis on premises of the medical cannabis establishment</u>
Failure to sufficiently maintain records	\$10,000	<del>\$10,000 and one week suspension</del>	<del>\$20,000 and two week suspension</del>	<u>Each deficiency/finding related to recordkeeping to Rules in this Part</u>
Unlawful acquisition, transfer, purchase or sale of cannabis and/or cannabis product unless otherwise listed	\$10,000	<del>\$20,000 and two week suspension</del>	<del>Revocation</del>	<u>Each instance of acquisition, transfer, purchase or sale.</u>
<del>Negligent failure to accurately track inventory</del>	<del>\$5,000</del>	<del>\$10,000 and one week suspension</del>	<del>\$20,000 and two month suspension</del>	
<del>Willful</del> failure to accurately track inventory	\$10,000 and one week suspension	<del>\$20,000 and two week suspension</del>	<del>Revocation</del>	<u>Each untagged plant, package and/or batch at the time of the Department's finding; Each unreported instance in Metrc</u>
Falsification of records	\$10,000 and one week suspension	<del>\$20,000 and two week suspension</del>	<del>Revocation</del>	<u>Each instance of falsification of records related to recordkeeping to Rules in this Part</u>
Refusal to permit access by Department staff as required by law	Two week Suspension	<del>Revocation</del>		<u>Instance/Occurrence documented at the time of requested access</u>

Threat against law enforcement and/or Department staff	Two week Suspension	<del>Revocation</del>		<u>Instance/Occurrence documented at the time of the threat</u>
Disposal/Destruction activities during a license suspension period	Revocation			<u>Any disposal activities during the dates of suspension and any administrative appeal.</u>
General Penalty if not specifically listed	\$5,000	\$10,000	\$20,000 and one week suspension	<u>Each instance and/or finding to be specifically identified by the Department.</u>

*Source: ~~Mississippi Medical Cannabis Act, S.B. 2095, Mississippi Legislature Regular Session 2022, Section 4(1)(3) and Section 21~~ Miss. Code Ann. §§ 41-137-3 – 41-137-67*

## **Subchapter 11                      Variances**

Rule 8.11.1    Through a variance, the Department may waive provisions of this Part on its own initiative or by request from licensed medical cannabis establishments.

*Source: Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.11.2    Requests for variance from the rules of any provision of this Part shall be made in writing and will be granted or denied by the Director of the Department’s Medical Cannabis Program. Variance Requests must include:

- A.    A list of each rule for which a variance is requested, with citation to the specific rule(s);
- B.    An explanation of why the rule cannot be met at the time of the request or why meeting the rule would impose an undue burden on the licensed medical cannabis establishment;
- C.    The requested relief;
- D.    Denial of variance requests shall be issued by the Department in writing and shall include the specific reasons for the denial.

*Source: Miss. Code Ann. §§ 41-137-3 – 41-137-67*

Rule 8.11.3 The Variance Request must be submitted by the primary contact of the licensed medical cannabis establishment in a complete format approved by the Department.

Source: Miss. Code Ann. §§ 41-137-3 – 41-137-67

Rule 8.11.4 Variance Requests are not guaranteed approval. The medical cannabis establishment making the Variance Request should continue to meet Department published rules in this Part while the request is under consideration and pending.

Source: Miss. Code Ann. §§ 41-137-3 – 41-137-67

Subchapter 12: Provision of Hearing and Appeal Following Denial or Revocation of License, Fines or Other Sanctions

Rule 8.12.1 Fines, Suspension or Revocation of License: The licensing agency may fine, suspend or revoke the license of a medical cannabis licensee at its discretion in any case in which it finds that the licensee has failed to comply with the requirements established by the Mississippi Medical Cannabis Act or the rules, regulations or standards promulgated in furtherance of such act.

Source: Miss. Code Ann. § 41-137-47.

Rule 8.12.2 Notification: At the time of imposition of any monetary penalty and prior to imposition of non-monetary sanctions, suspension or revocation of a license, written notice of the contemplated action shall be given to the licensee at the address on record with the licensing agency. Such notice shall specify the reasons for the proposed action and shall notify the licensee of the right to a hearing on the matter.

The licensing agency shall provide its initial notice of suspension, revocation, fine or other sanction by personal delivery or mailing by certified mail, signature required, to the medical cannabis licensee at the address on record with the licensing agency.

Source: Miss. Code Ann. § 41-137-47.

Rule 8.12.3 Hearing: The Mississippi State Department of Health will provide an opportunity for prompt and fair hearing to every licensee who is dissatisfied with an administrative decision imposing fines and/or other sanctions, suspending or revoking a license.

A. Upon written request of the licensee within twenty (20) days of receipt of the initial notice, an administrative hearing shall be held at a date and time fixed by the licensing agency within thirty (30) calendar days of receipt of the request for such hearing. A hearing officer shall be appointed by the State Health Officer. A court reporter shall transcribe the proceeding.

B. The licensee shall be entitled to legal representation at the hearing at his/her own expense. The burden shall be on the licensee at the hearing to prove that the agency's decision was: (a) unsupported by substantial evidence; (b) arbitrary or capricious; (c) beyond the power of the administrative agency to make; or (d) violated some statutory or constitutional right of the aggrieved party.

1. Within thirty (30) calendar days of the hearing, or such period as determined during the hearing, written findings of fact together with a recommendation for action shall be forwarded to the State Health Officer. The State Health Officer shall decide what, if any, action is to be taken on the recommendation within fourteen (14) calendar days of receipt of the recommendation. Written notice of the decision of the State Health Officer shall be provided to the licensee at the address on record with the licensing agency.

2. If the licensee fails to appeal the initial notice within the prescribed time, the decision becomes final and cannot be further appealed.

3. For the *Rules and Procedures for State Level Administrative Hearings* refer to APPENDIX A of these regulations.

Source: Miss. Code Ann. § 41-137-47.

Rule 8.12.4 Appeal: Any person or entity who disagrees with or is aggrieved by a final decision or order of the licensing agency concerning imposition of fine(s) and/or other sanction(s), suspension or revocation of a license may appeal same in the circuit court of the county in which he/she resides or if the aggrieved party is a nonresident of this state in the Circuit Court of the First Judicial District of Hinds County, Mississippi. The appeal shall be filed no later than twenty (20) calendar days after the issuance of the final decision or order. The appellant shall have the burden of proving that the decision of the licensing agency was not in accordance with applicable law and these regulations.

If a medical cannabis establishment is allowed to continue to operate during the appeal process, it will remain under the regulation of the licensing agency and will be subject to all current licensure regulations to include, but not limited to, inspection of the facility, review of facility and/or records, submission of all required or requested documents, and payment of all applicable fees and/or monetary penalties. However, the medical cannabis establishment may not dispense, transfer or sell cannabis during this period.

Source: Miss. Code Ann. § 41-137-59.

## APPENDIX A

### RULES AND PROCEDURES FOR ADMINISTRATIVE HEARINGS

1. Hearing Officer: The Hearing Officer shall be appointed by the State Health Officer or his/her designee. The Hearing Officer shall preside at the hearing, shall be charged with maintaining order at the hearing, and shall rule on all questions of evidence and procedure in accordance with the provisions of these rules.
2. Appearance by Licensee: The licensee shall appear at the date and time set for the hearing, and failure to do so without reasonable notice to the Department may result in admission of the charges and adverse action taken against the licensee.
3. Representation by Counsel: The licensee may, but is not required to be, represented by counsel at the hearing at his/her own expense and shall have the right to cross-examine all witnesses, present evidence, written or oral, on his/her own behalf, and to refute any testimony or evidence presented by the Department.
4. Rules of Evidence and Discovery: Formal rules of evidence and procedure, including Discovery, do not apply in administrative hearings; however, the rules of evidence may be used as a guide during the hearing. A record of the hearing shall be made by a court reporter.
5. Attendance of Witnesses: The licensee/registrant or counsel for the Department may make a written request to the Hearing Officer at least ten (10) days prior to the hearing to ensure the attendance of a witness or the production of documents through the issuance of an administrative subpoena. The issuance of the subpoena shall be at the discretion of the Hearing Officer.
6. Order of Proceedings: The Department shall present its case first, followed by the licensee/registrant, and any rebuttal evidence by either party. At the request of either party, all prospective witnesses shall be excluded from the proceedings except while actually testifying.
7. Standard of Proof: In order for the Department's decision to be upheld, the Hearing Officer must find that the regulatory violation has been proved by clear and convincing evidence and that the disciplinary action is supported by substantial evidence.
8. Recommendation and Final Decision: Within thirty (30) days of the hearing, or such period as determined at the hearing considering the amount of testimony and evidence and the complexity of the issues, the Hearing Officer shall submit his/her "Findings of Fact, Conclusions of Law and Recommendation" to the State Health Officer, outlining the proof presented and containing his/her recommendation to the State Health Officer as to the appropriate action to be taken. The State Health Officer shall issue his/her Final Order adopting, modifying, or rejecting the Recommendation within fourteen (14) days of receipt of the recommendation. This Final Order becomes the final appealable order of the Mississippi State Department of Health as to those proceedings.

9. Appeal of the Department's Final Order shall be accomplished as provided by the appropriate statute.

Source: Miss. Code Ann. § 41-137-47.