

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

### **Part 22: Medical Cannabis Program**

#### **Subpart 6: Cannabis Processing Facilities**

#### **Chapter 1 REGULATIONS FOR CANNABIS PROCESSING FACILITIES (PROCESSORS AND MICRO-PROCESSORS)**

##### **Subchapter 1 General Provisions**

Rule 6.1.1 Legal Authority: This regulation has been promulgated under the authority of and pursuant to Mississippi Medical Cannabis Act, S.B. 2065, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.1.2 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. **Acquire** – The term “acquire” means coming to possess cannabis by means of any legal source in compliance with the Mississippi Medical Cannabis Act (the Act) and any rules promulgated under the Act.
2. **Affiliate** – The term “affiliate” means any entity effectively controlling or controlled by another entity or associated with other entities under common ownership or control, including a parent or subsidiary.
3. **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").
4. **Analytical Batch** – The term “analytical batch” means a set of no more than twenty samples that are prepared together for the same type of analysis, are sequentially analyzed using the same instrument calibration curve, and have common analytical quality control requirements. The batch shall include testing samples as well as all applicable quality control samples, to include one method blank, duplicate laboratory fortified blanks, and duplicate matrix spikes, as required by the analytical method.
5. **Batch** – The term “batch” means, with regard to usable medical cannabis, a homogenous, identified quantity of usable medical cannabis, no greater than ten (10) pounds, that is harvested during a specified time period from

a specified processing area, and with regard to oils vapors and waxes derived from usable medical cannabis, means an identified quantity that is uniform, that is intended to meet specifications for identity, strength, and composition, and that is manufactured, packaged and labeled during a specified time period according to a single manufacturing, packaging and labeling protocol.

6. **Batch Number** – The term “batch number” means a unique numeric or alphanumeric identifier assigned to a batch by a processing facility when the batch is first planted. The batch number shall contain the facility number and a sequence to allow for inventory tracking and traceability.
7. **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.
8. **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.
9. **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. The terms “cannabis cultivator”, “cultivator”, or “micro-cultivator” also have the same meaning.
10. **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”.
11. **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 dispensary,

cannabis testing facility or cannabis research facility. These entities may also be known as “processing facilities”, “processors”, or “cannabis processors”.

12. **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 41-26-113 and 41-26-136 of the MS Code. The term medical cannabis products may also be used with the same meaning.
13. **Cannabinoid extract** – The term “cannabinoid extract” means a substance obtained by separating cannabinoids from marijuana by any of the following methods:
  - A. A chemical extraction process using a hydrocarbon-based solvent; or
  - B. A chemical extraction process using the hydrocarbon-based solvent carbon dioxide if the process uses high heat or pressure.
14. **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 processing 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.
15. **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.
16. **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.
17. **Canopy** – The term “canopy” means the total surface area within a cultivation area that is dedicated to the cultivation of flowering cannabis plants. The surface area of the plant canopy must be calculated in square feet. Measurement must include all of the area within the boundaries where the processing of the flowering cannabis plant occurs. If the surface area of the canopy consists of noncontiguous areas, each component area must be separated by identifiable boundaries. If a tiered or shelving system is used in the processing area, the surface of each tier or shelf must be included in the calculation. Calculation of the area of the plant canopy should not include:
- A. the areas within the processing area that are used to cultivate immature cannabis plants and seedlings prior to flowering; and,
  - B. the areas within the processing area that are used to support mature cannabis plants.
18. **CFR** – The abbreviation "CFR" means the Code of Federal Regulations, the compilation of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government which is published by the U.S. Government Printing Office. Citations in this Chapter to the CFR refer sequentially to the Title, Part and Section numbers.
19. **Child resistant packaging** – The term "Child-resistant packaging" means packaging that is:
- A. Designed or constructed to be significantly difficult for children under five (5) years of age to open and not difficult for normal adults to use properly as defined by 16 CFR § 1700.15 (1665) and 16 CFR § 1700.20 (1665) to the extent that such laws, rules, regulations do not conflict with the MS Medical Cannabis Act; and,
  - B. Resealable to maintain its child-resistant effectiveness for multiple openings by the patient for any product intended for more than a single use or containing multiple servings.

20. **Church** – The term “church” means a permanent building primarily and regularly used as a place of religious worship.
21. **Clone** – The term "clone" means a non-flowering plant cut from a mother plant that is capable of developing into a new plant but has shown no signs of flowering.
22. **Concentrate** – The term “concentrate” means a substance obtained by separating cannabinoids from cannabis by any of the following methods:
  - A. A mechanical extraction process;
  - B. 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
  - C. 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.
23. **Daycare** – The term “daycare” means a child-care facility, as defined by Mississippi Code Ann. § 43-20-5.
24. **Department** – The term “Department” means the Mississippi State Department of Health.
25. **Dispense** – The term "dispense" means the retail selling of medical marijuana or medical marijuana products that are packaged and labeled in accordance with the law to a licensed patient, the licensed patient's parent(s) or legal guardian(s) if the licensed patient is a minor, or a licensed caregiver.
26. **Dispose** – The term "dispose" or "disposal" means the final disposition of medical marijuana waste by either a process which renders the waste unusable and unrecognizable through physical destruction or a recycling process.
27. **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 processing of cannabis or cannabis products by a cannabis processing facility as defined by the MS Medical Cannabis Act.
28. **Edible cannabis products** – The term edible cannabis products means

products that:

- A. Contain or are infused with cannabis or an extract thereof;
  - B. Are intended for human consumption by oral ingestion; and
  - C. Are presented in the form of foodstuffs, beverages, extracts, oils, tinctures, lozenges and other similar products.
29. **Facility** – The term “facility” means the physical structure associated with a license.
30. **Flowering** – The term “flowering” means the reproductive state of cannabis in which the plant is in a light cycle intended to stimulate the production of flowers, trichomes, and cannabinoid characteristics of cannabis. There are physical signs of flower or budding out of the nodes of the stem.
31. **Harvest Batch** – The term “harvest batch” means a specifically identified quantity of cannabis that is uniform in strain, cultivated using the same practices, harvested at the same time at the same location and cured under the same conditions. Harvest batches converted into production batches are not required by the Department to be tested prior to processing, unless the cannabis processing facility requests that of the cannabis cultivation facility supplying the batch.
32. **Immature Cannabis Plants** – The term “immature cannabis plants” means seedlings or nonflowering cannabis plants. There are no demonstrated signs of flowering.
33. **Label** – The term “label” means display of written, printed or graphic matter on the immediate container of any product containing cannabis.
34. **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.
35. **Lot** – The term “lot” means an identified quantity of a batch, that is uniform and intended to meet specification for identity, strength, and composition; or in the case of a vapor, oil or wax derived from cannabis, an identified quantity produced in a specified time period in a manner that is uniform and intended to meet specifications for identify, strength, and composition.
36. **Manufacture** – The term “manufacture” means to compound, blend, extract, infuse or otherwise make or prepare cannabis and/or cannabis

products. The term “manufacturing” may also be used with the same meaning.

37. **Mature cannabis plant** – The term “mature cannabis plant” means a cannabis plant that is flowering.
38. **Medical cannabis establishments** – The term “medical cannabis establishments” shall mean a cannabis processing facility, cannabis processing facility, cannabis testing facility, 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.
39. **Medical cannabis dispensary** – The term “medical cannabis dispensary” means an entity licensed and registered with the MS Department of Revenue that acquires, possesses, stores, transfers, sells, supplies, or dispenses medical cannabis, equipment used for medical cannabis, or related supplies and educational material to cardholders. The terms “dispensary” and “cannabis dispensary” also have the same meaning.
40. **Medical cannabis transportation entity** – The term "medical cannabis transportation entity" or "cannabis transportation entity" means an entity licensed and registered with the Mississippi State 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.
41. **Micro-processing facilities** – The term “Micro-processing facilities” means an entity licensed and registered with the Mississippi State Department of Health that acquires, grows, cultivates, and harvests medical cannabis in an indoor, enclosed, locked, and secure area. Micro-processing facilities are owned by individuals who have been residents of the State Mississippi for three consecutive years prior to date of application to the Department and entities with equity ownership held by individuals who have been residents of the State of Mississippi for three consecutive years prior to the date of application to the Department.
42. **Mississippi Medical Cannabis Act** – The term “Mississippi Medical Cannabis Act” means Senate Bill 2065 passed during the 2022 Regular Session of the Mississippi Legislature and signed by the Governor and any reference to the codified section of the MS Code. The term “the Act” may also be utilized to reference the MS Medical Cannabis Act.

43. **Modification** – The term “modification” means changes in structures, processes or activities at a cannabis processing facility that will alter the functions of processing structures, systems, and/or changes in the physical foot-print of the processing center.
44. **Owner** – The term "Owner" means, except where the context otherwise requires, a direct beneficial owner, including, but not limited to, all persons or entities as follows:
- A. All shareholders with at least a 10% in a corporate entity;
  - B. All partners of a general partnership;
  - C. All general partners and all limited partners that own an interest in a limited partnership;
  - D. All members that own an interest in a limited liability company; (E) All beneficiaries that hold a beneficial interest in a trust and all trustees of a trust;
  - E. All persons or entities that own interest in a joint venture;
  - F. All persons or entities that own an interest in an association;
  - G. The owners of any other type of legal entity; and
  - H. Any other person holding an interest or convertible note in any entity which owns, operates, or manages a medical cannabis establishment.
45. **Package** – The terms “package” or “packaging” means any container or wrapper that a medical cannabis establishment may use for enclosing or containing cannabis and/or cannabis products, except that "package" or "packaging" shall not include any carry-out bag or other similar container. Packaging is not considered processing.
46. **Pesticide** – The term “pesticide” means any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, or any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant. "Pesticide" shall not include any article that is a "new animal drug" as designated by the United States Food and Drug Administration.
47. **Physical plant** – The term “physical plant” means the necessary

infrastructure used in the operations and maintenance of a cannabis processing facility. In addition to the buildings and facilities in which cannabis related activities, the physical plant also includes the mechanical systems (lighting, ventilation, plumbing, heating and cooling, etc.) to support operations. The actual cannabis plant(s) are not included in this definition.

48. **Plant growth regulator cannabis** – The term “plant growth regulator cannabis shall mean a cannabis plant whose growth and structure has been modified using plant growth hormones. A cannabis processing facility shall not process and/or manufacture plant growth regulator cannabis.
49. **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.
50. **Residency** – The term “residency” means a person’s dwelling where a person typically stays or stays more often than other locations. Residency may be determined by the Department with submission of two (2) the following: Mississippi Tax Return Form 80-105; ownership, lease or rental documents for primary residence; utility bills (electric, water, gas bills) for primary residence; and/or vehicle registration.
51. **Revocation** – The term “revocation” means the Department's final decision to revoke a license in accordance with Mississippi law.
52. **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 regular license and that the health and safety of patients and the public will not be endangered. Business activities and operations are limited by this licensure category.
53. **Restricted area** – The term “restricted area” means a building, room or other contiguous area upon the permitted premises where cannabis is grown, cultivated, harvested, stored, weighed, packaged, processed for sale or sold (to other medical cannabis establishments, not directly to an individual), under control of the licensed cannabis cultivator.
54. **School** – The term “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.

55. **Seedling** – The term “seedling” means a cannabis plant that has no flowers.
56. **Seed-to-Sale System** – The term “seed to sale system” means the specialized inventory management system utilized throughout the medical cannabis program that allows for the tracking of cannabis from early life cycle until final sale to a qualified patient or caregiver or disposal/destruction by cannabis disposal entity.
57. **THC** – The terms "THC" or "Tetrahydrocannabinol" mean any and all forms of tetrahydrocannabinol that are contained naturally in the cannabis plant, as well as synthesized forms of THC and derived variations, derivatives, isomers and allotropes that have similar molecular and physiological characteristics of tetrahydrocannabinol, including, but not limited to, THCA, THC Delta 6, THC Delta 8, THC Delta 10 and THC Delta 6.
58. **Unique Identification Number** – The term “unique identification number” means a unique number generated by the seed-to-sale system and assigned to all usable medical cannabis for the purpose of tracking cannabis from early life cycle until final sale to a qualified patient or caregiver or disposal/destruction by cannabis disposal entity.
59. **Usable medical cannabis** – The term “usable medical cannabis” means any medical cannabis product that has completed all required growing/processing steps, is in final form and is intended for sale or distribution and intended for use or consumption by qualifying patients as defined in the Mississippi Medical Cannabis Act, S.B. 2065, Mississippi Legislature Regular Session 2022. The term “retail-ready medical cannabis” may also be used.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.1.3 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.1.4 Cannabis processing facilities that process edible cannabis products must also comply with any and all Department regulations for Mississippi Food Manufacture and Sale with fees and inspection schedules associated with risk level 4 for the related manufactured food permit.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

## **Subchapter 2 Application for Licensure as a Cannabis Processing Facility**

Rule 6.2.1 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.2.2 At a minimum, an application for licensure as a cannabis processing facility 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 processing facility.
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. This map must also clearly identify the distinct areas utilized for processing activities;
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. 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;
  - C. Record-keeping systems;
  - D. Hours of operation;
  - E. Preventing diversion of cannabis and/or cannabis products;
  - F. Types and quantities of cannabis products that will be produced at the cannabis processing facility;
  - G. Methods of processing cannabis and/or cannabis products;
  - H. Inventory control and tracking;
  - I. Procedures for proper labeling and packing;
  - J. Transportation of cannabis and/or cannabis products (additional licensure in this Part is required); and,
  - K. Disposal of cannabis waste (additional licensure in this Part is required).
6. If the municipality or county where the proposed cannabis processing facility will be located has enacted zoning restrictions, a sworn attestation by the applicant certifying that the proposed cannabis processing facility is in compliance with the restrictions.
7. If the municipality or county where the proposed cannabis processing facility 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. If the construction is still underway at the time of application, then the applicant shall include a signed attestation containing the following information:
- A. A list of all local documents not yet obtained;
  - B. Anticipated dates that the applicant will obtain each location registration, license and/or permit;
  - C. An attestation that acknowledges that the applicant is aware of the outstanding need for local registrations, licenses, and/or permits and will provide delinquent documents within 5 business days of their receipt as a condition of licensure.

8. The names and other required information for all individuals and legal entities with an economic interest in the proposed cannabis processing facility.
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. Other means of accomplishing and documenting required background checks may be approved by the Department, in collaboration with the MS Department of Public Safety.
10. Other information that may be required by the Department.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

**Rule 6.2.3** 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, 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.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

**Rule 6.2.4** 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

### **Subchapter 3 Fees**

**Rule 6.3.1** The following nonrefundable fees are required at the time of initial application and renewal:

1. Micro-Processors

- A. Tier 1 (processes less than two thousand (2,000) pounds of dried biomass annually) - one-time application fee of \$2,000.00. Annual license fee of \$3,500.00.
  - B. Tier II (processes not less than two thousand (2,000) pounds of dried biomass annually but not more than but less than three thousand (3,000) pounds of dried biomass annually) - one-time application fee of \$2,500.00. Annual license fee of \$5,000.00.
2. Processors. A cannabis processing facility that processes no less than three thousand (3,000) pounds of dried biomass annually. One time application fee of \$15,000.00. Annual license fee of \$20,000.00.

Rule 6.3.2 Fees must be paid in a manner set forth by the Department.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.3.3 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.3.4 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 6.3.1 – 6.3.3.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.3.5 Should fees be returned to the Department as insufficient; the Department will cease the application review process. The applicant will be notified of the activity and the application will be denied at that time. If a license has been issued when the Department is notified of insufficient funds associated with the payment of fee, the medical cannabis establishment will be notified, and its license will be suspended until the fee payments are remedied. Remediation of the insufficient funds must occur within 30 days.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

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

Rule 6.4.1 A license, issued by the Department, shall be obtained for each cannabis processing facility prior to the commencement of any processing activities related to cannabis. Activities include, but are not limited to: acquiring cannabis from a licensed

cultivator; possessing cannabis with the intent to manufacture a cannabis product; manufacturing unprocessed cannabis; and selling cannabis products to a medical cannabis dispensary, testing facility or research facility. Activities outside of the authority granted to medical cannabis establishments by virtue of these rules, licensure and registration with the Department and the Mississippi Medical Cannabis Act may be considered suspected illegal activities and reported to proper authorities as such.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.2 A cannabis processing facility may not acquire, possess, store, or manufacture 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.3 A medical cannabis establishment 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.4 Licensure of a cannabis processing facility is required annually.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.5 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.6 Provisional Licensure. Within its discretion, the Department 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.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.7 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.8 **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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.9 An annual inspection by the Department may be required for renewal of the license.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.10 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 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 one (1) Mississippi cannabis processing facility license; more than one (1) Mississippi cannabis processing facility license; and more than five (5) Mississippi cannabis dispensary licenses.
5. The licensed entity owes delinquent taxes;
6. The licensed entity no longer meets all eligibility requirements for the issuance of a cannabis processing facility license;
7. The licensed entity does not meet regulatory requirements set by the Department; and/or,
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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.11 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.12 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.13 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.14 An applicant may appeal a renewal denial as provided by the Mississippi Medical Cannabis Act.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.15 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.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.4.16 Upon acceptance of the license issued by the Department, the license holder shall:

1. Post the license or permit in a location in the licensed facility that is conspicuous;
2. Comply with the provisions in the Rules in this Part;
3. Comply with directives of the Department including time frames for corrective actions specified in inspection reports, audit reports, notices, orders, warnings, and other directives issued by the Department in regard to the license holder's medical cannabis business or in response to community emergencies;
4. These Rules or a directive of the Department, including time frames for corrective actions specified in inspection reports, audit reports, notices, orders, warnings, and other directives; and,
5. Bear the financial responsibility for all compliance and inventory tracking obligations and responsibilities set forth in Mississippi statutes and these Rules.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

## **Subchapter 5            Transfer of Ownership**

Rule 6.5.1 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

- Rule 6.5.2 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 cannabis transportation entity license to demonstrate compliance with all applicable requirements for licensure.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

- Rule 6.5.3 Fingerprinting and criminal history record checks are required for anyone proposed as an owner, officer, director, board member or anyone with an economic interest of ten percent (10%) or more of a medical cannabis establishment.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

- Rule 6.5.4 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

## **Subchapter 6 Oversight Requirements**

- Rule 6.6.1 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 (which requires a cannabis transportation entity license) are subject to reasonable inspection by the Department.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

- Rule 6.6.2 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.6.3 Medical cannabis establishments must notify the Department (in a format approved by the Department) of their intent to commence operations for which authority is granted by the licensure status, along with the date of the commencement. Notification to the Department must include, but is not limited to:

1. Verification of an operational alarm and video surveillance system meeting requirements in Rule 6.10.7 and Rule 6.10.8;
2. Verification of secure locks throughout the facility;
3. Verification of access controls throughout the facility;
4. Verification of initial inventory of cannabis and/or cannabis products;
5. Verification of performing physical plant operations;
6. Verification of employment records (at the time); and,
7. Verification of connection to the state's seed-to-sale system.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.6.4 The Department shall conduct at least one on-site inspection of all medical cannabis establishments.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.6.5 Cannabis processing facilities may acquire, process, store and manufacture usable medical cannabis in an amount reasonably necessary to meet the demand for and needs of qualifying patients as demand and needs may be determined by the Department. At a minimum, the Department will utilize the following data sources to make such determinations: patient registry, medical cannabis establishment licensing data, and data produced by the statewide seed-to-sale system.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.6.6 A cannabis processing facility that fails to maintain production for any reason for more than six (6) months from the date of licensure after it has begun production shall be notified in writing and given 30-days from the date of notification from the Department to submit a written explanation why it so failed and, if it plans on continuing to operate as a cannabis processing facility, a description of how it will correct the problem and prevent it from occurring again.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.6.7 If the Department discovers what it reasonably believes to be criminal activity or other violations of Mississippi law during an inspection, the Department may refer the matter to appropriate Mississippi state or local law enforcement or regulatory authorities for further investigation.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.6.8 Except for license information concerning licensed patients, the Department may share confidential information to assist other agencies in ensuring compliance with applicable laws, Rules, and regulations.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.6.9 Cannabis processing facilities shall not permit the consumption of cannabis and/or cannabis products on its licensed premises or by employees during working hours.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.6.10 Cannabis processing facilities must register with the MS Department of Revenue for tax purposes.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

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

Rule 6.7.1 A cannabis processing facility may not employ anyone who has been convicted of a disqualifying felony offense or is under the age of twenty-one (21). A cannabis processing facility may not employ any individual who does not have a valid work permit issued by the Department.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.7.2 A cannabis processing facility 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.7.3 An individual will not be able to work at a medical cannabis establishment until after he or she receives a work permit. An individual is required to renew his or her permit every five (5) years.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.7.4 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. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.7.5 Each medical cannabis establishment is required to create an identification badge for its employees. This badge must be conspicuously worn by employees at all times that they are on the licensed premises or during transport of cannabis and/or cannabis products. Employees must also maintain a copy of the Department issued work permit on their person while present at a cannabis processing facility.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.7.6 All employees of the medical cannabis establishment must be entered into the state's seed to sale system.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.7.7 A medical cannabis establishment must keep an individual 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 worked; and,
7. Any disciplinary actions taken.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.7.8 Employment records must be maintained, either electronically or in hard copy, for at least five (5) years after the employee’s last date of employment with the cannabis processing facility.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.7.9 Within 30 days of hire, processing facilities must ensure all facility 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 cannabis processing facilities 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. The methods of processing used by the facility; and
6. The facility’s safety and sanitation procedures.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.7.10 Cannabis processing facilities must designate a security manager with responsibility for overall facility security to include, but not limited to: adherence to security requirements; conducting semiannual audits of security measures to identify areas of needed improvements/corrective actions; employee training on security measures and controls; and, prevention of diversion/theft of cannabis and/or cannabis products.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

## **Subchapter 8            General Recordkeeping Requirements**

Rule 6.8.1 Medical cannabis establishments must participate in and utilize the state’s seed to sale system for inventory control and tracking purposes. All associated costs for their participation are the financial responsibility of the medical cannabis establishments.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.8.2 Medical cannabis establishments 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. Record of all pesticides and chemical applications to cannabis and/or cannabis products;
5. Records of all chemical applications to equipment utilized in the manufacturing process; and,
6. Records of any theft, loss, or other unaccountability of any cannabis and/or cannabis products.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.8.3 Records of all chemical applications to cannabis plants and/or cannabis products must include the following:

1. The date of application;
2. The name of the individual making the application;
3. The product that was applied;
4. The section, including the square footage, that receive the application;
5. The amount of product that was applied; and,
6. A copy of the label of the product that was applied.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

## **Subchapter 9 Statewide Seed-to-Sale System and Inventory Control**

Rule 6.9.1 Cannabis processing facilities must use the seed-to-sale system directly for inventory tracking or may use a Department approved third-party integrator for interface into the seed-to-sale system.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.9.2 Cannabis processing facilities must identify an employee with primary responsibility for seed-to-sale tracking (e.g., seed-to-sale system administrator).

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.9.3 Cannabis processing facilities must ensure all on-premises and in-transit cannabis and/ cannabis product inventories are reconciled each day in the State seed-to-sale system at the close of business, if not already done.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.9.4 Cannabis processing facilities shall ensure its inventories are properly tagged in any manner which is compatible with the state seed to sale tracking program for tracking purposes and such tags may include bar codes, RFID tags, NFC tags, or other equivalent system for assigning unique numbers to cannabis plants and products.

1. Tags must contain the legal name and correct license number of the medical cannabis establishment.
2. Prior to a plant reaching a point where it is able to support the weight of a tag (8 inches in height), a tag may be securely fastened to the stalk or other similarly situated position approved by the Department. The tag shall remain affixed for the entire life of the plant until disposal.
3. Mother plants must be tagged before any cuttings or clones are generated therefrom.
4. If a tag is destroyed, stolen, or falls off of a cannabis plant, the licensee must ensure a new tag is placed on the cannabis plant and the change is properly reflected in the State seed-to-sale system.
5. Medical cannabis establishments shall not reuse any tags that have already been affixed to any cannabis plant or cannabis products.
6. Each wholesale package of cannabis and/or cannabis products must have a tag during storage and transfer and may only contain one batch of cannabis and/or cannabis products.

7. Prior to transfer, medical cannabis establishments shall ensure that each immature plant is properly affixed with a tag if the plant was not previously tagged in accordance with these Rules.
8. Medical cannabis establishments' inventory must have a tag properly affixed to all cannabis and/or cannabis products during storage and transfer in one of the following manners:
  - A. Individual units of cannabis products shall be individually affixed with a tag; or
  - B. Cannabis products may only be combined in a single wholesale package using one tag if all units are from the same production batch.
  - C. If any cannabis and/or cannabis products are removed from a wholesale package, each individual unit or new wholesale package must be separately tagged.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.9.5 All cannabis and/or cannabis products must be physically inventoried on a weekly basis and records maintained for a minimum of five years. Any removal of cannabis and/or cannabis products must be recorded.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

## **Subchapter 10 Physical Plant Requirements for Cannabis Processing Facilities**

Rule 6.10.1 A cannabis processing facility may be located in any area in a municipality or county that is zoned as agricultural or industrial or for which agricultural or industrial use is otherwise authorized or not prohibited, provided that it being there does not violate any other provision of this Part.

*Source: Mississippi Medical Cannabis Act, S.B. 2065, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 19*

Rule 6.10.2 A cannabis processing facility may be located in any area in a municipality or county that is zoned as commercial or for which commercial use is otherwise authorized or not prohibited, provided that the municipality or county has authorized the entity to be located in such area and that it being there does not violate any other provision of this chapter. The municipality or county may authorize this by granting a variance to an existing zoning ordinance or by adopting a change in the zoning ordinance that allows for those entities to be located in specific commercial areas.

*Source: Mississippi Medical Cannabis Act, S.B. 2065, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 19*

Rule 6.10.3 A municipality or county may require a medical cannabis establishment to obtain a local license, permit or registration to operate, and may charge a reasonable fee for the local license, permit or registration, provided that this fee is consistent with fees charged to businesses that are not involved in the cannabis industry.

*Source: Mississippi Medical Cannabis Act, S.B. 2065, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 19*

Rule 6.10.4 All processing activities must take place in indoor, enclosed, locked and secure facilities. Outdoor processing is prohibited.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.10.5 Indoor, enclosed, and secure facilities. All processing activities must take place within a building or secure structure that meets all state and local electrical, fire, plumbing and building codes and specification in addition to the following requirements:

1. Has a complete roof enclosure supported by connecting permanent walls, constructed of solid materials extending from the ground to the roof;
2. Is secure against unauthorized entry;
3. Has a foundation, slab, or equivalent base to which the floor is securely attached;
4. Has commercial grade door locks on all external doors that are locked at all times;
5. Restricts access to only authorized personnel to locked and secure areas identified with signage and daily records of entry and exit;
6. Plumbing is adequate to carry sufficient quantities of water to locations through the facility and convey sewage and waste from the facility without cross contamination of potable water and waste;
7. Water supplies should be sufficient for processing activities and derived from a source that is a regulated water system;
8. Toxic cleaning compounds, sanitizing agents, solvents, and pesticides must be identified and stored in a manner that is in accordance with applicable local, state or federal law, rule, or regulation; and,
9. Must have exhaust and ventilation systems to mitigate noxious gasses or

other fumes used or created as part of any production and/or manufacturing processes.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.10.6 The perimeter of all cannabis processing facilities must be designed and maintained to discourage theft and diversion of cannabis and/or cannabis products. In addition to any local zoning requirements, all cannabis processing facilities must:

1. Maintain adequate lighting to facilitate video surveillance at all times (24 hours per day/7 days per week);
2. Landscaping that does not allow for a person or persons to conceal themselves for sight or video surveillance; and,
3. Must have fencing or permanent walls that ensure that all stages and processing and processing activities are not visible or accessible to the public.
4. Post signage in a conspicuous location at each entrance of the cannabis processing facility that reads "PERSONS UNDER 21 YEARS OF AGE NOT PERMITTED ON THESE PREMISES".
5. Post signage in a conspicuous location at each entrance of the cannabis processing facility that reads "THESE PREMISES ARE UNDER CONSTANT VIDEO SURVEILLANCE".

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.10.7 Alarm Systems. All cannabis processing facilities must have alarm systems that meet the following:

1. 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 processing facility must also be notified;
2. 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;
3. Provide continuous, uninterrupted coverage (24 hours/7 days) of any room with an exterior wall, any room containing cannabis (of any type or stage of growth) and any room used for cannabis processing activities of any type;

4. Be equipped with failure notification systems to notify the cannabis processing facility and law enforcement of any failure in the alarm system; and,
5. Have the ability to remain operational during a power outage.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.10.8 Video Surveillance. All cannabis processing facilities must have video surveillance that meets the following:

1. 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;
2. Provide continuous, uninterrupted coverage (24 hours/7 days) of any room with an exterior wall, any room containing cannabis (of any type or stage of growth), and any room used for cannabis processing activities of any type;
3. Digital archiving capabilities for a minimum of (120) days;
4. On-site and off-site monitoring capabilities;
5. At least one on-site display monitor, of at least twelve inches, connected to the system at all times must be available;
6. Have the date and time embedded on all surveillance recordings without significantly obscuring the picture; and,
7. Use cameras that are capable of recording in both high and low lighting conditions.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.10.9 General Sanitation Requirements. All processing facilities must maintain sanitary conditions that include the following:

1. Any employee of the cannabis processing facility who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with cannabis and/or cannabis products shall be excluded from any operations which may be expected to result in such contamination until the condition is resolved.
2. Cannabis processing facilities shall maintain hand-washing areas that are adequate and convenient to employees. Hand washing or sanitizing areas

shall include running water at a suitable temperature and a sanitary towel service or suitable drying device.

3. Cannabis processing facilities shall ensure any person working in direct contact with cannabis and/or cannabis products shall:
  - A. Maintain adequate personal cleanliness;
  - B. Wash hands and exposed portions of his or her arms thoroughly in an adequate hand-washing area before starting work and at any other time when the hands may have become soiled or contaminated, including but not limited to:
    - i. Any time after handling possibly soiled equipment or utensils;
    - ii. After leaving the initial room in which he or she was working, and before resuming work in any room, including the initial room;
    - iii. Litter and waste must be properly removed so they do not contribute to potential sources of contamination in areas where cannabis plants are located;
    - iv. Floors, walls, and ceilings must be adequately cleaned and kept in good repair; and,
    - v. There must be adequate screen or other protection against the entry of pests.
4. All equipment, counters, and surfaces used for processing shall be food-grade and shall not react adversely with any solvent being used;
5. All counters and surfaces shall be constructed in a manner that reduce the potential for development of microbials, molds and mildews and that can be easily cleaned; and,
6. All ingredients used to make medical cannabis edibles must meet the requirements for food products set forth by the Food and Drug Administration and the Department
7. Applicable material safety data sheets must be readily available in processing areas.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.10.10 Separation of Functions. If a medical cannabis establishment is licensed as a cultivation facility and processing facility with both functions in the same physical space, there must be physical separation between the two by connecting permanent walls, constructed of solid materials extending from the ground to the roof with separate means of entrance and exit.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

## **Subchapter 11            Operational Requirements for Cannabis Processing Facilities**

Rule 6.11.1 A medical cannabis establishment shall only purchase, manufacture and/or process cannabis that is grown, cultivated, processed, and dispensed in this state. Any medical cannabis that is grown, cultivated or processed in this state shall not be transported outside of this state. No product, containing THC, shall be brought into the State of Mississippi for the purpose of converting, transforming, chemically engineering, or otherwise altering it into a compound or substance which would constitute cannabis and/or a cannabis product under these Rules.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.2 As of September 1, 2022, cannabis for medical use shall be grown from seeds or plants obtained from a Mississippi licensed cannabis cultivation facility.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.3 The Department may issue public notice of a medical cannabis recall if, in its judgment, any particular cannabis and/or cannabis product presents a threat to the health and safety of qualifying patients. All medical cannabis establishments are responsible for complying with recall notices. Recalled items must be immediately pulled from production or inventory and held until such time as the Department determines the item is safe, may be remediated, or must be destroyed.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.4 Cannabis processing facilities must comply with testing requirements in rules and regulations related to Cannabis Testing Facilities in Subpart 1: Cannabis Testing Facilities in this Part.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.5 Each manufacturing/processing area shall be maintained free of debris.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.6 A cannabis processing facility, or any medical cannabis establishment shall not treat or otherwise adulterate a cannabinoid product, concentrate, cannabinoid extract, or extract with any non-cannabinoid additive that would increase potency, toxicity or addictive potential, or that would create an unsafe combination, with caffeine or other chemical that may increase carcinogenicity or cardiac effects.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.7 All edible cannabis products must be homogenized to ensure uniform disbursement of cannabinoids throughout the product(s).

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.8 Cannabis processing facilities may use chemical extraction processes using a nonhydrocarbon-based, or other solvent such as water, vegetable glycerin, vegetable oils, animal fats, steam distillation, food-grade ethanol. Nonhydrocarbon-based solvents must be food grade.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.9 Cannabis processing facilities may use chemical extraction processes using hydrocarbon based solvents that are at least 99 percent purity.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.10 Extraction processes must take place in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is, or could be, present.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.11 Potable water sources must be utilized in processing/ manufacturing of cannabis and/or cannabis products.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.12 Cannabis processing facilities are prohibited from using pressurized canned flammable fuel such as butane intended for use in outdoor/camp like activities, handheld torch devise, refillable cigarette letters, etc.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.13 Cannabis processing facilities using carbon dioxide must have equipment and facilities approved by local fire code officials, if applicable.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.11.14 Manufacturing processes using flammable gas of flammable liquid must have leak or gas detection measures, or both.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

## **Subchapter 12            Packaging and Labeling**

Rule 6.12.1 Cannabis processing facilities shall not sell, or otherwise transfer cannabis and/or cannabis products to other medical cannabis establishments licensed by the Department and/or the MS Department of Revenue that are not packaged and labeled in accordance with these regulations.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.12.2 Medical cannabis establishments receiving a sale or transfer from another medical cannabis establishment shall refuse to accept or shall return to the medical cannabis establishment transferring cannabis and/or cannabis products, any cannabis and/or cannabis products that are not packaged and labeled in accordance with these regulations. The medical cannabis establishment that sold or otherwise transferred the nonconforming cannabis and/or cannabis products shall accept such return.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.12.3 Medical cannabis establishments shall document any such return, nonacceptance, or disposal, and such documentation shall include at a minimum:

1. The license number, name, contact information, and address of the medical cannabis establishment that sold or otherwise transferred the nonconforming cannabis and/or cannabis products;

2. A complete inventory of the cannabis and/or cannabis products to be returned or disposed, including the batch number;
3. The reason for the nonacceptance, return, or disposal; and,
4. The date of the nonacceptance, return, or disposal.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.12.4 The following packaging requirements apply to all usable medical cannabis (retail-ready) being transferred to or sold to a medical cannabis dispensary for sale to a qualified patient and/or caregiver. Packaging and labelling, meeting the following requirements, must be in place when transferred or sold to a medical cannabis dispensary:

1. Labels, packages, and containers shall not be attractive to minors and shall not contain any content that reasonably appears to target children, including toys, cartoon characters, or any color scheme, image, graphic, or feature that might reasonably be expected to make the product label, package, or container appealing to children.
2. Packages should be designed to minimize appeal to children and shall not depict images other than the business name and logo of the medical cannabis establishment.
3. Packaging must contain a label that reads: "Keep out of reach of children."
4. All usable medical cannabis and cannabis products must be packaged in child-resistant containers at the point of sale or other transfer to a patient, a patient's parent, or legal guardian if patient is a minor, or a caregiver.
5. Packages and labels shall not contain product names related to candy or candies (or any spellings thereof e.g., kandy, kandies, etc.)
6. No cannabis and/or cannabis products shall be intentionally or knowingly packaged or labeled to cause a reasonable patient confusion as to whether the medical cannabis or medical cannabis product is a trademarked product or any commercially available candy, snack, baked good or beverage.
7. Packages and labels shall not make any claims or statements that the medical cannabis or medical cannabis products provide health or physical benefits to the patient.
8. Must not contain the logo of the Department or any seal, flag, crest, coat of arms, or other insignia that could reasonably mislead any person to believe the product has been endorsed, manufactured, or used by any state, county, or municipality or any agency thereof.

9. Cannabis products that have a potency of over thirty percent (30%) total THC must be labeled as “extremely potent”.
10. Edible cannabis products must be labeled with a clear determination of how much total THC is in a single serving size and how much THC is in the entire package. The single serving size must also be included on the label.
11. Usable medical cannabis must include the following on the label:
  - A. Name of the cannabis and/or cannabis product;
  - B. Batch number of the cannabis and/or cannabis product;
  - C. Unique identifier number created by the seed to sale system;
  - D. Net quantity or weight of contents;
  - E. The length of time it typically takes for the product to take affect;
  - F. Disclosure of ingredients and possible allergens;
  - G. A nutritional fact panel;
  - H. The total amount of THC and CBD in the product as verified by the cannabis testing facility;
  - I. Terpenoid profile in the product as verified by the cannabis testing facility;
  - J. A notice of the potential harm caused by consuming medical cannabis; and,
  - K. For edible cannabis products, when practicable, a standard symbol indicating the product contains cannabis.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.12.5 All usable medical cannabis and/or cannabis products must be in compliant packaging upon entering the medical cannabis dispensary space.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.12.6 All labeling must be in plain font that can be easily read.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.12.7 All labeling on topical products must also state “For Topical Application – Do Not Eat or Smoke”.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.12.8 Labels and packaging for food containing marijuana shall comply with all applicable requirements in existing Mississippi law, rules and regulations.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.12.8 In addition to the labeling requirements in this Part, all usable (retail-ready) cannabis and/or cannabis products must be packaged to meet the following:

1. Packaging must be opaque and light resistant;
2. Packing must fully enclose the product so that it cannot be seen from outside the packaging;
3. Packaging must protect the product from contamination;
4. Not impart any toxic or deleterious substance to the medical marijuana product;
5. must be in child-resistant packages or containers;
6. must be in a resealable package or container that meets the effectiveness specifications outlined in 16 CFR 1700.15 to the extent that such laws, rules, and regulations do not conflict with the MS Medical Cannabis Act, if the product contains more than one serving.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

Rule 6.12.6 All cannabis and/or cannabis products sold or transferred between cannabis cultivation facilities and/or cannabis processing facilities shall be labeled, and the label shall contain, at a minimum, the following information:

1. Name and license number of the cultivator/grower or manufacturer who is selling or otherwise transferring the medical cannabis and/or cannabis product;
2. The batch number of the medical cannabis and/or or cannabis product;

3. Date of harvest or production; and,
4. Unique identifier number generated by the seed to sale system.

*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*

**Subchapter 13            Schedule of Disciplinary Actions**

Rule 6.13.1    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.

<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	\$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 security requirements	\$5,000	\$10,000 and one week suspension	\$20,000 and two week suspension
On-site use of cannabis by employees	\$5,000	\$10,000 and one week suspension	\$20,000 and two week suspension
Failure to sufficiently maintain records	\$10,000	\$10,000 and one week suspension	\$20,000 and two week suspension
Unlawful acquisition, transfer, purchase or sale of cannabis and/or cannabis product unless otherwise listed	\$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
Refusal to permit access by Department staff as required by law	Two week Suspension	Revocation	
Threat against law enforcement and/or Department staff	Two week Suspension	Revocation	
Processing activities during a license suspension period	Revocation		
General Penalty if not specifically listed	\$5,000	\$10,000	\$20,000 and one week suspension

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*Source: Mississippi Medical Cannabis Act, S.B. 2055, Mississippi Legislature Regular Session 2022, Section 4 (1) (3) and Section 21*