

HB 54-FN - AS INTRODUCED

2025 SESSION

25-0010

05/08

HOUSE BILL            ***54-FN***

AN ACT                allowing alternative treatment centers to operate for-profit.

SPONSORS:            Rep. W. Thomas, Hills. 12; Rep. Vail, Hills. 6

COMMITTEE:          Health, Human Services and Elderly Affairs

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ANALYSIS

This bill allows alternative treatment centers to operate for-profit.

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Explanation:        Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears ~~[in brackets and struckthrough.]~~  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Five*

AN ACT allowing alternative treatment centers to operate for-profit.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 Public Health; Use of Cannabis for Therapeutic Purposes; Definitions; Alternative Treatment  
2 Center. Amend RSA 126-X:1, I to read as follows:

3 I. "Alternative treatment center" means a **domestic business corporation organized**  
4 **under RSA 293-A, a domestic limited liability company organized under RSA 304-C, or a**  
5 not-for-profit [entity] **voluntary corporation organized under RSA 292 that is** registered under  
6 RSA 126-X:7 **and** that acquires, possesses, cultivates, manufactures, delivers, transfers, transports,  
7 sells, supplies, and dispenses cannabis, and related supplies and educational materials, to qualifying  
8 patients, designated caregivers, other alternative treatment centers, and visiting qualifying patients.

9 2 Public Health; Use of Cannabis for Therapeutic Purposes; Departmental Administration;  
10 Alternative Treatment Centers; Application Form. Amend RSA 126-X:7, IV(a)(4) to read as follows:

11 (4) The name, address, and date of birth of each principal officer and board member  
12 of the alternative treatment center. The board of directors **or board of managers, as applicable,**  
13 for the [nonprofit] **alternative treatment center** shall include at least one physician, advance  
14 practice registered nurse, or pharmacist licensed to practice in New Hampshire and at least one  
15 patient qualified to register as a qualifying patient. The majority of board members **or managers,**  
16 **as applicable,** shall be New Hampshire residents. A medical professional listed in this  
17 subparagraph may be a member of the alternative treatment center board **of directors or**  
18 **managers, as applicable,** but shall not maintain an ownership interest in the center.

19 3 Public Health; Use of Cannabis for Therapeutic Purposes; Alternative Treatment Centers;  
20 Requirements. Amend RSA 126-X:8, I to read as follows:

21 I. An alternative treatment center [shall] **may** be operated on a **for-profit or** not-for-profit  
22 basis for the benefit of its patients. An alternative treatment center need not be recognized as a tax-  
23 exempt organization by the Internal Revenue Service.

24 4 New Paragraphs; Public Health; Use of Cannabis for Therapeutic Purposes; Alternative  
25 Treatment Centers; Requirements. Amend RSA 126-X:8 by inserting after paragraph XVIII the  
26 following new paragraphs:

27 XIX. Except as otherwise provided in this chapter, an alternative treatment center shall be  
28 subject to RSA 293-A if organized as a domestic business corporation, RSA 304-C if organized as a  
29 domestic limited liability company, and RSA 292 if organized as a voluntary corporation.

30 XX. An alternative treatment center organized as a voluntary corporation under RSA 292  
31 may convert from a voluntary corporation under RSA 292 to either a domestic business corporation

1 organized under RSA 293-A or a limited liability company organized under RSA 304-C in any of the  
2 following ways:

3 (a) By adopting a plan of entity conversion in accordance with RSA 293-A or RSA 304-C,  
4 as applicable, that includes a provision prohibiting the sale of memberships or shares to a foreign  
5 corporation for a period of 3 years, provided that each such conversion shall be authorized by a vote  
6 of 2/3 of the members of the board of directors at a meeting duly called for the purpose or by  
7 unanimous written consent.

8 (b) By adopting a plan of merger in accordance with RSA 293-A that includes a  
9 provision prohibiting the sale of memberships or shares to a foreign corporation for a period of 3  
10 years, for which the domestic business corporation shall be the surviving entity, provided that, such  
11 merger shall be authorized by a vote of 2/3 of the members of the board of directors of the alternative  
12 treatment center at a meeting duly called for the purpose or by unanimous written consent.

13 (c) By adopting a plan of merger in accordance with RSA 304-C that includes a provision  
14 prohibiting the sale of memberships or shares to a foreign corporation for a period of 3 years, for  
15 which the domestic limited liability company shall be the surviving entity, provided that, such  
16 merger shall be authorized by a vote of 2/3 of the members of the board of directors at a meeting duly  
17 called for the purpose or by unanimous written consent.

18 XXI. Articles of entity conversion or articles of merger, as applicable, shall be signed and  
19 submitted to the secretary of state pursuant to RSA 293-A or RSA 304-C, as applicable, and the  
20 secretary of state shall approve all such filings submitted pursuant to this section.

21 XXII. The secretary of state shall certify such articles of entity conversion or articles of  
22 merger and shall provide them to the department. Upon receipt, the department shall update the  
23 existing licenses held by the converted or merged alternative treatment center.

24 XXIII. For the purposes of converting or merging an alternative treatment center pursuant  
25 to this section, notwithstanding any provision in the articles of agreement or alternative treatment  
26 center license applications to the contrary, the members of an alternative treatment center's board of  
27 directors may determine that a plan of entity conversion or merger is consistent with its corporate  
28 charter, and such voluntary corporation may surrender its articles of agreement in connection with  
29 the plan of entity conversion or merger.

30 5 Voluntary Corporations and Associations; Powers of Corporations; Change of Name;  
31 Amending Articles; Conversion and Merger. Amend RSA 292:7 to read as follows:

32 292:7 Change of Name; Amending Articles.

33 *I.* Any corporation now or hereafter organized or registered in accordance with the  
34 provisions of this chapter, and any existing corporation which may have been so organized or  
35 registered, may change its name, increase or decrease its capital stock or membership certificates,  
36 merge with or acquire any other corporation formed pursuant to this chapter, or amend its articles of  
37 agreement, by a majority vote of such corporation's board of directors or trustees, at a meeting duly

1 called for that purpose, and by recording a certified copy of such vote in the office of the secretary of  
2 state and in the office of the clerk of the town or city in this state which is its principal place of  
3 business. In the case of a foreign nonprofit corporation registered in New Hampshire, a copy of the  
4 amendment or plan of merger, certified by the proper officer of the state of incorporation, shall be  
5 filed with the secretary of state, together with the fee provided in RSA 292:5. The surviving  
6 corporation in a merger shall continue to have all the authority and powers vested in the merging  
7 corporations, including any powers previously conferred upon them by the legislature.

8 **II. An alternative treatment center registered pursuant to RSA 126-X and**  
9 **organized under this chapter may, pursuant to RSA 126-X:8, XX, convert to either a**  
10 **domestic corporation organized under RSA 293-A or a limited liability company organized**  
11 **under to RSA 304-C, and may merge with a domestic business corporation organized under**  
12 **RSA 293-A or a limited liability company organized under RSA 304-C.**

13 6 New SubParagraph; New Hampshire Business Corporation Act; Domestication and  
14 Conversion; Entity Conversion Authorized. Amend RSA 293-A:9.50 by inserting after paragraph (f)  
15 the following new subparagraph:

16 (g) Alternative treatment centers registered pursuant to RSA 126-X and organized  
17 pursuant to RSA 292 may become a domestic corporation pursuant to a plan of conversion in  
18 accordance with RSA 126-X:8, XX and this subdivision. The alternative treatment center shall be  
19 deemed to be a domestic unincorporated entity for purposes of applying RSA 293-A:9.50 through  
20 RSA 293-A:9.56, except that approval of the conversion shall be as outlined in RSA 126-X:8, XX.

21 7 Limited Liability Companies; Statutory Conversions; Statutory Conversions of Other  
22 Business Entities to Limited Liability Companies. Amend RSA 304-C:149, I to read as follows:

23 I. Any other business entity, **including alternative treatment centers pursuant to RSA**  
24 **126-X:8, XX**, may make a statutory conversion of its business organization form to the limited  
25 liability company business organization form under this act by complying with the requirements of  
26 this section and with applicable law governing the other business entity. **Approval of a**  
27 **conversion of an alternative treatment center pursuant to this paragraph shall be as**  
28 **outlined in RSA 126-X:8, XX.**

29 8 New Paragraph; Limited Liability Companies; Statutory Conversions; Statutory Conversions  
30 of Other Business Entities to Limited Liability Companies; Approvals of Statutory Conversion.  
31 Amend RSA 304-C:149 by inserting after paragraph VIII the following new paragraph:

32 IX. In the case of the conversion of an alternative treatment center registered under RSA  
33 126-X and organized pursuant to RSA 292, such conversion shall be approved by the board of  
34 directors in accordance with RSA 126-X:8, XX.

35 9 Effective Date. This act shall take effect 60 days after its passage.

**HB 54-FN- FISCAL NOTE  
 AS INTRODUCED**

AN ACT allowing alternative treatment centers to operate for-profit.

**FISCAL IMPACT: This bill does not provide funding.**

<b>Estimated State Impact</b>				
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Revenue</b>	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
<b>Expenditures*</b>	\$0	\$13,000	\$0	\$0
<i>Funding Source(s)</i>	Various Agency Funds			
<b>Appropriations*</b>	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

\*Expenditure = Cost of bill

\*Appropriation = Authorized funding to cover cost of bill

**METHODOLOGY:**

This bill allows alternative treatment centers to operate as for-profit entities. The Department of State estimates that this will necessitate software and other changes, resulting in a one-time expenditure of \$13,000. The Department states that it will use non-general fund revenue sources to cover these costs.

The Department of Health and Human Services states the bill will have no fiscal impact on that department.

It is assumed any fiscal impact will not occur until FY 2026.

**AGENCIES CONTACTED:**

Departments of State and Health and Human Services