

# DAVIS MALM & D'AGOSTINE P.C.

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## CANNABIS LAW ALERT OCTOBER 2017

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### MASSACHUSETTS DEPARTMENT OF PUBLIC HEALTH RELEASES GUIDANCE TO REGISTERED MARIJUANA DISPENSARIES ON NONPROFIT CONVERSION

Earlier this month, the Massachusetts Department of Public Health (DPH) provided an avenue to enable for-profit entities to operate Registered Marijuana Dispensaries (RMDs). The DPH's Medical Use of Marijuana Program released guidance (found [here](#)) for nonprofit entities to convert to for-profit Massachusetts corporate entities. This applies to nonprofit entities holding, as of July 1, 2017, provisional or final certification of registration to dispense medical use marijuana, or any application pending before the DPH which has not received provisional or final certification of registration. Prior to the legislation enacted in July under Chapter 55 of the [Acts of 2017](#), Massachusetts law required RMDs to organize as nonprofit entities.

Nonprofit entities considering the conversion process to for-profit entities should consider potential employment, benefits, tax, and operational consequences that may affect the converting nonprofit entity as well as individuals or other entities associated with the nonprofit.

If you have questions about this alert, please contact an attorney in our [Cannabis Law Practice](#).

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