







## Will rescheduling change the involvement of Nevada gaming licensees in cannabis-related businesses?

The Nevada Gaming Control Board (GCB) and Nevada Gaming Commission (NGC) have issued very few rulings on cannabis activities, except to admonish licensees that they shall not engage in cannabis-related business activity. The Nevada Gaming Policy Committee should not contract with or maintain business relationships with individuals or entities engaged in the sale, cultivation or d

The legal basis for the prohibition on gaming licensees conducting cannabis-related business activities will not likely change based on the rescheduling of cannabis, given the narrow opportunity for the federal government to reconcile the state-federal conflict when rescheduling from Schedule I to Schedule III (by either interpreting practitioners to include licensed dispensaries (under 21 USC Code §829) or another manner of sanctioning state medical cannabis programs). Perhaps, though, the NGC and GCB will be inclined to further evaluate the potential for gaming licensees to engage in cannabis-related business activities, given the federal compliant with their respective state laws and regulations governing cannabis.

## What are the next steps?

Now that DHS has transmitted its findings regarding rescheduling cannabis, the DEA must conduct a review of the relevant evidence. If the DEA finds that rescheduling is warranted, then it must initiate a federal rulemaking process under the Administrative Procedure Act. This process must allow for public comment and will culminate in a decision on whether to adopt the proposed rule. As of the date of the submission of this article, this has not yet happened. The version of rescheduling that is most optimistic for current state-licensed operations is that the state-licensed §829, or the process will somehow allow for state cannabis programs to be considered legal under federal law. However, this seems unlikely given the lack of enthusiasm for sweeping and eloquent cannabis policy reform at the federal level.

The proposed rescheduling raises several legal and regulatory questions. It could lead to a complex interplay between federal and state authority and jurisdiction, especially in states where cannabis remains illegal. Additionally, it may prompt discussions around international drug treaties to which the U.S. is a signatory.

