

RESOLUTION OF THE NEVADA GAMING POLICY COMMITTEE REGARDING MARIJUANA AND GAMING

WHEREAS, in 2017, the Nevada State Legislature, acting pursuant to direction by the People of the State of Nevada, declared the recreational use of marijuana to be legal for persons 21 years of age and older, and established a regulatory framework for the cultivation and sale of marijuana in this State;

WHEREAS, the possession and consumption of marijuana remains illegal under the federal Controlled Substances Act;

WHEREAS, the Nevada Gaming Control Act and Nevada Gaming Commission Regulations require strict compliance with both state and federal law in the operation of licensed gaming in this State;

WHEREAS, questions arose regarding the propriety of certain relationships between the marijuana industry and gaming licensees and gaming operations;

WHEREAS, on September 20, 2017, pursuant to the authority vested by Nevada Revised Statutes (NRS) 463.022(5), the Governor issued Executive Order 2017-13 re-convening the Nevada Gaming Policy Committee (Committee) to address these issues;

WHEREAS, on November 29, 2017, the Committee convened to gather information, engage in discussion, and provide recommendations on Nevada gaming policy regarding:

- The propriety of events on the premises of a licensed gaming establishment that cater to or promote the use, sale and cultivation or distribution of marijuana;
- The propriety of a licensee contracting or maintaining a business relationship with an individual or entity engaged in the sale, cultivation or distribution of marijuana;
- The propriety of a licensee receiving financing from or providing financing to an individual entity or establishment that sells, cultivates, or distributes marijuana; and
- Any other matter as directed and determined necessary by the Chair;

WHEREAS, the Committee received public comment and an update from gaming regulators on the current status of marijuana and the gaming industry in Nevada;

WHEREAS, testimony was provided to the Committee concerning the federal status of marijuana as a prohibited controlled substance, potential legal challenges for gaming licensees who interact with the marijuana industry, and implications for financial institutions, including casinos, that do business with funds derived from the marijuana industry;

WHEREAS, testimony was also provided to the Committee concerning business events and conventions related to the marijuana industry, as well as the economic impact of conventions in Nevada;

WHEREAS, the Committee discussed and deliberated the issues based on the information provided by public comment and proffered testimony;

WHEREAS, the Committee is to deliver a report of its discussions, findings, and recommendations to the Governor, the Nevada Gaming Commission, and the Nevada Gaming Control Board; now, therefore, be it

RESOLVED, the Committee reaffirms and recommends, based on provisions of the Nevada Gaming Control Act, Nevada Gaming Commission Regulations and federal law and regulations, that Nevada gaming licensees shall not participate in the marijuana industry; and be it further

RESOLVED, the Committee recommends and advises that, in accordance with the State of Nevada's policy of strict regulation of gaming set out in NRS 463.0129 of the Nevada Gaming Control Act, and commensurate with the outline of unsuitable methods of operation detailed in Nevada Gaming Commission Regulation 5.011, Nevada gaming licensees should not contract with or maintain business relationships with or enter into landlord/tenant agreements with individuals or entities for the purpose of engaging in the sale, cultivation or distribution of marijuana; be it further

RESOLVED, the Committee also recommends and advises that Nevada gaming licensees should not receive financing from or provide financing to individuals, entities or establishments that sell, cultivate or distribute marijuana. The Committee also advises that Nevada gaming licensees continue to follow all federal direction regarding AML obligations and SAR reporting, in accordance with FinCEN guidance; be it further resolved

RESOLVED, the Committee recommends permitting licensees to host conventions, trade shows, or similar conferences that may be related to marijuana but whose focus is primarily on networking between participants, exchange of knowledge related to the trade, and other trade or educational activities that do not facilitate the actual possession or consumption of marijuana on a licensed property in violation of Nevada or U.S. law; be it further

RESOLVED, the Committee recommends that Nevada gaming licensees take care to ensure that any events on the premises of a licensed gaming establishment do not promote illegal activities or foster incidents which might negatively impact the reputation of Nevada's gaming industry and, further, that all licensees conduct necessary due diligence and exercise discretion and sound judgment to prevent violations of Nevada or federal law in all business and financial activities; be it further

RESOLVED, that adoption of this resolution shall serve as the Gaming Policy Committee's report of discussions, findings and recommendations pursuant to Executive Order 2017-13.

Adopted March 5, 2018.

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