

Op-Ed: Legal Cannabis Presents Opportunities for Vegas Casinos

Justice Department Moves to Reclassify Cannabis to Schedule III

In a landmark move, the Justice Department has announced the reclassification of cannabis from Schedule I to Schedule III of the Controlled Substances Act. This reclassification shifts cannabis from a category that includes substances like heroin and ecstasy, deemed to have a high potential for abuse and no accepted medical use, to one recognizing its low abuse potential and accepted medical benefits.

Significant Policy Advancement

This change marks one of the most significant policy advancements for legal cannabis since states began legalizing it for adult use in 2014. While this reclassification does not make cannabis federally legal, it signals a significant shift in the federal government's perception, affirming cannabis as a legitimate industry with recognized medical benefits.

Impact on Nevada's Gaming Industry

This development raises critical questions for Nevada's gaming industry, which has maintained a prohibitionist stance on engaging with the legal cannabis market. With cannabis now reclassified, is it time for Nevada's gaming sector to reconsider its policies?

In 2018, Nevada's gaming industry set its policy shortly after the state voted to legalize cannabis for adult use. The policy was based on legitimate concerns at both state and federal levels, given the unclear federal guidance and enforcement at the time. However, the successful regulation of cannabis markets by individual states, including Nevada, has mitigated many of these concerns.

Growing Acceptance and Interest in Cannabis

Societal acceptance and interest in cannabis have grown significantly. A recent Gallup poll indicates that the percentage of U.S. adults who consume marijuana has more than doubled in the last decade, rising from 7 percent in 2013 to 17 percent in 2023. The majority of cannabis users are aged 18 to 34, with over 25 percent reporting frequent usage.

Despite this growing acceptance, major resorts and casinos in [Las Vegas](#) do not offer cannabis products or experiences and strictly prohibit their possession and use on their properties.

Market Potential for Cannabis Tourism

A 2020 nationwide poll by MMGY Travel Intelligence revealed that nearly 18 percent of American leisure travelers are interested in cannabis-related vacation activities. Among adults over 21 who consume cannabis and have an annual family income of \$50,000 or more, this figure increases to 62 percent. This presents a significant market opportunity for Las Vegas, a city known for tailoring experiences to attract diverse visitors.

Cannabis and Gaming Industry Synergy

The gaming industry is also grappling with how to attract the new generation of gamblers, who are more interested in internet gaming and online sports betting. The same 18- to 34-year-old age group dominates the demographics of online gambling. Embracing cannabis could help draw this demographic back to casino floors.

Evolving Cannabis Products

Embracing cannabis does not mean allowing marijuana smoke throughout hotels and casinos. Cannabis products have evolved significantly, with a notable increase in the popularity of cannabis-infused beverages. Younger generations are increasingly choosing these over alcohol. Recent research by Heineken 0.0 shows a 25 percent decrease in alcohol consumption among Gen Z in the last four years. Low-dose cannabis-infused beverages could meet this new consumer demand and recapture revenue from non-alcoholic drinkers.

Cannabis Use in Las Vegas

Consumers are integrating cannabis into their Las Vegas experiences regardless of the policies. Resorts and casinos on the Strip, where consumption is already taking place, are missing out on capturing this revenue. By investing in the proper infrastructure and revisiting their concerns, Nevada gaming establishments could position themselves as leaders in this burgeoning market.

Tyler Klimas' Perspective

Tyler Klimas, former executive director of Nevada's Cannabis Compliance Board and former president of the Cannabis Regulators Association, advocates for revisiting Nevada's gaming policies on cannabis. Klimas, now principal of Leaf Street Strategies, a Las Vegas-based cannabis and hemp consulting firm, argues that the opportunities for synergy between the cannabis and gaming industries are too significant to ignore.

The Justice Department's reclassification of cannabis to Schedule III is a pivotal moment for the cannabis industry. It not only marks a significant policy shift but also presents new opportunities for sectors like Nevada's gaming industry to innovate and capture new markets. As societal acceptance of cannabis continues to grow, industries must adapt to meet evolving consumer demands and capitalize on emerging opportunities.

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