

Don't bet on high times in Atlantic City casinos when marijuana is legal

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Anyone who came within a slight ocean breeze of Atlantic City's beaches or Boardwalk this summer, has stayed on a hotel floor with smoking rooms or played at a packed blackjack table on a weekend night knows marijuana is being smoked in and around casinos.

The distinctive aroma has been wafting around Atlantic City for years, and tourists could be excused for mistakenly believing that using marijuana was already permitted in the resort.

And that was before New Jersey voters overwhelmingly approved legalizing recreational cannabis in November.

While the framework of a taxable, regulated cannabis industry is still working its way through the legislative process in Trenton, the Garden State is just weeks away from legally lighting up.

But visitors to Atlantic City's nine casinos should not expect a drastic shift in the way gambling parlors approach marijuana, according to industry experts and lawmakers.

"I don't think there's going to be any real major change," said Dan Heneghan, an industry consultant and retired spokesperson for the state Casino Control Commission. "The blind eye that (casinos) turn to that will just be opened."

The Casino Association of New Jersey did not have an official position on the topic since New Jersey's recreational marijuana regulations have not been finalized.

The prime sponsor of New Jersey's 200-page recreational marijuana bill, state Sen. Nicholas Scutari, D-Union, said lawmakers did not give much consideration to how the gaming and the emerging cannabis industries would interact when crafting the legislation, mostly because the expectation is that marijuana will be treated, in most respects, similar to alcohol or tobacco in a casino.

"I think smoking cigarettes and smoking marijuana and ingesting alcohol are going to be the comparative scenarios (where the casinos designate) where you can and cannot do these items," Scutari said, adding legal marijuana consumption, whether it be in a casino hotel room or defined smoking area, is not prohibited by his proposed bill. "If it's a nonsmoking room, I would assume you would not be able to smoke cannabis there. But if it's a smoking room, I don't see why you couldn't smoke marijuana there."

Scutari said it was still unclear whether the Cannabis Regulatory Commission or state gaming regulators would decide how these two multibillion-dollar industries will coexist.

Marijuana remains illegal under federal law, and that poses significant challenges to banking laws, anti-money laundering provisions and employee protections, which is the primary reason casinos in Nevada have avoided accepting pot, despite the fact that it has been legal for recreational use for nearly three years. Smoking

marijuana inside a casino hotel room or consuming pot in any public space is illegal in Nevada. The Las Vegas City Council went a step further and prohibited smoking lounges from opening up within 1,000 feet of a casino, a protection usually reserved for schools and religious institutions.

“Atlantic City’s casinos will likely follow Las Vegas’ lead in not openly embracing recreational marijuana until increasing mainstream acceptance, and the experiences of states like Colorado, California, Washington, Oregon and Nevada lead to a change in the federal position,” said Jane Bokunewicz, coordinator of the Lloyd D. Levenson Institute of Gaming, Hospitality & Tourism at Stockton University.

Several of Atlantic City’s casino parent corporations also have to be cognizant of their operations in jurisdictions where marijuana is not yet legal, Heneghan said.

“If you’re doing something legal in one jurisdiction, that may not disqualify you in another jurisdiction where it isn’t legal, but I think that operators would be justifiably concerned (about) what this may do to (their) suitability in other jurisdictions where ... marijuana is not legal. So they wouldn’t want to jeopardize licenses in other jurisdictions by getting involved in something here,” he said.

Robert Ambrose, an industry consultant, adjunct professor of casino management and former Atlantic City casino executive, said external conditions need to change before gaming and marijuana find any type of synergy.

“At this point in time, I don’t see casino properties openly supporting smoking or selling it on site,” he said, echoing Heneghan’s point that operators would not want to jeopardize their gaming licenses or run afoul of either state or federal oversight. “A great deal would have to change on the regulatory side at both levels before that happens.”

With a new presidential administration, the possibility of relaxed federal marijuana regulations is not unrealistic. President-elect Joe Biden’s choice to lead the Department of Health and Human Services, California Attorney General Xavier Becerra, has a record of supporting cannabis reform and, along with a more progressive attorney general heading up the Department of Justice, could be instrumental in reshaping federal marijuana policy.

Last week, the House voted to decriminalize marijuana at the federal level, although the measure is not expected to pass the Senate. It was the first time in history a chamber of Congress had formally supported decriminalization.