Steven D. Grierson CLERK OF THE COURT ANSB 1 BRETT KANDT (Bar No. 5384) General Counsel 2 bkandt@pharmacy.nv.gov PETER K. KEEGAN (Bar No. 12237) 3 Assistant General Counsel p.keegan@pharmacy.nv.gov 4 Nevada State Board of Pharmacy 5 985 Damonte Ranch Parkway – Suite 206 Reno, NV 89521 6 775.850.1440 - Telephone Attorneys for Respondent/Defendant 7 8 DISTRICT COURT OF 9 CLARK COUNTY, NEVADA 10 CANNABIS EQUITY AND INCLUSION 11 COMMUNITY (CEIC), a domestic Case No. A-22-851232-W nonprofit corporation; ANTOINE POOLE, 12 an individual, Dept. No. 15 13 Petitioners/Plaintiffs, 14 VS. 15 STATE OF NEVADA ex rel. BOARD OF PHARMACY, a public entity of the State 16 of Nevada 17 Respondent/Defendant. 18 RESPONDENT/DEFENDANT'S ANSWER TO PETITIONERS/PLAINTIFFS' 19 PETITION FOR WRIT OF MANDAMUS AND COMPLAINT FOR DECLARATORY 20 AND INJUNCTIVE RELIEF Respondent/Defendant State of Nevada ex rel. Board of Pharmacy ("Board"), by and 21 through its attorneys, Brett Kandt, General Counsel, and Peter K. Keegan, Assistant 22 General Counsel, hereby submits this Answer to Petitioners/Plaintiffs' Petition for Writ of 23 Mandamus and Complaint for Declaratory and Injunctive Relief ("Petition"). This Answer 24 is based upon the following points and authorities and the papers and pleadings on file 25 herein. 26 27

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#### MEMORANDUM OF POINTS AND AUTHORITIES

Plaintiffs Cannabis Equity and Inclusion Community ("CEIC") and Antoine Poole come to the Court seeking declaratory, injunctive and writ relief alleging that the classification of marijuana, cannabis and cannabis derivatives (hereinafter "marijuana") as Schedule I controlled substances violates Nev. Const. art. 4, § 38 and/or NRS 453.166(2), and further alleging that the Board no longer has any authority to schedule marijuana as a controlled substance. Plaintiffs are not entitled to declaratory, injunctive or writ relief since the current scheduling of marijuana is lawful and granting Plaintiffs their requested relief will not redress their alleged injuries.

### I. BACKGROUND

For decades, marijuana has been listed as a Schedule I controlled substance under both the Federal Controlled Substances Act, 21 U.S. Code Chapter 13 ("CSA"), and the Nevada Uniform Controlled Substances Act, NRS Chapter 453.<sup>2</sup> At the federal level, marijuana has been listed on Schedule I since the CSA was enacted in 1970.<sup>3</sup> On the state level, marijuana was listed on Schedule I by the Legislature when enacting the Nevada Uniform Controlled Substances Act in 1971.<sup>4</sup> A Schedule I substance has no accepted medical use in treatment in the United States.<sup>5</sup>

The Nevada Medical Marijuana Initiative amended Article 4 of the Nevada Constitution in 2000 by adding Section 38 mandating that "[t]he legislature shall provide by law for . . . [t]he use by a patient, upon the advice of his physician, of a plant of the genus Cannabis for the treatment or alleviation of "certain medical conditions, under limited circumstances and subject to significant restrictions.<sup>6</sup> The initiative was implemented by

<sup>&</sup>lt;sup>1</sup> See NRS 0.031 ("Controlled substance" defined).

<sup>&</sup>lt;sup>2</sup> See 21 CFR § 1308.11; NAC 453.510.

<sup>&</sup>lt;sup>3</sup> Comprehensive Drug Abuse Prevention and Control Act of 1970, P.L. 91-513, 84 Stat. 1236 (October 27, 1970).

<sup>&</sup>lt;sup>4</sup> See Section 31 of Assembly Bill No. 107 (1971 Nev. Leg. Session).

<sup>&</sup>lt;sup>5</sup> 21 U.S.C. § 812(b)(1); NRS 453.166(2).

<sup>&</sup>lt;sup>6</sup> Ballot Question No. 9, 1998 and 2000.

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passage of Assembly Bill No. 453 in the 2001 Legislative Session, codified as NRS Chapter 453A. The *Initiative to Regulate and Tax Marijuana*, enacted in 2016 and codified as NRS Chapter 453D, subsequently authorized the regulation and taxation of marijuana for adult recreational use under limited circumstances and subject to significant restrictions.<sup>7</sup>

By passage of Assembly Bill No. 533 in the 2019 Legislative Session, NRS Chapters 453A and 453D were repealed and replaced in their entirety by Title 56 of the Nevada Revised Statutes. Certain acts falling within the narrow confines of either NRS Chapter 678C (Medical Use of Cannabis) or NRS Chapter 678D (Adult Use of Cannabis) are exempt from State prosecution; otherwise, all other activities involving marijuana remain illegal under Nevada law.

#### LEGAL STANDARD II.

#### A. Writ of Mandamus

Mandamus under NRS Chapter 34 is an extraordinary remedy to compel the performance of an act that the law requires as a duty resulting from an office, trust or station, or to control a manifest abuse or arbitrary or capricious exercise of discretion. State v. Dist. Ct. (Armstrong), 127 Nev. 927, 931, 267 P.3d 777, 779 (2011). The burden is upon the petitioner to demonstrate that a writ of mandamus is warranted. American Home Assurance Co. v. Dist. Ct., 122 Nev. 1229, 1234, 147 P.3d 1120, 1124 (2006). Mandamus will not lie "when the duty imposed requires deliberation and decision upon facts presented." Douglas Cty. Bd. of Cty. Comm'rs v. Pederson, 78 Nev. 106, 108, 369 P.2d 669, 671 (1962).

#### В. **Declaratory Relief**

Declaratory relief under NRS Chapter 30 requires a justiciable controversy between persons whose interests are adverse, where the party seeking declaratory relief has a legally protectable interest in the controversy and the issue involved is ripe for judicial determination. Kress v. Corey, 65 Nev. 1, 26, 189 P.2d 352, 364 (1948). An action for

<sup>&</sup>lt;sup>7</sup> 2016 initiative petition, Ballot Question No. 2.

declaratory relief is appropriate when a party merely seeks a ruling on the meaning of a statute, but not to resolve an issue that has been committed for decision to an administrative body. See Prudential Ins. Co. v. Ins. Comm'r, 82 Nev. 1, 5, 409 P.2d 248, 250 (1966)). Furthermore:

[A] judicially-fashioned 'procedural short-cut,' combining traditional declaratory judgment and mandamus proceedings, is based squarely on the premise that once the constitutional violation is established (declaratory judgment), the remedy therefor (mandamus) is both self-evident and exclusive.

Tam v. Colton, 94 Nev. 452, 460, 581 P.2d 447, 452 (1978).

### C. Injunctive Relief

"It is axiomatic that a court cannot provide a remedy unless it has found a wrong. The existence of a right violated is a prerequisite to the granting of an injunction." State Farm Mut. Auto. Ins. Co. v. Jafbros Inc., 109 Nev. 926, 928, 860 P.2d 176, 178 (1993) (citing 43 C.J.S. § 18 Injunctions (1978)). Moreover, permanent injunctive relief under NRS 33.010 and NRCP 65 must meet the following criteria:

Broadly speaking, an injunction may issue to restrain a wrongful act that gives rise to a cause of action. Permanent injunctive relief may only be granted if there is no adequate remedy at law, a balancing of equities favors the moving party, and success on the merits is demonstrated.

Chateau Vegas Wine, Inc. v. S. Wine & Spirits of Am., Inc., 127 Nev. 818, 824-25, 265 P.3d 680, 684 (2011) (citing State Farm, supra.).

#### III. ARGUMENT

Plaintiffs' core arguments are that listing marijuana in Schedule I violates Nev. Const. art. 4, § 38 and/or NRS 453.166(2), and that the Board no longer has any authority to schedule marijuana as a controlled substance. Both the premise and the conclusion of these arguments are wrong. Furthermore, the relief Plaintiffs seek will not redress their alleged injuries.

## A. Listing marijuana in Schedule I does not conflict with Nev. Const. art. 4, § 38 or NRS 453.166(2).

### 1. Marijuana meets the criteria for Schedule I.

Plaintiffs do not allege that they have been prevented from using marijuana on the advice of a physician in conformance with Nev. Const. art. 4, § 38 and NRS Chapter 678C. Rather, they mistakenly equate the right of a patient to use marijuana "upon the advice of a physician" to marijuana having "accepted medical use in treatment in the United States" in order to fabricate a legal conflict. Petition at 11:16-12:10 (¶¶ 38-41). They do so in a bid to have criminal convictions for unlawful acts falling outside the scope of NRS Chapter 678C or 678D overturned.

However, the constitutional right to use marijuana "upon the advice of a physician" in Nevada does not establish that marijuana has "accepted medical use in treatment in the United States" thereby precluding its continued designation in Schedule I. Undoubtedly a patient "is fully entitled to rely upon the physician's professional skill and judgment while under his care." *Massey v. Litton*, 99 Nev. 723, 728, 669 P.2d 248, 252 (1983). Plaintiffs do not allege, and cannot demonstrate, that the current listing of marijuana in Schedule I interferes with the doctor-patient relationship. *See Conant v. Walters*, 309 F.3d 629 (9th Cir. 2002) (distinguishing the ability of doctors in states with medical marijuana laws to "recommend" rather than "prescribe" marijuana in potential violation of the CSA).

Nevertheless, marijuana has "no accepted medical use in treatment in the United States" based upon the scientific perspective of marijuana on the national level. All states recognize marijuana's designation as a Schedule I controlled substance under federal law, even as 37 states and the District of Columbia now permit its medical use.<sup>8</sup>

<sup>&</sup>lt;sup>8</sup> Alabama Code Chapter 20 Article 2A; Alaska Stat. 17.37.10, et seq.; Arizona Rev. Statutes 36-2801, et seq.; Arkansas Const. of 1874: Amendment 98, § 1, et seq.; California Health and Safety Code: § 11362.5, et seq.; Colorado Const. art. XVIII, § 14; Connecticut Gen. Statutes: Title 21A, § 21a-408, et seq.; Delaware Code: Title 16, § 4901A, et seq.; D.C. Code Ann. 7-1671.01, et seq.; Florida Statutes: Title XXIX, § 381.986, et seq.; Hawaii Rev. Statutes: § 329-121, et seq.; Illinois Statutes: Chapter 410, § 130/1, et seq.; Louisiana Rev. Statutes: Title 40, § 1046, et seq.; Maine Rev. Statutes: Title 22, § 2421, et seq.; Code of

Administration ("DEA") to reschedule marijuana. Most recently, in August 2016, after a five-year medical and scientific evaluation by the U.S. Food and Drug Administration ("FDA"), the DEA rejected two petitions—one submitted by two state governors and the other submitted by a health care provider—to reschedule marijuana under the CSA. See DENIAL OF PETITION TO INITIATE PROCEEDINGS TO RESCHEDULE MARIJUANA, 81 Fed. Reg. 53687 (DEA 2016)9 and DENIAL OF PETITION TO INITIATE PROCEEDINGS TO RESCHEDULE MARIJUANA, 81 Fed. Reg. 53767 (DEA 2016). Consistent with past practice, the denials were based on the conclusion of the U.S. Department of Health and Human Services that marijuana continues to meet the statutory criteria for inclusion on Schedule I, specifically:

Over the years, petitions have been submitted to the U.S. Drug Enforcement

(2) Marijuana has no currently accepted medical use in treatment in the United States. Based on the established five-part test for making such determination, marijuana has no "currently accepted medical use" because: As detailed in the HHS evaluation, the drug's chemistry is not known and reproducible; there are no adequate safety studies; there are no adequate and well-controlled studies proving efficacy; the drug is not accepted by qualified experts; and the scientific evidence is not widely available.

The denials included the FDA's 78-page medical and scientific evaluation entitled "Basis for the Recommendation for Maintaining Marijuana in Schedule I of the Controlled Substances Act."

Maryland Regulations: Chapter 10, § 62.01, et seq.; Code of Massachusetts Regulations: 105 CMR 725.001, et seq.; Michigan Compiled Laws: Chapter 333, § 26421, et seq.; Minnesota Statutes §§152.22-152.37; Mississippi Medical Cannabis Act, SB 2095 (2022); Missouri Const. article XIV; Montana Code Annotated: Title 50, § 46-301, et seq.; New Hampshire Rev. Statutes: Title X, Chapter 126-X.; New Jersey Statutes: Title 24, § 6I-1, et seq.; New Mexico Statutes: Chapter 26, § 2B-1, et seq.; New York Consolidated Laws: PBH § 3360, et seq.; North Dakota Century Code: Title 19, § 24.1-01, et seq.; Ohio Rev. Code: Title XXXVII, § 3796.01, et seq.; 63 Oklahoma Statutes Supp.2019, §§ 427.1-427.23; Oregon Rev. Statutes: Section 475B.400.; 35 Pennsylvania Cons. Stat. Chapter 64; Rhode Island General Laws: Title 21, Chapter 28.6-1, et seq.; South Dakota Codified Laws Chapter 34-20G; Utah Code 26-61a; Vermont Statutes: Title 18, § 4471, et seq.; Code of Virginia §§54.1-3442.5-3442.8; Washington Rev. Code: Title 69, Section 51A.005, et seq.; W.Va. Code Chapter 16A.

 $<sup>^9 \ \</sup>underline{https://www.govinfo.gov/content/pkg/FR-2016-08-12/pdf/2016-17954.pdf}.$ 

 $<sup>^{10}\ \</sup>underline{https://www.govinfo.gov/content/pkg/FR-2016-08-12/pdf/2016-17960.pdf}.$ 

The FDA's five-part test for determining whether a drug has "currently accepted medical use in treatment in the United States" has withstood legal challenge. *All. for Cannabis Therapeutics v. DEA*, 15 F.3d 1131, 1135 (D.C. Cir. 1994). The DEA's continued designation of marijuana in Schedule I after more than half of the states' enactment of medical marijuana laws has withstood legal challenge. *Ams. for Safe Access v. DEA*, 706 F.3d 438, 449-52 (D.C. Cir. 2013). The U.S. Supreme Court has expressly rejected the notion that use of a Schedule I drug can be medically necessary under the CSA, notwithstanding that it has "no currently accepted medical use." *United States v. Oakland Cannabis Buyers' Coop.*, 532 U.S. 483, 493 (2001).

Marijuana's lack of accepted medical use in treatment on the national level is further demonstrated by a 2017 report from the National Academies of Sciences, Engineering, and Medicine, which concluded in pertinent part:

Despite the extensive changes in policy at the state level and the rapid rise in the use of cannabis both for medical purposes and for recreational use, conclusive evidence regarding the short- and long-term health effects (harms and benefits) of cannabis use remains elusive. A lack of scientific research has resulted in a lack of information on the health implications of cannabis use, which is a significant public health concern . . . .

National Academies of Sciences, Engineering, and Medicine, The Health Effects of Cannabis and Cannabinoids: The Current State of Evidence and Recommendations for Research, Washington, DC; National Academies Press, at page 2.<sup>11</sup>

As further evidence of marijuana's lack of accepted medical use in treatment in the United States, the American Medical Association has adopted a policy stating in pertinent part:

Our AMA: (1) believes that scientifically valid and well-controlled clinical trials conducted under federal investigational new drug applications are necessary to assess the safety and effectiveness of all new drugs, including potential cannabis products for medical use; (2) believes that cannabis for medicinal use should not be legalized through the state legislative, ballot initiative, or referendum process; . . . .

<sup>&</sup>lt;sup>11</sup> Available at <a href="https://nap.nationalacademies.org/read/24625/chapter/1">https://nap.nationalacademies.org/read/24625/chapter/1</a>.

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American Medical Association Policy D-95.969, CANNABIS LEGALIZATION FOR MEDICINAL USE (March 1, 2019).<sup>12</sup> Finally, the American Psychiatric Association has adopted a position statement declaring in pertinent part: "[p]olicy and practice surrounding cannabis-derived substances should not be altered until sufficient clinical evidence supports such changes" and further stating "[m]edical treatment should be evidence-based and determined by professional standards of care; it should not be authorized by ballot initiatives." American Psychiatric Association, Position Statement in Opposition to Cannabis as Medicine (July 2019).<sup>13</sup>

Plaintiffs' contention that enactment of the Nevada Medical Marijuana Initiative by and of itself establishes that marijuana has an "accepted medical use in treatment in the United States" that disqualifies it as a Schedule I substance is simply wrong. They have contrived a conflict where none exists, since the Board must consider scientific and medical evidence, not popular opinion, when evaluating a substance. See NRS 453.146(2).<sup>14</sup> The scheduling of marijuana must be viewed not from a sociological, ideological or political viewpoint, but from a scientific one.

2. Nothing in the express language of either ballot initiative compels the deletion of marijuana from NAC 453.510.

Although the proponents of either ballot initiative could have squarely addressed the deletion of marijuana as a Schedule I controlled substance, both initiatives are silent

<sup>&</sup>lt;sup>12</sup> Available at <a href="https://policysearch.amaassn.org/policyfinder/detail/cannabis?uri=%2FAMADoc%2Fdirectives.xml-D-95.969.xml">https://policysearch.amaassn.org/policyfinder/detail/cannabis?uri=%2FAMADoc%2Fdirectives.xml-D-95.969.xml</a>.

<sup>&</sup>lt;sup>13</sup> Available at <a href="https://www.psychiatry.org/File%20Library/AboutAPA/Organization-Documents-Policies/Position-Cannabis-as-Medicine.pdf">https://www.psychiatry.org/File%20Library/AboutAPA/Organization-Documents-Policies/Position-Cannabis-as-Medicine.pdf</a>.

<sup>&</sup>lt;sup>14</sup> Certain drugs containing cannabinoids that have been approved by the U.S. Food and Drug Administration have been descheduled by the Board and are no longer controlled substances. *See* LCB File No. R090-21, 12-29-2020. Additionally, one form of dronabinal, a synthetic cannabinoid approved by the U.S. Food and Drug Administration, has been listed in Schedule II (*see* LCB File No. R153-99, 3-1-2000), and another form of dronabinal listed in Schedule III (*see* LCB File No. R001-19, 10-30-2019).

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on the subject. To the contrary, both initiatives are framed to account for and distinguish between the lawful and unlawful use of marijuana.

Subsection 2(a) of the Nevada Medical Marijuana Initiative states that Section 38 does not "[a]uthorize the use or possession of the [cannabis] plant for a purpose other than medical or use for a medical purpose in public." The implementing legislation subsequently delineated lawful acts that are exempt from State prosecution and other acts that are not exempt. 15 Those provisions together with certain affirmative defenses are now codified at NRS 678C.200, NRS 678C.210, NRS 678C.300 and NRS 678C.310.

Section 4 of the *Initiative to Regulate and Tax Marijuana* specified that the Act does "not permit any person to engage in" and does "not prevent the imposition of any civil, criminal, or other penalty" for certain enumerated acts. 16 Sections 6-8 of the Act delineated the lawful acts that are exempt from State prosecution.<sup>17</sup> Those acts that are exempt from State prosecution are now specified in NRS 678D.200, while certain acts that are not exempt from prosecution and other prohibited acts are specified in NRS 678D.300 and 678D.310.

An exemption from State prosecution allows a person to avoid prosecution in State courts for an act that otherwise constitutes a criminal offense. Courts have consistently recognized this distinction specifically in the context of marijuana legislation. See Oakland Cannabis, 532 U.S. at 502 (2001) (Steven, J., concurring); Wilson v. Lynch, 835 F.3d 1083, 1088 (9th Cir. 2016); *United States v. Pickard*, 100 F.Supp.3d 981, 1010 (E.D. Cal. 2015); Doe v. State ex rel. Legislature of the 77th Session of Nev., 133 Nev. 763, 763-64, 406 P.3d 482, 483 (2017); City of Missoula v. Shumway, 434 P.3d 918, 921 (Mont. 2019). The ballot initiatives did not totally legalize or decriminalize marijuana. Any person who engages in marijuana-related activity outside the narrow scope of NRS Chapters 678C or 678D is

<sup>&</sup>lt;sup>15</sup> See former NRS 453A.200, NRS 453.210 and NRS 453.300.

<sup>&</sup>lt;sup>16</sup> See former NRS 453D.100.

<sup>&</sup>lt;sup>17</sup> See former NRS 453D.110-.130, inclusive.

engaging in criminal conduct and subject to potential State prosecution. Plaintiffs' failure to accept this distinction is fatal to their Petition.

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## 3. The Nevada Legislature has not taken any action to delete marijuana from Schedule I.

In the intervening twenty-two years since enactment of Nev. Const. art. 4, § 38, the Legislature has never deemed the deletion of marijuana from the list of Schedule I controlled substances necessary to carrying out the constitutional mandate that marijuana be authorized for a patient's medical use "upon the advice of a physician." Section 35 of Assembly Bill No. 453 in the 2001 Legislative Session (codified as NRS 453.005) originally stated "[t]he provisions of this chapter do not apply to the extent that they are inconsistent with the provisions of chapter 453A of NRS." NRS 453.005 was then amended by Section 214 of Assembly Bill No. 533 in the 2019 Legislative Session to state: "[t]he provisions of this chapter do not apply to the extent that they are inconsistent with the provisions of title 56 of NRS." However, neither bill, nor any of the other intervening legislation that significantly amended NRS Chapter 453A, altered the scheduling of marijuana or repealed the criminal offenses specific to marijuana. Nor has any other intervening legislation that amended the criminal penalties related to marijuana. 19

It is reasonable to conclude that the continued scheduling of marijuana in NAC 453.510 is consistent with legislative intent. "[A]cquiescence by the legislature . . . may be inferred from its silence during a period of years." *Oliver v. Spitz*, 76 Nev. 5, 9, 348 P.2d 158, 160 (1960), cited with approval in *Imperial Palace. Inc. v. State, Dept. of Taxation*, 108 Nev. 1060, 1068, 843 P.2d 813, 818 (1992). Plaintiffs are asking the Court to disrupt the existing statutory scheme. "Courts should avoid hypertechnical constructions that

<sup>&</sup>lt;sup>18</sup> See Assembly Bill No. 130 (2003 Nev. Leg. Session); Assembly Bill No. 519 (2005 Nev. Leg. Session); Assembly Bill No. 538 (2009 Nev. Leg. Session); Senate Bill No. 374 (2013 Nev. Leg. Session); Senate Bill No. 447 (2015 Nev. Leg. Session); Assembly Bill No. 422 (2017 Nev. Leg. Session); Senate Bill No. 487 (2017 Nev. Leg. Session).

<sup>&</sup>lt;sup>19</sup> See Assembly Bill No. 236 (2019 Nev. Leg. Session); Assembly Bill No. 158 (2021 Nev. Leg. Session); Assembly Bill No. 393 (2021 Nev. Leg. Session); Senate Bill No. 359 (2021 Nev. Leg. Session).

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frustrate legislative intent." Heath v. Kiger, 176 P.3d 690, 693 (Ariz. 2008) (citations omitted). Their wish should not be granted.

#### В. The Initiative to Regulate and Tax Marijuana did not divest the Board of jurisdiction over the scheduling of marijuana.

Plaintiffs' ultimate policy-centric goal, to deschedule marijuana entirely, is revealed in their argument that with the subsequent passage of the *Initiative to Regulate and Tax* Marijuana the Board was effectively divested of any jurisdiction over marijuana. Petition at 10:11-15 (¶31); 12:13-13:10 (¶¶43-49). Once again, Plaintiffs do not allege that they have been prevented from engaging in recreational use of marijuana in conformance with NRS Chapter 678D. Their endgame is clear: that marijuana no longer be regulated as a controlled substance under Nevada law, even in Schedule II, III, IV or V.<sup>20</sup>

First, Plaintiffs conflate the precatory language in Section 2 of the *Initiative to* Regulate and Tax Marijuana stating that "marijuana should be regulated in a manner similar to alcohol" with NRS 453.2186(1)'s prohibition on scheduling distilled spirits, wine, malt beverages or tobacco to argue that with the initiative's passage, descheduling marijuana was a fait accompli. Petition at 12:16-23 (¶¶ 44-45). This construal makes a quantum leap of logic. Such an interpretation would render Sections 4 and 6-8 of the ballot initiative meaningless and impermissibly thwart the will of the electorate. See Torvinen v. Rollins, 93 Nev. 92, 94, 560 P.2d 915, 917 (1977); see also City of Reno v. Bldg. & Constr. Trades Council of N. Nev., 127 Nev. 114, 121, 251 P.3d 718, 722 (2011) ("this court will not read statutory language in a manner that produces absurd or unreasonable results."). Under the current statutory scheme set forth in NRS Chapter 678D, to the extent

<sup>&</sup>lt;sup>20</sup> See NRS 453.176 (Schedule II tests); NRS 453.186 (Schedule III tests); NRS 453.196 (Schedule IV tests); NRS 453.206 (Schedule V tests) – a substance with accepted medical use in treatment in the United States is still subject to listing in one of these schedules based upon the potential for abuse and resulting physical or psychological dependence.

marijuana was authorized for adult recreation use by the *Initiative to Regulate and Tax Marijuana*, it is "regulated in a manner similar to alcohol" consistent with Section 2.<sup>21</sup>

Plaintiffs next assert that since the *Initiative to Regulate and Tax Marijuana* placed regulatory authority for the Act with the Nevada Department of Taxation (subsequently transferred to the Cannabis Compliance Board by Assembly Bill No. 533 in the 2019 Legislative Session), this abrogated the Board's authority to schedule marijuana under NRS Chapter 453. Petition at 13:1-4 (¶¶46-47). They are essentially arguing that the continued scheduling of marijuana is *ultra vires*. *See Coury v. Robison*, 115 Nev. 84, 88, 976 P.2d 518, 520 (1999); *Andrews v. Nevada State Board of Cosmetology*, 86 Nev. 207, 208, 467 P.2d 96, 97 (1970). Plaintiffs vastly oversimplify what is a comprehensive, multilayered statutory scheme in which several governmental entities occupy different roles and exercise their respective levels of regulatory oversight of marijuana in a manner that neither overlaps nor conflicts.

The Nevada Division of Public and Behavioral Health, *not* the Cannabis Compliance Board, is responsible for the issuance of registry identification cards and letters of approval authorizing the medical use of marijuana. *See* NRS 678C.220-.270, *inclusive*. The Nevada Department of Taxation retains authority over the taxation of marijuana. *See* NRS 372A.200-.300, *inclusive*; *see also* NRS 678B.640 (determination of fair market wholesale value). The Nevada Department of Agriculture retains authority over the use of pesticides in the cultivation of marijuana. *See* NRS 586.550. Local governments are responsible for adopting and enforcing local cannabis control measures pertaining to zoning and land use for adult-use cannabis establishments. *See* NRS 678D.510(1)(d). The Board retains jurisdiction over the scheduling of marijuana as a controlled substance, while marijuana-related criminal offenses remain within the purview of law enforcement agencies.

In the course of implementing and amending that statutory scheme the Legislature

<sup>&</sup>lt;sup>21</sup> The tiered licensing and regulatory structure in Title 56 is comparable to the tiered licensing and regulatory structure in NRS Chapter 369 (Intoxicating Liquor; Licenses and Taxes).

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has never deemed it necessary to deschedule marijuana or divest the Board of its authority to schedule marijuana. NRS Chapter 453 still governs the unlawful possession, trafficking or production of marijuana, with measured carve-outs for the legitimate activities originally authorized by the ballot initiatives and now codified in Title 56. "[W]henever possible, a court will interpret a rule or statute in harmony with other rules or statutes." Nev. Power Co. v. Haggerty, 115 Nev. 353, 364, 989 P.2d 870, 877 (1999) (citations omitted). Furthermore, to the extent Plaintiffs believe that the current statutory scheme does not regulate marijuana in a manner sufficiently "similar" to alcohol, their complaint (and any remedy) lies with the Legislature, not with the Board.<sup>22</sup>

# C. Plaintiffs may petition the Board pursuant to NAC 639.140 to review the scheduling of marijuana.

Mandamus is not appropriate insofar as Plaintiffs may petition pursuant to NAC 639.140 to have the current listing of marijuana in Schedule I reviewed by the Board. See, e.g., Cty. of Washoe v. Reno, 77 Nev. 152, 155-56, 360 P.2d 602, 603-04 (1961) ("the fact that mandamus would give an easier or more expeditious remedy is not the criterion."). Plaintiffs must pursue this administrative remedy before seeking judicial relief.<sup>23</sup> "Ordinarily, before availing oneself of district court relief from an agency decision, one must first exhaust available administrative remedies." Malecon Tobacco, Ltd. Liab. Co. v. State ex rel. Dep't of Taxation, 118 Nev. 837, 839-41, 59 P.3d 474, 475-76 (2002) (citations omitted); see also Benson v. State Engineer, 131 Nev. 772, 779, 358 P.3d 221, 226 (2015) (administrative proceedings are not futile solely because the statute prevents the petitioner from receiving his or her ideal remedy).

<sup>&</sup>lt;sup>22</sup> Plaintiffs mistakenly represent that the unlawful sale of alcohol carries only a \$250 fine under NRS 364.150. (Petition at 8:8-9 (¶22 n.21). Depending on the exact activity, this may constitute a category D felony under NRS 369.495 or a misdemeanor under NRS 369.490 and NRS 369.550.

<sup>&</sup>lt;sup>23</sup> Plaintiffs' reliance on *State Bd. of Parole Comm'rs v. Second Judicial Dist. Court*, 451 P.3d 73 (Nev. 2019) is misplaced. (Opp. To Mot. To Dismiss at 18:3-19:5). The review of scientific and medical evidence pursuant to NRS 453.146 does not require the Board to answer a legal question.

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NRS 453.2182 mandates that, in the absence of any objection, the Board *shall* designate a substance consistent with federal law without making the findings required by NRS 453.166. Granted, marijuana was designated in Schedule I by the Legislature prior to the enactment of NRS 453.2182, and the Board may deviate from federal law when scheduling, rescheduling or deleting a controlled substance *if* it makes the determinations required under NRS 453.146. However, it is important to note that NRS 453.146(3) provides that the Board may consider findings of the FDA or the DEA "as prima facie evidence relating to one or more of the determinative factors." Whether this alone justifies the continued listing of marijuana in Schedule I is a decision left to the Board.

In the intervening twenty-two years since the enactment of Nev. Const. art. 4, § 38 the Board has regularly reviewed and amended the list of Schedule I substances in NAC 453.510 in conformance with NRS 453.211. Never in that time have Plaintiffs – or *any* party – objected to the listing of marijuana in Schedule I or otherwise petitioned the Board pursuant to NAC 639.140 for reconsideration of the scheduling of marijuana in light of the amendment to the Nevada Constitution. This refutes the notion that Plaintiffs have no plain, speedy, and adequate remedy at law and calls into question their inexcusable delay in seeking redress. Plaintiffs now seek to circumvent this statutory administrative rulemaking process altogether and have the Court make scientific determinations that are legislatively delegated to the Board. *See Sheriff, Clark Cty. v. Luqman*, 101 Nev. 149, 153-54, 697 P.2d 107, 110 (1985).

# D. Granting Plaintiffs their requested relief will not redress their alleged injuries.

Plaintiffs request a writ or order directing the Board to remove marijuana from NAC 453.510 and divesting the Board of any further authority to schedule marijuana. Petition at 2:1-4; 13:8-10 (¶49); 14:20-21 (¶60); 15:1-10 (¶62); 16-18 (¶¶A and B). In reality, Plaintiffs seek to decriminalize conduct clearly proscribed by the Uniform Controlled Substances Act, a proposition rejected by the Nevada Supreme Court in *Luqman*. 101 Nev. at 157, 697 P.2d at 112-13. Even so, this will not redress their alleged injuries.

Plaintiffs allege that "individuals continue to be prosecuted for violating Nevada statutes which rely on the scheduling of marijuana, cannabis and cannabis derivatives as Schedule I substances." Petition at 14:16-18 (¶59). Aside from Plaintiff Poole, the Petition fails to cite the specific crimes for which these unnamed individuals were convicted.

However, most of the relevant criminal offenses expressly reference "marijuana" and do not even rely upon marijuana being scheduled as a controlled substance. NRS 453.339 prohibits the trafficking of "marijuana" specifically. NRS 453.3393 prohibits the unlawful production of "marijuana" specifically. NRS 453.336(4) prohibits the unlawful possession of 1 ounce or less of "marijuana" specifically, while subsection (5) prohibits the unlawful possession of more than 1 ounce, but less than 50 pounds, of "marijuana" or more than one-eighth of an ounce, but less than one pound, of "concentrated cannabis." NRS 453.401(3) imposes a penalty for conspiracy to unlawfully possess more than 1 ounce of "marijuana" specifically. NRS 484C.110(4) prohibits operating a vehicle under the influence of "marijuana" specifically. NRS 212.160(3) prohibits the possession by a State prisoner of "a controlled substance without lawful authorization or marijuana or marijuana paraphernalia, regardless of whether the person holds a valid registry identification card." These criminal offenses will remain on the books and enforceable even if marijuana is no longer scheduled as a controlled substance. Persons previously convicted of these

<sup>&</sup>lt;sup>24</sup> Conversely, several of the crimes enumerated in NRS Chapter 453 expressly exclude marijuana. *See* NRS 453.322; NRS 453.3325; NRS 453.3353.

<sup>&</sup>lt;sup>25</sup> NRS 453.339(1) states in pertinent part: "a person who knowingly or intentionally sells, manufactures, delivers or brings into this State or who is knowingly or intentionally in actual or constructive possession of *marijuana* or *concentrated cannabis* shall be punished . . . . " (Emphasis added).

<sup>&</sup>lt;sup>26</sup> NRS 453.3393(1) states in pertinent part: "A person shall not knowingly or intentionally manufacture, grow, plant, cultivate, harvest, dry, propagate or process *marijuana*, except as specifically authorized by the provisions of this chapter or chapter 453A of NRS." (Emphasis added).

<sup>&</sup>lt;sup>27</sup> Note that the statute distinguishes between an inmate's possession of a controlled substance pursuant to a valid prescription (lawful), and possession of marijuana with a valid registry identification card (unlawful).

offenses will gain no benefit from the relief requested.

The Petition conveniently omits any reference to these criminal offenses, only citing to NRS 453.336(1), NRS 453.337 and NRS 202.360. (Petition at 8:8-9 (¶22 n.21)). NRS 453.336(1) and (2) prohibit the unlawful possession of any controlled substance, but these subsections have largely been supplanted by subsections (4) and (5) for possession of marijuana. NRS 202.360 prohibits the possession of a firearm by a person who "unlawfully" uses any controlled substance, but the prohibition does not apply to a person "lawfully" using marijuana in conformance with NRS Chapters 678C or 678D. NRS 453.337 prohibits the unlawful possession for the purpose of sale of any controlled substance classified in Schedule I or II, but the unlawful possession of marijuana for the purpose of sale was clearly proscribed under both ballot initiatives and reflected in all subsequent legislation.<sup>28</sup>

Plaintiff Poole's alleged injury, that he was convicted of marijuana possession in violation of NRS 453.336(1) and (2) after the enactment of Nev. Const. art. 4, § 38 (Petition at 4:1-6 (¶1); 6:1-4 (¶10), can only be redressed by a judicial ruling that enactment of the Nevada Medical Marijuana Initiative actually descheduled marijuana as a controlled substance altogether.<sup>29</sup> A ruling to this effect will not even fully redress the alleged injuries of the unidentified CEIC members with convictions for offenses specific to marijuana. Moreover, the alleged injuries to CEIC's members are impermissibly generalized and any redressability to CEIC or its members by way of its requested relief remains speculative. See, e.g., Laborers' Int'l Union of N. Am., Local 169 v. Douglas Cty., 454 P.3d 1259, 2019 Nev. Unpub. LEXIS 1374 at \*2 (Nev. Dec. 19, 2016) ("speculative interests are not legally

<sup>&</sup>lt;sup>28</sup> Subsection 1(e) of the *Nevada Medical Marijuana Initiative* states: "The legislature shall provide by law for . . . [a]uthorization of appropriate methods for supply of the plant to patients authorized to use it. Section 2 of the *Initiative to Regulate and Tax Marijuana* states: "Marijuana may only be purchased from a business that is licensed by the State of Nevada."

<sup>&</sup>lt;sup>29</sup> Poole was arrested for possession of a controlled substance in violation of NRS 453.336 on May 20, 2016 (see criminal information filed in case no. C-16-319916-1), prior to enactment of the *Initiative to Regulate and Tax Marijuana*; his subsequent conviction after enactment of that ballot initiative is moot.

protectable interests for purposes of establishing standing."). By virtue of this lack of redressability, these Plaintiffs lack standing.

Plaintiffs are not entitled to declaratory, injunctive or writ relief due to their lack of standing. They cannot establish a beneficial interest sufficient to pursue a mandamus action since they will gain no direct benefit from issuance of a writ and suffer no direct detriment if it is denied. Heller v. Legislature of State of Nevada, 120 Nev. 456, 461, 93 P.3d 746, 750 (2004) (citations omitted). They cannot establish either a justiciable controversy or a legally protectable interest as required to obtain declaratory relief. See UMC Physicians' Bargaining Unit of Nev. Serv. Emples. Union, SEIU Local 1107 v. Nev. Serv. Emples. Union/SEIU Local 1107, 124 Nev. 84, 92-94, 178 P.3d 709, 714-16 (2008). Finally, they are not entitled to injunctive relief since any possible "injury" is not fairly traceable to the actions of the Board or redressable by removing marijuana from Schedule I. Bennett v. Spear, 520 U.S. 154, 162 (1997).

#### IV. CONCLUSION

The current scheduling of marijuana is lawful and within the Board's authority, and Plaintiffs are not entitled to declaratory, injunctive or writ relief. Their Petition should be denied.

Respectfully submitted this 10<sup>th</sup> day of August, 2022.

Pursuant to NRS 239B.030 I affirm that this document does not contain personal information.

By: /s/Brett Kandt

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### CERTIFICATE OF SERVICE I certify that I am an employee of the Nevada State Board of Pharmacy, and that on this 10th day of August, 2022, I served a true and correct copy of the foregoing document by electronic service though the Court's electronic filing system to the following: Sadmira Ramic, Esq. Christopher M. Peterson, Esq. Sophia Romero, Esq. American Civil Liberties Union of Nevada 601 South Rancho Drive, Suite B-11 Las Vegas, NV 89106 Email: ramic@aclunv.org peterson@aclunv.org romero@aclunv.org Attorneys for Petitioners/Plaintiffs <u>/s/ Brett Kandt</u> BRETT KANDT General Counsel Nevada State Board of Pharmacy