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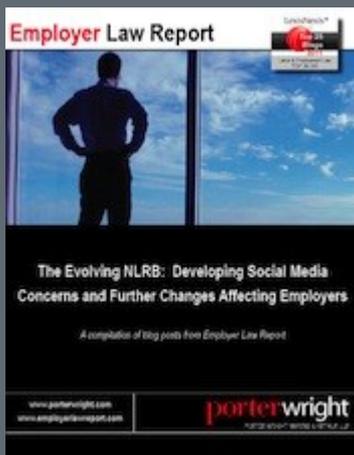
Reporting on recent legal developments and trends affecting employers

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It's High Times for Employers: The Sixth Circuit Holds Michigan Employers Can Say Nope to Dope

POSTED ON OCTOBER 2, 2012 BY [SARA HUTCHINS JODKA](#)

The United States Court of Appeals for the Sixth Circuit ruled in *Casias v. Wal-Mart Stores*, that the Michigan Medical Marijuana Act ("MMMA") does not regulate private employment and, therefore, did not protect Joseph Casias, a Wal-Mart worker authorized to use marijuana for medical reasons, from being fired after he failed a drug test.



Employers and the courts continue to wrestle with issues involving whether employers must accommodate medical marijuana use by their employees. On one hand, marijuana is illegal under the federal Controlled Substances Act ("CSA") and, therefore, does not need to be accommodated under the federal Americans with Disabilities Act ("ADA"). However, 17 states currently have legalized some form of medical marijuana use: Alaska (1998), Arizona (2010), California (1996), Colorado (2000), Connecticut (2011), Delaware (2011), Hawaii (2000), Maine (1999), Michigan (2008), Montana (2004), Nevada (2000), New Jersey (2010), New Mexico (2007), Oregon (1998), Rhode Island (2006), Vermont (2004), Washington (1998), and the District of Columbia (2010). The language of each state's law can differ, and the courts therefore address state law issues on a case-by-case basis. The Michigan statute is the most recent one to come under review. Here, is the background of that case and how the Sixth Circuit came to the conclusion it did.

In 2008, Michigan voters enacted the MMMA by referendum to provide protection for the medical use of marijuana. The statute allows only a "qualifying patient" or a "primary caregiver" to whom the state has issued a registry card to administer medical marijuana and prohibits, in part, "disciplinary action by a business or occupational professional licensing board or bureau" against a person to whom the state has issued a registry card for the use or administration of medical marijuana. The key word in the statute for purposes of the *Casias* case is "business" and here's why.

Casias started working at Wal-Mart in 2004 as an inventory control manager. He was later diagnosed with prostate cancer and an inoperable brain tumor. Due to his ongoing head and neck pain, he received a medical registry card and began using marijuana to manage his pain in the summer of 2009. Later that same year, he injured his knee at work, went to the hospital and was subjected to a standard drug test pursuant to Wal-Mart's policy. Prior to the test, Casias showed his card to the testing staff. Well, as you probably guessed, he tested positive for marijuana. He showed his shift manager his registry card, and informed his manager that he had consumed marijuana while at work or came to work high. Nevertheless, Casias was fired for failing a drug test.

Casias sued Wal-Mart for wrongful discharge for violating the MMMA. The U.S. District Court for the Eastern District of Michigan dismissed Casias' lawsuit finding that the word "business" in the statute does not regulate private employment actions and that the MMMA "contains *no language* stating that it repeals the general rule of public employment in Michigan or that it otherwise limits the range of allowable private decisions by Michigan businesses."

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The Sixth Circuit agreed and held that the MMMA prohibits "disciplinary action by a business or occupational professional licensing board or bureau" against a "qualifying patient." Focusing on the key term "business," the court argued that although the MMMA does not expressly refer to employment, the term "business," as used in the statute, was independent and expanded the MMMA's protections to private employers. In other words, Casias' argument that Wal-Mart was a "business" and thus fell within the MMMA prohibitions which precluded "disciplinary action by a business or occupational or professional licensing board or bureau" against a person with a medical marijuana registry card.

Wal-Mart countered, arguing that the term "business" modified the phrase "licensing board or bureau" and thus did not extend the MMMA's protections.

The Sixth Circuit agreed with Wal-Mart and expressly rejected Casias' proposed interpretation of the statute. The court found that the court's interpretation could prevent any employer in the state from disciplining a qualified patient who uses medical marijuana under the MMMA. The Sixth Circuit, siding with Wal-Mart, opted not to read the term "business" independently. Rather, it concluded that the word "business," as used in the MMMA, *modified* the phrase "licensing board or bureau," and that the MMMA "is simply asserting that a 'qualifying patient' is not to be penalized or otherwise discriminated against by a 'business or occupational or professional licensing board or bureau' for his medical use of marijuana." Therefore, because the term "business" merely described or qualified the type of "licensing board or bureau," it did not refer to employment:

Based on a plain reading of the statute, the term "business" is not a stand-alone term as proposed by Casias, but rather the word "business" describes or qualifies the type of 'licensing board or bureau' in the statute's context, and taking into consideration the natural placement of words and phrases in relation to each other, and the proximity of the words used to describe the kind of licensing board or bureau, in the statute, it is clear that the statute uses the word 'business' to refer to a 'business' licensing board or bureau, just as it refers to an 'occupational' or 'professional' licensing board or bureau.

The Court further explained that adopting Casias' argument would create an entirely new protected class of employees in Michigan and "mark a radical departure from the general rule of at-will employment in Michigan." Because this case was one involving statutory interpretation, the Court highlighted the importance of carefully crafting groundbreaking legislation like the MMMA, and held that the MMMA does not govern private employment actions. The Court went on and noted that other states including California, Montana, and Washington had enacted similar laws in their states' similar medical marijuana laws do not govern private employment actions.

The Court noted the limited application of the MMMA that merely provides a defense to criminal prosecution and adverse actions by the state: "All the MMMA does is give some people limited protection from prosecution by the state, or from other adverse state action in carefully limited medical marijuana situations."

The Takeaways

The Sixth Circuit governs Kentucky, Michigan, Ohio and Tennessee. Of these four states, only Michigan allows for medical marijuana. This is not to say that the other states have not tried and/or are not trying to address the issue forward.

For example, Ohio has had two recent initiatives legalize medical marijuana — the [Ohio Medical Cannabis Act](#) and the [Ohio Alternative Treatment Amendment](#). Neither one, however, made it in on the November 2012 ballot because neither received the necessary 385,000 signatures required by the July 19, 2012 deadline.

As for Tennessee, the Tennessee's House Health and Human Resources committee recently approved a bill that prompts the state's Board of Pharmacy to conduct research proving that residents of Tennessee with chronic pain conditions could benefit from a prescription for cannabis. If passed by Tennessee's government, the research of marijuana would begin this fall and report their findings back late next year. This could mean that medical marijuana in Tennessee is closer to becoming a reality.

Kentucky has been the slowest of the four to get aboard the cannabis train, but this year. Louisville Mayor Greg Fischer introduced SB 129, which proposed rescheduling marijuana under state law and would have allowed doctors to prescribe it to patients with debilitating illnesses without fear of arrest. While the bill never received enough votes to pass this year, it did receive a lot of media attention and will likely continue to be an issue.

While more and more states are leaning toward authorizing and/or decriminalizing the use of medical marijuana, *most* of their "approval" has not been extended into private employment regulation. Consequently, an individual who uses marijuana may be protected from criminal prosecution, but his or her employment may not be similarly protected.

The Sixth Circuit's decision, which is consistent with rulings in other states with similar medical marijuana laws, supports a private employer's decision to refuse to accommodate an employee's use of medical marijuana.

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continue to enforce its policies prohibiting the use of medical marijuana in the workplace. Thus, Michigan employers should have a better sense of comfort if they choose to discipline or discharge employees positive for marijuana but who offer medical marijuana registration cards as excuses. Although the decision does not answer all questions regarding medical marijuana in the workplace, e.g., it does not answer what would happen in the public employer context, or break down all legal hurdles to disciplining employees, it answers one important question that has festered since the law's enactment.

As far as some helpful tips for employers, here are a few:

1. In each state where you have operations, determine what each state law provides for regarding marijuana. Employers should stay apprised of their state laws on the issue, especially as the drug testing and accommodating the use of medical marijuana in the workplace. For example, some states' laws on medical marijuana have been interpreted *not* to require employers to accommodate an employee's use in the workplace. Connecticut's law, An Act Concerning the Palliative Use of Marijuana, which became effective this week on October 1, 2012, goes further than most similar laws and forbids employers from refusing to hire, discharging, penalizing, or threatening individuals with medical marijuana use. However, it also provides that employers may prohibit the use of intoxicating substances during work hours and may discipline employees for being under the influence of intoxicating substances during work hours. While no court has interpreted this law yet, it is likely that it will be interpreted in line with holdings interpreting the California, Michigan, Montana, Oregon and Washington laws on medical marijuana, and will more in line with what the courts in Maine and Rhode Island, who have prohibited adverse employment action on the basis of medical marijuana, have to say on this issue.
2. For all employers, regardless of state law, review your policies to make sure that illegal drug use under state and federal law is prohibited, and that your policies prohibit any detectable amount of drug use, including medical marijuana if allowed by state statute, in an applicant's or employee's system. Consider opposing to using an "under the influence" standard. This includes providing clear information regarding your position on drug and alcohol testing. In addition:
 - Notify applicants in writing of your medical marijuana policy at the time of application and notify employees of your policy on medical marijuana; and
 - Ensure that your human resource employees are trained and know how to respond to medical marijuana issues as they arise.

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