On November 8, 2016, California voters passed Proposition 64, legalizing the use of recreational cannabis. However, the use, possession and sale of cannabis remains a federal crime.

The federal government still considers marijuana a Schedule I drug under the Controlled Substances Act. As a result, banks and other financial institutions generally refuse to provide services to cannabis businesses.

70% OF MARIJUANA-RELATED BUSINESSES DO NOT HAVE BANK ACCOUNTS.
(Source: Marijuana Business Daily Survey, December 2015)

$6.64B PROJECTED INCREASE IN CANNABIS SALES IN CALIFORNIA BY 2020
(Source: Arcview Market Research, August 2016)

PROP 64 IMPOSES A 15% TAX ON THE RETAIL SALE OF CANNABIS

By taxing cannabis, California is expected to bring in an estimated $1 billion in new tax revenue.
(Source: Legislative Analyst's Office)

“WE SHOULDN’T BE FORCED TO CARRY (CASH) AROUND IN DUFFEL BAGS.”
AARON SMITH, EXECUTIVE DIRECTOR OF THE NATIONAL CANNABIS INDUSTRY ASSOCIATION
The Denver Post, ‘Bipartisan marijuana banking bill introduced in U.S. Senate’
THE SOLUTION
State Treasurer John Chiang has convened the Cannabis Banking Working Group. The group has been directed to produce actionable recommendations designed to open access to the banking system to cannabis-related businesses. The current lack of access stands as a major barrier to the successful implementation of voter-approved Proposition 64.

Cannabis Banking Not Only A California Problem
Finding a Solution to a National Dilemma

The following organizations will comprise the Treasurer’s working group:

- The California Bankers Association
- California Community Banking Network
- Credit Union League of California
- California Board of Equalization
- California Employment Development Department
- California Franchise Tax Board
- California Department of Business Oversight
- California Business, Consumer Services and Housing Agency
- Bureau of Medical Cannabis Regulation
- Clark Neubert Law Firm
- California Department of Justice
- California Growers Association
- California Cannabis Industry Association
- California State Association of Counties
- California League of Cities

Recreational Use
- Alaska
- California
- Colorado
- District of Columbia
- Massachusetts
- Nevada
- Oregon
- Washington

Medical Use
- Arizona
- Arkansas
- Connecticut
- Delaware
- Florida
- Hawaii
- Illinois
- Maine
- Maryland
- Michigan
- Minnesota
- Montana
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Dakota
- Ohio
- Pennsylvania
- Rhode Island
- Vermont

Limited Medical Marijuana*
- Alabama
- Georgia
- Iowa
- Kentucky
- Louisiana
- Mississippi
- Missouri
- North Carolina
- South Carolina
- Tennessee
- Texas
- Utah
- Virginia
- Wisconsin
- Wyoming

*Limited medical marijuana includes cannabis extracts that are high in cannabidiol and low in tetrahydrocannabinol.

Source: National Conference of State Legislatures, Nov. 9, 2016