



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

FOR IMMEDIATE RELEASE

PR 18:19
March 29, 2017

Contact: [Marc Lifsher](mailto:Marc.Lifsher@sto.ca.gov)
news@sto.ca.gov
916-653-2995

Treasurer Chiang and Cannabis Consortium Send Letter to AG Sessions Calling for Meeting to Discuss Conflict between Federal, State Law

SACRAMENTO – California State Treasurer John Chiang and nine other members of a newly established, multi-state consortium of states with some form of legalized cannabis use [today sent a letter to U.S. Attorney General Jeff Sessions](#), seeking a meeting to resolve a conflict between federal and state law.

Consortium members -- four state treasurers, cannabis industry representatives and other stakeholders – want to work with Sessions to create banking services and a safe business and legal environment for growers, distributors and sellers, and financial institutions in the 29 states where cannabis is legal for medical or adult recreational consumption.

“This is not just a blue state phenomenon but includes purple and red states in every corner of our country,” the letter’s authors wrote. “A majority of Americans now live in states where they have decided to legalize cannabis.”

California voters in 2016 approved an initiative to legalize cannabis use, beginning on January 1 of this year.

The need to communicate with Sessions is urgent since federal law conflicts with many state statutes by maintaining cannabis as a Schedule 1 controlled substance akin to heroin and LSD. The dichotomy between federal and state law has made it difficult for cannabis firms to open bank accounts and forced them to deal in cash, creating a threat to public safety.

The letter’s signers said they are particularly concerned about Sessions’ rescission of the so-called Cole Memoranda, a directive issued by President Obama’s administration that spelled out the conditions that would allow for financial institutions to provide essential banking services to cannabis businesses operating in states where cannabis use had been legalized.

“We believe we can work together and achieve a solution that recognizes that more and more Americans are living in states where they have decided to legalize cannabis while balancing the important law enforcement issues the Cole Memos tried to account for,” the letter said.

Treasurer Chiang has been in the forefront of grappling with the problem of the lack of banking services for the nascent cannabis industry. He established an 18-member Cannabis Banking Working Group that held six public meetings around the state and heard from more than 50 experts.

The working group came up with a number of recommendations that were [outlined in a report issued in November 2017](#). The recommendations include the creation of a multi-state consortium to advocate for changes in federal law to ensure that the cannabis industry and its customers operate safely, transparently and according to the will of the voters.

For more news, please follow the Treasurer on Twitter at [@CalTreasurer](#), and on Facebook at [California State Treasurer's Office](#).

##