



California State Treasurer Fiona Ma

News Release

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State Treasurer Fiona Ma Statement on Cannabis Banking

SACRAMENTO – As the States’ lead asset manager, banker and financier, it is my responsibility to help steer the State in a direction that supports the implementation of Proposition 64 in a fiscally responsible manner. Therefore, it is critical that there be a solution to the banking challenge, which will provide a real solution to get cash off the streets, heighten public safety, increase tax collection and enable transparent auditing of the monies derived from cannabis businesses.

In November 2016, voters approved Proposition 64, which legalized adult recreational use of cannabis. The intent was to eliminate the illicit market and generate sufficient revenue for state and local government through taxes on cannabis and cannabis products to pay for a new regulatory regime.

We’ve since begun to implement a regulatory structure to help support this burgeoning industry in a safe and productive manner. However, the federal government still considers marijuana a Schedule I drug under the Controlled Substances Act and as a result, banks and other financial institutions generally refuse to provide services to cannabis businesses because most are insured or regulated by the federal government. These barriers have resulted in California continuously missing tax revenue projections and the proliferation of the illicit market.

I encourage the conversation currently underway with the Administration; and further encourage the legislature to put in place a structure where banks and other financial institutions come forward to provide financial services to cannabis businesses. This is why Senator Hertzberg and I remain committed to working on our banking solution, Senate Bill 51, first thing next year. In addition, I encourage all banks to be thoughtful in their dealings with other financial institutions who are doing business with the cannabis industry. And, I believe all banks should strive to bring properly licensed cannabis businesses into our economy and financial system. Addressing these needs will help ensure a successful cannabis market, keep Californians safer and fulfil the will of the people.

Fiona Ma is California’s 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state’s history. She is the

first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in payments within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of more than \$102 billion, approximately \$20 billion of which are local government funds. She serves as agent for sale for all State bonds, and is trustee on over \$100 billion of outstanding debt.

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