



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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## Cannabis Banking Tales of Risks Take Center Stage at Capitol Meeting of Industries and Public Agencies

*Treasurer Chiang's Cannabis Banking Working Group hears of real and potential risks to cannabis workers, their families and banks*

**Sacramento** – Simple questions about how to maintain bank accounts and make deposits became entangled with prison anxieties and fears of robbery Monday during the first in a series of meetings of the Cannabis Banking Working Group convened by California State Treasurer John Chiang. About 100 people attended the meeting in the State Capitol.

The working group was organized by the Treasurer following voter approval of Proposition 64 last month. The proposition legalizes the recreational use of cannabis but leaves unresolved a conflict with existing federal law. Caught in the middle are California banks and cannabis businesses that are legal under California law.

“As we learned today from listening for more than three hours to experts with California’s public agencies, financial services and cannabis industry there is a dangerous, disruptive disconnect between state law and federal law,” the Treasurer said.

The disconnect not only adversely affects governments seeking to collect taxes, cannabis businesses seeking to use traditional financial services and the banks that might wish to provide those services, panelists said Monday. The disconnect also puts cannabis workers and business owners at risk of being

harmed and bankers at risk of going to prison, they told Chiang and members of the working group.

“The cannabis industry is the largest shadow economy in California. Allowing them banking access would facilitate compliance and bring millions of dollars into our economy,” said Fiona Ma, California State Board of Equalization Chairwoman and a member of the Cannabis Banking Working Group.

“We need strong leaders like Treasurer John Chiang to tackle this urgent and complex state and federal conflict.”

In addition to Chiang and Ma, the 16-member working group includes representatives of the California Bankers Association, California Community Banking Network, California and Nevada Credit Union League, the California Employment Development Department, the state Franchise Tax Board, Department of Business Oversight, Bureau of Medical Cannabis Regulation, Business Consumer Services and Housing Agency, Attorney General, California Growers Association, California Cannabis Industry Association, California State Association of Counties, League of California Cities and the law firm of Clark Neubert, which represents the cannabis industry.

The Cannabis Banking Working Group plans to hold at least four more meetings around the state.

“It is clear the machinery of federal government is clunking along behind the trending preferences of the American people,” Chiang said. “The people increasingly proclaim cannabis use acceptable. Yet federal law maintains its use is a crime.

“Defining the problem is our first objective. And we started doing that today. As we continue to hold meetings around the state and compile information, I think we will continue to gain ever more clarity on precisely what should be done and how.”

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