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AJR-28 Financial institutions: cannabis. (2017-2018)

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Assembly Joint Resolution No. 28

CHAPTER 101

Relative to financial institutions.

[Filed with Secretary of State June 19, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 28, Jones-Sawyer. Financial institutions: cannabis.

This measure would urge the Congress and the President to pass legislation that would allow financial institutions to provide services to the cannabis industry.

Fiscal Committee: no

WHEREAS, In 2016, the people of California voted overwhelmingly for Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act of 2016, to legalize the adult-use of cannabis; and

WHEREAS, In 2017, the Legislature overwhelmingly approved a single system of administration for medicinal and adult use cannabis laws with the passage of the Medicinal and Adult-Use Cannabis Regulation and Safety Act; and

WHEREAS, On January 1, 2018, adult-use sales of cannabis and cannabis products to adults 21 years of age and older became legal; and

WHEREAS, California's regulated cannabis industry is projected to represent almost 30 percent of all legal cannabis sales in the United States, contributing billions of dollars to the state's economy and bolstering tourism; and

WHEREAS, The cannabis industry's sales in California are projected to be \$2.8 billion in 2017 and \$6.6 billion by 2025; and

WHEREAS, The adult-use cannabis sector will create an estimated 9,048 jobs by the end of 2018; and

WHEREAS, Despite widespread support for cannabis as a legitimate business enterprise, the industry faces unique, but significant, barriers to success; and

WHEREAS, Federal classification of cannabis as a Schedule I drug under the Controlled Substances Act has discouraged financial institutions from providing banking services to cannabis-related businesses; and

WHEREAS, Legitimate cannabis businesses are unable to take advantage of bank accounts, debit or credit cards, and business loans, forcing them to complete most business transactions in cash; and

WHEREAS, The lack of access to banking services creates barriers for cannabis entrepreneurs wanting to pursue business opportunities in the commercial cannabis industry; and

WHEREAS, The inability to obtain business loans disproportionately prevents the communities that have been most affected by the war on drugs from benefiting from the commercial cannabis industry; and

WHEREAS, Having the entire cannabis industry operating with limited access to banking services is a serious public safety threat and makes commercial cannabis businesses a target for crime, putting the safety of employees and customers at risk; and

WHEREAS, On January 4, 2018, United States Attorney General Jeff Sessions rescinded the memorandum for all United States Attorneys from James M. Cole, Deputy Attorney General, issued on August 29, 2013, and known as the Cole Memorandum, which guided federal prosecutors to take a hands-off approach to cannabis businesses in states where commercial cannabis activity is legal and does not impede on federal priorities; and

WHEREAS, The Cole Memorandum issued guidance to banks on how to provide financial services to state-legalized cannabis businesses; and

WHEREAS, The actions by the United States Attorney General could further impede the ability of cannabis businesses to access banking and other financial services; and

WHEREAS, The health and safety of the people of California should be the number one priority of the presidential administration, lawmakers, and local officials; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature urges Congress and the President to pass legislation that would allow financial institutions to provide services to the cannabis industry; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to each Senator and Representative from California in the Congress of the United States, and to the United States Attorney General.