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)

PROPRIUM 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 Analysts Office)

The standoff between State-Federal Law causes the following problems:

State Cannot Fulfill the Will of the People
57% of voters approved the recreational use of cannabis.

Tax Revenues May Be Difficult to Collect
Prop 64 is projected to generate billions in new revenue that would be used for social and medical programs, cannabis research, educational programs, and much more.

Increase in Crime
Large amounts of cash make cannabis businesses targets for violent crimes.

“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 solutions on how to implement Proposition 64 and address the conflict between state and federal law.

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
- Financial Crimes Enforcement Network (A U.S. Treasury Department sponsored organization to created combat financial crimes. Includes: FBI, DEA, DOJ)
- California Department of Justice
- California Growers Association
- California Cannabis Industry Association
- California State Association of Counties
- California League of Cities*

*Invited

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

Medical Use
- Alaska
- 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