



March 25, 2019

Testimony on HB 3169
House Committee on Economic Development

Chair Lively and Members of the Committee

([HB3169](#)), provides for privately owned, state chartered financial institutions that would be allowed to accept deposits only from cannabis businesses within the state, which could then be used to pay employees, vendors, and state taxes as well as other intrastate investments and expenses.

This would be extremely helpful for the entire industry, but would especially benefit the locally owned farms and companies that the CCA represents.

I'm sure that I don't need to spell for this committee the physical and economic dangers inherent when companies are forced to operate largely in cash. A state chartered banking option would also be far less expensive than the few options available currently. And it's not just licensees. The Craft Cannabis Alliance, for example, is a state-registered non-profit organization. We do not touch the plant, nor offer nor sell nor promote sales of cannabis, but we are currently paying \$400 per month for the privilege of a checking account simply because our members are part of the industry, and unless we were willing to lie to our bank about our work (we are not) no other bank will have us. This is the case for many ancillary businesses with a cannabis industry focus as well.

Further, a state chartered banking option would make it easier for the State to collect taxes, and for the cannabis deposits to be put to use on legitimate and much needed State infrastructure projects, since it would also enable the purchase of state bonds with the deposited funds. This would be a win for all concerned.

The -1 Amendment says that HB 3169 will only go into effect when Congress acts to hold harmless such strictly limited state chartered financial institutions. This should give the state all the protection it needs to pass this bill, and it is our understanding that Congressman Blumenauer is going to introduce federal legislation to that effect.

As we move from the frantic days of implementation of legalization to a period of adjustment and long-term thinking, it is important that Oregon continue to normalize its cannabis market, making it possible for the industry, which has been an important economic driver in the state since long before the days of regulation, to operate above board as it transitions towards success and stability. Thank you.