

Enrolled

Senate Joint Memorial 12

Sponsored by Senators FERRIOLI, BURDICK, Representative LININGER; Senators BEYER, KRUSE, PROZANSKI, Representatives BUCKLEY, HELM, WILSON

To the President of the United States and the Senate and the House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the Seventy-eighth Legislative Assembly of the State of Oregon, in legislative session assembled, respectfully represent as follows:

Whereas 23 states and Washington, D.C., have legalized certain forms of marijuana usage; and

Whereas Oregonians voted to legalize the recreational use of marijuana under state law with the passage of Ballot Measure 91 in the 2014 general election; and

Whereas Oregonians voted to legalize the medicinal marijuana program with the passage of Ballot Measure 67 in the 1998 general election; and

Whereas Oregon is creating a substantial regulatory regime with respect to the marijuana industry to ensure compliance with laws related to the growth, sale and usage of marijuana; and

Whereas Oregon's new regulatory scheme relating to marijuana is anticipated to create a significant expansion of the marijuana industry authorized under state law; and

Whereas regular business operations require access to banking services for efficiency, capital, security and record keeping; and

Whereas marijuana remains illegal at the federal level as a Schedule I drug under the federal Controlled Substances Act; and

Whereas the federal Bank Secrecy Act and its implementing regulations impose substantial administrative and operational burdens, compliance risk and regulatory risk that serve as a barrier to banks and credit unions providing banking services to businesses and individuals involved in the marijuana industry; and

Whereas the United States Department of the Treasury Financial Crimes Enforcement Network has issued guidance relating to the enforcement of the Bank Secrecy Act in states that have legalized certain marijuana activities, which spells out the significant administrative burden on banks and credit unions that want to offer banking services to marijuana-related businesses; and

Whereas providing banking services to marijuana-related businesses entails additional risk to banks and credit unions arising from the fact that marijuana is a Schedule I drug under the Controlled Substances Act, including but not limited to civil or criminal forfeiture and liability; and

Whereas most financial institutions have determined that the federal guidance for providing banking services to marijuana-related businesses is inadequate to create a regulatory environment that is conducive to providing such services because the federal guidance does not change applicable federal laws, imposes significant compliance burdens and is subject to change at any time; and

Whereas without banking options, marijuana-related businesses are forced to operate exclusively in cash; and

Whereas a large cash-only industry attracts criminal activity and creates substantial public safety risks; and

Whereas a cash-only industry reduces transparency in accounting across the industry and makes it difficult for the state to implement an effective regulatory regime that ensures compliance with accounting, employment, tax and other state laws; and

Whereas the inability of marijuana-related businesses to pay taxes in a form other than cash creates a large burden on the state to develop new infrastructure to handle the influx of cash and

take expensive security measures to mitigate public safety risks to taxpayers utilizing the system, state employees and the public at large; and

Whereas states do not have any control over the enforcement of federal laws and cannot enact legislation at the state level that provides banks and credit unions with protections necessary to overcome the high cost and risk associated with providing banking services to the marijuana industry that arise from current federal laws; now, therefore,

Be It Resolved by the Legislative Assembly of the State of Oregon:

That we, the members of the Seventy-eighth Legislative Assembly, respectfully urge the Congress of the United States of America to support developing a solution to the financial issues that arise from the operation of marijuana industry; and be it further

Resolved, That we urge Congress to declassify marijuana as a Schedule I drug under the federal Controlled Substances Act, which would allow for in-depth research to determine the benefits and risks associated with marijuana use; and be it further

Resolved, That a copy of this memorial shall be sent to the President of the United States, to the Senate Majority Leader, to the Speaker of the House of Representatives and to each member of the Oregon Congressional Delegation.

Adopted by Senate June 30, 2015

Lori L. Brocker, Secretary of Senate

Peter Courtney, President of Senate

Adopted by House July 2, 2015

Tina Kotek, Speaker of House