



Oregon

Kate Brown, Governor

Liquor Control Commission

9079 SE McLoughlin Blvd

Portland, OR 97222-7355

(503) 872-5000

(800) 452-6522

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Representative Tobias Read
900 Court St. NE
H-286
Salem, OR 97301

Rep. Read:

As a state agency, the OLCC's ability to take a position on bills is limited; however, HB 4094 addresses a vital topic to the agency and our implementation of Ballot Measure 91. The OLCC appreciates the work devoted to bringing HB 4094 forward to help secure banking services for the regulated cannabis industry. As you know, if this was an easy problem Colorado and Washington would have already forged a path to accessing banking services for marijuana businesses operating in compliance with state law.

HB 4094 is an important vehicle for a continuing discussion to align U.S. banking services policy with state law in order to allow legal commerce to be supported through access to banking services. Banks who are now limiting services do so on a risk analysis basis to ensure they retain access to the U.S. Federal Reserve Banking System. The de facto result is that businesses that are legal in this state, that operate within a system that meets the only existing guidelines that have been offered by federal law enforcement, are denied access to regular banking services and one of the most common tools of commerce, credit card transactions.

In implementation of Ballot Measure 91, both the Commission and the Legislature have carefully worked to create a recreational marijuana system that is fully compliant with the U.S. Department of Justice's guidance to states contained in the "Cole Memo." That guidance focuses on state efforts to prevent diversions of marijuana from the system, to prevent transportation to other states, to reduce the opportunities for violence and to keep marijuana out of the hands of minors.

Access to banking is an important public safety concern that relates to the requirements of the "Cole Memo." The OLCC believes that the large amounts of cash associated with this industry pose a risk for violence and a threat to public safety. Decreasing the amount of cash in the system would reduce the risk of violence and enhance states' ability to be responsive to the very public safety concerns U.S. DOJ has identified in its guidance.

The OLCC believes that Oregon Department of Revenue and OLCC have sufficient regulatory tools to satisfy banks that deposits are compliant with state law. If Oregon agencies can share this information with banks in a confidential manner supported by state licensees, much of the burden of evaluating risk for a bank to accept funds and accounts can be met by the state. Sharing compliance information with banking institutions would seem to be a constructive step toward a future solution to this issue.



Again, the OLCC appreciates the legislature's effort to advance banking issues related to the marijuana industry. These are important issues to the overall safety of a recreational marijuana system in Oregon.

Respectfully,

A handwritten signature in black ink, appearing to read "Steve Marks". The signature is fluid and cursive, with the first name "Steve" and last name "Marks" clearly distinguishable.

Steve Marks
Executive Director
Oregon Liquor Control Commission

Cc: House Committee on Business and Labor