

STAFF MEASURE SUMMARY

CARRIER: Sen. Riley

Senate Committee On Finance and Revenue

**Fiscal:** Has minimal fiscal impact  
**Revenue:** No revenue impact, statement issued (Indeterminate Impact)

**Action Date:** 02/23/16

**Action:** Do Pass With Amendments. (Printed B-Eng.)

**Meeting Dates:** 02/22, 02/23

**Vote:**

Yeas: 5 - Baertschiger Jr, Boquist, Edwards, Hass, Riley

**Prepared By:** Mazen Malik, Senior Economist

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**WHAT THE MEASURE DOES:**

Exempts financial institutions providing services to licensed businesses in the marijuana industry from certain Oregon criminal laws. Directs Oregon Liquor Control Commission (OLCC), Oregon Health Authority (OHA), and Department of Revenue to provide, upon request, financial institutions with information on licensees or permit holders in the marijuana industry. Prohibits financial institution from sharing this information except as specified. Directs Department of Consumer and Business Services (DCBS) to study, among other items, the federal laws, regulations and administrative actions related to providing financing and other financial services to businesses in the marijuana industry. Requires agency to report to Legislative committees by January 1, 2017. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Legalization and the Cole memo.
- Banking industry solutions.
- Money transmitting services.

**EFFECT OF COMMITTEE AMENDMENT:**

The amendment adds the trust company category and the employees and agents of the financial institutions.

**BACKGROUND:**

Marijuana is federally classified as a Schedule 1 drug, Thus offering financial services to marijuana businesses introduces difficulties to financial institutions. Even with the legalization of marijuana in Oregon, businesses in the marijuana industry are still to find financial institutions to serve their needs.

Currently, Oregon criminal laws treat financial institutions as conspirators by association with their marijuana business clients. Moreover, state-chartered financial institutions maintain federal depository insurance and need to be in compliance with Federal requirements and criminal concerns. Guidance issued by the U.S. Department of Justice (referred to as the Cole Memorandum) and by the federal Financial Crimes Enforcement Network (FinCEN) requires due diligence and monitoring requirements for financial institutions servicing businesses in the marijuana industry. However, the guidelines do not provide protection from potential criminal actions.

House Bill 4094-A is intended to provide financing and other financial services for Oregon's legal marijuana businesses by exempting the financial institutions providing such services from certain Oregon criminal laws. The measure also requires the OLCC, OHA, and Department of Revenue to provide information on the license and permits holders in the marijuana programs they regulate when requested by a financial institution so that

the financial institutions can comply with federal guidelines disseminating, releasing or make this information available to others.