



**CALIFORNIA  
GROWERS**  
ASSOCIATION



[CALGROWERSASSOCIATION.ORG](http://CALGROWERSASSOCIATION.ORG)  
[INFO@CAGROWERS.ORG](mailto:INFO@CAGROWERS.ORG)  
MAILING ADDRESS  
915 L STREET C413  
SACRAMENTO CA 95814

April 9, 2018

California State Senate  
Senator Robert Hertzberg  
State Capitol, Room 4038  
Sacramento, CA 95814

**RE: SB 930 (Hertzberg) – Cannabis Banking: SUPPORT IN CONCEPT**

Dear Senator Hertzberg:

The California Growers Association (CGA) has taken a “support in concept” on SB 930. This important legislation provides banking services to the cannabis industry. We look forward to its hearing in the Senate Banking and Financial Institutions Committee on April 18, at which time we will reiterate our position.

SB 930 creates a state charter bank regulated by the Department of Business Oversight to service the cannabis industry. Privately-funded banks that receive this charter will be able to provide banking services to licensed cannabis and cannabis-related businesses. Banks would be authorized to issue checks to accountholders in order to pay state and local taxes and fees; paying vendors for goods and services; making lease payments; and, purchasing state and local bonds.

As you know, the use of medical marijuana was legalized in California in 1996, and in January 2018 Proposition 64 legalized cannabis for recreational use. However, due to the federal Schedule I classification of the commodity, cannabis businesses are not able to deposit with federally-insured financial institutions.

The cannabis industry is expected to generate \$8 billion annually in the nearterm, and could reach \$20 billion at full economic maturity. This is an enormous industry that will only grow larger; however, cultivation, distribution, and retail businesses can currently only operate on a cash basis. This is a public safety threat, and administrative burden the likes of which no other large industry faces.

Given the gravity of this issue, CGA provides its support for this key measure. Please do not hesitate to contact us throughout the legislative process if you have any questions or require our assistance.

Respectfully,

Hezekiah D. Allen  
Executive Director