

RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, despite the legalization of adult-use cannabis in California with the passage of Proposition 64, the US Drug Enforcement Administration still classifies cannabis as a Schedule I drug; and

WHEREAS, legally licensed cannabis businesses are not able to deposit their business income with federally-insured financial institutions, and are instead forced to operate as cash-only businesses; and

WHEREAS, currently pending before the State Assembly is SB 930 (Hertzberg) which addresses issues associated with financial institutions and their ability to serve cannabis businesses; and

WHEREAS, SB 930 (Hertzberg) states the intent of the Legislature to enact subsequent legislation that would establish a State-chartered bank that would allow a person licensed to engage in commercial cannabis activity under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) to engage in banking activities in California; and

WHEREAS, SB 930 would allow financial institutions to work with licensed cannabis businesses to issue certified checks and conduct payroll for certified California employees; pay their state and local taxes and fees while lessening the burden on local government to collect and manage large sums of cash; pay their rent; and invest in California's economy; and

WHEREAS, the City of Los Angeles should support SB 930 because state-legal cannabis businesses, which are projected to generate from \$8 to 20 billion dollars a year, are forced to operate as cash-only businesses with little government oversight and without the aid of financial institutions;

NOW, THEREFORE, BE IT RESOLVED, that by adoption of this resolution, with concurrence of the Mayor, the City of Los Angeles hereby includes in its 2017-2018 State Legislative Program SUPPORT for SB 930 (Hertzberg), which would state the intent of the Legislature to enact subsequent legislation that would establish a State-chartered bank that would allow a person licensed to engage in commercial cannabis activity under the Medicinal and Adult-Use Cannabis Regulation and Safety Act to engage in banking activities in California.

PRESENTED BY:

*Herb J. Wesson, Jr.*  
HERB J. WESSON, JR.  
Councilmember, 10<sup>th</sup> District

JAN 30 2018

SECONDED BY:

*Paul Roberson*

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*[Signature]*