

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT and RESOLUTION relative to establishing the City's position regarding SB 930 (Hertzberg) supporting subsequent legislation to establish a State-chartered bank to 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.

Recommendation for Council action, pursuant to Resolution (Wesson - Krekorian), SUBJECT TO THE CONCURRENCE OF THE MAYOR:

ADOPT the accompanying RESOLUTION to include in the City's 2017-18 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.

Fiscal Impact Statement: None submitted by the Chief Legislative Analyst (CLA). The City Administrative Officer has not completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

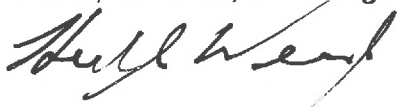
In a report to the Rules, Elections, and Intergovernmental Relations Committee dated February 15, 2018, the CLA recommends that Council support SB 930 (Hertzberg), which would state the intent of the Legislature to enact subsequent legislation that would establish a State-chartered bank that would allow 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. The CLA reports that the federal classification of cannabis as a Schedule I drug prevents State-legal cannabis businesses from depositing their business income in federally-insured financial institutions. This locks these businesses out of the banking system, and forces them to operate as cash-only businesses. SB 930 (Hertzberg) states that the Legislature intends to enact subsequent legislation that would establish a State-chartered bank. This would allow State-chartered financial institutions to work with licensed cannabis businesses to operate within the banking system.

Resolution (Wesson - Krekorian) recommends that Council support SB 930 (Hertzberg).

At its meeting held February 16, 2018, the Rules, Elections, and Intergovernmental Relations Committee recommended that Council support SB 930 (Hertzberg), as recommended by the CLA.

Respectfully Submitted,

Rules, Elections, and Intergovernmental Relations Committee



<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
HUIZAR:	YES
HARRIS-DAWSON:	YES

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-

