



Media Advisory

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Colorado Bankers neutral on marijuana co-op bill, say it won't work

DENVER – A last-minute effort in the Colorado state legislature to solve the issue of providing financial services to marijuana businesses in Colorado is met with neutrality and skepticism from the Colorado Bankers Association.

HB14-1398, sponsored by Rep. Singer (D) Longmont, would create cannabis co-ops to provide specified financial services to marijuana businesses. After a number of amendments, protecting the state, residents and banks were obtained, CBA moved its position on the proposal to neutrality.

The amendments CBA pushed for include:

- That the co-op not be backed by the full faith and credit of the state of Colorado
- Protecting the state should a federal asset seizure take place, precluding public funds from being risk if placed in the co-op
- Clarifying that the co-op would not be tax-exempt
- Preventing the co-op from being referred to as a bank, as funds are not insured
- Requiring disclosure to members that funds are not insured and could be subject to federal seizure
- Restricting lending by the co-op to its members
- Limiting membership to marijuana businesses

The Colorado Bankers Association believes the effort will not work, because a the bill requires a co-op is to have access to the Federal Reserve, something CBA does not believe is possible due to the nature of the marijuana business under federal law.

For an entity to have access to the Fed, it must have FDIC insurance, which cannot be obtained by what is a federally deemed illegal activity. Lastly, if the co-op were somehow to gain access to the Fed, it would become subject to Federal Reserve supervision and must abide by all federal laws.

CBA maintains the position that an act of Congress is the only way to truly resolve the issue of providing financial services to marijuana businesses.

“We have no philosophical opposition to the State trying to find a solution; in fact we want and need the issue resolved,” said Don Childears, president and CEO of the Colorado Bankers Association. “Without banking services, the cash in marijuana businesses is a public safety threat, and the state cannot tax or regulate them confidently. And, these marijuana businesses and customers deserve to conduct their legal affairs in a normal fashion.”

About the Colorado Bankers Association

The Colorado Bankers Association represents more than 90 percent of the 152 banks in Colorado, which have \$123 billion in assets, 1,500 branches, and 23,000 proud professionals. CBA advocates for Colorado banks of all sizes and charter types before governmental bodies and the public to continually promote and improve the banking industry amid challenge and a changing environment. CBA proactively seeks to increase benefits for bank customers, improve value for shareholders, and grow a stronger business climate for banks and our local economies. CBA supplements its effective advocacy with superior industry-specific information and education for bankers, and various high-quality products and services. CBA focuses on Building Better Banks and Helping Coloradans Realize Dreams.