

**Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 14-1088.01 Thomas Morris x4218

HOUSE BILL 14-1398

HOUSE SPONSORSHIP

Singer,

SENATE SPONSORSHIP

Steadman and Balmer,

House Committees

Business, Labor, Economic, & Workforce Development

Finance

Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A STUDY OF THE PROVISION OF FINANCIAL SERVICES TO**
102 **LICENSED MARIJUANA BUSINESSES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)

Because marijuana is illegal under federal law, financial institutions are reluctant to serve state-licensed marijuana businesses. These businesses therefore currently operate almost entirely on a cash-only basis, which raises their costs, increases the risk of crime, and impedes the state's ability to account for these businesses' revenues.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

Section 1 of the bill enacts the "Marijuana Financial Services Cooperatives Act". Marijuana financial services cooperatives (referred to as "cannabis credit co-ops") are a type of financial services entity, membership in which is restricted to entities that are licensed to own or operate a marijuana business. Cannabis credit co-ops are subject to regulation by the state commissioner of financial services in a manner similar to that of credit unions, with the following differences:

- ! The commissioner has 60 days after the filing of an application for a charter to determine whether the application meets the applicable requirements;
- ! The incorporators of the co-op must provide the commissioner with written evidence of approval by the federal reserve bank for access by the co-op to the federal reserve system;
- ! The commissioner cannot allow more than 10 charters for cannabis credit co-ops to be outstanding at any one time;
- ! The commissioner must examine cannabis credit co-ops at least once every 6 months; and
- ! Once a member no longer owns or operates a licensed marijuana business, the member is no longer qualified to be a member of a co-op.

A cannabis credit co-op:

- ! Cannot refer to itself as a "credit union" or "bank";
- ! Does not need to acquire and maintain deposit insurance;
- ! Is subject to taxation; and
- ! Is specifically required to comply with federal requirements relating to marijuana businesses and their proceeds and to file reports with the commissioner regarding its federal law compliance and compliance with federal guidance.

Section 3 gives the court of appeals jurisdiction to review certain of the commissioner's actions. **Section 4** sunsets the regulation of cannabis credit co-ops on September 1, 2020.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Study of provision of financial services to**
3 **licensed marijuana businesses.** (1) The department of regulatory
4 agencies shall conduct a study of the optimal means of providing
5 financial services to licensed marijuana businesses, including:

6 (a) An analysis of the version of House Bill 14-1398 as it was
7 reported from the house of representatives business, labor, economic, and

1 workforce development committee;

2 (b) Practical and effective means of influencing federal law and
3 policy with a goal of removing or ameliorating federal impediments to the
4 provision of such services; and

5 (c) The most effective way to protect the public interest by:

6 (I) Decreasing the crime rate associated with licensed marijuana
7 businesses' cash-only business model;

8 (II) Improving Colorado's ability to track and independently
9 verify the accounting of licensed marijuana businesses' revenues; and

10 (III) Avoiding incentives to use the black market for marijuana.

11 (2) In conducting the study the department shall convene a
12 workgroup of interested stakeholders. The department shall provide a
13 report to the general assembly by December 31, 2014.

14 (3) The governor or his designee shall present the report and any
15 proposals that result from the report to the federal reserve system board
16 of governors by December 31, 2014.

17 **SECTION 2. Safety clause.** The general assembly hereby finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, and safety.