

March 3, 2020

The Honorable Reginald Sawyer-Jones  
California State Assembly  
State Capitol, Room 2117  
Sacramento, California 95814

**RE: SUPPORT- AB 1525 (Jones-Sawyer): Banking Access for Cannabis Businesses**

Dear Assemblymember Jones-Sawyer:

The County of Monterey is pleased to support your bill, AB 1525 (Jones-Sawyer). This bill will increase access to banking services by facilitating the ability of these financial institutions to comply with federal reporting requirements on cannabis businesses and by creating protections for financial institutions that choose to service the industry.

The Financial Crimes Enforcement Network (FinCEN) guidance allows financial institutions to service the cannabis industry as long as these institutions comply with due diligence reporting obligations related to suspicious activity. The guidance requires a financial institution to file suspicious activity reports (SARs) on cannabis related clients based solely on the fact that these businesses deal with a controlled substance. In these reports, financial institutions need to ensure that a business does not violate any state law or any federal enforcement priority. Having to comply with these costly and burdensome reporting requirements is a disincentive for banks to provide services to cannabis businesses.

AB 1525 (Jones-Sawyer) will incentivize banks and credit unions to provide services to the cannabis industry by facilitating access to licensees' track and trace data. Access to this information will help financial institutions better comply with federal reporting requirements. AB 1525 will also create a state safe harbor for financial institutions and accountants that provide services to the cannabis industry.

For these reasons, Monterey County supports AB 1525. Should you have any questions, please feel free to contact Senior Policy Advisor, Ashley Walker of Nossaman LLP at 916-442-8888.

Sincerely,

Chris Lopez  
Chair, Board of Supervisors

CC: Senator Monning  
Senator Caballero  
Assemblymember Rivas  
Assemblymember Stone  
California State Association of Counties