

OREGON PROGRESSIVE PARTY



411 S.W. 2nd Avenue
Suite 200
Portland, OR 97204
503-548-2797
info@progpatty.org

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Oregon Progressive Party

Position on Bill at 2018

Session of Oregon Legislature:

HB 4091: Support

Dear Committee:

The Oregon Progressive Party supports on this bill, which:

- Establishes Oregon Cash Depository Corporation as independent public corporation and prescribes corporation's purposes and powers.
- Directs corporation to lease or acquire real property and construct or renovate offices, facilities and business locations throughout state at which corporation receives, handles, stores and dispenses cash and other valuable property.
- Establishes Oregon Cash Depository Corporation Fund in State Treasury and requires corporation to deposit all moneys corporation receives into fund.
- Permits corporation to invest moneys in fund and fraction of corporation's deposits in accordance with provisions of Act.
- Subjects corporation to annual audit by Secretary of State and requires corporation to respond to recommendations in audit report.
- Requires Attorney General to defend corporation and directors, officers and employees of corporation against claim or charge brought for actions in performing duties of corporation.

This bill is needed in order to provide safe cash management services to Oregon's marijuana industry, which cannot use conventional financial institutions due to the threat of federal law enforcement against those who handle finances for marijuana growers, distributors, and dealers. This threat is greatly increased under the Trump Administration's Department of Justice, which has announced that cracking down on marijuana is a high federal priority.

Marijuana businesses in Oregon are presently compelled to use cash for their transactions. This is dangerous. The Orange County Register (March 23, 2016) noted:

The media glare on Orange County after January's jail break revived buzz over a separate, sensational crime: the brutal kidnapping and torture of a local pot shop owner. One of the escaped inmates was accused of being part of a trio that drove the dispensary owner to the Mojave Desert, where they

mistakenly believed he had stashed cash. When the man couldn't lead his kidnapers to buried treasure, [authorities allege the escapee and his accomplices burned him with a blowtorch](#), severed part of his penis and left him for dead.

It appears to be the most salacious tale of violence linked to the large amounts of cash swirling around the county's pot dispensaries. But it's not the only one. A marijuana delivery driver [was beaten and robbed in Lake Forest](#) in 2014, and a would-be thief [was killed by a guard](#) at an illegal Anaheim dispensary a year ago.

Oregon's Senator Jeff Merkley stated, "Forcing businessmen and businesswomen who are operating legally under Oregon state law to shuttle around gym bags full of cash is an invitation to crime and malfeasance."

This bill would enable those businesses to deposit the cash into a secure institution (the Oregon Cash Depository Corporation), which could also provide secure transportation facilities. The Corporation shall also:

Section 2 (3)(o) Seek and implement to the extent practicable methods by which the corporation may interconnect with financial institutions and banking services to enable funds transfers and other financial services, to the extent that the services are in accordance with law and do not put the moneys and property of the corporation or depositors or other customers of the corporation at substantial risk of loss or seizure.

So the Corporation may or may not be able to provide banking-type services. At a minimum the Corporation could enable transactions among those who maintain accounts with the Corporations, including marijuana growers, distributors, and dealers.

The Oregon Bankers' Association opposes this bill, even though Oregon banks do not provide banking services for this market. They should welcome this bill, as it would invoke the sovereign power of the State of Oregon to protect the streams of cash in the marijuana industry. It could well enable those banks to receive some of that business by engaging in transactions with the Corporation.

Oregon Progressive Party

Daniel Meek

authorized legal representative

dan@meek.net

503-293-9021

