

1                   **CONCURRENT RESOLUTION URGING LEGAL MEDICAL**  
2   **CANNABIS BANKING**

3   2019 GENERAL SESSION

4   STATE OF UTAH

5   **Chief Sponsor: Jacob L. Anderegg**

6   House Sponsor: Melissa G. Ballard

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8                   **LONG TITLE**

9                   **General Description:**

10                   This concurrent resolution urges the President of the United States and Congress to  
11                   resolve the medical cannabis banking issue.

12                   **Highlighted Provisions:**

13                   This resolution:

- 14                   ▶ acknowledges that, despite the enactment of the Utah Medical Cannabis Act,  
15                   cannabis plant extracts remain classified as Schedule I controlled substances under  
16                   federal law;
- 17                   ▶ recognizes that the illegality of cannabis under federal law restricts the medical  
18                   cannabis industry's legal access to financial institutions' banking services;
- 19                   ▶ warns of the dangers associated with businesses that operate entirely in cash; and
- 20                   ▶ urges the President and Congress to remove the barriers that prohibit the medical  
21                   cannabis industry from legally accessing banking services.

22                   **Special Clauses:**

23                   None

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25                   *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

26                   WHEREAS, in 2018, the Legislature enacted H.B. 3001, Utah Medical Cannabis Act,  
27                   which provides for the cultivation, processing, medical recommendation, and patient use of  
28                   medical cannabis;

29                   WHEREAS, despite the legalization of medical cannabis under the Utah Medical

30 Cannabis Act, cannabis plant extracts such as cannabidiol (CBD) and tetrahydrocannabinol  
31 (THC) are classified by federal law as Schedule I controlled substances;

32 WHEREAS, the classification of CBD and THC as Schedule I controlled substances  
33 makes using, prescribing, and dispensing these substances illegal under federal law;

34 WHEREAS, the illegality of cannabis under federal law further restricts the ability for a  
35 cannabis business operating legally under state law to access banking services from United  
36 States or state-chartered financial institutions;

37 WHEREAS, in July 2015, the United States Federal Reserve System denied a Colorado  
38 credit union access to its payment systems, sparking a lawsuit in which the court upheld the  
39 Federal Reserve's claim that, given the illegality of cannabis at the federal level, the credit  
40 union did not have the right to insert state cannabis money into the federal banking system;

41 WHEREAS, the outcome of this case indicates that:

42 • courts will defer to the Federal Reserve's significant control over access to its payment  
43 systems; and

44 • states are not able to circumvent federal statutes in order to solve the problem of  
45 cannabis banking simply by chartering and endorsing special financial institutions;

46 WHEREAS, any industry conducting its business entirely in cash cannot be fairly taxed  
47 or regulated, and has historically been associated with unlawful activity, such as money  
48 laundering and increased threats to the security of the business and its patrons;

49 WHEREAS, the Utah Medical Cannabis Act will inevitably involve financial  
50 transactions between cultivators, producers, medical cannabis pharmacies, and users of medical  
51 cannabis, and the ensuing medical cannabis industry in Utah will require access to financial  
52 services;

53 WHEREAS, while some financial institutions may be willing to risk breaking federal  
54 law in order to provide much-needed banking services to medical cannabis businesses, many  
55 remain reluctant to take such a risk; and

56 WHEREAS, it is in the best interest of all Utahns that Utah's financial institutions  
57 provide banking services to support the medical cannabis industry and patients under the Utah

58 Medical Cannabis Act:

59           NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the  
60 Governor concurring therein, strongly encourage the President of the United States and  
61 Congress to remove the barriers that prohibit the medical cannabis industry from legally  
62 accessing banking services.

63           BE IT FURTHER RESOLVED that a copy of this resolution be sent to the President of  
64 the United States, each member of Utah's congressional delegation, the National Conference of  
65 State Legislatures, and the Governors' Association.