

Rex Bohn Pushes for Support of Federal Pot Banking Bill

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A new bill was introduced in Congress to amend current federal banking laws to allow access for the cannabis industry.

Rep. Ed Perlmutter (D-Colorado) and Rep. Denny Heck (D-Washington state) have brought to the House of Representatives the Secure and Fair Enforcement Banking Act of 2019, or the Safe Act, and the measure has gained the support of 108 members of Congress, including eight Republicans.

North Coast Rep. Jared Huffman is one of the sponsors of the bill.

The Rural County Representatives of California has thrown its support behind the measure and according to Paul Smith, governmental affairs vice president for RCRC, that support is focused on a few key areas.

“There are two key reasons we are engaged with the Safe Act: We need to take cash out of the system; it makes it dangerous and it’s no good for regulatory enforcement at the state or federal level,” Smith said Friday. “The second is we have to handle cash, from cultivation and excise taxes, and taking those payments in cash is challenging for county treasurers.”

Smith said there are other reasons to back the bill and he and Humboldt County 1st District Supervisor Rex Bohn, former board chair for RCRC, were in Washington, D.C., last week lobbying for congressional support. The goal is to loosen federal banking regulations and bring cannabis and cannabis-related businesses into the mainstream.

By allowing cannabis businesses to fully engage in banking, it protects not only the businesses but it also allows regulators to track down illegal operators, something that has been very difficult in a cash-only business.

“Getting cash out allows for better enforcement of the rules. You can audit a business far easier if you have a paper trail and we don’t have that with cash,” Smith said. “We were on Capitol Hill last week and Rex and I walked the halls talking to Congressmen Heck and Perlmutter and trying to learn what we need to do to get this into law.”

For Bohn, the simple fact of the matter is that cannabis has either been legalized or de-criminalized and that means it’s time to catch up with regulations that will help, not hinder.

“I think talking to a few representatives who don’t normally support it now do realize the Safe Banking Act is more obtainable this time around,” Bohn said Friday. “Since we’ve legalized this, the best way for tax collection is to have a record of where the money goes and that means deposits and banking records. Cash leaves too much room for error and it also puts the people who have chosen to be in the business at danger from criminal acts. They are going to after the cash, not the product, and the bill was introduced (Thursday) and we’ll have a hearing next month.”

Both Smith and Bohn think the changes to legalization and changes to the makeup of Congress will lead to the bill’s passage and Smith is hopeful it will pass the Senate as well.

“I don’t necessarily agree the Senate is a deterrent,” Smith said. “Any business that touches hands in the cannabis trade needs access to safe banking, whether you design labels for products or if you’re selling fuel to a cannabis distributor. It’s a front-burner issue for RCRC and I think the tide has turned. I think this gets done in the 116th Congress.”

As a member of that body, Huffman agrees that the time to change the law is now and he will continue to support efforts to bring cannabis into the light.

“As you know, my district is ground zero for the underground economy and the legal economy,” Huffman said. “And we need some change because criminalizing banking for businesses that are legal under state law is close to the definition of absurdity. There is a growing sense this is going to pass the House and ... I think the public is overwhelmingly in support. Hopefully, we can get it passed through the Senate as well.”

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