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ATTN: House Committee on Revenue

Chair Barnhart & members of the committee,

My name is Sal Peralta. I am Secretary of the Independent Party of Oregon. I am testifying today on behalf of the Independent Party of Oregon. Our party supports HB 4091, which will establish the Oregon Cash Depository Corporation (OCDC) to serve as a state depository for cash businesses, including banking functions such as lending and taking deposits.

Our party supports the formation of OCDC as necessary to provide safe cash management services for Oregon's growing marijuana industry. Oregon's recreational marijuana industry was a \$30 million industry in Oregon in 2017. Because marijuana is considered a schedule 1 narcotic, current federal regulations against money laundering prevent lawful Oregon marijuana retailers from making deposits in traditional banks.

At the time I am writing this, the only written testimony provided in opposition is from the Oregon Banking Association (OBA). OBA and its members do not currently serve this industry and their testimony acknowledges that the need to provide safe banking for lawful marijuana retailers. The association nevertheless opposes this legislation as "not the answer" and recommends federal action.

While we agree with OBA that changes in federal banking regulations is desirable and believe that the federal government should consider rescheduling marijuana, there is little chance of federal action in either of these areas.

Inaction on this bill will perpetuate a crisis situation that imposes an unreasonable burden on lawfully licensed businesses and negatively impacts public safety in Oregon. We recommend passage of this legislation.

Respectfully,

Sal Peralta

Secretary, Independent Party of Oregon