

## 4 Ways Marijuana Businesses Could Benefit From Banking Law Changes

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The old adage “money talks” could be revised to “money screams” when it comes to money and the legalized marijuana business.

“There is just too much cash running through these pot businesses for something not to change,” says Sarah Lee Gossett Parrish ([www.sarahleegossettparrish.com](http://www.sarahleegossettparrish.com)) a cannabis industry lawyer. “The status quo – not allowing banks to legally work with pot businesses – is not going to work for very much longer.”

Although marijuana is still illegal under federal law, some state laws allow it, and that leaves distributors of legal marijuana in peril.

Wall Street interest in marijuana firms is at an all time high. The North American cannabis market is expected to go from \$9.2 billion in 2017 to \$47.3 billion within 10 years, according to Arcview Market Research and BDS Analytics.

That kind of money attracts the movers and shakers in the upper echelon of the financial markets who know how to pull strings in Washington. U.S. Sen. Elizabeth Warren said recently that if the Democrats’ narrow chances of capturing the Senate in November succeed, Democrats would vote in favor of a bill to end federal oversight of marijuana and let states handle the issue.

“The politics are tricky, but money is a great motivator in politics,” Parrish says. “Plus as more states continue to jump on the bandwagon, there will be huge incentives for the banks to want to get involved with the business.”

A few small credit unions offer marijuana businesses checking accounts, but most financial institutions are awaiting the federal government to act. And that means most marijuana businesses are dealing with large amounts of cash.

She says allowing financial institutions to work with legal marijuana businesses would ease these issues:

- **Financing.** Marijuana growers are like any other business people. They occasionally need to borrow money for a variety of reasons. Being able to work with a bank will open up more opportunities.
- **Credit card access.** Customers would be able to use credit cards to purchase marijuana, and marijuana businesses would have better ways to track spending and income.
- **Cash violence.** It is not unusual for some marijuana businesses to handle \$20,000 or more in cash. This is not only dangerous for the people carrying the money, but for innocent bystanders should a robbery occur.
- **IRS paper trail.** Cash transactions are easier to hide from the Internal Revenue Service. Putting the money in a bank is an easier way for the IRS to track revenue from a business.

“It is ridiculous for the federal government to put these shackles on businesses that are allowed to operate under their state laws,” Parrish says. “But it can’t last. Money talks.”

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