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DEEP IN THE WEED

Rules for medical marijuana lack details for the banking industry

BY M. SCOTT CARTER
The Journal Record

OKLAHOMA CITY - The Oklahoma House of Representatives is expected to hear a measure this week that would regulate the state's fledgling medical marijuana industry.

House Bill 2612 was cleared by the House Rules Committee on Thursday. The bill - a product of a joint legislative committee - estab-

lishes a framework for medical marijuana testing, packaging, taxation, and product and seed tracking. The bill, written by Majority Floor Leader Jon Echols, R-Okla. City, goes to the full House for a vote.



Jon Echols

The measure passed the Rules Committee 6-0. Echols said the bill was broad enough to prevent the state from micromanaging the industry. He said lawmakers adopted some language and ideas from other states that legalized medical marijuana.

Even with its wide support, legal experts say Oklahoma's medical marijuana industry will continue to face political, legal and financial challenges.

Sarah Lee Gossett Parrish, a cannabis industry lawyer, said banking remains the biggest challenge for those who grow marijuana and for



DEPOSITPHOTOS IMAGE

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state dispensaries. "That's something that, obviously, the utility bill even as amended doesn't begin to address," she said.

Parrish said few state and federally chartered banks were providing services to cannabis customers. Either the state or the federal government is going to have to figure out how to handle the banking issue, she said.

Parrish said part of the problem stems from a 2014 memo from the Department of Treasury's Financial Crimes Enforcement Network. The memo, known as the FinCen memo, was supposed to clarify the Bank Secrecy Act expectations for financial institutes, but instead clouded the issue.

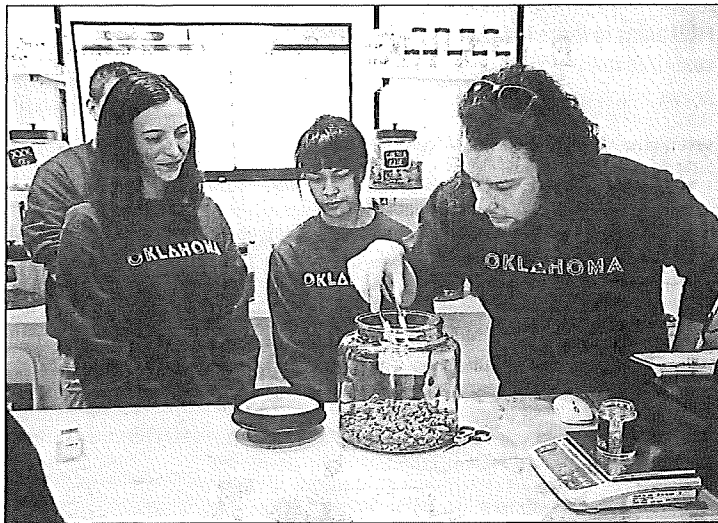
Though there are more than 6,000 federally insured banks in the United States, only a small minority – about 400 – offer financial services to marijuana-related businesses.

A posting on the Oklahoma Bankers Association's website said the organization strongly believed that Congress should address the conflicts between federal and state law in those states that have legalized marijuana use in some form.

"The OBA has never taken a position on whether to support full legalization of marijuana, even though the drug has been legalized for medical or adult use in 33 states," the posting said. "What the Association does support, however, is resolving the conflicting laws for financial institutions that choose to bank both direct cannabis businesses as well as ancillary businesses which, under current law, present banks with a number of legal and regulatory risks."

The OBA's message was echoed by the American Bankers Association, which said their industry was focused on the effect of state and federal laws on their ability to serve those in their communities.

Parrish said Oklahoma banks were



Thomas Fairbanks, right, reaches into a jar of medical marijuana with tongs, as budtenders-in-training Sarah Moore, left, and Kemisha Petersen, from the Plaza District store, watch at The Peak Dispensary at 15 E. Fourth St. in Edmond. FILE PHOTO BY MARK HANCOCK

"walking a tightrope" in dealing with the cannabis industry. "Even state-chartered banks are subject to federal regulations," she said.

Lawmakers also face intense political pressure to get their regulatory system up and running soon. HB 2612 took almost a year to craft and contains more than 80 pages of guidelines and regulations.

Last year, polls showed that nearly 57 percent of state voters supported legalizing medical marijuana. Those numbers, former Senate Pro Tempore Cal Hobson said, make medical marijuana more popular than "about any ballot issue you can name."

And lawmakers, Hobson cautioned, had better get the rules right.

"It (the state question) was overwhelmingly approved almost everywhere in Okla-

homa," he said. "The Republicans voted for it almost as strongly as Democrats."

Hobson, a Democrat, said the biggest battle to come will be over gun ownership and medical marijuana. "How, if they eliminate the background check, will they see who has medical marijuana and who doesn't," he said. "You can't just ignore federal law. They will try and have easy answers until they go to court and then the taxpayers will have to pay the freight, so our legislators can be told, 'you can't do that.'"

Still, even if HB 2162 moves quickly through the Senate, it won't immediately go to the governor's office. On Thursday, Echols removed the bill's title and enacting clause. That maneuver prevents the bill from becoming law until both clauses are restored. That action would require another vote by the House.

SBA LOAN APPROVALS

This is a list of U.S. Small Business Administration-backed loans approved in Oklahoma by the SBA during the period of Feb. 14-20, 2019. The list includes the name of the company or individual, address, amount of the loan and the lender.

Dina M. Bowen MD PLLC, 1804 Commons Cir., Ste. B, Yukon 73099; \$25,000, BancFirst.

EXR Construction Inc., 2332 Steeplechase Dr., Edmond 73034; \$38,500, MidFirst Bank.

H&S Hallock LLC, 565 S. Utica Ave., Tulsa 74104; \$273,000, Small Business Capital Corp.

Shoemaker V Inc., 2751 E. Apache St., Tulsa 74110; \$350,000, SpiritBank.

K&K Vending LLC, 14001 E. Highway 66, Arcadia 73007; \$75,000, Independence Bank.

Thompson's Marketplace LLC, 17 E. Lindsey St., Edmore City 73433; \$227,500, First State Bank.

Choice Properties LLC, 6401 SW Lee Blvd., Lawton 73505; \$454,800, BancFirst.

M&M Snack City LLC, 3660 New Prue Rd., Sand Springs 74063; \$144,000, BancFirst.

Kevin L. McGuire CPA LLC, 1360 Fretz Dr., Ste. 1, Edmond 73003; \$130,000, BancFirst.