



# HOUSE OF REPRESENTATIVES

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March 19, 2025

*Testimony of Rep. Sally Cluchey introducing*

### **LD 859, Resolve, Directing the Treasurer of State to Review and Develop Options for Meeting the Banking Needs of the Cannabis Industry**

*Before the Joint Standing Committee on Veterans and Legal Affairs*

Senator Hickman, Representative Supica and distinguished members of the Veterans and Legal Affairs Committee, my name is Sally Cluchey, and I represent House District 52, which includes Bowdoinham, Richmond and part of Bowdoin. I am here today to introduce LD 859, **Resolve, Directing the Treasurer of State to Review and Develop Options for Meeting the Banking Needs of the Cannabis Industry.**

LD 859 is a bill that the HCIFS committee heard in the 131st Legislature as LD 788, submitted by Senator Grohoski. Attached to your testimony is a sponsor amendment that includes all of the work the HCIFS committee did on the bill in the 131st. I apologize that it did not make it into the bill but I want to make sure that work that has already been done is included for your consideration.

The amendment would establish the Commission to Review and Develop Options for Meeting the Banking Needs of the Cannabis Industry. The commission would include nine legislative members, including members from the Joint Standing Committees on Health Coverage, Insurance and Financial Services, Veterans and Legal Affairs and Taxation. The Commission would review options for meeting the banking needs of individuals and businesses involved in the adult-use cannabis and medical cannabis industries in the State.

Maine's licensed adult-use retailers reported nearly 4.5 million sales transactions in 2024, totaling \$243.9 million, according to the Maine Office of Cannabis Policy. This is almost double the amount in 2022. Additionally, an estimated \$15,056,795 in sales tax revenue from medical cannabis was deposited into the General Fund in FY 2024.

This is a significant amount of money and it affects a huge number of Maine businesses. However, because cannabis remains federally illegal, Maine—like most states—lacks safe, legal banking options for thousands of employees and businesses in this industry. While some credit unions will

work with cannabis-related businesses, these services are prohibitively expensive and place substantial burdens on the financial institutions.

Without access to multiple banking options, many cannabis-related businesses have no choice but to operate on a cash-only basis. Cash payroll compromises employee financial stability and business security. It also increases the risk of bad actors entering the market. Furthermore, a cash-only cannabis economy makes it difficult for people to rent or purchase property, resulting in housing insecurity for some workers.

Legal cannabis businesses deserve access to the same safe and secure banking services that other Maine businesses utilize routinely. They should be able to deposit their legally earned funds into a bank account just as other legitimate businesses do.

We need to develop safe alternatives to the current situation and create pathways for cannabis businesses to participate in standard banking practices.

Thank you for your time and attention. I would be happy to answer any questions you may have.

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Date: (Filing No. S- )

**HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES**

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE  
SENATE  
131ST LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 347, L.D. 788, “Resolve, Directing the Treasurer of State to Review and Develop Options for Meeting the Banking Needs of the Cannabis Industry”

Amend the resolve by striking out the title and substituting the following:

**'Resolve, Establishing the Commission to Review and Develop Options for Meeting the Banking Needs of the Cannabis Industry'**

Amend the resolve by striking out everything after the title and inserting the following:

**'Sec. 1. Commission established. Resolved:** That the Commission to Review and Develop Options for Meeting the Banking Needs of the Cannabis Industry, referred to in this resolve as "the commission," is established.

**Sec. 2. Commission membership. Resolved:** That the commission consists of 9 members appointed as follows:

1. Four members of the Senate appointed by the President of the Senate, including members from each of the 2 parties holding the largest number of seats in the Legislature and at least one member from the Joint Standing Committee on Health Coverage, Insurance and Financial Services; and

2. Five members of the House of Representatives appointed by the Speaker of the House, including members from each of the 2 parties holding the largest number of seats in the Legislature and at least one member from the Joint Standing Committee on Veterans and Legal Affairs and one member from the Joint Standing Committee on Taxation.

**Sec. 3. Chairs. Resolved:** That the first-named Senate member is the Senate chair and the first-named House of Representatives member is the House chair of the commission.

**Sec. 4. Appointments; convening of commission. Resolved:** That all appointments must be made no later than 30 days following the effective date of this resolve. The appointing authorities shall notify the Executive Director of the Legislative

**COMMITTEE AMENDMENT**

1 Council once all appointments have been completed. After appointment of all members,  
2 the chairs shall call and convene the first meeting of the commission. If 30 days or more  
3 after the effective date of this resolve a majority of but not all appointments have been  
4 made, the chairs may request authority and the Legislative Council may grant authority for  
5 the commission to meet and conduct its business.

6 **Sec. 5. Duties. Resolved:** That the commission has the following duties:

7 1. Examine actions taken in other states that have legalized cannabis use to address the  
8 banking needs of individuals and businesses involved in the cannabis industry;

9 2. Evaluate proposals to address the issues under subsection 1 at the federal level and  
10 opportunities to advocate for federal action;

11 3. Examine barriers and costs to the cannabis industry for banking services compared  
12 to other businesses and consider ways to reduce unnecessary barriers and costs;

13 4. Consider the extent to which the State can facilitate and encourage banks and credit  
14 unions in the State to provide services to the cannabis industry or develop other payment  
15 processing systems for the cannabis industry;

16 5. Evaluate the ability to establish a state-owned bank or to authorize an uninsured  
17 bank operating with 100% reserves to provide financial services to the cannabis industry;  
18 and

19 6. Consider any other matters pertaining to the banking needs of the cannabis industry  
20 considered necessary by the commission.

21 **Sec. 6. Staff assistance. Resolved:** That the Legislative Council shall provide  
22 necessary staffing services to the commission, except that Legislative Council staff support  
23 is not authorized when the Legislature is in regular or special session.

24 **Sec. 7. Stakeholder participation. Resolved:** That the commission may invite  
25 the participation of stakeholders to participate in meetings or subcommittee meetings of  
26 the commission to ensure the commission has the information and expertise necessary to  
27 fulfill its duties, including, but not limited to, representatives of the Department of  
28 Professional and Financial Regulation, Bureau of Financial Institutions; the Department of  
29 Administrative and Financial Services' office of cannabis policy; the Bureau of Revenue  
30 Services; the Treasurer of State; the Office of the Attorney General; the Finance Authority  
31 of Maine; the Maine Bankers Association; the Maine Credit Union League; and statewide  
32 associations of individuals and businesses in the adult use and medical cannabis industries.

33 **Sec. 8. Report. Resolved:** That, notwithstanding Joint Rule 353, the commission  
34 shall submit a report that includes its findings and recommendations, including suggested  
35 legislation, to the joint standing committee of the Legislature having jurisdiction over  
36 health coverage, insurance and financial services matters no later than January 15, 2024.  
37 The joint standing committee may report out a bill based on the report to the 131st  
38 Legislature in 2024.

39 **Sec. 9. Outside funding. Resolved:** That the commission shall seek funding  
40 contributions to fully fund the costs of the study. All funding is subject to approval by the  
41 Legislative Council in accordance with its policies.'

1 Amend the resolve by relettering or renumbering any nonconsecutive Part letter or  
2 section number to read consecutively.

3 **SUMMARY**

4 This amendment replaces the resolve and is the majority report of the committee.

5 The amendment establishes the Commission to Review and Develop Options for  
6 Meeting the Banking Needs of the Cannabis Industry. The commission has 9 legislative  
7 members, including members who serve on the Joint Standing Committee on Health  
8 Coverage, Insurance and Financial Services, the Joint Standing Committee on Veterans  
9 and Legal Affairs and the Joint Standing Committee on Taxation. The commission is  
10 directed to review options for meeting the banking needs of individuals and businesses  
11 involved in the adult use cannabis and medical cannabis industries in the State. The  
12 commission is required to submit a report based on the review by January 15, 2024 to the  
13 Joint Standing Committee on Health Coverage, Insurance and Financial Services, which is  
14 authorized to submit legislation based on the report to the 131st Legislature in 2024.

15 **FISCAL NOTE REQUIRED**

16 (See attached)