



## **California Cannabis Authority (CCA)**

### **Purpose**

The California Cannabis Authority (“CCA”) is a Joint Powers Authority created by contract between counties with cannabis regulatory or taxing authority. The purpose of the organization is to develop and manage a statewide data platform that will gather, collect, and analyze information from a myriad of data sources into one resource, to help local governments ensure cannabis regulatory compliance and also provide necessary information to financial institutions that wish to work with the cannabis industry.

### **The Need for Data**

The data platform will aggregate data from multiple sources including track and trace, point of sale, taxation and socioeconomic data. By combining all of these data points, local governments will be provided with targeted and defensible data, ensuring that what is being reported and what is occurring truly coincide.

The data platform can be used to ensure that adequate tax payments are being made; assist local law enforcement and code enforcement officers with accurate and defensible information for speed of compliance; provide public health officials with product information, including product origin and product flow; and inform community planning efforts by understanding locations, concentrations and potential past or future land use patterns. CCA’s data platform will provide local governments with a number of secure log-in connections to access clear, accurate and real-time data on cannabis activity within their jurisdiction. In addition, as more jurisdictions use this tool and the data platform is populated with data, CCA Members will have a broader picture of cannabis activity throughout the state and access to information outside of their jurisdiction.

### **Linking Data and Financial Institutions**

The data platform will provide necessary information to financial institutions that wish work with the industry. Despite the conflict between state and federal law, it is possible for financial institutions to serve cannabis businesses now, but it is not easy. To accept cannabis customers, financial institutions must comply with the rigorous monitoring and reporting requirements and accept a significant amount of risk. Institutions must make sure cannabis businesses are not violating state laws or engaging in any other illegal activities. For each cannabis customer, financial institutions must complete special money laundering and suspicious activities reports. These are onerous requirements that demand extensive staff time. Despite Attorney General Sessions’ recent action which rescinded Department of Justice guidance known as the “Cole Memo”, there are roughly 400 financial institutions nationwide that work with cannabis clients.

The burden can be eased if financial institutions are able to obtain detailed information on each cannabis customer, formatted to fit the institution’s regulatory reporting requirements. Financial institutions cite the single most important step California can take to encourage cannabis banking under current state and federal law is to provide them comprehensive licensing and regulatory data on cannabis businesses.

**Governance**

The data platform will be developed and managed by a Joint Powers Authority, which is a contract between two or more public agencies to exercise, jointly, all power(s) common to each of them, for the purpose of accomplishing specific shared goals. Member counties will comprise the governing body of the organization. Cities and other public entities will be allowed to participate in the JPA and access data, but will not be part of its governance structure. Financial institutions will have access to CCA data by contract. The organization will be funded by a fee, calculated for each city or county, and dependent upon the total sales within the jurisdiction. This amount will be commensurate with the amount of data generated, and therefore equitable to each Member or Participant's costs to the JPA.

County Boards of Supervisors must pass a resolution to join the JPA. In addition, jurisdictions desiring CCA data access must require cannabis businesses operating within their jurisdiction to provide specific information to the JPA. Non-member, public entity participants will be allowed to join CCA by contract.

**Contact**

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