



Marijuana Banking Closed-loop Payment Processing System

INDUSTRY STAKEHOLDER MEETING

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NEVADA STATE TREASURER

Background

Assembly Bill 466

Signed by Governor Sisolak June 5, 2019

Establishes Pilot Program in the State Treasurer's Office for a closed-loop payment processing system.

Requires State Treasurer to contract with one or more qualified vendors to establish system(s).

Requires system(s) to be up and running by July 1, 2020.

Pilot Program expires July 1, 2023.

Goals

Safe

Cash-based businesses create inherent public safety risks by holding, transporting, and distributing large sums of cash. These risks can be mitigated by a closed-loop payment processing system which will hold and distribute cash transactions internally.

Transparent

A closed-loop payment processing system will track and record every transaction so that users, law enforcement, and regulatory bodies know exactly when and where money is coming and going.

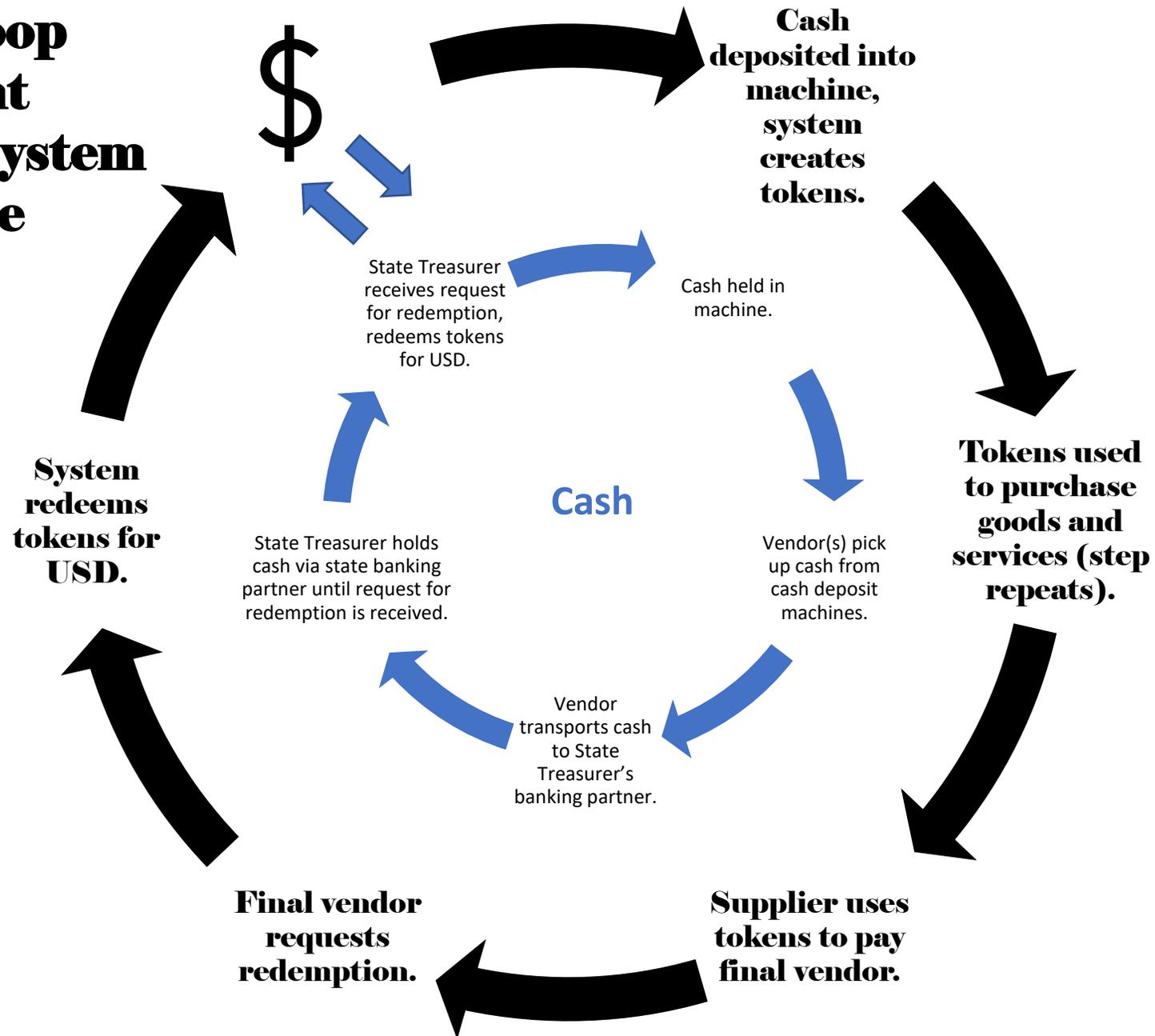
Efficient

Cash-based businesses create operational inefficiencies by demanding additional time and resources for processes such as ensuring accuracy in bill counts, securing cash, and transporting cash. A closed-loop payment processing system will eliminate or reduce these processes.

Lawful

A closed-loop payment processing system will discourage bad actors and criminal enterprises from taking advantage of the current cash-based business model.

Closed-loop payment processing system example



Anticipated Timeline

October 2019

- Request for Proposals issued for closed-loop payment processing vendors

- Deadline for proposal submission

- Evaluation period

- Potential vendor presentations

- Selection of vendors

- Required approval from Interim Finance Committee

- Board of Examiners approval

- Contract begins

July 1, 2020

- Closed-loop payment processing system(s) up and running

Opportunities for feedback

Questions

- What percentage of your revenues are devoted to cash handling?
- How many transactions does your business encounter each day?
- What would make you most/least likely to use the system?

Questions cont'd

- Do you believe customers would use the system?
- What other types of businesses or entities do you engage with on a regular basis that would benefit from using the system? (e.g., utilities, suppliers, licensing and taxing authorities, etc.).
- What features should be included to ensure the most effective program for your business and your employees?



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