



Marijuana Banking Closed-loop Payment Processing System

VENDOR STAKEHOLDER MEETING

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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.

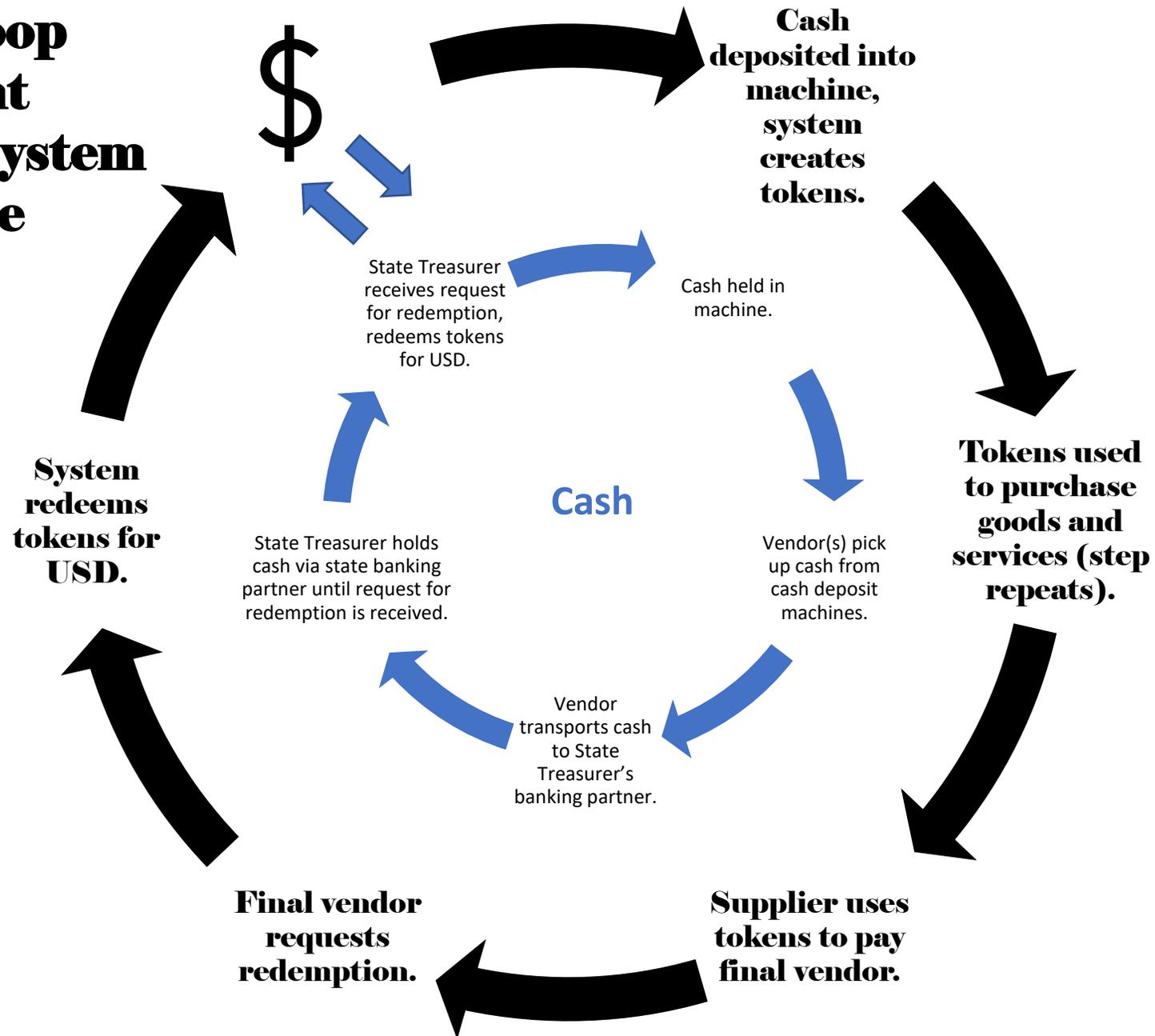
Efficient

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

- Does anything about the proposed system cause concern?
- What can the State do to make the system as successful as possible?
- What subcontractors, if any, do you envision needing to hire to administer the system?

Questions cont'd

- What volume of users/transactions would be needed to support the system on a cost basis?
- What will be the most costly part of the system to create and/or administer?
- How do you envision charging end users or consumers? Are there other ways you envision monetizing the system?



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