Testimony of Kevin Hart, President
Green Check Verified

Judiciary Committee Public Hearing
March 2, 2020

SB 16 “AN ACT CONCERNING THE ADULT USE OF CANNABIS”


I’d like to begin my testimony with a brief introduction of Green Check Verified. We are a well-established company that is purpose-built to solve the cannabis banking and payments challenge on a national scale. With many bank and credit union partners operating in 18 states, including here in Connecticut, we know from experience how to best handle these challenges. Green Check Verified (GCV) is a Regulatory Technology or “RegTech” company founded and established in New Haven county with several patent-pending technology solutions that modernizes financial reporting and transactional compliance for both the cannabis and banking industries.

Our experienced team of banking, cannabis and enterprise technology professionals are actively engaged with all appropriate federal agencies including the Office of Comptroller of Currency (OCC); the Federal Deposit Insurance Corporation (FDIC); and the Conference of State Banking Supervisors (CSBS); as well as the US Senate Banking Committee. In addition to supporting existing Medical Marijuana Businesses and Financial Institutions in Connecticut, we are actively engaged in Cannabis-Related Businesses in states such as New York, Massachusetts, California, Nevada, Missouri, Oklahoma, Michigan, Pennsylvania, Florida, and Maine. This level of involvement at the state and federal level gives us a unique knowledge and commitment to ensure maximum compliance with existing regulations coupled with a platform designed for the future state of the cannabis industry--specifically the federal SAFE Banking Act.
The bill before you today, SB 16 would allow adults at least 21 years of age to purchase, possess and use cannabis for recreational purposes and would create a regulatory process to allow for the cultivation, manufacture and retail sale of cannabis in Connecticut. Green Check Verified supports the right of adults to make their own decisions about possessing and using cannabis and believes that creating a highly-regulated environment for consumers to safely and lawfully purchase cannabis is the right approach to take. We strongly support Connecticut’s current Medical Marijuana Program—believing it is the best in the country, for many of the same reasons.

There are two aspect of this bill I would like to offer my thoughts on. First, this bill would require cannabis cultivators, manufacturers and retailers to utilize an “electronic inventory control and sale tracking system” to ensure compliance with this act. We at GCV heartily endorse this requirement but believe this “electronic tracking system” should be taken one step further. In our work in other states with recreational cannabis programs, we have seen the sad and unnecessary consequences of permitting cannabis licensees to operate without utilizing a comprehensive electronic compliance system. In those situations, many cannabis-related businesses are unable to secure dependable banking relationships and consequently must deal in cash transactions with their customers and vendors. This in turn leads to states not achieving their anticipated revenue projections due to retail sales dollars never making it into the banking system where transactions can be verified. For this reason we would respectfully request that you consider adding language that would require such “electronic tracking system” to include banking-compliance elements “sufficient to facilitate a commercial relationship with Connecticut Financial Institutions.”

And second, in making the suggestion above, I do note that Section 37 of the bill does contemplate that the Commissioner of Banking will undertake a study of this anticipated cannabis-banking relationship. We support the intent of this review and reporting to the Legislature and we would welcome the opportunity to offer our knowledge and experiences to the Commissioner at the appropriate time. However, we do find it advisable to include the requirement of utilizing a banking-compliance system as this bill moves through the process.

Thank you for your consideration of this recommendation. And thank you for the opportunity to offer testimony pertaining to this bill today. We at Green Check Verified stand ready to work with you as this bill proceeds during this Legislative Session. Please feel free to contact me at KHart@greencheckverified.com or GCV’s lobbyist Gary Berner.