

April 19, 2021

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

On behalf of the undersigned state bankers associations, representing banks of all sizes, we write to express our support for H.R. 1996, the Secure and Fair Enforcement Banking Act (SAFE Banking Act) of 2021. This strongly bipartisan legislation scheduled for consideration on this week's suspension calendar would be an important step to address the conflict between federal and state laws and how banks safely work with legal cannabis and cannabis related businesses.

Although we do not take a position on the legalization of marijuana, our members are committed to serving the financial needs of their communities – including those that have voted to legalize cannabis. Currently, 36 states covering 70 percent of the nation's population have legalized cannabis for medical or adult-use. Despite this ever-growing voter preference, current federal law continues to prevent banks from safely banking these businesses without fear of federal sanctions. As a result, this segment of our local economies is forced to operate on an all-cash basis, which creates serious public safety, revenue administration, and legal compliance concerns in the communities we serve.

The impact on our local economies could also prove significant, as revenue paid to unrelated industries that provide products and services to state-authorized cannabis businesses such as law firms, accountants and contractors is technically money derived from illegal activities, and thus could be considered money laundering. This raises the significant question of whether financial institutions can bank these ancillary businesses, as such actions could likewise be considered violations of the money laundering laws. Without a change to federal law, that entire portion of economic activity in legal cannabis states may be marginalized from the banking system.

The SAFE Banking Act is a banking-specific bipartisan solution that would address the reality of the current marketplace and allow banks to serve cannabis-related businesses in states where the activity is legal.

We urge members of the House of Representatives to support H.R. 1996, the SAFE Banking Act, when this bill comes before the House on this week's suspension calendar.

Sincerely,

Alabama Bankers Association  
Alaska Bankers Association  
Arizona Bankers Association  
Arkansas Bankers Association  
California Bankers Association  
Colorado Bankers Association  
Connecticut Bankers Association  
Delaware Bankers Association

Florida Bankers Association  
Georgia Bankers Association  
Hawaii Bankers Association  
Idaho Bankers Association  
Illinois Bankers Association  
Indiana Bankers Association  
Iowa Bankers Association  
Kansas Bankers Association  
Kentucky Bankers Association  
Louisiana Bankers Association  
Maine Bankers Association  
Maryland Bankers Association  
Massachusetts Bankers Association  
Michigan Bankers Association  
Minnesota Bankers Association  
Mississippi Bankers Association  
Missouri Bankers Association  
Montana Bankers Association  
Nebraska Bankers Association  
Nevada Bankers Association  
New Hampshire Bankers Association  
New Jersey Bankers Association  
New Mexico Bankers Association  
New York Bankers Association  
North Carolina Bankers Association  
North Dakota Bankers Association  
Ohio Bankers League  
Oklahoma Bankers Association  
Oregon Bankers Association  
Pennsylvania Bankers Association  
Puerto Rico Bankers Association  
Rhode Island Bankers Association  
South Carolina Bankers Association  
South Dakota Bankers Association  
Tennessee Bankers Association  
Texas Bankers Association  
Utah Bankers Association  
Vermont Bankers Association  
Virginia Bankers Association  
Washington Bankers Association  
West Virginia Bankers Association  
Wisconsin Bankers Association  
Wyoming Bankers Association

cc: Members of the United States House of Representatives