The Honorable Michael Crapo Chairman Senate Banking, Housing and Urban Affairs Committee Washington, D.C. 20510 The Honorable Sherrod Brown Ranking Member Senate Banking, Housing and Urban Affairs Committee Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Brown:

On behalf of the undersigned state bankers associations, representing banks of all sizes, we write to express our support for the SAFE Banking Act (S. 1200) and to encourage the Senate Banking, Housing and Urban Affairs Committee to markup and advance the legislation as soon as possible.

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, thirty-three states covering 68 percent of the nation's population have legalized cannabis for medical or adult-use, and the issue could appear on as many as 10 state ballots this November. 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 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. It respects state sovereignty and does not facilitate cannabis sales in states that have chosen not to legalize the drug. Although there are admittedly broader public policy questions at play, we ask that you evaluate and address this pressing banking problem, which is within your power to resolve. Doing so will reap immediate public safety, tax and regulatory benefits while Congress continues to grapple with broader decisions about national drug policy.

## 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

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 Senate Banking, Housing and Urban Affairs Committee Members of the United States Senate