

May 10, 2023

The Honorable Sherrod Brown
Chairman
Senate Banking, Housing and Urban
Affairs Committee
Washington, D.C. 20515

The Honorable Tim Scott
Ranking Member
Senate Banking, Housing and Urban
Affairs Committee
Washington, D.C. 20515

Chairman Brown and Ranking Member Scott:

On behalf of the members of the American Bankers Association (ABA)¹ and the undersigned state bankers associations, which represent banks of all sizes from every state in the country, we write to express our support for the SAFE Banking Act (S. 1323) and to thank you for holding this important hearing. We encourage the Senate Banking, Housing and Urban Affairs Committee to markup and advance the legislation as soon as possible.

The SAFE Banking Act is an urgently needed, and widely supported, bipartisan legislative solution to allow banks to handle the proceeds from state-licensed cannabis businesses and the accountants, skilled trades, landlords, law firms, and other service providers they rely upon for legal operations. Federal law prevents banks from banking cannabis businesses, as well as these ancillary businesses, without fear of federal sanctions. As a result, this industry is operating primarily in cash, which causes significant public safety concerns and undermines the ability of cannabis regulators, tax collectors, law enforcement and national security organizations to monitor the industry effectively.

The SAFE Banking Act is a narrowly tailored solution designed to bring this growing industry into the regulated banking system and provide much-needed visibility into its financial activity. Financial institutions adhere to stringent anti-money laundering and counter-terrorist financing reporting requirements, as well as monitor accounts for suspicious activity. The increased transparency that would come from processing transactions through bank accounts instead of in cash would ensure that regulators and law enforcement have the necessary tools to identify bad actors and remove them from the marketplace. The legislation would also enhance tax collection in the states where cannabis is now legal.

The inability of the state-licensed cannabis industry to access safe and regulated financial services is a pressing concern for so many of our nation's communities and the banks that serve them. With state-licensed cannabis businesses currently authorized in 38 states and more states weighing legalization, we urge you to address these critical issues by marking up and advancing the SAFE Banking Act as quickly as possible.

Sincerely,

American Bankers Association
Alabama Bankers Association

Alaska Bankers Association
Arizona Bankers Association

¹ The American Bankers Association is the voice of the nation's \$23.6 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard \$19.2 trillion in deposits and extend \$12.2 trillion in loans.

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 Senate Banking, Housing and Urban Affairs Committee
Members of the U.S. Senate
Members of the U.S. House of Representatives