

May 1, 2023

The Honorable Dave Joyce  
House of Representatives  
Washington, DC 20515

The Honorable Steve Daines  
U.S. Senate  
Washington, DC 20510

The Honorable Earl Blumenauer  
House of Representatives  
Washington, DC 20515

The Honorable Jeff Merkley  
U.S. Senate  
Washington, DC 20510

Dear Representatives Joyce and Blumenauer and Senators Daines and Merkley:

On behalf of the members of the Electronic Transactions Association (ETA), I am writing in support of the bipartisan Secure and Fair Enforcement Banking Act of 2021 (SAFE Banking Act). We appreciate your leadership on addressing the conflict between federal and state laws to allow states that have legalized medical or recreational use of cannabis to bring that commerce into the banking system.

ETA is the world's leading advocacy and trade association for the payments industry. Our members span the breadth of significant payments and fintech companies, from the largest incumbent players to the emerging disruptors in the U.S and in more than a dozen countries around the world. ETA members make commerce possible by processing approximately \$44 trillion annually in purchases worldwide and deploying payments innovation to merchants and consumers.

Forty-seven states, four U.S. territories, and the District of Columbia have legalized some form of recreational or medical cannabis, including CBD. Yet current law restricts legitimate licensed cannabis businesses from accessing financial industry services and products, resulting in businesses operating in all cash — posing a serious public safety risk for communities.

The conflict between state and federal laws forces businesses to operate on a cash-only basis and has created significant legal and compliance concerns for financial institutions that wish to provide banking services to cannabis related businesses in states where it is currently legal. The SAFE Banking Act would allow legitimate cannabis businesses to access the safety and security of the banking ecosystem in states that have legalized cannabis. Having access to the banking system is an important step toward enabling financial services for cannabis-related businesses and makes it easier for businesses to track revenues for taxation purposes, decreases a public safety threat as cash intensive businesses are often targets for criminal activity, and allows proper tracking of finances for BSA/AML compliance.

ETA takes no position on the legalization or decriminalizing cannabis at the state or federal level for medicinal or recreational uses. However, ETA does support legislation that would resolve the conflict between state and federal laws to allow financial institutions to serve cannabis related businesses in states where these businesses are legal under state law.



ETA is pleased to support the SAFE Banking and urges Congress to quickly consider this important issue. If you have any questions, please contact me or ETA's Executive Vice President, Scott Talbott at [stalbott@electran.org](mailto:stalbott@electran.org).

Sincerely,



Jeff Patchen  
Director of Government Affairs  
Electronic Transactions Association





Derek B. Williams, *Chairman*  
Lucas White, *Chairman-Elect*  
Jack E. Hopkins, *Vice Chairman*  
Sarah Getzlaff, *Treasurer*  
James H. Sills, III, *Secretary*  
Brad M. Bolton, *Immediate Past Chairman*  
Rebeca Romero Rainey, *President and CEO*

April 28, 2023

The Honorable Jeff Merkley  
U.S. Senate  
Washington, D.C. 20510

The Honorable Steve Daines  
U.S. Senate  
Washington, D.C. 20510

Dear Senator Merkley and Senator Daines:

On behalf of the Independent Community Bankers of America (ICBA) and the nearly 50,000 locations we represent, I write to express our strong support for the SAFE Banking Act (S. 1323). Your legislation would resolve a conflict between state and federal law and address a critical public safety concern. We are pleased that it enjoys strong, bipartisan support.

S. 1323 would create a safe harbor from federal sanctions for financial institutions that serve cannabis-related businesses (CRBs), as well as their numerous service providers, in states and other jurisdictions where cannabis is legal. [ICBA polling](#) conducted by Morning Consult found that two-thirds of voters support cannabis banking access.

S. 1323 is essential for the ongoing ability of community banks to effectively serve their communities. It would also alleviate the significant threat to public safety posed by cash intensive CRBs effectively being shut out of the banking industry. According to the same poll referenced above, 71 percent of voters agree that allowing cannabis-related businesses to access the banking system would help reduce the risk of robbery and assault at CRBs — showing the importance of the policy to public safety.

Thank you again for introducing this important legislation. We look forward to working with you to advance it into law.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

*The Nation's Voice for Community Banks.*®

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# INTERNATIONAL BROTHERHOOD OF TEAMSTERS

**SEAN M. O'BRIEN**  
General President

25 Louisiana Avenue, NW  
Washington, DC 20001



**FRED E. ZUCKERMAN**  
General Secretary-Treasurer

202-624-6800  
[www.teamster.org](http://www.teamster.org)

May 10, 2023

**VIA Electronic Transmission**

United States Senate  
Washington, D.C. 20510

Senator Sherrod Brown – Chairman  
Senate Committee on Banking,  
Housing and Urban Affairs

Senator Tim Scott – Ranking Member  
Senate Committee on Banking  
Housing and Urban Affairs

Dear Chairman Brown and Ranking Member Scott,

On behalf of the 1.2 million members of the International Brotherhood of Teamsters, I would like to submit a statement for the record in support of S. 1323, the Secure and Fair Enforcement (SAFE) Banking Act. The Teamsters represent thousands of cannabis workers in retail and transportation. This legislation would drastically improve workplace safety conditions by allowing banks and other financial institutions to provide services to legitimate cannabis-related businesses.

When businesses can't operate normally by accessing the traditional financial infrastructure of this country, it poses a risk not just to the business but to their employees. Cannabis workers, many of whom are Teamster members, must operate in an all-cash environment which puts them and their customers at risk to violent theft and robbery. Workers themselves often find it difficult to secure mortgages or access to basic banking, like a checking account because financial institutions are overly and unfairly cautious about the source of their income.

There are thousands working in the cultivation, distribution, and sale of cannabis for both personal and recreational use in 38 states. These workers deserve a safe workplace that provides meaningful wages, healthcare, and access to retirement security. Unfortunately, many of these workers cannot engage in a meaningful partnership with their employer, in part because of how the cannabis industry is forced to operate in the financial dark.

Teamster members at three Chicago, IL dispensaries for example were forced to walk off the job twice, earlier this year. The employer, Green Thumb Industries engaged in multiple Unfair Labor Practice (ULP) violations, and workers were forced to go on strike. As Congress works to establish the necessary guardrails around cannabis legalization, the labor and safety interests of workers in this industry must be considered paramount. Passing SAFE Banking is a necessary part of this process and will improve worker safety conditions while also easing operational burdens for employers at the same time.

Unites State Senate  
May 10<sup>th</sup>, 2023  
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The Teamsters are committed to helping the cannabis industry grow through the passage of the SAFE Banking Act, which will make sure these companies prioritize the care and safety of their workers. I thank you for the opportunity to submit this formal statement for this hearing: *Examining Cannabis Banking Challenges of Small Businesses and Workers.*

Sincerely,

A handwritten signature in black ink, appearing to read 'S.M. O'Brien', with a large, stylized flourish extending to the right.

Sean M. O'Brien  
General President  
International Brotherhood of Teamsters

SMO/bt



May 9, 2023

Dear Senators Merkley and Daines and Representatives Joyce and Blumenauer:

We, the undersigned U.S. trade associations, write to express support for the SAFE Banking Act of 2023. Collectively, we represent a majority of the companies, agents, and brokers offering property-casualty, life, title, and reinsurance (collectively, “insurers”) in the U.S. We appreciate your leadership in seeking needed clarity for insurance transactions related to marijuana businesses that are otherwise permissible under state law.

The insurance industry is potentially exposed to liability arising from the differences of the legal treatment of marijuana and marijuana products under federal and state law and regulation at the state level. However, with the inclusion of key language from the Clarifying Law Around Insurance of Marijuana Act, sponsored by Senators Menendez, Paul, Tester, Daines, and Merkley and Representatives Velázquez and Davidson, the SAFE Banking Act’s safe harbor provisions would prevent federal criminal prosecution of and civil liability for agents, brokers, and insurers, their officers, directors or employees when engaging in the business of insurance in states that have legalized marijuana in some form.

By resolving the legal uncertainty presented by the dueling state and federal treatment of marijuana, the insurance industry can serve both State-sanctioned marijuana businesses and other commercial and personal lines consumers who may have a direct or indirect relationship to State-legalized marijuana, and still be in compliance with the law. Insurers must also continue to satisfy all applicable state statutory or regulatory requirements, such as those pertaining to consumer protections and claims payments.

We greatly appreciate your leadership, and we look forward to continuing to work with you and Congress to ensure our industry is not caught between conflicting obligations under federal and state law.

Sincerely,

- American Land Title Association (ALTA)
- American Council of Life Insurers (ACLI)
- American Property Casualty Insurance Association (APCIA)
- The Council of Insurance Agents & Brokers (CIAB)
- Independent Insurance Agents & Brokers of America (IIABA)
- National Association of Mutual Insurance Companies (NAMIC)
- National Association of Professional Insurance Agents (PIA)
- Reinsurance Association of America (RAA)
- Wholesale & Specialty Insurance Association (WSIA)



**Kirsten Sutton**  
Executive Vice President  
Congressional Relations & Legislative Affairs  
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May 3, 2023

The Honorable Charles Schumer  
Senate Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Speaker of the House  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Senate Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Hakeem Jeffries  
House Minority Leader  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Sherrod Brown  
Chairman  
Committee on Banking, Housing, and Urban  
Affairs  
United States Senate  
Washington, D.C. 20510

The Honorable Patrick McHenry  
Chairman  
Committee on Financial Services  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Tim Scott  
Ranking Member  
Committee on Banking, Housing, and Urban  
Affairs  
United States Senate  
Washington, D.C. 20510

The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
United States House of Representatives  
Washington, D.C. 20515

Dear Speaker McCarthy, Majority Leader Schumer, Minority Leaders McConnell and Jeffries, Chairmen Brown and McHenry, and Ranking Members Scott and Waters:

On behalf of the American Bankers Association (ABA), I am writing to express our strong support for H.R. 2891 /S. 1323, the Secure and Fair Enforcement Banking Act (SAFE Banking Act) of 2023 sponsored by Senators Jeff Merkley (D-OR) and Steve Daines (R-MT) and Representatives Dave Joyce (R-OH-14) and Earl Blumenauer (D-OR-03). This important legislation would help bring certainty to an important issue that has become a challenge for so many of our nation's communities and the banks that serve them.

The SAFE Banking Act is an urgently needed, and widely supported, bipartisan solution that will allow banks to handle not only the proceeds from both state-licensed cannabis businesses and the ancillary businesses--accountants, skilled trades, landlords, law firms, and other service providers--those businesses rely upon to operate, but also accept deposits from and make loans to employees of those businesses. Federal law currently prevents banks from banking cannabis businesses and these ancillary businesses, without fear of federal sanctions. As a result, this industry is operating primarily in cash, which is not only a public safety risk, but also undermines the ability for regulators, tax collectors, and law enforcement to monitor the industry effectively.

Financial institutions must adhere to stringent anti-money laundering and counter-terrorist financing reporting requirements, so bringing this industry into the regulated banking system will provide much-needed visibility into its financial activity. 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 also enhance tax collection and financial transparency in the thirty-seven states where cannabis is now legal at the state level.

While ABA does not take a position on the legalization of cannabis, our member banks find themselves in conflict between state and federal law, with local communities encouraging them to bank cannabis businesses and federal law prohibiting it.

The Controlled Substances Act (21 U.S.C. §801 et seq.) classifies cannabis as an illegal drug and prohibits its use for any purpose. For banks, that means that all proceeds generated by a cannabis-related or ancillary business, even when operating in compliance with state law, are unlawful under federal law, and so any attempt to conduct a financial transaction with that money (including simply accepting a deposit) can be considered money-laundering. Thus, banking cannabis businesses, or any of the non-cannabis focused vendors or businesses that serve them, places banks in the untenable position of dealing with these state-authorized businesses at significant risk of regulatory sanction, loss of access to the payments system or even the potential loss of the bank charter itself.

Currently, the only directive available to financial institutions in connection with cannabis-related accounts comes from guidance issued by the Financial Crimes Enforcement Network (FinCEN) in 2014. That guidance, which references a now-rescinded memorandum from the U.S. Department of Justice (the "Cole Memo"), describes how financial institutions can report cannabis-related business activity consistent with their anti-money laundering obligations. However, it merely creates a system for reporting activity that is illegal under federal law but otherwise legal under state law and does not create a safe harbor or otherwise modify federal law to protect banks from criminal and civil liability for providing financial services to state-sanctioned cannabis businesses.

The bipartisan, bicameral, SAFE Banking Act would provide that legal and regulatory clarity for banks and help facilitate access to financial services for state-sanctioned cannabis businesses while strengthening the ability of financial institutions and law enforcement to detect unlawful activity.

The bill specifies that proceeds from a state-sanctioned cannabis business would not be considered unlawful under federal money laundering statutes or any other federal law, which is necessary to allow the provision of financial services to state-sanctioned cannabis businesses as well as any ancillary businesses that derive some portion of their income from those businesses. The bill would also direct FinCEN, and the federal banking regulators through the Federal



Financial Institutions Examination Council, to issue guidance and exam procedures for banks doing business with state-sanctioned cannabis businesses. Explicit, consistent direction from federal financial regulators will provide needed clarity for banks and help them better evaluate the risks and supervisory expectations for cannabis-related customers.

This legislation has garnered strong bipartisan support in both the House and Senate, and ABA urges all Members of Congress to please join in cosponsoring the SAFE Banking Act. ABA also requests swift consideration of these bills in both the Senate Banking and House Financial Services Committees, through regular order, and further advocates for swift passage by Congress.

Sincerely,

A handwritten signature in black ink that reads "Kristin Sutton". The signature is written in a cursive, flowing style.

cc: Members of the U.S. Senate  
Members of the U.S. House of Representatives