

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)<sup>1</sup> 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

---

<sup>1</sup> 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