

# United States Senate

WASHINGTON, DC 20510

November 24, 2021

The Honorable Jack Reed  
Chairman  
Senate Committee on Armed Services  
228 Russell Senate Office Building  
Washington, DC 20510

The Honorable James Inhofe  
Ranking Member  
Senate Committee on Armed Services  
228 Russell Senate Office Building  
Washington, DC 20510

The Honorable Sherrod Brown  
Chairman  
Senate Committee on Banking, Housing,  
and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Patrick J. Toomey  
Ranking Member  
Senate Committee on Banking, Housing,  
and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Reed, Chairman Brown, Ranking Member Inhofe, and Ranking Member Toomey:

On September 21, 2021, the U.S. House of Representatives voted to include the Secure and Fair Enforcement (SAFE) Banking Act amendment in the FY 2022 National Defense Authorization Act (NDAA). The SAFE Banking amendment allows legitimate cannabis businesses to access banking services, a long-overdue measure that would promote a more secure market for cannabis products. We are writing to urge the conferees to preserve the House-passed measure in conference and include the SAFE Banking Act in the final version of the NDAA.

In 2012, Colorado became one of the first states in the nation to legalize recreational marijuana use for adults. Since 2014, when the first adult-use cannabis sales occurred, Colorado has dealt with the challenges and opportunities presented by the decriminalization and legalization of cannabis. Legalization has had profound impact on our state's economy, supporting over 35,000 jobs and bringing in more than \$1 billion in tax revenue.

Adult use cannabis is now legal in 18 states and the District of Columbia. In addition, 37 states have advanced laws to allow medical cannabis. Medical and recreational cannabis sales in the U.S. reached an estimated \$17.5 billion last year. Despite this, current law prevents licensed marijuana businesses from accessing banking services and products—such as depository and

checking accounts—resulting in businesses operating all in cash. Without federally-approved banking services, state-licensed cannabis businesses cannot write checks, make or receive electronic payments, utilize a payroll provider, or accept credit and debit cards.

This is a serious public safety risk for our communities, inviting theft, tax evasion, robberies, burglaries, or worse. In Denver, cannabis businesses make up less than 1% of all local businesses, but accounted for 10% of reported business burglaries from 2012 to 2016<sup>1</sup>. Cash-only industries also complicate tracking revenues for purposes of taxation and regulatory compliance.

The all-cash model further disadvantages the cannabis industry by making it difficult to obtain loans at reasonable rates. The legalization of cannabis has created entrepreneurship opportunities out of formerly illicit markets, but a lack of access to capital limits the ability of would-be entrepreneurs and small business owners to enter this emerging industry. This is especially impactful for entrepreneurs from traditionally underserved business communities, such as veterans, women, and minorities. Access to capital is critical for any small business and SAFE Banking requires a GAO study and annual regulator reports to Congress to ensure there is equal access to credit and reduced barriers for potential minority-owned and women-owned cannabis related legitimate businesses. For that reason, SAFE Banking has broad support from the Mountain West Credit Union Association, Law Enforcement Action Partnership, National Organization for the Reform of Marijuana Laws (NORML), and the Minority Cannabis Business Association.

Including the SAFE Banking Amendment in the NDAA will align federal and state laws, promote economic growth and public safety, and increase access to the cannabis industry for underrepresented individuals. Congress has a responsibility to address inequities and public safety concerns that exist as a result of current law. We commend you on your leadership and commitment to our national security, and we urge you to preserve this bipartisan provision in the final FY 2022 NDAA conference agreement.

Sincerely,



John Hickenlooper  
United States Senator



Michael F. Bennet  
United States Senator

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<sup>1</sup> <https://www.aba.com/-/media/documents/white-paper/cannabis-white-paper.pdf>