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Chuck Schumer
Majority Leader of the United States Senate

Mitch McConnell
Minority Leader of the United States Senate

Nancy Pelosi
Speaker of the U.S. House of Representatives
Representatives

Kevin McCarthy
Minority Leader of the U.S. House of
Representatives

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Minority Leader McCarthy:

On behalf of the State of Colorado, we write again, united, urging you to pass the *Secure and Fair Enforcement (SAFE) Banking Act of 2021* or similar federal legislation that allows licensed cannabis businesses access to banking and financial services and send it to the President's desk for enactment.

The lack of safe banking and financial services for the cannabis industry in the State of Colorado has become a dire public safety issue for highly regulated cannabis businesses operating in compliance with state law. Further, the lack of safe banking exacerbates the uneven playing field faced by small and minority-owned cannabis businesses, despite their serving the same communities and being subject to the same increased state regulation as other cannabis businesses in the State. The bipartisan *SAFE Banking Act* provides a critical pathway for banks, credit unions, and other financial institutions to offer broad scope banking services to legally-operating, state regulated cannabis businesses without fear of punishment by federal regulators, while also enhancing transparency by providing broader access to reliable sources of information for purposes of regulatory oversight.

Colorado prides itself on being a trailblazer in the cannabis industry, having enacted the first formative legal medical use framework in the country in November 2000, leading to the first regulated medical model a decade later and subsequently the first adult-use framework in 2012. Colorado's regulatory cannabis laws have supported our ability to carefully navigate the conflict between our thoughtful, voter-approved laws and the federal *Controlled Substances Act*. We are proud of the robust cannabis structure established in our state that protects public safety, supports responsible innovation and importantly, enhances the myriad economic development and social benefits the industry has provided to all Coloradans, especially minority-, women-, and veteran-owned small businesses. This industry has served as a model internationally and helped to make Colorado an even stronger part of our nation's overall competitiveness and contributor to our nation's deficit reduction efforts.

However, all of these successes are undermined and, in fact, nullified for many businesses by their lack of access to federally-insured banking services and electronic payment processing, among other services currently available to less regulated businesses.

This lack of access to financial systems has only compounded the barriers historically faced by minority-, women-, and veteran-owned cannabis small businesses and the barriers faced by Coloradans to access capital needed to establish and sustain their businesses. As a result, many cannabis small businesses with cash-only operations have served as a convenient target for robberies and fraud, triggering significant public safety risks and placing small and underrepresented businesses at a distinct disadvantage.

Licensees across Colorado have experienced break-ins and robberies resulting in millions of dollars of damage, stolen property, and even death. There were 175 reported burglaries at Denver marijuana businesses alone in 2020, up from 122 the year before, according to most-recent Denver Police Department data. Additionally, we are now seeing more sophisticated attempts at fraud and those impersonating compliance and law enforcement as well.

There are currently 208 medical and retail cannabis storefronts in Denver alone, the city with the highest number of licensed retailers in our state. In 2021, those stores generated more than \$689 million in sales. However, our cannabis businesses still rely largely on cash transactions. With this spike in business, the individuals who work behind the counters have increasingly become targets for armed thieves. Many of these robberies are violent, and have even resulted in death. A lack of access to safe banking not only fuels these crimes by increasing the perception that cannabis businesses carry large amounts of cash on-site, but significantly threatens the public safety of surrounding communities and the entire state.

We can do something now to address this public safety crisis before another life is taken. We must ensure the SAFE Banking Act is enacted into law.

At a time when gun violence continues to harm communities throughout the entire United States, the federal government has the power and responsibility to prevent more senseless injury and death by removing a clear inducement – cash transactions. Without access to cashless payment options, the target will remain on the backs of highly regulated cannabis businesses operating in compliance with state law, and with that comes the potential for more violence and loss of life. The *SAFE Banking Act* offers a pathway to address this specific and urgent need by encouraging financial institutions to offer cashless payment options to cannabis retailers, such as credit and debit card processing.

The House of Representatives has now passed the bipartisan SAFE Banking Act seven times. The Senate similarly reflects a strong showing of bipartisan co-sponsors, with 31 Democrats, nine Republicans, and two Independent co-sponsors.

We applaud and support larger efforts between the House and the Senate to address legalization and reform nationally. However, we understand such efforts continue to be ongoing and that the pathway toward enactment is uncertain at this time. Therefore, given the demonstrated broad support for the *SAFE Banking Act*, coupled with the undeniably strong public policy demands for the immediate relief this legislation will provide, we strongly urge you to take action now and ensure that *licensed cannabis businesses have access to banking and financial services.*

Passage and enactment of the *SAFE Banking Act* will protect cannabis-related businesses, support minority-, women-, and veteran-owned small businesses owners, create jobs, and strengthen public safety in our communities and in the states.

We urge Congress to take real stories, such as those in our state of Colorado, to heart and to efficiently prioritize policy approaches that promote safe banking and public safety.



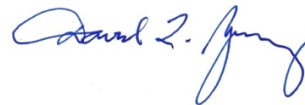
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Governor



Dianne Primavera
Lieutenant Governor



Phil Weiser
Attorney General



Dave Young
Treasurer



Stan Hilkey
Executive Director, Colorado Department of Public Safety