

Hon. Mitch McConnell
Majority Leader
317 Russell Bldg.
Washington, DC 20510

Hon. Charles E. Schumer
Minority Leader
322 Hart Bldg.
Washington, DC 20510

Hon. Nancy Pelosi
Speaker of the House
H-204, The Capitol
Washington, DC 20515

Hon. Kevin McCarthy
Minority Leader
H-329, The Capitol
Washington, DC 20515

Hon. Mike Crapo
Chair
Senate Committee on Banking,
Housing and Urban Affairs
534 Dirksen Office Building
Washington, DC 20510

Hon. Sherrod Brown
Ranking Member
Senate Committee on Banking,
Housing and Urban Affairs
534 Dirksen Office Building
Washington, DC 20510

Hon. Maxine Waters
Chair
House Committee on Financial
Services
2129 Rayburn Office Building
Washington, DC 20515

Hon. Patrick McHenry
Ranking Member
House Committee on Financial
Services
2129 Rayburn Office Building
Washington, DC 20515

June 13, 2019

Dear Congressional Leaders:

As our States' chief executives, we urge Congress to pass legislation allowing states with legalized medical or adult-use cannabis to operate safely and under the scrutiny of the national banking system. We strongly support the passage of the Secure and Fair Enforcement (SAFE) Banking Act (H.R. 1595) and (S.1200) or similar legislation that would remove the legal uncertainty for banks and credit unions, reducing their risk, enhancing public safety, and increasing financial transparency.

We were pleased that the House Financial Services Committee held a subcommittee hearing on cannabis and financial services on February 13, and we were especially encouraged to see that H.R. 1595 passed the full committee on a strong bipartisan basis on March 28. We urge the full House to pass this legislation to help provide banking services to state-licensed cannabis businesses.

State and federal governments have a shared interest in upholding the rule of law, protecting public safety, and transitioning markets out of the shadows and into our transparent and regulated banking system. Without access to banking services, state-licensed cannabis businesses operate predominantly on a cash basis. This poses a significant public safety risk to customers and employees. Additionally, because banking services are barred, these businesses are unable to write checks, make and receive electronic payments, utilize a payroll provider, or accept credit

and debit cards. The cash-only environment puts an additional burden on state and local government agencies that must collect tax and fee payments, in person and in cash, incurring additional public expenses and employee safety risks.

Currently, thirty-four U.S. states, three U.S. territories, and the District of Columbia have legalized the medical use of cannabis. Additionally, ten states and the District of Columbia have legalized recreational use by adults over 21 years of age. Despite legalization of cannabis at the state-level – in many cases to provide medical treatment - our financial institutions face enormous barriers, legal risks, and criminal and civil liability under the Controlled Substances Act that prevent them from providing banking services to state-licensed businesses. As a result, very few banks and credit unions will provide these services, leaving many businesses in this sector unbanked.

Many of our states have implemented laws and regulations that ensure accountability of the cannabis industry. However, without banking services, cannabis businesses are less able to obey the law, pay taxes, and follow these important regulations. The public safety risks posed by these cash-only businesses can be mitigated through access to banking service providers.

To adequately address these issues, we urge Congress to pass legislation, such as the SAFE Banking Act (H.R. 1595) and (S.1200), that would provide a safe harbor for depository institutions that provide a financial product or service to a cannabis business in states that have legalized it. We look forward to working with you as legislation progresses to address this urgent public policy concern.

Sincerely,



Philip D. Murphy
Governor
New Jersey



Larry Hogan
Governor
Maryland



Jay Inslee
Governor
Washington



Jim Justice
Governor
West Virginia



Tony Evers
Governor
Wisconsin



Gary Herbert
Governor
Utah



Michelle Lujan Grisham
Governor
New Mexico



Doug Burgum
Governor
North Dakota



Ralph S. Northam
Governor
Virginia



Jared Polis
Governor
Colorado



Tim Walz
Minnesota
Governor



Kate Brown
Oregon
Governor



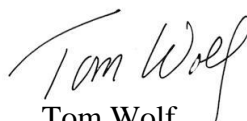
JB Pritzker
Governor
Illinois



Janet Mills
Governor
Maine



Steve Sisolak
Governor
Nevada



Tom Wolf
Governor
Pennsylvania



Ned Lamont
Governor
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Governor
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Gretchen Whitmer
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