



January 14, 2020

The Honorable Michael Crapo
Chairman
Senate Committee on Banking, Housing
and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Sherrod Brown
Ranking Member
Senate Committee on Banking, Housing
and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Robin Vos
State Representative
Wisconsin
President, NCSL

Jon Heining
General Counsel
Legislative Council
Texas
Staff Chair, NCSL

Tim Storey
Executive Director

Dear Chairman Crapo and Ranking Member Brown:

On behalf of the National Conference of State Legislatures (NCSL), we write in support of the SAFE Banking Act (S.1200) and its recently passed House counterpart (H.R. 1595). Thirty-four states have approved some form of marijuana legalization, yet the conflict between state and federal cannabis law has created an untenable position for cannabis businesses in those states and for financial institutions that are hesitant to provide those businesses with financial services.

While NCSL supports a strong intergovernmental partnership to fight illicit drugs, the federal government should respect states' sovereignty where states have made a policy choice to legalize and regulate marijuana. We recognize that states have differing views on how to regulate marijuana, and believe states are best able to determine what marijuana laws work best to further the public safety, health, and economic development of their communities.

The "Secure And Fair Enforcement Banking Act of 2019 (SAFE Banking Act)" is a bipartisan solution to solve this challenge. The bill would not legalize marijuana in any form, and states that have chosen not to legalize marijuana will in no way be forced to do so. Instead, the bill creates a safer environment for cannabis businesses operating in states that have legalized some form of marijuana by allowing them to bank at a regulated financial institution instead of operating in cash, which can encourage illicit behavior.

NCSL shares the concerns laid out by Chairman Crapo regarding criminal entities and money laundering, and we agree that strengthening regulations within the Financial Crimes Enforcement Network as well as ensuring compliance under the Bank Secrecy Act, including by legal cannabis businesses, are vital to this issue. We are willing to provide any assistance that we can to help address the committee's concerns in this area.

NCSL urges the committee's passage of the SAFE Banking Act. We appreciate the committee's thoughtful and transparent consideration of this issue and we look forward to working with your offices to address your concerns. Frequent consultation with the states is critical as you continue to work through this important matter.

Please contact NCSL staff Abbie Gruwell at (202) 624-3569 or by email at abbie.gruwell@ncsl.org, or Tres York at (202) 624-8686 or tres.york@ncsl.org with any questions or concerns.

Sincerely,

Tim Storey
Executive Director, NCSL