

CONGRATULATING JOINT STRATEGIC TECHNOLOGIES ON COMPLETION OF THE VETERAN INSTITUTE OF PROCUREMENT

HON. RONNY JACKSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2021

Mr. JACKSON. Madam Speaker, I rise today to congratulate Joint Strategic Technologies, (JST) on their success of completion of the Veteran Institute for Procurement with gratitude and appreciation for their service to our country and with best wishes for continued success. I thank them for proudly representing our great State and showing the rest of the world our talents.

PERSONAL EXPLANATION

HON. J. FRENCH HILL

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2021

Mr. HILL. Madam Speaker, had I been present, I would have voted YEA on H. Res. 130, Roll Call No. 121.

TRIBUTE TO LYNETTE BRYANT FRYAR

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2021

Mr. CLYBURN. Madam Speaker, I rise today to pay tribute to a dear friend and a dedicated public servant, Lynette Bryant Fryar. A victim's Advocate at the Colleton County Sheriff's Department and former Chair of the Colleton County Election Commission, Ms. Fryar passed away on April 16, 2021. Her passing has left a huge void in the community.

Ms. Fryar was born in 1949 to Leon Bryant, Sr., and Pattie Mae Gruber Bryant. She graduated as the valedictorian from Ruffin High School in Colleton County, and went on to earn a degree in Secretarial Science from Orangeburg Calhoun Technical College.

She spent 36 years working for Clemson University at the Cooperative Extension Service in Colleton County. There she worked with youth development and outreach, using her care and concern for her community to build educational opportunities. She was awarded Clemson University's Outstanding Service Award for her exemplary work.

Following her retirement from the university, she chose not to slow down, but ramp up her community engagement. She spent three years working for AmeriCorps before becoming a Victims' Advocate at the Colleton County Sheriff's Department. There she continued doing what she did best, serving as a source of strength for those in need.

Ms. Fryar was very active politically. She joined the Colleton County Elections and Voter Registration Board in 2005 and served as its Chair. She continued to serve on the elections board until her death to ensure that all residents of Colleton County had access to the ballot box.

Ms. Fryar had an incredible ability to connect with people and was my MVP (most valuable proponent) in Colleton county. She believed strongly, just as I do, that we must all find something to do for which we are not paid. Her volunteer efforts were extensive, and all were focused on serving her beloved Colleton County. Her commitment to the community includes serving as a member of the S.C. Department of Education Personal Pathways Committee, the Keep Colleton Beautiful Committee, the Clemson University Cooperative Extension Futures Task Force Committee, the Lowcountry Food Bank Board, and many other boards and commissions. She was the former Director for Youth Leadership Colleton and the former Coordinator for Backpack Buddies in Colleton County. She held leadership offices with the Colleton County Branch of the NAACP, Colleton County Improvement Collaborative, the HCA Hospital Board of Trustees, the Colleton County School Board of Trustees, the American Cancer Society (Colleton County), the American Cancer Society Rehabilitation Committee (Colleton County), and the South Carolina Association of Cooperative Extension Secretaries.

Ms. Fryar remained dedicated to her alma mater and served as the liaison for Ruffin High School and the Colleton County Vocational Center. She also served on the Colleton County Transition Committee for the merger of Ruffin High School and Walterboro High School. She was also devoted to her church and served as several capacities including as a minister to the congregation.

She was married to David L. Fryar, and they are the parents of three daughters, Katrina Fryar of Columbia, South Carolina, Ronda Cropp (Jeffrey) of Charlotte, North Carolina, and Muriel Fryar of Atlanta, Georgia. She also had two grandchildren and one great-grandchild.

Madam Speaker, I ask you and my colleagues to join me in celebrating the life and legacy of Lynette Fryar. Her passion for Colleton County's people and places was unparalleled and her impact on her community will endure forever.

IN RECOGNITION OF THE EL DORADO SPRINGS PATRIOT PARKWAY

HON. VICKY HARTZLER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2021

Mrs. HARTZLER. Madam Speaker, I rise today to recognize and celebrate the community project of Patriot Parkway in El Dorado Springs, Missouri, which will be the adornment of 48 American flags along U.S. Highway 54 within city limits.

In a time of division, the El Dorado Springs Chamber of Commerce and members of the community have come together in an act of patriotism and unity. These flags will be displayed every year from Memorial Day to Veterans Day to commemorate our veterans and to show some American pride.

This project was a vision years ago by Jack Tough, a dedicated member of his community who unfortunately passed before he could see it through. However, his dream came true by the efforts of his son, Jackson Tough, and his

fellow members of the El Dorado Springs Chamber of Commerce, who raised funds in the community to bring Patriot Parkway to life.

Please join me in celebrating this act of patriotism and community pride.

SECURE AND FAIR ENFORCEMENT BANKING ACT OF 2021

SPEECH OF

HON. ED PERLMUTTER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 19, 2021

Mr. PERLMUTTER. Mr. Speaker, I submit the following letters of endorsement for H.R. 1996, the SAFE Banking Act of 2021.

AMERICAN TRADE ASSOCIATION

FOR CANNABIS AND HEMP,

April 19, 2021.

Re Support For SAFE Banking Act Legislation.

- Hon. CHARLES SCHUMER, Senate Majority Leader, U.S. Senate, Washington, DC.
- Hon. NANCY PELOSI, Speaker of the House, House of Representatives, Washington, DC.
- Hon. MITCH MCCONNELL, Senate Minority Leader, U.S. Senate, Washington, DC.
- Hon. KEVIN MCCARTHY, House Minority Leader, House of Representatives, Washington, DC.

DEAR MAJORITY LEADER SCHUMER, SENATE MINORITY LEADER MCCONNELL, SPEAKER PELOSI, AND HOUSE MINORITY LEADER MCCARTHY: We write to you today in support of the SAFE Banking Act, legislation that will permit banks to provide services to state regulated marijuana businesses, employees, and ancillary businesses.

Unfortunately, under current federal law and regulations, state licensed and compliant cannabis businesses are unable to access banking services and are forced to operate primarily in cash. This creates an unnecessary risk to public safety for store operators, employees, and customers.

As we continue to see more states and territories move forward with the regulation of some form of adult-use marijuana, medical marijuana, or hemp derived CBD, it is essential to address the crisis the industry faces to access banking.

The threats faced by financial institutions of potential criminal prosecution for working with marijuana businesses as a result of the Controlled Substances Act are unacceptable and outdated.

We strongly support the passage of the SAFE Banking Act and it is our hope that Congress will act swiftly.

Sincerely,

American Trade Association for Cannabis and Hemp, Missouri Medical Cannabis, Georgia Cannabis Trade Association, Washington Cannabusiness Association, Alaska Marijuana Industry Association, MTCIA.

New Jersey Cannabis Trade Association, PCC, MICIA, Colorado Leads, HICIA, Southern California Coalition.

Maryland Wholesale Medical Cannabis Trade Association, Commonwealth Dispensary Association, DC Cannabis Trade Association, Cannabiz, Nevada Dispensary Association.

AMERICAN BANKERS ASSOCIATION,
Washington, DC, April 19, 2021.

Hon. NANCY PELOSI,
Speaker of the House,
House of Representatives, Washington, DC.
Hon. KEVIN MCCARTHY,
Minority Leader,
House of Representatives, Washington, DC.

DEAR SPEAKER PELOSI AND MINORITY LEADER MCCARTHY: On behalf of the American Bankers Association (ABA), I am writing to express our strong support for H.R. 1996, the Secure and Fair Enforcement Banking Act (SAFE Banking Act) of 2021 introduced by Representatives Ed Perlmutter (D-CO), Steve Stivers (R-OH), Warren Davidson (R-OH), Nydia Velázquez (D-NY) and over 150 bipartisan cosponsors.

This legislation, scheduled for consideration on this week's suspension calendar, addresses the conflict between federal and state law and whether banks can serve cannabis and cannabis related businesses. This issue has become a challenge for so many of our nation's communities and the banks that serve them. We were pleased to see this legislation passed the House of Representatives last Congress with over 300 bipartisan votes. With more states legalizing some form of cannabis use, we are hopeful that H.R. 1996 will once again receive a favorable and strong bipartisan vote.

Since 1996, voters across the country have determined that it is appropriate to allow their citizens to use cannabis for medical purposes and, since 2012, for adult use. Currently, 36 states have legalized cannabis for medical or adult use and that number continues to grow. Nevertheless, current federal law prevents banks from safely banking cannabis businesses, as well as the ancillary businesses that provide them with goods and services.

As a result, a majority of states are struggling to address the significant challenges to public safety, as well as regulatory and tax compliance that go hand-in-hand with businesses forced to operate in an all-cash environment. Providing a mechanism for the cannabis industry to access the banking system would help those communities reduce cash-motivated crimes, increase the efficiency of tax collections, and improve the financial transparency of the cannabis industry. Since bank accounts are monitored in accordance with existing anti-money laundering and Bank Secrecy Act requirements, bringing cannabis-related legitimate businesses into the mainstream banking sector would also help law enforcement to identify suspicious transactions—an opportunity that is not available in an all-cash environment.

ABA does not take a position on the legalization of cannabis. Nevertheless, our member banks find themselves in a difficult situation due to the conflict between state and federal law, with local communities encouraging them to bank cannabis businesses and federal law prohibiting it. Congress must act to resolve this conflict between state and federal law.

The Controlled Substances Act (21 U.S.C. §801 et seq.) classifies cannabis as an illegal drug and prohibits its use for any purpose. For banks, that means that all proceeds gen-

erated by a cannabis-related business, even when it is operating in compliance with state law, are unlawful proceeds under federal law, and so any attempt to conduct a financial transaction with that money (including simply accepting a deposit) can be considered money-laundering. All banks, whether state or federally chartered, are subject to federal anti-money laundering laws. And, all banks must have access to the federal payment system to operate, which is under the purview of federal authority. Thus, banking entities related to the cannabis business can pose significant regulatory sanction risk, loss of access to the payments system, and the potential loss of the bank charter itself. This places banks in an untenable position in dealing with these state-authorized businesses.

Currently, the only direction available to financial institutions in connection with cannabis-related accounts comes from guidance issued by the Financial Crimes Enforcement Network (FinCEN) in 2014. That guidance, which references a now rescinded memorandum from the U.S. Department of Justice (the "Cole Memo"), describes how financial institutions can report cannabis-related business activity consistent with their Bank Secrecy Act obligations. It does not create a safe harbor or otherwise modify federal law to protect banks from criminal and civil liability for money laundering. It merely creates a system for reporting activity that is illegal under federal law but otherwise legal under state law.

Although some financial institutions have weighed the prevailing climate of non-enforcement and have decided to shoulder the risk in order to serve the needs of their communities, the majority of financial institutions will not take the legal, regulatory, or reputational risk associated with banking cannabis-related businesses without congressional action. As a result, state-legal businesses are being excluded from the mainstream financial system.

The problems, though, are not limited to those businesses that have direct contact with the marijuana plant, such as growers and dispensaries. The impact of the divide between state and federal law extends to any person or business that derives revenue from a cannabis firm—including real estate owners, security firms, utilities, vendors and employees of cannabis businesses, as well as investors. As the legal state-cannabis industry continues to grow, the indirect connections to cannabis revenues will also continue to expand. Without greater clarity, that entire portion of economic activity in legal cannabis states will continue to be marginalized from the banking system.

The bipartisan SAFE Banking Act would be an important step toward enabling financial services for cannabis-related businesses. The bill specifies that proceeds from a legitimate cannabis business would not be considered unlawful under federal money laundering statutes or any other federal law, which is necessary to allow the provision of financial services to cannabis-related legitimate businesses as well as any ancillary businesses that derive some portion of their income from those businesses. The bill would

also direct FinCEN, and the federal banking regulators through the Federal Financial Institutions Examination Council, to issue guidance and exam procedures for banks doing business with cannabis-related legitimate businesses. Explicit, consistent direction from federal financial regulators will provide needed clarity for banks and help them better evaluate the risks and supervisory expectations for cannabis-related customers. The SAFE Banking Act is not a cure all for the cannabis banking challenge, but it is a measure that helps clarify many issues for the banking industry and regulators.

ABA is pleased to support the SAFE Banking Act and urges members of the House of Representatives to vote in favor of this legislation when it is brought up on this week's suspension calendar.

Sincerely,

ROB NICHOLS.

AMERICAN COUNCIL OF
INDEPENDENT LABORATORIES,
Washington, DC, April 19, 2021.

U.S. Rep. PERLMUTTER,
Washington, DC.

DEAR REP. PERLMUTTER: I write today on behalf of the American Council of Independent Laboratories (ACIL) in strong support of H.R. 1996, the Secure and Fair Enforcement Banking Act (SAFE Banking Act) of 2021.

ACIL is an association representing independent commercial scientific and engineering firms with over 1,000 facilities across the U.S. engaged in testing, product certification, consulting, and research and development to enhance public health and safety.

This bipartisan legislation would provide safe harbor to financial institutions doing business with the state-legal cannabis industry. Since 1996, 47 states, four U.S. territories, and the District of Columbia have legalized some form of recreational or medical marijuana, including hemp and CBD products. However, cannabis remains illegal under the federal Controlled Substances Act, individuals who grow, possess, use, sell, transport, or distribute cannabis remain subject to federal criminal prosecution. Your legislation seeks to harmonize federal and state law by prohibiting federal regulators from taking punitive measures against depository institutions that provide banking services to legitimate cannabis-related businesses engaged in manufacturing, growing, or producing, as well as any business who handles, sells, transports, displays or distributes cannabis or cannabis products.

ACIL does not take a position on the legalization of cannabis, but our membership find themselves in a quandary due to the conflict between state and federal law.

Based upon the above, ACIL is pleased to support your SAFE Banking Act and we look forward to its passage in the U.S. Congress. Thank you for your time and attention. Please do not hesitate to call upon me if you have any questions.

Sincerely,

RICHARD BRIGHT,
Chief Operating Officer.

APRIL 1, 2021

Hon. NANCY PELOSI,
Speaker of the House,
Washington, DC.
Hon. CHARLES E. SCHUMER,
Majority Leader,
Washington, DC.
Hon. STENY HOYER,
Majority Leader,
Washington, DC.
Hon. JAMES E. CLYBURN,
Majority Whip,
Washington, DC.
Hon. JOHN THUNE,
Minority Whip,
Washington, DC.
Hon. PATRICK J. TOOMEY,
Ranking Member, Senate Committee on Banking,
Housing, & Urban Affairs, Washington,
DC.
Hon. KEVIN MCCARTHY,
Minority Leader,
Washington, DC.
Hon. MITCH MCCONNELL,
Minority Leader,
Washington, DC.
Hon. STEVE SCALISE,
Minority Whip,
Washington, DC.
Hon. RICHARD J. DURBIN,
Majority Whip,
Washington, DC.
Hon. SHERROD BROWN,
Chair, Senate Committee on Banking, Housing,
& Urban Affairs, Washington, DC.

DEAR CONGRESSIONAL LEADERS: We are a bipartisan group of state and territorial attorneys general committed to public safety, financial transparency, and the rule of law. On May 8, 2019, 38 state and territorial attorneys general urged passage of the Safe and Fair Enforcement (“SAFE”) Banking Act, or similar legislation, providing access to the regulated banking system for marijuana-related businesses in states with robust regulatory controls that ensure accountability in the marijuana industry. The undersigned attorneys general reiterate that support here and encourage Congress to take action expeditiously.

During the November 2020 election, voters in multiple states approved ballot measures to regulate cannabis for medical and/or adult use. Currently, forty-seven states, the District of Columbia, and four U.S. territories have legalized some form of recreational or medical cannabis use (including CBD/low THC). In short, it is clear that legalized cannabis is here to stay.

In forty-seven states, the District of Columbia, and four territories, cannabis is regulated through responsible and robust regulatory programs. Nonetheless, federal law currently inhibits the ability of national financial institutions to provide banking and other financial services to cannabis-related businesses operating lawfully under state regulations. Without access to traditional financial services, these businesses operate exclusively or primarily in cash, making those businesses targets for criminal activity and hindering efforts to ensure regulatory and tax compliance and track financial flows. This status quo—a rapidly expanding, multi-billion-dollar national marketplace without access to the national banking systems—is untenable.

As we noted in our May 2019 letter to the congressional leadership, passage of the SAFE Banking Act or similar legislation, in no way constitutes an endorsement of any state or territory’s specific approach to the legalization of marijuana-related transactions, and the Act is in no way an endorsement for the legalization of medical or retail marijuana in those jurisdictions that choose not to pursue such an approach. But regardless of how individual policymakers feel about states permitting the use of medical or recreational marijuana, the reality of the situation requires federal rules that permit a sensible banking regime for legal businesses.”

We further emphasized that passage of this legislation “reflects a recognition of the re-

alities on the ground and an embrace of our federalist system of government that is flexible enough to accommodate divergent state approaches.”

To address an untenable status quo and recognize on the ground realities, we strongly urge the House of Representatives and Senate to promptly take up and act upon the SAFE Banking Act. Our states’ ability to protect public safety and properly regulate this new and growing industry depends on Congress enacting this vital legislation.

Respectfully,

PHIL WEISER,
Colorado Attorney General.
WAYNE STENEHJEM,
North Dakota Attorney General.
KARL A. RACINE,
District of Columbia Attorney General.
DAVE YOST,
Ohio Attorney General.

AMERICAN BANKERS ASSOCIATION,
BUILDING SUCCESS TOGETHER,
Washington, DC, March 17, 2021.

Hon. ED PERLMUTTER,
Member of Congress,
Washington, DC.
Hon. NYDIA M. VELÁZQUEZ,
Member of Congress,
Washington, DC.
Hon. STEVE STIVERS,
Member of Congress,
Washington, DC.
Hon. WARREN DAVIDSON,
Member of Congress,
Washington, DC.

DEAR REPRESENTATIVES PERLMUTTER, VELÁZQUEZ, STIVERS AND DAVIDSON: On behalf of the American Bankers Association (ABA), I am writing to express our support for the Secure and Fair Enforcement Banking Act (SAFE Banking Act) of 2021. We would like to thank you for your efforts to address the conflict between federal and state law and whether banks can serve cannabis and cannabis related businesses. This issue has become a challenge for so many of our nation’s communities and the banks that serve them.

Since 1996, voters across the country have determined that it is appropriate to allow their citizens to use cannabis for medical purposes and, since 2012, for adult use. Currently, 36 states have legalized cannabis for medical or adult use and that number continues to grow. Nevertheless, current federal law prevents banks from safely banking cannabis businesses, as well as the ancillary businesses that provide them with goods and services.

As a result, a majority of states are struggling to address the significant challenges to public safety, as well as regulatory and tax compliance that go hand-in-hand with businesses forced to operate in an all-cash environment. Providing a mechanism for the cannabis industry to access the banking system would help those communities reduce cash-motivated crimes, increase the efficiency of tax collections, and improve the financial transparency of the cannabis industry. Since bank accounts are monitored in accordance with existing anti-money laundering and Bank Secrecy Act requirements, bringing cannabis-related legitimate businesses into the mainstream banking sector would also help law enforcement to identify suspicious transactions—an opportunity that is not available in an all-cash environment.

ABA does not take a position on the legalization of cannabis. Nevertheless, our member banks find themselves in a difficult situation due to the conflict between state and federal law, with local communities encouraging them to bank cannabis businesses and federal law prohibiting it. Congress must act to resolve this conflict between state and federal law.

The Controlled Substances Act (21 U.S.C. §801 et seq.) classifies cannabis as an illegal drug and prohibits its use for any purpose. For banks, that means that all proceeds generated by a cannabis-related business, even when it is operating in compliance with state law, are unlawful proceeds under federal law, and so any attempt to conduct a financial transaction with that money (including simply accepting a deposit) can be considered money-laundering. All banks, whether state or federally chartered, are subject to federal anti-money laundering laws. And, all banks must have access to the federal payment system to operate, which is under the purview of federal authority. Thus, banking entities related to the cannabis business can pose significant regulatory sanction risk, loss of access to the payments system, and the potential loss of the bank charter itself. This places banks in an untenable position in dealing with these state-authorized businesses.

Currently, the only direction available to financial institutions in connection with cannabis-related accounts comes from guidance issued by the Financial Crimes Enforcement Network (FinCEN) in 2014. That guidance, which references a now rescinded memorandum from the U.S. Department of Justice (the “Cole Memo”), describes how financial institutions can report cannabis-related business activity consistent with their Bank Secrecy Act obligations. It does not create a safe harbor or otherwise modify federal law to protect banks from criminal and civil liability for money laundering. It merely creates a system for reporting activity that is illegal under federal law but otherwise legal under state law.

Although some financial institutions have weighed the prevailing climate of non-enforcement and have decided to shoulder the risk in order to serve the needs of their communities, the majority of financial institutions will not take the legal, regulatory, or reputational risk associated with banking cannabis-related businesses without congressional action. As a result, state-legal businesses are being excluded from the mainstream financial system.

The problems, though, are not limited to those businesses that have direct contact with the marijuana plant, such as growers and dispensaries. The impact of the divide between state and federal law extends to any person or business that derives revenue from a cannabis firm—including real estate owners, security firms, utilities, vendors and employees of cannabis businesses, as well as investors. As the legal state-cannabis industry continues to grow, the indirect connections to cannabis revenues will also continue to expand. Without greater clarity, that entire portion of economic activity in legal cannabis states will continue to be marginalized from the banking system.

The bipartisan SAFE Banking Act would be an important step toward enabling financial services for cannabis-related businesses. The bill specifies that proceeds from a legitimate cannabis business would not be considered unlawful under federal money laundering statutes or any other federal law, which is necessary to allow the provision of financial services to cannabis-related legitimate businesses as well as any ancillary businesses that derive some portion of their income from those businesses. The bill would also direct FinCEN, and the federal banking regulators through the Federal Financial Institutions Examination Council, to issue

guidance and exam procedures for banks doing business with cannabis-related legitimate businesses. Explicit, consistent direction from federal financial regulators will provide needed clarity for banks and help them better evaluate the risks and supervisory expectations for cannabis-related customers. The SAFE Banking Act is not a cure all for the cannabis banking challenge, but it is a measure that helps clarify many issues for the banking industry and regulators.

ABA is pleased to support the SAFE Banking Act and urges the House Financial Services Committee to approve this legislation and for the full House of Representatives to quickly consider this important measure.

Sincerely,

ROB NICHOLS.

AMERICAN FINANCIAL
SERVICES ASSOCIATION,
March 16, 2021.

Hon. NANCY PELOSI,
Speaker of the House,
House of Representatives, Washington, DC.
Hon. KEVIN MCCARTHY,
Minority Leader,
House of Representatives, Washington, DC.

DEAR SPEAKER PELOSI AND MINORITY LEADER MCCARTHY: The American Financial Services Association (AFSA) writes to express its strong support for the Secure and Fair Enforcement (SAFE) Banking Act of 2021.

The SAFE Banking Act, sponsored by Representatives Ed Perlmutter (D-CO), Nydia Velázquez (D-NY), Steve Stivers (R-OH) and Warren Davidson (R-OH), had strong bipartisan support in the 116th Congress with 206 cosponsors, and passed the House 321-103. This legislation includes an important provision ending Operation Choke Point. Specifically, it prohibits a federal banking agency from ordering a bank to terminate a banking relationship with a legal business unless there is a valid reason that is not based solely on reputational risk.

The ostensible intent of Choke Point program was to prevent criminal fraud. However, in actuality, federal officials pressured banks to close accounts of businesses operating within state and federal law without legal recourse or due process solely because the officials were ideologically opposed to the businesses' existence. Under Operation Choke Point, businesses that were operating legally suddenly found banks terminating their accounts, in some cases accounts that the business had had for years, without explanation. While the program was targeted at gun dealers and payday lenders, other businesses, such as installment lenders, were also affected. No legal business should be targeted solely based on the political bias of a particular administration.

Even after Operation Choke Point officially ended, its effects remained. Financial services companies that are licensed and regulated still had their accounts closed with very little explanation. Legitimate bank customers, like traditional installment lenders, which have provided safe and affordable small-dollar credit to consumers in their communities for over a century, deserve fair access and fair treatment by federal banking agencies.

Limiting the availability of lawful goods and services to consumers in an attempt to punish politically disfavored businesses harms consumers and sets a bad precedent. Government initiatives must be carried out on solid legal ground, not political bias. We urge members of the House of Representatives to support the SAFE Banking Act.

Sincerely,

CELIA WINSLOW,
Senior Vice President,
American Financial Services Association.

PERSONAL EXPLANATION

HON. JODEY C. ARRINGTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2021

Mr. ARRINGTON. Madam Speaker, unfortunately, I was unable to be present for one of the votes.

Had I been present, I would have voted NAY on Roll Call No. 123.

SECURE AND FAIR ENFORCEMENT BANKING ACT OF 2021

SPEECH OF

HON. WARREN DAVIDSON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 19, 2021

Mr. DAVIDSON. Mr. Speaker, I include in the RECORD the following letters of endorsement for H.R. 1996, the SAFE Banking Act of 2021.

ARIZONA DISPENSARIES ASSOCIATION,
17 March 2021.

Hon. ED PERLMUTTER,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE PERLMUTTER: The Arizona Dispensaries Association would like to thank you for your leadership as you move forward with the reintroduction of the Secure and Fair Enforcement (SAFE) Banking Act. With an eye to economics and public safety, we consider this legislation to be essential to the businesses we represent.

Cannabis businesses transact solely in cash, amounting to billions of dollars in cash transactions each year, which poses significant public safety concerns. The Arizona cannabis program alone, which is the fourth top cannabis paradigm within the United States, garnered over \$1 billion in sales in 2020. Within the first ten days of recreational cannabis sales, Arizona businesses garnered at least \$2.9 million. With over \$1 billion in sales in 2020, received almost exclusively in cash payments, and an expanding recreational cannabis market, Arizona businesses must then use this cash to pay employees and taxes. Arizona cannabis businesses paid \$500,00 in excise taxes from the \$2.9 million earned from those first ten days of recreational operations in January. With an influx of cash to cannabis operators, obtained in an extremely short period of time, businesses can face difficulty in transporting taxation payments to local tax offices. This example underscores the immense challenges cannabis operators undergo due to cash only transactions.

The reliance on cash transactions causes reason for safety concerns of not only industry employees, but also the communities which they serve. As cannabis businesses operate using cash transactions, it is necessary to keep large amounts of cash on the premises. Aware of this fact, criminal actors targeted cannabis businesses for burglaries across the country in the spring of 2020. Members of the Arizona Dispensaries Association were targeted for these break-ins, resulting in significant financial losses not only due to theft, but also as a result of the accompanying property damage. SAFE Banking would enhance the safety of industry employees and the communities in which cannabis businesses operate by allowing businesses to drastically reduce the amount of cash on hand, lessening the chances of

cannabis businesses being targeted for this type of criminal activity. Additionally, with the ability to process payments electronically, there is a more detailed and accurate accounting of business activity, increasing the potential for increased tax revenue over the long term.

Nationwide, the cannabis industry's four-year job growth rate is an astounding 161%. The Arizona cannabis industry alone employs 20,000 individuals, with over 5,000 of those opportunities being created within 2020, which is especially noteworthy considering the far-reaching impacts of the COVID pandemic. As the SAFE Banking Act creates a safe harbor for financial institutions to bank the proceeds of state-legal cannabis businesses, its enactment is critical not only for Arizona's cannabis industry to continue to grow at an exponential rate, but to also contribute to the State of Arizona's economic recovery during the aftershocks of the pandemic.

SAFE Banking addresses many concerns ranging from economic viability to public safety, not only with bipartisan support, but with a neutral impact on the budget. Arizona Dispensaries association is prepared to work together to advance this legislation into law in the 117th Congress.

Best regards,

SAM RICHARD,
Executive Director,
Arizona Dispensaries Association.

ABIR,
April 19, 2021.

Hon. ED PERLMUTTER,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE PERLMUTTER: I am writing on behalf of the Association of Bermuda Insurers and Reinsurers (ABIR), which represents the public policy interests of Bermuda's leading insurers and reinsurers and make up over 35% of the global reinsurance market based on property & casualty net premiums earned. ABIR members employ over 43,000 Americans in the U.S. and protect consumers around the world by providing affordable and accessible insurance protection and peace of mind.

ABIR writes in support of H.R. 1996, the SAFE Banking Act, and to thank you for your leadership on this issue.

As you know, the current lack of harmonization between federal and state laws on cannabis banking deeply affects insurers and reinsurers. We support Congress addressing this important issue for all financial services providers and specifically and applaud the inclusion of insurance and other financial products or services insurers in the SAFE Banking Act.

Similar to other financial services providers, insurers are being forced to restrict providing insurance and other financial products or services to people working in state-legal cannabis jobs simply due to the source of their paycheck. The SAFE Banking Act would allow the financial services industry to serve the cannabis industry and will result in greater transparency for the state-legal operators.

Thank you for your leadership on this narrowly tailored yet profoundly important issue, and we look forward to working with you and your colleagues as legislation moves forward.

Sincerely,

JOHN M. HUFF,
President & CEO.

CANNABIZIL,

Hon. ED PERLMUTTER,
House of Representatives,
Washington DC.

DEAR CONGRESSMAN PERLMUTTER: The Cannabis Business Association of Illinois (CBAI)