

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)

would like to thank you for your reintroduction of the Secure and Fair Enforcement or SAFE Banking Act. We again are in full support of this measure.

In June of 2019, Illinois signed into law groundbreaking cannabis social equity standards to ensure the diversity and inclusion of minority operators within the newly legalized adult use cannabis industry. These standards have quickly become the national template for other states seeking to develop social equity programs tied to their cannabis legalization efforts.

Illinois' social equity applicants have been significantly hindered due to their limited access to private capital and more practically to traditional financial services where they certainly could obtain loans and lines of credit to help offset startup costs and secure real estate. The SAFE Banking Act would not only resolve these financial challenges but also help to bolster the success factor for many of these social equity applicants.

The SAFE Banking Act would also be a great boon to the existing Illinois cannabis industry; their employees, their communities, their customers and of greater importance their patients. The Illinois cannabis industry garnered over \$1 billion in cannabis sales in 2020, a sum of money that is difficult to manage without access to traditional banking services. This lack of access to normal banking services, available to every other legal operating business in Illinois, is unfair and inequitable. The attack on ATM machines located in every Illinois dispensary during the Chicago August mass looting is a perfect example of the industry's vulnerability because of cash insistent transactions. Several of our association's members were targeted several times and sustained massive physical damage as well as product theft.

Even Illinois' Treasurer, Michael Frerichs, is a staunch supporter of the SAFE Banking Act's passage. He has gone on record stating the need to provide normal financial banking services to the cannabis industry creating more transparency and accountability within this nascent industry. Allowing electronic payments between businesses promotes a healthier, safer economy. Currently financial institutions prohibit these transactions inhibiting everything from interstate specialty equipment purchases to software maintenance contracts even association dues payments!

CBAI would like to thank you for your efforts on behalf of the industry. This is a very important piece of legislation and we are grateful for your leadership in putting together a bipartisan advocacy team. If our statewide association can help in moving this legislation forward, please let us know. Regards,

PAMELA J. ALTHOFF,  
*CBAI Executive Director.*

CALIFORNIA CANNABIS  
INDUSTRY ASSOCIATION,  
*March 17, 2021.*

Hon. ED PERLMUTTER,  
*Washington, DC.*

Hon. NYDIA VELÁZQUEZ,  
*Washington, DC.*

Hon. STEVE STIVERS,  
*Washington, DC.*

Hon. WARREN DAVIDSON,  
*Washington, DC.*

DEAR REPRESENTATIVES, PERLMUTTER, STIVERS, VELÁZQUEZ, AND DAVIDSON: It is with great enthusiasm that we support the reintroduction of the Secure and Fair Enforcement Banking Act of 2021 ("SAFE Banking"). The California Cannabis Industry Association ("CCIA") is the largest and most influential trade association in the state of

California representing the diverse interests of the cannabis industry: retail, cultivation, manufacturing, delivery, distribution, testing, insurance, packaging, and various ancillary services. Our unified voice includes 500 businesses and represents nearly 15,000 employees across the state. SAFE Banking is not only critical to the economic success in our industry, but it is also imperative in improving public safety and making the cannabis industry more equitable.

#### I. SAFE BANKING CREATES OPPORTUNITY FOR BIPOC INDIVIDUALS

While cannabis is one of the fastest growing sectors in the United States, BIPOC individuals (Black, Indigenous, People of Color) have struggled to participate due to systematic economic racism and lack of access to capital. While some cities such as Oakland, San Francisco and Los Angeles have developed social equity programs with varying degrees of success, without access to capital, licenses obtained under these frameworks continue to be associated with high costs. Unfortunately, even in states like California that have equity programs written into their cannabis statutes, BIPOC owners fall prey to predatory business arrangements where a larger cannabis company will be effectively running the businesses through a management services agreement while the minority owner becomes a figurehead.

SAFE Banking would allow more banks, including community banks, to participate with the cannabis industry providing more opportunities for potential business owners. Additionally, SAFE Banking would make traditional financial instruments—like lines of credit—available to small operators. That capital is often the difference between success or failure for a small business. Currently, most cannabis businesses are funded through private generational wealth or investment, areas in which BIPOC individuals lag when compared to their white peers. Every year women of color get less than 1% of total venture capital funding. Further, data from 2019 indicates that only 200 Latino and Black individuals nationwide, in all industries, were able to raise over \$1 million in venture capital, making cannabis ownership all but unobtainable when start-up, operations costs, and licensing fees are considered.

While SAFE Banking would not resolve the issues of systematic economic racism, the opportunity for BIPOC individuals to establish relationships with traditional lenders is a critical step in mitigating the damage done by the War on Drugs.

#### II. SAFE BANKING IMPROVES PUBLIC SAFETY

During the summer of 2020, over three dozen cannabis businesses in California were the target of robberies and break-ins, adding to a long string of targeted criminal activity in the state. Cannabis businesses known to have cash on hand become easy targets for petty and organized criminals. In most cases from last summer, professional burglars were caught on security footage stealing cash registers, safes, and ATMs. The looting and robberies were so problematic that California's Bureau of Cannabis Control, the state's top regulator for cannabis activity, removed all cannabis business addresses from their website.

Without question, an act of vandalism is distressing to any business, but cannabis businesses are faced with unique challenges due to lack of access to traditional financial services. Due to closures of local offices of the California Department of Tax and Fee Administration (CDTFA) because of CO VI D-19, many cannabis businesses who regularly visited these offices to pay their excise taxes in cash, were sitting on excise tax payments, waiting until the local branches to

reopen. These excise tax payments were looted along with other cash and inventory.

The reduction of cash on site at cannabis businesses will help reduce the chances of robberies but could also improve public health. Like many other states, over the course of the last year California designated cannabis businesses as essential and our operations saw many come into our businesses to buy medicinal and adult use cannabis. However, all cash transactions require significantly more face-to-face interaction than other types of payment systems and ran contrary to a Centers for Disease Control recommendation to limit cash sales.

#### III. SAFE BANKING IS A JOB CREATOR

California has the largest cannabis economy not only in the United States, but also in the world. The state legal industry employed a massive 57,970 individuals in 2020 and generated over \$3.4 billion dollars in sales. Of the nearly 60,000 individuals employed by the cannabis industry, over 23,000 of those jobs were added during the COVID-19 pandemic.

SAFE Banking could increase economic growth by ensuring that cannabis business could conduct regular payroll and deposit money into banks that could turn those deposits into outward facing loans. Access to traditional financial services would allow these businesses to hire more workers and open more facilities.

#### IV. CONCLUSION

For the safety of our employees and our communities we urge quick action on this critical piece of legislation. Removing federal law barriers to banking services for state-legal cannabis businesses, would catalyze economic growth in our state and around the country. Banking reform is essential to the diversity and growth of the cannabis industry. CCIA is proud to support this bipartisan bill and looks forward to supporting the efforts to passage.

Sincerely,  
LINDSAY ROBINSON,  
*Executive Director,*  
*California Cannabis Industry Association.*

#### COLORADO BANKERS ASSOCIATION.

REPRESENTATIVE PERLMUTTER: The Colorado Bankers Association is proud to again endorse the SAFE Banking Act to allow state-legal cannabis businesses access to banking services. We have supported this in previous years. CBA represents over 95% of the banking industry in Colorado and we support the bill to get cash off the streets and make our communities safer.

Banking operations are greatly complicated by the conflict of state and federal law on cannabis. That creates substantial problems for handling cannabis deposits which range from cash handling and security to major compliance issues with FinCEN requirements for Suspicious Activity Reports required by the Bank Secrecy Act/Anti Money Laundering laws. For local banks that usually results in a bank not knowingly handling cannabis related accounts. For regional and nationwide banks that almost always results in not banking cannabis accounts. Lending issues are more complicated.

Due to widespread legalization of some form of recreational or medical marijuana, including CBD oil, today 97.7% of the population in the U.S. lives in cannabis friendly jurisdictions. We very much believe it is up to each state and its voters to decide how to proceed with marijuana laws, but there is a clear need to align federal and state laws addressing the related banking problems.

The state/federal conflict of laws creates restrictions on banks for accepting cannabis related deposits. This poses a serious public

safety risk and is our primary reason for advocating the SAFE Banking Act. Additionally, financial institutions that provide banking services to state-legal marijuana businesses are currently subject to criminal prosecution for “aiding and abetting” a federal crime and money laundering allegations due to the Controlled Substances Act. Banking services such as accepting credit card payments, depositing revenues, and writing checks to pay employees, vendors and taxes are needed by licensed and regulated cannabis businesses that are now cut off from such banking services.

The SAFE Banking Act creates the ability to access the banking system and make our communities safer. The bill removes violations of money laundering laws for any proceeds derived from state-legal marijuana businesses. The result is to get cash off the streets and into the financial system which is built to identify and block or report fraud and illicit activity. This bill also contains needed protections for hemp and hemp-derived CBD related businesses, which still struggle in accessing financial services despite the legalization of hemp in the 2018 Farm Bill.

The Colorado Bankers Association is pleased to support this needed change in federal law. Please contact us with any questions.

DON A. CHILDEARS,  
Chief Executive Officer,  
Colorado Bankers Association.

CUNA,  
March 18, 2021.

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

Hon. STEVE STIVERS,  
House of Representatives,  
Washington, DC.

Hon. NYDIA VELÁZQUEZ,  
House of Representatives,  
Washington, DC.

Hon. WARREN DAVIDSON,  
House of Representatives,  
Washington, DC.

DEAR REPRESENTATIVES PERLMUTTER, STIVERS, VELÁZQUEZ, AND DAVIDSON: On behalf of America’s credit unions, I am writing in support of the Secure and Fair Enforcement (SAFE) Banking Act of 2021, which would permit credit unions in states where marijuana is legal to safely serve their members’ related needs. The Credit Union National Association (CUNA) represents America’s credit unions and their more than 120 million members.

Credit unions exist to serve the financial services needs of their members, but the disparate treatment of production, distribution, sale and use of cannabis under federal law and some state laws has discouraged them from providing services to businesses throughout the supply chain in states where cannabis is legal. In recent years, as various states have legalized cannabis for medicinal and recreational use, participants in the market have sought out credit unions to provide safe and affordable financial services. In recent years, 36 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands have approved medical marijuana and cannabis programs.

CUNA takes no position on legalizing or decriminalizing medicinal or recreational cannabis at either the state or federal level. However, credit unions operating in states where it is legal have members and member businesses involved in the cannabis market who need access to traditional depository and lending services, the absence of which creates a significant public safety issue. A 2015 analysis found that, in the absence of being banked, one in every two cannabis

dispensaries were robbed or burglarized—with the average thief walking away with anywhere from \$20,000 to \$50,000 in a single theft.

Additionally, even financial institutions that choose not to bank the cannabis industry still risk unknowingly serving those businesses in states where cannabis is legal. Indirect connections are often difficult to identify and avoid because like any other industry, those offering cannabis-related services work with vendors and suppliers. These are Main Street businesses like the printing company that makes a business card, the landlord that rents office space, and even the utility company that provides water or electricity. Under the existing status quo, a credit union that does business with any one of these indirectly affiliated entities could unknowingly risk violating federal law.

The SAFE Banking Act of 2021 would offer narrowly targeted federal protections for credit unions and other financial institutions accepting deposits, extending credit, or providing payment services to an individual or business engaged in cannabis related commerce in states where such activity is legal with a safe harbor, so long as they are compliant with all other applicable laws and regulations. Furthermore, the SAFE Banking Act provides safe harbor to credit unions and their employees who are not aware if their members or customers are involved in this business.

Many credit unions operate in states where their voters or legislatures have made cannabis legal in one form or another. Therefore, CUNA believes that financial institutions should be permitted to lawfully serve businesses that engage in activities authorized under their state laws, even when such activity may be inconsistent with federal law.

For that reason, CUNA has long supported the SAFE Banking Act and we look forward to working with you to advance this legislation into law. On behalf of America’s credit unions, thank you for your leadership on this important issue.

Sincerely,

JIM NUSSLE,  
President & CEO.

#### PERSONAL EXPLANATION

### HON. C. SCOTT FRANKLIN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2021

Mr. C. SCOTT FRANKLIN of Florida. Madam Speaker, due to a personal matter, I could not make votes on Thursday, April 15th, and Friday, April 16th. Had I been present, I would have voted YEA on Roll Call No. 109; YEA on Roll Call No. 110; YEA on Roll Call No. 111; YEA on Roll Call No. 112; YEA on Roll Call No. 113; YEA on Roll Call No. 114; YEA on Roll Call No. 115; YEA on Roll Call No. 116; YEA on Roll Call No. 117; NAY on Roll Call No. 118; and YEA on Roll Call No. 119.

#### RECOGNIZING THE LIFE OF RICHARD ERICKSON

### HON. TRENT KELLY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2021

Mr. KELLY. Madam Speaker, I rise today to celebrate the life of Richard Erickson, who

passed away on February 21, 2021. He was a true servant to his family, community, and country and he will be deeply missed.

“Dick” Erickson was born on March 8, 1952 to Leslie and Alida Erickson in Preston, Minnesota. He attended Elementary School at Highland Country School, and at the age of 12 he left home to work for a local farmer. He later attended high school in Lanesboro, Minnesota. At age 17, Dick enlisted in the United States Navy. He served in the Vietnam War aboard the USS Newport News.

After returning, Dick began his 38 year career in law enforcement. He attended the Rio Hondo Police Academy in Whittier, California before joining the police force in Tupelo, Mississippi. He worked as an undercover narcotics officer and became a K-9 officer where he met his new partner, a German Shepard named Akky. The pair served together as Dick headed up the Tupelo Drug Task Force. Dick ended his career as the Chief of Police in Mantachie, MS. As a Mississippian, Dick served in the Army and Mississippi National Guard. In his 8 year career, he earned his combat medic’s license and the rank of E6.

Mr. Erickson is survived by his mother, Alida; brother, Larry; sister Mary Brown; nine children; and thirteen grandchildren.

Dick Erickson was a dedicated community servant and a beloved father, brother, and leader. I am grateful for his service to state and country and join countless others in mourning his loss.

#### IN HONOR OF THE SERVICE OF COLONEL CHRIS A. MCKINNEY

### HON. DEBBIE DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 21, 2021

Mrs. DINGELL. Madam Speaker, I rise today to recognize Colonel Chris A. McKinney, the outgoing Commander of the 177 Military Police Brigade. A key figure in protecting our Capitol, his service to our community and to our nation are worthy of commendation.

Colonel McKinney’s military and federal civilian service spans over three decades. He began his service as a Second Lieutenant and was selected for the Corps of Engineers in 1993. He served as an Engineer Platoon Leader, and as Executive Officer and Company Commander for C Co. 1/151st Infantry. He also served assignments in Aviation, the Judge Advocate General Corps and the Military Police Corps, as well as in the Federal Bureau of Investigation and Department of Homeland Security. Deployed in combat to Afghanistan for Operation Enduring Freedom and to Iraq for Operation Iraqi Freedom, he served as a member of the Combined Joint Special Operations Task Force. Colonel McKinney has earned numerous awards and decorations for his service across the country and globe, including the Legion of Merit and Bronze Star Medal.

During Colonel McKinney’s tenure he led the Tiger Brigade in their response to the COVID-19 pandemic. This included setting up acute care facilities and leading testing programs in Michigan’s prisons and long-term care facilities. Colonel McKinney and his team responded to the historic Midland Flooding, conducted the first ever MI Quick Reaction