

THE NEW ENGLAND COUNCIL

May 1, 2019

Dear Representative,

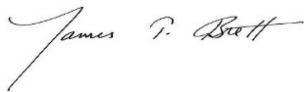
On behalf of The New England Council, I write to express our members' support for H.R. 1595 – the Secure and Fair Enforcement (SAFE) Banking Act of 2019. This bipartisan legislation creates protections for depository institutions that provide financial services to cannabis-related businesses and their service providers.

As every state in New England now allows medicinal cannabis, and three states have legalized adult recreational use, the discrepancy between state and federal law is a concern across the region. Currently, providing banking services to legitimate, state-licensed marijuana businesses is a challenge for financial institutions. Because marijuana is illegal under federal law, funds generated by cannabis-related businesses are subject to federal anti-money laundering regulations and institutions can face significant legal and regulatory risks for serving these local businesses. The result has been that legal and legitimate cannabis businesses operate primarily on a cash-only basis, creating opportunities for tax evasion, money laundering, robbery and other crimes that could negatively impact the region.

That is why the Council was pleased that the SAFE Banking Act was reintroduced by Congressman Ed Perlmutter (D-CO) and Congressman Denny Heck (D-WA) to the House Financial Services Committee last month. Reported favorably by the Committee in a 45 to 15 bipartisan vote, the bill has 166 co-sponsors, demonstrating the widespread interest in addressing this issue. If passed, this legislation will give those operating legitimate marijuana businesses access to banking services available to other industries. By no longer restricting the industry to cash, the law will make the cannabis industry more transparent and accountable by ensuring compliance with current regulations and norms. This version of the bill also adds protections for ancillary businesses like real estate owners, accountants, and other vendors from money laundering charges, and aims to expand access to financial services for minority-owned and women-owned cannabis-related businesses.

The New England Council's mission is to identify and support federal public policies and articulate the voice of its membership regionally and nationally on important issues facing New England. Given that cannabis-related businesses have been legalized and are an expanding segment of the economy in many communities across the region, we feel that if this legislation is passed it would protect the businesses and communities in which they operate. It is our hope that with your support in the House, Congress will work diligently to advance the SAFE Banking Act in the coming weeks. If you have any questions regarding this letter, please contact me at 617-723-4009, or Griffin Doherty at gdohertry@newenglandcouncil.com.

Sincerely,



James T. Brett
President & CEO

The New England Council

98 North Washington Street, Suite 201 • Boston, Massachusetts 02114 • (617) 723-4009
1411 K Street, NW, Suite 700 • Washington, DC 20005 • (202) 547-0048
www.newenglandcouncil.com