

July 8, 2020

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. Mitch McConnell  
Majority Leader  
317 Russell Bldg.  
Washington, DC 20515

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

Dear Congressional Leaders:

We, the undersigned State Treasurers, write in support of the inclusion of the *Secure and Fair Enforcement (SAFE) Banking Act* in the next phase of COVID-19 relief funding. This provision would not only address new safety issues created by the COVID-19 crisis, but also those caused by the existing conflict between federal and state cannabis laws. The 28,000 cannabis related legitimate businesses and their 243,700 employees, who already faced significant burdens before the pandemic, are now confronting dangerous new obstacles as they attempt to address the changed circumstances. To keep workers, patients and consumers safe, it is essential that we reduce the use of cash by creating access to financial services for these state-licensed businesses.

As you know, in September 2019 an overwhelmingly bipartisan majority passed the *SAFE Banking Act* (H.R. 1595) in the U.S. House of Representatives, demonstrating public safety should not be a partisan issue. Lack of access to financial services forces businesses to operate exclusively using cash making these businesses, their employees, and customers targets for violent crime. In many cases, cannabis stores and dispensaries are limiting sales to curbside pickup or delivery, forcing these all-cash transactions to take place outside, without the option of no-contact exchanges.

The use of cash is particularly dangerous for the 4,347,098<sup>1</sup> registered medical cannabis patients in the U.S. Guidance from the CDC and WHO suggest the virus can live on surfaces, including cash and coin, for extended periods of time. In response to the coronavirus, the international financial community, many major businesses, and even governmental entities have looked for cashless alternatives to financial transactions.<sup>2</sup> However, the overwhelming majority of medical cannabis transactions still involve cash. This is particularly dangerous for medical cannabis caregivers and patients who are already at a higher risk for contracting the virus. Allowing cannabis-related legitimate businesses access to traditional banking could reduce the spread and protect many of the most vulnerable among us.

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<sup>1</sup> <https://www.mpp.org/issues/medical-marijuana/state-by-state-medical-marijuana-laws/medical-marijuana-patient-numbers/>

<sup>2</sup> “[Port Authority goes cashless at key NYC bridges, tunnels due to COVID-19.](#)”  
Mobilepaymentstoday.com, 23 March 2020.

In addition, enacting the *SAFE Banking Act* could provide relief for legitimate cannabis businesses and the ancillary businesses that rely on the industry. Currently, 47 states acknowledge the medical benefit of cannabis, 33 states allow cannabis for medicinal use, and 11 states and the District of Columbia allow adult recreational use. Most of the states that permit a form of cannabis sales have designated cannabis-related legitimate businesses as essential; however, federal relief funds are not available to them. Due to the conflict with federal law, these businesses are ineligible for SBA lending programs or employee retention tax credits. Passage of the *SAFE Banking Act* would allow these businesses to seek needed capital from banks and credit unions and provide lending options for their employees during the economic recovery.

Currently, legal U.S. cannabis sales top \$17.7 billion annually, and is estimated to grow to \$25-30 billion a year by 2023. Allowing the industry access to traditional financial systems will make the industry safer, and give banks and credit unions a much needed cash infusion, providing more capital for banks and credit unions to lend to other businesses and individuals in need.

Today we ask you to support the inclusion of the *SAFE Banking Act* in the next COVID-19 relief package. The need for this legislation has only increased as a result of the pandemic, and the public safety risks and financial benefits are even greater under the current circumstances. Thank you for your time and consideration of this important matter.

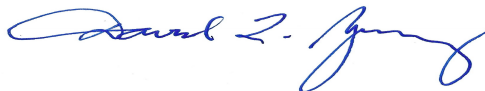
Sincerely



Lucinda Mahoney  
Commissioner, Department of Revenue  
State of Alaska



Fiona Ma  
California State Treasurer



Dave Young  
Colorado State Treasurer



Michael Frerichs  
Illinois State Treasurer



Michael Fitzgerald  
Iowa State Treasurer



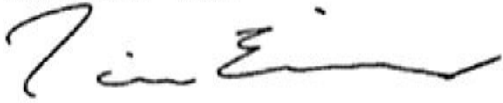
Henry Beck  
Maine State Treasurer



Deborah Goldberg  
Massachusetts State Treasurer



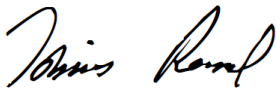
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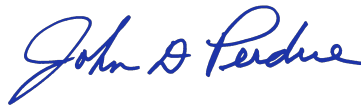
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West Virginia State Treasurer