



NATIONAL ASSOCIATION OF
STATE TREASURERS

April 14, 2021

The Hon. Sherrod Brown

Chair, Committee on Banking
U.S. Senate
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Hon. Pat Toomey

Ranking Member, Committee on Banking
U.S. Senate
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Hon. Maxine Waters

Chair, Committee on Financial Services
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

The Hon. Patrick McHenry

Ranking Member, Committee on Financial Services
U.S. House of Representatives
4340 O'Neill House Office Building
Washington, DC 20024

Dear Senator Brown, Senator Toomey, Representative Waters and Representative McHenry:

On behalf of the nation's State Treasurers, I wanted to thank you for your leadership on critical state finance issues and to express our support for the Secure and Fair Enforcement (SAFE) Banking Act of 2021 (H.R. 1996). While we do not take any formal position on efforts to expand the legality of cannabis — medical or recreational — our association remains concerned by the ancillary effects posed by legitimate participants in the industry lacking reliable access to the federally regulated banking system.

By July of this year, 15 states and the District of Columbia will have legalized adult use cannabis, and 36 states will have legalized access to medical cannabis. Nonetheless, conflicts between federal banking laws and state cannabis laws create unsafe conditions where many cannabis related businesses rely on cash-only business models, despite otherwise fully complying with their state's health and safety rules. Unbanked cannabis businesses are frequently unable to write checks, make and receive electronic payments, utilize payroll providers, accept debit or credit cards, or pay taxes through a financial institution. The condition makes tax collection more difficult and burdensome for both businesses and governments, and substantially increases the likelihood of tax fraud. The inability to access banking services not only directly impacts cannabis businesses, but also the secondary service providers in our states who do business with them.

The National Association of State Treasurers continues to support commonsense federal laws and regulations to provide essential banking services to legitimate cannabis businesses, promote public safety and financial transparency, and facilitate tax and fee collection without compromising federal enforcement of anti- money laundering laws against criminal enterprises. To that extent, we fully support the key elements of the SAFE Banking Act that comport with our association's policy as outlined in this letter and that is contained in our policy resolution ([see attachment](#)). We also thank Rep. Perlmutter, Rep. Stivers, Sen. Merkley, Sen. Daines and all of their colleagues for leading on this issue.

I have asked our policy director, Brian Egan, to follow up with your offices should you have any questions, comments or concerns. Brian can be reached via email at brian@statetreasurers.org or via phone at (202) 630-1880. Please consider our members and professional staff as resources to you and your teams.

Thank you again for your consideration on this matter.

Sincerely,



Shaun Snyder
Executive Director
National Association of State Treasurers
(NAST)

CC:

- Members of the Senate Committee on Banking, Housing and Urban Affairs
- Members of the House Committee on Financial Services
- Senator Jeff Merkley
- Senator Steve Daines
- Congressman Ed Perlmutter
- Congressman Steve Stivers