



17 March 2021

The Honorable Ed Perlmutter
United States House of Representatives
1226 Longworth House Office Building
Washington, DC 20515

Dear Representative Perlmutter:

We write today to support your reintroduction of the Secure and Fair Enforcement or SAFE Banking Act. The legislation is of utmost importance to the National Cannabis Roundtable (NCR) for reasons of economics, equity, public safety and accountability.

The US cannabis industry now supports 321,000 full-time jobs and had a 32% year-over-year growth rate which is particularly notable given the economic impact of the COVID-19 pandemic in 2020. The industry's four-year job growth rate is an astounding 161%.¹ SAFE Banking, which creates a safe harbor for financial institutions to bank the proceeds of state-legal cannabis businesses, is necessary for the industry to continue to create jobs at this record pace and to meaningfully contribute to American economic recovery in the wake of increased unemployment in other industries.

At the same time, the legislation will have a vitally important impact on minority operators who are at a distinct disadvantage because they typically do not have the sources of private capital enjoyed by larger, predominantly white operators. As a result, social equity programs in states in which cannabis is legal are often hobbled from the outset because minority applicants cannot access traditional financial services to cover startup costs - like loans and lines of credit - that are available to every other legally operating business in the United States and are often those businesses' financial lifelines. SAFE Banking would solve this problem immediately and give equity programs a real opportunity to succeed.

With regard to public safety, billions of dollars in cash are transacted through cannabis businesses each year – everything from consumer purchases to payroll and taxes. This operational reality created by a lack of access to banking services threatens the safety of industry employees and the communities they serve. Last spring, criminal actors took advantage of social protests to target cannabis businesses which, by necessity, must keep significant amounts of cash on hand. Businesses in California, Oregon, Colorado, Illinois and Massachusetts were targeted for often violent break-ins which resulted in a loss totaling hundreds of thousands, if not millions, of dollars. SAFE Banking would allow businesses to radically reduce the amount of

¹ Barcott, Bruce, Beau Whitney and Janessa Bailey. "Jobs Report 2021." <https://leafly-cms-production.imgix.net/wp-content/uploads/2021/02/13180206/Leafly-JobsReport-2021-v14.pdf>

cash on hand thus making them a less palatable target for criminal activity and much safer environments for workers and communities alike.

Finally, banking services for the cannabis industry equals a more transparent and accountable industry. With the ability to process payments electronically through traditional banking systems, there is a more detailed and accurate accounting of each business' activity which leads to greater transparency and the potential for increased tax revenue over the long term.

It is not often that one piece of legislation can address so many important concerns at once, particularly in a budget neutral, bipartisan fashion. SAFE Banking is that rare piece legislation. We thank you for your continued commitment to this important piece of reform and we stand ready to work with you to advance this legislation into law during the 117th Congress.

Respectfully,
National Cannabis Roundtable

