

THE NEW ENGLAND COUNCIL

March 31, 2021

Dear New England Delegation,

On behalf of The New England Council, I write to express our members' support for the Secure and Fair Enforcement (SAFE) Banking Act of 2021. This bipartisan legislation creates protections for depository and insurance institutions that provide financial related services to legal cannabis-related businesses and their service providers.

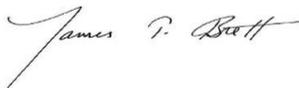
As every state in New England now allows medicinal cannabis, and three states have legalized adult recreational use, the discrepancy between state and federal law is a concern across the region. Currently, providing banking and insurance services to legitimate, state-licensed marijuana businesses is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

The discrepancy between state and federal law also poses a challenge for those who seek to purchase cannabis products for medical purposes. Medical marijuana has been found an effective treatment for a variety of medical conditions, including cancer, Alzheimer's disease, ALS, epilepsy, and chronic pain, just to name a few. However, access to these products is significantly limited by the inability to use alternative payment options.

The SAFE Banking Act, which was reintroduced in both the House of Representatives and the Senate earlier this month, would help address these challenges. 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 safe, transparent, accountable, and accessible by ensuring compliance with current regulations and norms.

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/Senate, 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

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