



CITY OF SEATTLE

April 25, 2022

RE: Support for Including the Secure and Fair Enforcement (SAFE) Banking Act in the America COMPETES Act of 2022

Dear America COMPETES Act Conferees:

We are writing to urge Congress to include the U.S. House of Representatives Secure and Fair Enforcement (SAFE) Banking Act in the final America COMPETES Act of 2022, H.R. 4521. Given the escalating violence faced by cannabis store employees, this legislation is a critical step to protect the safety of these employees and foster a stable, regulated, and safer cannabis industry.

In February of this year, the U.S. House of Representatives voted to add the SAFE Banking Act to the America COMPETES Act, marking the sixth time that members of the House advanced the SAFE Banking Act to the Senate. The SAFE Banking Act will allow cannabis businesses to access normal banking services, which will transition fully cash-based cannabis transactions into the financial system where they belong.

Thirty-seven states, four U.S. territories, and the District of Columbia have passed some form of recreational or medical cannabis legalization measures. Medical and recreational cannabis sales in the U.S. were estimated to total \$25 billion last year, but because of antiquated federal banking regulations, almost all cannabis transactions are cash-based.

This has led to an urgent and deadly public safety crisis. Cash-only businesses are targets for crime, putting cannabis store employees in danger. According to data compiled by the Craft Cannabis Coalition, at least 80 robberies of Washington State cannabis stores have occurred so far in 2022. This surpasses the number of robberies in all of 2020 and 2021 combined. These robberies are becoming more frequent and more aggressive, with three people being killed during cannabis store robberies last month. Enacting the SAFE Banking Act would help our communities reduce these dangerous cash-motivated crimes and protect the lives of cannabis store employees.

Cannabis businesses are further disadvantaged compared to other legal businesses by being unable to open bank accounts or obtain loans at reasonable rates. The cannabis industry is legal in some form in the majority of U.S. states, and it is too large of a market to be prohibited from banking opportunities.

The SAFE Banking Act will remedy these harms and help keep communities and people in our states and territories safe by allowing legitimate and state-legal cannabis companies to access

banking services. Financial institutions will subject the funds and account holders to rigorous anti-money laundering and “Know Your Customer” requirements that will further help states where cannabis has been made legal to keep bad actors out of the system. The SAFE Banking Act will also harmonize federal and state law to ensure that depository institutions that provide banking services to legitimate cannabis-related businesses and ancillary businesses are not penalized.

Simply put, this is a public safety issue that Congress has a responsibility to address. The SAFE Banking Act has now passed the U.S. House of Representatives six times, but the Senate has never voted on the measure. The SAFE Banking Act has more bipartisan support than ever before, and Congress must take steps to ensure that this measure is included in the final version of the America COMPETES Act that goes to President Biden’s desk.

Sincerely,



Mayor Bruce A. Harrell



Council President Debora Juarez



Councilmember Lisa Herbold



Councilmember Andrew J. Lewis



Councilmember Teresa Mosqueda



Councilmember Sara Nelson



Councilmember Alex Pedersen



Councilmember Dan Strauss