

# County of Monterey



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May 15, 2023

The Honorable Alex Padilla  
112 Hart Senate Office Building  
Washington, DC 20510

**Re: S. 1323, the Secure and Fair Enforcement (SAFE) Banking Act of 2023 – SUPPORT**

Dear Senator Padilla:

I write today on behalf of the County of Monterey Board of Supervisors to thank you for your support of S. 1323, the Secure and Fair Enforcement (SAFE) Banking Act of 2023. I also appreciate that this is bicameral legislation with the House companion, H.R. 2891.

Currently, the vast majority of states have legalized cannabis for medical or adult use and that number continues to grow. Nevertheless, current federal law prevents banks from safely banking cannabis businesses, as well as the ancillary businesses that provide them with goods and services. As more states legalize cannabis for medical and/or recreational use, it is critically important that cannabis-related businesses (CRBs) have access to services provided by the traditional banking system.

The current conflict between state and federal law with regard to cannabis has created increasingly significant legal and compliance concerns for banks and credit unions that wish to provide banking services to CRBs in jurisdictions where cannabis is legal. Legal and regulatory uncertainty has curtailed access to the traditional banking system for CRBs and forced them to operate mostly in cash. Cash-only businesses, especially those with a high volume of revenue, pose a significant risk to public safety.

The bipartisan SAFE Banking Act would be an important step toward enabling financial services for CRBs. The bill would create a safe harbor from federal sanctions for financial institutions that serve CRBs in states and other jurisdictions where cannabis is legal by specifying that proceeds from a legitimate cannabis business would not be considered unlawful under federal money laundering statutes or any other federal law, which is necessary to allow the provision of financial services to cannabis-related legitimate businesses as well as any ancillary businesses that derive some portion of their income from those businesses.

We appreciate your support for the County of Monterey, and we thank you for cosponsoring S. 1323, the SAFE Banking Act of 2023.

Sincerely,

Luis A. Alejo, Chair  
Board of Supervisors

Cc: The Honorable Dianne Feinstein, U.S. Senator  
The Honorable Jimmy Panetta, 19<sup>th</sup> Congressional District  
The Honorable Zoe Lofgren, 18<sup>th</sup> Congressional District