

HOUSE JOINT RESOLUTION NO. 23

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE RASMUSSEN

Introduced: 1/21/20

Referred:

A RESOLUTION

1 **Supporting the passage by the United States Senate of the SAFE Banking Act of 2019**
2 **relating to cannabis-related legitimate businesses' access to financial services.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS**, on November 4, 2014, residents of the state voted to legalize cannabis,
5 approving Ballot Measure No. 2, "An Act to tax and regulate the production, sale, and use of
6 marijuana"; and

7 **WHEREAS** the state has prioritized the federal cannabis enforcement objectives
8 identified in the August 29, 2013, memorandum from the United States Department of Justice
9 to all United States Attorneys, including preventing the distribution of cannabis to minors,
10 preventing revenue from the sale of cannabis from going to criminal enterprises, gangs, and
11 cartels, preventing the diversion of cannabis from states where cannabis is legal in some form
12 under state law to other states, preventing state-authorized cannabis activity from being used
13 as a pretext for the trafficking of illegal drugs or other illegal activity, preventing violence and
14 the use of firearms in the cultivation and distribution of cannabis, preventing drugged driving
15 and the exacerbation of other adverse public health consequences associated with cannabis
16 use, preventing the growing of cannabis on public land and the attendant public safety and

1 environmental dangers posed by cannabis production on public land, and preventing cannabis
2 possession or use on federal property; and

3 **WHEREAS** the state has implemented regulations that respect and support the federal
4 priorities listed in the August 29, 2013, memorandum from the United States Department of
5 Justice; and

6 **WHEREAS**, on January 16, 2018, Alaska Attorney General Jahna Lindemuth and the
7 attorneys general of 18 other states, districts, and territories sent a letter urging the United
8 States Congress to advance legislation allowing states that have legalized medical or
9 recreational use of cannabis to bring legal cannabis-related commerce into the banking
10 system; and

11 **WHEREAS**, on January 18, 2018, United States Senators Lisa Murkowski and Dan
12 Sullivan joined 14 other senators from around the country in submitting a letter to the Director
13 of the United States Department of the Treasury's Financial Crimes Enforcement Network
14 expressing continuing support for 2014 Financial Crimes Enforcement Network guidance on
15 Bank Secrecy Act expectations regarding cannabis-related businesses; and

16 **WHEREAS**, on March 7, 2019, after meeting with industry stakeholders in Alaska,
17 United States Congressman Don Young, Co-Chair of the Congressional Cannabis Caucus,
18 signed on as a cosponsor of H.R. 1595, the Secure and Fair Enforcement Banking Act of
19 2019, also referred to as the SAFE Banking Act of 2019; and

20 **WHEREAS**, on May 8, 2019, Alaska Attorney General Kevin G. Clarkson and the
21 attorneys general of 37 other states, districts, and territories sent a letter urging the United
22 States Congress to advance legislation allowing states that have legalized medical or adult use
23 of cannabis to bring legal cannabis-related commerce into the banking system; and

24 **WHEREAS**, on September 25, 2019, United States Congressman Don Young voted
25 with a bipartisan majority in the United States House of Representatives, passing the SAFE
26 Banking Act of 2019 and clearing the Act for consideration in the Senate; and

27 **WHEREAS** sec. 1(b) of the SAFE Banking Act of 2019 explains that "[t]he purpose
28 of the Act is to increase public safety by ensuring access to financial services to cannabis-
29 related legitimate businesses and service providers and reducing the amount of cash at such
30 businesses"; and

31 **WHEREAS** the SAFE Banking Act of 2019 provides, among other protections, a safe

1 harbor for depository institutions for providing financial services to a cannabis-related
2 legitimate business or service provider; and

3 **WHEREAS** the SAFE Banking Act of 2019 provides that "[f]or the purposes of
4 sections 1956 and 1957 [money laundering] of title 18, United States Code, and all other
5 provisions of Federal law, the proceeds from a transaction involving activities of a cannabis-
6 related legitimate business or service provider shall not be considered proceeds from an
7 unlawful activity solely because . . . the transaction involves proceeds from a cannabis-related
8 legitimate business or service provider"; and

9 **WHEREAS** the SAFE Banking Act of 2019 provides that depository institutions or
10 insurers that provide financial services to cannabis-related legitimate businesses or service
11 providers and the officers, directors, and employees of depository institutions or insurers may
12 not be held liable under any federal law or regulation solely for providing the financial service
13 or for further investing any income derived from the financial services; and

14 **WHEREAS** the SAFE Banking Act of 2019 is not an endorsement of any state's,
15 district's, or territory's specific approach to the legalization of cannabis-related transactions
16 and is in no way an endorsement of the legalization of medical or retail cannabis in
17 jurisdictions that choose not to legalize medical or retail cannabis; and

18 **WHEREAS**, without federal legislation allowing states that have legalized medical or
19 adult use of cannabis to bring legal cannabis-related commerce into the banking system, the
20 tracking of revenue for taxation and regulatory compliance purposes is more difficult; and

21 **WHEREAS** the inability to properly track the billions of dollars in legal cannabis-
22 related sale proceeds compromises the safety and soundness of the nation's financial system
23 by allowing the unmonitored entry of illicit funds into the financial system; and

24 **WHEREAS** the threat to public safety increases with cash-intensive businesses
25 because cash-intensive businesses are often the targets of criminal activity; and

26 **WHEREAS** the cannabis industry continues to grow rapidly, with analysts estimating
27 the current industry value at \$8,300,000,000, projected to increase to \$25,000,000,000 by
28 2025; and

29 **WHEREAS**, regardless of policy views on states' permitting the medical or adult use
30 of cannabis, the current situation necessitates federal rules that provide for bringing legal
31 cannabis-related commerce into the banking system;

1 **BE IT RESOLVED** that the Alaska State Legislature urges the federal government to
2 adopt the SAFE Banking Act of 2019 or similar legislation that would provide a safe harbor
3 for depository institutions that provide financial products or services to legal cannabis-related
4 businesses or service providers in states that have implemented laws and regulations
5 legalizing cannabis for medical or adult use.

6 **COPIES** of this resolution shall be sent to the Honorable Donald J. Trump, President
7 of the United States; the Honorable Lisa Murkowski and the Honorable Dan Sullivan, U.S.
8 Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska
9 delegation in Congress; and all other members of the 116th United States Congress.