



PARENT ACTION NETWORK

An Initiative of Smart Approaches to Marijuana



SAFER Banking Talking Points

Educate

Empower

Engage

Background on the SAFE/SAFER Banking Act

The SAFE Banking Act (or SAFER Banking Act in the Senate) provides a “safe harbor” from banking regulators for banks who choose to accept federally illegal proceeds derived from the production and sale of marijuana. If enacted, marijuana will still be illegal, but banks will now have the approval of the government to participate in money laundering. This would be the first time the United States banking industry was opened to Schedule I drug operations and would set an alarming and dangerous precedent of granting banking access to criminal activity.

Talking Points

- Growth of the marijuana industry has caused THC potency to skyrocket from 2-5% in the 1970s to 99% in many products today. Today’s marijuana has an addiction rate of 30%.
- The chief justification for SAFE Banking is founded on the myth that marijuana dispensaries are cash-only businesses. According to the Financial Crimes Enforcement Network (FinCEN), 812 banks and credit unions across the country offered banking services to marijuana businesses in Q2 of 2023. Dispensaries often accept credit or debit cards by using cashless ATMs or third-party services that process funds to dispensaries from FDIC-ensured platforms.
- Proponents claim that allowing banking access will fix the marijuana industry’s robbery problem. SAFE Banking will not alleviate the safety concerns of marijuana businesses as most criminals steal marijuana products, not cash, to resell on the illicit market. SAFE Banking would do nothing to address the public safety threat posed by the existence of dispensaries.
- SAFE Banking would enable the expansion of marketing high potency concentrates in kid-friendly forms, including marijuana gummies, ice creams, and sodas. Edible products that contain THC have recently come under scrutiny for causing surges in emergency room visits in legalized states and have been shown to increase the risk of psychosis.

- SAFE Banking serves one purpose: to give addiction-for-profit industries like Big Tobacco and Big Alcohol a clear path for investing massive capital in the marijuana industry.
 - When Canada legalized marijuana, the Big Tobacco giant Altria invested \$2 billion in the industry. Big Alcohol conglomerate Constellation Brands invested \$4 billion. The former CEO of OxyContin manufacturer Purdue Pharma founded a medical marijuana company. Access to banking would increase investment in the marijuana industry, accelerating its transformation into the next Big Tobacco.
- Marijuana dispensaries already engage in dangerous marketing tactics: 70% of Colorado dispensaries recommend pregnant women use marijuana and 74% of California dispensaries sell products deemed appealing to children.
- **SAFE Banking compromises the integrity of the US banking system by giving banks government approval to participate in illegal activity (also known as money laundering). This bill is a backdoor attempt at full recreational legalization.**

Bottom Line

Oppose the SAFE Banking Act on the grounds that the bill:

- **Sanctions money laundering through federally regulated financial institutions;**
- **Allows Wall Street and Big Tobacco to invest billions of dollars in the marijuana industry;**
- **Fails to address public safety concerns as marijuana dispensaries often already take credit cards and are robbed for the product they sell, not cash.**

Reference Links

<https://www.cdc.gov/marijuana/health-effects/addiction.html>

<https://www.forbes.com/sites/javierhasse/2020/11/19/new-app-allows-you-to-use-credit-cards-to-buy-cannabis/?sh=7d5247e66162>

<https://www.forbes.com/sites/chrisroberts/2020/10/02/tobacco-giant-altria-is-securing-technology-in-new-frontier-marijuana/?sh=5473363514af>

<https://www.bbc.com/news/world-us-canada-38083737>

<https://pubmed.ncbi.nlm.nih.gov/29742676/>