

SENATE CONCURRENT RESOLUTION NO. 9

Senators Hertel, Lucido, Irwin, Bullock, Wojno, Ananich, McMorrow, Bumstead, Hollier, Alexander, Santana, Bayer, Polehanki, Moss, Chang and Geiss offered the following concurrent resolution:

1 A concurrent resolution to memorialize the Congress of the
2 United States to enact legislation creating a "safe harbor" for
3 financial institutions to provide financial services to marijuana-
4 related businesses or service providers in states that have chosen
5 to legalize the use of marijuana.

6 Whereas, Voters of the state of Michigan approved ballot
7 proposals in 2008 and 2018, respectively allowing for the legal
8 medical and recreational use and regulation of marijuana; and

9 Whereas, Marijuana is still criminalized under federal law,
10 creating confusion and uncertainty in matters of enforcement,
11 taxation, and banking. Because of the federal prohibition, there is
12 an extreme risk to provide financial services to marijuana-related

1 businesses and service providers, resulting in a cash-intensive
2 industry. In turn, it is very difficult for such businesses to
3 accept noncash payments from customers and make noncash payments to
4 employees, suppliers, landlords, and others; and

5 Whereas, Within a short span of time, it will be nearly
6 impossible for Michigan's financial institutions to effectively
7 discern whether client businesses are conducting transactions as or
8 with marijuana-related businesses or service providers, creating
9 unavoidable legal and regulatory risks; and

10 Whereas, The proliferation of cash in the marijuana industry
11 has also given rise to significant public safety risks and
12 logistical issues in Michigan's communities. Holding large amounts
13 of cash heightens the risk of robbery and violence. Dealing with
14 all cash complicates paying employees and other businesses,
15 remitting taxes, and other routine business matters; and

16 Whereas, Bringing marijuana-related monies into the
17 traditional financial services system will create transparency,
18 accountability, and heightened enforcement against illicit drug-
19 related activities; and

20 Whereas, The Secure and Fair Enforcement (SAFE) Banking Act of
21 2019 has been introduced in the United States House of
22 Representatives as H.R. 1595 to provide safe harbor from federal
23 regulators for credit unions and banks providing financial services
24 to marijuana-related businesses and service providers, so long as
25 they do so in compliance with state laws and regulations. The
26 measure has received bipartisan support. Other measures have been
27 introduced to similar effect; now, therefore, be it

28 Resolved by the Senate (the House of Representatives
29 concurring), That we memorialize the Congress of the United States

1 to enact legislation creating a "safe harbor" for financial
2 institutions to provide financial services to marijuana-related
3 businesses or service providers in states that have chosen to
4 legalize the use of marijuana; and be it further

5 Resolved, That copies of this resolution be transmitted to the
6 President of the United States Senate; the Speaker of the United
7 States House of Representatives; the Chair and Ranking Member of
8 the United States Senate Committee on Banking, Housing, and Urban
9 Affairs; the Chair and Ranking Member of the United States House
10 Committee on Financial Services; the Chair and Ranking Member of
11 the United States House Committee on the Judiciary; and the members
12 of the Michigan congressional delegation.