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The Small Business Banking Improvement Act of 2011 (H.R. 1984)

Legal medical marijuana dispensaries in Colorado and other states lack access to even the most basic banking services. That's because many financial institutions fear investigation from the federal government, which is misusing a law intended to prosecute money launderers and drug smugglers to attack these legal small businesses. The inability for dispensaries to access banking services is the biggest roadblock challenging this fast-growing industry.

The medical marijuana industry is growing, providing jobs and tax revenues right when our economy needs it. In Colorado alone, the state received \$7.34 million from dispensary license applications, far exceeding expectations and proving that medical marijuana businesses are eager to be taxed and regulated.

The Small Business Banking Improvement Act would:

Shift Regulatory Responsibility from the Federal Government to the States. Governors would be allowed to create a certification process that would license medical marijuana businesses. No governor would be required to do so. In states that choose not to create a certification process, all existing federal laws would remain in effect.

Eliminate Federal Investigations of State-certified Businesses. Financial institutions would no longer be required to report to the Federal government the activities of state licensed medical marijuana businesses. The law the federal government is using to intimidate banks, the Bank Secrecy Act, was never intended to interfere with businesses that comply with state laws.

Ensure Robust State Regulation. By allowing states that have robust regulatory structures, such as Colorado and California, to certify businesses, the bill would remove the main obstacle dispensaries face in accessing banking services. Colorado has already passed legislation to regulate its medical marijuana industry through local and state licenses. A state-licensed program exists in New Mexico, and similar programs will be in place in Rhode Island, Maine, New Jersey and Washington, D.C.