



March 19, 2025

**Testimony to the 132nd Maine Legislature
Committee on Veterans and Legal Affairs**

Good morning, Senator Hickman, Representative Supica, and honorable members of the Committee. My name is Josh Steirman and I am here on behalf of the Maine Bankers Association. We are the trade association representing 34 retail banks operating across the State of Maine, with over 9,000 employees in virtually every community state-wide. Last year our banks provided over \$2.5 billion in residential real estate loans, and over \$3.2 billion in small business loans. Banks are deeply embedded in their communities: last year, bankers volunteered over 145,000 hours, and donated over \$18 million to charitable causes. Maine bankers are your neighbors, working to provide a safe place for deposits, modern technology solutions, fraud protection, a home mortgage, or a small business loan.

Today we are testifying Neither For Nor Against L.D. 859, *Resolve, Directing the Treasurer of State to Review and Develop Options for Meeting the Banking Needs of the Cannabis Industry.*

For many years, Maine banks have advocated that legal cannabis businesses should have access to safe and secure banking services. Marijuana in various forms is now legal under the laws of a majority of states, including Maine. Quite simply it is here, whether we like it or not, and the volume of dollars generated are significant. So for the sake of physical safety, financial security, and equitable access to the financial system, Maine banks understand that legal cannabis businesses should be able to deposit their legally earned funds into a bank account the same routine way as other businesses.

However, this policy challenge must be addressed at the federal level, because marijuana continues to be illegal under federal law. Since 2013, although marijuana-related activities continue to be broadly prohibited under federal law, the U.S. Department of Justice has declined to prosecute marijuana-related offenses, as outlined in a position statement from the then-Deputy Attorney General which is now widely referred to as the "Cole Memo." This respite from federal prosecutors has allowed financial services providers to open accounts for cannabis businesses, but under a significant cloud of uncertainty and risk, as the Cole Memo could theoretically be revoked by executive action at any time. This uncertainty has led to additional levels of regulation and compliance scrutiny for cannabis-related transactions, which typically require extra layers of regulatory oversight and periodic filings under the Bank Secrecy Act. This complex and opaque supervisory system is a direct result of the conflict between state laws and federal enforcement, and it can only be resolved with federal legislation.

Because of these concerns, the Maine Bankers Association, in cooperation with the American Bankers Association, the Independent Community Bankers of America, and financial institutions throughout the country, continue to advocate at the federal level for full access to the financial system for legal cannabis businesses. We have advocated to Maine's congressional delegation on this issue, and we are grateful for their bipartisan understanding that a legislation is necessary. Maine's delegation has stated their support for bills such as the SAFER Banking Act which would allow legal cannabis businesses access to

mainstream banking services. Nonetheless, Congress has not passed the bill into law. Unfortunately this type of federal legislation is the only substantive path to improving access to financial services for legal cannabis businesses.

Respectfully Submitted,
Joshua Steirman
Director of Government Relations