

Senators Renew Effort to Secure SBA Loans and Resources for Cannabis Industry

Democratic Senators Push for SBA Access for Cannabis Small Businesses

Washington, D.C., June 4, 2024 — A coalition of Democratic senators is urging a key Senate committee to include provisions in the upcoming Fiscal Year 2025 Financial Services and General Government (FSGG) spending bill that would allow small marijuana businesses fair access to federal Small Business Administration (SBA) loan programs and entrepreneurial development resources. The senators made their case in a letter to the Senate Appropriations subcommittee leadership last month, announced in a press release on Monday.

Call for Equal Access to SBA Programs

Led by Sen. Jacky Rosen (D-NV), the letter requests that the FSGG spending bill include language preventing the SBA from denying loan applications for several key programs—including the 7(a) Loan Guarantee Program, Disaster Assistance Program, Microloan Program, and 504/Certified Development Company Loan Program—to legally operating cannabis small businesses in states that have legalized cannabis.

Expanding Entrepreneurial Development

The senators also urged the inclusion of language that would prohibit the SBA from excluding state-legal cannabis businesses from participating in its entrepreneurial development programs. This move is aimed at ensuring that cannabis businesses can benefit from the same support as other small businesses.

Public Opinion and Economic Impact

Highlighting the shift in public opinion and the economic impact of cannabis legalization, the senators noted that the majority of states have enacted some form of legalization, generating billions in tax revenue. Besides Rosen, the letter's signatories include Sens. Cory Booker (D-NJ), Jeff Merkley (D-OR), Ron Wyden (D-OR), Tammy Duckworth (D-IL), Martin Heinrich (D-NM), John Hickenlooper (D-CO), Ed Markey (D-MA), Alex Padilla (D-CA), and Michael Bennett (D-CO).

Current SBA Exclusions and Safety Concerns

The letter addresses the current SBA policy that excludes small businesses involved with cannabis from its loan and development programs. This exclusion forces businesses in legalized states to choose between federal support and participating in the cannabis industry. The senators argue that this policy creates public safety risks by forcing businesses to operate in cash.

Previous Efforts and Future Goals

This is the third time Rosen has led such a request. Although the requested language has yet to be incorporated into any spending bill, the senators continue to push for change. They emphasize that SBA loan programs would help bridge gaps left by private sector financing, especially benefiting minority, women, and veteran entrepreneurs.

Senate Leadership and the SAFER Banking Act

Senate leadership has discussed prioritizing a bipartisan bill to protect financial institutions working with state-licensed cannabis businesses, though resistance from key GOP members remains a challenge. Rosen advocates for amending the Secure and Fair Enforcement Regulation (SAFER) Banking Act to include provisions for SBA access.

Support for Small Businesses

“Access to SBA loan and entrepreneurship programs would support a rapidly growing industry that creates jobs, supports small businesses, and raises revenues in states that have chosen to legalize cannabis,” the letter states. The senators urge the subcommittee to include bill language to extend SBA programs to cannabis businesses.

Advocacy for Broader Support

Rosen has also pushed for language in a federal marijuana legalization bill to establish an SBA pilot program for intermediary lending, targeting startups and disadvantaged businesses. In her press release, she emphasized the importance of small businesses to Nevada’s economy and her commitment to reducing bureaucratic barriers.

The Democratic senators’ ongoing efforts reflect a commitment to ensuring cannabis small businesses have the same opportunities as others, advocating for fair access to federal resources and support.

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