

[Banking and Finance Law Daily Wrap Up, BANKING OPERATIONS— Bill reintroduced to give marijuana businesses access to the banking system, \(Mar. 19, 2021\)](#)

Banking and Finance Law Daily Wrap Up

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In the 116th session of Congress, the SAFE Banking Act passed with overwhelming bipartisan support due to the serious safety risk posed by all-cash marijuana businesses.

A bill has been [reintroduced](#) in the House of Representatives by Rep. Ed Perlmutter (D-Colo) that would give marijuana-related businesses in states with some form of legalized marijuana access to the banking system. The bipartisan bill, the [Secure and Fair Enforcement \(SAFE\) Banking Act of 2021](#) (H.R. 1996), is led by Perlmutter, Reps. Nydia M. Nydia M. Velazquez (D-NY), Steve Stivers (R-Ohio), and Warren Davidson (R-Ohio), and co-sponsored by more than 100 representatives. A companion version of the bill will be introduced in Senate by Sen. Jeff Merkley (D-Ore) and Steve Daines (R-Mont).

Legalization of marijuana. Currently, 47 states, four U.S. territories, and the District of Columbia have legalized some form of recreational or medical marijuana usage. However, current law prevents licensed marijuana businesses from accessing banking services and products, which has resulted in all cash businesses. According to the legislators, this well-known presence of cash poses a serious safety risk which invites theft, robberies, burglaries, and even murder.

According to the legislators, the current value of marijuana sales is estimated at \$17.7 billion, most of which remains unbanked. As of January 2021, the legal cannabis industry supports 321,000 jobs across the country and job growth in the industry is projected to climb approximately 250 percent over the next decade. Allowing these businesses to have access to banking services will not only make the industry safer, but will also give financial institutions an infusion of cash to aid in the economic recovery due to the coronavirus pandemic.

SAFE Banking Act. The current version of the bill would provide protections from money laundering laws for any proceeds derived from legal marijuana businesses. Getting this cash off the street is crucial, said the legislators, as the financial system is built to root out fraud and illicit activity. The bill would also include protections for hemp and hemp-derived CBD related businesses, which have struggled to access financial services, despite the legalization of hemp in 2018. The 2021 version of the SAFE Banking Act has been updated to make technical changes to the safe harbor rule, strengthened hemp provisions, and other technical updates.

In the previous session of Congress, the SAFE Banking Act was introduced with 206 cosponsors and passed by a bipartisan vote of 321 to 103, with 91 Republicans and one Independent voting for the measure. The American Bankers Association recently renewed its support for the bill (see [Banking and Finance Law Daily](#), March 18, 2021).

Companies: American Bankers Association

LegislativeActivity: BankingOperations BankSecrecyAct CommunityDevelopment Covid19 CrimesOffenses
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