

Banking and Finance Law Daily Wrap Up, TOP STORY—House passes SAFE Banking Act, (Apr. 20, 2021)

Banking and Finance Law Daily Wrap Up

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The legislation, which provides a safe harbor for banks that provide banking services to legitimate cannabis-related businesses, received overwhelming bipartisan support.

The House of Representatives has passed the Secure and Fair Enforcement (SAFE) Banking Act of 2021 ([H.R. 1996](#)), which would allow marijuana-related businesses in states with some form of legalized marijuana and strict regulatory structures to access the banking system. The legislation was authored by Rep. Ed Perlmutter (D-Colo) and sponsored by Reps. Nydia M. Velazquez (D-NY), Steve Stivers (R-Ohio), and Warren Davidson (R-Ohio). The bill passed on a bipartisan basis by a [vote of 321 to 101](#) that included 106 Republicans voting in favor of the legislation.

"This bill would finally allow business in states that have legalized cannabis to access to the banking system, just as any other business currently enjoys," Perlmutter [said](#). "Doing so will help create jobs in communities throughout America, while stimulating the economy as we recover from the fallout of the pandemic."

The SAFE Banking Act provides protections from money laundering laws for any proceeds derived from lawful marijuana businesses and also includes protections for hemp and hemp-derived CBD related businesses. Perlmutter pointed out that, in the 116th Congress, the SAFE Banking Act similarly passed the House with broad bipartisan support and that the bill also passed as part of the Heroes Act, an earlier COVID-19 relief package. The current bill was reintroduced in the House last month (see [Banking and Finance Law Daily](#), March 19, 2021) and includes minor technical changes to the safe harbor, strengthened hemp provisions, and other technical updates.

The American Bankers Association released a [statement](#) applauding the bill's passage stating that "[t]he bill will help banks meet the needs of their communities while reducing cash-motivated crimes, increasing the efficiency of tax collections and improving the financial transparency of the cannabis industry."

Companies: American Bankers Association

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