



U.S. House Passes CBAI Advocated SAFE Banking Act

On Wednesday, the United States House of Representatives passed the SAFE Banking Act (H.R. 1595) by a strong bipartisan majority (321 to 103). Every Democrat in the Illinois U.S. House Delegation was joined by Republicans Rodney Davis (an early and welcomed cosponsor), Mike Bost and Adam Kinzinger in voting to pass the bill.



This legislation contains a legal safe harbor for banks which voluntarily provide financial services to cannabis-related businesses in states where it is legal. While some banks may not have an interest in serving the medical or recreational cannabis market, this legislation is still important because it affects anyone who serves farmers or processors of industrial hemp. This legislation also covers the ancillary businesses related to cannabis, such as the landscape company that mows the lawn in front of a dispensary. Therefore, this legislation will potentially benefit every CBAI member bank, whether they directly serve cannabis related businesses or not.

The United States Senate has its own version of the SAFE Act on which both of our Senators (Durbin and Duckworth) are cosponsors. This bill has not yet passed the Senate. However, the Senate Banking Committee Chairman (Mike Crapo (R-ID) has steadily moved in our direction over the past few months. Initially he would not commit to make any progress on the issue; now he is expected to draft his own version of the legislation for consideration.

CBAI strongly supports this effort and thanks the many Illinois community bankers who have advocated for a safe harbor for banks to voluntarily provide financial services to cannabis related business in states where it is legal.