

## SAFE Banking Act Passes House - *NJ Cannabis Blog*

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On September 25, 2019, the House of Representatives overwhelmingly voted in favor of HR 1595, the SAFE Banking Act. Representatives voted 321 to 103 in favor of the bill, with broad support from both Democrats and Republicans.

If enacted into law, the SAFE Banking Act would allow financial institutions to provide customary banking services to the cannabis industry.

Under current federal law, because cannabis related activity is federally illegal, most financial institutions have not provided traditional banking services to the cannabis industry to avoid being complicit in money laundering and similar violations of federal law. This has left the cannabis industry to operate largely on an all cash basis. These cash businesses are less transparent, more difficult to audit, and the large quantities of cash place cannabis businesses and their employees at risk of harm. During this past year, numerous groups have lobbied Congress to take action to solve this financial problem plaguing the cannabis industry.

The Senate leadership has indicated it will consider similar legislation, but it is unlikely to be voted on as a stand alone bill as done by the House today.

This action by the House comes as welcome news to cannabis businesses and to the many financial institutions looking to finally begin providing banking services to this booming industry.