



The SAFE Banking Act of 2019

Action Requested Support the SAFE Banking Act of 2019 (H.R. 1595) as reintroduced and amended by Rep. Perlmutter (D-07) in the 116th Congress.

Bill Overview The Secure and Fair Enforcement Banking Act of 2019 (“SAFE Banking Act”) would provide a “safe harbor” and additional protections for depository institutions that provide a “financial product or service” to a covered cannabis or affiliated business and (1) require federal banking regulators to file annual reports to Congress on access to financial services for minority-owned businesses and (2) require GAO to conduct a study into barriers to entry for minority-owned cannabis businesses.

Background The financial and practical hardships facing legal cannabis businesses disproportionately affect minority business owners. Without access to capital from traditional financial institutions, minorities are often left without access funding necessary to participate in the legal cannabis market. Others, including many state equity licensees, fall prey to predatory business arrangements in desperate bids to secure the capital necessary to maintain and operate their businesses.

Additionally, with limited access to banking services, cash transactions create a dangerous burden on consumers, employees, business owners, and their communities magnified in vulnerable communities with limited resources and inconsistent law enforcement.

Financial institutions serving legitimate cannabis businesses need a permanent safe harbor that protects them from unfair penalties. In addition to providing such a safe harbor, the study and reporting requirements of SAFE Banking Act would provide additional oversight to help stem the growth of inequities within the industry due to financial and practical barriers to entry and from unequal access to capital.

Summary MCBA asks you to support this bill that would provide a safe harbor for financial institutions that provide products and services to the legal cannabis industry and helps ensure equitable access to financial services through annual reporting and study requirements.

For more information please contact: amber@minoritycannabis.org

About the Minority Cannabis Business Association

MCBA is the voice of the minority cannabis industry and our communities. Our mission is to create equal access for cannabis businesses and promote economic empowerment for communities of color by creating policy considerations, social programming, and outreach initiatives to achieve equity for the communities most affected by the war on drugs.