

Senate committee led by Sherrod Brown signs off on marijuana banking bill

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WASHINGTON, D. C. - The U.S. Senate's banking committee, chaired by Ohio's Sherrod Brown, on Wednesday signed off on legislation that would let cannabis companies access the banking system, the furthest such legislation has ever gone in the U.S. Senate.

The legislation, introduced by Oregon Democrat Jeff Merkley and Montana Republican Steve Daines, would let financial institutions do business with the legal cannabis industry without running afoul of federal laws that currently block their access because the federal government considers marijuana illegal.

It cleared the committee in a 14-9 vote. Most Republicans on the committee – including Ohio's JD Vance – opposed the measure, and most Democrats supported it.

In remarks before the bill was considered, Brown said that because marijuana businesses have to operate on an all-cash basis, their employees become robbery targets and also face challenges proving their income when trying to rent a home or apply for a mortgage.

"Cannabis banking is just one part of the necessary conversation about marijuana policy," said Brown, a Cleveland Democrat. "There is still much work to be done to acknowledge and mend the damage done by the war on drugs, work to make sure everyone – including our veterans – has access to the medicine they need and allow medical and scientific research on cannabis."

Daines told the committee he opposes legalizing or decriminalizing marijuana, but said the Safer Banking Act the committee approved is not about that, or even a step in that direction.

"This bill is about public safety, first and foremost," Daines continued. "The current all-cash model of legal cannabis businesses makes them targets for theft, for tax evasion and for organized crime. The key to addressing this risk is by ensuring that all legal businesses have access to the banking system."

Merkley, said the cannabis industry supports 428,000 jobs around the country, and accounts for \$25 billion in retail sales. Thirty-seven states, including Ohio, have legal

cannabis for medicinal purposes and 21 allow it recreationally. An initiative to legalize recreational use of marijuana [will be on Ohio's November ballot](#).

Several [Republicans said they'd oppose the bill](#) on the Senate floor because the federal government regards marijuana as illegal, and the drug's use is associated with psychosis, motor vehicle accidents, respiratory problems and low birth weight. "This legislation, I believe, really is opening up a can of worms," said South Dakota Republican Mike Rounds, who said it would give "special protections to businesses conducting a federally illicit activity, protections that legal businesses simply do not enjoy."

Versions of the bill have passed the House of Representatives seven times in past congressional sessions, but never progressed in the Senate. A statement from the National Cannabis Industry Association said the committee vote would clear a path for a floor vote in the Senate.

"This uniquely bipartisan legislation has the potential to save lives and help small businesses; it's time for Congress to get it to the president's desk without further delay," said Aaron Smith, the association's CEO.

The organization noted that the U.S. Department of Health and Human Services and the Food and Drug Administration last month made an official recommendation to move cannabis from Schedule I to Schedule III status in the federal Controlled Substances Act, but said that change would not affect the industry's current banking situation.

The bill's House of Representatives counterpart is cosponsored by South Russell GOP Rep. Dave Joyce and Oregon Democrat Earl Blumenauer. They released a joint statement that said the legislation would "save lives and livelihoods

"The overwhelming majority of Americans live in a state where cannabis is legal in some form," their statement said. "It is common sense and an urgent matter of public safety that these legitimate cannabis businesses have access to standard banking services."