

Senator's Attempt to Add Cannabis Banking Bill Fails

Democratic Senator's Attempt to Attach Marijuana Banking Provision to Financial Bill Fails in Committee Vote

A Democratic senator unsuccessfully attempted to attach a key provision of a marijuana banking bill—but not one that would've directly improved cannabis industry access to financial services—to a broader bill addressing debanking concerns.

During a Senate Banking Committee markup session, Sen. Jack Reed (D-RI) proposed an amendment to integrate Section 10 of the Secure and Fair Enforcement Regulation (SAFER) Banking Act into the Financial Integrity and Regulation Management (FIRM) Act. This section broadly aims to prevent banking regulators from targeting certain controversial businesses, such as firearm industry players, rather than directly benefiting cannabis businesses.

Committee Rejects Amendment in a Party-Line Vote

Reed defended the amendment, stating that it would introduce “guardrails around the regulators’ use of reputational risk, without eliminating the concept entirely” and would “prevent debanking in a responsible way.” However, the proposal failed in a party-line vote of 13-11.

For cannabis industry advocates, disappointment extended beyond the failed amendment. Many were frustrated that no senator attempted to integrate the full SAFER Banking Act into the FIRM Act, especially given the bill’s relevance to the debanking issue.

“While I’m disappointed no one offered a SAFE Banking amendment to this very germane legislation, I’m equally disappointed in the industry advocates that didn’t make it happen,” said Don Murphy, co-founder of the American Cannabis Collective.

Longstanding Frustrations Over Cannabis Banking Reform Persist

The failure to pass cannabis banking reform last session, despite Democratic control of Congress, remains a sore point. The standalone SAFER Banking Act advanced through the Senate Banking Committee in late 2023 but never reached the Senate floor. Earlier versions had passed the House multiple times.

On the House side, a Republican lawmaker recently expressed optimism about advancing the cannabis banking bill this session, arguing that current financial barriers represent a “second tier” of prohibition. The issue was also raised in multiple congressional hearings last month, with bipartisan concern over the lack of financial services access for marijuana businesses. One GOP senator suggested a broader examination of federal cannabis policies might be necessary.

Federal-State Conflict Complicates Marijuana Banking Debate

A recent congressional research report highlighted how cannabis industry banking challenges “sit at the nexus” of state and federal policy conflicts, complicating reform efforts. While the SAFE Banking Act is expected to be reintroduced, a spokesperson for Rep. Dave Joyce (R-OH) indicated that its filing is “not imminent.”

The shift in congressional control adds uncertainty, as Republican leadership has historically opposed even modest cannabis reform. However, some remain hopeful that financial services protections for the cannabis industry could gain traction, particularly given former President Donald Trump’s recent endorsement of the measure during his campaign.

Growing Pressure on Lawmakers Amid Industry Challenges

Despite setbacks, pressure is mounting for lawmakers to address cannabis banking issues. The Government Accountability Office (GAO) announced in December that it is gathering input from marijuana businesses to assess their financial service challenges.

Additionally, the Congressional Budget Office (CBO) recently analyzed the potential economic impact of the SAFER Banking Act, projecting a significant increase in federally insured deposits from cannabis businesses if financial institutions gain protection to serve the industry.

Meanwhile, JPMorgan Chase CEO Jamie Dimon recently stated that the financial giant “probably would” start servicing cannabis businesses if federal law allowed it. The statement underscores the growing demand for banking reform and the ongoing policy debate over the financial barriers facing the legal cannabis industry.

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