



National Association of Attorneys General

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AGs Urge Congress to Pass the SAFE Banking Act

Washington, D.C. --- The [National Association of Attorneys General](http://naag.org) (NAAG) has sent a letter to congressional leadership, urging them to pass the SAFE Banking Act. The bipartisan SAFE Banking Act would protect financial institutions that provide services to companies in the marijuana industry. Although the use of marijuana, both recreationally and medically, is legal in some states and territories, banks may still be held liable by the federal government under the Controlled Substances Act.

The letter, which is not an endorsement of any state or territory's approach to the legalization of marijuana-related transactions, outlines that the states, territories and federal government share an interest in protecting public safety and bringing grey market activities into the regulated banking sector.

In their letter, 38 state and territory attorneys general, "request that Congress advance the SAFE Banking Act or similar legislation that would provide a safe harbor for depository institutions that provide a financial product or service to a covered business in a state that has implemented laws and regulations that ensure accountability in the marijuana industry. An effective safe harbor would bring billions of dollars into the banking sector, enabling law enforcement; federal, state and local tax agencies; and cannabis regulators in 33 states and several territories to more effectively monitor cannabis businesses and their transactions."

Many businesses in the marijuana industry use cash, making it more difficult to track revenues for taxation and regulatory compliance purposes.

The letter concludes, "Our banking system must be flexible enough to address the needs of businesses in the various states, with state input, while protecting the interests of the federal government. This includes a banking system for marijuana-related businesses that is both responsive and effective in meeting the demands of our economy."

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[The National Association of Attorneys General](#) (NAAG) was founded in 1907 to help attorneys general fulfill the responsibilities of their office and to assist in the delivery of high-quality legal services to the states and territorial jurisdictions.