

116TH CONGRESS
1ST SESSION

H. R. 1595

AN ACT

To create protections for depository institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; PURPOSE.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Secure And Fair Enforcement Banking Act of 2019” or
4 the “SAFE Banking Act of 2019”.

5 (b) PURPOSE.—The purpose of this Act is to increase
6 public safety by ensuring access to financial services to
7 cannabis-related legitimate businesses and service pro-
8 viders and reducing the amount of cash at such busi-
9 nesses.

10 **SEC. 2. SAFE HARBOR FOR DEPOSITORY INSTITUTIONS.**

11 (a) IN GENERAL.—A Federal banking regulator may
12 not—

13 (1) terminate or limit the deposit insur-
14 ance or share insurance of a depository institu-
15 tion under the Federal Deposit Insurance Act
16 (12 U.S.C. 1811 et seq.), the Federal Credit
17 Union Act (12 U.S.C. 1751 et seq.), or take
18 any other adverse action against a depository
19 institution under section 8 of the Federal De-
20 posit Insurance Act (12 U.S.C. 1818) solely be-
21 cause the depository institution provides or has
22 provided financial services to a cannabis-related
23 legitimate business or service provider;

24 (2) prohibit, penalize, or otherwise discour-
25 age a depository institution from providing fi-
26 nancial services to a cannabis-related legitimate

1 business or service provider or to a State, polit-
2 ical subdivision of a State, or Indian Tribe that
3 exercises jurisdiction over cannabis-related le-
4 gitimate businesses;

5 (3) recommend, incentivize, or encourage a
6 depository institution not to offer financial serv-
7 ices to an account holder, or to downgrade or
8 cancel the financial services offered to an ac-
9 count holder solely because—

10 (A) the account holder is a cannabis-
11 related legitimate business or service pro-
12 vider, or is an employee, owner, or oper-
13 ator of a cannabis-related legitimate busi-
14 ness or service provider;

15 (B) the account holder later becomes
16 an employee, owner, or operator of a can-
17 nabis-related legitimate business or service
18 provider; or

19 (C) the depository institution was not
20 aware that the account holder is an em-
21 ployee, owner, or operator of a cannabis-re-
22 lated legitimate business or service pro-
23 vider;

24 (4) take any adverse or corrective super-
25 visory action on a loan made to—

1 (A) a cannabis-related legitimate busi-
2 ness or service provider, solely because the
3 business is a cannabis-related legitimate
4 business or service provider;

5 (B) an employee, owner, or operator
6 of a cannabis-related legitimate business or
7 service provider, solely because the em-
8 ployee, owner, or operator is employed by,
9 owns, or operates a cannabis-related legiti-
10 mate business or service provider, as appli-
11 cable; or

12 (C) an owner or operator of real es-
13 tate or equipment that is leased to a can-
14 nabis-related legitimate business or service
15 provider, solely because the owner or oper-
16 ator of the real estate or equipment leased
17 the equipment or real estate to a cannabis-
18 related legitimate business or service pro-
19 vider, as applicable; or

20 (5) prohibit or penalize a depository insti-
21 tution (or entity performing a financial service
22 for or in association with a depository institu-
23 tion) for, or otherwise discourage a depository
24 institution (or entity performing a financial
25 service for or in association with a depository

1 institution) from, engaging in a financial service
2 for a cannabis-related legitimate business or
3 service provider.

4 (b) SAFE HARBOR APPLICABLE TO DE NOVO INSTI-
5 TUTIONS.—Subsection (a) shall apply to an institution ap-
6 plying for a depository institution charter to the same ex-
7 tent as such subsection applies to a depository institution.

8 **SEC. 3. PROTECTIONS FOR ANCILLARY BUSINESSES.**

9 For the purposes of sections 1956 and 1957 of title
10 18, United States Code, and all other provisions of Fed-
11 eral law, the proceeds from a transaction involving activi-
12 ties of a cannabis-related legitimate business or service
13 provider shall not be considered proceeds from an unlawful
14 activity solely because—

15 (1) the transaction involves proceeds from a
16 cannabis-related legitimate business or service pro-
17 vider; or

18 (2) the transaction involves proceeds from—

19 (A) cannabis-related activities described in
20 section 14(4)(B) conducted by a cannabis-re-
21 lated legitimate business; or

22 (B) activities described in section
23 14(13)(A) conducted by a service provider.

1 **SEC. 4. PROTECTIONS UNDER FEDERAL LAW.**

2 (a) IN GENERAL.—With respect to providing a finan-
3 cial service to a cannabis-related legitimate business or
4 service provider within a State, political subdivision of a
5 State, or Indian country that allows the cultivation, pro-
6 duction, manufacture, sale, transportation, display, dis-
7 pensing, distribution, or purchase of cannabis pursuant to
8 a law or regulation of such State, political subdivision, or
9 Indian Tribe that has jurisdiction over the Indian country,
10 as applicable, a depository institution, entity performing
11 a financial service for or in association with a depository
12 institution, or insurer that provides a financial service to
13 a cannabis-related legitimate business or service provider,
14 and the officers, directors, and employees of that deposi-
15 tory institution, entity, or insurer may not be held liable
16 pursuant to any Federal law or regulation—

17 (1) solely for providing such a financial service;

18 or

19 (2) for further investing any income derived
20 from such a financial service.

21 (b) PROTECTIONS FOR FEDERAL RESERVE BANKS
22 AND FEDERAL HOME LOAN BANKS.—With respect to
23 providing a service to a depository institution that pro-
24 vides a financial service to a cannabis-related legitimate
25 business or service provider (where such financial service
26 is provided within a State, political subdivision of a State,

1 or Indian country that allows the cultivation, production,
2 manufacture, sale, transportation, display, dispensing, dis-
3 tribution, or purchase of cannabis pursuant to a law or
4 regulation of such State, political subdivision, or Indian
5 Tribe that has jurisdiction over the Indian country, as ap-
6 plicable), a Federal reserve bank or Federal Home Loan
7 Bank, and the officers, directors, and employees of the
8 Federal reserve bank or Federal Home Loan Bank, may
9 not be held liable pursuant to any Federal law or regula-
10 tion—

11 (1) solely for providing such a service; or

12 (2) for further investing any income derived
13 from such a service.

14 (c) PROTECTIONS FOR INSURERS.—With respect to
15 engaging in the business of insurance within a State, polit-
16 ical subdivision of a State, or Indian country that allows
17 the cultivation, production, manufacture, sale, transpor-
18 tation, display, dispensing, distribution, or purchase of
19 cannabis pursuant to a law or regulation of such State,
20 political subdivision, or Indian Tribe that has jurisdiction
21 over the Indian country, as applicable, an insurer that en-
22 gages in the business of insurance with a cannabis-related
23 legitimate business or service provider or who otherwise
24 engages with a person in a transaction permissible under
25 State law related to cannabis, and the officers, directors,

1 and employees of that insurer may not be held liable pur-
2 suant to any Federal law or regulation—

3 (1) solely for engaging in the business of insur-
4 ance; or

5 (2) for further investing any income derived
6 from the business of insurance.

7 (d) FORFEITURE.—

8 (1) DEPOSITORY INSTITUTIONS.—A depository
9 institution that has a legal interest in the collateral
10 for a loan or another financial service provided to an
11 owner, employee, or operator of a cannabis-related
12 legitimate business or service provider, or to an
13 owner or operator of real estate or equipment that
14 is leased or sold to a cannabis-related legitimate
15 business or service provider, shall not be subject to
16 criminal, civil, or administrative forfeiture of that
17 legal interest pursuant to any Federal law for pro-
18 viding such loan or other financial service.

19 (2) FEDERAL RESERVE BANKS AND FEDERAL
20 HOME LOAN BANKS.—A Federal reserve bank or
21 Federal Home Loan Bank that has a legal interest
22 in the collateral for a loan or another financial serv-
23 ice provided to a depository institution that provides
24 a financial service to a cannabis-related legitimate
25 business or service provider, or to an owner or oper-

1 ator of real estate or equipment that is leased or
2 sold to a cannabis-related legitimate business or
3 service provider, shall not be subject to criminal,
4 civil, or administrative forfeiture of that legal inter-
5 est pursuant to any Federal law for providing such
6 loan or other financial service.

7 **SEC. 5. RULES OF CONSTRUCTION.**

8 (a) **NO REQUIREMENT TO PROVIDE FINANCIAL**
9 **SERVICES.**—Nothing in this Act shall require a depository
10 institution, entity performing a financial service for or in
11 association with a depository institution, or insurer to pro-
12 vide financial services to a cannabis-related legitimate
13 business, service provider, or any other business.

14 (b) **GENERAL EXAMINATION, SUPERVISORY, AND**
15 **ENFORCEMENT AUTHORITY.**—Nothing in this Act may be
16 construed in any way as limiting or otherwise restricting
17 the general examination, supervisory, and enforcement au-
18 thority of the Federal banking regulators, provided that
19 the basis for any supervisory or enforcement action is not
20 the provision of financial services to a cannabis-related le-
21 gitimate business or service provider.

22 **SEC. 6. REQUIREMENTS FOR FILING SUSPICIOUS ACTIVITY**
23 **REPORTS.**

24 Section 5318(g) of title 31, United States Code, is
25 amended by adding at the end the following:

1 “(5) REQUIREMENTS FOR CANNABIS-RELATED
2 LEGITIMATE BUSINESSES.—

3 “(A) IN GENERAL.—With respect to a fi-
4 nancial institution or any director, officer, em-
5 ployee, or agent of a financial institution that
6 reports a suspicious transaction pursuant to
7 this subsection, if the reason for the report re-
8 lates to a cannabis-related legitimate business
9 or service provider, the report shall comply with
10 appropriate guidance issued by the Financial
11 Crimes Enforcement Network. The Secretary
12 shall ensure that the guidance is consistent with
13 the purpose and intent of the SAFE Banking
14 Act of 2019 and does not significantly inhibit
15 the provision of financial services to a cannabis-
16 related legitimate business or service provider in
17 a State, political subdivision of a State, or In-
18 dian country that has allowed the cultivation,
19 production, manufacture, transportation, dis-
20 play, dispensing, distribution, sale, or purchase
21 of cannabis pursuant to law or regulation of
22 such State, political subdivision, or Indian
23 Tribe that has jurisdiction over the Indian
24 country.

1 “(B) DEFINITIONS.—For purposes of this
2 paragraph:

3 “(i) CANNABIS.—The term ‘cannabis’
4 has the meaning given the term ‘mari-
5 huana’ in section 102 of the Controlled
6 Substances Act (21 U.S.C. 802).

7 “(ii) CANNABIS-RELATED LEGITIMATE
8 BUSINESS.—The term ‘cannabis-related le-
9 gitimate business’ has the meaning given
10 that term in section 14 of the SAFE
11 Banking Act of 2019.

12 “(iii) INDIAN COUNTRY.—The term
13 ‘Indian country’ has the meaning given
14 that term in section 1151 of title 18.

15 “(iv) INDIAN TRIBE.—The term ‘In-
16 dian Tribe’ has the meaning given that
17 term in section 102 of the Federally Rec-
18 ognized Indian Tribe List Act of 1994 (25
19 U.S.C. 479a).

20 “(v) FINANCIAL SERVICE.—The term
21 ‘financial service’ has the meaning given
22 that term in section 14 of the SAFE
23 Banking Act of 2019.

24 “(vi) SERVICE PROVIDER.—The term
25 ‘service provider’ has the meaning given

1 that term in section 14 of the SAFE
2 Banking Act of 2019.

3 “(vii) STATE.—The term ‘State’
4 means each of the several States, the Dis-
5 trict of Columbia, Puerto Rico, and any
6 territory or possession of the United
7 States.”.

8 **SEC. 7. GUIDANCE AND EXAMINATION PROCEDURES.**

9 Not later than 180 days after the date of enactment
10 of this Act, the Financial Institutions Examination Coun-
11 cil shall develop uniform guidance and examination proce-
12 dures for depository institutions that provide financial
13 services to cannabis-related legitimate businesses and
14 service providers.

15 **SEC. 8. ANNUAL DIVERSITY AND INCLUSION REPORT.**

16 The Federal banking regulators shall issue an annual
17 report to Congress containing—

18 (1) information and data on the availability of
19 access to financial services for minority-owned and
20 women-owned cannabis-related legitimate businesses;
21 and

22 (2) any regulatory or legislative recommenda-
23 tions for expanding access to financial services for
24 minority-owned and women-owned cannabis-related
25 legitimate businesses.

1 **SEC. 9. GAO STUDY ON DIVERSITY AND INCLUSION.**

2 (a) STUDY.—The Comptroller General of the United
3 States shall carry out a study on the barriers to market-
4 place entry, including in the licensing process, and the ac-
5 cess to financial services for potential and existing minor-
6 ity-owned and women-owned cannabis-related legitimate
7 businesses.

8 (b) REPORT.—The Comptroller General shall issue a
9 report to the Congress—

10 (1) containing all findings and determinations
11 made in carrying out the study required under sub-
12 section (a); and

13 (2) containing any regulatory or legislative rec-
14 ommendations for removing barriers to marketplace
15 entry, including in the licensing process, and ex-
16 panding access to financial services for potential and
17 existing minority-owned and women-owned cannabis-
18 related legitimate businesses.

19 **SEC. 10. GAO STUDY ON EFFECTIVENESS OF CERTAIN RE-**
20 **PORTS ON FINDING CERTAIN PERSONS.**

21 Not later than 2 years after the date of the enact-
22 ment of this Act, the Comptroller General of the United
23 States shall carry out a study on the effectiveness of re-
24 ports on suspicious transactions filed pursuant to section
25 5318(g) of title 31, United States Code, at finding individ-
26 uals or organizations suspected or known to be engaged

1 with transnational criminal organizations and whether any
2 such engagement exists in a State, political subdivision,
3 or Indian Tribe that has jurisdiction over Indian country
4 that allows the cultivation, production, manufacture, sale,
5 transportation, display, dispensing, distribution, or pur-
6 chase of cannabis. The study shall examine reports on sus-
7 picious transactions as follows:

8 (1) During the period of 2014 until the date of
9 the enactment of this Act, reports relating to mari-
10 juana-related businesses.

11 (2) During the 1-year period after date of the
12 enactment of this Act, reports relating to cannabis-
13 related legitimate businesses.

14 **SEC. 11. BANKING SERVICES FOR HEMP BUSINESSES.**

15 (a) FINDINGS.—The Congress finds that—

16 (1) the Agriculture Improvement Act of 2018
17 (Public Law 115–334) legalized hemp by removing
18 it from the definition of “marihuana” under the
19 Controlled Substances Act;

20 (2) despite the legalization of hemp, some hemp
21 businesses (including producers, manufacturers, and
22 retailers) continue to have difficulty gaining access
23 to banking products and services; and

1 (3) businesses involved in the sale of hemp-de-
2 rived cannabidiol (“CBD”) products are particularly
3 affected, due to confusion about their legal status.

4 (b) FEDERAL BANKING REGULATOR HEMP BANKING
5 GUIDANCE.—Not later than the end of the 90-day period
6 beginning on the date of enactment of this Act, the Fed-
7 eral banking regulators shall jointly issue guidance to fi-
8 nancial institutions—

9 (1) confirming the legality of hemp, hemp-de-
10 rived CBD products, and other hemp-derived
11 cannabinoid products, and the legality of engaging
12 in financial services with businesses selling hemp,
13 hemp-derived CBD products, and other hemp-de-
14 rived cannabinoid products, after the enactment of
15 the Agriculture Improvement Act of 2018; and

16 (2) to provide recommended best practices for
17 financial institutions to follow when providing finan-
18 cial services and merchant processing services to
19 businesses involved in the sale of hemp, hemp-de-
20 rived CBD products, and other hemp-derived
21 cannabinoid products.

22 (c) FINANCIAL INSTITUTION DEFINED.—In this sec-
23 tion, the term “financial institution” means any person
24 providing financial services.

1 **SEC. 12. APPLICATION OF SAFE HARBORS TO HEMP AND**
2 **CBD PRODUCTS.**

3 (a) IN GENERAL.—Except as provided under sub-
4 section (b), the provisions of this Act (other than sections
5 6 and 10) shall apply to hemp (including hemp-derived
6 cannabidiol and other hemp-derived cannabinoid products)
7 in the same manner as such provisions apply to cannabis.

8 (b) RULE OF APPLICATION.—In applying the provi-
9 sions of this Act described under subsection (a) to hemp,
10 the definition of “cannabis-related legitimate business”
11 shall be treated as excluding any requirement to engage
12 in activity pursuant to the law of a State or political sub-
13 division thereof.

14 (c) HEMP DEFINED.—In this section, the term
15 “hemp” has the meaning given that term under section
16 297A of the Agricultural Marketing Act of 1946 (7 U.S.C.
17 1639o).

18 **SEC. 13. REQUIREMENTS FOR DEPOSIT ACCOUNT TERMI-**
19 **NATION REQUESTS AND ORDERS.**

20 (a) TERMINATION REQUESTS OR ORDERS MUST BE
21 VALID.—

22 (1) IN GENERAL.—An appropriate Federal
23 banking agency may not formally or informally re-
24 quest or order a depository institution to terminate
25 a specific customer account or group of customer ac-
26 counts or to otherwise restrict or discourage a de-

1 pository institution from entering into or maintain-
2 ing a banking relationship with a specific customer
3 or group of customers unless—

4 (A) the agency has a valid reason for such
5 request or order; and

6 (B) such reason is not based solely on rep-
7 utation risk.

8 (2) TREATMENT OF NATIONAL SECURITY
9 THREATS.—If an appropriate Federal banking agen-
10 cy believes a specific customer or group of customers
11 is, or is acting as a conduit for, an entity which—

12 (A) poses a threat to national security;

13 (B) is involved in terrorist financing;

14 (C) is an agency of the Government of
15 Iran, North Korea, Syria, or any country listed
16 from time to time on the State Sponsors of
17 Terrorism list;

18 (D) is located in, or is subject to the juris-
19 diction of, any country specified in subpara-
20 graph (C); or

21 (E) does business with any entity described
22 in subparagraph (C) or (D), unless the appro-
23 priate Federal banking agency determines that
24 the customer or group of customers has used

1 due diligence to avoid doing business with any
2 entity described in subparagraph (C) or (D),
3 such belief shall satisfy the requirement under para-
4 graph (1).

5 (b) NOTICE REQUIREMENT.—

6 (1) IN GENERAL.—If an appropriate Federal
7 banking agency formally or informally requests or
8 orders a depository institution to terminate a spe-
9 cific customer account or a group of customer ac-
10 counts, the agency shall—

11 (A) provide such request or order to the
12 institution in writing; and

13 (B) accompany such request or order with
14 a written justification for why such termination
15 is needed, including any specific laws or regula-
16 tions the agency believes are being violated by
17 the customer or group of customers, if any.

18 (2) JUSTIFICATION REQUIREMENT.—A jus-
19 tification described under paragraph (1)(B) may not
20 be based solely on the reputation risk to the deposi-
21 tory institution.

22 (c) CUSTOMER NOTICE.—

23 (1) NOTICE REQUIRED.—Except as provided
24 under paragraph (2) or as otherwise prohibited from
25 being disclosed by law, if an appropriate Federal

1 banking agency orders a depository institution to
2 terminate a specific customer account or a group of
3 customer accounts, the depository institution shall
4 inform the specific customer or group of customers
5 of the justification for the customer's account termi-
6 nation described under subsection (b).

7 (2) NOTICE PROHIBITED.—

8 (A) NOTICE PROHIBITED IN CASES OF NA-
9 TIONAL SECURITY.—If an appropriate Federal
10 banking agency requests or orders a depository
11 institution to terminate a specific customer ac-
12 count or a group of customer accounts based on
13 a belief that the customer or customers pose a
14 threat to national security, or are otherwise de-
15 scribed under subsection (a)(2), neither the de-
16 pository institution nor the appropriate Federal
17 banking agency may inform the customer or
18 customers of the justification for the customer's
19 account termination.

20 (B) NOTICE PROHIBITED IN OTHER
21 CASES.—If an appropriate Federal banking
22 agency determines that the notice required
23 under paragraph (1) may interfere with an au-
24 thorized criminal investigation, neither the de-
25 pository institution nor the appropriate Federal

1 banking agency may inform the specific cus-
2 tomer or group of customers of the justification
3 for the customer’s account termination.

4 (d) REPORTING REQUIREMENT.—Each appropriate
5 Federal banking agency shall issue an annual report to
6 the Congress stating—

7 (1) the aggregate number of specific customer
8 accounts that the agency requested or ordered a de-
9 pository institution to terminate during the previous
10 year; and

11 (2) the legal authority on which the agency re-
12 lied in making such requests and orders and the fre-
13 quency on which the agency relied on each such au-
14 thority.

15 (e) DEFINITIONS.—For purposes of this section:

16 (1) APPROPRIATE FEDERAL BANKING AGEN-
17 CY.—The term “appropriate Federal banking agen-
18 cy” means—

19 (A) the appropriate Federal banking agen-
20 cy, as defined under section 3 of the Federal
21 Deposit Insurance Act (12 U.S.C. 1813); and

22 (B) the National Credit Union Administra-
23 tion, in the case of an insured credit union.

24 (2) DEPOSITORY INSTITUTION.—The term “de-
25 pository institution” means—

1 (A) a depository institution, as defined
2 under section 3 of the Federal Deposit Insur-
3 ance Act (12 U.S.C. 1813); and

4 (B) an insured credit union.

5 **SEC. 14. DEFINITIONS.**

6 In this Act:

7 (1) BUSINESS OF INSURANCE.—The term
8 “business of insurance” has the meaning given such
9 term in section 1002 of the Dodd-Frank Wall Street
10 Reform and Consumer Protection Act (12 U.S.C.
11 5481).

12 (2) CANNABIS.—The term “cannabis” has the
13 meaning given the term “marihuana” in section 102
14 of the Controlled Substances Act (21 U.S.C. 802).

15 (3) CANNABIS PRODUCT.—The term “cannabis
16 product” means any article which contains cannabis,
17 including an article which is a concentrate, an edi-
18 ble, a tincture, a cannabis-infused product, or a top-
19 ical.

20 (4) CANNABIS-RELATED LEGITIMATE BUSI-
21 NESS.—The term “cannabis-related legitimate busi-
22 ness” means a manufacturer, producer, or any per-
23 son or company that—

24 (A) engages in any activity described in
25 subparagraph (B) pursuant to a law established

1 by a State or a political subdivision of a State,
2 as determined by such State or political subdivi-
3 sion; and

4 (B) participates in any business or orga-
5 nized activity that involves handling cannabis or
6 cannabis products, including cultivating, pro-
7 ducing, manufacturing, selling, transporting,
8 displaying, dispensing, distributing, or pur-
9 chasing cannabis or cannabis products.

10 (5) DEPOSITORY INSTITUTION.—The term “de-
11 pository institution” means—

12 (A) a depository institution as defined in
13 section 3(c) of the Federal Deposit Insurance
14 Act (12 U.S.C. 1813(c));

15 (B) a Federal credit union as defined in
16 section 101 of the Federal Credit Union Act
17 (12 U.S.C. 1752); or

18 (C) a State credit union as defined in sec-
19 tion 101 of the Federal Credit Union Act (12
20 U.S.C. 1752).

21 (6) FEDERAL BANKING REGULATOR.—The
22 term “Federal banking regulator” means each of the
23 Board of Governors of the Federal Reserve System,
24 the Bureau of Consumer Financial Protection, the
25 Federal Deposit Insurance Corporation, the Federal

1 Housing Finance Agency, the Financial Crimes En-
2 forcement Network, the Office of Foreign Asset
3 Control, the Office of the Comptroller of the Cur-
4 rency, the National Credit Union Administration,
5 the Department of the Treasury, or any Federal
6 agency or department that regulates banking or fi-
7 nancial services, as determined by the Secretary of
8 the Treasury.

9 (7) FINANCIAL SERVICE.—The term “financial
10 service”—

11 (A) means a financial product or service,
12 as defined in section 1002 of the Dodd-Frank
13 Wall Street Reform and Consumer Protection
14 Act (12 U.S.C. 5481);

15 (B) includes the business of insurance;

16 (C) includes, whether performed directly or
17 indirectly, the authorizing, processing, clearing,
18 settling, billing, transferring for deposit, trans-
19 mitting, delivering, instructing to be delivered,
20 reconciling, collecting, or otherwise effectuating
21 or facilitating of payments or funds, where such
22 payments or funds are made or transferred by
23 any means, including by the use of credit cards,
24 debit cards, other payment cards, or other ac-

1 cess devices, accounts, original or substitute
2 checks, or electronic funds transfers;

3 (D) includes acting as a money transmit-
4 ting business which directly or indirectly makes
5 use of a depository institution in connection
6 with effectuating or facilitating a payment for
7 a cannabis-related legitimate business or service
8 provider in compliance with section 5330 of
9 title 31, United States Code, and any applicable
10 State law; and

11 (E) includes acting as an armored car
12 service for processing and depositing with a de-
13 pository institution or a Federal reserve bank
14 with respect to any monetary instruments (as
15 defined under section 1956(c)(5) of title 18,
16 United States Code.

17 (8) INDIAN COUNTRY.—The term “Indian coun-
18 try” has the meaning given that term in section
19 1151 of title 18.

20 (9) INDIAN TRIBE.—The term “Indian Tribe”
21 has the meaning given that term in section 102 of
22 the Federally Recognized Indian Tribe List Act of
23 1994 (25 U.S.C. 479a).

1 (10) INSURER.—The term “insurer” has the
2 meaning given that term under section 313(r) of
3 title 31, United States Code.

4 (11) MANUFACTURER.—The term “manufac-
5 turer” means a person who manufactures, com-
6 pounds, converts, processes, prepares, or packages
7 cannabis or cannabis products.

8 (12) PRODUCER.—The term “producer” means
9 a person who plants, cultivates, harvests, or in any
10 way facilitates the natural growth of cannabis.

11 (13) SERVICE PROVIDER.—The term “service
12 provider”—

13 (A) means a business, organization, or
14 other person that—

15 (i) sells goods or services to a can-
16 nabis-related legitimate business; or

17 (ii) provides any business services, in-
18 cluding the sale or lease of real or any
19 other property, legal or other licensed serv-
20 ices, or any other ancillary service, relating
21 to cannabis; and

22 (B) does not include a business, organiza-
23 tion, or other person that participates in any
24 business or organized activity that involves han-
25 dling cannabis or cannabis products, including

1 cultivating, producing, manufacturing, selling,
2 transporting, displaying, dispensing, distrib-
3 uting, or purchasing cannabis or cannabis prod-
4 ucts.

5 (14) STATE.—The term “State” means each of
6 the several States, the District of Columbia, Puerto
7 Rico, and any territory or possession of the United
8 States.

9 **SEC. 15. DISCRETIONARY SURPLUS FUNDS.**

10 Section 7(a)(3)(A) of the Federal Reserve Act (12
11 U.S.C. 289(a)(3)(A)) is amended by striking
12 “\$6,825,000,000” and inserting “\$6,821,000,000”.

13 **SEC. 16. DETERMINATION OF BUDGETARY EFFECTS.**

14 The budgetary effects of this Act, for the purpose of
15 complying with the Statutory Pay-As-You-Go Act of 2010,
16 shall be determined by reference to the latest statement
17 titled “Budgetary Effects of PAYGO Legislation” for this
18 Act, submitted for printing in the Congressional Record
19 by the Chairman of the House Budget Committee, pro-

- 1 vided that such statement has been submitted prior to the
- 2 vote on passage.

Passed the House of Representatives September 25,
2019.

Attest:

Clerk.

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H. R. 1595

AN ACT

To create protections for depository institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes.