

**Suspend the Rules and Pass the Bill, H.R. 1595, with an Amendment**

**(The amendment strikes all after the enacting clause and inserts a new text)**

116TH CONGRESS  
1ST SESSION

# H. R. 1595

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.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2019

Mr. PERLMUTTER (for himself, Mr. HECK, Mr. STIVERS, Mr. DAVIDSON of Ohio, Mr. AGUILAR, Ms. BARRAGÁN, Mr. BEYER, Mr. BLUMENAUER, Ms. BONAMICI, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. BROWN of Maryland, Ms. BROWNLEY of California, Mr. CARBAJAL, Mr. CÁRDENAS, Mr. CARTWRIGHT, Ms. CASTOR of Florida, Mr. CICILLINE, Mr. CISNEROS, Ms. CLARK of Massachusetts, Ms. CLARKE of New York, Mr. COHEN, Mr. COOPER, Mr. CORREA, Mr. COURTNEY, Mr. COX of California, Mr. CRIST, Mr. CROW, Mrs. DAVIS of California, Mr. DEFAZIO, Ms. DEGETTE, Ms. DELAURO, Ms. DELBENE, Mr. DESAULNIER, Ms. ESHOO, Mr. ESPAILLAT, Mr. FOSTER, Ms. FUDGE, Ms. GABBARD, Mr. GALLEGRO, Mr. GARCÍA of Illinois, Mr. GOMEZ, Mr. GONZALEZ of Texas, Mr. HASTINGS, Ms. HILL of California, Mr. HORSFORD, Mr. HUFFMAN, Ms. JACKSON LEE, Ms. JAYAPAL, Mr. JOHNSON of Georgia, Mr. KHANNA, Mr. KILMER, Mrs. KIRKPATRICK, Mr. KRISHNAMOORTHY, Mr. LAWSON of Florida, Ms. LEE of California, Mrs. LEE of Nevada, Mr. LEVIN of Michigan, Mr. LEVIN of California, Mr. TED LIEU of California, Mr. LUJÁN, Ms. MATSUI, Ms. MCCOLLUM, Mr. MCGOVERN, Mr. MEEKS, Mr. NEGUSE, Ms. NORTON, Mr. PANETTA, Mr. PAPPAS, Ms. PINGREE, Ms. PORTER, Mr. QUIGLEY, Mr. RASKIN, Mr. RUSH, Mr. RYAN, Mr. ROUDA, Ms. SCHAKOWSKY, Mr. SCHRADER, Mr. SHERMAN, Mr. SIRES, Mr. SMITH of Washington, Mr. SOTO, Ms. SPEIER, Mr. SWALWELL of California, Ms. TITUS, Mrs. TORRES of California, Mr. VARGAS, Ms. VELÁZQUEZ, Mrs. WATSON COLEMAN, Mr. WELCH, Ms. WILD, Mr. YARMUTH, Mr. RODNEY DAVIS of Illinois, Mr. HUNTER, Mr. JOYCE of Ohio, Mr. NEWHOUSE, Mr. YOUNG, Mr. HIMES, Mr. LOEBSACK, Ms. LOFGREN, Mr. LOWENTHAL, Mrs. CAROLYN B. MALONEY of New York, Mr. SEAN PATRICK MALONEY of New York, Mr. TAKANO, Mr. THOMPSON of California, Mr. GAETZ, Mr. RIGGLEMAN, Mr.

DAVID SCOTT of Georgia, Ms. WATERS, and Ms. SCHRIER) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

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,*

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

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

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

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

13 (a) IN GENERAL.—A Federal banking regulator may  
14 not—

15 (1) terminate or limit the deposit insur-  
16 ance or share insurance of a depository institu-

1           tion under the Federal Deposit Insurance Act  
2           (12 U.S.C. 1811 et seq.), the Federal Credit  
3           Union Act (12 U.S.C. 1751 et seq.), or take  
4           any other adverse action against a depository  
5           institution under section 8 of the Federal De-  
6           posit Insurance Act (12 U.S.C. 1818) solely be-  
7           cause the depository institution provides or has  
8           provided financial services to a cannabis-related  
9           legitimate business or service provider;

10           (2) prohibit, penalize, or otherwise discour-  
11           age a depository institution from providing fi-  
12           nancial services to a cannabis-related legitimate  
13           business or service provider or to a State, polit-  
14           ical subdivision of a State, or Indian Tribe that  
15           exercises jurisdiction over cannabis-related le-  
16           gitimate businesses;

17           (3) recommend, incentivize, or encourage a  
18           depository institution not to offer financial serv-  
19           ices to an account holder, or to downgrade or  
20           cancel the financial services offered to an ac-  
21           count holder solely because—

22           (A) the account holder is a cannabis-  
23           related legitimate business or service pro-  
24           vider, or is an employee, owner, or oper-

1           ator of a cannabis-related legitimate busi-  
2           ness or service provider;

3           (B) the account holder later becomes  
4           an employee, owner, or operator of a can-  
5           nabis-related legitimate business or service  
6           provider; or

7           (C) the depository institution was not  
8           aware that the account holder is an em-  
9           ployee, owner, or operator of a cannabis-re-  
10          lated legitimate business or service pro-  
11          vider;

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

14           (A) a cannabis-related legitimate busi-  
15           ness or service provider, solely because the  
16           business is a cannabis-related legitimate  
17           business or service provider;

18           (B) an employee, owner, or operator  
19           of a cannabis-related legitimate business or  
20           service provider, solely because the em-  
21           ployee, owner, or operator is employed by,  
22           owns, or operates a cannabis-related legiti-  
23           mate business or service provider, as appli-  
24           cable; or

1 (C) an owner or operator of real es-  
2 tate or equipment that is leased to a can-  
3 nabis-related legitimate business or service  
4 provider, solely because the owner or oper-  
5 ator of the real estate or equipment leased  
6 the equipment or real estate to a cannabis-  
7 related legitimate business or service pro-  
8 vider, as applicable; or

9 (5) prohibit or penalize a depository insti-  
10 tution (or entity performing a financial service  
11 for or in association with a depository institu-  
12 tion) for, or otherwise discourage a depository  
13 institution (or entity performing a financial  
14 service for or in association with a depository  
15 institution) from, engaging in a financial service  
16 for a cannabis-related legitimate business or  
17 service provider.

18 (b) **SAFE HARBOR APPLICABLE TO DE NOVO INSTI-**  
19 **TUTIONS.**—Subsection (a) shall apply to an institution ap-  
20 plying for a depository institution charter to the same ex-  
21 tent as such subsection applies to a depository institution.

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

23 For the purposes of sections 1956 and 1957 of title  
24 18, United States Code, and all other provisions of Fed-  
25 eral law, the proceeds from a transaction involving activi-

1 ties of a cannabis-related legitimate business or service  
2 provider shall not be considered proceeds from an unlawful  
3 activity solely because—

4 (1) the transaction involves proceeds from a  
5 cannabis-related legitimate business or service pro-  
6 vider; or

7 (2) the transaction involves proceeds from—

8 (A) cannabis-related activities described in  
9 section 14(4)(B) conducted by a cannabis-re-  
10 lated legitimate business; or

11 (B) activities described in section  
12 14(13)(A) conducted by a service provider.

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

14 (a) IN GENERAL.—With respect to providing a finan-  
15 cial service to a cannabis-related legitimate business or  
16 service provider within a State, political subdivision of a  
17 State, or Indian country that allows the cultivation, pro-  
18 duction, manufacture, sale, transportation, display, dis-  
19 pensing, distribution, or purchase of cannabis pursuant to  
20 a law or regulation of such State, political subdivision, or  
21 Indian Tribe that has jurisdiction over the Indian country,  
22 as applicable, a depository institution, entity performing  
23 a financial service for or in association with a depository  
24 institution, or insurer that provides a financial service to  
25 a cannabis-related legitimate business or service provider,

1 and the officers, directors, and employees of that deposi-  
2 tory institution, entity, or insurer may not be held liable  
3 pursuant to any Federal law or regulation—

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

5 or

6 (2) for further investing any income derived  
7 from such a financial service.

8 (b) PROTECTIONS FOR FEDERAL RESERVE BANKS  
9 AND FEDERAL HOME LOAN BANKS.—With respect to  
10 providing a service to a depository institution that pro-  
11 vides a financial service to a cannabis-related legitimate  
12 business or service provider (where such financial service  
13 is provided within a State, political subdivision of a State,  
14 or Indian country that allows the cultivation, production,  
15 manufacture, sale, transportation, display, dispensing, dis-  
16 tribution, or purchase of cannabis pursuant to a law or  
17 regulation of such State, political subdivision, or Indian  
18 Tribe that has jurisdiction over the Indian country, as ap-  
19 plicable), a Federal reserve bank or Federal Home Loan  
20 Bank, and the officers, directors, and employees of the  
21 Federal reserve bank or Federal Home Loan Bank, may  
22 not be held liable pursuant to any Federal law or regula-  
23 tion—

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

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

3           (c) PROTECTIONS FOR INSURERS.—With respect to  
4           engaging in the business of insurance within a State, polit-  
5           ical subdivision of a State, or Indian country that allows  
6           the cultivation, production, manufacture, sale, transpor-  
7           tation, display, dispensing, distribution, or purchase of  
8           cannabis pursuant to a law or regulation of such State,  
9           political subdivision, or Indian Tribe that has jurisdiction  
10          over the Indian country, as applicable, an insurer that en-  
11          gages in the business of insurance with a cannabis-related  
12          legitimate business or service provider or who otherwise  
13          engages with a person in a transaction permissible under  
14          State law related to cannabis, and the officers, directors,  
15          and employees of that insurer may not be held liable pur-  
16          suant to any Federal law or regulation—

17           (1) solely for engaging in the business of insur-  
18          ance; or

19           (2) for further investing any income derived  
20          from the business of insurance.

21          (d) FORFEITURE.—

22           (1) DEPOSITORY INSTITUTIONS.—A depository  
23          institution that has a legal interest in the collateral  
24          for a loan or another financial service provided to an  
25          owner, employee, or operator of a cannabis-related



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

8 (2) FEDERAL RESERVE BANKS AND FEDERAL  
9 HOME LOAN BANKS.—A Federal reserve bank or  
10 Federal Home Loan Bank that has a legal interest  
11 in the collateral for a loan or another financial serv-  
12 ice provided to a depository institution that provides  
13 a financial service to a cannabis-related legitimate  
14 business or service provider, or to an owner or oper-  
15 ator of real estate or equipment that is leased or  
16 sold to a cannabis-related legitimate business or  
17 service provider, shall not be subject to criminal,  
18 civil, or administrative forfeiture of that legal inter-  
19 est pursuant to any Federal law for providing such  
20 loan or other financial service.

21 **SEC. 5. RULES OF CONSTRUCTION.**

22 (a) NO REQUIREMENT TO PROVIDE FINANCIAL  
23 SERVICES.—Nothing in this Act shall require a depository  
24 institution, entity performing a financial service for or in  
25 association with a depository institution, or insurer to pro-

1 vide financial services to a cannabis-related legitimate  
2 business, service provider, or any other business.

3 (b) GENERAL EXAMINATION, SUPERVISORY, AND  
4 ENFORCEMENT AUTHORITY.—Nothing in this Act may be  
5 construed in any way as limiting or otherwise restricting  
6 the general examination, supervisory, and enforcement au-  
7 thority of the Federal banking regulators, provided that  
8 the basis for any supervisory or enforcement action is not  
9 the provision of financial services to a cannabis-related le-  
10 gitimate business or service provider.

11 **SEC. 6. REQUIREMENTS FOR FILING SUSPICIOUS ACTIVITY**  
12 **REPORTS.**

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

15 “(5) REQUIREMENTS FOR CANNABIS-RELATED  
16 LEGITIMATE BUSINESSES.—

17 “(A) IN GENERAL.—With respect to a fi-  
18 nancial institution or any director, officer, em-  
19 ployee, or agent of a financial institution that  
20 reports a suspicious transaction pursuant to  
21 this subsection, if the reason for the report re-  
22 lates to a cannabis-related legitimate business  
23 or service provider, the report shall comply with  
24 appropriate guidance issued by the Financial  
25 Crimes Enforcement Network. The Secretary

1 shall ensure that the guidance is consistent with  
2 the purpose and intent of the SAFE Banking  
3 Act of 2019 and does not significantly inhibit  
4 the provision of financial services to a cannabis-  
5 related legitimate business or service provider in  
6 a State, political subdivision of a State, or In-  
7 dian country that has allowed the cultivation,  
8 production, manufacture, transportation, dis-  
9 play, dispensing, distribution, sale, or purchase  
10 of cannabis pursuant to law or regulation of  
11 such State, political subdivision, or Indian  
12 Tribe that has jurisdiction over the Indian  
13 country.

14 “(B) DEFINITIONS.—For purposes of this  
15 paragraph:

16 “(i) CANNABIS.—The term ‘cannabis’  
17 has the meaning given the term ‘mari-  
18 huana’ in section 102 of the Controlled  
19 Substances Act (21 U.S.C. 802).

20 “(ii) CANNABIS-RELATED LEGITIMATE  
21 BUSINESS.—The term ‘cannabis-related le-  
22 gitimate business’ has the meaning given  
23 that term in section 14 of the SAFE  
24 Banking Act of 2019.

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

4           “(iv) INDIAN TRIBE.—The term ‘In-  
5           dian Tribe’ has the meaning given that  
6           term in section 102 of the Federally Rec-  
7           ognized Indian Tribe List Act of 1994 (25  
8           U.S.C. 479a).

9           “(v) FINANCIAL SERVICE.—The term  
10          ‘financial service’ has the meaning given  
11          that term in section 14 of the SAFE  
12          Banking Act of 2019.

13          “(vi) SERVICE PROVIDER.—The term  
14          ‘service provider’ has the meaning given  
15          that term in section 14 of the SAFE  
16          Banking Act of 2019.

17          “(vii) STATE.—The term ‘State’  
18          means each of the several States, the Dis-  
19          trict of Columbia, Puerto Rico, and any  
20          territory or possession of the United  
21          States.”.

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

23          Not later than 180 days after the date of enactment  
24          of this Act, the Financial Institutions Examination Coun-  
25          cil shall develop uniform guidance and examination proce-

1 dures for depository institutions that provide financial  
2 services to cannabis-related legitimate businesses and  
3 service providers.

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

5 The Federal banking regulators shall issue an annual  
6 report to Congress containing—

7 (1) information and data on the availability of  
8 access to financial services for minority-owned and  
9 women-owned cannabis-related legitimate businesses;  
10 and

11 (2) any regulatory or legislative recommenda-  
12 tions for expanding access to financial services for  
13 minority-owned and women-owned cannabis-related  
14 legitimate businesses.

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

16 (a) STUDY.—The Comptroller General of the United  
17 States shall carry out a study on the barriers to market-  
18 place entry, including in the licensing process, and the ac-  
19 cess to financial services for potential and existing minor-  
20 ity-owned and women-owned cannabis-related legitimate  
21 businesses.

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

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

4 (2) containing any regulatory or legislative rec-  
5 ommendations for removing barriers to marketplace  
6 entry, including in the licensing process, and ex-  
7 panding access to financial services for potential and  
8 existing minority-owned and women-owned cannabis-  
9 related legitimate businesses.

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

12 Not later than 2 years after the date of the enact-  
13 ment of this Act, the Comptroller General of the United  
14 States shall carry out a study on the effectiveness of re-  
15 ports on suspicious transactions filed pursuant to section  
16 5318(g) of title 31, United States Code, at finding individ-  
17 uals or organizations suspected or known to be engaged  
18 with transnational criminal organizations and whether any  
19 such engagement exists in a State, political subdivision,  
20 or Indian Tribe that has jurisdiction over Indian country  
21 that allows the cultivation, production, manufacture, sale,  
22 transportation, display, dispensing, distribution, or pur-  
23 chase of cannabis. The study shall examine reports on sus-  
24 picious transactions as follows:

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

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

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

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

9           (1) the Agriculture Improvement Act of 2018  
10          (Public Law 115–334) legalized hemp by removing  
11          it from the definition of “marihuana” under the  
12          Controlled Substances Act;

13          (2) despite the legalization of hemp, some hemp  
14          businesses (including producers, manufacturers, and  
15          retailers) continue to have difficulty gaining access  
16          to banking products and services; and

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

20          (b) FEDERAL BANKING REGULATOR HEMP BANKING  
21          GUIDANCE.—Not later than the end of the 90-day period  
22          beginning on the date of enactment of this Act, the Fed-  
23          eral banking regulators shall jointly issue guidance to fi-  
24          nancial institutions—

1           (1) confirming the legality of hemp, hemp-de-  
2       rived CBD products, and other hemp-derived  
3       cannabinoid products, and the legality of engaging  
4       in financial services with businesses selling hemp,  
5       hemp-derived CBD products, and other hemp-de-  
6       rived cannabinoid products, after the enactment of  
7       the Agriculture Improvement Act of 2018; and

8           (2) to provide recommended best practices for  
9       financial institutions to follow when providing finan-  
10      cial services and merchant processing services to  
11      businesses involved in the sale of hemp, hemp-de-  
12      rived CBD products, and other hemp-derived  
13      cannabinoid products.

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

17      **SEC. 12. APPLICATION OF SAFE HARBORS TO HEMP AND**  
18                                    **CBD PRODUCTS.**

19          (a) IN GENERAL.—Except as provided under sub-  
20      section (b), the provisions of this Act (other than sections  
21      6 and 10) shall apply to hemp (including hemp-derived  
22      cannabidiol and other hemp-derived cannabinoid products)  
23      in the same manner as such provisions apply to cannabis.

24          (b) RULE OF APPLICATION.—In applying the provi-  
25      sions of this Act described under subsection (a) to hemp,



1 the definition of “cannabis-related legitimate business”  
2 shall be treated as excluding any requirement to engage  
3 in activity pursuant to the law of a State or political sub-  
4 division thereof.

5 (c) HEMP DEFINED.—In this section, the term  
6 “hemp” has the meaning given that term under section  
7 297A of the Agricultural Marketing Act of 1946 (7 U.S.C.  
8 1639o).

9 **SEC. 13. REQUIREMENTS FOR DEPOSIT ACCOUNT TERMI-**  
10 **NATION REQUESTS AND ORDERS.**

11 (a) TERMINATION REQUESTS OR ORDERS MUST BE  
12 VALID.—

13 (1) IN GENERAL.—An appropriate Federal  
14 banking agency may not formally or informally re-  
15 quest or order a depository institution to terminate  
16 a specific customer account or group of customer ac-  
17 counts or to otherwise restrict or discourage a de-  
18 pository institution from entering into or maintain-  
19 ing a banking relationship with a specific customer  
20 or group of customers unless—

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

23 (B) such reason is not based solely on rep-  
24 utation risk.

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

5           (A) poses a threat to national security;

6           (B) is involved in terrorist financing;

7           (C) is an agency of the Government of  
8 Iran, North Korea, Syria, or any country listed  
9 from time to time on the State Sponsors of  
10 Terrorism list;

11           (D) is located in, or is subject to the juris-  
12 diction of, any country specified in subpara-  
13 graph (C); or

14           (E) does business with any entity described  
15 in subparagraph (C) or (D), unless the appro-  
16 priate Federal banking agency determines that  
17 the customer or group of customers has used  
18 due diligence to avoid doing business with any  
19 entity described in subparagraph (C) or (D),  
20 such belief shall satisfy the requirement under para-  
21 graph (1).

22 (b) NOTICE REQUIREMENT.—

23           (1) IN GENERAL.—If an appropriate Federal  
24 banking agency formally or informally requests or  
25 orders a depository institution to terminate a spe-

1       cific customer account or a group of customer ac-  
2       counts, the agency shall—

3               (A) provide such request or order to the  
4               institution in writing; and

5               (B) accompany such request or order with  
6               a written justification for why such termination  
7               is needed, including any specific laws or regula-  
8               tions the agency believes are being violated by  
9               the customer or group of customers, if any.

10              (2) JUSTIFICATION REQUIREMENT.—A jus-  
11              tification described under paragraph (1)(B) may not  
12              be based solely on the reputation risk to the deposi-  
13              tory institution.

14              (c) CUSTOMER NOTICE.—

15               (1) NOTICE REQUIRED.—Except as provided  
16               under paragraph (2) or as otherwise prohibited from  
17               being disclosed by law, if an appropriate Federal  
18               banking agency orders a depository institution to  
19               terminate a specific customer account or a group of  
20               customer accounts, the depository institution shall  
21               inform the specific customer or group of customers  
22               of the justification for the customer's account termi-  
23               nation described under subsection (b).

24               (2) NOTICE PROHIBITED.—

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

13          (B) NOTICE PROHIBITED IN OTHER  
14          CASES.—If an appropriate Federal banking  
15          agency determines that the notice required  
16          under paragraph (1) may interfere with an au-  
17          thorized criminal investigation, neither the de-  
18          pository institution nor the appropriate Federal  
19          banking agency may inform the specific cus-  
20          tomer or group of customers of the justification  
21          for the customer’s account termination.

22          (d) REPORTING REQUIREMENT.—Each appropriate  
23          Federal banking agency shall issue an annual report to  
24          the Congress stating—

1 (1) the aggregate number of specific customer  
2 accounts that the agency requested or ordered a de-  
3 pository institution to terminate during the previous  
4 year; and

5 (2) the legal authority on which the agency re-  
6 lied in making such requests and orders and the fre-  
7 quency on which the agency relied on each such au-  
8 thority.

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

10 (1) APPROPRIATE FEDERAL BANKING AGEN-  
11 CY.—The term “appropriate Federal banking agen-  
12 cy” means—

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

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

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

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

23 (B) an insured credit union.

24 **SEC. 14. DEFINITIONS.**

25 In this Act:

1           (1) BUSINESS OF INSURANCE.—The term  
2           “business of insurance” has the meaning given such  
3           term in section 1002 of the Dodd-Frank Wall Street  
4           Reform and Consumer Protection Act (12 U.S.C.  
5           5481).

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

9           (3) CANNABIS PRODUCT.—The term “cannabis  
10          product” means any article which contains cannabis,  
11          including an article which is a concentrate, an edi-  
12          ble, a tincture, a cannabis-infused product, or a top-  
13          ical.

14          (4) CANNABIS-RELATED LEGITIMATE BUSI-  
15          NESS.—The term “cannabis-related legitimate busi-  
16          ness” means a manufacturer, producer, or any per-  
17          son or company that—

18                (A) engages in any activity described in  
19                subparagraph (B) pursuant to a law established  
20                by a State or a political subdivision of a State,  
21                as determined by such State or political subdivi-  
22                sion; and

23                (B) participates in any business or orga-  
24                nized activity that involves handling cannabis or  
25                cannabis products, including cultivating, pro-

1           ducing, manufacturing, selling, transporting,  
2           displaying, dispensing, distributing, or pur-  
3           chasing cannabis or cannabis products.

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

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

9                   (B) a Federal credit union as defined in  
10                   section 101 of the Federal Credit Union Act  
11                   (12 U.S.C. 1752); or

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

15           (6) FEDERAL BANKING REGULATOR.—The  
16           term “Federal banking regulator” means each of the  
17           Board of Governors of the Federal Reserve System,  
18           the Bureau of Consumer Financial Protection, the  
19           Federal Deposit Insurance Corporation, the Federal  
20           Housing Finance Agency, the Financial Crimes En-  
21           forcement Network, the Office of Foreign Asset  
22           Control, the Office of the Comptroller of the Cur-  
23           rency, the National Credit Union Administration,  
24           the Department of the Treasury, or any Federal  
25           agency or department that regulates banking or fi-

1       nancial services, as determined by the Secretary of  
2       the Treasury.

3               (7) FINANCIAL SERVICE.—The term “financial  
4       service”—

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

9               (B) includes the business of insurance;

10              (C) includes, whether performed directly or  
11       indirectly, the authorizing, processing, clearing,  
12       settling, billing, transferring for deposit, trans-  
13       mitting, delivering, instructing to be delivered,  
14       reconciling, collecting, or otherwise effectuating  
15       or facilitating of payments or funds, where such  
16       payments or funds are made or transferred by  
17       any means, including by the use of credit cards,  
18       debit cards, other payment cards, or other ac-  
19       cess devices, accounts, original or substitute  
20       checks, or electronic funds transfers;

21              (D) includes acting as a money transmit-  
22       ting business which directly or indirectly makes  
23       use of a depository institution in connection  
24       with effectuating or facilitating a payment for  
25       a cannabis-related legitimate business or service



1 provider in compliance with section 5330 of  
2 title 31, United States Code, and any applicable  
3 State law; and

4 (E) includes acting as an armored car  
5 service for processing and depositing with a de-  
6 pository institution or the Board of Governors  
7 of the Federal Reserve System with respect to  
8 any monetary instruments (as defined under  
9 section 1956(c)(5) of title 18, United States  
10 Code.

11 (8) INDIAN COUNTRY.—The term “Indian coun-  
12 try” has the meaning given that term in section  
13 1151 of title 18.

14 (9) INDIAN TRIBE.—The term “Indian Tribe”  
15 has the meaning given that term in section 102 of  
16 the Federally Recognized Indian Tribe List Act of  
17 1994 (25 U.S.C. 479a).

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

21 (11) MANUFACTURER.—The term “manufac-  
22 turer” means a person who manufactures, com-  
23 pounds, converts, processes, prepares, or packages  
24 cannabis or cannabis products.

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

4           (13) SERVICE PROVIDER.—The term “service  
5           provider”—

6           (A) means a business, organization, or  
7           other person that—

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

10          (ii) provides any business services, in-  
11          cluding the sale or lease of real or any  
12          other property, legal or other licensed serv-  
13          ices, or any other ancillary service, relating  
14          to cannabis; and

15          (B) does not include a business, organiza-  
16          tion, or other person that participates in any  
17          business or organized activity that involves han-  
18          dling cannabis or cannabis products, including  
19          cultivating, producing, manufacturing, selling,  
20          transporting, displaying, dispensing, distrib-  
21          uting, or purchasing cannabis or cannabis prod-  
22          ucts.

23          (14) STATE.—The term “State” means each of  
24          the several States, the District of Columbia, Puerto

- 1 Rico, and any territory or possession of the United
- 2 States.