

116TH CONGRESS  
1ST SESSION

# H. R. 1595

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## 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.*

116<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

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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.