

**AMENDMENT TO H.R. 2, AS REPORTED
OFFERED BY MR. BARR OF KENTUCKY**

At the end of title XI add the following:

1 **Subtitle H—Industrial Hemp**
2 **Banking**

3 **SEC. 11801. SHORT TITLE.**

4 This subtitle may be cited as the “Industrial Hemp
5 Banking Act”.

6 **SEC. 11802. SECURE AND FAIR ENFORCEMENT OF THE**
7 **BANKING LAWS.**

8 (a) **SAFE HARBOR FOR FINANCIAL INSTITUTIONS.—**

9 A Federal banking regulator may not—

10 (1) terminate or limit the deposit insur-
11 ance or share insurance of a depository institu-
12 tion under the Federal Deposit Insurance Act
13 (12 U.S.C. 1811 et seq.) or the Federal Credit
14 Union Act (12 U.S.C. 1751 et seq.) solely be-
15 cause the depository institution provides or has
16 provided financial services to an industrial
17 hemp legitimate business;

18 (2) prohibit, penalize, or otherwise discour-
19 age a financial institution from providing finan-
20 cial services to an industrial hemp legitimate

1 business or to a State or political subdivision of
2 a State that exercises jurisdiction over indus-
3 trial hemp legitimate businesses;

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

9 (A) the account holder is the owner,
10 operator, or employee of an industrial
11 hemp legitimate business;

12 (B) the account holder later becomes
13 an owner or operator of an industrial hemp
14 legitimate business; or

15 (C) the depository institution was not
16 aware that the account holder is the owner
17 or operator of an industrial hemp legiti-
18 mate business; and

19 (4) take any adverse or corrective super-
20 visory action on a loan made to an owner or op-
21 erator of—

22 (A) an industrial hemp legitimate
23 business, solely because the owner or oper-
24 ator owns or operates an industrial hemp
25 legitimate business; or

1 (B) real estate or equipment that is
2 leased to an industrial hemp legitimate
3 business, solely because the owner or oper-
4 ator of the real estate or equipment leased
5 the equipment or real estate to an indus-
6 trial hemp legitimate business.

7 (b) PROTECTIONS UNDER FEDERAL LAW.—

8 (1) IN GENERAL.—In a State or a political sub-
9 division of a State that allows for industrial hemp le-
10 gitimate businesses, a financial institution that pro-
11 vides financial services to an industrial hemp legiti-
12 mate business, and the officers, directors, and em-
13 ployees of that financial institution may not be held
14 liable pursuant to any Federal law or regulation—

15 (A) solely for providing such financial serv-
16 ices pursuant to the law or regulation of such
17 State or political subdivision; or

18 (B) for further investing any income de-
19 rived from such financial services.

20 (2) FORFEITURE.—A financial institution that
21 has a legal interest in the collateral for a loan or an-
22 other financial service provided to an owner or oper-
23 ator of an industrial hemp legitimate business, or to
24 an owner or operator of real estate or equipment
25 that is leased or sold to an industrial hemp legiti-

1 mate business, shall not be subject to criminal, civil,
2 or administrative forfeiture of that legal interest
3 pursuant to any Federal law for providing such loan
4 or other financial service.

5 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
6 tion shall require a financial institution to provide finan-
7 cial services to an industrial hemp legitimate business.

8 (d) REQUIREMENTS FOR FILING SUSPICIOUS ACTIV-
9 ITY REPORTS.—Section 5318(g) of title 31, United States
10 Code, is amended by adding at the end the following:

11 “(5) REQUIREMENTS FOR INDUSTRIAL HEMP
12 LEGITIMATE BUSINESSES.—A financial institution or
13 any director, officer, employee, or agent of a finan-
14 cial institution that reports a suspicious transaction
15 pursuant to this subsection shall, if the reason for
16 the report relates to an industrial hemp legitimate
17 business (as defined in section 11802 of the Indus-
18 trial Hemp Banking Act), comply with appropriate
19 guidance issued by the Financial Crimes Enforce-
20 ment Network. The Secretary shall ensure that the
21 guidance is consistent with the purpose and intent of
22 the Industrial Hemp Banking Act and does not in-
23 hibit the provision of financial services to an indus-
24 trial hemp legitimate business in a State or political

1 subdivision of a State that allows for industrial
2 hemp legitimate businesses.”.

3 (e) DEFINITIONS.—In this section:

4 (1) 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 (2) 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 Farm Credit Administration, the Federal Deposit
20 Insurance Corporation, the Office of the Comptroller
21 of the Currency, the National Credit Union Adminis-
22 tration, or any Federal agency or department that
23 regulates banking or financial services, as deter-
24 mined by the Secretary of the Treasury.

1 (3) FINANCIAL INSTITUTION.—The term “fi-
2 nancial institution” means—

3 (A) an insured bank (as defined in section
4 3(h) of the Federal Deposit Insurance Act;

5 (B) a commercial bank or trust company;

6 (C) a private banker;

7 (D) an agency or branch of a foreign bank
8 in the United States;

9 (E) any credit union;

10 (F) a thrift institution;

11 (G) an investment banker or investment
12 company;

13 (H) a loan or finance company; and

14 (I) an agency of the United States Govern-
15 ment or of a State or local government carrying
16 out a duty or power of a business described in
17 this paragraph.

18 (4) FINANCIAL SERVICE.—The term “financial
19 service” means a financial product or service as de-
20 fined in section 1002 of the Dodd-Frank Wall Street
21 Reform and Consumer Protection Act (12 U.S.C.
22 5481).

23 (5) INDUSTRIAL HEMP LEGITIMATE BUSI-
24 NESS.—The term “industrial hemp legitimate busi-
25 ness” means—

1 (A) an institution of higher education (as
2 defined in section 101 of the Higher Education
3 Act of 1965 (20 U.S.C. 1001)) or a State de-
4 partment of agriculture that carries out an ag-
5 ricultural pilot program or other agricultural or
6 academic research under which such institution
7 of higher education or State department of ag-
8 riculture, either itself or through a third
9 party—

10 (i) grows or cultivates industrial hemp
11 for purposes of research, and such re-
12 search actually occurs; and

13 (ii) such growing or cultivation is car-
14 ried out pursuant to the laws of the State
15 in which such institution of higher edu-
16 cation or State department of agriculture
17 is located;

18 (B) a third party that produces, manufac-
19 tures, sells, purchases, or transports industrial
20 hemp pursuant to, or otherwise participates in,
21 a program or research described under subpara-
22 graph (A); and

23 (C) a person that engages in commerce
24 with industrial hemp products that are exempt-

1 ed from the definition of a controlled substance
2 under the Controlled Substances Act.

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

7 (7) AGRICULTURAL ACT OF 2014 DEFINI-
8 TIONS.—The terms “agricultural pilot program”,
9 “industrial hemp”, and “State department of agri-
10 culture” have the meanings given those terms, re-
11 spectively, under section 7606(b) of the Agricultural
12 Act of 2014 (7 U.S.C. 5940(b)).

