

There was no objection.

**ANNOUNCEMENT BY THE SPEAKER
PRO TEMPORE**

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

**SECURE AND FAIR ENFORCEMENT
BANKING ACT OF 2019**

Mr. PERLMUTTER. Mr. Speaker, I move to suspend the rules and pass the bill (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, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H. R. 1595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; PURPOSE.

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

(b) **PURPOSE.**—The purpose of this Act is to increase public safety by ensuring access to financial services to cannabis-related legitimate businesses and service providers and reducing the amount of cash at such businesses.

SEC. 2. SAFE HARBOR FOR DEPOSITORY INSTITUTIONS.

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

(1) terminate or limit the deposit insurance or share insurance of a depository institution under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), the Federal Credit Union Act (12 U.S.C. 1751 et seq.), or take any other adverse action against a depository institution under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) solely because the depository institution provides or has provided financial services to a cannabis-related legitimate business or service provider;

(2) prohibit, penalize, or otherwise discourage a depository institution from providing financial services to a cannabis-related legitimate business or service provider or to a State, political subdivision of a State, or Indian Tribe that exercises jurisdiction over cannabis-related legitimate businesses;

(3) recommend, incentivize, or encourage a depository institution not to offer financial services to an account holder, or to downgrade or cancel the financial services offered to an account holder solely because—

(A) the account holder is a cannabis-related legitimate business or service provider, or is an employee, owner, or operator of a cannabis-related legitimate business or service provider;

(B) the account holder later becomes an employee, owner, or operator of a cannabis-related legitimate business or service provider; or

(C) the depository institution was not aware that the account holder is an employee, owner, or operator of a cannabis-related legitimate business or service provider;

(4) take any adverse or corrective supervisory action on a loan made to—

(A) a cannabis-related legitimate business or service provider, solely because the business is a cannabis-related legitimate business or service provider;

(B) an employee, owner, or operator of a cannabis-related legitimate business or service provider, solely because the employee, owner, or operator is employed by, owns, or operates a cannabis-related legitimate business or service provider, as applicable; or

(C) an owner or operator of real estate or equipment that is leased to a cannabis-related legitimate business or service provider, solely because the owner or operator of the real estate or equipment leased the equipment or real estate to a cannabis-related legitimate business or service provider, as applicable; or

(5) prohibit or penalize a depository institution (or entity performing a financial service for or in association with a depository institution) for, or otherwise discourage a depository institution (or entity performing a financial service for or in association with a depository institution) from, engaging in a financial service for a cannabis-related legitimate business or service provider.

(b) **SAFE HARBOR APPLICABLE TO DE NOVO INSTITUTIONS.**—Subsection (a) shall apply to an institution applying for a depository institution charter to the same extent as such subsection applies to a depository institution.

SEC. 3. PROTECTIONS FOR ANCILLARY BUSINESSES.

For the purposes of sections 1956 and 1957 of title 18, United States Code, and all other provisions of Federal law, the proceeds from a transaction involving activities of a cannabis-related legitimate business or service provider shall not be considered proceeds from an unlawful activity solely because—

(1) the transaction involves proceeds from a cannabis-related legitimate business or service provider; or

(2) the transaction involves proceeds from—

(A) cannabis-related activities described in section 14(d)(B) conducted by a cannabis-related legitimate business; or

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

SEC. 4. PROTECTIONS UNDER FEDERAL LAW.

(a) **IN GENERAL.**—With respect to providing a financial service to a cannabis-related legitimate business or service provider within a State, political subdivision of a State, or Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable, a depository institution, entity performing a financial service for or in association with a depository institution, or insurer that provides a financial service to a cannabis-related legitimate business or service provider, and the officers, directors, and employees of that depository institution, entity, or insurer may not be held liable pursuant to any Federal law or regulation—

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

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

(b) **PROTECTIONS FOR FEDERAL RESERVE BANKS AND FEDERAL HOME LOAN BANKS.**—With respect to providing a service to a depository institution that provides a financial service to a cannabis-related legitimate business or service provider (where such financial service is provided within a State, political subdivision of a State, or Indian country

that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable), a Federal reserve bank or Federal Home Loan Bank, and the officers, directors, and employees of the Federal reserve bank or Federal Home Loan Bank, may not be held liable pursuant to any Federal law or regulation—

(1) solely for providing such a service; or

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

(c) **PROTECTIONS FOR INSURERS.**—With respect to engaging in the business of insurance within a State, political subdivision of a State, or Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable, an insurer that engages in the business of insurance with a cannabis-related legitimate business or service provider or who otherwise engages with a person in a transaction permissible under State law related to cannabis, and the officers, directors, and employees of that insurer may not be held liable pursuant to any Federal law or regulation—

(1) solely for engaging in the business of insurance; or

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

(d) **FORFEITURE.**—

(1) **DEPOSITORY INSTITUTIONS.**—A depository institution that has a legal interest in the collateral for a loan or another financial service provided to an owner, employee, or operator of a cannabis-related legitimate business or service provider, or to an owner or operator of real estate or equipment that is leased or sold to a cannabis-related legitimate business or service provider, shall not be subject to criminal, civil, or administrative forfeiture of that legal interest pursuant to any Federal law for providing such loan or other financial service.

(2) **FEDERAL RESERVE BANKS AND FEDERAL HOME LOAN BANKS.**—A Federal reserve bank or Federal Home Loan Bank that has a legal interest in the collateral for a loan or another financial service provided to a depository institution that provides a financial service to a cannabis-related legitimate business or service provider, or to an owner or operator of real estate or equipment that is leased or sold to a cannabis-related legitimate business or service provider, shall not be subject to criminal, civil, or administrative forfeiture of that legal interest pursuant to any Federal law for providing such loan or other financial service.

SEC. 5. RULES OF CONSTRUCTION.

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

(b) **GENERAL EXAMINATION, SUPERVISORY, AND ENFORCEMENT AUTHORITY.**—Nothing in this Act may be construed in any way as limiting or otherwise restricting the general examination, supervisory, and enforcement authority of the Federal banking regulators, provided that the basis for any supervisory or enforcement action is not the provision of financial services to a cannabis-related legitimate business or service provider.

SEC. 6. REQUIREMENTS FOR FILING SUSPICIOUS ACTIVITY REPORTS.

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

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

“(A) IN GENERAL.—With respect to a financial institution or any director, officer, employee, or agent of a financial institution that reports a suspicious transaction pursuant to this subsection, if the reason for the report relates to a cannabis-related legitimate business or service provider, the report shall comply with appropriate guidance issued by the Financial Crimes Enforcement Network. The Secretary shall ensure that the guidance is consistent with the purpose and intent of the SAFE Banking Act of 2019 and does not significantly inhibit the provision of financial services to a cannabis-related legitimate business or service provider in a State, political subdivision of a State, or Indian country that has allowed the cultivation, production, manufacture, transportation, display, dispensing, distribution, sale, or purchase of cannabis pursuant to law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country.

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

“(i) CANNABIS.—The term ‘cannabis’ has the meaning given the term ‘marihuana’ in section 102 of the Controlled Substances Act (21 U.S.C. 802).

“(ii) CANNABIS-RELATED LEGITIMATE BUSINESS.—The term ‘cannabis-related legitimate business’ has the meaning given that term in section 14 of the SAFE Banking Act of 2019.

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

“(iv) INDIAN TRIBE.—The term ‘Indian Tribe’ has the meaning given that term in section 102 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a).

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

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

“(vii) STATE.—The term ‘State’ means each of the several States, the District of Columbia, Puerto Rico, and any territory or possession of the United States.”.

SEC. 7. GUIDANCE AND EXAMINATION PROCEDURES.

Not later than 180 days after the date of enactment of this Act, the Financial Institutions Examination Council shall develop uniform guidance and examination procedures for depository institutions that provide financial services to cannabis-related legitimate businesses and service providers.

SEC. 8. ANNUAL DIVERSITY AND INCLUSION REPORT.

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

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

(2) any regulatory or legislative recommendations for expanding access to financial services for minority-owned and women-owned cannabis-related legitimate businesses.

SEC. 9. GAO STUDY ON DIVERSITY AND INCLUSION.

(a) STUDY.—The Comptroller General of the United States shall carry out a study on the barriers to marketplace entry, including in the licensing process, and the access to fi-

ancial services for potential and existing minority-owned and women-owned cannabis-related legitimate businesses.

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

(1) containing all findings and determinations made in carrying out the study required under subsection (a); and

(2) containing any regulatory or legislative recommendations for removing barriers to marketplace entry, including in the licensing process, and expanding access to financial services for potential and existing minority-owned and women-owned cannabis-related legitimate businesses.

SEC. 10. GAO STUDY ON EFFECTIVENESS OF CERTAIN REPORTS ON FINDING CERTAIN PERSONS.

Not later than 2 years after the date of the enactment of this Act, the Comptroller General of the United States shall carry out a study on the effectiveness of reports on suspicious transactions filed pursuant to section 5318(g) of title 31, United States Code, at finding individuals or organizations suspected or known to be engaged with transnational criminal organizations and whether any such engagement exists in a State, political subdivision, or Indian Tribe that has jurisdiction over Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis. The study shall examine reports on suspicious transactions as follows:

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

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

SEC. 11. BANKING SERVICES FOR HEMP BUSINESSES.

(a) FINDINGS.—The Congress finds that—

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

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

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

(b) FEDERAL BANKING REGULATOR HEMP BANKING GUIDANCE.—Not later than the end of the 90-day period beginning on the date of enactment of this Act, the Federal banking regulators shall jointly issue guidance to financial institutions—

(1) confirming the legality of hemp, hemp-derived CBD products, and other hemp-derived cannabinoid products, and the legality of engaging in financial services with businesses selling hemp, hemp-derived CBD products, and other hemp-derived cannabinoid products, after the enactment of the Agriculture Improvement Act of 2018; and

(2) to provide recommended best practices for financial institutions to follow when providing financial services and merchant processing services to businesses involved in the sale of hemp, hemp-derived CBD products, and other hemp-derived cannabinoid products.

(c) FINANCIAL INSTITUTION DEFINED.—In this section, the term “financial institution” means any person providing financial services.

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

(a) IN GENERAL.—Except as provided under subsection (b), the provisions of this Act

(other than sections 6 and 10) shall apply to hemp (including hemp-derived cannabidiol and other hemp-derived cannabinoid products) in the same manner as such provisions apply to cannabis.

(b) RULE OF APPLICATION.—In applying the provisions of this Act described under subsection (a) to hemp, the definition of “cannabis-related legitimate business” shall be treated as excluding any requirement to engage in activity pursuant to the law of a State or political subdivision thereof.

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

SEC. 13. REQUIREMENTS FOR DEPOSIT ACCOUNT TERMINATION REQUESTS AND ORDERS.

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

(1) IN GENERAL.—An appropriate Federal banking agency may not formally or informally request or order a depository institution to terminate a specific customer account or group of customer accounts or to otherwise restrict or discourage a depository institution from entering into or maintaining a banking relationship with a specific customer or group of customers unless—

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

(B) such reason is not based solely on reputation risk.

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

(A) poses a threat to national security;

(B) is involved in terrorist financing;

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

(D) is located in, or is subject to the jurisdiction of, any country specified in subparagraph (C); or

(E) does business with any entity described in subparagraph (C) or (D), unless the appropriate Federal banking agency determines that the customer or group of customers has used due diligence to avoid doing business with any entity described in subparagraph (C) or (D),

such belief shall satisfy the requirement under paragraph (1).

(b) NOTICE REQUIREMENT.—

(1) IN GENERAL.—If an appropriate Federal banking agency formally or informally requests or orders a depository institution to terminate a specific customer account or a group of customer accounts, the agency shall—

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

(B) accompany such request or order with a written justification for why such termination is needed, including any specific laws or regulations the agency believes are being violated by the customer or group of customers, if any.

(2) JUSTIFICATION REQUIREMENT.—A justification described under paragraph (1)(B) may not be based solely on the reputation risk to the depository institution.

(c) CUSTOMER NOTICE.—

(1) NOTICE REQUIRED.—Except as provided under paragraph (2) or as otherwise prohibited from being disclosed by law, if an appropriate Federal banking agency orders a depository institution to terminate a specific customer account or a group of customer accounts, the depository institution shall inform the specific customer or group of customers of the justification for the customer's account termination described under subsection (b).

(2) NOTICE PROHIBITED.—

(A) NOTICE PROHIBITED IN CASES OF NATIONAL SECURITY.—If an appropriate Federal banking agency requests or orders a depository institution to terminate a specific customer account or a group of customer accounts based on a belief that the customer or customers pose a threat to national security, or are otherwise described under subsection (a)(2), neither the depository institution nor the appropriate Federal banking agency may inform the customer or customers of the justification for the customer's account termination.

(B) NOTICE PROHIBITED IN OTHER CASES.—If an appropriate Federal banking agency determines that the notice required under paragraph (1) may interfere with an authorized criminal investigation, neither the depository institution nor the appropriate Federal banking agency may inform the specific customer or group of customers of the justification for the customer's account termination.

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

(1) the aggregate number of specific customer accounts that the agency requested or ordered a depository institution to terminate during the previous year; and

(2) the legal authority on which the agency relied in making such requests and orders and the frequency on which the agency relied on each such authority.

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

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term “appropriate Federal banking agency” means—

(A) the appropriate Federal banking agency, as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) the National Credit Union Administration, in the case of an insured credit union.

(2) DEPOSITORY INSTITUTION.—The term “depository institution” means—

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

(B) an insured credit union.

SEC. 14. DEFINITIONS.

In this Act:

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

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

(3) CANNABIS PRODUCT.—The term “cannabis product” means any article which contains cannabis, including an article which is a concentrate, an edible, a tincture, a cannabis-infused product, or a topical.

(4) CANNABIS-RELATED LEGITIMATE BUSINESS.—The term “cannabis-related legitimate business” means a manufacturer, producer, or any person or company that—

(A) engages in any activity described in subparagraph (B) pursuant to a law established by a State or a political subdivision of a State, as determined by such State or political subdivision; and

(B) participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products.

(5) DEPOSITORY INSTITUTION.—The term “depository institution” means—

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

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

(C) a State credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(6) FEDERAL BANKING REGULATOR.—The term “Federal banking regulator” means each of the Board of Governors of the Federal Reserve System, the Bureau of Consumer Financial Protection, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Financial Crimes Enforcement Network, the Office of Foreign Asset Control, the Office of the Comptroller of the Currency, the National Credit Union Administration, the Department of the Treasury, or any Federal agency or department that regulates banking or financial services, as determined by the Secretary of the Treasury.

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

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

(B) includes the business of insurance;

(C) includes, whether performed directly or indirectly, the authorizing, processing, clearing, settling, billing, transferring for deposit, transmitting, delivering, instructing to be delivered, reconciling, collecting, or otherwise effectuating or facilitating of payments or funds, where such payments or funds are made or transferred by any means, including by the use of credit cards, debit cards, other payment cards, or other access devices, accounts, original or substitute checks, or electronic funds transfers;

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

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

(8) INDIAN COUNTRY.—The term “Indian country” has the meaning given that term in section 1151 of title 18.

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

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

(11) MANUFACTURER.—The term “manufacturer” means a person who manufactures, compounds, converts, processes, prepares, or packages cannabis or cannabis products.

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

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

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

(i) sells goods or services to a cannabis-related legitimate business; or

(ii) provides any business services, including the sale or lease of real or any other property, legal or other licensed services, or any other ancillary service, relating to cannabis; and

(B) does not include a business, organization, or other person that participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufac-

turing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products.

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

SEC. 15. DISCRETIONARY SURPLUS FUNDS.

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

SEC. 16. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. PERLMUTTER) and the gentleman from North Carolina (Mr. MCHENRY) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado.

GENERAL LEAVE

Mr. PERLMUTTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous materials on H.R. 1595.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. PERLMUTTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am proud we are here today to pass this bill about public safety, accountability, and respecting States' rights. Forty-seven States, four U.S. territories, and the District of Columbia have spoken and legalized some form of recreational or medical marijuana, including cannabidiol. 318.2 million people live in those 47 States. That is 97.7 percent of the population.

However, because marijuana remains illegal under Federal law, businesses in these States are forced to deal in cash. These businesses, their employees, and ancillary businesses cannot access the banking system.

The fact is, the people in States and localities across the country are voting to approve some level of marijuana use, and we need these marijuana businesses and employees to have access to checking accounts, lines of credit, payroll accounts, and more.

This will improve transparency and accountability and help law enforcement root out illegal transactions to prevent tax evasion, money laundering, and other white-collar crime.

Most importantly, Mr. Speaker, this will also reduce the risk of violent crime in our communities. These businesses and their employees become targets for murder, robbery, assault, and more by dealing in all cash, and this

puts the employees and store owners at risk. Congressman HECK will speak directly to this point.

The SAFE Banking Act will create a safe harbor for financial institutions and their employees who choose to do business with a marijuana company.

Section 3 of the bill is particularly important to not only marijuana businesses but everyone who might do business with a marijuana-related company. This section would protect ancillary businesses like real estate owners, accountants, electricians, and vendors by clarifying that the proceeds from legitimate cannabis businesses are not illegal under Federal laws. This proceeds section is the key provision, allowing all cannabis-related businesses and their service providers to access the banking system without fear of reprisal.

We have worked with our Republican colleagues on a few changes to improve the bill since it was marked up in March.

As Mr. BARR will discuss, the bill now includes protections for financial institutions to provide financial services to hemp and CBD businesses since we have learned the provisions from the farm bill last year did not provide sufficient clarity for banks and credit unions to provide these services.

At Mr. STIVERS' urging, we expanded the protections in the bill for various insurance products, such as workers compensation.

Additionally, we have added language from Mr. LUETKEMEYER's Financial Institution Customer Protection Act, which passed the House 395-2 last Congress. This language would prohibit bank regulators from directing a bank to close an account for reputational reasons.

In summary, if someone wants to oppose the legalization of marijuana, that is their prerogative. But American voters have spoken and continue to speak. The fact is that you can't put the genie back in the bottle. Prohibition is over.

Our bill is focused solely on taking cash off the streets and making our communities safer. Only Congress can take these steps to provide this certainty for businesses, employees, and financial institutions across the country.

Mr. Speaker, I thank Representative HECK for his partnership through the years on this bill. I also thank Representative STIVERS and Representative DAVIDSON for their support and co-sponsorship of the SAFE Banking Act. Subcommittee Chairman GREG MEEKS and Representative KATIE PORTER have been very helpful in the process.

Finally, I thank Chairwoman MAXINE WATERS for shepherding this bill through the Financial Services Committee and making this a priority.

Mr. Speaker, I urge my colleagues to join me in voting "yes," and I reserve the balance of my time.

□ 1630

Mr. MCHENRY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to H.R. 1595.

Before I go into the contents of my argument against this legislation, I want to start by commending the bill's sponsor, Mr. PERLMUTTER from Colorado, for his tireless advocacy, his reasonableness in his approach, and his willingness, even in the midst of the toughest negotiations around the subject matter, to keep his cool, to think through the import of the bill, and to seek compromise where he could.

It is quite a legislative endeavor that he has taken upon for himself, for this institution, for his State, and for States around the country. He has been a fantastic advocate.

And I would say that, standing in opposition to this bill, it is not because of his lack of good will. It is not for lack of his willingness to engage, but for a fundamental disagreement in the approach. We have been able to have real discussions around this that I think would make the American people more proud or more confident in this institution and our body politic, more broadly speaking.

I also want to thank my friend and colleague on the committee, Mr. STIVERS from Ohio, for his work on the issue. Together, they have conducted themselves with wonderful integrity and respect for their colleagues and their colleagues' views and ideas, especially on an issue like this where it can create an enormous amount of controversy.

Twenty-one States have legalized medicinal marijuana, and 10 States have legalized the recreational use of the drug. However, cannabis remains completely illegal in 19 States. Federal law defines this as a drug that has "a high potential for abuse; no currently accepted medical use in treatment in the United States; and a lack of accepted safety for use of the drug . . . under medical supervision." That is the current Federal law.

This bill does not change the fact that cannabis remains a prohibited schedule I substance under the Controlled Substances Act.

To that end, if we seek to give financial institutions certainty, we should deal with the listing of cannabis as a schedule I substance, not debating a partial solution for financial institutions and a larger societal issue that we must wrestle with.

Should States be allowed to continue to violate Federal law? Does Federal law need to be changed when it comes to the scheduling of cannabis?

We have an FDA that regulates cigarettes and e-cigarettes, which, as we know, there is the recent announcement that they will seek a ban on flavored e-cigarettes. But the FDA has no regulatory authority to regulate cannabis.

The bill we are considering today is one of the biggest changes to U.S. drug policy in my lifetime, yet it was done with little debate. While our com-

mittee has jurisdiction over financial institutions—in the nature of our debate, it is usually about the nature of regulation for the capital markets and for banks—we heard little from the committees of jurisdiction over the Controlled Substances Act or the Criminal Code. In fact, the Financial Services Committee is the only one that has held a hearing on the issue of cannabis this Congress.

Now, I would say that is due to the leadership of Mr. PERLMUTTER and his tireless advocacy for this, but we only had one panel of witnesses. I voiced my concerns in our jurisdiction to Chairwoman WATERS and to Congressman PERLMUTTER about my concerns for this.

In March of this year, I wrote Chairwoman WATERS to express my belief that we need to have a better comprehension of the nature of this substance and address the supervisory and regulatory issues that would result from enactment of H.R. 1595. I include in the RECORD a copy of that letter.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,

Washington, DC, March 21, 2019.

The Hon. MAXINE WATERS,
Chairwoman, Committee on Financial Services,
Washington, DC.

The Hon. GREGORY W. MEEKS,
Chairman, Subcommittee on Consumer Protection and Financial Institutions, Washington DC.

DEAR CHAIRWOMAN WATERS AND CHAIRMAN MEEKS: We write today to seek your agreement to delay consideration of H.R. 1595, the SAFE Act, currently scheduled to be marked up on March 26, 2019, until the Committee has a better understanding of the full range of consequences that enacting such legislation may trigger. As you know, marijuana is a schedule I controlled substance as defined in 21 U.S.C. 802. The impact that many state laws, which have legalized marijuana, have on the federal laws governing the manufacturing, use, and sale of marijuana, including proceeds, raise many questions and concerns. Any change to these statutes, or those that impact them, has the potential to divide the Congress and the country. We must ensure that Congress has done its due diligence, including conducting thorough oversight and review, before moving such legislation.

The hearing at the Committee on Financial Services on February 13, 2019, made clear that we need to better comprehend and address the supervisory and regulatory issues that would result from enactment of H.R. 1595. Many outstanding questions remain, which include but are not limited to the following:

1. What changes to our banking laws are necessary to implement the SAFE Banking Act or other legislation creating a safe harbor for cannabis-related businesses?

2. How would individual agencies enforce Bank Secrecy Act (BSA) requirements following enactment of the SAFE Banking Act? What changes would be required of BSA requirements?

3. How would individual agencies enforce anti-money laundering (AML) regulations following enactment of the SAFE Banking Act? Would AML reforms be necessary?

4. How would individual agencies enforce Know Your Customer (KYC) rules following enactment of the SAFE Banking Act? What changes would be required of KYC rules?

5. How would individual agencies enforce Suspicious Activity Report (SAR) filing requirements and guidelines following passage

of the SAFE Banking Act? What changes would be required of SAR filing requirements and guidelines to ensure illicit financial activities were not being financed?

6. How would individual agencies enforce Currency Transaction Report (CTR) filing requirements and guidelines following enactment of the SAFE Banking Act? What changes would be required of CTR filing requirements and guidelines?

7. In what ways are agencies working with state counterparts, including state banking and securities supervisors, under the existing regime? How would those cooperative relationships change with enactment of H.R. 1595?

8. Would H.R. 1595 require conforming changes to any of the statutes, rules, and requirements previously listed to ensure there are no unintended consequences, such as cartels and other bad actors gaining access to our financial system?

9. Would the safe harbor require any changes to the rules or processes governing federal deposit insurance systems?

10. What are the implications of H.R. 1595 on nonbank financial firms, including insurers and investment companies?

11. What are the implications of H.R. 1595 on third parties, including payment processors?

12. What are the implications of H.R. 1595 on individual and institutional investors of cannabis-related businesses?

13. What are the implications of RR.1595 on federal, state, and local law enforcement, including the Department of Justice and the Drug Enforcement Agency?

14. How are proceeds from state licensed growers and distributors taxed under federal law? Relatedly, what conforming changes to our tax code are necessary?

15. What are the implications of H.R. 1595 on other products and services offered by financial institutions, including but not limited to mortgage products, deposit advance products or general commercial lending?

As Members of Congress, and the Committee of primary jurisdiction, we owe it to our constituents and to the public to fully understand the implications of any legislation before supporting or opposing it. We urge you to hold H.R. 1595 and any related legislation until we have a full understanding of the consequences of this bill.

Sincerely,

PATRICK MCHENRY,
Ranking Member.

BLAINE LUETKEMEYER,
Ranking Member.

Mr. MCHENRY. Mr. Speaker, in that letter, I listed a number of questions that have yet to be answered, including:

What steps will Federal financial regulators have to take to harmonize standards and protect against illicit activity, including institutions' obligations with respect to the Bank Secrecy Act, anti-money laundering requirements, suspicious activity reports, and currency transaction reports?

What are the implications of this bill on nonbank financial firms, including investment companies?

I know there have been additions, since we have come to the floor, to include insurance companies, and I think that is a positive step. But these are some of the basic questions that still need to be resolved.

It is also important that we understand whether this legislation could lead to bad actors, like drug cartels,

that could more easily access our banking system in the United States. These concerns have been echoed by several former Directors of the Office of National Drug Control Policy and former Administrators of the Drug Enforcement Administration.

In a July letter from this year, former law enforcement officials serving from 1981 to 2014 have voiced concerns that the SAFE Banking Act could be exploited to provide easier, more cost-effective ways for nefarious groups to launder money. I include in the RECORD a copy of that letter.

HON. MIKE CRAPO,

Chairman, U.S. Senate Committee on Banking, Housing, & Urban Affairs, Washington, DC.

HON. SHERROD BROWN,

Ranking Member, U.S. Senate Committee on Banking, Housing, & Urban Affairs, Washington, DC.

DEAR CHAIRMAN CRAPO AND RANKING MEMBER BROWN: We write as former Directors of the Office of National Drug Control Policy and former Administrators of the Drug Enforcement Administration to warn about the unintended consequences of the SAFE Banking Act to legalize the banking of federally illegal proceeds from the sale of marijuana.

Some Members of your Committee may be familiar with the Black Market Peso Exchange that has been in operation for several decades. This scheme has enabled international drug cartels to launder billions of U.S. dollars through international monetary exchanges and has ensnared many banks and mainstream U.S. companies.

The lesson that the Black Market Peso Exchange teaches us is that cartels will go to enormous lengths and use sophisticated and complex methods to move cash into banks—since laundering money is the life-blood of criminal organizations. It is therefore a virtual certainty that cartels will seek to exploit the SAFE Banking act if it provides them with an easier and more cost-effective means to launder their money.

Because cash made from the sale of marijuana looks the same regardless of what it was used to pay for, it will be extremely difficult for banks to know whether large bundles of cash presented for deposit were made from the sale of marijuana rather than from the sale of heroin, fentanyl, or methamphetamine.

In short, the SAFE Banking Act could inadvertently allow cartels to bring into banks duffel bags of cash made from the sale of those illicit drugs that are killing tens of thousands of Americans every year.

Consider the current landscape of offering banking services to cash-intensive marijuana businesses. Even if customers are offered the opportunity to pay in credit, many customers will choose to pay cash to avoid being tracked within, the state seed-to-sale tracking system.

While banks know how much cash to expect from other cash-intensive businesses like dry cleaners or convenience stores, it will be very difficult to figure out when a marijuana dispensary is participating in a money laundering scheme. The scale of the marijuana industry is already such that there are huge opportunities for these dispensaries to be the destination for cartel cash. Indeed, we have already seen many cases of cartels using the cover of legalization to operate illicit marijuana grows and black market activity. Two recent examples within the past year involved organized efforts to expel Mexican drug cartels growing marijuana in Northern California—including a request to use the California National Guard, and the May 2019 bust of the largest

international drug trafficking organization in Colorado law enforcement history, with over 80,000 plants in over 250 locations and 4.5 tons of finished marijuana products.

We urge the Senate Banking Committee to reject the SAFE Banking Act and other legislation that would give these cartels more cover and more access to the U.S. financial system.

Sincerely,

Mr. R. Gil Kerlikowske, Former Director, May 7, 2009 to March 6, 2014, Office of National Drug Control Policy; Mr. John P. Walters, Former Director, December 7, 2001 to January 20, 2009, Office of National Drug Control Policy; General Barry R. McCaffrey, USA (Ret.), Former Director, February 29, 1996 to January 20, 2001, Office of National Drug Control Policy; Mr. Lee P. Brown, Former Director, July 19, 1993 to January 1996, Office of National Drug Control Policy; Mr. Robert Martinez, Former Director, March 28, 1991 to January 20, 1993, Office of National Drug Control Policy; Mr. William J. Bennett, Former Director, March 13, 1989 to December 13, 1990, Office of National Drug Control Policy; Ms. Michele M. Leonhart, Former Administrator, November 10, 2007 to May 14, 2015, Drug Enforcement Administration; Ms. Karen P. Tandy, Former Administrator, July 31, 2003 to November 9, 2007, Drug Enforcement Administration; Mr. John C. Lawn, Former Administrator, July 26, 1985 and March 23, 1990, Drug Enforcement Administration; Mr. Peter B. Bensinger, Former Administrator, February 23, 1976 to July 10, 1981, Drug Enforcement Administration.

Mr. MCHENRY. Mr. Speaker, drug cartels are a significant problem in cannabis-legal States like California, Washington, and Colorado. As reported in a May article by NBC News, the cartels have found that it is easier to grow and process marijuana in legal States like Colorado and ship it throughout the United States than it is to bring it from Mexico or Cuba.

I include in the RECORD a copy of this article, as well.

[From nbcnews.com, May 29, 2018]

FOREIGN CARTELS EMBRACE HOME-GROWN MARIJUANA IN POT-LEGAL STATES
FOREIGN GANGS ARE FINDING THAT BLACK-MARKET MARIJUANA IS PROFITABLE EVEN IN STATES THAT HAVE LEGALIZED CANNABIS
(By Dennis Romero, Gabe Gutierrez, Andrew Blankstein and Robert Powell)

LOS ANGELES.—Attorney General Jeff Sessions called it “one of the largest residential forfeiture actions in American History.”

In early April, local and federal authorities descended upon 74 marijuana grow houses in the Sacramento area they say were underwritten by Chinese organized crime. They filed court paperwork to seize the properties, worth millions of dollars.

Federal officials allege that legal recreational marijuana states like California, Colorado and Washington, where enforcement of growing regulations is hit-or-miss, have been providing cover for transnational criminal organizations willing to invest big money to buy or rent property to achieve even bigger returns.

Chinese, Cuban and Mexican drug rings have purchased or rented hundreds of homes and use human trafficking to bring inexperienced growers to the United States to tend them, federal and local officials say.

The suspects are targeting states that have already legalized marijuana “in an attempt

to shroud their operations in our legal environment here and then take the marijuana outside of the state," said Mike Hartman, executive director of the Colorado Department of Revenue, which regulates and licenses the cannabis industry. Authorities say they've seen an increase in these "home grows" since the launch of recreational pot sales in Colorado.

While California and Washington have mainly seen organized criminals from China buying homes and converting them into grow houses, Colorado has largely been grappling with Cuban and Mexican-led cartels, said Sheriff Bill Elder of the El Paso County Sheriff's Office in Colorado.

"They have found that it's easier to grow and process marijuana in Colorado, ship it throughout the United States, than it is to bring it from Mexico or Cuba," Elder said.

In El Paso County, NBC News witnessed firsthand the damage a commercial-scale cannabis grow can do to a home otherwise built for an average American family. Growers pose as legitimate renters, and by the time authorities disrupt their operation, homes have been gutted and trashed.

"We've fallen through floors," U.S. Drug Enforcement Agency Special Agent Randy Ladd said. "The electrical damage, they draw so much current that you'll see, in some places, the wires are fused inside of the electrical box. And—a lot of people—they don't wanna pay the high electric bills. So what they do is they take jackhammers and pickaxes and they cut through the foundation of the house, so that they could steal the power."

One of the biggest busts so far came last June, when the Colorado attorney general's office announced that "a massive illegal interstate marijuana distribution and cultivation network stretching from Colorado to Texas" had been dismantled. It was allegedly Chinese-connected, Ladd said.

Authorities said the network was responsible for securities fraud, millions of dollars of laundered cash, 2,600 "illegally cultivated" marijuana plants and 4,000 pounds of harvested cannabis, according to the Colorado attorney general's statement.

The operation took place in 18 warehouses and storage units and 33 homes, mostly in the Denver area, authorities said. "These seizures are believed to only scratch the surface," the office said.

Ladd alleged that some Chinese crews cover immigrants' costs of traveling to America in exchange for work in the grow houses. "It's like indentured servitude," he said. "It is a form of human trafficking."

The workers often fly from China to Belgium, and from Belgium to Mexico, before making asylum claims at the border and then disappearing by the time they're scheduled to tell their stories in court, Ladd said. Often when grow houses are raided, immigration fugitives are discovered, he said.

The grow homes are usually purchased by shell property management companies, Ladd said. "These growers can hide in plain sight," he said.

The Sacramento-area raids, which also struck Calaveras, Placer, San Joaquin, El Dorado, Yuba and Amador counties, shed some light on how many of the foreign rings operate.

Northern California-based DEA Special Agent Casey Rettig said suspects send cash to the United States in \$9,999 increments, just below the mandated reporting threshold, and receive funds from China that fly under that nation's \$50,000 foreign spending limit. They then purchase homes with the help of cash lenders instead of traditional mortgage firms.

Last fall, a scenario fitting that pattern unfolded in Grays Harbor County, Wash-

ington, southwest of Seattle, as a drug task force busted an alleged cultivation ring funded by organized crime in China.

More than 40 suspects were arrested and \$80 million worth of cannabis was seized, the Grays Harbor County Sheriff's Office said. "The majority of these homes were purchased with cash, and information was developed that these purchases were conducted by Chinese nationals involved in organized crime," according to a statement from the Sheriff's Office.

And just this month, search warrants were served at 19 locations in the Puget Sound area of Washington state, a federal official who did not want her name used said. The ring was allegedly run by three Chinese nationals who produced thousands of pounds of cannabis destined for greater New York, the U.S. attorney's office in Seattle alleges.

The suspects, who face drug conspiracy charges, purchased homes with the help of multiple wire transfers from China that included dollar figures—\$2,000 to \$5,900—they believed would fly under the radar, according to a federal complaint.

Ultimately it was the houses' exorbitant electricity use—up to 38,477 kilowatt hours in one day versus the American average of just 30—that made them targets of a federal investigation, according to the filing.

Even a single grow house can contain a large marijuana operation. In April, police in Pomona, California, an exurb in Los Angeles County, announced they discovered a 23-room grow house allegedly run by Chinese nationals. Fifty-five-hundred marijuana products, including 2,900 plants and nearly 21 pounds of cannabis, were seized, police said.

"The grow operation used advanced systems of lighting, air conditioning, fans, exhaust blowers and air-filtering systems to control the climate inside the buildings and the odor of marijuana," according to a Pomona police statement.

Pomona police spokeswoman Aly Mejia said a gun and \$6,900 in cash were also found.

The DEA's Rettig, speaking from her base in San Francisco, said the Chinese operations are "illegal under state law." In California, marijuana growers, producers and retailers need state and local licenses. Cities can opt out and ban such businesses altogether.

Rettig said even with the Golden State's sky-high housing market—the median price of a home is \$535,100, according to listings site Zillow—overseas criminals know that "marijuana can fetch three times as much out of state."

"There's a great profit motive in it," the DEA's Ladd said. "In Colorado, marijuana legalization has magnified the black market. The standard price per pound here is \$2,000, but they can get \$3,500 to \$4,500 by shipping it back East. The profits are great there."

Mr. MCHENRY. Mr. Speaker, beyond the regulatory issues, Congress has yet to examine these potential societal harms and implications for human health.

In a January article regarding research on the health effects of marijuana, author Malcolm Gladwell wrote: "Before any drug gets permitted to go on the market, basic questions have to be answered about its safety and efficacy. We don't know relatively basic questions about marijuana."

I include this piece from *The New Yorker* in the RECORD.

[From the *New Yorker*, JAN. 7, 2019]
IS MARIJUANA AS SAFE AS WE THINK?(BY MALCOLM GLADWELL)

A few years ago, the National Academy of Medicine convened a panel of sixteen leading

medical experts to analyze the scientific literature on cannabis. The report they prepared, which came out in January of 2017, runs to four hundred and sixty-eight pages. It contains no bombshells or surprises, which perhaps explains why it went largely unnoticed. It simply stated, over and over again, that a drug North Americans have become enthusiastic about remains a mystery.

For example, smoking pot is widely supposed to diminish the nausea associated with chemotherapy. But, the panel pointed out, "there are no good-quality randomized trials investigating this option." We have evidence for marijuana as a treatment for pain, but "very little is known about the efficacy, dose, routes of administration, or side effects of commonly used and commercially available cannabis products in the United States." The caveats continue. Is it good for epilepsy? "Insufficient evidence." Tourette's syndrome? Limited evidence. A.L.S., Huntington's, and Parkinson's? Insufficient evidence. Irritable-bowel syndrome? Insufficient evidence. Dementia and glaucoma? Probably not. Anxiety? Maybe. Depression? Probably not.

Then come Chapters 5 through 13, the heart of the report, which concern marijuana's potential risks. The haze of uncertainty continues. Does the use of cannabis increase the likelihood of fatal car accidents? Yes. By how much? Unclear. Does it affect motivation and cognition? Hard to say, but probably. Does it affect employment prospects? Probably. Will it impair academic achievement? Limited evidence. This goes on for pages.

We need proper studies, the panel concluded, on the health effects of cannabis on children and teen-agers and pregnant women and breast-feeding mothers and "older populations" and "heavy cannabis users"; in other words, on everyone except the college student who smokes a joint once a month. The panel also called for investigation into "the pharmacokinetic and pharmacodynamic properties of cannabis, modes of delivery, different concentrations, in various populations, including the dose-response relationships of cannabis and THC or other cannabinoids."

Figuring out the "dose-response relationship" of a new compound is something a pharmaceutical company does from the start of trials in human subjects, as it prepares a new drug application for the E.D.A. Too little of a powerful drug means that it won't work. Too much means that it might do more harm than good. The amount of active ingredient in a pill and the metabolic path that the ingredient takes after it enters your body—these are things that drugmakers will have painstakingly mapped out before the product comes on the market, with a tractor-trailer full of supporting documentation.

With marijuana, apparently, we're still waiting for this information. It's hard to study a substance that until very recently has been almost universally illegal. And the few studies we do have were done mostly in the nineteen-eighties and nineties, when cannabis was not nearly as potent as it is now. Because of recent developments in plant breeding and growing techniques, the typical concentration of THC, the psychoactive ingredient in marijuana, has gone from the low single digits to more than twenty per cent—from a swig of near-beer to a tequila shot.

Are users smoking less, to compensate for the drug's new potency? Or simply getting more stoned, more quickly? Is high-potency cannabis more of a problem for younger users or for older ones? For some drugs, the dose-response curve is linear: twice the dose creates twice the effect. For other drugs, it's nonlinear: twice the dose can increase the effect tenfold, or hardly at all. Which is true

for cannabis? It also matters, of course, how cannabis is consumed. It can be smoked, vaped, eaten, or applied to the skin. How are absorption patterns affected?

Last May, not long before Canada legalized the recreational use of marijuana, Beau Kilmer, a drug-policy expert with the RAND Corporation, testified before the Canadian Parliament. He warned that the fastest-growing segment of the legal market in Washington State was extracts for inhalation, and that the mean THC concentration for those products was more than sixty-five per cent. “We know little about the health consequences—risks and benefits—of many of the cannabis products likely to be sold in nonmedical markets,” he said. Nor did we know how higher-potency products would affect THC consumption.

When it comes to cannabis, the best-case scenario is that we will muddle through, learning more about its true effects as we go along and adapting as needed—the way, say, the once extraordinarily lethal innovation of the automobile has been gradually tamed in the course of its history. For those curious about the worst-case scenario, Alex Berenson has written a short manifesto, “Tell Your Children: The Truth About Marijuana, Mental Illness, and Violence.”

Berenson begins his book with an account of a conversation he had with his wife, a psychiatrist who specializes in treating mentally ill criminals. They were discussing one of the many grim cases that cross her desk—“the usual horror story, somebody who’d cut up his grandmother or set fire to his apartment.” Then his wife said something like “Of course, he was high, been smoking pot his whole life.”

Of course? I said.

Yeah, they all smoke.

Well . . . other things too, right?

Berenson used to be an investigative reporter for the Times, where he covered, among other things, health care and the pharmaceutical industry. Then he left the paper to write a popular series of thrillers. At the time of his conversation with his wife, he had the typical layman’s view of cannabis, which is that it is largely benign. His wife’s remark alarmed him, and he set out to educate himself. Berenson is constrained by the same problem the National Academy of Medicine faced—that, when it comes to marijuana, we really don’t know very much. But he has a reporter’s tenacity, a novelist’s imagination, and an outsider’s knack for asking intemperate questions. The result is disturbing.

The first of Berenson’s questions concerns what has long been the most worrisome point about cannabis: its association with mental illness. Many people with serious psychiatric illness smoke lots of pot. The marijuana lobby typically responds to this fact by saying that pot-smoking is a response to mental illness, not the cause of it—that people with psychiatric issues use marijuana to self-medicate. That is only partly true. In some cases, heavy cannabis use does seem to cause mental illness. As the National Academy panel declared, in one of its few unequivocal conclusions, “Cannabis use is likely to increase the risk of developing schizophrenia and other psychoses; the higher the use, the greater the risk.”

Berenson thinks that we are far too sanguine about this link. He wonders how large the risk is, and what might be behind it. In one of the most fascinating sections of “Tell Your Children,” he sits down with Erik Messamore, a psychiatrist who specializes in neuropharmacology and in the treatment of schizophrenia. Messamore reports that, following the recent rise in marijuana use in the U.S. (it has almost doubled in the past two decades, not necessarily as the result of

legal reforms), he has begun to see a new kind of patient: older, and not from the marginalized communities that his patients usually come from. These are otherwise stable middle-class professionals. Berenson writes, “A surprising number of them seemed to have used only cannabis and no other drugs before their breaks. The disease they’d developed looked like schizophrenia, but it had developed later—and their prognosis seemed to be worse. Their delusions and paranoia hardly responded to antipsychotics.”

Messamore theorizes that THC may interfere with the brain’s anti-inflammatory mechanisms, resulting in damage to nerve cells and blood vessels. Is this the reason, Berenson wonders, for the rising incidence of schizophrenia in the developed world, where cannabis use has also increased? In the northern parts of Finland, incidence of the disease has nearly doubled since 1993. In Denmark, cases have risen twenty-five per cent since 2000. In the United States, hospital emergency rooms have seen a fifty per-cent increase in schizophrenia admissions since 2006. If you include cases where schizophrenia was a secondary diagnosis, annual admissions in the past decade have increased from 1.26 million to 2.1 million.

Berenson’s second question derives from the first. The delusions and paranoia that often accompany psychoses can sometimes trigger violent behavior. If cannabis is implicated in a rise in psychoses, should we expect the increased use of marijuana to be accompanied by a rise in violent crime, as Berenson’s wife suggested? Once again, there is no definitive answer, so Berenson has collected bits and pieces of evidence. For example, in a 2013 paper in the *Journal of Interpersonal Violence*, researchers looked at the results of a survey of more than twelve thousand American high-school students. The authors assumed that alcohol use among students would be a predictor of violent behavior, and that marijuana use would predict the opposite. In fact, those who used only marijuana were three times more likely to be physically aggressive than abstainers were; those who used only alcohol were 2.7 times more likely to be aggressive.

Observational studies like these don’t establish causation. But they invite the sort of research that could.

Berenson looks, too, at the early results from the state of Washington, which, in 2014, became the first U.S. jurisdiction to legalize recreational marijuana. Between 2013 and 2017, the state’s aggravated-assault rate rose seventeen per cent, which was nearly twice the increase seen nationwide, and the murder rate rose forty-four per cent, which was more than twice the increase nationwide. We don’t know that an increase in cannabis use was responsible for that surge in violence. Berenson, though, finds it strange that, at a time when Washington may have exposed its population to higher levels of what is widely assumed to be a calming substance, its citizens began turning on one another with increased aggression.

His third question is whether cannabis serves as a gateway drug. There are two possibilities. The first is that marijuana activates certain behavioral and neurological pathways that ease the onset of more serious addictions. The second possibility is that marijuana offers a safer alternative to other drugs: that if you start smoking pot to deal with chronic pain you never graduate to opioids.

Which is it? This is a very hard question to answer. We’re only a decade or so into the widespread recreational use of high-potency marijuana. Maybe cannabis opens the door to other drugs, but only after prolonged use. Or maybe the low-potency marijuana of

years past wasn’t a gateway, but today’s high-potency marijuana is. Methodologically, Berenson points out, the issue is complicated by the fact that the first wave of marijuana legalization took place on the West Coast, while the first serious wave of opioid addiction took place in the middle of the country. So, if all you do is eyeball the numbers, it looks as if opioid overdoses are lowest in cannabis states and highest in non-cannabis states.

Not surprisingly, the data we have are messy. Berenson, in his role as devil’s advocate, emphasizes the research that sees cannabis as opening the door to opioid use. For example, two studies of identical twins—in the Netherlands and in Australia—show that, in cases where one twin used cannabis before the age of seventeen and the other didn’t, the cannabis user was several times more likely to develop an addiction to opioids. Berenson also enlists a statistician at N.Y.U. to help him sort through state-level overdose data, and what he finds is not encouraging: “States where more people used cannabis tended to have more overdoses.”

The National Academy panel is more judicious. Its conclusion is that we simply don’t know enough, because there haven’t been any “systematic” studies. But the panel’s uncertainty is scarcely more reassuring than Berenson’s alarmism. Seventy-two thousand Americans died in 2017 of drug overdoses. Should you embark on a procannabis crusade without knowing whether it will add to or subtract from that number?

Drug policy is always clearest at the fringes. Illegal opioids are at one end. They are dangerous. Manufacturers and distributors belong in prison, and users belong in drug-treatment programs. The cannabis industry would have us believe that its product, like coffee, belongs at the other end of the continuum. “Flow Kana partners with independent multi-generational farmers who cultivate under full sun, sustainably, and in small batches,” the promotional literature for one California cannabis brand reads. “Using only organic methods, these stewards of the land have spent their lives balancing a unique and harmonious relationship between the farm, the genetics and the terroir.” But cannabis is not coffee. It’s somewhere in the middle. The experience of most users is relatively benign and predictable; the experience of a few, at the margins, is not. Products or behaviors that have that kind of muddled risk profile are confusing, because it is very difficult for those in the benign middle to appreciate the experiences of those at the statistical tails. Low-frequency risks also take longer and are far harder to quantify, and the lesson of “Tell Your Children” and the National Academy report is that we aren’t yet in a position to do so. For the moment, cannabis probably belongs in the category of substances that society permits but simultaneously discourages. Cigarettes are heavily taxed, and smoking is prohibited in most workplaces and public spaces. Alcohol can’t be sold without a license and is kept out of the hands of children. Prescription drugs have rules about dosages, labels that describe their risks, and policies that govern their availability. The advice that seasoned potheads sometimes give new users—“start low and go slow”—is probably good advice for society as a whole, at least until we better understand what we are dealing with.

Late last year, the commissioner of the Food and Drug Administration, Scott Gottlieb, announced a federal crackdown on e-cigarettes. He had seen the data on soaring use among teen-agers, and, he said, “it shocked my conscience.” He announced that the F.D.A. would ban many kinds of flavored e-cigarettes, which are especially popular

with teens, and would restrict the retail outlets where e-cigarettes were available.

In the dozen years since e-cigarettes were introduced into the marketplace, they have attracted an enormous amount of attention. There are scores of studies and papers on the subject in the medical and legal literature, grappling with the questions raised by the new technology. Vaping is clearly popular among kids. Is it a gateway to traditional tobacco use? Some public-health experts worry that we're grooming a younger generation for a lifetime of dangerous addiction. Yet other people see e-cigarettes as a much safer alternative for adult smokers looking to satisfy their nicotine addiction. That's the British perspective. Last year, a Parliamentary committee recommended cutting taxes on e-cigarettes and allowing vaping in areas where it had previously been banned. Since e-cigarettes are as much as ninety-five per cent less harmful than regular cigarettes, the committee argued, why not promote them? Gottlieb said that he was splitting the difference between the two positions—giving adults “opportunities to transition to non-combustible products,” while upholding the F.D.A.'s “solemn mandate to make nicotine products less accessible and less appealing to children.” He was immediately criticized. “Somehow, we have completely lost all sense of public-health perspective,” Michael Siegel, a public-health researcher at Boston University, wrote after the F.D.A. announcement:

Every argument that the F.D.A. is making in justifying a ban on the sale of electronic cigarettes in convenience stores and gas stations applies even more strongly for real tobacco cigarettes: you know, the ones that kill hundreds of thousands of Americans each year. Something is terribly wrong with our sense of perspective when we take the e-cigarettes off the shelf but allow the old-fashioned ones to remain.

Among members of the public-health community, it is impossible to spend five minutes on the e-cigarette question without getting into an argument. And this is nicotine they are arguing about, a drug that has been exhaustively studied by generations of scientists. We don't worry that e-cigarettes increase the number of fatal car accidents, diminish motivation and cognition, or impair academic achievement. The drugs through the gateway that we worry about with e-cigarettes are Marlboros, not opioids. There are no enormous scientific question marks over nicotine's dosing and bio-availability. Yet we still proceed cautiously and carefully with nicotine, because it is a powerful drug, and when powerful drugs are consumed by lots of people in new and untested ways we have an obligation to try to figure out what will happen.

A week after Gottlieb announced his crackdown on e-cigarettes, on the ground that they are too enticing to children, Siegel visited the first recreational-marijuana facility in Massachusetts. Here is what he found on the menu, each offering laced with large amounts of a drug, THC, that no one knows much about:

Strawberry-flavored chewy bites
Large, citrus gummy bears
Delectable Belgian dark chocolate bars
Assorted fruit-flavored chews
Assorted fruit-flavored cubes
Raspberry flavored confection
Raspberry flavored lozenges
Chewy, cocoa caramel bite-sized treats
Raspberry & watermelon flavored lozenges
Chocolate-chip brownies. He concludes, “This is public health in 2018?”

Mr. MCHENRY. Mr. Speaker, I appreciate the gentleman from Colorado's willingness to work with several of my

colleagues on this side of the aisle. I want to commend him and the gentleman from Ohio (Mr. STIVERS), once again, for their commitment to this effort.

This version of the legislation before us right now is dramatically improved and includes a number of Republican priorities, such as language on Operation Choke Point, and a solution that will help industrial hemp farmers across the country, but most especially in Kentucky.

Yet, Mr. Speaker, there are many questions left to be answered. We do not fully understand the sweeping implications of this legislation. We do not yet know what the resulting regulatory regime will look like, nor do we have any assurance that it will not expose the current financial system to illicit activity. In particular, as it is currently drafted, H.R. 1595 offers insufficient safeguards against drug cartels accessing the banking system.

What this legislation does is provide a half answer to a much larger problem than just banking. We owe it to our constituents and to the public to have a serious debate on the underlying issue, and that is the issue of whether or not cannabis should be considered a schedule I substance under the Controlled Substances Act. I know Mr. PERLMUTTER and I share that same sentiment that we should have that larger debate.

In the meantime, Congress is working in a bipartisan way to come up with at least a measure of a solution, but I am hopeful that we can get the medical research necessary and the FDA processes necessary for us to have that larger debate as well. I would welcome that debate, as I know the American people would as well.

Mr. Speaker, I reserve the balance of my time.

Mr. PERLMUTTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I say thank you to my friend for the kind words about working across the aisle. This has been a partnership in many respects, lots of interchange.

I would also say to my friend, the Financial Services Committee has certain jurisdiction. We couldn't take up all of the different things that the gentleman has suggested, Mr. Speaker, but we were able to take up this marijuana bill. It is the first time this Congress has done it, certainly in my terms here, and the reason we did that was because the chairwoman was a driving force to get this matter in front of the Congress.

Mr. Speaker, I yield 4 minutes to the gentlewoman from California (Ms. WATERS), chairwoman of the full committee.

Ms. WATERS. Mr. Speaker, I rise in support of H.R. 1595, the SAFE Banking Act, sponsored by Representatives ED PERLMUTTER, DENNY HECK, STEVE STIVERS, and WARREN DAVIDSON. Let me say to all of these individuals who have

worked so long and so hard on this legislation, I am proud of the work that they have done; I am proud of the cooperation that they have demonstrated; and I am proud to be on this floor with them today.

This bipartisan bill addresses a pressing public safety issue for businesses that legally grow, market, or sell cannabis in States that have legalized its use and that are currently forced to operate with cash only. Forty-seven States, three territories, and D.C. have legalized some form of marijuana, and it is time for Congress to act.

Cannabis-related businesses are locked out of the banking system and cannot maintain checking accounts, process payroll obligations, or pay taxes. The Financial Services Committee heard testimony in February that these cash-only businesses and their employees have become targets for violent criminals.

The SAFE Banking Act addresses this serious problem by providing a safe harbor to financial institutions that choose to serve State-regulated cannabis businesses. The bill would also help others, like plumbers or electricians who provide services to cannabis businesses, who face similar challenges with access to banking services. With the passage of this bill, all of these businesses will gain access to traditional financial services that most businesses take for granted.

H.R. 1595 also promotes diversity and inclusion, with several reporting provisions to help Congress monitor that minority-owned and women-owned cannabis businesses get access to credit they need and have a fair chance to compete.

As I have said before and I say here on the floor today, this bill is but one important piece of what should be a comprehensive series of cannabis reform bills.

I have long fought for criminal justice reform and deeply understand the need to fully address the historical racial and social inequities related to the criminalization of marijuana.

I support legislation like Representatives LEE's Marijuana Justice Act and Chairman NADLER's MORE Act that would de-schedule marijuana federally and provide assistance, such as job training and reentry services, for those who have been harmed by the war on drugs.

Let me be clear. It is long overdue for Congress to address the unjust criminalization of marijuana use. So I eagerly look forward to the Judiciary Committee sending the legislation to the House floor soon.

I thank Representatives PERLMUTTER and HECK for their longstanding leadership on this issue for the past 6 years.

I urge all Members to vote “yes” on the bill and, when we get the legislation from the Judiciary Committee, to do all of those things that I have spoken about here, what is considered justice for those who have been harmed by some of the laws that cause people to

be incarcerated. We eagerly look forward to that legislation. We urge the Judiciary Committee to send it to the floor so that we can support it.

Mr. MCHENRY. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. HUIZENGA), the ranking member of the Investor Protection, Entrepreneurship, and Capital Markets Subcommittee.

Mr. HUIZENGA. Mr. Speaker, I appreciate the ranking member allowing me this time.

Let's set aside the moral and societal aspects of cannabis and the debate and acknowledge that we have a problem. We do have a problem. We have States that have decided to violate Federal law; and within those States, we have banking institutions and businesses that are operating within the confines of the State, however, that are still in violation of the Federal law.

Now, here is what we do agree on: We need to have a goal of predictability for these financial institutions and for these businesses. However, I don't believe that this bill will ultimately do that because the Federal Government still views this as a schedule I substance.

I had an amendment in committee, as the author of the bill well knows, that would have forced alignment with all of the various regulators. I think at the time, my recollection is, we counted 13 different Federal regulators that touch these institutions in one way or another.

The answer to that was, well, in the bill, we have a requirement that they are going to agree with each other within 180 days.

Well, this is not going to come as a surprise to those watching on C-SPAN. We can't collectively tie our shoes here in Washington in 180 days, much less get through something that complicated.

My amendment said that this would go into effect only when and if all of the regulators could agree to the language of how to deal with it. I still think that is the right way to go.

□ 1645

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MCHENRY. Mr. Speaker, I yield the gentleman from Michigan an additional 30 seconds.

Mr. HUIZENGA. There is a big difference we know between industrial hemp and recreational cannabis. The only way for us to really get at this issue and provide predictability to the companies, to the financial institutions, and to our citizens is to have the full debate about whether marijuana and cannabis should be a schedule I substance or not. It is time for this full debate to happen, and I look forward to it.

Mr. PERLMUTTER. Mr. Speaker, to my friend from Michigan, I guess I have more confidence in the Federal employees that they can get something done in the next 180 days.

Mr. Speaker, I yield 4 minutes to the gentleman from Washington (Mr. HECK) who has been working on this subject with me for the last 6 years.

Mr. HECK. Mr. Speaker, I thank the gentleman from Colorado for yielding.

Mr. Speaker, I rise in support of H.R. 1595, the SAFE Banking Act.

Before I do that, I want to acknowledge the leadership of this man for a very long period of time. The only reason we are standing here tonight about to vote on this is because of the tireless and brilliant leadership by the gentleman from Colorado. I thank him for it. It has been an incredible journey over a long period of time. I thank the chair of the committee as well for her strong and clear leadership on this. Lastly, I would like to thank the two gentlemen from Ohio, Mr. STIVERS and Mr. DAVIDSON, who are not just allies, they are friends and have done excellent work in this regard.

This is a public safety bill pure and simple. If you want your neighborhoods to be safer, Mr. Speaker, vote "yes." If you want your communities to be safer, vote "yes." If you want the employees at the dispensaries throughout the 47 States who have some form of legalized cannabis, vote "yes."

This is a public safety bill, and it is not hypothetical. It is real. Exhibit A, Travis Mason. June 18 of 2016, Travis Mason got up and went to work. He was full of optimism about life. He was a marine veteran. He served this country honorably. He was looking forward to his future, because he just had been informed that he was approved to take the Denver Police Department test. He was confident he would pass it. He had been studying for it.

So he kissed his lovely wife, Samantha, good-bye. They were both marine veterans, both just 24 with three small children. He kissed Aidyn and Daisy—they were twins—and little baby Julian good-bye and went to work where he served as a security guard in a dispensary in suburban Denver.

Because that was an all-cash settlement, because the Federal law did not allow for that business to be banked, to be within the guardrails of the financial system, an evil person walked in that night and shot Travis dead and left Samantha a 24-year-old widow with three small children. This was so unnecessary. If we pass this legislation that does not have to happen. This is not hypothetical.

You can be agnostic on the underlying policy of whether or not cannabis should be legal for either adult recreational use or to treat seizures for juvenile epileptics, but you cannot be agnostic on the need to improve safety in this area.

If you believe that the first two provisions, especially, of the Cole memorandum, which sets forth: Keep marijuana out of the hands of children and keep cash out of the hands of the cartels, if you support that, you must vote "yes" on this bill so that we can track this and so that we can monitor this.

If we do nothing, bad things will again happen. If we pass this law, if we pass the SAFE Banking Act, the public safety measure, then we can avoid another widow, Samantha, and another murdered clerk at a dispensary. We can make our neighborhood safer, and we can make our communities safer. Please join us in voting "yes" on H.R. 1595.

Mr. MCHENRY. Mr. Speaker, how much time remains?

The SPEAKER pro tempore. The gentleman from North Carolina has 9 minutes remaining. The gentleman from Colorado has 8 minutes remaining.

Mr. MCHENRY. Mr. Speaker, I yield 1 minute to the gentleman from Germantown, Tennessee (Mr. KUSTOFF).

Mr. KUSTOFF of Tennessee. Mr. Speaker, I want to thank the ranking member for yielding.

Mr. Speaker, I rise today in opposition to H.R. 1595, the SAFE Banking Act. I do want to say, I appreciate the debate that we have had in our Financial Services Committee, but I think that we need to have the same debate in the Judiciary Committee.

We all know that over the last several years, States across the country have passed various laws to legalize marijuana for both recreational and medical purposes. That flawed approach has created a patchwork of State laws and regulations that have allowed for the spread of marijuana use across the U.S.

Proponents of this bill claim that it will provide consistent guidelines for marijuana companies to do business across our national finance system. However, my concern is that the legalization will only provide safe harbor while legitimizing and encouraging more widespread use of this currently illegal drug.

The reality today is that we are voting to nationally legalize marijuana throughout our banking system rather than taking the correct approach, which I believe is to take a vote to legalize what is currently an illegal substance.

I would ask my colleagues who support this bill to think long and hard about what you are actually voting on today, because the consequences will be far-reaching beyond the intent of this bill.

Mr. PERLMUTTER. Madam Speaker, I yield 2 minutes to the gentlewoman from California (Ms. LEE), who is a co-chair of the Congressional Cannabis Caucus and a sponsor of the Marijuana Justice Act which we hope to see marked up and brought to the floor.

Ms. LEE of California. First of all, Madam Speaker, let me thank Congressman PERLMUTTER for yielding and also for his tireless leadership. This has taken a heck of a long time. The gentleman has stayed with it. He has been persistent, and I stand here and salute his efforts.

I also want to thank Chairwoman WATERS for moving this bill out of the Financial Services Committee and for

her support for our Marijuana Justice Act. I want to thank Congressman HECK for his clarity as to why this bill is necessary and for his support. And then, of course, my partner and friend, who has been on this issue so many years as co-chair of the bipartisan Congressional Cannabis Caucus in which I also serve as co-chair, Congressman EARL BLUMENAUER. I salute and thank everyone for getting us to this point.

The SAFE Banking Act would explicitly permit banks and other financial institutions to work directly with State legal cannabis businesses—legal cannabis businesses—instead of relying on cash transactions. This bill is not only timely but extremely necessary. Right now the cannabis industry needs access to safe and effective banking immediately.

Now, let me be clear. Federal law severely limits access to loans and capital for the cannabis business, especially, mind you, for those who have cannabis-related arrests and convictions on their record. That means that less than one-fifth of the cannabis industry is owned or operated by people of color, even though African Americans have been shown to use cannabis at the same rate as White Americans, yet are incarcerated at about 80 percent more in terms of incarceration rates. This is just plain wrong. So this bill is a great first start to addressing all of these issues.

I am telling you, Madam Speaker, communities of color should equally benefit from all of the laws that have been passed at the State level. They should have the opportunity to generate generational wealth for their families, too.

That is why, in addition to this bill, the House must bring forward legislation like my Marijuana Justice Act and the MORE Act, which addresses criminal justice reform, restorative justice, and fully reinvests in communities of color impacted by the failed and racist war on drugs.

Madam Speaker, I want to thank Mr. PERLMUTTER, again, for his leadership and for working with us to get this to the floor.

Mr. MCHENRY. Madam Speaker, I yield 3 minutes to the gentleman from Columbus, Ohio (Mr. STIVERS), who is the ranking member of the National Security, International Development and Monetary Policy Subcommittee of the Financial Services Committee. He is a great advocate for the bill.

Mr. STIVERS. Madam Speaker, I would like to thank the ranking member for yielding.

Madam Speaker, I rise in support of H.R. 1595, the SAFE Banking Act. The bill provides a limited safe harbor for banks and credit unions to open and maintain accounts for marijuana-related businesses and other nonmarijuana-related businesses.

I personally oppose recreational marijuana. But for me, this bill has nothing to do with the larger debate about marijuana and whether it is a

good or bad thing. Instead, I am narrowly focused on the public safety aspects of this bill. The inconsistencies between State and Federal law have created a situation where a growing number of State-regulated businesses are operating on a cash-only basis. As a result, they sit on large pools of cash that make them a magnet for violent robberies.

The transactions of cash-only businesses are not subjected to rigorous anti-money laundering or know your customer requirements that would be required for bank account holders. This makes it difficult for regulators and law enforcement to trace transactions or to freeze money.

The SAFE Banking Act will make our communities safer by getting cash off the streets and into regulated financial institutions, so we can root out fraud and other illegal activity. The bill also extends the safe harbor to any proceeds indirectly received from these businesses such as a hardware store down the street or the landlord of these businesses.

Importantly, the SAFE Banking Act does not change the legal status of marijuana. Additionally, H.R. 1595 also includes provisions that would prevent financial regulators from denying or discouraging access to the banking system for other legal businesses as happened in 2014 through 2016. This protection is a major protection for other legal businesses.

I want to thank Mr. PERLMUTTER and Mr. HECK for their incredible advocacy on this. I want to thank Chairwoman WATERS and Ranking Member MCHENRY for their honest and hard-working efforts, even when they disagree. And I want to thank Senator CORY GARDNER who has championed this bill in the Senate.

Madam Speaker, I urge my colleagues to vote “yes” on H.R. 1595.

Mr. PERLMUTTER. Madam Speaker, I include in the RECORD a list of supporters for the SAFE Banking Act from a broad coalition, including the National Association of Attorneys General, including 38 State attorneys general, 20 State Governors, and 18 State banking supervisors, the United Food and Commercial Workers, the Credit Union National Association, the Independent Community Bankers Association, the American Bankers Association, the Mid-size Bank Coalition of America, the National Bankers Association, Law Enforcement Action Partnership, the Minority Cannabis Business Association, the Mayors Coalition for Marijuana Reform, eight insurance trade associations, the International Council of Shopping Centers, the National Cannabis Industry Association, the National Cannabis Roundtable, the Cannabis Trade Federation, the California Cannabis Industry, the Florida Agriculture Commissioner, the Safe and Responsible Banking Alliance, the Electronic Transaction Association, the Real Estate Roundtable, the National Association of Realtors, Brinks,

Inc., the National Armored Car Association, the American Financial Services Association, and ScottsMiracleGro.

H.R. 1595, the SAFE Banking Act, is supported by a wide range of national organizations and state officials, including:

National Association of Attorneys General (NAAG), United Food and Commercial Workers (UFCW), Credit Union National Association (CUNA), Independent Community Bankers Association (ICBA), America Bankers Association (ABA), Mid-size Bank Coalition of America (MBCA), National Bankers Association (NBA), 50 State Banking Associations, Electronic Transaction Association (ETA), Third Party Payment Processors Association (TPPPA), Law Enforcement Action Partnership (LEAP), The Real Estate Roundtable (RER), National Association of REALTORS, Safe and Responsible Banking Alliance (SARBA), American Land Title Association (ALTA).

American Property Casualty Insurance Association (APCIA), The Council of Insurance Agents and Brokers (CIAB), Reinsurance Association of America (RAA), Independent Insurance Agents and Brokers of America (Big “I”), Wholesale Specialty Insurance Association (WSIA), National Association of Professional Insurance Agents (PIA), National Association of Mutual Insurance Companies (NAMIC), Rural County Representatives of California (RCRC), Brinks, Inc., International Council of Shopping Centers (ICSC), National Association of Professional Employer Associations (NAPEA), National Cannabis Industry Association (NCIA), Minority Cannabis Business Association (MCBA), National Cannabis Roundtable (NCR), Cannabis Trade Federation (CTF), ScottsMiracleGro, National Armored Car Association (NACA).

Additionally, the Mayors Coalition to Push for Marijuana Reform, 38 State Attorneys General, 20 Governors, 18 State Banking Supervisors, and the Florida Agriculture Commissioner have endorsed the legislation.

Mr. PERLMUTTER. Madam Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER), who has been the quarterback of a lot of this cannabis legislation.

Mr. BLUMENAUER. Madam Speaker, I appreciate the gentleman’s courtesy, the leadership, and you have heard from a number of the champions in this House fighting for a more rational policy regarding cannabis.

We are in this fix today because Congress has refused to provide the partnership and the leadership that the States demand. The States aren’t waiting for us. As you have heard, 47 States have taken steps to legalize some form of State legal cannabis.

One of the most insidious aspects of our being out of sync is what we have seen in terms of access to banking services. Congressman HECK elaborated I think very emotionally and effectively about the dangers that this presents. We have an opportunity to fix that problem.

This is an \$11 billion industry and growing, and it is growing because the people and the States have demanded it. We need to step up and solve one of the biggest problems, and that is simply they don’t have access to banking services. I have worked on this issue for decades. I have never met a human being who feels that there is any good

purpose served by forcing them to pay their bills with duffle bags full of \$20 bills—not one person. It is an invitation to theft, it is an invitation to money laundering already, it is an invitation to tax evasion, and it stifles the opportunities of this business.

I strongly urge our colleagues to vote for this as the next step. This is an important foundational, but it is not the last step. We have important legislation that is keyed up and ready to go. This approval today will provide momentum that we need for further reform that we all want and will make America safer and stronger.

□ 1700

Mr. MCHENRY. Madam Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. BARR), chair of the Subcommittee on Oversight and Investigations of the Committee on Financial Services.

Mr. BARR. Madam Speaker, I rise in support of H.R. 1595, the SAFE Banking Act, and I thank the gentleman from Colorado (Mr. PERLMUTTER), my friend, for working with me in a bipartisan way to include two amendments that will allow legal hemp farmers and businesses in my district to access financial services.

Kentuckians have a deep interest in the production, cultivation, and sale of industrial hemp, and we have historic connections to this, too. Many Americans may not know, but my predecessor in the central Kentucky seat in Congress, Speaker of the House Henry Clay, was once a hemp farmer. Now, thanks to the farm bill, the hemp industry in the Commonwealth is booming once again.

Much of the resurgence of the industry occurred under the Industrial Hemp Research Pilot Program, established by the 2014 farm bill. Since the program's enactment in 2014, the number of approved acres in Kentucky increased from 922 to over 50,000. In 2018, sales of hemp products were three-and-a-half more times than the previous year.

The 2018 farm bill took it a step further and fully legalized industrial hemp, ending 80 years of prohibition of the plant. Hemp is now completely exempt from the Controlled Substances Act. Despite these positive steps forward, hemp businesses still have trouble accessing financial services like bank accounts, loans, and payment processing.

This bill will provide additional clarity for banks, insurance companies, and card processors that they can, in fact, do business with legally operating hemp businesses. It would also direct our Federal financial regulators to issue joint guidance to financial institutions on how to serve hemp and CBD businesses without legal risk.

There is amazing potential for hemp and hemp-derived products. One hemp farmer in my district has an exclusive deal with Patagonia to provide hemp for farming. Toyota, which has the largest manufacturing facility in my

district, is exploring the use of hemp for car interiors. Hemp farmers in my district are cultivating hemp to produce products ranging from nutraceuticals, dietary supplements, pharmaceuticals, cosmetics, apparel, footwear, fashion, and even industrial products and construction materials.

But for hemp producers and businesses to fully scale up and take advantage of the descheduling under the farm bill, they need access to financial services.

Again, I thank the gentleman from Colorado (Mr. PERLMUTTER), my friend, for working with me in a bipartisan way, and I urge support for H.R. 1595.

Mr. PERLMUTTER. Madam Speaker, may I inquire how much time each side has remaining.

The SPEAKER pro tempore (Ms. DEGETTE). The gentleman from Colorado has 4 minutes remaining. The gentleman from North Carolina has 4 minutes remaining.

Mr. PERLMUTTER. Madam Speaker, I yield 1 minute to the gentleman from New York (Mr. MEEKS), the chair of the Subcommittee on Consumer Protections and Financial Institutions.

Mr. MEEKS. Madam Speaker, there has been a rapid and dramatic shift in the legal treatment of cannabis, led by voters at the local and State levels.

Nearly every American now lives in a State where cannabis has been decriminalized to some extent and legal business activities permitted to varying degrees, including in my home State of New York. But Federal drug laws and bank regulations have not evolved to reflect this new reality. We need clear, harmonized laws, which the SAFE Banking Act provides.

Without passage of this bill, the legal cannabis industry is forced to operate mostly in cash, depriving law enforcement of important financial data and creating avoidable security risks for companies and their employees.

With the passage of this bill, entrepreneurs, employees, and financial institutions operating legally within the bounds of State and local laws will no longer bear the burden of a punitive Tax Code, high compliance hurdles, the lack of all basic financial services, and significant security risks.

I am proud of the work Mr. PERLMUTTER has done on this bill, and I compliment him.

Mr. MCHENRY. Madam Speaker, I yield 1 minute to the gentleman from Ohio (Mr. DAVIDSON), a great member of the Committee on Financial Services.

Mr. DAVIDSON of Ohio. Madam Speaker, I rise today in support of the SAFE Banking Act.

This is a banking bill. It defends civil liberties with a simple concept: If it is legal in your State, you should be able to bank it. No Federal regulator should be able to block an American's lawful access to the financial system.

In Ohio, legal, State-regulated businesses are being forced into using cash or intermediaries. This bill will help

get cash off our streets and into the regulated financial system.

I am also pleased the bill includes Mr. LUTKEMEYER's legislation to stop the closing of accounts on the basis of political biases or motivations.

For far too long, financial institutions have said: You are not going to bank those people, are you?

It is time to defend civil liberties and pass this important bill.

Madam Speaker, I urge bipartisan, broad support of its passage.

Mr. PERLMUTTER. Madam Speaker, I yield 45 seconds to the gentleman from California (Mr. CORREA).

Mr. CORREA. Madam Speaker, I rise in strong support of this commonsense legislation, the SAFE Banking Act.

When I was a State senator in California, I was visited by Dr. Moynihan, who came to visit my office to ask that I do some legislation to help his daughter. In her short lifetime, she had been tormented by epileptic seizures. The only drug that worked for her without severe side effects was cannabis.

It breaks my heart to know that these legit businesses can pay their taxes with cash, yet customers like Dr. Moynihan can't use a credit card. He also has to pay with cash to get legitimate products. It doesn't make sense.

Madam Speaker, I ask my colleagues to please support commonsense legislation. Please vote "aye" on this legislation.

Mr. MCHENRY. Madam Speaker, may I inquire how much time I have remaining.

The SPEAKER pro tempore. The gentleman from North Carolina has 3 minutes remaining. The gentleman from Colorado has 2¼ minutes remaining.

Mr. MCHENRY. Madam Speaker, I yield 1 minute to the gentleman from Florida (Mr. GAETZ).

Mr. GAETZ. Madam Speaker, I thank the gentleman from North Carolina (Mr. MCHENRY) for yielding, and it is on behalf of those cannabis patients in Fort Walton Beach and across the Sunshine State that I rise in support of the SAFE Banking Act.

I am proud to have been a part of drafting Florida's medical marijuana laws, and it is ludicrous that the Congress of the United States would stand between people operating under the color of State law and their ability to access the financial system.

It is good for no one to have billions of dollars rolling around outside of the accountabilities, efficiencies, and safeguards that the American financial system provides.

A vast majority of States have legalized some form of cannabis, and if a business is legal in that State, it should have the same financial protections as any other business.

I am a proud original cosponsor of the SAFE Banking Act, and I thank my colleagues for their tireless work on this issue. I know the bill is not perfect. I expect the bill to get better in the Senate, but hopefully, this will build some commonsense momentum for real cannabis reform.

Let's get this drug off the schedule I list and do right for the great people in the country.

Mr. PERLMUTTER. Madam Speaker, I yield 45 seconds to the gentlewoman from the Virgin Islands (Ms. PLASKETT).

Ms. PLASKETT. Madam Speaker, today, because federally regulated banks and other financial institutions may face prosecution if they offer their services to businesses selling legal cannabis products across 47 States, D.C., and four U.S. territories, many legal businesses are forced to operate in a cash-only business, making them targets for theft and creating opportunities for tax evasion and money laundering.

It is simply unfair to deprive legal, State-approved businesses of financial services any longer. Social equity will go further by allowing businesses to come out of the shadows.

As chair of the House Committee on Agriculture's Subcommittee on Biotechnology, Horticulture, and Research, I am pleased that this legislation was made inclusive of hemp as it moved through the process. I have heard from a number of legal hemp businesses that have experienced similar issues.

Madam Speaker, I thank the gentleman from Colorado (Mr. PERLMUTTER), my colleague, for the inclusion of the territories.

Mr. PERLMUTTER. Madam Speaker, I yield 45 seconds to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY).

Mrs. CAROLYN B. MALONEY of New York. Madam Speaker, I strongly support this bill and congratulate the gentleman from Colorado (Mr. PERLMUTTER) and the gentleman from Washington (Mr. HECK) for their hard work.

We have to pass this bill because it is a public safety issue. Banks can't serve marijuana businesses, an \$11 billion business, because it is still illegal at the Federal level, which means that legal marijuana businesses around the country operate in all cash.

This is a huge public safety issue because storing huge piles of cash in warehouses is a magnet for criminal activity. But it also means that companies that just provide services to marijuana businesses, like electric or water utilities, are also getting cut off from the banking system. Undermining people's access to basic utilities creates yet another public safety problem.

Madam Speaker, I urge support for this bill.

Mr. MCHENRY. Madam Speaker, may I inquire how much time I have remaining.

The SPEAKER pro tempore. The gentleman from North Carolina has 2 minutes remaining. The gentleman from Colorado has 45 seconds remaining.

Mr. MCHENRY. Madam Speaker, I am prepared to close, and I yield myself such time as I may consume.

Madam Speaker, let me begin as I did with my opening statement. I com-

mend the gentleman from Colorado (Mr. PERLMUTTER) for how he has managed this bill and brought it to the floor.

What we have here on the House floor, and we are debating now, is a much broader bill and, therefore, will have a much broader vote than what we had in committee, however limited we were in committee jurisdiction.

Madam Speaker, I know if the gentleman from Colorado (Mr. PERLMUTTER) were on the Appropriations Committee, he would have worked for medical research funding. I know that if he were on the Energy and Commerce Committee, he would have worked for an FDA process on cannabis. And if he were on the Committee on the Judiciary, he would have worked to deschedule the drug.

However, we find ourselves on the Financial Services Committee, and this is not a normal conversation that we have on the committee. But this is addressing a key issue that many States are facing, and many financial institutions, credit unions, and banks are facing, which is how to bank people with a lot of cash, with a product that is legal at the State level but defined at the Federal level as an illicit substance that is harmful for human consumption.

While Congress is taking this half-measure, it doesn't resolve the issue. It does not resolve the issue of medical research or understanding the brain science and how cannabis affects the adolescent brain. There are enormous questions there. There are enormous questions about the Federal Criminal Code. But these are things that we should be debating rather than this half-measure on banking.

While this is an important step on the question of the overall legalization of this drug, it still doesn't resolve the issue fully.

Madam Speaker, I ask my colleagues for a "no" vote, but I expect this vote will pass on the suspension calendar today. I thank my colleague for his handling of this important issue and the wise nature of how he has approached the amendment process to address many different equities across the country. I yield back the balance of my time.

Mr. PERLMUTTER. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, I thank the gentleman from North Carolina (Mr. MCHENRY). As I said at the top of this debate, this bill is about public safety, accountability, and respecting States' rights.

Our bill is narrowly tailored to get cash off the streets and improve public safety in communities across the country.

I thank my cosponsors. They have heard from me. They have been working with me for years, and I really appreciate that. Especially, I thank the staff of the Committee on Financial Services, the staff of my cosponsors, and my own staff for the work they

have done to put this bill and coalition together.

There are many marijuana issues that remain, but this one gets the cash off the streets. This is about public safety.

Madam Speaker, I urge all my colleagues to vote "yes" on the SAFE Banking Act, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. PERLMUTTER) that the House suspend the rules and pass the bill, H.R. 1595, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. MCHENRY. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 321, nays 103, not voting 9, as follows:

[Roll No. 544]

YEAS—321

Adams	Curtis	Hill (AR)
Aguilar	Davidson (KS)	Hill (CA)
Allred	Davidson (OH)	Himes
Amash	Davis (CA)	Hollingsworth
Amodei	Davis, Danny K.	Horn, Kendra S.
Armstrong	Davis, Rodney	Horsford
Axne	Dean	Houlihan
Bacon	DeFazio	Hoyer
Baird	DeGette	Huffman
Balderson	DeLauro	Hunter
Banks	DelBene	Jackson Lee
Barr	Delgado	Jayapal
Barragán	Demings	Jeffries
Bass	DeSaulnier	Johnson (GA)
Beatty	Deutch	Johnson (OH)
Bera	Dingell	Johnson (TX)
Beyer	Doggett	Joyce (OH)
Bishop (GA)	Doyle, Michael	Kaptur
Bishop (UT)	F.	Katko
Blumenauer	Emmer	Keating
Blunt Rochester	Engel	Keller
Bonamici	Escobar	Kelly (IL)
Bost	Eshoo	Kelly (PA)
Boyle, Brendan	Espallat	Kennedy
F.	Estes	Khanna
Brindisi	Evans	Kildee
Brooks (AL)	Ferguson	Kilmer
Brown (MD)	Finkenauer	Kim
Brownley (CA)	Fitzpatrick	Kind
Bustos	Fleischmann	King (NY)
Butterfield	Fletcher	Kinziger
Carbajal	Flores	Kirkpatrick
Cárdenas	Foster	Krishnamoorthi
Carson (IN)	Frankel	Kuster (NH)
Cartwright	Fudge	Lamb
Case	Gabbard	Langevin
Casten (IL)	Gaetz	Larsen (WA)
Castor (FL)	Gallego	Larson (CT)
Castro (TX)	Garamendi	Lawrence
Chu, Judy	Garcia (IL)	Lawson (FL)
Cicilline	Garcia (TX)	Lee (CA)
Cisneros	Gibbs	Lee (NV)
Clark (MA)	Golden	Levin (CA)
Clarke (NY)	Gomez	Levin (MI)
Clay	Gonzalez (OH)	Lewis
Cleaver	Gonzalez (TX)	Lieu, Ted
Cohen	Gooden	Lipinski
Cole	Gottheimer	Loebsack
Collins (GA)	Graves (GA)	Lofgren
Collins (NY)	Green (TN)	Long
Comer	Green, Al (TX)	Loudermilk
Cannolly	Griffith	Lowenthal
Cooper	Grijalva	Lowey
Correa	Grothman	Luetkemeyer
Costa	Haaland	Luján
Courtney	Hagedorn	Luria
Cox (CA)	Harder (CA)	Lynch
Craig	Hastings	Malinowski
Crenshaw	Hayes	Maloney
Crist	Heck	Carolyn B.
Crow	Hern, Kevin	Maloney, Sean
Cuellar	Herrera Beutler	Massie
Cunningham	Higgins (NY)	Mast

Matsui
McAdams
McBath
McCarthy
McClintock
McCollum
McGovern
McKinley
McNerney
Meeks
Meng
Meuser
Miller
Mitchell
Mooney (WV)
Moore
Morelle
Moulton
Mucarsel-Powell
Murphy (FL)
Nadler
Napolitano
Neal
Neguse
Newhouse
Norcross
Norman
Nunes
O'Halleran
Ocasio-Cortez
Olson
Omar
Pallone
Panetta
Pappas
Pascrell
Payne
Perlmutter
Perry
Peters
Peterson
Phillips
Pingree
Pocan
Porter
Pressley

NAYS—103

Aderholt
Allen
Arrington
Babin
Bergman
Biggs
Bilirakis
Bishop (NC)
Brady
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burchett
Burgess
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Cline
Cloud
Conaway
Cook
DesJarlais
Diaz-Balart
Duncan
Dunn
Fortenberry
Foxx (NC)
Fulcher
Gallagher
Gianforte

NOT VOTING—9

Abraham
Clyburn
Crawford

Cummings
Higgins (LA)
Marshall

Stefanik
Steil
Stube
Stevens
Stivers
Suozi
Swalwell (CA)
Takano
Taylor
Thompson (CA)
Thompson (MS)
Thompson (PA)
Timmons
Tipton
Titus
Tlaib
Tonko
Torres Small
(NM)
Trahan
Trone
Underwood
Upton
Van Drew
Vargas
Veasey
Vela
Velázquez
Visclosky
Walden
Waltz
Wasserman
Schultz
Waters
Watkins
Watson Coleman
Welch
Wexton
Wild
Wilson (FL)
Womack
Yarmuth
Yoho
Young
Zeldin

Palmer
Pence
Posey
Ratcliffe
Roby
Rogers (KY)
Rose, John W.
Rouzer
Roy
Rutherford
Scalise
Scott, Austin
Sensenbrenner
Sewell (AL)
Shimkus
Smith (MO)
Smith (NE)
Smith (NJ)
Stewart
Thornberry
Turner
Wagner
Walberg
Walker
Walorski
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Woodall

McEachin
Torres (CA)
Wright

RESCHENTHALER and TIMMONS changed their vote from “nay” to “yea.”

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOMELAND SECURITY IMPROVEMENT ACT

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of the bill (H.R. 2203) to increase transparency, accountability, and community engagement within the Department of Homeland Security, provide independent oversight of border security activities, improve training for agents and officers of U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement, and for other purposes, will now resume.

The Clerk read the title of the bill.

MOTION TO RECOMMIT

Mr. GREEN of Tennessee. Madam Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GREEN of Tennessee. Madam Speaker, I am in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Green of Tennessee moves to recommit the bill, H.R. 2203, to the Committee on Homeland Security with instructions to report the same back to the House forthwith with the following amendment:

Add, at the end of section 711 of the Homeland Security Act of 2002 (as proposed to be added by section 1 of the bill), the following:

“(k) PROTECTIONS FOR VICTIMS OF CRIME IN SANCTUARY CITIES.—

“(1) RECEIPT OF COMPLAINTS.—The Ombudsman shall use the process established under subsection (b) to receive complaints—

“(A) from victims of crimes committed by aliens unlawfully present in the United States when such crimes occur in sanctuary jurisdictions; and

“(B) regarding the impact of illegal immigration on communities located in sanctuary jurisdictions from individuals within such jurisdictions.

“(2) INCLUSION IN REPORTS.—The Ombudsman shall include in the report submitted under subsection (d) the following:

“(A) The names of each sanctuary jurisdiction from which a complaint under paragraph (1) was received.

“(B) Information regarding whether a detainer request was issued by U.S. Immigration and Customs Enforcement for an alien related to a complaint and whether such detainer was acted upon by the relevant sanctuary jurisdiction.

“(C) Any complaint pattern that could be prevented or reduced by policy or practice changes by sanctuary jurisdictions.

“(D) Other information or recommendations, as determined appropriate by the Ombudsman.

“(3) DEFINITION.—The term ‘sanctuary jurisdiction’ means a State or local government that has in effect on the effective date

of this section a law, regulation, or policy that prohibits or in any way restricts a Federal, State, or local government entity, official, or other personnel from complying with the immigration laws (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17))), or from assisting or cooperating with Federal law enforcement entities, officials, or other personnel regarding the enforcement of such laws.”

Mr. GREEN of Tennessee (during the reading). Madam Speaker, I ask unanimous consent to dispense with the reading.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Tennessee is recognized for 5 minutes in support of his motion.

Mr. GREEN of Tennessee. Madam Speaker, over 180 jurisdictions in the United States, including our most populated cities and States have passed laws prohibiting local law enforcement from cooperating with Federal immigration officials.

In these sanctuary jurisdictions, local law enforcement is barred from complying with lawful detainers from Immigration and Customs Enforcement. An ICE detainer is a notice to another law enforcement agency that ICE intends to assume custody of an illegal alien. It includes information on their criminal history.

The Fifth Circuit Court of Appeals found that ICE administrative warrants, which, unlike criminal warrants, are not issued by a judge, are, in fact, sufficient to detain in a county jail someone whom ICE might deport, even if they have been granted bail or their charges have been dropped.

Madam Speaker, there are many accounts of innocent men and women and children murdered, raped, or assaulted by criminal aliens released by sanctuary cities that refuse to comply with the ICE detainer.

In March 2018, ICE lodged a detainer on Martin Gallo-Gallardo, a Mexican national, in the country illegally after locating him in an Oregon county jail. Jail officials did not honor the immigration detainer and released the convicted criminal. Seven months later, he was arrested again, this time for killing his wife.

In February 2019, police in San Jose, California, arrested Carlos Carranza, a Salvadorian national who had entered the country illegally, in the brutal slaying of a 59-year-old woman that he just noticed on the street. Carranza had an extensive criminal record, having been arrested half a dozen times for assault, battery, and burglary. ICE lodged seven detainers with local California authorities, yet, every single time, local authorities released him without notifying ICE, and now a mother of two is dead.

Sadly, I could go on and on with these horrible true stories. The facts

□ 1742

Messrs. SENSENBRENNER, BUCHANAN, and Ms. SEWELL of Alabama changed their vote from “yea” to “nay.”

Messrs. EMMER, NADLER, Mrs. LURIA, Messrs. HUNTER, WOMACK, LONG, Ms. STEFANIK, Messrs.