

112TH CONGRESS
1ST SESSION

H. R. 1984

To amend title 31, United States Code, to allow States to certify a business as legitimate for purposes of a financial institution's suspicious activity reporting requirements, facilitate unambiguous compliance of such businesses with State law, and provide regulatory relief for financial institutions.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2011

Mr. POLIS (for himself, Mr. STARK, Mr. PAUL, and Mr. FRANK of Massachusetts) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend title 31, United States Code, to allow States to certify a business as legitimate for purposes of a financial institution's suspicious activity reporting requirements, facilitate unambiguous compliance of such businesses with State law, and provide regulatory relief for financial institutions.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Small Business Bank-
5 ing Improvement Act of 2011".

1 **SEC. 2. CERTIFICATION AND EXCEPTION.**

2 Section 5318(g) of title 31, United States Code, is
3 amended by adding at the end the following new para-
4 graph:

5 “(5) EXCEPTION.—

6 “(A) IN GENERAL.—Notwithstanding para-
7 graph (1), the Secretary may not require any fi-
8 nancial institution or any director, officer, em-
9 ployee, or agent of any financial institution to
10 report any suspicious transaction relevant to a
11 possible violation of law or regulation where a
12 person involved in such transaction is a legiti-
13 mate business.

14 “(B) CERTIFICATION.—

15 “(i) IN GENERAL.—For purposes of
16 this paragraph, a person is a legitimate
17 business if the governor of each State in
18 which such person does business has cer-
19 tified to the Secretary that—

20 “(I) such person is a business en-
21 gaged in activities that are currently
22 legal under State law; and

23 “(II) the State has an interest in
24 such person receiving the exemption
25 described under subparagraph (A).

1 “(ii) NOTICE.—The Secretary shall
2 maintain a public website with a list of all
3 persons that are a legitimate business for
4 purposes of this paragraph.”.

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