

2020 Regular Session

HOUSE BILL NO. 211

BY REPRESENTATIVE JORDAN

FINANCIAL INSTITUTIONS: Provides relative to state banks and credit unions providing financial services to cannabis-related legitimate businesses and service providers

1 AN ACT

2 To enact R.S. 6:121.1.1, relative to the powers and duties of the commissioner of the office
3 of financial institutions; to provide definitions; to provide restrictions; to provide for
4 legitimate cannabis-related businesses and service providers; to provide for
5 egregious violations; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 6:121.1.1 is hereby enacted to read as follows:

8 §121.1.1. Restrictions on enforcement power; cannabis-related legitimate businesses
9 and service providers; egregious violations

10 A. For purposes of this Section:

11 (1) "Cannabis-related legitimate business" means any person or company
12 that participates in any business or organized activity that involves handling,
13 cultivating, producing, manufacturing, selling, transporting, displaying, dispensing,
14 distributing or purchasing cannabis or cannabis products, pursuant to a law
15 established by this state.

16 (2) "Service provider" means a business, organization, or other person who
17 sells goods or provides services to a cannabis-related legitimate business.

18 B. The commissioner shall not do any of the following:

19 (1) Prohibit or otherwise discourage a state bank or credit union from
20 providing financial services to a cannabis-related legitimate business or service

1 provider solely because the account holder is a cannabis-related legitimate business,
2 or is an employee, owner, or operator of a cannabis-related legitimate business.

3 (2) Penalize a state bank or credit union for providing financial services to
4 a cannabis-related legitimate business or service provider solely because the account
5 holder is a cannabis-related legitimate business or service provider, or is an
6 employee, owner, or operator of a cannabis-related legitimate business or service
7 provider.

8 (3) Recommend, incentivize, or encourage a state bank or credit union not
9 to offer financial services to an account holder, or to downgrade or cancel the
10 financial services offered to an account holder solely because the account holder is
11 a cannabis-related legitimate business or service provider, or is an employee, owner,
12 or operator of a cannabis-related legitimate business or service provider.

13 (4) Take any adverse or corrective supervisory action on a loan made to a
14 cannabis-related legitimate business or service provider, solely because the business
15 is a cannabis-related legitimate business or service provider.

16 (5) Take any adverse or corrective supervisory action on a loan made to an
17 employee, owner, or operator of a cannabis-related legitimate business or service
18 provider, solely because the employee, owner, or operator is employed by, owns, or
19 operates a cannabis-related legitimate business or service provider.

20 (6) Prohibit or otherwise discourage a state bank or credit union from
21 authorizing, processing, clearing, settling, billing, transferring, reconciling, or
22 collecting payments for a cannabis-related legitimate business or service provider.

23 (7) Penalize a state bank or credit union for authorizing, processing, clearing,
24 settling, billing, transferring, reconciling, or collecting payments for a cannabis-
25 related legitimate business or service provider.

26 C. A state bank or credit union providing financial services to a cannabis-
27 related legitimate business or service provider shall not be considered an egregious
28 violation for purposes of R.S. 6:121.1(C).

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 211 Engrossed

2020 Regular Session

Jordan

Abstract: Prohibits the commissioner of the office of financial institutions (OFI) from taking adverse action against a state bank or credit union solely for providing financial services to a cannabis-related legitimate business or service provider.

Present law allows the commissioner of OFI to, in his discretion, conduct investigations and hearings to ascertain possible violations of present law, and to take certain actions against a person or institution who violates present law.

Proposed law retains present law but places restrictions on the type of activity which can be considered a violation, worthy of investigation or enforcement by the commissioner of OFI.

Proposed law applies to state banks and credit unions.

Proposed law defines "cannabis-related legitimate business" and "service provider".

Proposed law prohibits the commissioner of OFI from prohibiting or discouraging certain financial institutions from providing services to a cannabis-related legitimate business or service provider, solely based on the account holder being a cannabis-related legitimate business or service provider.

Proposed law prohibits the commissioner of OFI from penalizing certain financial institutions for providing financial services to a cannabis-related legitimate business or service provider, solely based on the account holder being a cannabis-related legitimate business or service provider.

Proposed law prohibits the commissioner of OFI from recommending, encouraging, or providing incentive to a financial institution to withhold financial services to an account holder, based solely on the account holder being a cannabis-related legitimate business or service provider.

Proposed law prohibits the commissioner of OFI from taking adverse or corrective supervisory action on a loan made to a cannabis-related legitimate business or service provider, solely because the business is a cannabis-related legitimate business or service provider.

Proposed law prohibits the commissioner of OFI from taking adverse or corrective supervisory action on a loan made to an employee, owner, or operator of a cannabis-related legitimate business or service provider, based solely on his association with the cannabis-related legitimate business or service provider.

Proposed law prohibits the commissioner of OFI from discouraging certain financial institutions from authorizing, billing, transferring, reconciling, or collecting payments for a cannabis-related legitimate business or service provider.

Proposed law prohibits the commissioner of OFI from penalizing certain financial institutions for authorizing, billing, transferring, reconciling, or collecting payments for a cannabis-related legitimate business or service provider.

Proposed law provides that providing financial services to a cannabis-related legitimate business or service provider shall not be considered an egregious violation, which the commissioner may report to the attorney general or district attorney, under present law.

(Adds R.S. 6:121.1.1)