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(Original Signature of Member)

112TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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.

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IN THE HOUSE OF REPRESENTATIVES

Mr. POLIS introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

\_\_\_\_\_  
**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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Small Business Bank-  
3 ing Improvement Act of 2011”.

4 **SEC. 2. CERTIFICATION AND EXCEPTION.**

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

8 “(5) EXCEPTION.—

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

17 “(B) CERTIFICATION.—

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

23 “(I) such person is a business en-  
24 gaged in activities that are currently  
25 legal under State law; and

1                   “(II) the State has an interest in  
2                   such person receiving the exemption  
3                   described under subparagraph (A).

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