

**Federal, State and Intergovernmental Relations (FSIR) Meeting**

**April 2, 2021**

**1:00 PM**

**WebEx Event**

**Access information provided to Internal Staff**

**Public Participation Dialing Instructions**

**Dial Access Number: 1-408-418-9388**

**Enter Participant Code: 187 747 0663**

**Council Member Angela Lawson, Chair  
Council Member Curtis Gardner, Vice Chair  
Council Member Nicole Johnston, Member**

Serve as leaders and partner with other governments and jurisdictions

1. Consent Items (None)
2. Approval of Minutes Lawson
3. Redistricting Resolution 2021 Lawson/Zambrano
4. Federal Legislative Update Hettinger
5. State Legislative Update O'Keefe/Palmisano
6. Water Kitzmann
7. Miscellaneous Matters for Consideration

**Next meeting – April 14, 2021**

**Federal, State and Intergovernmental Relations (FSIR) Meeting**  
**Video Conference Call Meeting**  
March 19, 2021

Members Present: Council Member Angela Lawson, Chair; Council Member Curtis Gardner, Vice Chair, Council Member Nichole Johnston, Member

Others Present: Luke Palmisano, Rachel Allen, Peggi O’Keefe, Lauri Hettinger, Natasha Campbell, Roberto Venegas, Totsy Rees, Cammie Grant, CM Alison Coombs, Tina Buneta, Scott Newman, Nancy Freed, Shawn Day, Kim Skaggs, CM Crystal Murillo, Kathy Kitzmann,

1. **APPROVAL OF MINUTES:** March 5, 2021 minutes were not approved as written. Judge Day asked for a revision of his opinion on SB21-062. Revision was made and then approved via email.
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2. **CONSENT ITEMS:** None.
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3. **WELCOME AND INTRODUCTIONS:**

Summary of Issue and Discussion: Chair CM Angela Lawson welcomed the committee to the video conference call and introductions were made.

Outcome: Information only.

Follow-up Action: None.

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4. **911 Fee Diversion**

Summary of Issue and Discussion: Tina Buneta, Director of Public Safety Communications said that she and Scott Newman, Chief Officer of IT, have now drafted a letter stating the city’s position on the legislation concerning the 911 communication system. In the letter are comments from the Colorado Public Utility Commission as well as a joint comment from El Paso, Eagle and Douglas counties. We are asking the committee endorse and approve these comments for the city to submit them to the FCC. S. Newman said there is one correction he would like to make before submitting. The document now uses the word “citizen”, he would like to change it to “caller” CM Johnston, CM Gardner and CM Lawson agreed endorse the letter as well as the proposed change.

Outcome: Committee agreed send out the proposed letter on behalf of the city.

Follow-up Action: Staff will send letter to FCC.

## 5. Federal Legislative Update

Summary of Issue and Discussion: Lauri Hettinger, federal lobbyist, gave an update on current federal legislation. President Joe Biden signed into law the American Rescue Plan. Right now, it is the Treasury's top priority to get the money out to state and local governments. Guidance and dollar amounts should be available soon.

Congress is working right now on the annual appropriation bills. L. Hettinger and L. Palmisano have been working on getting the city's appropriation requests to Congressman Crow.

Congress is now allowing earmarks or Community Project Funding. The city can now ask for money to go directly to certain projects. L. Hettinger and L. Palmisano have been meeting with city departments to find the right priorities to submit to Congressman Crow. Each member of Congress is limited to 10 earmarks, so the city needs to be strategic in what it asks for.

The next issue Congress will be working on is the Surface Transportation Authorization bill, which provides funding for programs created by the Department of Transportation (DOT). L. Hettinger has submitted the city's priorities in transportation to the senators for consideration. This bill will also allow earmarks.

CM Lawson thanked L. Hettinger for submitting letters to our senators regarding the Surface Transportation Authorization bill. The NLC Transportation Committee that CM Lawson sits on wanted the city to have some contact with the senators in regard to the bill. CM Johnston asked how the city is going to follow up and make sure we are taking advantage of any potential earmarks. L. Palmisano said Cindy Colip, Public Works Director, and Marshall Brown, Aurora Water Director, will be reaching out to their counter parts in Adams and Arapahoe counties to gauge their interest is and what earmarks they might be submitting and see if we can work together. There are a number of check-ins scheduled and L. Palmisano will come report on any updates at the next FSIR meeting.

Outcome: Information only.

Follow-up Action: Information only.

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## 6. DEFINITIONS OF BILL POSITIONS

Summary of Issue and Discussion: L. Palmisano proposed the following definitions be used to define the positions taken by FSIR and City Council.

**Active Support:** The FSIR Committee supports the proposed bill as written. The bill directly relates to city priorities or is considered crucial to city operations. The committee feels it is of the utmost importance to be on record supporting the bill. Staff will actively advocate for passage of the bill.

**Active Oppose:** The FSIR Committee opposes the proposed bill as written. The bill directly conflicts with city priorities, forces an unfunded mandate on the city, interferes with local control, or conflicts with crucial city operations. The committee feels it is of the utmost importance to be on record opposing the bill. Staff will actively advocate for defeat of the bill.

**Amend/Pursue Changes Through Bill Sponsor:** The committee deems the bill to directly relate to city priorities or be considered crucial to city operations. However, the committee would like to see the bill amended before taking an active support or oppose position. Staff will actively work with committee and council members, CML, stakeholders, and legislative sponsors to amend the bill prior to passage.

**Monitor:** The committee deems the bill to be important but not crucial. The bill relates to city priorities or may directly affect city operations. Staff will actively track progress on the bill and report back to committee. The committee reserves the right to take an active support or oppose position on the bill at a later point in time.

L. Palmisano said there is no “neutral” position listed. A neutral position on a bill would indicate that it would not have an impact on the city and therefore staff would not even bring the bill to committee. There seems to be no need to include a neutral position for bills that staff is not going to do anything with. L. Palmisano asked if the committee agrees with the positions put forth. CM Lawson said these positions model states lobbying positions. She stated that she has an issue with the neutral position. If one were to take a neutral position one may as well just abstain. With a monitor position, it allows for the bill to be tracked and then once there is enough information the committee can take a more informed position on the bill. CM Gardner said he has no recommended changes. He was looking to get out of this a consistent standard to get everyone on the same page. It is also appropriate that the city use the same language on positions as the state is using. CM Gardner said he is in support of these definitions. CM Johnston said she too supports the definitions. She said removing the neutral position altogether will hopefully eliminate any confusion. CM Lawson said future committees can decide if they want to use these same definitions, but just having a model, like the state’s system will bring some consistency. CM Lawson supports the recommended definitions.

Outcome: The Committee unanimously agreed to use these definitions for taking positions on bills going forward.

Follow-up Action: Information only.

## 7. STATE LEGISLATIVE UPDATE

Summary of Issue and Discussion: Peggi O’Keefe, state lobbyist, gave an update on the state legislation. Senator Winter and Representative Gray held a meeting yesterday with potential stakeholders on the transportation funding and fee legislation that they are looking to bring forward. Details are slim now as the bill is still in draft form. The idea is that they are going to create additional fees from a multitude of sources. Such as electric vehicles, delivery services at the point of sale, rental cars, care-shares and Uber and Lyft. The bill would go into effect in 2023. L. Palmisano said that he has shared the information on this bill with city staff. Governor Polis’ office has briefed Mayor Coffman. Mayor Coffman would like the Governor’s team to give that same update to the city’s transportation staff. L. Palmisano is working to get that on the calendar. T. Rees said word at the Capitol is that there is not a lot of support for this bill after the feedback from stakeholders. The only group that seems to be constantly happy with this bill is the environmental community. This bill may have a long way to go still. The following are bills presented by staff for the committee to take a position on.

### Protecting Opportunities and Workers' Rights Act: SB21-176

The bill seeks to address discrimination or unfair employment practices pursuant to Colorado's anti-discrimination laws related to employment discrimination. Employees would not be required to file a Charge of Discrimination with the Colorado Civil Rights Division prior to filing a lawsuit in court. The bill expands the definition of "employee" and adds new definitions for "harassment", "hostile work environment", and "independent contractor". The bill also specifies that it is a discriminatory or unfair employment practice for an employer to fail to initiate an investigation of a complaint or fail to take prompt remedial action if appropriate. The bill has been assigned to the Senate Judiciary committee and has a hearing date of March 25. City staff recommend an oppose position. Diana Giordano, Human Resources Director, said the bill does expand the employee definition to include independent contractors, which have in the past not been considered part of the city. The bill has similarities to the federal law, the expansion is an area of concern. Particularly the 14-day demand notice of the city and then being able to proceed to litigation. This circumvents CCRD, the traditional process that gives an external perspective on whether or not discrimination or harassment has occurred. This could increase litigation and investigation costs for the city. Another area of concern is that the supervisory program which the city has, cannot even have a complaint of retaliation against it over 6 years. In HR's opinion the enhancements and definition changes in this bill could lead to increased cost to the city through increased litigation, increased investigations and possible settlements. Kim Skaggs, Assistant City Attorney, expressed the following concerns with the bill:

- Employees would not be required to file a Charge of Discrimination with the Colorado Civil Rights Division prior to filing a lawsuit in court; instead they could simply make a written demand for relief to the employer 14 days before filing a lawsuit. The CCRD has the ability to do fact-finding and has subpoena power, and they can be a neutral decision-maker. Having a neutral decision-maker tell a complainant that they have found no discrimination can go a long way in stopping litigation. By taking that away, I expect many complainants may go straight to the courthouse, and litigation will always incur costs to the City.
- States regarding claims of discrimination, "The Claim nearly always raises questions of fact." This language will extend litigation, even on all but the most tenuous of claims. If a plaintiff in an employment lawsuit gets past a motion to dismiss, which is very easy to do, the City's next chance to dispose of a case without the expense of trial is through a motion for summary judgment, which requires the Court to find that "no genuine issue as to any material fact exists." But this language in the Bill would direct court that simply because a claim was filed, there are questions of fact existing, and the case should proceed to trial.
- States the ONLY WAY to avoid liability when a supervisor is alleged to have harassed an employee (non-quid pro quo) is for the employer to establish that: (1) they have a program with "documented success" in preventing harassment and punishing harassing supervisors, (1) has communicated to its employees the existences of this program, (3) no employee has complained of retaliation in the past 6 years, and (4) the employee did not take advantage of the program. The third criteria—no complaints of retaliation in the past 6 years—will be something that is impossible to achieve for nearly all large employers. We can't control complaints of retaliation even by making certain there is no retaliation. What does it mean for a harassment-prevention program to have "documented success"? I don't know, and the Bill doesn't say, but this would likely force the City to hire an outside company to run this program so that we can prove documented success in court. Currently, nearly all of our harassment training is done in-house by HR or the City Attorney's Office.

- Adds "caregiver status" and "marital status" as protected classes. Caregiver would be defined as "an individual who provides direct and ongoing care to a minor child or care recipient." Care includes preventive care, diagnosis, or treatment. Employees already receive 48 hours of protected leave annually that they can use for this time. Also, if their family member has a serious health condition, they get 12 weeks of protected FMLA leave to use each year. This provision could potentially lead to the equivalent of unlimited FMLA leave for some employees under certain circumstances. This goes beyond that. For example, if we are hiring for a full-time position, and a candidate tells us they cannot work Tuesdays and Thursdays due to caregiving responsibilities, and as a result we hire someone else, that very well could be discrimination based on caregiver status. The bill has no reasonableness requirement or interactive process like the ADA. It has no exceptions.

CM Johnston said she appreciates staff's perspectives. Has staff reached out to the bill sponsors to voice those concerns? L. Palmisano said no, not at this time. CM Johnston said that in her experience Senator Winter is very receptive to feedback and she has been very willing in the past to accommodate local municipalities ideas. CM Johnston went on to say that she likes certain aspects of the bill such as additional documentation even if that means hiring an outside agency. She said she would not want to oppose this bill. She would like to for staff and the FSIR committee to come up with list of their concerns, take them to the bill sponsor and go from there and then the Committee will take a position. CM Gardner had no questions. CM Lawson said she does not oppose this bill. There are some things in the bill that she has concerns about. She agrees with CM Johnston that the city should take their concerns to the bill sponsor. CM Lawson said that she would agree to the position of monitor or pursue changes through the bill sponsor on this bill. The concern is that an employee would still need to have adequate documentation to go to litigation because in most cases large organizations usually win these cases. She would like to know if there is any type of compromise that can be made with this bill. CM Coombs said she agrees with what both CM Lawson and CM Johnston said. Even if staff says there is a mechanism in place to deal with these situations the reality is people are still experiencing harassment and discrimination and the inability to advance their careers due to the fact, they are caregivers. Does it make it harder for the city if these new provisions are in place, potentially yes? But is it also our responsibility to address that? Yes, it is. CM Coombs said she too would like to address some of the concerns, such as definitions. But these seem to be changes pursued through the bill sponsor. R. Venegas said that we can certainly approach the bill sponsors, We are not alone in our concerns about this bill. Some of the elements of this bill are a 180 degree turns in employment law. He said there may or may not be areas for negotiation with the bill sponsor. For example, if the instance of determination of facts is in this bill the city will be in a position where they will have to take most of these cases to trial or settle them. The fiscal note for the city will be quite high and staff would like to make sure the Committee understands the impacts that this might have on the city. Not speaking to the merits of the bill or the instances it is trying to address but to understand the financial impacts. If we do take this to the bill sponsor, the Committee should be aware that there will be other entities expressing their concerns as well. The city will be joining them, not opposing the bill, but looking for areas of compromise. This is a very expansive bill and is a very big change in employment law and there may not be a lot of room for middle ground on these concerns. CM Lawson said she understands but stated that there is always the possibility of compromise and from her position it is worth having those conversations. CM Murillo agreed that it make sense to monitor this bill and to have the conversation regarding concerns with the bill sponsor. L. Palmisano said that this bill introduces some drastic changes in employment law and most

organizations are either opposing or asking for amendments. He suggested the Committee take a monitor position on this bill. This will allow staff to engage with the bill sponsors and then if we are ready to bring some amendments forward, staff will have some time to prepare those. CM Lawson agreed to the monitor position. CM Johnston asked what amendments Adams county was proposing and do we know who is proposing those amendments? L. Palmisano said he has not seen them but will ask Adams county for that information. CM Johnston said that if they take a monitor position on this bill will the city still be engaging in conversations with the bill sponsors? L. Palmisano said yes. The difference between monitor and pursue changes through bill sponsor is that currently we do not have specific amendments to present. Monitor will allow staff to have discussions with the bill sponsor regarding the city's concerns and then consider amendments we could propose. CM Johnston said she agrees to the monitor position. CM Gardner said he takes an oppose position. He does not see where any amount of amendments could get this bill to where he sees it as worthwhile. He thinks it is pretty anti-employer for a lot of reasons. And does not see a path to amending it to get to something acceptable to him.

#### Nurse Intake of 911 Calls Grant Program: SB21-156

This bill creates a pilot program for the use of nurses in 911 dispatch to help divert incoming 911 calls that do not require emergency medical service to other types of medical care. City staff recommend a monitor position. The bill has been assigned to the Senate Health & Human Services committee and has a hearing date of March 24. L. Palmisano said there were a variety of positions on this bill from staff. Some liked it, some had issues with it being in the department of public safety rather than the department of health and human services. FALCK also has a position on this bill and in light of that, the position on monitor would be best. It allows staff to engage and to see where other stakeholders are on this and then it can come back to FSIR for a more informed position. CM Lawson asked if the change from the city's position of neutral at the CML meeting is because of the changes to our definitions of the positions? L. Palmisano said that he was proposing a neutral position as it related to the CML discussion. But in light of some of staffs concerns and how it relates to the city, it makes sense to monitor this bill. CM Gardner, CM Johnston and CM Lawson agreed to monitor this bill.

#### Immigration Legal Defense Fund: HB21-1194

The bill creates the Immigration Legal Defense Fund in the Department of Human Services. DHS will award grants from the fund to qualifying nonprofit organizations that provide legal advice, counseling, and representation for, and on behalf of, indigent clients who are subject to an immigration proceeding. City staff recommend a monitor position. The bill has been assigned to the House Judiciary committee and has hearing date of March 30. L. Palmisano said this bill does not directly affect the city. Since Aurora does have a large immigrant population it is certainly a bill we would want to keep track of. CM Johnston said she supports this bill. And would argue that is it does have a direct impact on the city since it does have a large immigrant and refugee population. CM Gardner said he opposes the bill because immigration is a federal issue and does not think the state or the city should be dealing with it. CM Lawson said she takes a monitor position on the bill. She has questions on the bill and would need clarification before taking a position. One question she had is at the very end of the bill it states that once the bill becomes effective if there is objection to the bill it would then have to go to the voters in 2022. T. Rees said that is a standard clause and it allows the citizens of Colorado to petition. CM Lawson said she agrees with the opinion that this bill does not have a direct effect on the city and will take an opposed position on this bill. The committee's position could still be overruled by council as CM Murillo wanted to move this bill forward to full council. CM Murillo said that she thinks this is

completely relevant to what we are doing in the city and is disappointed to hear otherwise. The city does have a large immigrant and refugee population and locally there is an absence of a legal fund to support adequate representation. This takes very little commitment from the city there is no fiscal note for the city. It is a pool of money people could donate to and the idea is to get different organizations to pay into this if they want to. CM Murillo said she would ask for a support position on this bill or monitor as a second option. It does not make sense to oppose since it doesn't hurt our community in anyway but can only help. CM Coombs said this bill is somewhat different then bringing it forward from a city level. There is no expectation of funds or FTE going into this bill. But retains the same intent or spirit which is the right to representation. As the largest population on immigrants and refugees in the state the city does have an interest to support this bill. Although individuals can contribute to a defense fund the impact of the government can play a role in pulling those resources together for greater impact. She hopes that the committee could at least take a monitor position in order to get some questions answered. CM Lawson asked if anyone knows where the \$100,000 to fund the bill is coming from. L. Palmisano said he believed is coming from the department of human services, but the lobbyists will follow up. CM Lawson said she does have some additional questions and concerns and will change her position to monitor. She would like to know where the money is coming from, how they are going to structure and monitor the program as well as the sunset for this bill. She will not say that she supports this bill at this time but will change to monitor. Maybe we can get those questions answered when this comes back to committee again. L. Palmisano said that since there are 3 different positions there is no clear guidance for staff on what the committee would like us to do. He suggested one committee member change to a monitor position so staff can move forward. CM Lawson asked if we have three positions does that mean staff will not be able to pursue questions? The committee members cannot always agree. L. Palmisano said if CM Lawson sends him the questions, he is happy to track down the answers in the course of his normal work day. He also said that he will defer to legal as to what the council rules say when the committee does not agree on a position. R. Allen, Assistant City Attorney, said that if a committee member does not let their position known or the majority of the committee members have not all made their positions known, there is no position. CM Lawson asked if this bill can be brought back to the next meeting for further discussion. L. Palmisano said yes, we can bring it back. CM Coombs said she will testify, on her own behalf, in support of this bill when it goes to committee.

#### Create the Colorado Office Of New Americans: HB 1150

The bill creates the Colorado Office of New Americans (ONA). The ONA serves as the point of contact for immigrant-serving state agencies, private sector organizations, and the public about immigrant issues in Colorado, and has as one of its central purposes the successful integration and inclusion of immigrants and refugees in our state's communities. As its main priority, the ONA is required to implement a statewide strategy to facilitate economic stability and promote successful economic, social, linguistic, and cultural integration by investing in the success of immigrants in Colorado. City staff recommend an active support position. The bill has been assigned to the House State, Civic, Military, & Veterans Affairs committee and has a hearing date of April 8. CM Johnston, CM Gardner and CM Lawson agree with the city's position of support on this bill.

#### Regional Transportation District Operation: HB21-1186

The bill amends provisions related to the operation of the Regional Transportation District including removing a cap on the amount of all vehicular service the district can allow to be provided by third parties; expanding the types of entities the district can contract with to include nonprofit organizations and local government; repealing the farebox recovery ratios, repealing a



limitation on developments that would reduce parking at a facility or result in a competitive disadvantage to private businesses near the facility; and repealing limitations on the district's authority to charge fees and manage parking at district parking facilities. City staff recommend an active support position. The bill has been assigned to the House Transportation & Local Government committee and has hearing date of March 30. CM Murillo said she is the co-chair of the Accountability Committee and Mac Callison and L. Palmisano have been very involved in crafting the recommendations. The changes in this bill will benefit all municipalities and geographies. Hopefully the Committee has had a chance to read through all the recommendations. One of the changes would be who we can partner with. The bill will expand that to non-profits, local governments and not just private enterprise. Repealing the farebox recovery ratio and some of the other changes this bill will bring is going to give Aurora more flexibility to bring some positive changes to our transportation system in Aurora. CM Gardner, CM Johnston and CM Lawson agreed with the city's position to support this bill.

**Military Family Open Enrollment In Public Schools: HB21 1217**

The bill requires a school district, district charter school, and institute charter school to accept the school liaison address for the military installation for purposes of demonstrating residency for inbound active duty military members participating in open enrollment; and to grant guaranteed automatic matriculation to the child of an inbound active duty military member while the child remains in the school, and priority preference for younger siblings of the child for enrollment in subsequent school years. City staff recommend an active support position.

The bill has been assigned to the House Education committee and has a hearing date of April 8. CM Gardner, CM Johnston and CM Lawson agreed with the city's position to support this bill.

L. Palmisano gave an overview of the following bills for informational purposes only:

**Local Government Authority Promote Affordable Housing Units: HB21-1117**

The bill concerns the ability of local governments to promote the development of new affordable housing units pursuant to their existing authority to regulate land use within their territorial boundaries. The city's state priorities as approved by City Council call for support of this bill.

FSIR Position: Active Support

The bill passed through the 2<sup>nd</sup> reading today.

**Protections for Entities During COVID-19: SB21-080**

This bill concerns protections for entities that comply with public health guidelines related to COVID-19.

FSIR Position: no position

The bill had a hearing in the Senate Business, Labor and Technology committee on March 8 and was postponed indefinitely.

Outcome: Information only.

Follow-up Action: Information only.

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**8. WATER**

**Summary of Issue and Discussion:** Kathy Kitzmann gave an update on the following:

1. SB21-034 Water Resource Financing Enterprise. Aurora Water has an Active Oppose position. This bill was postponed indefinitely on March 11<sup>th</sup>.
2. HB21-1046 Mutual Ditch. Aurora Water has an Active Support position. This bill was favorably amended and has moved to the House floor with expectation to pass.
3. Tuscan South Gravel Pit update. On March 9<sup>th</sup>, Adams County approved Aggregate Industries' permit for the Tucson South gravel pit west of Brighton that will provide water storage capacity to Aurora when finished.

Outcome: None.

Follow-up Action: None.

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**9. MISCELLANEOUS MATTERS FOR CONSIDERATION**

None.

**CONFIRM NEXT MEETING**

CM Lawson said the Committee will be meeting every 2 weeks during the legislative session. The next meeting is scheduled for April 2, 2021, 1:00 PM WebEx video conference meeting.

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Approved:

Angela Lawson	_____
Committee Chair	Date

RESOLUTION NO. R2021- \_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, EXPRESSING THE AURORA CITY COUNCIL'S SUPPORT OF THE COLORADO CONGRESSIONAL REDISTRICTING COMMISSION'S REDISTRICTING EFFORT

WHEREAS, named in 1907 and incorporated in 1929, Aurora is one of Colorado's largest home rule cities, spanning 3 counties, Adams, Arapahoe, and Douglas, and is Colorado's third largest municipality by population; and

WHEREAS, the City of Aurora's status as a home rule municipality has allowed the City to better serve its people and better the quality of life for the people who call Aurora home; and

WHEREAS, Aurora is a major hub of social and economic activity with significant private sector employers representing healthcare, defense and space, and technology; and

WHEREAS, The City of Aurora serves as the primary source of governmental interaction with its residents, as do cities across the metropolitan area. These primary services include housing and community resources, public works, roads and bridges, police and fire, and economic and workforce development; and

WHEREAS, as the City of Aurora has grown in geography and population, the importance of meaningful and direct representation in the U.S. Congress and in the Colorado General Assembly has continued to increase and become more relevant to the lives of Aurora residents; and

WHEREAS, in 2011, Judge Hyatt observed that Aurora should not be split between congressional districts because "it is a community of interest in and of itself," recognizing also that the City of Aurora has "common local leadership and common services;" and the 2011 decision remedied past redistricting decisions that diluted and diminished Aurora's ability to serve its people by splitting the City of Aurora between multiple congressional districts; and

WHEREAS, Constitutional Amendment Z, approved by Colorado's voters, tasks a new Colorado Congressional Redistricting Commission with new rules in drawing legislative maps in 2021 and affords the commission the opportunity to better prioritize Aurora's integrity and interests.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, THAT:

Section 1. The City Council of the City of Aurora, Colorado resolves its support for the Colorado Congressional Redistricting Commission. The City Council urges the Commission to keep Aurora whole in a single congressional district, to consolidate the number of state Senate and state Representative districts within the City's boundaries, and to not divide communities and neighborhoods between districts.

Section 2. This Resolution shall take effect immediately without reconsideration.

Section 3. All resolutions or parts of resolutions of the City in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
MIKE COFFMAN, Mayor

ATTEST:

\_\_\_\_\_  
KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:



\_\_\_\_\_  
RACHEL ALLEN, Client Group Manager

.....  
(Original Signature of Member)

117TH CONGRESS  
1ST SESSION

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

To create protections for financial institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes.

\_\_\_\_\_  
IN THE HOUSE OF REPRESENTATIVES

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

\_\_\_\_\_  
**A BILL**

To create protections for financial institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes.

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; TABLE OF CONTENTS; PURPOSE.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Secure And Fair Enforcement Banking Act of 2021” or  
6 the “SAFE Banking Act of 2021”.

1 (b) TABLE OF CONTENTS.—The table of contents for  
2 this Act is as follows:

- Sec. 1. Short title; table of contents; purpose.
- Sec. 2. Safe harbor for depository institutions.
- Sec. 3. Protections for ancillary businesses.
- Sec. 4. Protections under Federal law.
- Sec. 5. Rules of construction.
- Sec. 6. Requirements for filing suspicious activity reports.
- Sec. 7. Guidance and examination procedures.
- Sec. 8. Annual diversity and inclusion report.
- Sec. 9. GAO study on diversity and inclusion.
- Sec. 10. GAO study on effectiveness of certain reports on finding certain persons.
- Sec. 11. Application of this Act with respect to hemp-related legitimate businesses and hemp-related service providers.
- Sec. 12. Banking services for hemp-related legitimate businesses and hemp-related service providers.
- Sec. 13. Requirements for deposit account termination requests and orders.
- Sec. 14. Definitions.

3 (c) PURPOSE.—The purpose of this Act is to increase  
4 public safety by ensuring access to financial services to  
5 cannabis-related legitimate businesses and service pro-  
6 viders and reducing the amount of cash at such busi-  
7 nesses.

8 **SEC. 2. SAFE HARBOR FOR DEPOSITORY INSTITUTIONS.**

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

11 (1) terminate or limit the deposit insur-  
12 ance or share insurance of a depository institu-  
13 tion under the Federal Deposit Insurance Act  
14 (12 U.S.C. 1811 et seq.), the Federal Credit  
15 Union Act (12 U.S.C. 1751 et seq.), or take  
16 any other adverse action against a depository  
17 institution under section 8 of the Federal De-

1           posit Insurance Act (12 U.S.C. 1818) solely be-  
2           cause the depository institution provides or has  
3           provided financial services to a cannabis-related  
4           legitimate business or service provider;

5           (2) prohibit, penalize, or otherwise discour-  
6           age a depository institution from providing fi-  
7           nancial services to a cannabis-related legitimate  
8           business or service provider or to a State, polit-  
9           ical subdivision of a State, or Indian Tribe that  
10          exercises jurisdiction over cannabis-related le-  
11          gitimate businesses;

12          (3) recommend, incentivize, or encourage a  
13          depository institution not to offer financial serv-  
14          ices to an account holder, or to downgrade or  
15          cancel the financial services offered to an ac-  
16          count holder solely because—

17                (A) the account holder is a cannabis-  
18                related legitimate business or service pro-  
19                vider, or is an employee, owner, or oper-  
20                ator of a cannabis-related legitimate busi-  
21                ness or service provider;

22                (B) the account holder later becomes  
23                an employee, owner, or operator of a can-  
24                nabis-related legitimate business or service  
25                provider; or

1 (C) the depository institution was not  
2 aware that the account holder is an em-  
3 ployee, owner, or operator of a cannabis-re-  
4 lated legitimate business or service pro-  
5 vider;

6 (4) take any adverse or corrective super-  
7 visory action on a loan made to—

8 (A) a cannabis-related legitimate busi-  
9 ness or service provider, solely because the  
10 business is a cannabis-related legitimate  
11 business or service provider;

12 (B) an employee, owner, or operator  
13 of a cannabis-related legitimate business or  
14 service provider, solely because the em-  
15 ployee, owner, or operator is employed by,  
16 owns, or operates a cannabis-related legiti-  
17 mate business or service provider, as appli-  
18 cable; or

19 (C) an owner or operator of real es-  
20 tate or equipment that is leased to a can-  
21 nabis-related legitimate business or service  
22 provider, solely because the owner or oper-  
23 ator of the real estate or equipment leased  
24 the equipment or real estate to a cannabis-



1 related legitimate business or service pro-  
2 vider, as applicable; or

3 (5) prohibit or penalize a depository insti-  
4 tution (or entity performing a financial service  
5 for or in association with a depository institu-  
6 tion) for, or otherwise discourage a depository  
7 institution (or entity performing a financial  
8 service for or in association with a depository  
9 institution) from, engaging in a financial service  
10 for a cannabis-related legitimate business or  
11 service provider.

12 (b) **SAFE HARBOR APPLICABLE TO DE NOVO INSTI-**  
13 **TUTIONS.**—Subsection (a) shall apply to an institution ap-  
14 plying for a depository institution charter to the same ex-  
15 tent as such subsection applies to a depository institution.

16 **SEC. 3. PROTECTIONS FOR ANCILLARY BUSINESSES.**

17 For the purposes of sections 1956 and 1957 of title  
18 18, United States Code, and all other provisions of Fed-  
19 eral law, the proceeds from a transaction involving activi-  
20 ties of a cannabis-related legitimate business or service  
21 provider shall not be considered proceeds from an unlawful  
22 activity solely because—

23 (1) the transaction involves proceeds from a  
24 cannabis-related legitimate business or service pro-  
25 vider; or

1 (2) the transaction involves proceeds from—

2 (A) cannabis-related activities described in  
3 section 14(4)(B) conducted by a cannabis-re-  
4 lated legitimate business; or

5 (B) activities described in section  
6 14(13)(A) conducted by a service provider.

7 **SEC. 4. PROTECTIONS UNDER FEDERAL LAW.**

8 (a) IN GENERAL.—With respect to providing a finan-  
9 cial service to a cannabis-related legitimate business  
10 (where such cannabis-related legitimate business operates  
11 within a State, political subdivision of a State, or Indian  
12 country that allows the cultivation, production, manufac-  
13 ture, sale, transportation, display, dispensing, distribution,  
14 or purchase of cannabis pursuant to a law or regulation  
15 of such State, political subdivision, or Indian Tribe that  
16 has jurisdiction over the Indian country, as applicable) or  
17 a service provider (wherever located), a depository institu-  
18 tion, entity performing a financial service for or in associa-  
19 tion with a depository institution, or insurer that provides  
20 a financial service to a cannabis-related legitimate busi-  
21 ness or service provider, and the officers, directors, and  
22 employees of that depository institution, entity, or insurer  
23 may not be held liable pursuant to any Federal law or  
24 regulation—

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

2 or

3 (2) for further investing any income derived

4 from such a financial service.

5 (b) PROTECTIONS FOR FEDERAL RESERVE BANKS  
6 AND FEDERAL HOME LOAN BANKS.—With respect to  
7 providing a service to a depository institution that pro-  
8 vides a financial service to a cannabis-related legitimate  
9 business (where such cannabis-related legitimate business  
10 operates within a State, political subdivision of a State,  
11 or Indian country that allows the cultivation, production,  
12 manufacture, sale, transportation, display, dispensing, dis-  
13 tribution, or purchase of cannabis pursuant to a law or  
14 regulation of such State, political subdivision, or Indian  
15 Tribe that has jurisdiction over the Indian country, as ap-  
16 plicable) or service provider (wherever located), a Federal  
17 reserve bank or Federal Home Loan Bank, and the offi-  
18 cers, directors, and employees of the Federal reserve bank  
19 or Federal Home Loan Bank, may not be held liable pur-  
20 suant to any Federal law or regulation—

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

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

24 (c) PROTECTIONS FOR INSURERS.—With respect to  
25 engaging in the business of insurance within a State, polit-

1 ical subdivision of a State, or Indian country that allows  
2 the cultivation, production, manufacture, sale, transpor-  
3 tation, display, dispensing, distribution, or purchase of  
4 cannabis pursuant to a law or regulation of such State,  
5 political subdivision, or Indian Tribe that has jurisdiction  
6 over the Indian country, as applicable, an insurer that en-  
7 gages in the business of insurance with a cannabis-related  
8 legitimate business or service provider or who otherwise  
9 engages with a person in a transaction permissible under  
10 State law related to cannabis, and the officers, directors,  
11 and employees of that insurer may not be held liable pur-  
12 suant to any Federal law or regulation—

13           (1) solely for engaging in the business of insur-  
14           ance; or

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

17           (d) FORFEITURE.—

18           (1) DEPOSITORY INSTITUTIONS.—A depository  
19           institution that has a legal interest in the collateral  
20           for a loan or another financial service provided to an  
21           owner, employee, or operator of a cannabis-related  
22           legitimate business or service provider, or to an  
23           owner or operator of real estate or equipment that  
24           is leased or sold to a cannabis-related legitimate  
25           business or service provider, shall not be subject to

1 criminal, civil, or administrative forfeiture of that  
2 legal interest pursuant to any Federal law for pro-  
3 viding such loan or other financial service.

4 (2) FEDERAL RESERVE BANKS AND FEDERAL  
5 HOME LOAN BANKS.—A Federal reserve bank or  
6 Federal Home Loan Bank that has a legal interest  
7 in the collateral for a loan or another financial serv-  
8 ice provided to a depository institution that provides  
9 a financial service to a cannabis-related legitimate  
10 business or service provider, or to an owner or oper-  
11 ator of real estate or equipment that is leased or  
12 sold to a cannabis-related legitimate business or  
13 service provider, shall not be subject to criminal,  
14 civil, or administrative forfeiture of that legal inter-  
15 est pursuant to any Federal law for providing such  
16 loan or other financial service.

17 **SEC. 5. RULES OF CONSTRUCTION.**

18 (a) NO REQUIREMENT TO PROVIDE FINANCIAL  
19 SERVICES.—Nothing in this Act shall require a depository  
20 institution, entity performing a financial service for or in  
21 association with a depository institution, or insurer to pro-  
22 vide financial services to a cannabis-related legitimate  
23 business, service provider, or any other business.

24 (b) GENERAL EXAMINATION, SUPERVISORY, AND  
25 ENFORCEMENT AUTHORITY.—Nothing in this Act may be

1 construed in any way as limiting or otherwise restricting  
2 the general examination, supervisory, and enforcement au-  
3 thority of the Federal banking regulators, provided that  
4 the basis for any supervisory or enforcement action is not  
5 the provision of financial services to a cannabis-related le-  
6 gitimate business or service provider.

7 (c) BUSINESS OF INSURANCE.—Nothing in this Act  
8 shall interfere with the regulation of the business of insur-  
9 ance in accordance with the Act of March 9, 1945 (59  
10 Stat. 33, chapter 20; 15 U.S.C. 1011 et seq.) (commonly  
11 known as the “McCarran-Ferguson Act”) and the Dodd-  
12 Frank Wall Street Reform and Consumer Protection Act  
13 (12 U.S.C. 5301 et seq.).

14 **SEC. 6. REQUIREMENTS FOR FILING SUSPICIOUS ACTIVITY**  
15 **REPORTS.**

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

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

20 “(A) IN GENERAL.—With respect to a fi-  
21 nancial institution or any director, officer, em-  
22 ployee, or agent of a financial institution that  
23 reports a suspicious transaction pursuant to  
24 this subsection, if the reason for the report re-  
25 lates to a cannabis-related legitimate business

1 or service provider, the report shall comply with  
2 appropriate guidance issued by the Financial  
3 Crimes Enforcement Network. Not later than  
4 the end of the 180-day period beginning on the  
5 date of enactment of this paragraph, the Sec-  
6 retary shall update the February 14, 2014,  
7 guidance titled ‘BSA Expectations Regarding  
8 Marijuana-Related Businesses’ (FIN–2014–  
9 G001) to ensure that the guidance is consistent  
10 with the purpose and intent of the SAFE  
11 Banking Act of 2021 and does not significantly  
12 inhibit the provision of financial services to a  
13 cannabis-related legitimate business or service  
14 provider in a State, political subdivision of a  
15 State, or Indian country that has allowed the  
16 cultivation, production, manufacture, transpor-  
17 tation, display, dispensing, distribution, sale, or  
18 purchase of cannabis pursuant to law or regula-  
19 tion of such State, political subdivision, or In-  
20 dian Tribe that has jurisdiction over the Indian  
21 country.

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

24 “(i) CANNABIS.—The term ‘cannabis’  
25 has the meaning given the term ‘mari-

1 huana’ in section 102 of the Controlled  
2 Substances Act (21 U.S.C. 802).

3 “(ii) CANNABIS-RELATED LEGITIMATE  
4 BUSINESS.—The term ‘cannabis-related le-  
5 gitimate business’ has the meaning given  
6 that term in section 14 of the SAFE  
7 Banking Act of 2021.

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

11 “(iv) INDIAN TRIBE.—The term ‘In-  
12 dian Tribe’ has the meaning given that  
13 term in section 102 of the Federally Rec-  
14 ognized Indian Tribe List Act of 1994 (25  
15 U.S.C. 479a).

16 “(v) FINANCIAL SERVICE.—The term  
17 ‘financial service’ has the meaning given  
18 that term in section 14 of the SAFE  
19 Banking Act of 2021.

20 “(vi) SERVICE PROVIDER.—The term  
21 ‘service provider’ has the meaning given  
22 that term in section 14 of the SAFE  
23 Banking Act of 2021.

24 “(vii) STATE.—The term ‘State’  
25 means each of the several States, the Dis-



1                   trict of Columbia, the Commonwealth of  
2                   Puerto Rico, and any territory or posses-  
3                   sion of the United States.”.

4 **SEC. 7. GUIDANCE AND EXAMINATION PROCEDURES.**

5           Not later than 180 days after the date of enactment  
6 of this Act, the Financial Institutions Examination Coun-  
7 cil shall develop uniform guidance and examination proce-  
8 dures for depository institutions that provide financial  
9 services to cannabis-related legitimate businesses and  
10 service providers.

11 **SEC. 8. ANNUAL DIVERSITY AND INCLUSION REPORT.**

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

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

18                   (2) any regulatory or legislative recommenda-  
19                   tions for expanding access to financial services for  
20                   minority-owned and women-owned cannabis-related  
21                   legitimate businesses.

22 **SEC. 9. GAO STUDY ON DIVERSITY AND INCLUSION.**

23           (a) STUDY.—The Comptroller General of the United  
24 States shall carry out a study on the barriers to market-  
25 place entry, including in the licensing process, and the ac-

1 cess to financial services for potential and existing minor-  
2 ity-owned and women-owned cannabis-related legitimate  
3 businesses.

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

6 (1) containing all findings and determinations  
7 made in carrying out the study required under sub-  
8 section (a); and

9 (2) containing any regulatory or legislative rec-  
10 ommendations for removing barriers to marketplace  
11 entry, including in the licensing process, and ex-  
12 panding access to financial services for potential and  
13 existing minority-owned and women-owned cannabis-  
14 related legitimate businesses.

15 **SEC. 10. GAO STUDY ON EFFECTIVENESS OF CERTAIN RE-**  
16 **PORTS ON FINDING CERTAIN PERSONS.**

17 Not later than 2 years after the date of the enact-  
18 ment of this Act, the Comptroller General of the United  
19 States shall carry out a study on the effectiveness of re-  
20 ports on suspicious transactions filed pursuant to section  
21 5318(g) of title 31, United States Code, at finding individ-  
22 uals or organizations suspected or known to be engaged  
23 with transnational criminal organizations and whether any  
24 such engagement exists in a State, political subdivision,  
25 or Indian Tribe that has jurisdiction over Indian country

1 that allows the cultivation, production, manufacture, sale,  
2 transportation, display, dispensing, distribution, or pur-  
3 chase of cannabis. The study shall examine reports on sus-  
4 picious transactions as follows:

5 (1) During the period of 2014 until the date of  
6 the enactment of this Act, reports relating to mari-  
7 juana-related businesses.

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

11 **SEC. 11. APPLICATION OF THIS ACT WITH RESPECT TO**  
12 **HEMP-RELATED LEGITIMATE BUSINESSES**  
13 **AND HEMP-RELATED SERVICE PROVIDERS.**

14 (a) IN GENERAL.—The provisions of this Act (other  
15 than sections 6 and 10) shall apply with respect to hemp-  
16 related legitimate businesses and hemp-related service pro-  
17 viders in the same manner as such provisions apply with  
18 respect to cannabis-related legitimate businesses and serv-  
19 ice providers.

20 (b) DEFINITIONS.—In this section:

21 (1) CBD.—The term “CBD” means  
22 cannabidiol.

23 (2) HEMP.—The term “hemp” has the meaning  
24 given that term under section 297A of the Agricul-  
25 tural Marketing Act of 1946 (7 U.S.C. 1639o).

1 (3) HEMP-RELATED LEGITIMATE BUSINESS.—

2 The term “hemp-related legitimate business” means  
3 a manufacturer, producer, or any person or company  
4 that—

5 (A) engages in any activity described in  
6 subparagraph (B) in conformity with the Agri-  
7 cultural Improvement Act of 2018 (Public Law  
8 115–334) and the regulations issued to imple-  
9 ment such Act by the Department of Agri-  
10 culture, where applicable, and the law of a  
11 State or political subdivision thereof or Indian  
12 Tribe; and

13 (B) participates in any business or orga-  
14 nized activity that involves handling hemp,  
15 hemp-derived CBD products, and other hemp-  
16 derived cannabinoid products, including culti-  
17 vating, producing, extracting, manufacturing,  
18 selling, transporting, displaying, dispensing, dis-  
19 tributing, or purchasing hemp, hemp-derived  
20 CBD products, and other hemp-derived  
21 cannabinoid products.

22 (4) HEMP-RELATED SERVICE PROVIDER.—The  
23 term “hemp-related service provider”—

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

1 (i) sells goods or services to a hemp-  
2 related legitimate business; or

3 (ii) provides any business services, in-  
4 cluding the sale or lease of real or any  
5 other property, legal or other licensed serv-  
6 ices, or any other ancillary service, relating  
7 to hemp, hemp-derived CBD products, or  
8 other hemp-derived cannabinoid products;  
9 and

10 (B) does not include a business, organiza-  
11 tion, or other person that participates in any  
12 business or organized activity that involves han-  
13 dling hemp, hemp-derived CBD products, or  
14 other hemp-derived cannabinoid products, in-  
15 cluding cultivating, producing, manufacturing,  
16 selling, transporting, displaying, dispensing, dis-  
17 tributing, or purchasing hemp, hemp-derived  
18 CBD products, and other hemp-derived  
19 cannabinoid products.

20 **SEC. 12. BANKING SERVICES FOR HEMP-RELATED LEGITI-**  
21 **MATE BUSINESSES AND HEMP-RELATED**  
22 **SERVICE PROVIDERS.**

23 (a) FINDINGS.—The Congress finds that—

24 (1) the Agriculture Improvement Act of 2018  
25 (Public Law 115–334) legalized hemp by removing

1 it from the definition of “marihuana” under the  
2 Controlled Substances Act;

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

7 (3) businesses involved in the sale of hemp-de-  
8 rived CBD products are particularly affected, due to  
9 confusion about the legal status of such products.

10 (b) FEDERAL BANKING REGULATORS’ HEMP BANK-  
11 ING GUIDANCE.—Not later than the end of the 90-day pe-  
12 riod beginning on the date of enactment of this Act, the  
13 Federal banking regulators shall update their existing  
14 guidance, as applicable, regarding the provision of finan-  
15 cial services to hemp-related legitimate businesses and  
16 hemp-related service providers to address—

17 (1) compliance with financial institutions’ exist-  
18 ing obligations under Federal laws and imple-  
19 menting regulations determined relevant by the Fed-  
20 eral banking regulators, including subchapter II of  
21 chapter 53 of title 31, United States Code, and its  
22 implementing regulation in conformity with this Act  
23 and the Department of Agriculture’s rules regulating  
24 domestic hemp production (7 C.F.R. 990); and

1           (2) best practices for financial institutions to  
2 follow when providing financial services, including  
3 processing payments, to hemp-related legitimate  
4 businesses and hemp-related service providers.

5 (c) DEFINITIONS.—In this section:

6           (1) FINANCIAL INSTITUTION.—The term “fi-  
7 nancial institution”—

8           (A) has the meaning given that term under  
9 section 5312(a) of title 31, United States Code;  
10 and

11           (B) includes a bank holding company, as  
12 defined under section 2(a) of the Bank Holding  
13 Company Act of 1956 (12 U.S.C. 1841(a)).

14           (2) HEMP TERMS.—The terms “CBD”,  
15 “hemp”, “hemp-related legitimate business”, and  
16 “hemp-related service provider” have the meaning  
17 given those terms, respectively, under section 11.

18 **SEC. 13. REQUIREMENTS FOR DEPOSIT ACCOUNT TERMI-**  
19 **NATION REQUESTS AND ORDERS.**

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

22           (1) IN GENERAL.—An appropriate Federal  
23 banking agency may not formally or informally re-  
24 quest or order a depository institution to terminate  
25 a specific customer account or group of customer ac-

1 counts or to otherwise restrict or discourage a de-  
2 pository institution from entering into or maintain-  
3 ing a banking relationship with a specific customer  
4 or group of customers unless—

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

7 (B) such reason is not based solely on rep-  
8 utation risk.

9 (2) TREATMENT OF NATIONAL SECURITY  
10 THREATS.—If an appropriate Federal banking agen-  
11 cy believes a specific customer or group of customers  
12 is, or is acting as a conduit for, an entity which—

13 (A) poses a threat to national security;

14 (B) is involved in terrorist financing;

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

19 (D) is located in, or is subject to the juris-  
20 diction of, any country specified in subpara-  
21 graph (C); or

22 (E) does business with any entity described  
23 in subparagraph (C) or (D), unless the appro-  
24 priate Federal banking agency determines that  
25 the customer or group of customers has used



1           due diligence to avoid doing business with any  
2           entity described in subparagraph (C) or (D),  
3           such belief shall satisfy the requirement under para-  
4           graph (1).

5           (b) NOTICE REQUIREMENT.—

6           (1) IN GENERAL.—If an appropriate Federal  
7           banking agency formally or informally requests or  
8           orders a depository institution to terminate a spe-  
9           cific customer account or a group of customer ac-  
10          counts, the agency shall—

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

13           (B) accompany such request or order with  
14           a written justification for why such termination  
15           is needed, including any specific laws or regula-  
16           tions the agency believes are being violated by  
17           the customer or group of customers, if any.

18           (2) JUSTIFICATION REQUIREMENT.—A jus-  
19           tification described under paragraph (1)(B) may not  
20           be based solely on the reputation risk to the deposi-  
21           tory institution.

22           (c) CUSTOMER NOTICE.—

23           (1) NOTICE REQUIRED.—Except as provided  
24           under paragraph (2) or as otherwise prohibited from  
25           being disclosed by law, if an appropriate Federal

1 banking agency orders a depository institution to  
2 terminate a specific customer account or a group of  
3 customer accounts, the depository institution shall  
4 inform the specific customer or group of customers  
5 of the justification for the customer's account termi-  
6 nation described under subsection (b).

7 (2) NOTICE PROHIBITED.—

8 (A) NOTICE PROHIBITED IN CASES OF NA-  
9 TIONAL SECURITY.—If an appropriate Federal  
10 banking agency requests or orders a depository  
11 institution to terminate a specific customer ac-  
12 count or a group of customer accounts based on  
13 a belief that the customer or customers pose a  
14 threat to national security, or are otherwise de-  
15 scribed under subsection (a)(2), neither the de-  
16 pository institution nor the appropriate Federal  
17 banking agency may inform the customer or  
18 customers of the justification for the customer's  
19 account termination.

20 (B) NOTICE PROHIBITED IN OTHER  
21 CASES.—If an appropriate Federal banking  
22 agency determines that the notice required  
23 under paragraph (1) may interfere with an au-  
24 thorized criminal investigation, neither the de-  
25 pository institution nor the appropriate Federal

1 banking agency may inform the specific cus-  
2 tomer or group of customers of the justification  
3 for the customer's account termination.

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

7 (1) the aggregate number of specific customer  
8 accounts that the agency requested or ordered a de-  
9 pository institution to terminate during the previous  
10 year; and

11 (2) the legal authority on which the agency re-  
12 lied in making such requests and orders and the fre-  
13 quency on which the agency relied on each such au-  
14 thority.

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

16 (1) APPROPRIATE FEDERAL BANKING AGEN-  
17 CY.—The term “appropriate Federal banking agen-  
18 cy” means—

19 (A) the appropriate Federal banking agen-  
20 cy, as defined under section 3 of the Federal  
21 Deposit Insurance Act (12 U.S.C. 1813); and

22 (B) the National Credit Union Administra-  
23 tion, in the case of an insured credit union.

24 (2) DEPOSITORY INSTITUTION.—The term “de-  
25 pository institution” means—

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

4 (B) an insured credit union.

5 **SEC. 14. DEFINITIONS.**

6 In this Act:

7 (1) BUSINESS OF INSURANCE.—The term  
8 “business of insurance” has the meaning given such  
9 term in section 1002 of the Dodd-Frank Wall Street  
10 Reform and Consumer Protection Act (12 U.S.C.  
11 5481).

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

15 (3) CANNABIS PRODUCT.—The term “cannabis  
16 product” means any article which contains cannabis,  
17 including an article which is a concentrate, an edi-  
18 ble, a tincture, a cannabis-infused product, or a top-  
19 ical.

20 (4) CANNABIS-RELATED LEGITIMATE BUSI-  
21 NESS.—The term “cannabis-related legitimate busi-  
22 ness” means a manufacturer, producer, or any per-  
23 son or company that—

24 (A) engages in any activity described in  
25 subparagraph (B) pursuant to a law established

1 by a State or a political subdivision of a State,  
2 as determined by such State or political subdivi-  
3 sion; and

4 (B) participates in any business or orga-  
5 nized activity that involves handling cannabis or  
6 cannabis products, including cultivating, pro-  
7 ducing, manufacturing, selling, transporting,  
8 displaying, dispensing, distributing, or pur-  
9 chasing cannabis or cannabis products.

10 (5) DEPOSITORY INSTITUTION.—The term “de-  
11 pository institution” means—

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

15 (B) a Federal credit union as defined in  
16 section 101 of the Federal Credit Union Act  
17 (12 U.S.C. 1752); or

18 (C) a State credit union as defined in sec-  
19 tion 101 of the Federal Credit Union Act (12  
20 U.S.C. 1752).

21 (6) FEDERAL BANKING REGULATOR.—The  
22 term “Federal banking regulator” means each of the  
23 Board of Governors of the Federal Reserve System,  
24 the Bureau of Consumer Financial Protection, the  
25 Federal Deposit Insurance Corporation, the Federal

1       Housing Finance Agency, the Financial Crimes En-  
2       forcement Network, the Office of Foreign Asset  
3       Control, the Office of the Comptroller of the Cur-  
4       rency, the National Credit Union Administration,  
5       the Department of the Treasury, or any Federal  
6       agency or department that regulates banking or fi-  
7       nancial services, as determined by the Secretary of  
8       the Treasury.

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

11               (A) means a financial product or service,  
12       as defined in section 1002 of the Dodd-Frank  
13       Wall Street Reform and Consumer Protection  
14       Act (12 U.S.C. 5481), regardless if the cus-  
15       tomer receiving the product or service is a con-  
16       sumer or commercial entity;

17               (B) means a financial product or service,  
18       or any combination of products and services,  
19       permitted to be provided by—

20               (i) a national bank or a financial sub-  
21       sidiary pursuant to the authority provided  
22       under—

23               (I) the provision designated  
24       “Seventh” of section 5136 of the Re-

1                   vised Statutes of the United States  
2                   (12 U.S.C. 24); or

3                   (II) section 5136A of the Revised  
4                   Statutes of the United States (12  
5                   U.S.C. 24a); and

6                   (ii) a Federal credit union, pursuant  
7                   to the authority provided under the Fed-  
8                   eral Credit Union Act;

9                   (C) includes the business of insurance;

10                  (D) includes, whether performed directly or  
11                  indirectly, the authorizing, processing, clearing,  
12                  settling, billing, transferring for deposit, trans-  
13                  mitting, delivering, instructing to be delivered,  
14                  reconciling, collecting, or otherwise effectuating  
15                  or facilitating of payments or funds, where such  
16                  payments or funds are made or transferred by  
17                  any means, including by the use of credit cards,  
18                  debit cards, other payment cards, or other ac-  
19                  cess devices, accounts, original or substitute  
20                  checks, or electronic funds transfers;

21                  (E) includes acting as a money transmit-  
22                  ting business which directly or indirectly makes  
23                  use of a depository institution in connection  
24                  with effectuating or facilitating a payment for  
25                  a cannabis-related legitimate business or service

1 provider in compliance with section 5330 of  
2 title 31, United States Code, and any applicable  
3 State law; and

4 (F) includes acting as an armored car  
5 service for processing and depositing with a de-  
6 pository institution or a Federal reserve bank  
7 with respect to any monetary instruments (as  
8 defined under section 1956(e)(5) of title 18,  
9 United States Code.

10 (8) INDIAN COUNTRY.—The term “Indian coun-  
11 try” has the meaning given that term in section  
12 1151 of title 18.

13 (9) INDIAN TRIBE.—The term “Indian Tribe”  
14 has the meaning given that term in section 102 of  
15 the Federally Recognized Indian Tribe List Act of  
16 1994 (25 U.S.C. 479a).

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

20 (11) MANUFACTURER.—The term “manufac-  
21 turer” means a person who manufactures, com-  
22 pounds, converts, processes, prepares, or packages  
23 cannabis or cannabis products.



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

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

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

8           (i) sells goods or services to a can-  
9           nabis-related legitimate business; or

10          (ii) provides any business services, in-  
11          cluding the sale or lease of real or any  
12          other property, legal or other licensed serv-  
13          ices, or any other ancillary service, relating  
14          to cannabis; and

15          (B) does not include a business, organiza-  
16          tion, or other person that participates in any  
17          business or organized activity that involves han-  
18          dling cannabis or cannabis products, including  
19          cultivating, producing, manufacturing, selling,  
20          transporting, displaying, dispensing, distrib-  
21          uting, or purchasing cannabis or cannabis prod-  
22          ucts.

23          (14) STATE.—The term “State” means each of  
24          the several States, the District of Columbia, the

- 1 Commonwealth of Puerto Rico, and any territory or
- 2 possession of the United States.

## MEMORANDUM

**TO:** FSIR COMMITTEE

**FROM:** LUKE PALMISANO, INTERGOVERNMENTAL RELATIONS MANAGER

**SUBJECT:** STATE LEGISLATIVE UPDATE

**DATE:** APRIL 2, 2021

### Action Items

#### **HB21-1222: Regulation of Family Child Care Homes**

The bill requires that family child care homes be classified as residences for purposes of licensure and local regulations, including zoning, land use development, fire and life safety, and building codes. **City staff recommend an active oppose position.**

The [bill](#).

Sponsors: Rep Van Winkle, Rep Valdez, Sen Winter, Sen Smallwood

Status: The bill has been assigned to the House Public & Behavioral Health and Human Services committee and a hearing date of March 30 has been set.

#### **SB21-118: Alternative Response Mistreatment At-risk Adults**

This bill concerns the creation of an alternative response pilot program for county departments of human or social services to address a report of mistreatment of an at-risk adult. **City staff recommend an active support position.**

The [bill](#).

Sponsors: Sen Ginal, Sen Gardner, Rep Pelton, Rep Snyder

Status: The bill has passed the Senate Health & Human Services committee and referred amended to the Senate Appropriations Committee. A hearing date has not been set.

### Information Items

### **HB21-1025: Nonsubstantive Emails And Open Meetings Law**

This bill concerns a clarification under the Colorado open meetings law of the requirements governing communication by electronic mail that does not relate to the substance of public business. **City staff recommend an active support position.**

The [bill](#).

Sponsors: Rep Arndt, Sen Ginal

Status: The bill has passed third reading in the Senate and will go to Governor Polis for his signature or veto.

### **HB21-1075: Replace the Term Illegal Alien**

This bill concerns replacing the term "illegal alien" with "worker without authorization" as it relates to public contracts for services. The city's state priorities as approved by City Council call for support of this bill.

#### **FSIR Position: Active Support**

The [bill](#).

Sponsors: Rep Lontine, Sen Gonzales

Status: The bill passed out of the Senate State, Veterans, & Military Affairs Committee unamended on March 23 and will go to the Senate Committee of the Whole for consideration.

### **HB21-1117: Local Government Authority Promote Affordable Housing Units**

The bill concerns the ability of local governments to promote the development of new affordable housing units pursuant to their existing authority to regulate land use within their territorial boundaries.

The city's state priorities as approved by City Council call for support of this bill.

#### **FSIR Position: Active Support**

The [bill](#).

Sponsors: Rep Lontine, Rep Gonzales-Gutierrez, Sen Rodriguez, Sen Gonzales

Status: The bill has passed third reading House Committee of the Whole unamended on March 22 and will go to the Senate for consideration.

### **SB21-148: Creation Of Financial Empowerment Office**

The bill creates the financial empowerment office to grow the financial resilience and well-being of Coloradans through specified community-derived goals and strategies. The office will develop tools and resources that advance, increase, and improve Colorado residents' financial management and promote financial stability. **City staff recommend an active support position.**

The [bill](#).

Sponsors: Sen Gonzales, Rep Esgar, Rep Tipper

Status: The bill passed out of the Senate Finance committee amended and has been referred to the Senate Appropriations Committee. No hearing date has been set.

### **SB21-156: Nurse Intake of 911 Calls Grant Program**

This bill creates a pilot program for the use of nurses in 911 dispatch to help divert incoming 911 calls that do not require emergency medical service to other types of medical care. **City staff recommend a monitor position.**

The [bill](#).

Sponsors: Sen Garcia, Rep Mullica

Status: The bill passed out of the Senate Health & Human Services committee amended and was referred to Senate Appropriations. A hearing date has not been set.

### **SB21-176: Protecting Opportunities and Workers' Rights Act**

The bill seeks to address discrimination or unfair employment practices pursuant to Colorado's anti-discrimination laws related to employment discrimination. Employees would not be required to file a Charge of Discrimination with the Colorado Civil Rights Division prior to filing a lawsuit in court. The bill expands the definition of "employee" and adds new definitions for "harassment", "hostile work environment", and "independent contractor". The bill also specifies that it is a discriminatory or unfair employment practice for an employer to fail to initiate an investigation of a complaint or fail to take prompt remedial action if appropriate.

**FSIR Position: Monitor**

The [bill](#).

Sponsors: Sen Winter, Sen Pettersen, Rep Lontine, Rep Gray

Status: The bill has been assigned to the Senate Judiciary committee and has a hearing date of April 1.