

Office of the Illinois State Treasurer
Michael W. Frerichs

Request for Proposals Banking Services for
Cash Processing of Tax Payments – Adult Use Cannabis
370-500-20-023

Addendum 1
November 20, 2019

Below are the questions received by the Office of the Illinois State Treasurer (“Treasurer”) and the Treasurer’s responses. The questions listed herein are intended to be accurate representations of the questions received; as such, any errors in usage or spelling have not been corrected. Any capitalized terms that are not defined herein have the meaning set forth in the Request for Proposals Banking Services for Cash Processing of Tax Payments – Adult Use Cannabis (370-500-20-023) (“RFP”) published by the Treasurer on November 1, 2019.

1. What is the expected annual volume of Cash Payments the State is expecting in the first 4 years of this program?

Due to the fact that the collection of taxes pursuant to the Cannabis Regulation and Tax Act, 410 ILCS 705, will not begin until after January 1, 2020, the annual volume of cash payments the State is expecting is unknown.

Using the existing Medical Cannabis program as a model since 2016, IDOR can provide the following percentages of non-electronic payments received in relation to total payments received as a guide. Note: Non-cash items and dollars consist of checks and cash received combined:

MED CANNABIS SINCE:	% Non-Electronic Payment Items	% Non-Electronic Payment Dollars
2016	19%	17%
2017	21%	8%
2018	44%	12%
2019 to 11/19/19	23%	5%

2. Would you be open to offering a solution to CRBs where, instead of the online payment exception being bringing cash to a bank branch, you can offer tax payers access to a transparent banking solution to pay the state electronically and eliminate the high security and reputational risk of taxpayers transporting cash across the state in unsecured vehicles?

This Request for Proposal is limited to cash processing of tax payments. When submitting a bid and providing responses to questions, Question IV.B.25 allows the Respondent to “Provide a summary of any unique expertise, products or services that would assist Respondent in performing the Services.”

3. Since the States requirement is that all Taxpayers must pay taxes and fees electronically, and that the cash deposit would be an exception, how do you ensure that taxpayers non-compliant bank accounts do not get shut down? How do you ensure that there is not an influx in cash payment exceptions due to accounts getting shut down for paying cannabis related taxes from a non-transparent banking relationship?

The questions posed are not within the Treasurer’s purview.

4. How will the State ensure there is not increase for reputational or security risk to current banking customers, the State or the Bank when you have cannabis cash coming into physical bank branches for deposits? Could deposits be made by armored courier pickup and eliminate all in-branch deposits?

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