



# OFFICE OF ILLINOIS STATE TREASURER

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## Illinois State Treasurer Frerichs Urges Swift Passage of Federal SAFE Banking Act

### Will Bring Safety, Certainty and Security to Cannabis Industry

**SPRINGFIELD** –Illinois State Treasurer Michael Frerichs today urged swift passage of federal legislation that will bring safety, certainty and security to the financial institutions that support the industry.

The U.S. House of Representatives this week passed the Safe Banking Act 321-103 with strong bipartisan support. The legislation would allow financial institutions such as banks and credit unions to legally provide financial services to legal cannabis businesses.

The legislation now goes to the Republican-led Senate for approval. Such legislation was first introduced in 2013. Frerichs has urged Congress and President Trump to bring clarity to the cannabis-banking relationship since Trump’s election in 2016.

Current federal law considers cannabis on the same level of heroin or cocaine and prohibits financial institutions from supporting the cannabis industry. Penalties for doing so could include federal officials closing financial institutions.

“Federal banking prohibitions have not kept pace with state’s rights when choosing to legalize cannabis for adults,” Frerichs said. “This common-sense approach to ease federal banking regulations so this cash-heavy industry can function in the open and transparently will benefit everyone.”

“This legislative effort touches more than cannabis growers and storefront businesses,” Frerichs said. “Plumbers, electricians, attorneys, and landlords who service the industry also had their banking relationship jeopardized by these outdated federal regulations.”

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Frerichs is the state's chief banking officer. Money paid to the state for licenses, taxes, and fees is collected and invested through the treasurer's office. That is why Frerichs advocates action at the state and federal level to rectify this banking conflict.

Earlier this year, state legislation championed by Frerichs brought some measure of clarity to the industry in Illinois. Passed with bipartisan support and signed into law by Gov. JB Pritzker, the Illinois Department of Financial and Professional Regulation (IDFPR) now is prohibited from any action that would penalize or dissuade banks and credit unions from serving cannabis-related businesses.

Such state legislation also sends a strong signal to federal officials that there is support at the state level to change federal banking regulations. Frerichs leads a bipartisan group from the National Association of State Treasurers seeking these protections.

### **About the Illinois Treasurer**

As Illinois State Treasurer, Frerichs is the state's Chief Investment and Banking Officer and actively manages approximately \$30 billion. The portfolio includes \$13 billion in state funds, \$11 billion in college savings plans and \$6 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$42 to the state for every \$1 spent in operations. Frerichs' office protects consumers by safeguarding more than \$3 billion in unclaimed property, encouraging savings plans for college or trade school, increasing financial education among all ages, assisting people with disabilities save without losing government benefits, and removing barriers to a secure retirement. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

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