



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB2023

Introduced 2/15/2019, by Sen. Heather A. Steans

SYNOPSIS AS INTRODUCED:

205 ILCS 5/48	
205 ILCS 5/48.3	from Ch. 17, par. 360.2
205 ILCS 305/8	from Ch. 17, par. 4409
205 ILCS 305/9.1	

Amends the Illinois Banking Act and the Illinois Credit Union Act. Provides that the Secretary of Financial and Professional Regulation shall not: issue an order against a financial institution for unsafe or unsound banking practices solely because the entity provides financial services to a cannabis-related legitimate business; prohibit, penalize, or otherwise discourage a financial institution from providing financial services to a cannabis-related legitimate business solely because the entity provides financial services to a cannabis-related legitimate business; recommend, incentivize, or encourage a financial institution not to offer financial services to an account holder or to downgrade or cancel the financial services offered to an account holder solely because the account holder is a manufacturer or producer or is the owner, operator, or employee of a cannabis-related legitimate business, the account holder later becomes an owner or operator of a cannabis-related legitimate business, or the financial institution was not aware that the account holder is the owner or operator of a cannabis-related legitimate business; and take any adverse or corrective supervisory action on a loan made to an owner or operator of a cannabis-related legitimate business solely because the owner or operator owns or operates a cannabis-related legitimate business or an owner or operator of real estate or equipment that is leased to a cannabis-related legitimate business solely because the owner or operator of the real estate or equipment leased the equipment or real estate to a cannabis-related legitimate business. Authorizes the Secretary to furnish confidential supervisory information relating to a financial institution providing financial services to cannabis-related businesses, limited to the name, contact information, and such other information as the Secretary determines is prudent, to the Illinois State Treasurer. Effective immediately.

LRB101 09588 JRG 54686 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Banking Act is amended by changing
5 Sections 48 and 48.3 as follows:

6 (205 ILCS 5/48)

7 Sec. 48. Secretary's powers; duties. The Secretary shall
8 have the powers and authority, and is charged with the duties
9 and responsibilities designated in this Act, and a State bank
10 shall not be subject to any other visitorial power other than
11 as authorized by this Act, except those vested in the courts,
12 or upon prior consultation with the Secretary, a foreign bank
13 regulator with an appropriate supervisory interest in the
14 parent or affiliate of a state bank. In the performance of the
15 Secretary's duties:

16 (1) The Commissioner shall call for statements from all
17 State banks as provided in Section 47 at least one time
18 during each calendar quarter.

19 (2) (a) The Commissioner, as often as the Commissioner
20 shall deem necessary or proper, and no less frequently than
21 18 months following the preceding examination, shall
22 appoint a suitable person or persons to make an examination
23 of the affairs of every State bank, except that for every

1 eligible State bank, as defined by regulation, the
2 Commissioner in lieu of the examination may accept on an
3 alternating basis the examination made by the eligible
4 State bank's appropriate federal banking agency pursuant
5 to Section 111 of the Federal Deposit Insurance Corporation
6 Improvement Act of 1991, provided the appropriate federal
7 banking agency has made such an examination. A person so
8 appointed shall not be a stockholder or officer or employee
9 of any bank which that person may be directed to examine,
10 and shall have powers to make a thorough examination into
11 all the affairs of the bank and in so doing to examine any
12 of the officers or agents or employees thereof on oath and
13 shall make a full and detailed report of the condition of
14 the bank to the Commissioner. In making the examination the
15 examiners shall include an examination of the affairs of
16 all the affiliates of the bank, as defined in subsection
17 (b) of Section 35.2 of this Act, or subsidiaries of the
18 bank as shall be necessary to disclose fully the conditions
19 of the subsidiaries or affiliates, the relations between
20 the bank and the subsidiaries or affiliates and the effect
21 of those relations upon the affairs of the bank, and in
22 connection therewith shall have power to examine any of the
23 officers, directors, agents, or employees of the
24 subsidiaries or affiliates on oath. After May 31, 1997, the
25 Commissioner may enter into cooperative agreements with
26 state regulatory authorities of other states to provide for

1 examination of State bank branches in those states, and the
2 Commissioner may accept reports of examinations of State
3 bank branches from those state regulatory authorities.
4 These cooperative agreements may set forth the manner in
5 which the other state regulatory authorities may be
6 compensated for examinations prepared for and submitted to
7 the Commissioner.

8 (b) After May 31, 1997, the Commissioner is authorized
9 to examine, as often as the Commissioner shall deem
10 necessary or proper, branches of out-of-state banks. The
11 Commissioner may establish and may assess fees to be paid
12 to the Commissioner for examinations under this subsection
13 (b). The fees shall be borne by the out-of-state bank,
14 unless the fees are borne by the state regulatory authority
15 that chartered the out-of-state bank, as determined by a
16 cooperative agreement between the Commissioner and the
17 state regulatory authority that chartered the out-of-state
18 bank.

19 (2.1) Pursuant to paragraph (a) of subsection (6) of
20 this Section, the Secretary shall adopt rules that ensure
21 consistency and due process in the examination process. The
22 Secretary may also establish guidelines that (i) define the
23 scope of the examination process and (ii) clarify
24 examination items to be resolved. The rules, formal
25 guidance, interpretive letters, or opinions furnished to
26 State banks by the Secretary may be relied upon by the

1 State banks.

2 (2.5) Whenever any State bank, any subsidiary or
3 affiliate of a State bank, or after May 31, 1997, any
4 branch of an out-of-state bank causes to be performed, by
5 contract or otherwise, any bank services for itself,
6 whether on or off its premises:

7 (a) that performance shall be subject to
8 examination by the Commissioner to the same extent as
9 if services were being performed by the bank or, after
10 May 31, 1997, branch of the out-of-state bank itself on
11 its own premises; and

12 (b) the bank or, after May 31, 1997, branch of the
13 out-of-state bank shall notify the Commissioner of the
14 existence of a service relationship. The notification
15 shall be submitted with the first statement of
16 condition (as required by Section 47 of this Act) due
17 after the making of the service contract or the
18 performance of the service, whichever occurs first.
19 The Commissioner shall be notified of each subsequent
20 contract in the same manner.

21 For purposes of this subsection (2.5), the term "bank
22 services" means services such as sorting and posting of
23 checks and deposits, computation and posting of interest
24 and other credits and charges, preparation and mailing of
25 checks, statements, notices, and similar items, or any
26 other clerical, bookkeeping, accounting, statistical, or

1 similar functions performed for a State bank, including but
2 not limited to electronic data processing related to those
3 bank services.

4 (3) The expense of administering this Act, including
5 the expense of the examinations of State banks as provided
6 in this Act, shall to the extent of the amounts resulting
7 from the fees provided for in paragraphs (a), (a-2), and
8 (b) of this subsection (3) be assessed against and borne by
9 the State banks:

10 (a) Each bank shall pay to the Secretary a Call
11 Report Fee which shall be paid in quarterly
12 installments equal to one-fourth of the sum of the
13 annual fixed fee of \$800, plus a variable fee based on
14 the assets shown on the quarterly statement of
15 condition delivered to the Secretary in accordance
16 with Section 47 for the preceding quarter according to
17 the following schedule: 16¢ per \$1,000 of the first
18 \$5,000,000 of total assets, 15¢ per \$1,000 of the next
19 \$20,000,000 of total assets, 13¢ per \$1,000 of the next
20 \$75,000,000 of total assets, 9¢ per \$1,000 of the next
21 \$400,000,000 of total assets, 7¢ per \$1,000 of the next
22 \$500,000,000 of total assets, and 5¢ per \$1,000 of all
23 assets in excess of \$1,000,000,000, of the State bank.
24 The Call Report Fee shall be calculated by the
25 Secretary and billed to the banks for remittance at the
26 time of the quarterly statements of condition provided

1 for in Section 47. The Secretary may require payment of
2 the fees provided in this Section by an electronic
3 transfer of funds or an automatic debit of an account
4 of each of the State banks. In case more than one
5 examination of any bank is deemed by the Secretary to
6 be necessary in any examination frequency cycle
7 specified in subsection 2(a) of this Section, and is
8 performed at his direction, the Secretary may assess a
9 reasonable additional fee to recover the cost of the
10 additional examination. In lieu of the method and
11 amounts set forth in this paragraph (a) for the
12 calculation of the Call Report Fee, the Secretary may
13 specify by rule that the Call Report Fees provided by
14 this Section may be assessed semiannually or some other
15 period and may provide in the rule the formula to be
16 used for calculating and assessing the periodic Call
17 Report Fees to be paid by State banks.

18 (a-1) If in the opinion of the Commissioner an
19 emergency exists or appears likely, the Commissioner
20 may assign an examiner or examiners to monitor the
21 affairs of a State bank with whatever frequency he
22 deems appropriate, including but not limited to a daily
23 basis. The reasonable and necessary expenses of the
24 Commissioner during the period of the monitoring shall
25 be borne by the subject bank. The Commissioner shall
26 furnish the State bank a statement of time and expenses

1 if requested to do so within 30 days of the conclusion
2 of the monitoring period.

3 (a-2) On and after January 1, 1990, the reasonable
4 and necessary expenses of the Commissioner during
5 examination of the performance of electronic data
6 processing services under subsection (2.5) shall be
7 borne by the banks for which the services are provided.
8 An amount, based upon a fee structure prescribed by the
9 Commissioner, shall be paid by the banks or, after May
10 31, 1997, branches of out-of-state banks receiving the
11 electronic data processing services along with the
12 Call Report Fee assessed under paragraph (a) of this
13 subsection (3).

14 (a-3) After May 31, 1997, the reasonable and
15 necessary expenses of the Commissioner during
16 examination of the performance of electronic data
17 processing services under subsection (2.5) at or on
18 behalf of branches of out-of-state banks shall be borne
19 by the out-of-state banks, unless those expenses are
20 borne by the state regulatory authorities that
21 chartered the out-of-state banks, as determined by
22 cooperative agreements between the Commissioner and
23 the state regulatory authorities that chartered the
24 out-of-state banks.

25 (b) "Fiscal year" for purposes of this Section 48
26 is defined as a period beginning July 1 of any year and

1 ending June 30 of the next year. The Commissioner shall
2 receive for each fiscal year, commencing with the
3 fiscal year ending June 30, 1987, a contingent fee
4 equal to the lesser of the aggregate of the fees paid
5 by all State banks under paragraph (a) of subsection
6 (3) for that year, or the amount, if any, whereby the
7 aggregate of the administration expenses, as defined
8 in paragraph (c), for that fiscal year exceeds the sum
9 of the aggregate of the fees payable by all State banks
10 for that year under paragraph (a) of subsection (3),
11 plus any amounts transferred into the Bank and Trust
12 Company Fund from the State Pensions Fund for that
13 year, plus all other amounts collected by the
14 Commissioner for that year under any other provision of
15 this Act, plus the aggregate of all fees collected for
16 that year by the Commissioner under the Corporate
17 Fiduciary Act, excluding the receivership fees
18 provided for in Section 5-10 of the Corporate Fiduciary
19 Act, and the Foreign Banking Office Act. The aggregate
20 amount of the contingent fee thus arrived at for any
21 fiscal year shall be apportioned amongst, assessed
22 upon, and paid by the State banks and foreign banking
23 corporations, respectively, in the same proportion
24 that the fee of each under paragraph (a) of subsection
25 (3), respectively, for that year bears to the aggregate
26 for that year of the fees collected under paragraph (a)

1 of subsection (3). The aggregate amount of the
2 contingent fee, and the portion thereof to be assessed
3 upon each State bank and foreign banking corporation,
4 respectively, shall be determined by the Commissioner
5 and shall be paid by each, respectively, within 120
6 days of the close of the period for which the
7 contingent fee is computed and is payable, and the
8 Commissioner shall give 20 days' advance notice of the
9 amount of the contingent fee payable by the State bank
10 and of the date fixed by the Commissioner for payment
11 of the fee.

12 (c) The "administration expenses" for any fiscal
13 year shall mean the ordinary and contingent expenses
14 for that year incident to making the examinations
15 provided for by, and for otherwise administering, this
16 Act, the Corporate Fiduciary Act, excluding the
17 expenses paid from the Corporate Fiduciary
18 Receivership account in the Bank and Trust Company
19 Fund, the Foreign Banking Office Act, the Electronic
20 Fund Transfer Act, and the Illinois Bank Examiners'
21 Education Foundation Act, including all salaries and
22 other compensation paid for personal services rendered
23 for the State by officers or employees of the State,
24 including the Commissioner and the Deputy
25 Commissioners, communication equipment and services,
26 office furnishings, surety bond premiums, and travel

1 expenses of those officers and employees, employees,
2 expenditures or charges for the acquisition,
3 enlargement or improvement of, or for the use of, any
4 office space, building, or structure, or expenditures
5 for the maintenance thereof or for furnishing heat,
6 light, or power with respect thereto, all to the extent
7 that those expenditures are directly incidental to
8 such examinations or administration. The Commissioner
9 shall not be required by paragraphs (c) or (d-1) of
10 this subsection (3) to maintain in any fiscal year's
11 budget appropriated reserves for accrued vacation and
12 accrued sick leave that is required to be paid to
13 employees of the Commissioner upon termination of
14 their service with the Commissioner in an amount that
15 is more than is reasonably anticipated to be necessary
16 for any anticipated turnover in employees, whether due
17 to normal attrition or due to layoffs, terminations, or
18 resignations.

19 (d) The aggregate of all fees collected by the
20 Secretary under this Act, the Corporate Fiduciary Act,
21 or the Foreign Banking Office Act on and after July 1,
22 1979, shall be paid promptly after receipt of the same,
23 accompanied by a detailed statement thereof, into the
24 State treasury and shall be set apart in a special fund
25 to be known as the "Bank and Trust Company Fund",
26 except as provided in paragraph (c) of subsection (11)

1 of this Section. All earnings received from
2 investments of funds in the Bank and Trust Company Fund
3 shall be deposited in the Bank and Trust Company Fund
4 and may be used for the same purposes as fees deposited
5 in that Fund. The amount from time to time deposited
6 into the Bank and Trust Company Fund shall be used: (i)
7 to offset the ordinary administrative expenses of the
8 Secretary as defined in this Section or (ii) as a
9 credit against fees under paragraph (d-1) of this
10 subsection (3). Nothing in this amendatory Act of 1979
11 shall prevent continuing the practice of paying
12 expenses involving salaries, retirement, social
13 security, and State-paid insurance premiums of State
14 officers by appropriations from the General Revenue
15 Fund. However, the General Revenue Fund shall be
16 reimbursed for those payments made on and after July 1,
17 1979, by an annual transfer of funds from the Bank and
18 Trust Company Fund. Moneys in the Bank and Trust
19 Company Fund may be transferred to the Professions
20 Indirect Cost Fund, as authorized under Section
21 2105-300 of the Department of Professional Regulation
22 Law of the Civil Administrative Code of Illinois.

23 Notwithstanding provisions in the State Finance
24 Act, as now or hereafter amended, or any other law to
25 the contrary, the sum of \$18,788,847 shall be
26 transferred from the Bank and Trust Company Fund to the

1 Financial Institutions Settlement of 2008 Fund on the
2 effective date of this amendatory Act of the 95th
3 General Assembly, or as soon thereafter as practical.

4 Notwithstanding provisions in the State Finance
5 Act, as now or hereafter amended, or any other law to
6 the contrary, the Governor may, during any fiscal year
7 through January 10, 2011, from time to time direct the
8 State Treasurer and Comptroller to transfer a
9 specified sum not exceeding 10% of the revenues to be
10 deposited into the Bank and Trust Company Fund during
11 that fiscal year from that Fund to the General Revenue
12 Fund in order to help defray the State's operating
13 costs for the fiscal year. Notwithstanding provisions
14 in the State Finance Act, as now or hereafter amended,
15 or any other law to the contrary, the total sum
16 transferred during any fiscal year through January 10,
17 2011, from the Bank and Trust Company Fund to the
18 General Revenue Fund pursuant to this provision shall
19 not exceed during any fiscal year 10% of the revenues
20 to be deposited into the Bank and Trust Company Fund
21 during that fiscal year. The State Treasurer and
22 Comptroller shall transfer the amounts designated
23 under this Section as soon as may be practicable after
24 receiving the direction to transfer from the Governor.

25 (d-1) Adequate funds shall be available in the Bank
26 and Trust Company Fund to permit the timely payment of

1 administration expenses. In each fiscal year the total
2 administration expenses shall be deducted from the
3 total fees collected by the Commissioner and the
4 remainder transferred into the Cash Flow Reserve
5 Account, unless the balance of the Cash Flow Reserve
6 Account prior to the transfer equals or exceeds
7 one-fourth of the total initial appropriations from
8 the Bank and Trust Company Fund for the subsequent
9 year, in which case the remainder shall be credited to
10 State banks and foreign banking corporations and
11 applied against their fees for the subsequent year. The
12 amount credited to each State bank and foreign banking
13 corporation shall be in the same proportion as the Call
14 Report Fees paid by each for the year bear to the total
15 Call Report Fees collected for the year. If, after a
16 transfer to the Cash Flow Reserve Account is made or if
17 no remainder is available for transfer, the balance of
18 the Cash Flow Reserve Account is less than one-fourth
19 of the total initial appropriations for the subsequent
20 year and the amount transferred is less than 5% of the
21 total Call Report Fees for the year, additional amounts
22 needed to make the transfer equal to 5% of the total
23 Call Report Fees for the year shall be apportioned
24 amongst, assessed upon, and paid by the State banks and
25 foreign banking corporations in the same proportion
26 that the Call Report Fees of each, respectively, for

1 the year bear to the total Call Report Fees collected
2 for the year. The additional amounts assessed shall be
3 transferred into the Cash Flow Reserve Account. For
4 purposes of this paragraph (d-1), the calculation of
5 the fees collected by the Commissioner shall exclude
6 the receivership fees provided for in Section 5-10 of
7 the Corporate Fiduciary Act.

8 (e) The Commissioner may upon request certify to
9 any public record in his keeping and shall have
10 authority to levy a reasonable charge for issuing
11 certifications of any public record in his keeping.

12 (f) In addition to fees authorized elsewhere in
13 this Act, the Commissioner may, in connection with a
14 review, approval, or provision of a service, levy a
15 reasonable charge to recover the cost of the review,
16 approval, or service.

17 (4) Nothing contained in this Act shall be construed to
18 limit the obligation relative to examinations and reports
19 of any State bank, deposits in which are to any extent
20 insured by the United States or any agency thereof, nor to
21 limit in any way the powers of the Commissioner with
22 reference to examinations and reports of that bank.

23 (5) The nature and condition of the assets in or
24 investment of any bonus, pension, or profit sharing plan
25 for officers or employees of every State bank or, after May
26 31, 1997, branch of an out-of-state bank shall be deemed to

1 be included in the affairs of that State bank or branch of
2 an out-of-state bank subject to examination by the
3 Commissioner under the provisions of subsection (2) of this
4 Section, and if the Commissioner shall find from an
5 examination that the condition of or operation of the
6 investments or assets of the plan is unlawful, fraudulent,
7 or unsafe, or that any trustee has abused his trust, the
8 Commissioner shall, if the situation so found by the
9 Commissioner shall not be corrected to his satisfaction
10 within 60 days after the Commissioner has given notice to
11 the board of directors of the State bank or out-of-state
12 bank of his findings, report the facts to the Attorney
13 General who shall thereupon institute proceedings against
14 the State bank or out-of-state bank, the board of directors
15 thereof, or the trustees under such plan as the nature of
16 the case may require.

17 (6) The Commissioner shall have the power:

18 (a) To promulgate reasonable rules for the purpose
19 of administering the provisions of this Act.

20 (a-5) To impose conditions on any approval issued
21 by the Commissioner if he determines that the
22 conditions are necessary or appropriate. These
23 conditions shall be imposed in writing and shall
24 continue in effect for the period prescribed by the
25 Commissioner.

26 (b) To issue orders against any person, if the

1 Commissioner has reasonable cause to believe that an
2 unsafe or unsound banking practice has occurred, is
3 occurring, or is about to occur, if any person has
4 violated, is violating, or is about to violate any law,
5 rule, or written agreement with the Commissioner, or
6 for the purpose of administering the provisions of this
7 Act and any rule promulgated in accordance with this
8 Act.

9 (b-1) To enter into agreements with a bank
10 establishing a program to correct the condition of the
11 bank or its practices.

12 (c) To appoint hearing officers to execute any of
13 the powers granted to the Commissioner under this
14 Section for the purpose of administering this Act and
15 any rule promulgated in accordance with this Act and
16 otherwise to authorize, in writing, an officer or
17 employee of the Office of Banks and Real Estate to
18 exercise his powers under this Act.

19 (d) To subpoena witnesses, to compel their
20 attendance, to administer an oath, to examine any
21 person under oath, and to require the production of any
22 relevant books, papers, accounts, and documents in the
23 course of and pursuant to any investigation being
24 conducted, or any action being taken, by the
25 Commissioner in respect of any matter relating to the
26 duties imposed upon, or the powers vested in, the

1 Commissioner under the provisions of this Act or any
2 rule promulgated in accordance with this Act.

3 (e) To conduct hearings.

4 (7) Whenever, in the opinion of the Secretary, any
5 director, officer, employee, or agent of a State bank or
6 any subsidiary or bank holding company of the bank or,
7 after May 31, 1997, of any branch of an out-of-state bank
8 or any subsidiary or bank holding company of the bank shall
9 have violated any law, rule, or order relating to that bank
10 or any subsidiary or bank holding company of the bank,
11 shall have obstructed or impeded any examination or
12 investigation by the Secretary, shall have engaged in an
13 unsafe or unsound practice in conducting the business of
14 that bank or any subsidiary or bank holding company of the
15 bank, or shall have violated any law or engaged or
16 participated in any unsafe or unsound practice in
17 connection with any financial institution or other
18 business entity such that the character and fitness of the
19 director, officer, employee, or agent does not assure
20 reasonable promise of safe and sound operation of the State
21 bank, the Secretary may issue an order of removal. If, in
22 the opinion of the Secretary, any former director, officer,
23 employee, or agent of a State bank or any subsidiary or
24 bank holding company of the bank, prior to the termination
25 of his or her service with that bank or any subsidiary or
26 bank holding company of the bank, violated any law, rule,

1 or order relating to that State bank or any subsidiary or
2 bank holding company of the bank, obstructed or impeded any
3 examination or investigation by the Secretary, engaged in
4 an unsafe or unsound practice in conducting the business of
5 that bank or any subsidiary or bank holding company of the
6 bank, or violated any law or engaged or participated in any
7 unsafe or unsound practice in connection with any financial
8 institution or other business entity such that the
9 character and fitness of the director, officer, employee,
10 or agent would not have assured reasonable promise of safe
11 and sound operation of the State bank, the Secretary may
12 issue an order prohibiting that person from further service
13 with a bank or any subsidiary or bank holding company of
14 the bank as a director, officer, employee, or agent. An
15 order issued pursuant to this subsection shall be served
16 upon the director, officer, employee, or agent. A copy of
17 the order shall be sent to each director of the bank
18 affected by registered mail. A copy of the order shall also
19 be served upon the bank of which he is a director, officer,
20 employee, or agent, whereupon he shall cease to be a
21 director, officer, employee, or agent of that bank. The
22 Secretary may institute a civil action against the
23 director, officer, or agent of the State bank or, after May
24 31, 1997, of the branch of the out-of-state bank against
25 whom any order provided for by this subsection (7) of this
26 Section 48 has been issued, and against the State bank or,

1 after May 31, 1997, out-of-state bank, to enforce
2 compliance with or to enjoin any violation of the terms of
3 the order. Any person who has been the subject of an order
4 of removal or an order of prohibition issued by the
5 Secretary under this subsection or Section 5-6 of the
6 Corporate Fiduciary Act may not thereafter serve as
7 director, officer, employee, or agent of any State bank or
8 of any branch of any out-of-state bank, or of any corporate
9 fiduciary, as defined in Section 1-5.05 of the Corporate
10 Fiduciary Act, or of any other entity that is subject to
11 licensure or regulation by the Division of Banking unless
12 the Secretary has granted prior approval in writing.

13 For purposes of this paragraph (7), "bank holding
14 company" has the meaning prescribed in Section 2 of the
15 Illinois Bank Holding Company Act of 1957.

16 (7.5) Notwithstanding the provisions of this Section,
17 the Secretary shall not:

18 (1) issue an order against a State bank or any
19 subsidiary organized under this Act for unsafe or
20 unsound banking practices solely because the entity
21 provides or has provided financial services to a
22 cannabis-related legitimate business;

23 (2) prohibit, penalize, or otherwise discourage a
24 State bank or any subsidiary from providing financial
25 services to a cannabis-related legitimate business
26 solely because the entity provides or has provided

1 financial services to a cannabis-related legitimate
2 business;

3 (3) recommend, incentivize, or encourage a state
4 bank or any subsidiary not to offer financial services
5 to an account holder or to downgrade or cancel the
6 financial services offered to an account holder solely
7 because:

8 (A) the account holder is a manufacturer or
9 producer, or is the owner, operator, or employee of
10 a cannabis-related legitimate business;

11 (B) the account holder later becomes an owner
12 or operator of a cannabis-related legitimate
13 business; or

14 (C) the State bank or any subsidiary was not
15 aware that the account holder is the owner or
16 operator of a cannabis-related legitimate
17 business; and

18 (4) take any adverse or corrective supervisory
19 action on a loan made to an owner or operator of:

20 (A) a cannabis-related legitimate business
21 solely because the owner or operator owns or
22 operates a cannabis-related legitimate business;
23 or

24 (B) real estate or equipment that is leased to
25 a cannabis-related legitimate business solely
26 because the owner or operator of the real estate or

1 equipment leased the equipment or real estate to a
2 cannabis-related legitimate business.

3 (8) The Commissioner may impose civil penalties of up
4 to \$100,000 against any person for each violation of any
5 provision of this Act, any rule promulgated in accordance
6 with this Act, any order of the Commissioner, or any other
7 action which in the Commissioner's discretion is an unsafe
8 or unsound banking practice.

9 (9) The Commissioner may impose civil penalties of up
10 to \$100 against any person for the first failure to comply
11 with reporting requirements set forth in the report of
12 examination of the bank and up to \$200 for the second and
13 subsequent failures to comply with those reporting
14 requirements.

15 (10) All final administrative decisions of the
16 Commissioner hereunder shall be subject to judicial review
17 pursuant to the provisions of the Administrative Review
18 Law. For matters involving administrative review, venue
19 shall be in either Sangamon County or Cook County.

20 (11) The endowment fund for the Illinois Bank
21 Examiners' Education Foundation shall be administered as
22 follows:

23 (a) (Blank).

24 (b) The Foundation is empowered to receive
25 voluntary contributions, gifts, grants, bequests, and
26 donations on behalf of the Illinois Bank Examiners'

1 Education Foundation from national banks and other
2 persons for the purpose of funding the endowment of the
3 Illinois Bank Examiners' Education Foundation.

4 (c) The aggregate of all special educational fees
5 collected by the Secretary and property received by the
6 Secretary on behalf of the Illinois Bank Examiners'
7 Education Foundation under this subsection (11) on or
8 after June 30, 1986, shall be either (i) promptly paid
9 after receipt of the same, accompanied by a detailed
10 statement thereof, into the State Treasury and shall be
11 set apart in a special fund to be known as "The
12 Illinois Bank Examiners' Education Fund" to be
13 invested by either the Treasurer of the State of
14 Illinois in the Public Treasurers' Investment Pool or
15 in any other investment he is authorized to make or by
16 the Illinois State Board of Investment as the State
17 Banking Board of Illinois may direct or (ii) deposited
18 into an account maintained in a commercial bank or
19 corporate fiduciary in the name of the Illinois Bank
20 Examiners' Education Foundation pursuant to the order
21 and direction of the Board of Trustees of the Illinois
22 Bank Examiners' Education Foundation.

23 (12) (Blank).

24 (13) The Secretary may borrow funds from the General
25 Revenue Fund on behalf of the Bank and Trust Company Fund
26 if the Director of Banking certifies to the Governor that

1 there is an economic emergency affecting banking that
2 requires a borrowing to provide additional funds to the
3 Bank and Trust Company Fund. The borrowed funds shall be
4 paid back within 3 years and shall not exceed the total
5 funding appropriated to the Agency in the previous year.

6 (14) In addition to the fees authorized in this Act,
7 the Secretary may assess reasonable receivership fees
8 against any State bank that does not maintain insurance
9 with the Federal Deposit Insurance Corporation. All fees
10 collected under this subsection (14) shall be paid into the
11 Non-insured Institutions Receivership account in the Bank
12 and Trust Company Fund, as established by the Secretary.
13 The fees assessed under this subsection (14) shall provide
14 for the expenses that arise from the administration of the
15 receivership of any such institution required to pay into
16 the Non-insured Institutions Receivership account, whether
17 pursuant to this Act, the Corporate Fiduciary Act, the
18 Foreign Banking Office Act, or any other Act that requires
19 payments into the Non-insured Institutions Receivership
20 account. The Secretary may establish by rule a reasonable
21 manner of assessing fees under this subsection (14).

22 (Source: P.A. 99-39, eff. 1-1-16; 100-22, eff. 1-1-18.)

23 (205 ILCS 5/48.3) (from Ch. 17, par. 360.2)

24 Sec. 48.3. Disclosure of reports of examinations and
25 confidential supervisory information; limitations.

1 (a) Any report of examination, visitation, or
2 investigation prepared by the Secretary under this Act, the
3 Electronic Fund Transfer Act, the Corporate Fiduciary Act, the
4 Illinois Bank Holding Company Act of 1957, and the Foreign
5 Banking Office Act, any report of examination, visitation, or
6 investigation prepared by the state regulatory authority of
7 another state that examines a branch of an Illinois State bank
8 in that state, any document or record prepared or obtained in
9 connection with or relating to any examination, visitation, or
10 investigation, and any record prepared or obtained by the
11 Secretary to the extent that the record summarizes or contains
12 information derived from any report, document, or record
13 described in this subsection shall be deemed "confidential
14 supervisory information". Confidential supervisory information
15 shall not include any information or record routinely prepared
16 by a bank or other financial institution and maintained in the
17 ordinary course of business or any information or record that
18 is required to be made publicly available pursuant to State or
19 federal law or rule. Confidential supervisory information
20 shall be the property of the Secretary and shall only be
21 disclosed under the circumstances and for the purposes set
22 forth in this Section.

23 The Secretary may disclose confidential supervisory
24 information only under the following circumstances:

- 25 (1) The Secretary may furnish confidential supervisory
26 information to the Board of Governors of the Federal

1 Reserve System, the federal reserve bank of the federal
2 reserve district in which the State bank is located or in
3 which the parent or other affiliate of the State bank is
4 located, any official or examiner thereof duly accredited
5 for the purpose, or any other state regulator, federal
6 regulator, or in the case of a foreign bank possessing a
7 certificate of authority pursuant to the Foreign Banking
8 Office Act or a license pursuant to the Foreign Bank
9 Representative Office Act, the bank regulator in the
10 country where the foreign bank is chartered, that the
11 Secretary determines to have an appropriate regulatory
12 interest. Nothing contained in this Act shall be construed
13 to limit the obligation of any member State bank to comply
14 with the requirements relative to examinations and reports
15 of the Federal Reserve Act and of the Board of Governors of
16 the Federal Reserve System or the federal reserve bank of
17 the federal reserve district in which the bank is located,
18 nor to limit in any way the powers of the Secretary with
19 reference to examinations and reports.

20 (2) The Secretary may furnish confidential supervisory
21 information to the United States, any agency thereof that
22 has insured a bank's deposits in whole or in part, or any
23 official or examiner thereof duly accredited for the
24 purpose. Nothing contained in this Act shall be construed
25 to limit the obligation relative to examinations and
26 reports of any State bank, deposits in which are to any

1 extent insured by the United States, any agency thereof,
2 nor to limit in any way the powers of the Secretary with
3 reference to examination and reports of such bank.

4 (2.5) The Secretary may furnish confidential
5 supervisory information to a Federal Home Loan Bank in
6 connection with any bank that is a member of the Federal
7 Home Loan Bank or in connection with any application by the
8 bank before the Federal Home Loan Bank. The confidential
9 supervisory information shall remain the property of the
10 Secretary and may not be further disclosed without the
11 Secretary's permission.

12 (3) The Secretary may furnish confidential supervisory
13 information to the appropriate law enforcement authorities
14 when the Secretary reasonably believes a bank, which the
15 Secretary has caused to be examined, has been a victim of a
16 crime.

17 (4) The Secretary may furnish confidential supervisory
18 information relating to a bank or other financial
19 institution, which the Secretary has caused to be examined,
20 to be sent to the administrator of the Revised Uniform
21 Unclaimed Property Act.

22 (5) The Secretary may furnish confidential supervisory
23 information relating to a bank or other financial
24 institution, which the Secretary has caused to be examined,
25 relating to its performance of obligations under the
26 Illinois Income Tax Act and the Illinois Estate and

1 Generation-Skipping Transfer Tax Act to the Illinois
2 Department of Revenue.

3 (6) The Secretary may furnish confidential supervisory
4 information relating to a bank or other financial
5 institution, which the Secretary has caused to be examined,
6 under the federal Currency and Foreign Transactions
7 Reporting Act, Title 31, United States Code, Section 1051
8 et seq.

9 (6.5) The Secretary may furnish confidential
10 supervisory information to any other agency or entity that
11 the Secretary determines to have a legitimate regulatory
12 interest.

13 (7) The Secretary may furnish confidential supervisory
14 information under any other statute that by its terms or by
15 regulations promulgated thereunder requires the disclosure
16 of financial records other than by subpoena, summons,
17 warrant, or court order.

18 (8) At the request of the affected bank or other
19 financial institution, the Secretary may furnish
20 confidential supervisory information relating to a bank or
21 other financial institution, which the Secretary has
22 caused to be examined, in connection with the obtaining of
23 insurance coverage or the pursuit of an insurance claim for
24 or on behalf of the bank or other financial institution;
25 provided that, when possible, the Secretary shall disclose
26 only relevant information while maintaining the

1 confidentiality of financial records not relevant to such
2 insurance coverage or claim and, when appropriate, may
3 delete identifying data relating to any person or
4 individual.

5 (9) The Secretary may furnish a copy of a report of any
6 examination performed by the Secretary of the condition and
7 affairs of any electronic data processing entity to the
8 banks serviced by the electronic data processing entity.

9 (9.5) The Secretary may furnish confidential
10 supervisory information relating to a bank or other
11 financial institution providing financial services to
12 cannabis-related businesses, limited to the name, contact
13 information, and such other information as the Secretary
14 determines is prudent, to the Illinois State Treasurer.

15 (10) In addition to the foregoing circumstances, the
16 Secretary may, but is not required to, furnish confidential
17 supervisory information under the same circumstances
18 authorized for the bank or financial institution pursuant
19 to subsection (b) of this Section, except that the
20 Secretary shall provide confidential supervisory
21 information under circumstances described in paragraph (3)
22 of subsection (b) of this Section only upon the request of
23 the bank or other financial institution.

24 (b) A bank or other financial institution or its officers,
25 agents, and employees may disclose confidential supervisory
26 information only under the following circumstances:

1 (1) to the board of directors of the bank or other
2 financial institution, as well as the president,
3 vice-president, cashier, and other officers of the bank or
4 other financial institution to whom the board of directors
5 may delegate duties with respect to compliance with
6 recommendations for action, and to the board of directors
7 of a bank holding company that owns at least 80% of the
8 outstanding stock of the bank or other financial
9 institution;

10 (2) to attorneys for the bank or other financial
11 institution and to a certified public accountant engaged by
12 the State bank or financial institution to perform an
13 independent audit provided that the attorney or certified
14 public accountant shall not permit the confidential
15 supervisory information to be further disseminated;

16 (3) to any person who seeks to acquire a controlling
17 interest in, or who seeks to merge with, the bank or
18 financial institution, provided that all attorneys,
19 certified public accountants, officers, agents, or
20 employees of that person shall agree to be bound to respect
21 the confidentiality of the confidential supervisory
22 information and to not further disseminate the information
23 therein contained;

24 (3.5) to a Federal Home Loan Bank of which it is a
25 member;

26 (4) (blank);

1 (4.5) to any attorney, accountant, consultant, or
2 other professional as needed to comply with any enforcement
3 action issued by the Secretary; or

4 (5) to the bank's insurance company in relation to an
5 insurance claim or the effort by the bank to procure
6 insurance coverage, provided that, when possible, the bank
7 shall disclose only information that is relevant to the
8 insurance claim or that is necessary to procure the
9 insurance coverage, while maintaining the confidentiality
10 of financial information pertaining to customers. When
11 appropriate, the bank may delete identifying data relating
12 to any person.

13 The disclosure of confidential supervisory information by
14 a bank or other financial institution pursuant to this
15 subsection (b) and the disclosure of information to the
16 Secretary or other regulatory agency in connection with any
17 examination, visitation, or investigation shall not constitute
18 a waiver of any legal privilege otherwise available to the bank
19 or other financial institution with respect to the information.

20 (c) (1) Notwithstanding any other provision of this Act or
21 any other law, confidential supervisory information shall be
22 the property of the Secretary and shall be privileged from
23 disclosure to any person except as provided in this Section. No
24 person in possession of confidential supervisory information
25 may disclose that information for any reason or under any
26 circumstances not specified in this Section without the prior

1 authorization of the Secretary. Any person upon whom a demand
2 for production of confidential supervisory information is
3 made, whether by subpoena, order, or other judicial or
4 administrative process, must withhold production of the
5 confidential supervisory information and must notify the
6 Secretary of the demand, at which time the Secretary is
7 authorized to intervene for the purpose of enforcing the
8 limitations of this Section or seeking the withdrawal or
9 termination of the attempt to compel production of the
10 confidential supervisory information.

11 (2) Any request for discovery or disclosure of confidential
12 supervisory information, whether by subpoena, order, or other
13 judicial or administrative process, shall be made to the
14 Secretary, and the Secretary shall determine within 15 days
15 whether to disclose the information pursuant to procedures and
16 standards that the Secretary shall establish by rule. If the
17 Secretary determines that such information will not be
18 disclosed, the Secretary's decision shall be subject to
19 judicial review under the provisions of the Administrative
20 Review Law, and venue shall be in either Sangamon County or
21 Cook County.

22 (3) Any court order that compels disclosure of confidential
23 supervisory information may be immediately appealed by the
24 Secretary, and the order shall be automatically stayed pending
25 the outcome of the appeal.

26 (d) If any officer, agent, attorney, or employee of a bank

1 or financial institution knowingly and willfully furnishes
2 confidential supervisory information in violation of this
3 Section, the Secretary may impose a civil monetary penalty up
4 to \$1,000 for the violation against the officer, agent,
5 attorney, or employee.

6 (Source: P.A. 100-22, eff 1-1-18; 100-64, eff. 8-11-17;
7 100-863, eff. 8-14-18; 100-888, eff. 8-14-18.)

8 Section 10. The Illinois Credit Union Act is amended by
9 changing Sections 8 and 9.1 as follows:

10 (205 ILCS 305/8) (from Ch. 17, par. 4409)

11 Sec. 8. Secretary's powers and duties. Credit unions are
12 regulated by the Department. The Secretary in executing the
13 powers and discharging the duties vested by law in the
14 Department has the following powers and duties:

15 (1) To exercise the rights, powers and duties set forth
16 in this Act or any related Act. The Director shall oversee
17 the functions of the Division and report to the Secretary,
18 with respect to the Director's exercise of any of the
19 rights, powers, and duties vested by law in the Secretary
20 under this Act. All references in this Act to the Secretary
21 shall be deemed to include the Director, as a person
22 authorized by the Secretary or this Act to assume
23 responsibility for the oversight of the functions of the
24 Department relating to the regulatory supervision of

1 credit unions under this Act.

2 (2) To prescribe rules and regulations for the
3 administration of this Act. The provisions of the Illinois
4 Administrative Procedure Act are hereby expressly adopted
5 and incorporated herein as though a part of this Act, and
6 shall apply to all administrative rules and procedures of
7 the Department under this Act.

8 (3) To direct and supervise all the administrative and
9 technical activities of the Department including the
10 employment of a Credit Union Supervisor who shall have
11 knowledge in the theory and practice of, or experience in,
12 the operations or supervision of financial institutions,
13 preferably credit unions, and such other persons as are
14 necessary to carry out his functions. The Secretary shall
15 ensure that all examiners appointed or assigned to examine
16 the affairs of State-chartered credit unions possess the
17 necessary training and continuing education to effectively
18 execute their jobs.

19 (4) To issue cease and desist orders when in the
20 opinion of the Secretary, a credit union is engaged or has
21 engaged, or the Secretary has reasonable cause to believe
22 the credit union is about to engage, in an unsafe or
23 unsound practice, or is violating or has violated or the
24 Secretary has reasonable cause to believe is about to
25 violate a law, rule or regulation or any condition imposed
26 in writing by the Department.

1 (5) To suspend from office and to prohibit from further
2 participation in any manner in the conduct of the affairs
3 of his credit union any director, officer or committee
4 member who has committed any violation of a law, rule,
5 regulation or of a cease and desist order or who has
6 engaged or participated in any unsafe or unsound practice
7 in connection with the credit union or who has committed or
8 engaged in any act, omission, or practice which constitutes
9 a breach of his fiduciary duty as such director, officer or
10 committee member, when the Secretary has determined that
11 such action or actions have resulted or will result in
12 substantial financial loss or other damage that seriously
13 prejudices the interests of the members.

14 (6) To assess a civil penalty against a credit union
15 provided that:

16 (A) the Secretary reasonably determines, based on
17 objective facts and an accurate assessment of
18 applicable legal standards, that the credit union has:

19 (i) committed a violation of this Act, any rule
20 adopted in accordance with this Act, or any order
21 of the Secretary issued pursuant to his or her
22 authority under this Act; or

23 (ii) engaged or participated in any unsafe or
24 unsound practice;

25 (B) before a civil penalty is assessed under this
26 item (6), the Secretary must make the further

1 reasonable determination, based on objective facts and
2 an accurate assessment of applicable legal standards,
3 that the credit union's action constituting a
4 violation under subparagraph (i) of paragraph (A) of
5 item (6) or an unsafe and unsound practice under
6 subparagraph (ii) of paragraph (A) of item (6):

7 (i) directly resulted in a substantial and
8 material financial loss or created a reasonable
9 probability that a substantial and material
10 financial loss will directly result; or

11 (ii) constituted willful misconduct or a
12 material breach of fiduciary duty of any director,
13 officer, or committee member of the credit union;

14 Material financial loss, as referenced in this
15 paragraph (B), shall be assessed in light of
16 surrounding circumstances and the relative size and
17 nature of the financial loss or probable financial
18 loss. Certain benchmarks shall be used in determining
19 whether financial loss is material, such as a
20 percentage of total assets or total gross income for
21 the immediately preceding 12-month period. Absent
22 compelling and extraordinary circumstances, no civil
23 penalty shall be assessed, unless the financial loss or
24 probable financial loss is equal to or greater than
25 either 1% of the credit union's total assets for the
26 immediately preceding 12-month period, or 1% of the

1 credit union's total gross income for the immediately
2 preceding 12-month period, whichever is less;

3 (C) before a civil penalty is assessed under this
4 item (6), the credit union must be expressly advised in
5 writing of the:

6 (i) specific violation that could subject it
7 to a penalty under this item (6); and

8 (ii) the specific remedial action to be taken
9 within a specific and reasonable time frame to
10 avoid imposition of the penalty;

11 (D) Civil penalties assessed under this item (6)
12 shall be remedial, not punitive, and reasonably
13 tailored to ensure future compliance by the credit
14 union with the provisions of this Act and any rules
15 adopted pursuant to this Act;

16 (E) a credit union's failure to take timely
17 remedial action with respect to the specific violation
18 may result in the issuance of an order assessing a
19 civil penalty up to the following maximum amount, based
20 upon the total assets of the credit union:

21 (i) Credit unions with assets of less than \$10
22 million..... \$1,000

23 (ii) Credit unions with assets of at least \$10
24 million and less than \$50 million \$2,500

25 (iii) Credit unions with assets of at least \$50
26 million and less than \$100 million \$5,000

1 (iv) Credit unions with assets of at least \$100
2 million and less than \$500 million \$10,000

3 (v) Credit unions with assets of at least \$500
4 million and less than \$1 billion \$25,000

5 (vi) Credit unions with assets of \$1 billion
6 and greater..... \$50,000; and

7 (F) an order assessing a civil penalty under this
8 item (6) shall take effect upon service of the order,
9 unless the credit union makes a written request for a
10 hearing under 38 IL. Adm. Code 190.20 of the
11 Department's rules for credit unions within 90 days
12 after issuance of the order; in that event, the order
13 shall be stayed until a final administrative order is
14 entered.

15 This item (6) shall not apply to violations separately
16 addressed in rules as authorized under item (7) of this
17 Section.

18 (7) Except for the fees established in this Act, to
19 prescribe, by rule and regulation, fees and penalties for
20 preparing, approving, and filing reports and other
21 documents; furnishing transcripts; holding hearings;
22 investigating applications for permission to organize,
23 merge, or convert; failure to maintain accurate books and
24 records to enable the Department to conduct an examination;
25 and taking supervisory actions.

26 (8) To destroy, in his discretion, any or all books and

1 records of any credit union in his possession or under his
2 control after the expiration of three years from the date
3 of cancellation of the charter of such credit unions.

4 (9) To make investigations and to conduct research and
5 studies and to publish some of the problems of persons in
6 obtaining credit at reasonable rates of interest and of the
7 methods and benefits of cooperative saving and lending for
8 such persons.

9 (10) To authorize, foster or establish experimental,
10 developmental, demonstration or pilot projects by public
11 or private organizations including credit unions which:

12 (a) promote more effective operation of credit
13 unions so as to provide members an opportunity to use
14 and control their own money to improve their economic
15 and social conditions; or

16 (b) are in the best interests of credit unions,
17 their members and the people of the State of Illinois.

18 (11) To cooperate in studies, training or other
19 administrative activities with, but not limited to, the
20 NCUA, other state credit union regulatory agencies and
21 industry trade associations in order to promote more
22 effective and efficient supervision of Illinois chartered
23 credit unions.

24 (12) Notwithstanding the provisions of this Section,
25 the Secretary shall not:

26 (1) issue an order against a credit union organized

1 under this Act for unsafe or unsound banking practices
2 solely because the entity provides or has provided
3 financial services to a cannabis-related legitimate
4 business;

5 (2) prohibit, penalize, or otherwise discourage a
6 credit union from providing financial services to a
7 cannabis-related legitimate business solely because
8 the entity provides or has provided financial services
9 to a cannabis related legitimate business;

10 (3) recommend, incentivize, or encourage a credit
11 union not to offer financial services to an account
12 holder or to downgrade or cancel the financial services
13 offered to an account holder solely because:

14 (A) the account holder is a manufacturer or
15 producer, or is the owner, operator, or employee of
16 a cannabis-related legitimate business;

17 (B) the account holder later becomes an owner
18 or operator of a cannabis-related legitimate
19 business; or

20 (C) the credit union was not aware that the
21 account holder is the owner or operator of a
22 cannabis-related legitimate business; and

23 (4) take any adverse or corrective supervisory
24 action on a loan made to an owner or operator of:

25 (A) a cannabis-related legitimate business
26 solely because the owner or operator owns or

1 operates a cannabis-related legitimate business;
2 or
3 (B) real estate or equipment that is leased to
4 a cannabis-related legitimate business solely
5 because the owner or operator of the real estate or
6 equipment leased the equipment or real estate to a
7 cannabis-related legitimate business.

8 (Source: P.A. 97-133, eff. 1-1-12; 98-400, eff. 8-16-13.)

9 (205 ILCS 305/9.1)

10 Sec. 9.1. Disclosures of reports of examinations and
11 confidential supervisory information; limitations.

12 (1) Any report of examination, visitation, or
13 investigation prepared by the Secretary under this Act or by
14 the state regulatory authority charged with enforcing the
15 Electronic Fund Transfer Act or the Corporate Fiduciary Act or
16 by the state regulatory authority of another state that
17 examines an office of an Illinois credit union in that state,
18 any document or record prepared or obtained in connection with
19 or relating to any examination, visitation, or investigation,
20 and any record prepared or obtained by the Secretary to the
21 extent that the record summarizes or contains information
22 derived from any report, document, or record described in this
23 subsection shall be deemed "confidential supervisory
24 information". Confidential supervisory information shall not
25 include any information or record routinely prepared by a

1 credit union and maintained in the ordinary course of business
2 or any information or record that is required to be made
3 publicly available pursuant to State or federal law or rule.

4 (2) Confidential supervisory information is privileged
5 from discovery and shall only be disclosed under the
6 circumstances and for the purposes set forth in this Section.

7 (3) Relevant confidential supervisory information may be
8 disclosed under a statute that by its terms or by rules
9 promulgated thereunder requires the disclosure of confidential
10 supervisory information other than by subpoena, summons,
11 warrant, or court order; to the appropriate law enforcement
12 authorities when the Secretary or the credit union reasonably
13 believes the credit union, which the Secretary has caused to be
14 examined, has been a victim of a crime; to other agencies or
15 entities having a legitimate regulatory interest, including,
16 but not limited to, a Federal Home Loan Bank; to the credit
17 union's board, officers, retained professionals, and insurers;
18 to persons seeking to merge with or purchase all or part of the
19 assets of the credit union; and where disclosure is otherwise
20 required for the benefit of the credit union. Disclosure of
21 confidential supervisory information to these persons does not
22 constitute a waiver of the legal privilege otherwise available
23 with respect to the information.

24 (4) A person to whom confidential supervisory information
25 is disclosed shall not further disseminate confidential
26 supervisory information.

1 (4.5) Confidential supervisory information relating to a
2 credit union providing financial services to cannabis-related
3 businesses, limited to the name, contact information and such
4 other information as the Secretary determines is prudent, may
5 be sent to the Illinois State Treasurer.

6 (5) (a) Any person upon whom a demand for production of
7 confidential supervisory information is made, whether by
8 subpoena, order, or other judicial or administrative process,
9 must withhold production of the confidential supervisory
10 information and must notify the Secretary of the demand, at
11 which time the Secretary is authorized to intervene for the
12 purpose of enforcing the limitations of this Section or seeking
13 the withdrawal or termination of the attempt to compel
14 production of the confidential supervisory information.

15 (b) Any request for discovery or disclosure of confidential
16 supervisory information, whether by subpoena, order, or other
17 judicial or administrative process, shall be made to the
18 Secretary, and the Secretary shall determine within 15 days
19 whether to disclose the information pursuant to procedures and
20 standards that the Secretary shall establish by rule. If the
21 Secretary determines that such information will not be
22 disclosed, the Secretary's decision shall be subject to
23 judicial review under the provisions of the Administrative
24 Review Law, and venue shall be in either Sangamon County or
25 Cook County.

26 (c) Any court order that compels disclosure of confidential

1 supervisory information may be immediately appealed by the
2 Secretary and the order shall be automatically stayed pending
3 the outcome of the appeal.

4 (Source: P.A. 100-64, eff. 8-11-17.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.