

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1167

PRINTER NO. 1551

AMOUNT

No Fiscal Impact

FUND

Banking Trust Fund
Insurance Regulation & Oversight Fund

DATE INTRODUCED

March 25, 2022

PRIME SPONSOR

Senator DiSanto

DESCRIPTION

Senate Bill 1167 amends Title 12 by adding a new Chapter 55 (Legitimate Cannabis-Related Business), which authorizes financial institutions and insurers to provide services to legitimate cannabis-related businesses and prohibits adverse state regulatory or legal actions.

The legislation expressly authorizes, but does not require, financial institutions and insurers to provide services to legitimate cannabis-related businesses and business associates subject to the laws and regulations applicable to other customers of financial and insurance services and consumer protection laws.

Senate Bill 1167 prohibits Commonwealth agencies from penalizing or taking adverse actions solely based on servicing a legitimate cannabis-related business. Financial institutions and insurers shall not be subject to criminal or civil prosecution based solely on the provision of services, and proceeds from legitimate cannabis-related businesses may not be considered proceeds from an unlawful activity.

Legitimate cannabis-related businesses shall notify within 5 business days their financial institution or insurer if a cannabis-related permit, registration or certification held by the business or its affiliates in this Commonwealth or another state is suspended or revoked. The Department of Banking and Securities and the Insurance Department may assess civil penalties up to \$500 per day, not to exceed \$25,000, for failure to provide the required notice to a financial institution or an insurer.

This act shall take effect immediately.

FISCAL IMPACT:

Senate Bill 1167 will have no fiscal impact on Commonwealth funds. Any civil penalties collected as part of this act will be deposited into the respective special revenue funds administered by the Department of Banking and Securities or the Insurance Department.