



NEWS FROM THE FRONT

Community Bankers Association of Illinois
One Mission. Community Banks.®

End of Session Edition: June 8, 2026

The Illinois General Assembly adjourned the 2026 spring legislative session until the call of the presiding officers. As has been typical of recent sessions, the legislature concluded its work in the early hours of the morning on June 1.

Each legislative session has its own rhythm and flow. This year's session felt particularly disjointed and as if the two chambers were operating independently for most of the session. The legislative calendars were not aligned as in years past, and this year, both chambers were not consistently in session at the same time until May. It appeared as if there was little appetite for collaboration on most of the major issues until the end of the session, if at all.

The final days of the session were a brutal marathon, with several bills, including the extension of the Interchange Fee Implementation Act delay, not being finalized until the last moments of the session. Legislators ultimately approved the FY 27 operating and capital budgets and the FY 26 supplemental and omnibus packages on revenue and Medicaid. The General Assembly also approved some AI and social media regulations, insurance reforms, a measure to ban cell phones in schools, cannabis and hemp policies, efforts to unionize ride-share drivers, and changes to the 340B prescription drug program.

Several big-ticket items did not cross the finish line. The General Assembly did not pass legislation authorizing incentives for mega projects (including efforts to move the Chicago Bears to Arlington Heights), Governor Pritzker's BUILD affordable housing plan, an overhaul of public university funding, community college baccalaureate degree authorization, a Tier 2 pension overhaul, or regulations on data centers. Those items could be considered in the fall veto session or during next year's spring session.

In total, 395 bills passed both chambers this year, including 229 House bills and 166 Senate bills. The General Assembly has 30 days to send legislation to the governor's desk after its passage. Upon its receipt, the governor has 60 days to take action on it. If he does not act within that time frame, the legislation automatically becomes law.

Interchange

The implementation date for the Illinois Interchange Fee Prohibition Act has been extended until July 1, 2027. CBAI's top legislative priority remains the repeal of the deeply flawed law. Legislative leaders have made it clear that they are not willing to take up CBAI's repeal legislation (**SB 1798 (Walker)/HB 1822 (Croke)**) while a court case is still pending. Given that political reality, our next best course of action was to ask for another one-year extension. Legislators were receptive to our concerns that, given OCC preemption for national charters, implementation would disproportionately harm state-chartered community banks. The extension was approved by the House 111-0 and the Senate 53-3 in the final early morning hours of session. The legislation awaits the governor's signature to take effect.

Within hours of the legislature passing the extension, the Federal Court issued a ruling in favor of banks, including an injunction against the enforcement of the interchange and data sharing provisions of the flawed law that applies to national and foreign chartered banks and networks. The injunction does not apply to state-chartered banks or credit unions. We

have asked IDFPFR to step up to protect state charters, and they have informed us that they are monitoring the court case and considering their future steps. It is possible that the Illinois Attorney General will appeal the court ruling and may file a separate legal challenge to the OCC rule that led the 7th Circuit Court of Appeals to remand the case back in the first place.

Colorado is the only other state that has passed similar interchange legislation, but Governor Jared Polis vetoed that bill, citing the ongoing uncertainty in Illinois as one of the reasons for his action. While things seem to be trending in favor of community banks, there is still more work to do in our fight to fully repeal the law. We will have additional opportunities during the fall veto session and next year's spring legislative session before the July 1, 2027, implementation date.

Please reach out to your local legislators and thank them for standing up for community banks with the implementation delay, and let them know that ultimately, repeal is the best course of action for this deeply flawed law.

Legislation Addressing Elder Financial Exploitation Heads to the Governor

Legislation aimed at combating the growing problem of financial exploitation of older adults in Illinois has passed both chambers of the General Assembly and now awaits Governor Pritzker's signature. Throughout the legislative session, CBAI worked closely with the Illinois Department on Aging, bill sponsors and other stakeholders to help craft balanced legislation that provides community banks with practical tools to identify, prevent and report suspected elder financial exploitation.

HB 4211 (Stuart/Lightford) emerged as the final negotiated measure, incorporating key provisions supported by CBAI after extensive discussions and revisions.

The legislation expands the list of mandated reporters of suspected financial exploitation to include branch managers and compliance personnel at financial institutions, as well as certain investment advisers and securities professionals. It also authorizes financial institutions and securities professionals to place temporary holds on transactions involving eligible adults when exploitation is reasonably suspected and permits contact with trusted individuals associated with the customer.

A significant component of the bill is the inclusion of robust civil immunity protections for financial institutions and employees acting in good faith—an important priority advocated by CBAI during negotiations. The legislation also requires the Department on Aging to establish a web-based reporting portal by July 1, 2028, to streamline reporting of suspected financial exploitation and other forms of abuse. In addition, the bill removes criminal penalties for failing to report suspected exploitation and instead provides for potential professional disciplinary action through the Illinois Department of Financial and Professional Regulation (IDFPFR).

Financial exploitation and fraud remain persistent threats to vulnerable adults. Throughout the legislative process, CBAI emphasized that community banks are committed partners in detecting, preventing and reporting suspected exploitation while continuing to serve and protect their customers. Legislators from both parties recognized and praised CBAI's collaborative efforts on this important issue.

HB 4211 passed both the House and Senate unanimously and will take effect on July 1, 2027, if signed into law by the governor.

Small Business Tax Advantage Savings Accounts

CBAI worked with the National Federation of Independent Business and the Illinois Manufacturers' Association to introduce **SB 3814 (Turner)** and **HB 4874 (Elik)** to create a new type of savings account for small businesses and ag customers so they could segregate funds instead of having to immediately spend them at tax time to preserve their tax advantage. The accounts would be similar to Health Savings Accounts, and allow small business customers to deposit up to \$100,000 in specially designated accounts. They would get 50% of the tax benefit when making the deposit and the other 50% upon making qualifying expenditures. The legislation received a subject matter hearing in both the House and Senate but was ultimately not included in the final budget package. It's not unusual for these types of ideas to take a few years to take hold, and we will continue to work with our partners in the business community to advocate for this legislation.

Treasurer's Non-Profit Investment Pool Legislation Passes General Assembly

State Treasurer Michael Frerichs' legislation, **SB 2968 (Johnson/Mayfield)**, establishing a non-profit investment pool, has once again passed the Illinois General Assembly and now awaits action by Governor Pritzker. A similar measure was approved last year but was ultimately vetoed by the governor, who raised concerns that unscrupulous entities could take

advantage of the state's investment program. In response, the Treasurer's Office refiled the bill this session with revisions intended to address those concerns.

Under the revised proposal, only eligible 501(c)(3), (4), (5) and (6) organizations would be permitted to participate, and must meet specified financial, geographic and compliance requirements while also not appearing on designated exclusion lists.

CBAI has continued to express concerns with the legislation, noting that the State Treasurer would be providing services already widely available through community banks and other financial institutions. Community banks across Illinois currently offer robust deposit, cash management, electronic payments and investment services to non-profit customers, while also playing a critical role in supporting local economic development and community reinvestment.

Other Bills of Interest That Passed Both Houses

HB 4592 (Mayfield/Belt) creates the Retail Cash Payment Act, requiring retail businesses with in-person sales to accept cash for transactions under \$500 and prohibiting them from posting signs that refuse cash payments. It allows exceptions and does not require acceptance of bills larger than \$20. Violations are treated as petty offenses, but businesses must be given a 30-day cure period before fines can be imposed. The law preempts home rule authority and would take effect on January 1, 2028.

HB 4649 (Gong-Gershowitz/Stadelman) allows courts to issue temporary restraining orders in cases involving abuse, neglect or financial exploitation. The law creates a new mechanism to protect the assets of eligible adults who have been reported or found to be victims of abuse, abandonment, neglect, financial exploitation or self-neglect. The measure, supported by the National Academy of Elder Law Attorneys, aims to make it easier to intervene in exploitation cases involving scammers who may only communicate through apps or other indirect methods.

HB 4844 (Hoffman/Martwick) requires employers with more than 25 employees to pay workers their regular wage while they serve on jury duty. It preserves existing protections, ensuring employees cannot be fired, threatened or penalized for jury service and must be reinstated with no loss of seniority or benefits. Small employers with 25 or fewer employees are exempt from the new pay requirement. The bill also maintains enforcement mechanisms allowing employees to recover damages, seek reinstatement and trigger contempt proceedings against noncompliant employers.

SB 3321 (Cappel/Hernandez) amends the Local Governmental Acceptance of Credit Cards Act to ensure local governments are not restricted in how they process credit card payments. It allows governmental entities to enter into agreements with third-party software providers to ensure accurate payment remittance and clarifies that any contracts with financial institutions or payment processors cannot prevent or limit the use of the State Treasurer's E-Pay system or other payment systems the entity chooses to use. It also prohibits agreements that block or discriminate against these alternative payment options.

Local governments may still contract with financial institutions for payment services if those arrangements comply with federal and state laws against "tying" financial services. The bill takes effect immediately.

SB 3777 (Johnson/Slaughter) codifies the use of disparate impact standards under the Illinois Human Rights Act, ensuring that policies that appear neutral on their face but disproportionately harm protected communities can still be challenged under state law. The sponsor believes the measure would reinforce Illinois' authority to provide stronger protections than the federal minimum by safeguarding residents from systemic discrimination in employment, housing, education, financial credit and public accommodations. Republicans objected, saying the bill does not "codify" and instead sets a new standard in Illinois.

Deeper Dive on Additional Legislation

[Click here](#) for more information on the budget, Bears and a myriad of other legislation acted on during the hectic final weeks of the legislative session.

Notes from Springfield

Republican Senator Dale Fowler announced that he will retire after the 2026 spring legislative session. Fowler was not running for reelection. Local Republicans will have 30 days from Fowler's retirement to select his replacement. While no

official replacement has been announced, State Representative Paul Jacobs is running to replace Fowler and is considered a leading Republican contender to fill his seat.

Legislators will now turn their attention to the campaign trail. All six Constitutional offices are up for election, as well as one US Senate seat and all 17 Congressional seats. Of the state's 59 Senate seats, 37 are up for election, and the same is true for all 118 House seats. Tuesday, November 3, 2026, is the general election.

Saying he hopes to bring a more balanced voice to the governor's race, former Republican strategist Collin Corbett filed petitions this week to run as an Independent for governor. Joining him as his lieutenant governor running mate is Carolyn Schofield.

The fall veto session calendar is [here](#).

Electronic Lien and Title Webinars Available

An on-demand recording of a second webinar focusing on the implementation of Electronic Lien and Title is now available. The [first webinar](#) focused on the basics of the program and how banks could sign up. In this follow-up, we focus on specific questions bankers have generated after they signed up and had a chance to familiarize themselves with the system. Champ Title is the vendor running the program for the Illinois Secretary of State. The experts from Champ were on hand to directly answer bankers' questions. ELT will be mandatory for anyone processing more than five auto loans a year beginning on July 1, 2026. CBAI is working to provide resources for community bankers to assist with implementation.

[ELT Webinar 5/19/2026 \(Follow Up\) Recording](#)

[ELT Webinar PowerPoint Presentation](#)

[ELT Lender Tutorial](#)



The Community BancPac live and silent auctions will be held Thursday, September 17, 2026, at the JW Marriott Indianapolis. Thanks to the generosity and thoughtfulness of many of you, this night is always a fun-filled event as it kicks off the opening night of CBAI's 52nd Annual Convention & Expo. We are excited and hope to make this year's auctions another fun, exciting, memorable and most successful auction yet!

[Click here to donate NOW!](#)

Support FedPac!

Thursday, July 30 - 1:15pm - Busch Stadium

St. Louis Cardinals vs Chicago Cubs
Price per ticket is \$165
Register Now!

FedPac Baseball Game

Tickets are on sale NOW! Thursday, July 30, 2026, at 1:15 p.m. – St. Louis Cardinals vs. Chicago Cubs at Busch Stadium.

CBAI's FedPac Fundraiser is sure to be a base-clearing homerun. This is terrific opportunity for Illinois community bankers to get together and have some fun while supporting a great cause. If your bank is interested in sponsoring the event, please contact [David Schroeder](#) at 847/909-8341.

[Click here to register for tickets](#)

Capitol Fax Blog

Did You Know That CBAI Members Have Free Access to the Capitol Fax Blog?

Want more insight into Illinois politics? The Capitol Fax Blog offers a daily insider perspective. It's a subscription service, but CBAI offers community bankers access for free in the Members Only section of [cbai.com](#). Need a members-only password? Just reach out to [Stacy Workman](#) and she will assist you.

If you have any questions or comments, please contact [Jerry Peck](#) or [Megan Peck](#) of the CBAI Governmental Relations Team.