

FY 2027 Budget Package

HB 111 (Welch/Sims) creates the FY 2027 budget appropriation bill. The budget is based on an estimated General Funds revenue of \$55.95 billion and spending of \$55.945 billion, representing less than a 1% increase over current fiscal year revenues and providing for an estimated surplus of approximately \$50 million. The budget fully funds the state's statutorily required pension contribution and retains the 6.47% share of income tax revenues going to the Local Government Distributive Fund (LGDF) despite the governor's proposal to cut it to 6.28%. State universities are set to receive a 1% across-the-board funding increase, down from the original 3% from the governor's budget proposal. While the budget expects limited revenue growth to fund new programs, it does establish and provide \$70 million in funding for the Families Recovering Emergency Support for Hunger (FRESH) program under the Department of Human Services to provide one-time \$400 lump sum payments to individuals who are removed from the Supplemental Nutrition Assistance Program (SNAP) due to new federal work requirements. [HB 111](#) passed the House by a vote of 76-38-0 on May 29, 2025, prior to being amended. It passed the Senate by a vote of 37-21-0 on June 1, and the House concurred by a vote of 76-39-0 later on June 1. The bill now awaits the governor's signature.

HB 2949 (Sims/Guzzardi) creates the FY 2027 budget implementation (BIMP) bill including various substantive statutory language to provide for the implementation of the FY 2027 budget. [HB 2949](#) passed the House unanimously on April 8, prior to being amended. It passed the Senate by a vote of 37-18-0 on May 31, and the House concurred by a vote of 76-39-0 on June 1. The bill now awaits the governor's signature.

SB 3019 (Joyce/Tarver) creates the FY 2027 Revenue Omnibus making various changes to Illinois tax law, including between \$815 million and \$1.4 billion in new revenue-generating measures and modifications to existing tax provisions. Details on specific provisions are listed below. [SB 3019](#) passed the Senate unanimously on April 14, prior to being amended. It passed the House by a vote of 73-41-0 on May 31, and the Senate concurred by a vote of 36-19-0. The bill now awaits the governor's signature.

- Phases in a **net operating loss deduction** for corporations beginning with tax years ending on or after December 31, 2027. The initial cap is set at 15% of net income (or \$500,000, whichever is greater), scaled back from the governor's proposed 20%. The cap increases over a five-year schedule to 30%, 45%, 60%, and ultimately 80% of net income. The provision is estimated to generate approximately \$300 million in revenue by spreading the revenue impact over five years rather than creating a large drop in revenues all at once.
- Imposes a tiered **social media platform fee**, paid monthly to the Secretary of State beginning January 1, 2027, based on the number of Illinois users from whom a platform collects data: \$0.10 per user for platforms with 100,000 to 500,000 users; \$0.25 per user (plus \$40,000) for platforms with 500,000 to 1,000,000 users; and \$0.50 per user over 1,000,000 (plus \$165,000) for the largest platforms. Revenue is deposited into the Common School Fund. Platforms are prohibited from varying the cost of access, features, or services based on user geography to recoup the fee. The fee is estimated to generate approximately \$200 million annually.
- Creates the **Digital Asset Tax Act**, imposing a 0.2% tax on the value of digital asset business activity received by a customer in Illinois, beginning January 1, 2027. The tax is

collected by digital asset brokers and applies only to brokered transactions, not to peer-to-peer transfers between individuals. The provision is estimated to generate approximately \$60 million.

- Redirects the state share of **sales tax receipts from candy, soft drinks, and grooming products** from the Capital Projects Fund to the General Revenue Fund. This provision is estimated to generate \$79 million.
- Imposes a 15% **privilege tax on adjusted gross fantasy contest receipts** for licensed fantasy contest operators, beginning July 1, 2026. The provision is estimated to generate approximately \$5 million.
- Imposes a progressive tax on **sports wagers placed on prediction market platforms**.
- **Pauses the CPI accelerator on the Motor Fuel Tax** for six months and redirects revenues from the Downstate Transportation Fund to the General Revenue Fund, with an estimated \$75 million negative revenue impact.
- Creates the **Targeted Advertising Services Tax Act**, imposing a 10% tax on gross receipts from targeted advertising services provided in Illinois, beginning January 1, 2027, for providers whose cumulative gross receipts from such services in Illinois exceed \$1 million in the preceding 12-month period. News media entities are excluded. The tax revenues are deposited into the General Revenue Fund. Revenue estimates range from nothing, if the legislation is struck down in court, to approximately \$200 million to as high as \$800 million. Notably, the FY 2027 budget does not rely on any revenues from this tax.
- **Decouples from certain federal tax provisions** over multiple years, resulting in increased state revenue over time due to differences between federal and state tax treatment. Adds a new addition modification for gain excluded from gross income under Section 1202 of the Internal Revenue Code (**qualified small business stock exclusion**) for taxable years ending on or after December 31, 2026.
- Establishes a **back-to-school sales tax holiday** from August 7 to 16, 2026, reducing the sales tax rate on certain school-related purchases from 6.25% to 1.25% at an estimated \$10 million negative revenue impact.
- Permits the **Pollution Control Board to increase filing fees** that have not increased since 1989.
- **Reduces the lottery private management contract extension** from three years to one year.
- Retains provisions related to **farmland assessments**, including an extension for vegetative filter strips.
- Extends the **Research and Development Tax Credit** sunset from January 1, 2032 to January 1, 2037.
- Establishes **hotel marketplace facilitator** provisions requiring marketplace facilitators meeting \$100,000 in cumulative gross rental receipts to collect and remit hotel operators' occupation taxes, and creates new municipal hotel operators' occupation and use tax reporting requirements beginning in FY 2028.
- Imposes **taxes on remote retail sellers of cigars, pipe tobacco, and alternative nicotine** products beginning January 1, 2027, for sellers with cumulative gross receipts of \$100,000 or more in Illinois. This is estimated to generate \$3.8 million in other state funds revenue.
- **Increases the tire user fee** from \$2.00 to \$2.50 and streamlines how funds are deposited into the State Treasury by depositing revenues directly into the substantive funds rather than into the General Revenue Fund first.

Bond Authorization Act of 2026

SB 3255 (Rita/Harmon) creates the Bond Authorization Act of 2026, which authorizes a total of \$3.84 billion in new bond sales: \$2.47 billion in General Obligation Bonds and \$1.37 billion in Build Illinois Bonds to address deferred maintenance on schools, universities, and other projects. [SB 3255](#) passed the Senate unanimously prior to being amended. It passed the House by a vote of 77-39-0 on May 31 and the Senate concurred by a vote of 37-21-0 on June 1. The bill now awaits the governor's signature.

Medicaid Omnibus

SB 3365 (Aquino/Moeller) is the 2026 Medicaid omnibus bill that makes wide-ranging changes to healthcare provider reimbursement systems, managed care protections, and related healthcare programs. The bill carries a fiscal impact of \$13.8 million gross (\$5.6 million net) in FY 2027, rising to \$226.8 million gross (\$109.1 million net) annually thereafter. Details on specific provisions are listed below. [SB 3365](#) passed the Senate unanimously on April 16, prior to being amended. It passed the House unanimously on May 31 and the Senate unanimously concurred on May 31. The bill now awaits the governor's signature.

New Medicaid Coverage

- Provides medical assistance coverage for sickle cell disease (broadened from the narrower "sickle cell anemia").
- Establishes coverage for seizure detection devices, including FDA-cleared monitoring devices and related technology, applications, and services that detect or predict seizure activity and transmit notifications to caregivers.
- Requires the Medicaid program to provide coverage for virtual intensive outpatient program services when clinically appropriate, beginning January 1, 2027, subject to federal approval.
- Provides coverage for proteomic blood tests that identify and quantify the risk of preterm birth, and for remote patient management services addressing maternity and postpartum care access challenges.
- Provides coverage for preeclampsia biomarker testing for predictive screening in asymptomatic individuals, or for diagnosis and management when symptoms are present, for dates of service on and after January 1, 2026, without imposing any cost-sharing requirements.

Distressed Hospital Loan Program

- Creates a new Distressed Hospital Loan Program to provide interest-free cash flow loans to public and not-for-profit and for-profit hospitals in significant financial distress to prevent closure or facilitate reopening.
- Administered by the Department of Healthcare and Family Services in coordination with the Department of Public Health and the Governor's Office of Management and Budget.
- Requires hospitals with outstanding state debts (tax arrears, Distressed Hospital Loan Program loans, or other Medicaid advance payments) to submit a hospital emergency and financial contingency plan for rapid and orderly resolution of finances and operations.

- Requires hospitals receiving loans to submit independent financial audits for any fiscal year in which a loan is outstanding.
- Operative January 1, 2027; repealed June 30, 2033.

Mental Health Workforce and Behavioral Health Rates

- Provides that, subject to federal approval, for dates of service on and after July 1, 2026, Medicaid reimbursement rates for Assertive Community Treatment shall be increased by no less than \$10,600,000 and Community Support Team services by no less than \$17,500,000.

Medicaid Technical Assistance Act

- Requires the Medicaid Technical Assistance Center to collaborate with public and private partners to identify best practices for health providers to ensure their capacity to participate in the Illinois Medical Assistance Program (replacing references to HealthChoice Illinois or YouthCare).
- Removes provisions concerning network adequacy reports and instead requires the Center to administer a network requirement plan.
- Dissolves the Medicaid Technical Assistance Center Fund on July 1, 2026, transferring remaining funds into the Healthcare Provider Relief Fund.

Hospital Services Trust Fund and Rate Reform

- Provides that unexpended health care transformation program funds from FY 2021-2027 may be allocated in FY 2028 in an amount not to exceed \$150,000,000.
- Updates the hospital inpatient reimbursement methodology to use the APR-DRG software distributed by Solventum (previously 3M Health Information System).
- Makes changes to safety-net hospital add-on payments and extends the eligibility period for hospitals that would have qualified for the rate year beginning October 1, 2011, October 1, 2012, or October 1, 2020 (if the hospital was also designated a federal rural referral center).

Safety-Net Hospital — VA Days Exclusion

- Beginning October 1, 2026, the Medicaid inpatient utilization rate used for inpatient adjustment payments shall exclude VA-funded days from both the numerator and denominator for hospitals operating from more than one location under a single license, where the hospital is in a county with fewer than 125,000 inhabitants and the second facility is in a contiguous county with fewer than 235,000 inhabitants.

ID/DD Facility Rate Responsibility Transfer

- For dates of service starting July 1, 2027, reimbursement calculations and direct payments for facilities licensed under the ID/DD Community Care Act become the responsibility of the Department of Healthcare and Family Services, with appropriations shifting from the Department of Human Services.

Managed Care Protections

- Changes the deadline dates for adopting permanent rules on MCO service authorization policies for procedures on the Medicare Inpatient Only list.
- Makes changes to provisions concerning quality and compliance audits of Medicaid MCOs' compliance with nationally recognized clinical decision guidelines for inpatient and outpatient hospital services.

- Requires an analysis comparing MCO service authorization determination outcomes to each other MCO and to the State's fee-for-service model.
- Prohibits MCOs from imposing service authorization requirements (prior authorization, concurrent review, etc.) for emergency services during the inpatient stabilization period.
- Protects providers from adverse action solely for disputing a records request, except for fraud, waste, or abuse matters.
- Requires MCOs to disclose the methodology supporting any extrapolated finding.

Prenatal and Perinatal Care

- Expands prenatal and perinatal care provisions to include lactation counseling, translation services, and nurse home visitation.

Specialized Mental Health Rehabilitation Facilities

- Requires each consumer to be offered at least 15 hours of treatment programming per week.
- Adds provisions concerning payments for improving quality of life and care of residents, including payment rates beginning January 1, 2027 for facilities with 100 to 130 licensed beds, and forensic add-on payments.

Cottage Style Nursing Homes

- Creates a new framework in the Nursing Home Care Act encouraging the construction and operation of "cottage style" skilled nursing facilities consistent with state and federal law.
- Sets forth detailed training requirements for facility staff, including modules on person-directed care, food safety (22 hours minimum), emergency situations, and communication.
- Adds provisions for a per diem add-on for cottage style nursing homes.

Nursing Home Staffing and Rates

- Adds per diem rate increases based on a facility's Staff Time Resource Intensity Verification (STRIVE) staffing levels, with add-ons ranging from \$9 to \$16.52 depending on staffing percentages.
- Includes CNA tenure increments and qualifying promotions for CNA trainers, scheduling captains, and specialists in dementia/memory care or behavioral health.
- Adds provisions concerning the enforcement of advance payment agreements.
- Contains provisions on annual training requirements for facility staff based on the most recurrent citations, and rules on monetary penalties for non-compliance.

Community-Integrated Living Arrangements

- Provides that if a resident requiring a medical absence is unable to return (as determined by third-party medical personnel) or dies during the absence, the provider shall receive 100% of the per diem reimbursement for up to 20 medical absence days.

Care Coordination and Adult Day Services

- Effective July 1, 2026, subject to federal approval, requires the Department on Aging to reimburse Care Coordination Units at specified rates for case management services.
- Increases rates for adult day services to \$17.84 per hour and each-way transportation services for adult day services to \$13.44 per unit.

- Removes provisions requiring the Department on Aging to adopt rules addressing instances when a Care Coordination Unit is unable to complete an assessment in a hospital prior to discharge of a patient 60 or older to a nursing home.

Supportive Living Facilities

- Authorizes certified medication aides to administer medication in supportive living facilities, subject to federal approval and under registered nurse supervision.
- Contains provisions concerning supportive living dementia care services.

Mental Health Parity

- Changes the reporting deadline for the joint Department of Insurance and Department of Healthcare and Family Services (HFS) report on compliance with the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act to March 1 (from January 1) of each year, beginning in 2027.

Psychiatric Residential Treatment Facilities (PRTFs)

- Extends the deadline for HFS to submit a State Plan Amendment to establish coverage of federally authorized, medically necessary inpatient psychiatric services delivered by a certified psychiatric residential treatment facility (PRTF) to Medicaid beneficiaries under 21 years of age.
- Extends the publication deadline for HFS's PRTF capacity analysis.

Medicare-Medicaid Dual Eligible

- Expands the Medicare-Medicaid Alignment Initiative Nursing Home Residents' Managed Care Rights Law to include fully integrated dual eligible special needs plans and any managed care plan for dually eligible persons.

Non-Citizen Eligibility

- Contains provisions limiting non-citizen eligibility for medical assistance based on federal requirements under Public Law 119-21.

Eligibility and Administrative Changes

- Contains provisions on eligibility redeterminations, the duration of retroactive eligibility, and emergency rule authority.
- Provides for disbursements from the Public Aid Recoveries Trust Fund for contingency fees to third-party entities authorized by the OIG to conduct payment recapture audits.

Medicaid Pre-Release Services and Reentry

- Provides for Medicaid-funded pre-release services and healthcare coordination for individuals reentering society after incarceration, consistent with Illinois's approved Section 1115(a) Reentry Demonstration Initiative.
- Covered pre-release services include case management to assess and address physical and behavioral health needs and social determinants of health, medication-assisted treatment (MAT) for substance use disorders, and ensuring linkages to community-based services and providers upon release.
- Supports continuity of care during the transition from carceral settings to community-based care, including the development of person-centered care plans and referral and follow-up activities.

Patient Access and Care Report

- Requires the Department of Public Health to develop a report on patient access and care, acknowledging the shift from inpatient to outpatient care "further exacerbated by federal HR 1 changes that disinvest billions of dollars from the health care system and increase uninsured populations."

Sunset Extension Omnibus

SB 3645 (Porfirio/Morgan) creates the annual sunset extensions omnibus which extends the repeal or effective dates of numerous programs, task forces, and pilot programs that are set to sunset. Details on specific provisions are listed below. [SB 3645](#) passed the Senate unanimously on March 26, prior to being amended. The bill passed the House by a vote of 111-0-1 on June 1 and the Senate concurred by a vote of 51-3-0 on June 1. The bill now awaits the governor's signature.

- **Radiation Protection Act of 1990**: extended from January 1, 2027 to January 1, 2037.
- **Public Financing of Judicial Elections Task Force**: extended from July 1, 2026 to July 1, 2027; report deadline extended from June 30, 2024 to July 1, 2027.
- **Ranked Choice and Voting Systems Task Force**: extended from July 1, 2026 to January 1, 2027; report deadline extended from June 30, 2025 to January 1, 2027.
- **Home Visiting Program**: extended from July 1, 2026 to July 1, 2027.
- **Safe Gun Storage Public Awareness Campaign**: extended from July 1, 2026 to July 1, 2027.
- **State authority over electricity generation** (home rule preemption): extended from January 1, 2028 to January 1, 2031.
- **Renewable Energy Component Recycling Task Force Act**: extended from July 1, 2026 to July 1, 2027; report deadline extended from January 1, 2026 to July 1, 2027.
- **Design-Build Procurement Act**: extended from January 1, 2027 to January 1, 2030.
- **Progressive Design-Build Pilot Program**: extended from January 1, 2027 to January 1, 2028.
- **Teachers' Retirement System** retirement option (Section 16-118): extended provisions governing post-retirement employment limitations for TRS annuitants from July 1, 2026 through July 1, 2029.
- **Bias-Free Child Removal Pilot Program**: extended from January 1, 2027 to January 1, 2028.
- **Early Intervention Services System Act**: extended from July 1, 2026 to July 1, 2027.
- **Community College Cannabis Vocational Pilot Program**: extended from July 1, 2026 to January 1, 2031 (also included in the cannabis omnibus being considered on the floor).
- **Interchange Fee Prohibition**: effective date delayed from July 1, 2026 to July 1, 2027.
- **Child Care Act of 1969** (Section 95-5 repealer / P.A. 103-594): effective date delayed from July 1, 2026 to July 1, 2027.

Transit Trailer Bill

HB 2335 (Delgado/Villivalam) is a trailer bill to the fall 2025 transit reform package (P.A. 104-457), which created the Northern Illinois Transit Authority (NITA) to replace the Regional Transportation Authority (RTA). The bill makes technical, conforming, and clarifying changes to

the original legislation without substantively changing the underlying policy framework. Details on specific provisions are listed below. [HB 2335](#) passed the House by a vote of 75-40-0 on April 9, prior to being amended. It passed the Senate by a vote of 36-16-0 on May 29, and the House concurred by a vote of 74-39-0 on May 31. The bill now awaits the governor's signature.

Governance and Board Appointments

- Clarifies that the initial NITA Executive Director appointed after the Act must be confirmed by the Senate.
- Provides that the NITA Board Chair must be confirmed by the Senate until September 1, 2030. If the Senate votes against confirmation, the acting Chair must resign as Chair (but may remain on the Board).
- Adjusts staggered terms for the Suburban Bus Board (Pace) to avoid mass turnover: the DuPage County appointee receives an initial 5-year term (changed from 3), while the Kane County appointee receives an initial 3-year term (changed from 5).
- All current board members' terms expire September 1, 2026, with new appointments beginning on that date.
- Board members receive \$15,000 annually, and those also serving on the NITA Board receive an additional \$10,000 (increased from \$5,000).

Responsible Bidder Requirements

- Adds responsible bidding language that was omitted from the original bill due to a drafting error.
- To be considered a responsible bidder on NITA or individual service board construction contracts, a bidder must:
 - Comply with all applicable Illinois business laws.
 - Comply with the Prevailing Wage Act.
 - Comply with federal equal employment opportunity laws and Executive Order 11246.
 - Have a valid Federal Employer Identification Number (FEIN) or Social Security Number (SSN).
 - Maintain valid insurance (general liability, professional liability, workers' compensation, etc.).
 - Participate in applicable apprenticeship and training programs registered with the U.S. Department of Labor (DOL).
 - Maintain an Illinois office as the primary place of employment for construction personnel.

Fare Collection Procurement

- Adds a new section, requiring NITA, in coordination with the service boards (CTA, Metra, and Pace), to undertake a joint procurement for a next-generation fare collection system, including a unified mobile ticket application, by January 1, 2028.
- The system must be fully procured and implemented by February 1, 2030 as a unified regional fare payment system.
- This closes a gap in the original Act, which required NITA to establish a procurement process by July 1, 2027 but set no deadline for actually initiating the procurement.

Sales Tax and Funding Changes

- Redirects motor fuel sales tax revenue: beginning July 1, 2026, 80% of net revenue from motor fuel or gasohol taxes is deposited into the Public Transportation Fund and

Downstate Public Transportation Fund (split 85% to Public Transportation Fund, 15% to Downstate).

- Adjusts Road Fund investment income allocation: 90% (previously 85%) to the Northern Illinois Transit Capital Improvement Fund, and 10% (previously 15%) to the Downstate Mass Transportation Capital Improvement Fund. The intent, as confirmed in committee by Sen. Villivalam, is that the new sales tax structure does not include a state collection component, making the change revenue-neutral for collar counties.

Downstate Transit Funding

- Beginning July 1, 2026, downstate participants' appropriations increase by the year-over-year percentage increase in revenue deposited into the Downstate Public Transportation Fund.
- Beginning July 1, 2032, this annual increase applies only if the participant's expenditures in the preceding fiscal year were equal to or greater than 85% of appropriated amounts.
- No participant's appropriation can be less than the previous year.

Safety Provisions

- Retains the NITA Law Enforcement Task Force led by the Cook County Sheriff, in cooperation with the Chicago Police Department, Metra Police, Illinois State Police, and other agencies, dedicated to combating crime on the transit system.
- The Task Force must prepare a preliminary report within 6 months and a final report by March 1, 2027, with recommendations for the Coordinated Safety Response Council.
- Establishes the Office of Transit Safety and Experience within NITA, led by a Chief Transit Safety Officer who must have prior law enforcement supervisory experience, responsible for developing a regionwide safety strategy, overseeing code of conduct compliance, and coordinating with law enforcement and social service agencies.
- The Task Force disbands three years after the effective date or upon NITA's transition to a sworn law enforcement crime prevention program, whichever comes first.

Transit Infrastructure

- Requires the CTA to remodel, renovate, or construct a new station at or near the Central Avenue Station or Lavergne Avenue location on the Blue Line, completed by January 1, 2029.
- Requires completion of a renovated or newly constructed Green Line station in the Englewood community area by January 1, 2031 (extended from 2029).
- Requires the Illinois Department of Transportation (IDOT) to complete its planning study on improvements to the Joliet train station by December 1, 2030.
- Extends the transition plan implementation deadline from July 1, 2027 to September 30, 2027.

Other Technical and Conforming Changes

- Amends the State Officials and Employees Ethics Act to allow Regional Transit Boards to receive and review complaints of ethics violations.
- Requires IDOT's statewide multi-modal transportation improvement program to evaluate project potential for mode shift away from single-occupancy vehicles.
- Specifies that the Transit Integration Policy Development Committee shall coordinate with local transit authorities, intercity bus operators, and local governments on bus rapid transit delivery.
- Repeals visitor paratransit service provisions under the Metropolitan Transit Authority Act and Regional Transportation Authority Act.

- Requires bus shield/security barrier consideration in procurement of new fixed-route buses.

Energy Trailer Bill

HB 1700 (A. Williams/Stadelman) is a trailer bill to the Clean and Reliable Grid Affordability Act (CRGA), which was enacted last fall. The legislation makes technical corrections, closes identified loopholes, adds cost-control guardrails, and refines provisions in the earlier energy package. Details on specific provisions are listed below. [HB 1700](#) passed the House by a vote of 84-30-1 on April 9, prior to being amended. It passed the Senate by a vote of 36-20-0 on May 30, and the House concurred by a vote of 75-39-0 on May 31. The bill now awaits the governor's signature.

- Places additional caps and guardrails on the **distributed storage rebate program** to prevent abuse.
 - Limits compensation for distributed storage projects (except those with a signed interconnection agreement on or before June 1, 2026) to 25,000 kilowatt-hours of nameplate energy capacity (down from 30,000) and a 5:1 ratio of nameplate energy capacity to participating power capacity (down from 6:1).
 - Tightens requirements to ensure batteries are deployed primarily during periods of peak demand.
- Redirects a limited amount of funding from the **Renewable Portfolio Standard** budget to cover administrative costs for the **Illinois Solar for All Program**, capped at \$10,000,000 for the program year commencing June 1, 2026, and \$5,000,000 for the program year commencing June 1, 2027, to allow the program to continue operating after its prior funding source was depleted.
- Clarifies the **Illinois Commerce Commission's appeals process for energy facility siting disputes**. Identifies three circumstances under which a developer may appeal:
 - (1) a county denies a project application;
 - (2) a local government causes undue delay beyond timelines in existing siting law; or
 - (3) a local government fails to recognize or act on a siting application. Requires petitioners to provide 60 days' written notice of noncompliance before filing. Preserves local government authority to adopt ordinances consistent with state siting requirements.
- Establishes a **scheduled dispatch virtual power plant program**, requiring customers receiving distributed storage rebates to participate in a five-year enrollment with weekday dispatch commitments during peak demand periods. Includes limited customer data-sharing provisions applicable only to those who voluntarily opt into the program.
- Lowers the **prevailing wage threshold for new geothermal heating and cooling systems** from 29 tons to 14 tons of aggregate geothermal system tonnage and adds **project labor agreement (PLA)** requirements for certain renewable energy projects where they did not previously exist.
- Updates **net electricity metering** provisions to include energy storage alongside distributed generation, ensuring a predictable transition for customers from full net metering at retail rates to the distributed generation rebate program.
- Modifies **renewable energy credit procurement** processes, including provisions for indexed REC pricing, price collars, and capital advancement for geothermal renewable energy credit contracts.

- Amends **natural gas energy efficiency program** requirements, including expanding the definition of "moderate income" to allow more customers to qualify for energy assistance and efficiency programs without increasing the total funding pool.
- Establishes **resource adequacy planning** requirements that prioritize renewable energy, energy storage, virtual power plants, energy efficiency, demand response, and other clean energy strategies to resolve reliability shortfalls in a cost-effective manner.

Cannabis Omnibus

SB 3222 (Lightford/Guzzardi) creates a cannabis omnibus bill making sweeping changes to Illinois' cannabis and hemp regulatory framework in response to recent federal action narrowing the definition of hemp under the Farm Bill and the proposed rescheduling of cannabis from Schedule I to Schedule III. Details on specific provisions are listed below. [SB 3222](#) passed the Senate unanimously on April 16, prior to being amended. It passed the House by a vote of 77-31-0 on May 31 and the Senate concurred by a vote of 47-10-0 on June 1. The bill now awaits the governor's signature.

- Removes the requirement that cannabis dispensaries contract with third-party security firms, allowing social equity operators to hire their own security staff. This change is intended to address one of the largest regulatory costs on licensees.
- Increases canopy space for craft growers from 5,000 square feet to 14,000 square feet.
- Doubles cannabis possession limits: flower increases from 30 grams to 60 grams; infused products increase from 500 milligrams to 1,000 milligrams; and cannabis concentrates increase from 5 grams to 10 grams.
- Changes the definition of "principal officer" from 1% to 10% ownership in privately-held businesses, intended to help social equity operators attract minority investors who face strenuous compliance burdens under the current threshold.
- Creates an on-ramp to legal status for hemp operators by allowing those who register with the state to sell products considered hemp under new federal guidelines, subject to testing and labeling requirements. Only topical and consumable products are permitted, with smokable and inhalable hemp products prohibited.
- Removes intoxicating hemp-derived THC products from gas stations, smoke shops, and general retail stores, restricting their sale to licensed cannabis dispensaries only.
- Permits adult-use dispensaries to apply for a medical marijuana license, expanding the number of locations where medical patients can purchase cannabis at a lower tax rate.
- Authorizes drive-through dispensing and extends dispensary operating hours from 10 pm to 2 am.
- Prohibits home rule communities from imposing their own per-weight cannabis tax structures.
- Grants dispensaries an additional six months to become operational beyond the current approximately two-year window.
- Makes various additional reforms to licensing, testing requirements, taxes, and social equity business programs.

Pension Buyout Program Extension

HB 5196 (Morgan/Martwick) extends the state's voluntary pension buyout program for an additional two years through June 30, 2028 by authorizing the sale of an additional \$1 billion in State Pension Obligation Bonds to fund the buyouts. [HB 5196](#) passed the House unanimously on April 16. It passed the Senate unanimously on May 29 and now awaits the governor's signature.

TIF Extension Omnibus

HB 1441 (L. Hernandez/Porfirio) extends the completion dates of 15 tax increment financing (TIF) districts across the following 13 municipalities: City of Spring Valley, City of Mt. Vernon, City of Centralia, City of Paris, Village of Bedford Park, Village of Summit, Village of Lisle, Village of Hoffman Estates, Village of Mokena, Village of Seneca, Village of South Holland, Town of Cicero, and City of Lacon. [HB 1441](#) passed the House by a vote of 101-10-0 on April 10, prior to being amended. It passed the Senate by a vote of 52-3-0 on May 30 and the House concurred by a vote of 90-21-1 on June 1. The bill now awaits the governor's signature.

Property Tax Sale Reform

HB 4537 (Tarver/Villanueva) amends the Illinois Property Tax Code to establish procedures for returning surplus equity to former property owners following tax sales, bringing Illinois into compliance with the 2023 U.S. Supreme Court's holding in *Tyler v. Hennepin County*, effective immediately upon signing. [HB 4537](#) passed the House unanimously, prior to being amended, on April 8. It passed the Senate by a vote of 56-1-1 on May 28 and the House concurred by a vote of 80-35-0 on May 30. The bill now awaits the governor's signature.

- Adds new definitions for "interested party," "tax deed auction," and "tax sale" to distinguish between the sale of tax liens/certificates and the transfer of property at auction.
- Authorizes counties to acquire tax liens as trustee for taxing districts, manage acquired properties, and assign certificates to municipalities, land banks, or nonprofit housing developers, with assignments voiding after four years if no deed is recorded.
- Requires counties that obtain a tax deed without a judicial auction to hold a public tax deed auction within 120 days to determine whether surplus funds are owed to the former owner.
- Establishes detailed notice requirements for tax deed auctions, including 30-day mailed notice to interested parties and property owners, with mandatory Spanish, Polish, and Mandarin Chinese translations in Cook County.
- When a winning bid exceeds the judgment amount, surplus funds must be deposited with the county treasurer within 30 days, and former owners must be notified within 60 days that they may file a claim; unclaimed funds after three years are disposed of under the Revised Uniform Unclaimed Property Act.
- Creates a surplus equity fund financed by fees on tax purchasers, from which former owners who lost property via tax deed may recover the property's fair cash value (less

mortgages, liens, and taxes paid by the purchaser), with the county required to cover any shortfall within 12 months.

- Establishes a new judicial tax deed auction process (Section 22-42) with minimum bids, credit bids for petitioners, and a conclusive presumption of no surplus equity if no bidder meets the minimum.
- Creates a pilot program for Cook County allowing the county to acquire tax certificates on up to 100 low-value homestead properties per annual sale for the first 6 sales, after which the county must acquire all properties offered; the county must report annually to the General Assembly.
- Reduces the general redemption period from three years to two and a half years, while keeping the one-year period for vacant non-farm, 7+ unit residential, and commercial/industrial property.
- Updates redemption and expiration notices to explicitly warn homeowners of eviction risk and inform them of their right to surplus proceeds if the property is sold at auction.
- Amends the Mortgage Rescue Fraud Act to require disclosure that property owners at risk of tax loss may have a right to surplus equity and will lose that right if they sell the property before the tax deed process concludes.

AI Regulation

SB 315 (Edly-Allen/Didech) creates the AI Safety Measures Act which requires large frontier models to create and publish an AI framework addressing catastrophic risk-assessment, mitigation, third-party evaluations, and transparency reports. This legislation also has strong whistleblower protections. [SB 315](#) passed the Senate on May 21 by a vote of 52-5-0 and passed the House unanimously on May 27. The bill now awaits the governor's signature.

SB 318 (Stadelman/Syed) creates the Prohibition on Bots Purchasing Tickets Act which provides that a person shall not use or create a bot or employ any other method to purchase tickets in excess of posted limits for an online ticket sale, use multiple internet protocol addresses, accounts, or emails to purchase tickets in excess, or circumvent or disable electronic queue, waiting period, pre-sale code, etc., that are associated with an online ticket sale. [SB 318](#) passed the Senate unanimously on May 21, prior to being amended. It passed the House unanimously on May 31 and the Senate concurred unanimously later on May 31. The bill now awaits the governor's signature.

HB 5511 (Gong-Gershowitz/Preston) creates the Children's Online Safety Act which establishes procedures for Internet-enabled device providers and covered providers to verify the age of users and sets forth default protective settings that companies must apply if they know or have reason to believe a user is a minor. It prohibits operators from sending notifications between 10PM and 7AM, and prohibits operators of addictive social media platforms from enabling automatic playback of media. The bill sets forth other provisions concerning privacy protections for age assurance data and limitations of the Act. Violations would fall under the Consumer Fraud and Deceptive Business Practices Act. [HB 5511](#) passed the House by a vote of 82-27-0 on April 16, prior to being amended. It passed the Senate unanimously on June 1 and the House concurred unanimously later on June 1. The bill now awaits the governor's signature.

Additional Key Legislation that Did Not Pass

Bears Bill

HB 958 (Cunningham/Avelar) establishes a framework for the Chicago Bears to construct a new stadium in the State of Illinois. After much debate on broader legislation to provide a payment in lieu of taxes (PILOT) incentive for megaprojects across the state, legislators decided to narrow the focus to just the Chicago Bears. The bill creates the Municipal Stadium Authority Act which enables any home rule municipality in Cook County with at least 70,000 residents (Chicago, Cicero, Schaumburg, Evanston, and Arlington Heights) to establish a stadium authority that can own a professional sports stadium. Qualifying municipalities can establish a sales tax and revenue (STAR) bond district within one mile of the stadium. Finally, it requires the Illinois Department of Transportation (IDOT) to conduct a traffic study whenever a stadium is approved with input from any municipality within 15 miles of the site. [HB 958](#) passed the House unanimously, prior to being amended. It passed the Senate by a vote of 37-17-0 on June 1 but did not receive a concurrence vote in the House.

Labor Omnibus

SB 3393 (Hastings/Hoffman) creates a Labor Omnibus making various programmatic changes to labor law, prevailing wage, and workforce development programs. The bill establishes a labor mediation services program within the Illinois Department of Labor to facilitate dispute settlement between employers and labor organizations where the Federal Mediation and Conciliation Service is unable to provide services. It expands application of the Prevailing Wage Act to certain large projects funded through affordable housing tax credit transfers, while exempting housing projects of 12 units or fewer and nonprofit developers building 50 units or fewer. Bidders must be informed of any local project labor agreements, which must be posted on the Department of Transportation's vendor portal. The bill also directs the Illinois Power Agency to create a publicly searchable portal listing renewable energy projects and contractors, and requires state broadband project scoring criteria to include meaningful apprentice labor participation aligned with the Illinois Works Apprenticeship Program. On prevailing wage, it expands coverage to include fire sprinkler installers and HVAC servicing in public buildings, removes the seller-supplier exemption for maintenance of construction equipment, and requires workers performing multiple classifications on the same project to be paid the higher wage rate. It clarifies that licensed professional engineers are treated consistently with current practice under the law. Additionally, the bill mandates submission of apprenticeship participation records to the Illinois Department of Labor and exempts barge workers from a five-day paid leave requirement due to the extended, continuous nature of their work schedules. [SB 3393](#) passed the Senate unanimously on April 16, prior to being amended. It passed the House by a vote of 86-30-1 on May 31 but did not receive a concurrence vote in the Senate.

Other AI Regulation Bills

HB 4248 (Hirschauer/Peters) creates the Algorithmic Pricing Prohibition Act which prohibits surveillance pricing for any person or entity that sells consumer goods or services in the State of Illinois. Surveillance pricing is defined as algorithmic pricing that uses a consumer's personal data to generate a price for consumer goods or services that is then set for a consumer based on said personal data. The bill does not apply to specified types of price changes, algorithmic pricing models that do not use personal data, or the use of personal data for the purpose of determining creditworthiness. The Attorney General can investigate a claim and bring action. [HB 4248](#) passed the House by a vote of 78-19-0 on May 22, prior to being amended. It passed the Senate by a vote of 41-16-0 on May 31 but did not receive a concurrence vote in the House.

SB 316 (Ellman/Gong-Gershowitz) creates the AI Companion Model Safety Act which requires operators to provide clear and conspicuous verbal or written notification to a user that they are interacting with an AI companion. It also requires operators who use AI companions to implement a protocol to detect and address suicidal ideation or expressions of self-harm by a user, and to implement reasonable measures to prevent AI companions from generating or producing material that is harmful to minors. [SB 316](#) passed the Senate unanimously on May 21 before being assigned to the House Executive Committee on May 21, where it remains.

SB 317 (Ventura/Gong-Gershowitz) creates the Consumer AI Notice Act which requires anyone who uses a conversational customer service AI system to communicate with a consumer must provide clear and conspicuous disclosure that they are interacting with an automated system and not a person. Violations of these provisions would qualify as unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. [SB 317](#) passed the Senate by a vote of 56-1-0 on May 21 before being assigned to the House Executive Committee on May 21, where it remains.

SB 340 (Murphy/Rashid) creates the Consumer Data Privacy Act which outlines the responsibilities of data controllers and data processors and sets forth various consumer personal data rights. The bill requires a controller to allow a consumer to opt out of any processing of the consumer's personal data for enumerated purposes. It also has provisions regarding the processing of deidentified data, responsibilities of controllers, requirements for small businesses, data privacy policies, data privacy and protection assessments, etc. The Attorney General and State's Attorneys are tasked with enforcement. [SB 340](#) passed the Senate by a vote of 54-3-0 on May 21 and was assigned to the House Executive Committee on May 21, where it remains.

SB 343 (Guzman/Jones) amends the Antitrust Act which makes it a violation to engage or contract with a competitor for the purpose of fixing, controlling, or maintaining rental pricing, fees, or any other rental term for residential rental units, or engaging in price coordination for residential rental units. [SB 343](#) passed the Senate by a vote of 34-21-0 on May 21. However, a House amendment was subsequently filed on May 28 that shelved the bill, replacing the original rental pricing provisions with language authorizing quick-take proceedings by Cook County and the City of Calumet City for the acquisition of certain described property for the purpose of economic development. The rental coordinated pricing bill did not move forward and the quick-take language now awaits the governor's signature.

SB 415 (Villa/Gonzalez) amends the School Code to prohibit and ensure that the biometric systems schools use are only used for legitimate instructional purposes, as determined by the school district, and that it is only used for identification or fraud prevention. The bill has

provisions regarding school contracts with biometric systems. [SB 415](#) passed the Senate unanimously on May 21 and was assigned to the House Executive Committee.

SB 416 (Martwick/West) creates the Student Educational Technology Rights Act which requires school boards to adopt a policy that prohibits teachers from using AI tools to score or grade tasks that require professional judgment and that require an AI model used to be approved by the school board. It also requires school boards to submit a list of approved AI models to schools at the start of each school year. [SB 416](#) passed the Senate unanimously on May 21 and was assigned to the House Executive Committee on May 21, where it remains.

Building Up Illinois Developments (BUILD) Package

HB 957 (Mayfield/Simmons) creates the Multi-Unit Residential Rental Property Right of First Refusal Act which grants tenants of multi-unit residential rental properties a right of first refusal when the property is put up for sale, allowing tenants to form a tenants' association to exercise the purchase right within a 90-day window. Property owners are prohibited from requiring a waiver of the right of first refusal as a condition of a lease. If the tenants' association waives its right, a third-party purchaser must allow current tenants to remain under the same terms for at least six months or until their lease expires, whichever is longer. Any property purchased with public funds must remain affordable housing for at least 30 years. The Illinois Housing Development Authority will adopt implementing rules, and violations may be enforced through civil action with treble damages and attorney's fees. The Act does not apply to transfers to family members, transfers by gift or device, or transfers to corporate affiliates. [HB 957](#) passed the House unanimously, prior to being amended. It passed the Senate by a vote of 37-20-0 but did not receive a concurrence vote in the House.

HB 2783 (B. Hernandez/Ventura) creates the Restock the Block Act which imposes an annual fee of 10% of property value on large institutional real estate investors for each residential property owned in excess of 10 single-family homes. The fee escalates by 10% for every additional 10 single-family homes, up to a maximum of 50% of property value. All fees collected are deposited into the Illinois Affordable Housing Trust Fund to fund public housing projects and provide rental and mortgage assistance. Covered entities must also wait 90 days from the time a property is listed before purchasing, must disclose their status to sellers at the time of an offer, and face civil penalties of up to \$250,000 for violations. [HB 2783](#) passed the House by a vote of 72-38-0, prior to being amended. It passed the Senate by a vote of 35-19-0 but did not receive a concurrence vote in the House.

SB 329 (Stadelman) prohibits a landlord who has hired a broker or leasing agent to help rent out a unit from passing those brokerage or agent fees onto a prospective tenant, including fees related to listing the property, showing the property, screening tenants, and preparing lease documents. The bill also prohibits landlords from requiring a prospective tenant to retain or hire a broker as a condition of applying for or leasing a unit. Violations may be enforced through civil action, and courts may award injunctive relief, monetary damages, attorney's fees, and costs. [SB 329](#) passed the Senate Executive Committee on May 26 by a vote of 9-4-0 before being rereferred to Assignments, where it remains.

SB 330 (Guzmán) amends the Illinois Human Rights Act to add domestic violence, sexual violence, and gender-based violence as protected classes in real estate transactions, prohibiting housing discrimination against individuals based on their actual or perceived status as a

survivor. This includes protections for individuals covered under protective orders issued under the Illinois Domestic Violence Act of 1986, the Stalking No Contact Order Act, and the Civil No Contact Order Act. [SB 330](#) passed the Senate Executive Committee on May 26 by a vote of 10-2-0 before being rereferred to Assignments, where it remains.

SB 331 (Ventura) creates the Restock the Block Act which imposes an annual fee of 10% of property value on large institutional real estate investors for each residential property owned in excess of 10 single-family homes or 8 multi-family homes. The fee escalates by 10% for every additional 10 single-family homes or 8 multi-family homes, up to a maximum of 100% of property value. All fees collected are deposited into the Illinois Affordable Housing Trust Fund to fund public housing projects and provide rental and mortgage assistance. Covered entities must also wait 90 days from the time a property is listed before purchasing, must disclose their status to sellers at the time of an offer, and face civil penalties of up to \$250,000 for violations. [SB 331](#) passed the Senate Executive Committee on May 29 by a vote of 9-4-0 before being rereferred to Assignments, where it remains.

SB 332 (Simmons) creates the Multi-Unit Residential Rental Property Right of First Refusal Act which grants tenants of multi-unit residential rental properties a right of first refusal when the property is put up for sale, allowing tenants to form a tenants' association to exercise the purchase right within a 90-day window. Property owners are prohibited from requiring a waiver of the right of first refusal as a condition of a lease. If the tenants' association waives its right, a third-party purchaser must allow current tenants to remain under the same terms for at least six months or until their lease expires, whichever is longer. Any property purchased with public funds must remain affordable housing for at least 30 years. The Illinois Housing Development Authority will adopt implementing rules, and violations may be enforced through civil action with treble damages and attorney's fees. The Act does not apply to transfers to family members, transfers by gift or device, or transfers to corporate affiliates. [SB 332](#) passed the Senate Executive Committee on May 26 by a vote of 9-4-0 before being rereferred to Assignments, where it remains.

SB 608 (Villivalam) creates the Federally Assisted Tenant Protection Act which prohibits covered housing providers and housing authorities from imposing work requirements or time limits as a condition of initial or continued eligibility for federally assisted housing, including HUD-subsidized programs such as project-based rental assistance and Section 8 vouchers. Providers may still establish voluntary employment or job training programs so long as participation does not affect eligibility or subsidy amounts. The bill exempts housing authorities participating in the Moving to Work demonstration program and does not alter the Family Self-Sufficiency Program or the Public Housing Community Service Requirement. [SB 608](#) passed the Senate Executive Committee on May 26 by a vote of 9-4-0 before being rereferred to Assignments, where it remains.

SB 635 (Feigenholtz) creates the Faith-Based Housing and Mixed-Use By-Right Act which allows faith-based organizations to build multifamily and mixed-use housing by right on land they own without any discretionary zoning approvals, public hearings, or subjective design review. Developments of five or more units must provide at least 20% of their total rental units as affordable housing for low- or very low-income households, or 20% of for-sale units as owner-occupied units available to moderate-income households; developments of four units or fewer are exempt from affordability requirements. The bill prohibits local governments from imposing minimum parking requirements, restricting density through floor-area ratio or lot coverage caps, or requiring appearance-based design approvals. Local governments have 12

months to adopt conforming zoning amendments, after which default standards apply. Applications are deemed approved if the local government fails to act within 60 days of a complete application. Historic preservation review is permitted if it uses objective standards and is completed within 30 days. The Act does not apply to faith-based land within one-quarter mile of heavy industrial uses, commercial airports, or active military installations. [SB 635](#) passed the Senate Executive Committee on May 29 by a vote of 9-4-0 before being rereferred to Assignments, where it remains.

SB 640 (Hunter) requires both municipalities and counties to allow middle housing (duplexes, triplexes, fourplexes, cottage clusters, townhomes, courtyard housing, and stacked flats) by right on all residentially zoned lots that permit single-family dwellings, with unit allowances on a sliding scale based on lot size up to a maximum of six units. At least 40% of middle housing units must go to households between 80% and 120% of the area median income. Local governments may not require discretionary review, special use permits, public hearings, or design review for middle housing unless the same review is required for single-family dwellings. Parking regulations may not prohibit or materially impede middle housing development. Municipalities and counties have 12 months to amend their zoning ordinances to conform; if they fail to do so, default statewide standards apply automatically. The bill limits home rule authority on this subject. [SB 640](#) passed the Senate Executive Committee on May 26 by a vote of 8-4-0 before being rereferred to Assignments, where it remains.

SB 643 (Ellman) establishes statewide deadlines for building permit plan reviews and inspections for both municipalities and counties. If a local government fails to complete a plan review within the established deadline, applicants may retain a qualified third-party plan reviewer (a licensed architect or engineer with International Code Council or equivalent certification), and the local government must accept the third-party review and issue the permit within two business days. If a local government fails to conduct a required inspection within five business days, applicants may retain a qualified third-party inspector, and the local government must accept the inspection report and issue any required approval within one business day. Local governments retain audit authority over third-party reviews and inspections but may not use audits to delay permit issuance. The bill also includes fee parity provisions prohibiting local governments from charging plan review or inspection fees for work performed by third parties. [SB 643](#) passed the Senate Executive Committee on May 26 by a vote of 8-4-0 before being rereferred to Assignments, where it remains.