



Legislative update

Chip Humes- Scott Marquardt

Chip@Marquardtco.com Scott@Marquardtco.com

104th ILLINOIS GENERAL ASSEMBLY:

The Illinois General Assembly adjourned the 2025 Spring Legislative Session until the call of the presiding officers. Below is a synopsis of what happened last week. It is long as a result of it being the last week in the spring session.

As has been typical of recent sessions, the legislature concluded its work in the early hours of the morning on June 1st.

We would normally have the fall Veto Session calendar now, however, it was not released. I will forward it on once it appears.

Several bills were finalized in the final week of session, including the FY 26 operating and capital budgets; the FY 25 supplemental and omnibus packages on revenue, Medicaid, pensions, and reform measures concerning pharmacy benefit managers and prior authorization for mental health and substance abuse treatment. The General Assembly did not pass legislation concerning transit reforms and the impending transit fiscal cliff, cannabis, hemp regulations, energy, election reforms, the 340B program, Adequate and Equitable Public University Funding, a Tier 2 pension overhaul, community college baccalaureate degree authorization, a measure to ban cell phones in schools, or the authorization of medical aid in dying. Those items could be considered in the Fall Veto session or during next year's spring session.

In total, 432 bills passed both chambers this year, including 228 House bills and 202 Senate bills.

Budget: Budget makers faced many challenges crafting the FY 26 budget -- including a \$1 billion shortfall, a \$750 million transit fiscal cliff, a slowing economy exacerbated by on-again, off-again tariffs, and promises to slash more federal funding for states. Further complicating matters, advocates and progressive legislators wanted the state to reinstate funding for the Health Benefits for Immigrant Adults program, which the Governor eliminated in his introduced budget due to budget constraints, saving the state an estimated \$330 million. Despite these difficulties, the Governor and budget makers remained committed to their promise to enact a fiscal responsibility budget that does not “raise taxes on working families.”

The [Fiscal Year 2026 Budget](#) appropriates \$55.2 billion in General Revenue funds (\$118.8 billion All Funds) and assumes revenue streams of \$55.4 billion. The budget increases spending by about 3.9% and generates \$500 million more in new revenue than the Governor’s February proposal to offset declining base revenues. [HB 1075](#) (Gabel/Sims) provides the budget framework; see below. [HB 2755](#) (Tarver/Villanueva) lays out the omnibus revenue package, expected to generate \$1.6 billion next year. The Democrats call the budget “balanced” and both “fiscally and socially responsible.” Republicans criticized the plan for not making enough cuts while still funding legislative pay increases and Democratic “pork projects”. The fiscal year starts on July 1.

The FY 26 budget allocates \$965 million in lapse period spending and \$527 million in transfers out. Funding was held flat for LGDF. Also included -- statutory cost-of-living increases in pay for state legislators and constitutional officers.

Under this budget configuration, Illinois is on track to make its full pension payment, as well as adding \$75 million to allow the Tier Two pension program to meet Social Security’s minimum retirement benefits. There are no changes to pension ramps or amortization schedules.

Given the uncertainty surrounding the economy and federal funding, the FY 26 budget creates a \$100 million BRIDGE Fund -- a budget reserve for immediate disbursements and governmental emergencies. A list of fund transfers into the BRIDGE fund is [here](#). There are no transfers from GRF into the Rainy Day fund for next year’s budget.

Healthcare and Human Services: The FY 26 budget exceeds the governor's proposed budget by investing additional funds in safety net hospitals (\$118 million in grants), free and charitable clinics, and federally qualified health clinics. The healthcare program for 33,000 undocumented immigrant adults aged 42-64 (HBIA) will be cut, consistent with the governor’s proposed budget. An increase in funding for federally qualified health care centers was meant to compensate for some of the losses in coverage, but advocates believe that it falls short. Funding is continued (\$100 million) for the HBIS program for immigrant seniors over the age of 65. Welcoming centers for newly arriving immigrants are allocated \$40 million, a reduction from last year.

The budget prioritizes frontline healthcare workers, offering a \$0.80/hour wage increase for Direct Service Professionals and a \$0.75/hour increase to community care program workers.

The state employee group health insurance program is fully funded. The program received \$137 million in cuts recognized through recent program efficiencies and negotiated savings. Some funding for the program will come out of the Road Fund, targeted at benefits for highway workers.

Education Funding: The state's evidence-based model for K-12 schools requires \$350 million yearly, with part for property tax relief and the rest for schools. The proposed budget allocates \$307 million to schools but omits \$43 million for tax relief. Funding for early childhood remains flat.

Funding for the Monetary Award Program is increased by \$10 million. Funding previously discussed for the equitable funding formula for higher education is not included in the budget. According to the House sponsor, monies for the Illinois Community College Board are pared back by \$30 million.

Public Safety: The Department of Corrections' budget is increased by \$14 million over the Governor's introduced budget. Funding for the Supreme Court is reduced by 6%. The FY 26 budget includes \$60 million for the Camera Grant Program under the Illinois Law Enforcement Training and Standards Board and \$40 million for training grants to law enforcement agencies.

The budget passed mostly along partisan lines, although a handful of Democrats voted against the budget package. The budget passed the House 75-41 and the Senate 34-23. Read more [here](#).

Budget Implementation: The administration of the FY 26 budget is laid out in [HB 1075](#) (Gabel/Sims), which passed the Senate 32-23 and the House 74-41 and now heads to the Governor's desk. The bill:

- Creates and executes \$100 million in fund transfers into the newly created BRIDGE Fund.
- Clarifies CMS's authority to bill for agency or professional services previously provided by CMS but now provided by the Executive Ethics Commission and the Commission on Government Inclusion and Equity.
- Authorizes DNR to provide camping fee waiver coupons during the 2025 Illinois State Fair.
- Addresses housing development grants from DHS to IHDA under the Illinois Grants Recovery Act.
- Clarifies that the Department of Military Affairs can use the Capital Development Fund for capital projects.
- Adjusts the sunset on the Capital Development Revolving Fund.
- Authorizes the Department of Transportation to provide Paratransit grants via Pace.
- Repeals obsolete language in the Long Term Care Monitor Receiver Fund.
- Extends for the Department of Commerce and Economic Opportunity to spend from the Used Tire Management Fund for a specific purpose.

- Requires HFS to engage in healthcare strategy and delivery planning to determine steps to strengthen safety net hospitals and other healthcare systems, with an eye to long-term sustainability.
- Modifies senior leadership structure at the Abraham Lincoln Presidential Museum.
- Authorizes the DCEO to grant funds from the Energy Transition Assistance Fund to the Finance Authority.
- Provides for the rate increase of 5% for Community-Based Service Providers, allowing increased service costs for DD and Community Care Providers.
- Directs the Department of Public Health to coordinate long-term healthcare strategy and sustainability planning.
- Implements the transfer for the Safe Harbor Tier 2 Social Security Wage Base Reserve Fund to facilitate pension changes.
- Authorizes the transfer of the federally funded motor vehicle safety program from IDOT to the Illinois State Police.
- Includes annual transfers for the Audit Expense Fund.

Revenue: [HB 2755](#) (Tarver/Villanueva) addresses new revenues to support the FY 26 spending plan. According to the Senate sponsor, the bill has some 44 different proposals, including \$880 million in new revenue, technical changes, DCEO business development tax credits, and “clean-up” language. Highlights from the bill:

- Tax Amnesty: Creates a tax amnesty program from October 1, 2025, through November 15, 2025 (\$228 million GRF)
- Motor Fuel Tax Transfer: Delays the final payment from sales tax on motor fuel to the Road Fund (\$171 million)
- Sports Betting Tax Increases: Increases the Sports wagering tax as follows: \$0.25 per wager for the first 20 million annual combined Tier 1 and Tier 2 wagers; \$0.50 per wager for each wager over 20 million annual combined Tier 1 and Tier 2 wagers. All of the collected money will go into the Sports Wagering Fund for transfer to the General Revenue Fund. (\$36 million)
- Hotel Tax: Removes the hotel exemption for short-term rental hosting platforms. They will have to pay and collect the same taxes as hotels currently pay. (\$5 million GRF/\$5 OSF)
- Tobacco Tax Act Harmonization: Raises the tax on tobacco products from 36% to 45% of the wholesale price -- including vapes and moist snuff – taxing all tobacco-related products at the same rate. Revenues will be allocated as follows: \$5 million to the Tobacco Settlement Recovery Fund, with half of the remaining money split between two Medicaid funds.

- Telecommunications Tax: Creates a new 9-8-8 Trust Fund to help support a statewide suicide prevention and mental health crisis line run by the Department of Human Services. Increases the telecommunications tax from 7% to 8.65%. (\$49 million)
- Corporate Tax Changes: Switches from the Joyce Rule to the Finnigan Rule to enable the state to collect more corporate tax income. More [here](#). (\$72 million)
- Leveling The Playing Field: Makes several changes, including:
 - o Businesses outside of Illinois selling \$100,000+ worth of physical goods to Illinois residents must collect Illinois sales tax, even without an in-state presence. Online platforms (like Amazon or Etsy) meeting this threshold are considered sellers responsible for collecting and remitting sales tax.
 - o Expands the Illinois Retail Act to include servicemen under occupation and use taxes, creating equal tax treatment.
 - o Eliminates the “200 transaction threshold” for economic nexus, aligning with other states for more efficient enforcement.
 - o Enacts a 15% tax rate when insufficient sales records are provided, encouraging proper documentation.
 - o Allows service providers to file returns for retailers and service men maintaining business in Illinois.

The measure passed the Senate 31-25 and the House 71-43 and now heads to the Governor’s desk.

Capital Budget: [SB 2510](#) (Sims/Welch) includes \$8.2 billion in new capital and reappropriations to be funded through a combination of bonding authority and pay-as-you-go.

FY 25 Supplemental: [SB 2510](#) (Sims/Welch) also includes a \$2.5 billion supplemental appropriation for FY 25.

Bond Authorization: [HB 3374](#) (Rita/Sims) creates the Bond Authorization Act of 2026, authorizing \$1.1 billion in new bonding authority in Build Illinois and General Obligation Bonds to fund capital projects outlined in the budget. Passed the Senate 37-19 and the House concurred unanimously. The measure now heads to the Governor’s desk.

Medicaid Omnibus: [SB 2437](#) (Aquino/Moeller) represents the 2025 Medicaid Omnibus. The bill passed the House, as amended, by a vote of 76-39. The Senate concurred 36-19 and the bill now heads to the Governor’s desk. Key provisions include:

Amends the Medical Assistance Article of the Illinois Public Aid Code by adding provisions concerning:

- Doula policies for hospitals and birthing centers

- Medical assistance coverage for foreign-born victims of human trafficking, torture, or other serious crimes, and their derivative family members
- Development of tardive dyskinesia screening guidelines for providers serving patients prescribed antipsychotic medications
- Quarterly reporting requirements for the Department and managed care organizations regarding compliance with prohibitions on prior authorization mandates
- Rate evaluation to study the soundness of rates paid for private duty nursing services for medically fragile and technology-dependent children (\$500,00 gross/\$250,000 net)
- Reimbursement rates for long-term ambulatory electrocardiogram monitoring services (\$50,000 gross/\$25,000 net)
- Medical assistance coverage for over-the-counter choline dietary supplements for pregnant persons (\$388,000 gross/\$194,000 net)
- Language clarifying that redetermination for medical assistance eligibility is not an initial application
- Reimbursement rates for support components of nursing facility rates

Creates the Certified Family Health Aide Program for Children and Adults Act:

- Permits certification pathway for legally responsible caregivers
- Requires training programs at healthcare facilities
- Amends multiple acts to accommodate certified family health aides

Amends the Hospital Licensing Act:

- Allows hospitals in counties with fewer than 325,000 inhabitants to operate in multiple locations within contiguous counties under certain conditions. This is a provision for UW Health Swedish American Hospital.

Amends the Nursing Home Care Act:

- Changes staffing ratios computations
- Establishes guidelines for monetary penalties with exceptions for minor deviations
- Requires public posting of violation notices

Economic Development Package: The House approved an economic development package contained in [SB 2008](#) (Cervantes/Hoffman). As amended, the legislation creates the Statewide Innovation Development and Economy Act, setting up a framework for promoting economic growth through STAR bonds (which finance major tourism and retail projects across

Illinois). The legislation allows municipalities to issue these bonds, with final approval from the Governor's Office and DCEO. Only one STAR bond project may be approved in each of the state's 10 Economic Development Regions, and funding is capped at 50% of development costs up to \$75 million in state sales tax increment. SB 2008 also creates the Advancing Innovative Manufacturing Tax Credit program for manufacturers of critically demanded goods and enhances various economic incentives, including increased SBIR/STTR matching grants (up to \$75,000 for Phase I and \$250,000 for Phase II). Also included: modifying the apprenticeship education expense credit; authorizing new Enterprise Zones; establishing withholding requirements for film production compensation through loan-out companies; and extending the Film Production Services Tax Credit through January 1, 2039. Passed the House 102-10 and is now pending in the Senate on concurrence.

Transit Reforms: In the final hours of the Spring Session, the Illinois Senate voted 32-22 to approve [HB 3438](#) (Andrade/Villivalam), which represents transit reforms and addresses the impending \$750 million fiscal cliff. The bill replaces the RTA with a new body known as the Northern Illinois Transit Authority, overseeing bus and rail service in Chicago, Cook County, and the collar counties. It establishes reforms addressing transit planning, safety, environmental protection, and governance. Key provisions include creating safety oversight bodies, promoting zero-emission buses, and establishing transit-supportive development guidelines. The bill also limits local parking requirements near transit hubs, creates coordination committees, and makes various conforming changes to multiple Acts to support an integrated regional transportation system.

HB 3438 also includes \$1.5 billion in revenues, \$50 million in fare increases, and \$113 million in "efficiencies". Also, the measure implements new funding mechanisms through electric vehicle charging and retail delivery fees. Specifically, the bill creates the Electric Vehicle Charging Fee Act, which imposes a fee (beginning on January 1, 2026) on the privilege of engaging in business as an electric vehicle power provider in Illinois. Creates the Retail Delivery Climate Impact Fee Act, which establishes a climate impact fee, on and after January 1, 2026, of \$1.50 on certain retail deliveries statewide. The measure was not considered in the House prior to adjournment.

Energy Omnibus: Efforts to pass an energy omnibus stalled in the final days of the session. A series of amendments were filed to [SB 40](#) (Preston/Hoffman), but the measure was not called for a vote.

Pension Omnibus: [HB 3193](#) (Kifowit/Martwick) represents the 2025 pension omnibus. As amended, the bill includes initiatives from ten members of the General Assembly, clean-up language from six retirement systems, and incorporates requests from at least seven labor organizations. As amended, it combines provisions from over a dozen separate bills and additional stakeholder proposals. It includes targeted reforms for specific pension funds, such as CPF, TRS, IMRF, and SERS, addressing issues like service credit calculations, disability definitions, benefit timing, and technical clarifications. The bill aims to address equity concerns, provide cost relief to institutions like Eastern Illinois University, and expand member options for service credit transfers in union-related productions. It also introduces administrative improvements, such as modernizing election procedures and extending payment timelines for employer contributions triggered by salary spikes. Most provisions in the bill are expected to result in minimal costs or no costs. Specific provisions include:

- Altering the calculation used by retired teachers returning to work beyond their allotted days; they will have benefits reduced on a prorated basis rather than canceled. The Chicago Teachers' Pension Fund requested this adjustment.
- Reshaping how service credit is calculated for the Chicago Teacher Pension Fund. Currently, 40 hours worked in five days gets 5 days of credit, but 40 hours in three days gets only 3 days. The new method ensures equal credit for equal work.
- Adding breast cancer to occupational disease disabilities for Chicago firefighters, reflecting rising incidences due to toxic fires.
- For the Chicago Municipal Pension Fund -- allowing the board to reproduce records digitally under the local record acts.
- Clarifying -- for the Metropolitan Water Reclamation District of Greater Chicago -- that salary for disability benefits means the salary on which the benefit is based. Employees must undergo annual exams to continue receiving benefits.
- Changing IMRF's opt-in requirement to opt-out for elected officials receiving service credit.
- Allowing AFSCME to permit a portion of pension payments to be withheld for union dues, reinforcing current practice without legal issues.
- A general provision mandates fiduciary liability insurance for pension system trustees and employees.
- Changing (within the State University Retirement System) the survivor insurance notification period to six months from notification rather than death. It incorporates Tier 2 final average salary provisions into SURS.
- Rectifying, with a one-time reprieve, the situation of an Eastern Illinois University employee's over-cap salary, which led to a \$310,000 penalty.
- Cleaning up the TRS language defining who can participate in the Supplemental Savings plan.
- Altering (at the request of the Illinois FOP) the estimations for state troopers' benefits final calculations. SERS opposes this provision due to administrative costs.
- Streamlining the Fire Investment Fund trustee election processes by reducing petition signature requirements and allowing online, phone, and mail voting.
- Addressing IEA requests extending employer penalty payment timeframes for breaching the 6% raise threshold from three years to seven years, plus interest, providing budgeting flexibility while keeping systems whole.

- Adjusting service credit transfers to include: downstate police to IMRF, career technical education teachers to TRS, downstate police to fire and vice versa, and military time to Cook County, each requiring purchase of contributions plus interest.

The Pension omnibus unanimously passed the Senate; the House concurred with the Senate's amendments by a vote of 103-12-1 and the measure now heads to the Governor's desk.

Tier 2 Pension Reform: While larger efforts to pass a more comprehensive Tier 2 pension fix stalled in the final days of the spring session, two Tier 2 pension bills were approved. As mentioned above, the FY 26 budget adds \$75 million to ensure the Tier Two pension program meets the Social Security minimum retirement benefit level, and the General Assembly also passed another bill to provide a limited Tier 2 pension fix for the Chicago Police and Fire Pension funds.

[HB 3657](#) (Kifowit/Martwick) fulfills a six-year promise to provide a Tier 2 fix to Chicago Police and Fire pension funds, providing equity with benefits extended to downstate police and fire by raising the pensionable wage cap and changing the final average salary calculation. The measure passed both chambers unanimously, and the bill now heads to the Governor's desk.

Representative Hoffman filed amendments to [SB 1937](#) (Martwick/Kifowit), which proponents cite as improving Tier 2 benefits without increasing unfunded pension liability or affecting the state's credit ratings. The proposal, which is supported by the We Are One Coalition, addresses four areas: improving final average salary calculations, lowering retirement age, enhancing cost of living adjustments, and fixing the "Safe Harbor" issue. The proposal also modernizes the pension funding approach, targeting 90% funding by 2045 and 100% by 2049. Proponents argue that while not providing full equity with Tier 1, these changes offer public employees better retirement security.

While the legislation garnered support from unions and some legislators, civic organizations opposed the measure. They wrote in part, "The proposed amendments go far beyond the Governor's pension proposal as introduced in the FY 2026 budget. They would be detrimental to the long-term fiscal stability and credit rating of the State of Illinois, contrary to claims their proponents have made. Moreover, proposals covering the City of Chicago and other municipalities have received very little scrutiny, exacerbating the risk to taxpayers and the state budget if adopted." The measure was not called for a vote.

340B Prescription Drugs: As amended, [HB 2371](#) (Moeller/Koehler) addresses the 340B prescription drug issue by creating the Patient Access to Pharmacy Protection Act. The legislation prohibits pharmaceutical manufacturers from limiting 340B covered entities from contracting with 340 B pharmacies, including restrictions on number, location, ownership, or type. Covered entities must dispense 340B drugs only in connection with outpatient healthcare services received within the last 18 months. It mandates a Medicaid impact study by the Department of Healthcare and Family Services on the 340B program. The bill requires annual reporting to the General Assembly, -- exempting FQHC, safety net hospitals, critical access hospitals with fewer than 100 beds, and 340B grantees until January 1st, 2029. The measure passed the Senate unanimously, as amended, and it is now awaiting concurrence in the House.

Broadband Expansion: Efforts to increase broadband adequacy passed the Illinois General Assembly. [SB 2493](#) (Belt/Hoffman), as amended, creates the Electrical Service Broadband Deployment and Access Law, allowing broadband grant recipients to utilize existing electric easements for service delivery, either their own or others', through agreement. Recipients must provide notice to landowners, who may claim just compensation. With proper permits, recipients may install broadband infrastructure along highway rights-of-way in grant service areas. The law mandates prevailing wages and benefits for workers, with provisions expiring January 1, 2030. The Broadband Infrastructure Advancement Act amendment requires the Department of Commerce and Economic Opportunity to consider project completion speed when evaluating grant applications for broadband network deployment. The bill passed both houses unanimously and now heads to the Governor's desk.

Prior Authorization: [HB 3019](#) (LaPointe/Fine) as amended, represents the negotiated package initiated by Governor Pritzker in his February State of the State Address to reform prior authorization for mental health and substance abuse treatment. The bill outlines spending of 80/20 medical loss dollars, bans prior authorization for outpatient and partial hospitalization mental health treatment, and mandates coverage for transportation, food, and lodging if no in-network provider is available. The Senate amendment removed all opposition to the legislation. The measure passed the Senate by a vote of 45-11 and the House by a vote of 84-32 and now heads to the Governor's desk.

PBM Reform: The Governor prioritized passage of Pharmacy Benefit Manager Reform during his State of the State Address in February. Negotiations were ongoing through the spring session, culminating in a series of amendments to [HB 1697](#) (Manley/Koehler), which creates the Prescription Drug Affordability Act, establishing key regulations for pharmacy benefit managers (PBMs) in Illinois. The bill prohibits pharmacy benefit managers from engaging in spread pricing practices—where they bill health plans at higher rates than what they reimburse pharmacies—and prevents them from directing patients toward larger pharmacy chains. The legislation establishes a \$15 fee/covered individual enrolled in the PBM, allocating the initial \$25 million to support community pharmacies in rural and underserved regions, as well as those serving significant Medicaid populations. Any remaining revenue shall be deposited into the state's General Revenue Fund. PBMs must provide yearly audit documentation and undergo regulatory examinations by the Insurance Department every five years. The proposal creates a uniform definition for specialty medications to stop PBMs from limiting accessibility. Additionally, PBMs must transfer all pharmacy rebates -- in full -- to individuals or sponsoring entities, while penalty amounts for non-compliance increase tenfold from \$1,000 to \$10,000 per day. Taft-Hartley ERISA plans are exempt from the provisions of the legislation. Leader Manley indicated that a trailer bill will be forthcoming. HB 1697 passed the Senate as amended by a vote of 56-1, the House concurred with the SFA # 2 by a vote of 93-21-1 and the measure now heads to the Governor's desk.

Behavioral Health Network Adequacy: Efforts to increase network adequacy for behavioral health are contemplated on [HB 1085](#) (LaPointe/Villa), as amended. The bill aims to improve access by ensuring that health insurance companies support behavioral health providers. It proposes a 60-day contracting process with insurers, coverage for same-day multiple services, and longer 60-minute therapy sessions. Additionally, it statutorily increases reimbursement rates for mental health and substance use disorder providers to be closer to physical healthcare rates. Proponents argue these changes will reduce administrative burdens and expand insurance networks, allowing equitable care for all insured individuals. HB 1085

passed the Senate Executive Committee 10-2 and was not called for a final vote in the Senate.

Medical Aid in Dying: During the final days of the 2025 Spring Legislative Session, Representative Gabel filed HFA # 2 to [SB 1950](#) (Holmes/Gabel) to create the End-of-Life Options for Terminally Ill Patients Act. The bill allows terminally ill, mentally capable adults with fewer than six months to live to request life-ending medication (which requires physician approval but is self-administered). The bill establishes eligibility requirements and requires assessments by physicians, who must ensure the patient's mental capacity. If a physician questions mental capacity, they must refer the patient to a licensed mental health professional for further evaluation. The bill also requires physicians to inform patients of all end-of-life options. Coercing or forging a request for a life-ending prescription would be a felony, and participation is voluntary for healthcare professionals. Individuals can withdraw their request at any time. Critics argue the process may lead to coercion and abuse and worry that healthcare quality will suffer due to economic considerations. The measure passed the House 63-42-2 and now heads to the Senate for consideration.

Gun Legislation: The House approved, by a vote of 69 - 40, [SB 8](#) (Ellman/Hirschauer), creating the Safe Gun Storage Act. The bill expands what it means to safely store weapons (to keep them away from children under 18 years of age and “at-risk” persons) and increases reporting requirements for gun owners whose weapons are lost or stolen. The bill now heads to the Governor’s desk.

HFA # 1 to [HB 850](#) (Morgan/Morrison) reforms the clear and present danger statutes. The bill requires the Illinois State Police to suspend rather than revoke FOID cards when an individual has been determined to pose a clear and present danger. By January 2026, the FOID Card Review Board must create an expedited review process, with liability protections for officials involved in these decisions. The bill also amends the Illinois State Police Law to require analysis and reporting on cases involving stolen firearms or those with obliterated serial numbers used in crimes. Requires circuit court clerks to include firearm serial numbers in disposition information provided to police. The bill also addresses potential conflicts with Senate Bill 8 (see above) regarding sentencing hearing provisions, which removes ACLU and the Cook County Public Defenders’ opposition to SB 8. HB 850, as amended, passed the House 74-40. The Senate concurred with the House amendment by a vote of 36-17, and the measure now heads to the Governor’s desk.

Cannabis: HFA # 1 to [SB 90](#) (Porfirio/Ford) is a cannabis omnibus. As amended, the bill merges adult use and medical dispensaries to provide greater access for medical cannabis patients. It establishes hardship waivers for craft growers and infusers to have their license and renewal fees partially or fully waived. The legislation allows medical patients to certify their qualifying conditions by telehealth. DCEO is granted the opportunity to provide loans or other financial assistance to social equity licensees and applicants. The bill also reduces regulatory burdens on the cannabis businesses and allows the Department of Agriculture and the Department of Financial and Professional Regulators to establish market protections to combat unfair business practices. Dispensaries are required to develop and implement patient prioritizing plans to ensure patients' confidentiality and services to medical patients. The sponsor testified that the proposal could generate an additional \$15 million in revenue. Note, the bill does not contain any provisions to regulate the intoxicating hemp industry. HFA # 1 passed the House Executive Committee 8-4. HFA # 2, which would delete the language

pertaining to DoA and IDFPF regarding unfair business practices, was referred to the House floor. SB 90 was not considered on the House floor prior to adjournment.

Toxic Torts: [SB 328](#) (Harmon/Hoffman) is an initiative of the Illinois Trial Lawyers Association. The bill requires that foreign corporations (those not domiciled in Illinois, but who register to do business in Illinois) be subject to general jurisdiction under the Hazardous Substance Act in Illinois courts. The sponsor testified that the bill only applies to toxic torts under the Hazardous Substance Act. The IMA testified against the legislation, labeling it "anti-business" and contending the bill would expose out-of-state companies to lawsuits in Illinois courts -- even when the underlying claims and parties have no connection to the state. The measure is the result of the US Supreme Court's decision in *Mallory v. Norfolk Southern Railway Co.* (more [here](#)). The bill passed the House by a vote of 77-40, the Senate concurred 37-19, and the bill now heads to the Governor's desk.

Election Omnibus: [HB 1832](#) (Smith/Harmon) represents the 2025 election omnibus. This bill amends the Election Code, modifying filing deadlines for multi-township assessor petitions and allowing voters in line at early voting sites to cast ballots. It standardizes candidate name lettering, permits electronic service of objections, requires online posting of election results, and establishes a universal vote center pilot program. The bill implements curbside voting for disabled individuals, revises dual-purpose applications for voter registration, and creates a vote-by-mail request website. It allows reduction of election judges per precinct and amends several other Acts, including exemptions for fundraising during legislative sessions for federal candidates, school board member reimbursements for professional development, changes to Chicago Board of Education nomination procedures, modifications to regional superintendent vacancy processes, high school voter registration opportunities, and Metropolitan Water Reclamation District board compensation. The amendment was not considered prior to adjournment.

Classroom Cell Phone Ban: The Illinois House adjourned without considering [SB 2427](#) (Castro/Mussman), which requires school boards to adopt a policy (by the 2026-2027 school year) to prohibit student use of wireless communication devices during instructional time. This includes cell phones, computers, and smartwatches, but excludes school-issued or required educational devices. The policy must allow exceptions for medical reasons, IEPs, 504 plans, English learners, educational purposes approved by school personnel, and emergencies. Policies must be reviewed every three years and posted on the school board's website. The bill was a priority of Governor Pritzker.

Community College Baccalaureate: Efforts to allow Community Colleges to offer a bachelor's degree in certain areas of study -- like nursing, cybersecurity, and early childhood education -- also stalled in the House in the final days of the session. [SB 1988](#) (Katz Muhl/Koehler) passed out of the House Executive Committee last week on a partisan roll call. Representative Tarver warned at the time that the Black Caucus had serious issues with the legislation. The bill was not called for a vote this week. The issue is an initiative of Governor Pritzker.

Dual Credit: [HB 2967](#) (Costa Howard/Castro), as amended, addresses the Dual Credit Quality Act, requiring school districts to seek agreements with local community colleges to facilitate the offering of dual credit courses to students. The bill establishes provisions addressing the dual credit courses that may be offered, including instructor qualifications, class sizes, and course length. It mandates the creation of a standing dual credit committee -- involving ICCB and with input from IBHE-- which will maintain the equity quality of the dual

credit offerings. It updates the existing model partnership agreement if needed and ensures adequate standards for student success. It creates an appeals process for community colleges and partnership agreements. It also sets forth provisions under which school districts may partner with alternative community colleges or out-of-state institutions. With respect to private institutions, the bill requires ICCB to publish details on out-of-state partnerships on its website. Additionally, it creates a five-year study on the impacts of dual credit, which shall be shared with the General Assembly, the Governor's office, and posted on their website by October 1st, 2030. The bill passed the Senate unanimously. The House unanimously concurred, and the measure now heads to the Governor's desk.

Cryptocurrency: Under the Digital Assets and Consumer Protection Act created by [SB 1797](#) (Walker/Gonzalez), digital currency companies would be required to provide disclosures to consumers and demonstrate financial fitness for payouts. Additionally, the bill requires companies to register with the Illinois Department of Financial and Professional Regulation and create procedures to address risks of money laundering, fraud, and cybersecurity. The measure passed the House by a vote of 76-38 and now heads to the Governor's desk.

Gaming: The Illinois General Assembly approved [HB 1505](#) (Rita/Cunningham), which contains horse racing cleanup provisions and establishes restrictions on advertising of video gaming. The bill passed both chambers unanimously and now heads to the Governor's desk.

The Senate Executive Committee unanimously approved [SB 1473](#) (Joyce), which grants Hawthorne Race Track until December 31, 2025, to develop a racino and create a new track and racino. Should they fail to meet this deadline, another developer will be permitted to proceed with development. The bill also permits the construction of a new harness track in Macon County and increases Fairmount's off-track betting (OTB) licenses to 18. Furthermore, it prohibits the establishment of a race track within 100 miles of Fairmount, except for the site in Macon County. The sponsor plans to continue conversations on the legislation. The bill is now pending before the full Senate.

Statewide Public Defender: The Illinois Senate approved, by a vote of 36-19, [HB 3363](#) (Vella/Peters) as amended, which creates the Funded Advocacy & Independent Representation (FAIR) Act. The legislation establishes a statewide public defender office to collect data, establish caseload standards, and provide resources to smaller jurisdictions that struggle with attorney recruitment and retention. The House concurred with the Senate amendment by a vote of 77-36 and the bill now heads the Governor's desk.

Hospital Assessment: The Illinois General Assembly approved the 2025 hospital assessment on [HB 2771](#) (Lilly/Aquino). The assessment is an agreement between HFS and IHA, and budget negotiators noted it is projected to generate \$200 million in "scrape" if approved by the federal CMS. The bill passed unanimously passed the Senate. The House unanimously concurred, and the bill now heads to the Governor's desk.

Passed Both Houses: The following bills passed both houses and are headed to the Governor's desk.

[HB 742](#) (Croke/Walker) delays the implementation of the Interchange Fee Prohibition Act to July 1, 2026 (currently, July 1, 2025). The bill passed the Senate 52-4 and the House 103-9.

[HB 2987](#) (Stuart/Belt), as amended, incorporates three of the four recommendations made by the Warehouse Safety Task Force. The legislation mandates the creation and sharing of site-

specific safety plans with local first responders, includes new building specifications for newly built warehouses, and requires training for building inspectors. The Senate approved the measure by a vote of 51-2-2 and the House concurred with the Senate's amendment by a vote of 99-15.

SB 2456 (Glowiak Hilton/Morgan) represents a sunset extension bill addressing 12 items. Passed the House 83-31; the Senate concurred 38-19.

SB 1920 (D. Turner/Faver Dias) makes several changes to the school code, including requiring ISBE to develop guidance for the use of AI in K–12 education. In addition, by July 1, 2026, school districts are encouraged to gather resources for American Sign Language programs. Further requires ISBE to publicly post the evaluation process for content area knowledge tests, including criteria for content validity and bias, by the same date. Finally, the bill emphasizes that age-appropriate Internet safety instruction should address how to recognize and report online harassment and cyberbullying, specifically highlighting the issue of AI-generated false representations, including explicit images and videos. The Senate concurred unanimously with the House amendments.

HB 3637 (Avelar/Villa) establishes protections to safeguard the licenses for health care providers who offer abortion care. The bill further guarantees continued access to abortion medication even if the medication's approval is rescinded by the federal Food and Drug Administration, **as long as** the World Health Organization recommends it. The measure passed the Senate 38-19. The House concurred with the Senate amendment by a vote of 75-39.

HB 2425 (Mayfield/Johnson) prohibits insurers from denying final expense life insurance coverage solely because an applicant has a past felony conviction. HB 2425 passed the Senate 36-18-1.

HB 2516 (Rashid/Morrison) bans intentionally added PFAS from seven categories of products sold and distributed in the state. The 2032 implementation date gives manufacturers time to phase out the chemicals. The bill passed the Senate 45-0; the House concurred 77-39.

SB 1697 (Fine/Hoffman) enhances protections for property owners concerning carbon sequestration. The measure allows for recovery of attorney fees if a sequestration site landowner prevails in a lawsuit for damages to surface property and also says that nonconsenting pore space owners will be appropriately compensated. The measure passed the Senate unanimously. The House approved it by a vote of 93-21.

SB 1519 (Villa/Ford) prohibits students from receiving a fine or fee as a disciplinary consequence for behavior during school. In addition, school districts with school resource officers are to have a memorandum of understanding with their local law enforcement agency, establishing that SROs are properly trained and do not use fines or tickets for disciplinary infractions. Passed the House 69-44.

HB 3662 (Tarver/Porfirio) represents the 2025 TIF omnibus extending TIFS for the City of Lewistown, the City of Elgin, the City of Carbondale, the City of Pittsfield, the City of Fairview Heights, the City of Vienna, the Village of Lyons, and the Village of Bridgeview. Passed the Senate as amended 51-3, the House concurred 87-20-1.

[HB 1806](#) (Morgan/Villivalam), which regulates the use of AI in counseling, passed the House unanimously and now heads to the Governor's desk.

[HB 2568](#) (Katz Muhl/Harmon), as amended, creates the Equality for Every Family Act, which modernizes Illinois parentage and surrogacy laws primarily to address emerging medical technologies that assist in reproduction. The goal is to secure durable and permanent parent-child relationships and to clearly establish the rights and responsibilities of parents. Passed the Senate 36-19; the House concurred by a vote of 77-40.

[SB 71](#) (Murphy/Keicher) helps school districts prepare for hazardous materials emergencies. Specifically, the bill requires the Illinois Emergency Management Agency and the Office of Homeland Security to work with the State Board of Education to develop guidance for local emergency responders and school districts. The bill passed both chambers unanimously.

[HB 2667](#) (Spain/Cunningham) is an initiative of JCAR that will require a 14-day public comment period for regular rulemaking. The House unanimously concurred.

[HB 3709](#) (Moeller/Villanueva) requires every public institution of higher education to provide students with access to health care professionals to prescribe contraception and medication abortion. Passed the Senate as amended 37-19; the House unanimously concurred.

[HB 1787](#) (Hirschauer/Loughran Cappel) would require school districts to provide training to all substitute teachers on drills for both school evacuation and law enforcement lockdowns. Additionally, all substitutes would be given the same information as full-time employees, outlining all lockdown and evacuation procedures, and maps would be required to be displayed in every classroom showing all school exit points. The bill unanimously passed the Senate.

[HB 2785](#) (Moylan/Villivalam) prevents balanced billing for ambulance services. Unanimously passed the Senate as amended.

[SB 1976](#) (Peters/Evans) creates the Illinois Workers' Rights and Safety Act, requiring Illinois to adopt many of the Biden Administration's workplace regulations, including those under the Occupational Health and Safety Act, the Fair Labor Standards Act, and the Coal Mine Health and Safety Act. The bill also directs IDOL to restore any repealed federal occupational safety rules not already covered under state law and would allow legal actions against employers that violate them. Passed the House 80-32.

[SB 453](#) (Guzman/Johnson) aims to protect the right to collectively bargain by establishing consequences for employers who refuse to bargain in good faith. The measure would require the Public Labor Relations Board to investigate if an employer truly refused to bargain in good faith, and if so, offer interest arbitration and allow parties to [enter into](#) impasse arbitration procedures normally reserved for security or public safety employees. The Senate voted 39-16 and the House voted 82-33.

Other Items Under Consideration:

[SB 2156](#) (Ventura/Gordon-Booth) represents a property tax omnibus negotiated by the property tax working group. This legislation amends the Property Tax Code with multiple changes affecting refunds, billing, tax deeds, senior exemptions, subdivisions, energy assistance, assessors, tax certificates, and affordable housing. It also amends the Fox Waterway Agency Act to allow property tax imposition with referendum approval. Makes other changes. The measure passed the House by a vote of 114-1 and is pending in the Senate on concurrence.

[SB 1784](#) (Sims/Gordon-Booth) aims to streamline expungement and record sealing statewide. The bill establishes an automatic process for sealing certain records, excluding serious criminal offenses ineligible for sealing or expungement under current state law. The bill passed the House 81-28 and heads back to the Senate for concurrence.

[SB 243](#) (Porfirio/Didech) represents omnibus reforms to the Open Meetings Act and the Freedom of Information Act. The measure passed the House unanimously and the bill heads back to the Senate for concurrence.

[SB 3772](#) (Davis/Lightford) prohibits expulsions from kindergarten through 2nd grade and requires superintendents to provide verbal or written approval to suspend K-2 students for longer than three days. The bill passed the Senate by a vote of 30-21. The measure failed on concurrence in the House and was placed on postponed consideration for contemplation later.

[HB 3790](#) (Huynh/Villanueva) revises "homestead" and "homestead exemption" definitions while establishing graduated income limits for the Low-Income Senior Citizens Assessment Freeze Homestead Exemption: \$75,000 for 2026, \$77,000 for 2027, and \$79,000 for 2028 onward. It suspends all annual tax sales and scavenger sales until March 10, 2026, with application deadlines for judgment and sale orders delayed until the same date. The bill also modifies maximum household income provisions in the Senior Citizens Real Estate Tax Deferral Act. Makes other changes. Passed the Senate unanimously and now heads to the House for concurrence.

The Senate Executive Committee unanimously approved **[SB 1855](#)** (Belt), which outlines requirements for counties, townships, and municipalities regarding law enforcement services. It establishes a mandatory reimbursement framework for when local governments transfer law enforcement responsibilities to outside agencies. SFA # 2 was filed to clarify that the legislation applies only to counties with populations of [1,000,000 people](#) or less. SFA # 2 passed out of the Senate Executive Committee unanimously. SB 1855 is now pending before the full Senate.

Legislation to ban some rental "junk fees", **[HB 3564](#)** (Syed/Simmons), advanced 9-4 out of the Senate Executive Committee. The legislation originally banned move-in fees. As amended in the Senate, the proposal would prevent a landlord from charging both a security deposit and a move-in fee. If a landlord does charge a move-in fee, that fee must not exceed 20% of the first full month of rent. Junk fees that would be banned include those added to an application fee, a lease renewal fee, an eviction notice or eviction fee, routine or after-hours maintenance fees, fees for contacting a landlord, maintenance hotline fees, fees for inspecting a unit, and fees for setting up an online utility account. Negotiations continue, and the legislation is now pending before the full Senate.

[HB 1582](#) (Croke/Martwick) is an initiative of the Attorney General's Office. The legislation makes changes to the Tobacco Settlement Agreement necessary to prevent Illinois from losing its yearly settlement allotment, which ranges between \$215 to \$300 million. HB 1582 passed the House 78-36 and now heads to the Senate.

GOVERNOR'S HIGHLIGHTS:

Specialty Crop Block Grants: The Illinois Department of Agriculture plans to distribute over \$679,000 in USDA Specialty Crop Block Grant funding over three years to support locally grown produce and strengthen the state's specialty crop industry. Applications are due by June 23, 2025, with projects starting in 2026. Eligible applicants include non-profits, government entities, trade associations, and educational institutions, with preference given to projects benefiting smaller farms, new farmers, and underserved communities. Read more [here](#).

Illinois Overflow and Sewer Grant: The Illinois EPA announced a new Overflow and Sewer Grant program to help local governments address combined sewer overflows, sanitary sewer overflows, and stormwater management issues. The program prioritizes projects that reduce overflow events and improve compliance with permits. It covers up to 80% of approved costs, with grantees responsible for the remainder as matching funds. However, rural communities (under 10,000 population) and financially distressed communities (under 30,000 population with lower median household income) are exempt from the matching requirement. A Notice of Funding Opportunity is available on the Illinois EPA website. More information is [here](#).

As always please let me know if you have any questions.

Chip Humes