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ILLINOIS CHAMBER



2024 End of Session Report



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Introduction to the Report from President & CEO Sandoval

With just under two weeks passing since the Illinois General Assembly wrapped up the spring legislative session, we now have time to reflect on how the deliberations and actions of the State impact members of the business community. Here at the Illinois Chamber of Commerce, we take immense pride in our role in that process. Advocacy is one of the Chamber's core products and we once again worked tirelessly this year to effectuate change under the capitol dome and in every corner of the state.

We asked for a seat at every table where the issues of our members were discussed. We ushered in the introduction and passage of numerous legislative initiatives. And, of course, we opposed and negotiated countless bills that would have an adverse effect on business operations in the state.

It is an honor to represent the interests of every segment of the business community, from our smallest job creators to some of the most well-known brands in the world. It is a responsibility we do not take lightly.

This Spring was both a transitional and transformative time at the Illinois Chamber. I am entering my seventh month as President & CEO and using every opportunity to present the Chamber's pro-growth, pro-business, pro-Illinois mindset. I have been heartened by the warm reception to our new approach and am frequently reminded that there are far more legislators and officials who want the best for our state than the alternative. Throughout the entire spring we proactively worked with legislators on both sides of the aisle to advance the interests of Illinois business. I look forward to building upon those strong relationships in the years ahead.

This spring we welcomed two members of the government affairs (their council reports can be found below) who have stepped confidently into their new roles. Director of Legislative Affairs, Jordan Ryan joined the Chamber with over a decade of diverse legislative, political, and nonprofit experience. Executive Director of Government Affairs, Keith Wheeler has expertly leveraged his eight years in the House of Representatives and experience as a small business owner to be a key advocate for our members. You can learn more about Keith, Jordan, and the entire government affairs team [here](#).

In this report, you will find a section-by-section recap of the legislation tracked and lobbied by each of the Chamber's 7 policy councils. If you would like to discuss any of these legislative matters, I hope you do not hesitate to reach out to our team.

To our members, we thank you for being an integral part of the Illinois Chamber of Commerce. Your partnership allows us to advocate on behalf of the Illinois business community with the focus of being Pro-Growth, Pro-Business, and Pro-Illinois. In doing so, we make our state the best place to live, work, and do business. Your trust allows us to be your voice.

Lou Sandoval



President & CEO, Illinois Chamber of Commerce

FY25 Budget Signed into Law, Revenue Enhancements Raise Concerns

As final budget negotiations were carried out in the waning days of May, The Illinois Chamber appreciated the opportunity to collaborate with legislators on both sides of the aisle and secure meaningful policy wins. The Chamber is aligned with Governor Pritzker's goals of business attraction and support for education and we acknowledge that many in our dynamic and diverse membership base will be served well by the state in the coming year.

A long overdue legislative update changing the sales taxation of leasing from an upfront tax on the acquisition cost of the lease paid by the lessor to a tax on the rental charges paid by a lessee is an example of one such victory. Due to the collaboration of Senator DeWitte and the Illinois Chamber Tax Institute, Illinois will now be in line with the rest of the country in how these leases are treated by IDOR.

However, the Chamber has significant concerns about the revenue bill (HB4951) that passed in that it will ultimately be balanced on the backs of the taxpayers and businesses of Illinois. With an increase of more than \$1B in revenue without commensurate cuts, it poses substantial problems moving forward with ARPA funds expiring in 2025 and pending transportation funding gaps going unaddressed. Growing our revenue base is a worthwhile effort, however, growth efforts will be for naught unless we apply fiscal balance and retain opportunities to help existing businesses grow. We look forward to being part of that conversation.

Please view the Tax Institute update beginning on page 41 of this report for an in-depth look at major tax legislation for the business community that was considered throughout the entire Spring.

General Assembly Acknowledges Need for BIPA Reform, SB 2979 Passes Both Houses

Senator President Pro Tempore Bill Cunningham has been involved in discussions to make changes to Illinois' Biometric Information Privacy Act (BIPA) for several years. He is the Senate sponsor of [SB2979](#) which is the first BIPA-related reform bill to make its way through the full legislative process passing the Senate 46-13-0 and the House 81-30-0. The bill now heads to Governor J.B. Pritzker's desk where it is expected to be signed shortly.

The Illinois Supreme Court effectively directed the General Assembly to clarify the intent of damages calculations in BIPA so judges for many existing cases have not awarded damages while waiting for the conclusion of the legislative process. To that end, the business community has been seeking retroactivity as part of any BIPA reform.

In addition, many companies are requesting a security exception which would exempt specific situations from BIPA. Current BIPA language prevents the use of facial recognition technology that could be used to improve personal security for individuals

as well as in the transportation environment. Without the security exemption, the opportunity for further tech investment in Illinois could dissipate. For this reason, the Illinois Chamber opposed SB2979 along with the great majority of the business community even though the bill is an improvement over the existing statute.

Quick review of what the bill does and does not do: The bill includes a damage cap based on a “per person” basis rather than a “per instance” or “per swipe” approach. The current version of SB2979 also allows for electronic opt-in rather than a paper-based requirement. Both of these measures are significant improvements and are especially helpful to companies who have not yet been sued.

In both the House Judiciary Civil Committee and the Senate Judiciary Committee and on the floors of both chambers, an exchange denoting legislative intent to inform the courts of the opportunity to use SB2979 as the basis for the calculation of damages in cases which haven’t been completed. In the Senate, the dialog was between Senate President Don Harmon and Senate President Pro Tempore Bill Cunningham. In the House, Representative Dan Didech and Representative Ann Williams put the scripted legislative intent on the record.

The exchanges in the respective chambers followed along these lines:

1. The intent of the amendment regarding assessment of liquid damages to deter future violations without destroying defendant’s business.
2. The amendment doesn’t authorize a death penalty to the business.
3. A clarification about retroactivity that implies that a court could take “judicial notice” of the amendment in determining an initial award or in reducing an award.

The bill sponsor made mention of the recent development that White Castle was going to pay less than \$10 million to resolve their BIPA issues rather than the potential \$17 billion that the Supreme Court had outlined as a potential.

In summary, the Chamber still opposed this bill – not because it doesn’t help, but because it is missing a vital component: an allowance for a security exception to the current BIPA framework. For example, companies engaged in the transportation safety business have had to disable some security features of their offerings to steer clear of BIPA violations when drivers are passing through Illinois. Making Illinois roads less safe was never the intent of the original BIPA language. That is an unfortunate, but correctable consequence of BIPA. Efforts are underway to make that adjustment in future conversations related to BIPA.

Comprehensive Carbon Capture & Sequestration Legislation Heads to Governor After Two Years of Negotiation

One of our biggest priorities, and therefore our biggest wins this session, was getting comprehensive carbon capture legislation adopted by the General Assembly and signed

by the Governor. While we await his signature, [SB 1289](#) was a huge victory that was two years in the making. The proposal endorses the federal Class 6 well program and allows for the unitization of pore space in Illinois. These are enormous victories.

Unfortunately, this victory comes with a number of questions. The bill troublingly includes a temporary moratorium on CO2 pipelines, includes vague language on criteria pollutant emission increases resulting from CCA projects, and includes costs and fees that will be an impediment to many projects. But the bill is still a key first step, and now the real work begins.

Agreed Workers' Compensation Bill Passes House and Senate

In late May, the Illinois House voted 79-29-0 and the Senate voted 44-14-0 in favor of [SB 1996](#), the agreed workers' compensation bill. This legislation provides a very modest increase to fund the operations of the workers compensation commission. The legislation was a part of the agreed bill process which requires representatives of business and labor to come together and agree on legislation related to workers comp. On the house floor, it was made clear that the agreed bill process will be utilized next year on a broader range of workers comp reforms for Illinois. The Governor signed the bill into law last week.

For an in-depth breakdown of SB 1996, please view the Employment Law Council update in the section below.

Employment Law

Another Year of Significant Change Coming for Employers from Your Friends in the Illinois General Assembly

The Illinois General Assembly wrapped up its 2024 Spring Session with the early morning passage of the budget by the House on May 29. This session proved to be another challenging year for the Illinois Chamber and its lobbying team from Michael Best Strategies on employment law matters. We sought in most cases opportunities to negotiate and mitigate the impact of many of many of the proposals being sent to the Governor. In some, organized labor, worker advocates and their legislative sponsors refused to listen to the concerns raised by the Illinois Chamber and its members.

Below are the bills that have been sent to the Governor and are likely to be signed into law.

Senate Bills Heading to the Governor

[SB 508](#): (Delgado/ Cervantes) E-verify Limits Under Right to Privacy in Workplace Act -Amends the Right to Privacy Act prohibiting an employer from

imposing work authorization verification or re-verification requirements greater than those required by federal law. If an employer is required to participate in the E-Verify program or a similar Electronic Employment Verification System and receives notification from the Social Security Administration of a discrepancy between an employee's name or social security number and the Social Security Administration's records, the employer must provide the employee with specified documents. Provides for additional rights and protections granted to an employee following the notification from the Social Security Administration of a discrepancy. Provides that an employer shall provide notice to current employees, by posting in the language the employer normally uses to communicate employment-related information to the employee, of any inspections of I-9 Employment Eligibility Verification forms or other employment records conducted by the inspecting entity within 72 hours after receiving notice of the inspection. Provides for additional notice requirements concerning obligations of the employer and the employee. Provides for violations and civil penalties. Defines terms. **Passed Both Houses.**

SB 1996: (Cunningham/Hoffman) Workers' Compensation Assessment Increases -Increases the surcharges for the IWCC Operations Fund and the Rate Adjustment Fund. The measure also increases penalties for employers who commit fraud under the Act. **Became Public Act 6/5/24.**

Assessment Changes:

Operations Fund: increases from 1.01% to 1.092% for insurance carriers effective July 1, 2024

Increases from 0.0075% to 0.0081% for self-insured employers effective July 1, 2024

Rate Adjustment Fund: increases from 1.25% to 1.375% beginning July 15, 2024

The changes to the assessments are estimated to generate an 8% increase in the Operations Fund revenues to over \$31 million in FY 2025...an increase of over \$2.6 million estimated FY 24. The Rate Adjustment Fund increase is a 10% increase generating \$13.6 million for FY 2025...\$1 million more than estimated for FY 24.

Authority to Transfer Self-Insurers Funds to Temporarily Support IWCC Operations:

Allows the Chairman, with the advice of the Self-Insurers Board, to transfer up to \$2,000,000 in any fiscal year from the Self-Insurers Security Fund to the Illinois Workers' Compensation Commission Operations Fund to pay the operating costs of the Illinois Workers' Compensation Commission or the salaries and benefits of employees of the Illinois Workers' Compensation Commission. No later than October 31 of the fiscal year following any transfer from the Self-Insurers Security Fund to the Illinois Workers' Compensation Commission Operations Fund, the Chairman, with the advice of the Self-

Insurers Board, shall direct the State Comptroller and the State Treasurer to transfer from the Illinois Workers' Compensation Commission Operations Fund to the Self-Insurers Security Fund an amount equivalent to the sum of all amounts transferred from the Self-Insurers Security Fund to the Illinois Workers' Compensation Commission Operations Fund in the prior fiscal year with interest at the rate earned by moneys on deposit in the Self-Insurers Security Fund.

Section 4 changes:

A Commission decision imposing penalties under Section 4 may be judicially reviewed only as described in Section 19(f). After expiration of the period for seeking judicial review, the Commission's final decision imposing penalties may be enforced in the same manner as a judgment entered by a court of competent jurisdiction. The Commission's final decision imposing penalties is a debt due and owing to the State and can be enforced to the same extent as a judgment entered by a circuit court. The Attorney General shall represent the Commission and the Department of Insurance in any action challenging the final decision in circuit court. If the court affirms the Commission's decision, the court shall enter judgment against the employer in the amount of the fines assessed by the Commission. The Attorney General shall make reasonable efforts to collect the amounts due under the Commission's decision.

The employer shall reimburse the Injured Workers' Benefit Fund for any amounts paid to an employee on account of the compensation awarded by the Commission. The Attorney General shall make reasonable efforts to obtain reimbursement for the Injured Workers' Benefit Fund.

Section 19 changes:

If the court affirms the Commission's decision imposing fines on the employer under subsection (d) of Section 4, the court shall enter judgment against the employer in the amount of the fines assessed by the Commission.

Section 25.5 changes:

Adds to the list of unlawful acts new subsection 8.5: Intentionally assist, abet, solicit, or conspire with any person, company, or other entity to violate subsection 4 which provides intentionally prepare or provide an invalid, false, or counterfeit certificate of insurance as proof of workers' compensation insurance.

Creates new sentences for violations of paragraphs (4) and (8.5):

A violation in which the value of the property obtained or attempted to be obtained is \$10,000 or less, is a Class 3 felony and a civil penalty of up to \$10,000 per violation, payable to the Injured Workers' Benefit Fund.

A violation in which the value of the property obtained or attempted to be obtained is more than \$10,000, but not more than \$100,000, is a Class 2 felony and a civil penalty of up to \$10,000 per violation, payable to the Injured Workers' Benefit Fund.

A violation in which the value of the property obtained or attempted to be obtained is more than \$100,000 is a Class 1 felony and a civil penalty of up to \$10,000 per violation, payable to the Injured Workers' Benefit Fund.

A person convicted under this subsection shall be ordered to pay monetary restitution to the injured worker, insurance company, self-insured entity, or any other person for any financial loss sustained as a result of a violation of this Section. An order of restitution also includes expenses incurred and paid by the State of Illinois, an insurance company, a self-insured entity, an injured person, or any other person in connection with any medical evaluation or treatment services.

The value of the property obtained or attempted to be obtained shall be the amount of premiums saved by use of the invalid, false, or counterfeit certificate of insurance, the value of any payments under any contract obtained by reliance on the invalid, false, or counterfeit certificate of insurance, or both. Notwithstanding the foregoing, an injured worker, insurance company, self-insured entity, or any other person suffering financial loss sustained as a result of violation of this subsection may seek restitution, including court costs and attorney's fees in a civil action in a court of competent jurisdiction.

SB 2737: (Faraci/ Guerrero-Cuellar) Non-compete/Non-solicit Agreements Prohibited for Certain Mental Health Professionals -Amends the Illinois Freedom to Work Act. Provides any covenant not to compete or covenant not to solicit entered into after the effective date of the amendatory Act shall not be enforceable with respect to professionals licensed in this State who provide mental health services to veterans and first responders if the enforcement of the covenant not to compete or covenant not to solicit would result in an increase in cost or difficulty for any veteran or first responder seeking mental health services. Effective January 1, 2025. **Neutral as Passed both Houses.**

SB 3208: (Villa/Avelar) Wage Payment Pay Stubs - Requires every employer, upon an employee's request which the employer may require be in writing on a form supplied by the employer, permit the employee to inspect his or her pay stubs. Amends the Illinois Wage Payment and Collection Act to require employers to keep records of names and addresses of all employees and of wages paid each payday, and furnish each employee with a pay stub for each pay period (rather than shall furnish each employee with an itemized statement of deductions made from the employee's wages for each pay period). Requires an employer to maintain a copy of an employee's pay stub for a period of not less than 3 years after the date of payment, whether the pay stub is provided electronically or in paper form, and the employer must furnish the pay stub to the employee or former employee upon the employee or former employee's request. An employer who furnishes electronic pay stubs in a manner that is restricted to the employer's current employees must, upon an employee's separation from employment, furnish the employee or former employee with a paper or emailed electronic record of all of the employee's or former employee's pay stubs for up to 3 years prior to the date of separation, in the method specified by the employee or former employee. An employer who fails to furnish an employee with a pay stub or commits any other violation of this Act, except for specified violations, shall be subject to a civil penalty of \$500 per

violation payable to the Department of Labor. Defines "pay stub". **Neutral as Passed Both Houses.**

SB 3310: (Simmons/Tarver, Jr.) Extends Human Rights Act Statute of Limitations to Two Years -Amends the Illinois Human Rights Act. Extends the date to file a charge from 300 calendar days to 2 years for an alleged violation under the Act except for the Real Estate Transactions Article. **Passed both Houses.**

SB 3649: (Peters/Evans) Employer Gag Act -Creates the Worker Freedom of Speech Act to prohibit an employer or the employer's agent, representative, or designee to discharge, discipline, or otherwise penalize, threaten to discharge, discipline, or otherwise penalize, or take any adverse employment action against an employee: (1) because the employee declines to attend or participate in an employer-sponsored meeting or declines to receive or listen to communications from the employer or the agent, representative, or designee of the employer if the meeting or communication is to communicate the opinion of the employer about religious or political matters; (2) as a means of inducing an employee to attend or participate in meetings or receive or listen to communications; or (3) because the employee, or a person acting on behalf of the employee, makes a good faith report, orally or in writing, of a violation or a suspected violation of the Act. Provides for a private right of action to enforce the provisions of the Act. Sets forth the duties and powers of the Department of Labor under the Act. Provides that, within 30 days after the effective date of the Act, an employer shall post and keep posted a notice of employee rights under the Act where employee notices are customarily placed. **Opposed, Passed both Houses**

SB 3650: (Peters/Gonzalez, jr.) Day & Temporary Labor Agencies -If an applicant seeks a work assignment as a day or temporary laborer with a day and temporary labor service agency, including in-person, online or through an app-based system, and is not placed with a third party client or otherwise contracted to work for that day by the day and temporary labor service agency, the day and temporary labor service agency shall provide the applicant with a confirmation that the applicant sought work that satisfies specified criteria. Sets forth compensation requirements for day or temporary laborers based on directly hired comparative employees of a third party. Provides that it shall be the responsibility and duty of a day and temporary labor service agency to calculate and determine the hourly rate of pay and the benefits it shall offer to a day or temporary laborer, including any cash equivalents. Makes changes in provisions concerning the right to refuse assignments due to a labor dispute and the duties of third party clients. **Neutral as Passed both houses.**

House Bills Heading to the Governor

HB2161: (Guzzardi/Toro) Unlawful Discrimination-Family Responsibilities -Amends the Illinois Human Rights Act. Provides that it is the public policy of the State to prevent discrimination based on family responsibilities in employment. Defines "family responsibilities" as an employee's actual or perceived provision of care to a family member, whether in the past, present, or future. Provides that it is a civil rights

violation for: (1) any employer to refuse to hire, to segregate, to engage in harassment, or to act with respect to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure or terms, privileges or conditions of employment on the basis of family responsibilities; (2) any employment agency to fail or refuse to classify properly, accept applications and register for employment referral or apprenticeship referral, refer for employment, or refer for apprenticeship on the basis of family responsibilities; and (3) any labor organization to limit, segregate, or classify its membership, or to limit employment opportunities, selection and training for apprenticeship in any trade or craft, or otherwise to take or fail to take, any action which affects adversely any person's status as an employee or as an applicant for employment or as an apprentice, or as an applicant for apprenticeships, or wages, tenure, hours of employment, or apprenticeship conditions on the basis of family responsibilities. Provides that it is a civil rights violation for a person, or for 2 or more persons, to conspire to retaliate against a person because he or she has opposed that which he or she reasonably and in good faith believes to be discrimination based on family responsibilities.

The Senate added the Illinois Chamber amendment that provides nothing contained in the Act may be construed to obligate an employer, employment agency, or labor organization to make accommodations or modifications to reasonable workplace rules or policies for an employee based on family responsibilities, including accommodations or modifications related to leave, scheduling, productivity, attendance, absenteeism, timeliness, work performance, referrals from a labor union hiring hall, and benefits, as long as its rules or policies are applied in accordance with this Act. Nothing contained in the Act prevents an employer from taking adverse action or otherwise enforcing reasonable workplace rules or policies related to leave, scheduling, productivity, attendance, absenteeism, timeliness, work performance, referrals from a labor union hiring hall, and benefits against an employee with family responsibilities as long as its policies are applied in accordance with the Act...**Neutral, passed both Houses.**

HB3763: (Guzzardi/ Villivalam) Expands Personnel Record Review Act- Amends the Personnel Record Review Act to provide that every employee has a legal right to inspect and copy personnel-related documents. Requires an employee to make a written request to the employer before having a legal right to inspect, copy, and receive copies of specified documents, including any employment-related contracts or agreements that the employer maintains are legally binding on the employee. Modifies how requests must be made and the requirements of written requests. The right of the employee or the employee's designated representative to inspect personnel records does not apply to an employer's trade secrets, client lists, sales projections, and financial data. Modifies provisions on how the Act is administered and enforced, including requirements for commencing an action in circuit court. Prohibits an employer from including the imputed costs of time spent duplicating the information, purchasing or renting a copying machine, purchasing or renting computer equipment, or purchasing, renting, or licensing software in a fee for providing a copy of the documents. An employee may bring an action in circuit court regardless of whether that employee has filed a complaint concerning the same violation with the Department of Labor. Authorizes an employee to file a complaint with the Department regardless of whether

the employee pursued or is pursuing an action for the same violation in circuit court. Repeals provisions concerning personnel record inspections by representatives of the employee. **Neutral as Passed Both Houses.**

HB 3773: (Andrade, Jr./ Cervantes) Limit Predictive Analytics Use -Amends the Illinois Human Rights Act prohibiting an employer that uses predictive data analytics in its employment decisions to consider the applicant's race or zip code when used as a proxy for race to reject an applicant in the context of recruiting, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure or terms, privileges, or conditions of employment. Allows the use of predictive data analytics to support the inclusion of diverse candidates in making employment decisions. Makes a civil rights violation: (1) with respect to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure, or the terms, privileges, or conditions of employment, for an employer to use artificial intelligence that has the effect of subjecting employees to discrimination on the basis of protected classes identified under the Article or to use zip codes as a proxy for protected classes identified under the Article; and (2) for an employer to fail to provide notice to an employee that the employer is using artificial intelligence. Defines "artificial intelligence" and "generative artificial intelligence". **Passed Both Houses.**

HB 5561: (Evans/Castro) Expands Liability Under the Whistleblower Act-Changes the definitions of "employer" and "employee". Defines "adverse employment action", "public body", "retaliatory action", and "supervisor". Provides that an employer may not take retaliatory action against an employee who discloses or threatens to disclose information about an activity, policy, or practice of the employer that the employee has a good faith belief that such activity, policy, or practice violates a State or federal law, rule, or regulation or poses a substantial and specific danger to public health or safety. Includes additional relief, damages, and penalties for violation of the Act. Allows the Attorney General to initiate or intervene in a civil action to obtain appropriate relief if the Attorney General has reasonable cause to believe that any person or entity is engaged in a practice prohibited by the Act. Provides that the changes made by the amendatory Act apply to claims arising or complaints filed on or after January 1, 2025. **Neutral as Passed both Houses.**

For further questions please contact Aaron Harris at aaron.harris@michaelbest.com

Energy

Summary

At the beginning of the Spring Session, the Energy Council had four primary goals: one, to work with our members and other key stakeholders to develop a comprehensive carbon and capture regulatory scheme (discussed above) and get it to the Governor's desk; two, to work against any efforts to impose a pipeline moratorium in Illinois, whether that was for CO₂ or any other material; three, to monitor all other energy-

related legislation and seek input from our members on how best to engage on those proposals; and four, to monitor any legislation that was “energy adjacent,” and work with our members to ensure their interests were protected. Given these goals, the legislative session was certainly a success, but there is plenty of unfinished business remaining.

[SB 3441 \(McClure\)](#) and others like it, sought to impose a moratorium on CO₂ pipelines. As noted above, a temporary moratorium for most CO₂ pipeline projects was put in place, but the law includes numerous carve outs, a finite end date, and potentially a quicker end should federal rules be adopted before that date. It’s hard not to think of the qualified moratorium above as a dangerous precedent, so the Chamber will need to work with our members to educate legislators about this issue moving forward.

[SB 3598 \(Cunningham\)](#) was one of several proposals dealing with battery storage, and we suspect it will continue to get a lot of discussion through the end of this General Assembly and afterwards. This will likely be a key focus of the Energy Council moving forward.

Other Legislation

Proposals regarding wetlands and environmental justice never gained any traction this session, but will continue to be a priority for its sponsors. [Senate Bill 3669](#) was filed to address reduced wetlands protections across the country as the result of a U.S. Supreme Court decision last year. After reaching out to our members and working with a coalition of other like-minded groups, we were able to articulate how the proposal went well beyond the stated intent, and would create great regulatory uncertainty at a significant cost to the State. We ultimately drafted a legislative proposal that would further study the issue, identifying the wetlands that no longer were covered by federal jurisdiction and the cost to create a brand new state regulatory program, and that was enough to slow the legislation for the time being.

As to environmental justice, there were six different proposals that did not move during session, in part due to developments with a legal challenge involving Illinois EPA on this very topic as well as a concerted effort by the Illinois Chamber and all of our partners. This will continue to be a significant issue moving forward, as proponents will likely regroup and push forward with new language.

For further questions related to Energy, please contact Alec Messina at amessina@ilchamber.org

Environment

There were a number of environmentally related legislative matters this year, many of which did not gain traction, including the wetlands, PFAS, air quality monitoring at trucking facilities and many others. Please find a review below on bills of most interest to members.

SB 2385 (Cervantes) Opposed Air Quality Monitoring at Trucking Facilities.

This bill aims to regulate “truck attracting facilities” and requires the addition of community air quality monitors to overburdened communities in order to identify sources of air pollution and track the air quality. This bill received a Subject Matter Hearing in the Senate. A number of industry associations testified in opposition. IERG reached out to the proponents to better understand the intent of the bill and committed to meeting with the Sponsor over the summer. **This bill will likely resurface in a similar form.**

HB 5082 (Yednock) Support Permitting Improvements. As members will recall, HB3017 (P.A.103-0538) was signed into law on August 11, 2023. This bill was the companion funding bill to support the development of the streamlined permitting portal for environmental permits required to operate a business in the State. The IL Chamber and IERG met with Representative Yednock, Leader Crespo and Senator Villivalam regarding the funding of the permitting portal. **We will continue to seek adequate funding for the project.**

SB3506 (Ellman/Williams) Air Permits – Affirmative Defense. Amends the Environmental Protection Act to delete the provision that requires the Clean Air Act Permit Program (CAAPP) permit to contain a provision which creates an emergency-related affirmative defense if certain requirements are met. **This bill passed both Houses and moves to the Governor for final approval.**

SB771 (Ellman) Opposed Wetlands. This bill was intended to fill possible, unidentified gaps in the protection of certain wetlands after the U.S. Supreme Court rules that the government overreached in the exercise of its authority in the case of Sackett v. EPA in 2023. The IL Chamber, IERG and Farm Bureau led an opposition coalition on this matter. IERG testified in opposition to the bill in Senate Judiciary Committee on behalf of industry alongside the Illinois Farm Bureau. The coalition participated in numerous calls with the Senate Sponsor and the proponents. The Coalition provided the Sponsor with draft language directing Illinois Department of Natural Resources to first conduct a study surrounding wetlands. This bill was not called for a vote this year; however this bill is highly likely to resurface. **IERG and the IL Chamber have made commitments to the Senator to continue discussions over the summer.**

SB727 (Simmons) Public Drinking Water – PFAS. This bill directs the Illinois Pollution Control Board to adopt Federal identical-in-substance regulations which establish an MCL for PFAS for Illinois community water supplies. It instructs the IEPA to sample for 1,4-Dioxane by June 30, 2026, then propose by June 30, 2029, to the Board rules to establish a State-only MCL for 1,4-Dioxane. Finally, it directs the Agency to convene a stakeholder group to review chemicals that are likely to pose substantial health hazard to residents of the State and propose or revise State-only MCLs for those chemicals. **The bill passed the Senate but failed to meet the deadline in the House.**

SB839 (Holmes) Paint Stewardship Act Trailer Bill. This bill makes changes to the Paint Stewardship Act that was passed in 2023. The amendment makes a date change and includes a new section on Paint and Paint-related wastes. The also bill directs the Illinois Pollution Control Board to adopt an equivalent rule if USEPA adopts streamlined hazardous waste regulations related to hazardous waste paint or paint-related waste. **The bill passed both Houses and moves to the Governor for final signature.**

For further questions related to environment, please contact Kelly Thompson at kthompson@ierg.org

Healthcare

Summary

The 2024 legislative session started with over 350 bills aimed at, in one way or another, changing the way the healthcare industry operates in the state of Illinois. These bills ran the gambit on all sides from providers to insurers to pharmaceuticals, often overlapping. The most vocal call for change, more than any particular piece of legislation filed at that point, came from the Governor by way of his combined 2024 State of the State-Budget Address.

The Governor, during his address, and seemingly out of nowhere, introduced his comprehensive plan known as the Health Care Consumer Access and Protection Act to overhaul the insurance industry here in the State. He did so by laying out the three main pillars, (i) targeting utilization by banning step-therapy and drastically restricting prior-authorization, (ii) higher standards and more transparency for network adequacy, and (iii) mandate rate approval for large group insurers.

Often, this segment of the Address was bombastic and outright confrontational with the Governor labeling some insurers as “tricksters” and committing to “spend years with the shoulder to the wheel to get the work done.” The signal to insurers was stark.

With the mood set white hot at the outset of session, temperatures eventually cooled by the end of session and most of the pieces of legislation received input from stakeholders to better align interests, including what would become the legislative analog of the Governor’s plan. That is not to say that there was complete resolution, but considering the starting point, outcomes for 2024 were better than anticipated.

Below is a summary of the legislation the Illinois Chamber of Commerce Healthcare Council followed for the 2024 spring legislative session. This legislation may not be the entirety of the universe of bills affecting the healthcare space, but it is comprehensive of our diverse membership’s interests and of those of the business community at large.

To better reflect impact, we will begin with bills that have either been signed into law or are primed to receive the Governor's signature, followed by bills that sparked a larger discussion on a particular issue and may come back in future GA's, and finally those that were proposed but ultimately failed to gain traction and did not move far throughout the process (or at all.)

Public Act or Passed Both Houses

HB 2499- (Morgan/Fine) Amends the Illinois Insurance Code. Provides that, on and after January 1, 2025, no company shall issue, deliver, amend, or renew short-term, limited-duration insurance to any natural or legal person that is a resident or domiciled in the State. Provides that student health insurance coverage shall remain subject to the standards and requirements for individual health insurance coverage except where inconsistent with specified regulations. Provides that an issuer providing student health insurance coverage or a policy or contract covering students for limited-scope dental or vision shall require an individual application or enrollment form and shall furnish each insured individual a certificate. Amends the Health Maintenance Organization Act and the Limited Health Service Organization Act to make conforming changes. Repeals the Short-Term, Limited-Duration Health Insurance Coverage Act. Effective January 1, 2025.

The legislation's sponsors claim that these plans are "junk insurance" that mislead payees into believing they have more robust coverage than they actually do. Opposition to the last-minute legislation contends, rightly, that these plans are clear on the terms of coverage and provide a bridge for individuals who are without insurance on a short-term basis. The bill passed out of both chambers predominantly on partisan lines. The legislation has yet to be sent to the Governor's desk. **Passed Both Houses**

HB 4276 – (Rohr/Ellman) Amends the Life Care Facilities Act. Provides that the financial disclosure provided to a resident must include, but is not limited to, fee schedules; fee adjustment policies; the history of fee increases; reserve funding provisions; expected source of funding for the development of new facilities; refund policies; and the status of resident claims on assets if the facility were to fall into bankruptcy or insolvency (instead of only a disclosure of short-term assets and liabilities). Provides that the required financial disclosures shall also be posted in a conspicuous location in the facility to which residents must have access. **Passed Both Houses**

HB 4357- (Croke/Villa) Amends the Medical Practice Act of 1987. Provides that an on-site physician examination prior to the performance of a non-ablative laser procedure shall not be required when: (1) the laser hair removal facility follows a physician delegation protocol, which shall be made available to the Department of Financial and Professional Regulation upon request; (2) the examination is performed by an advanced practice registered nurse; (3) the procedure is delegated by a physician

and performed by a registered nurse or licensed practical nurse who has received appropriate, documented training and education in the safe and effective use of each system; and (4) a physician is available by telephone or other electronic means to respond promptly to any questions or complications that may occur. Provides that nothing in the provisions shall be construed to limit a licensed advanced practice registered nurse with full practice authority from practicing according to the Nurse Practice Act. **Passed Both Houses**

HB 4180- (Syed/Edly-Allen) Provides that, for an individual or group policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed on or after the effective date of the amendatory Act, the policy or plan shall provide coverage for a comprehensive ultrasound screening and MRI of an entire breast or breasts if a mammogram demonstrates heterogeneous or dense breast tissue or when medically necessary as determined by a physician licensed to practice medicine in all of its branches, advanced practice registered nurse, or physician assistant. Makes a conforming change. **Neutral as Passed Both Houses**

HB 4789- (Morgan/Syverson) Amends the Illinois Insurance Code. Provides that no insurer, dental service plan corporation, insurance network leasing company, or any company that amends, delivers, issues, or renews an individual or group policy of accident and health insurance that provides dental insurance on or after the effective date of the amendatory Act shall deny any claim subsequently submitted for procedures specifically included in a prior authorization unless certain circumstances apply. Provides that a dental service contractor shall not recoup a claim solely due to a loss of coverage for a patient or ineligibility if, at the time of treatment, the dental service contractor erroneously confirmed coverage and eligibility, but had sufficient information available to the dental service contractor indicating that the patient was no longer covered or was ineligible for coverage. Prohibits waiver of the provisions by contract. **Passed Both Houses**

HB 5086- (Yednock/Halpin) Amends the Nurse Practice Act. Provides that when a health care facility is found liable for an injury to a patient or resident because of a negligent act performed by a nurse or certified nurse aide employed, assigned, or referred by the nurse agency, the health care facility has a right to be compensated by the nurse agency for any and all expenses, fines, or damages (rather than any and all expenses) incurred related to any liability for the nurse agency's negligence, including negligent hiring (rather than the nurse agency's negligent hiring). Requires a contract entered into between the nurse agency and health care facility to contain a provision specifying that the health care facility has a right to be compensated by the nurse agency for any and all expenses, fines, or damages incurred related to any liability for a negligent act performed by a nurse or certified nurse aide employed, assigned, or referred by the nurse agency. **Passed Both Houses**

HB 5142- (Gabel/Collins) Pregnancy wrap-around services for midwives, doulas, etc. Provides that all outpatient coverage required under a provision concerning coverage for pregnancy, postpartum, and newborn care must be provided without cost sharing, except to the extent that such coverage would disqualify a high-deductible health plan from eligibility for a health savings account and except that, for treatment of substance use disorders, the prohibition on cost-sharing applies to the levels of treatment below and not including 3.1 (Clinically Managed Low-Intensity Residential) established by the American Society of Addiction Medicine. Makes a conforming change. Further amends the Illinois Insurance Code. Provides that coverage for abortion care may not impose any deductible, coinsurance, waiting period, or other cost-sharing (instead of other cost-sharing limitation that is greater than that required for other pregnancy-related benefits covered by the policy). Provides that the provision does not apply to the extent such coverage would disqualify a high-deductible health plan from eligibility for a health savings account. Beginning January 1, 2025, certified professional midwife services (in addition to licensed certified professional midwife services) shall be covered under the medical assistance program.

The Illinois Chamber, following an agreement between the sponsors and other stakeholders, went neutral before the bill worked through the Senate and came back to the House on concurrence. We maintained that position as no substantive changes to the agreement were made during the remainder of the legislative process. Due to some controversial provisions contained within the bill, the legislation received partisan support in both Chambers. **Neutral, Passed Both Houses**

HB 5258- (Huyhn/Villivalam) Provides that a group or individual policy of accident and health insurance issued, amended, delivered, or renewed after January 1, 2026 that provides dependent coverage shall make that dependent coverage available to the parent or stepparent of the insured if the parent or stepparent meets the definition of a qualifying relative under specified federal law and lives or resides within the accident and health insurance policy's service area. **Passed Both Houses**

HB 5282- (Stava-Murray/Holmes) Amends the Illinois Insurance Code. Requires coverage of medically necessary treatment of a mental, emotional, nervous, or substance use disorder or condition for all individuals who have experienced a miscarriage or stillbirth to the same extent and cost-sharing as for any other medical condition covered under the policy. Effective January 1, 2026. **Passed Both Houses**

HB 5395- (Moeller/Peters) Governor's insurance overhaul- Provides that the amendatory Act may be referred to as the Health Care Protection Act. Requires the issuer of a network plan to submit a self-audit of its provider directory and a summary to the Department of Insurance, which the Department shall make publicly available. Makes changes to the information that must be provided in a network plan directory. Sets forth required actions if an issuer or the Department identifies a provider

incorrectly listed in the provider directory. Removes provisions repealing the Short-Term, Limited-Duration Health Insurance Coverage Act and the related changes. Makes changes to provisions concerning confidentiality; transition of services; unreasonable and inadequate rates; the definitions of "excepted benefits" and "step therapy requirement"; off-formulary exception requests; algorithmic automated review processes; utilization review criteria; and adverse determinations. Makes other changes. Effective January 1, 2025, except that certain changes to the Managed Care Reform and Patient Rights Act take effect January 1, 2026.

The bill makes several changes to the health insurance industry, however toward the end of session, negotiations between the Governor, Department of Insurance, the sponsors, and the health insurance industry picked back up and an agreement was reached. The hope is that further negotiations will happen and fixes to the legislation as roll out begins will be accepted. Because of the agreement, the bill received bipartisan support in both Chambers. The language has yet to be sent to the Governor for his signature. **Passed Both Houses**

HB 5405-**(Evans/Morrison)** Amends the Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois. Sets forth requirements for any State entity or hospital that receives funding from the National Institutes of Health to conduct clinical trials of drugs or medical devices. Provides that the Department of Public Health, in consultation with relevant research organizations, shall analyze and provide recommendations on: (i) the demographic groups and populations that are currently represented and underrepresented in clinical trials in the State, including representation of groups based on their geographic location; (ii) the barriers that prevent persons who are members of underrepresented demographic groups from participating in clinical trials in the State, including barriers related to transportation; and (iii) approaches for how clinical trials can successfully partner with others to provide outreach to underrepresented communities. Provides that the Department shall report to the General Assembly on the results of the study by July 1, 2026. **Passed Both Houses**

HB 5643- **(Katz Muhl/Fine)** Amends the Illinois Public Aid Code. Provides that, beginning January 1, 2025, the medical assistance program shall provide coverage for at-home, urine-based pregnancy tests that are ordered directly by a clinician or furnished through a standing order for patient use, regardless of whether the tests are otherwise available over the counter. Provides that the coverage is limited to a multipack, as defined by the Department of Healthcare and Family Services, of at-home, urine-based pregnancy tests every 30 days. Changes the effective date to January 1, 2025, **Neutral as Passed Both Houses**

SB 2641-- **(Holmes/Manley)** Amends the Network Adequacy and Transparency Act. Provides that, beginning January 1, 2026, every insurer shall demonstrate to the

Director of Insurance that each in-network hospital has at least one radiologist, pathologist, anesthesiologist, and emergency room physician as a preferred provider in a network plan. Provides that the Department of Insurance may, by rule, require additional types of hospital-based medical specialists to be included as preferred providers in each in-network hospital in a network plan. The enrolled bill is a product of negotiations between stakeholders and as a result the Illinois Chamber was neutral on passage. **Neutral, Passed Both Houses**

SB2658- **(Morrison/Moeller)** Further amends the Newborn Metabolic Screening Act. Makes subject to appropriation the requirement that the Department of Public Health provide all newborns with screening tests for the presence of Duchenne muscular dystrophy. Further amends the Medical Assistance Article of the Illinois Public Aid Code. Makes subject to appropriation the requirement that the Department of Healthcare and Family Services reimburse hospitals for costs associated with all newborn screening tests for the presence of Duchenne muscular dystrophy. **Passed Both Houses**

SB2672- **(Murphy/Howard)** Amends the Accident and Health Article of the Illinois Insurance Code. Provides that if a generic drug is unavailable due to a supply issue and dosage cannot be adjusted, a group or individual policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed after January 1, 2025 shall provide coverage for a brand name eligible prescription drug until supply of the generic drug is available. Defines "eligible prescription drug" and "generic drug". Makes conforming changes in the Health Maintenance Organization Act, the Limited Health Service Organization Act, the Voluntary Health Services Plans Act, and the Medical Assistance Article of the Illinois Public Aid Code. **Neutral as Passed Both Houses.**

SB 2697 – **(Morrison/Lilly)** Requires, for individuals with a genetic test that is positive for an inherited mutation associated with an increased risk of cancer, coverage to include any evidence-based screenings, as recommended by a health care professional in accordance with current evidence-based clinical practice guidelines, to the extent that the management recommendation is not already covered by the policy, except that the coverage for the evidence-based screenings may be subject to a deductible, coinsurance, or other cost-sharing limitation. Defines "evidence-based screenings". Makes other changes. Amends the Illinois Public Aid Code. Subject to federal approval, requires the medical assistance program to provide coverage for clinical genetic testing for an inherited gene mutation for individuals with a personal or family history of cancer, as recommended by a health care professional in accordance with current evidence-based clinical practice guidelines. Requires, for individuals with a genetic test that is positive for an inherited mutation associated with an increased risk of cancer, coverage to include any evidence-based screenings, as recommended by a health

care professional in accordance with current evidence-based clinical practice guidelines, to the extent that the management recommendation is not already covered by the medical assistance program. Changes to the Illinois Public Aid Code are effective January 1, 2025. **Neutral as Passed Both Houses**

SB 2735 – (Fine/Morgan) Amends the Illinois Insurance Code. Provides that any group or individual policy of accident and health insurance or managed care plan amended, delivered, issued, or renewed on or after January 1, 2026 shall offer all reasonably available methods of payment from the insurer or managed care plan, or its contracted vendor, to the contracted health care provider. Provides that an insurer or managed care plan shall not mandate payment by credit card. Provides that if one of the available payment methods has a fee associated with it, the insurer or managed care plan, or its contracted vendor, shall notify the health care provider of certain information and provide the health care provider with instructions on how to select each method. Provides that if a health care provider requests a change in the available payment method, the insurer or managed care plan, or its contracted vendor, shall implement the change to the payment method selected by the health care provider within 30 business days, subject to federal and State verification measures to prevent fraud and abuse. Provides that an insurer or managed care plan shall not use a health care provider's preferred method of payment as a factor when deciding whether to provide credentials to a health care provider. Defines terms. Amends the Health Maintenance Organization Act to make a conforming change. **Passed Both Houses**

SB 2744 – (Fine/Morgan) Further amends the Illinois Insurance Code. Provides that a group or individual policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed on or after January 1, 2026 shall provide coverage for vaccinations for COVID-19, influenza, and respiratory syncytial virus, including the administration of the vaccine by a pharmacist or health care provider authorized to administer such a vaccine, without imposing a deductible, coinsurance, copayment, or any other cost-sharing requirement, if (i) the vaccine is authorized or licensed by the United States Food and Drug Administration and (ii) the vaccine is ordered and administered according to the Advisory Committee on Immunization Practices standard immunization schedule. Provides that the coverage does not apply to the extent that the coverage would disqualify a high-deductible health plan from eligibility for a health savings account. **Passed Both Houses**

SB 3268- (Aquino/Gabel) 2024 Medicaid omnibus. Among the many provisions of the bill, the two described in part above make changes to PBM reporting requirements for pharmaceutical purchasing agreements for MCOs and permitting pharmacists/pharmacies to diagnose and treat a number of ailments like strep and head lice. The bill passed with only six no votes in the House and unanimously in the Senate. **PA 103-593**

SB 3305- (Fine/Gong-Gershowitz) Provides that an individual or group policy of accident and health insurance amended, delivered, issued, or renewed on or after January 1, 2026 (rather than January 1, 2025) shall provide coverage for medically necessary care and treatment to address a major injury to the jaw either through an accident or disease. **Neutral as Passed Both Houses. Similar to HB 4780 which was Rereferred to Rules**

SB 3318- (Murphy/Gill) Requires FDA-approved treatments or medications prescribed to slow the progression of Alzheimer's Disease or another related dementia to be medically necessary in order to qualify for coverage under the State Employees Group Insurance Program. Adds a specific prohibition on step therapy for treatment of Alzheimer's Disease or another related dementia. **Neutral as Passed Both Houses**

SB 3414- (Morrison/ Ladisch Douglass) Provides that a group or individual policy of accident and health insurance or a managed plan that is amended, delivered, issued, or renewed on or after January 1, 2026 shall provide coverage for continuous glucose monitors, related supplies, and training in the use of continuous glucose monitors for any individual if certain requirements are met (rather than if the policy is in full alignment with Medicare and certain requirements are met). In provisions of the Illinois Public Aid Code concerning rules for continuous glucose monitor coverage, provides that an ordering provider is not required to obtain continuing medical education in order to prescribe a continuous glucose monitor. Removes language providing that a beneficiary is not required to obtain prior authorization for coverage for a continuous glucose monitor and that coverage is continuous once the continuous glucose monitor is prescribed. Provides that prior authorization is required for a prescription of a continuous glucose monitor. Provides that once a continuous glucose monitor is prescribed, the prior authorization shall be approved for a 12-month period. **Passed Both Houses**

SB 3599- (Edly-Allen/Haas) Provides that a group or individual policy of accident and health insurance or a managed care plan that is amended, delivered, issued, or renewed on or after January 1, 2026, shall provide coverage to an eligible recipient for medically necessary mobile integrated health care services. Defines "eligible recipient" and "mobile integrated health care services". **Passed Both Houses**

SB 3741- (Morrison/Morgan) Amends the Illinois Insurance Code. In provisions prohibiting certain individual or group health benefit plans from imposing prior authorization requirements on medications prescribed or administered for the treatment of substance use disorder, provides that the prohibition includes limitations on dosage. Makes similar changes in the Medical Assistance Article of the Illinois Public Aid Code. Effective immediately. **Passed Both Houses**

Bills That Failed to Move

HB 4282- (Morgan) Amends the Genetic Counselor Licensing Act. Provides that application for licenses shall be made to the Department of Financial and Professional Regulation in writing or electronically (rather than in writing) as prescribed by the Department. Provides that all applicants and licensees shall (1) provide a valid address and email address to the Department, which shall serve as the address of record and email address of record, respectively, at the time of application for licensure or renewal of a license; and (2) inform the Department of any change of address of record or email address of record within 14 days after the change either through the Department's website or by contacting the Department's licensure maintenance unit. Provides that no association, limited liability company, professional limited liability company, or partnership (rather than no association or partnership) shall practice genetic counseling unless every member, partner, and employee of the association, limited liability company, professional limited liability company, or partnership who practices genetic counseling or who renders genetic counseling services holds a valid license issued under the Act. Provides that every application for an original license under the Act shall include the applicant's Social Security Number or individual taxpayer identification number. Removes a provision that authorizes the Department to maintain rosters of the names and addresses of all licensees and all persons whose licenses have been suspended, revoked, or denied. **Rereferred to Rules.**

HB 4294- (Rohr) Amends the Pharmacy Practice Act. Provides that, in accordance with a standing order by a physician licensed to practice medicine in all its branches or a standing order by the Department of Public Health, a pharmacist may provide a school district, public school, charter school, or nonpublic school with undesignated epinephrine injectors, asthma medication, glucagon, and opioid antagonists for the use by the school district, public school, charter school, or nonpublic school under the School Code. Provides that the Department of Public Health shall issue a standing order to provide a school district, public school, charter school, or nonpublic school with undesignated epinephrine injectors, asthma medication, glucagon, and opioid antagonists for use under the School Code. Provides that the standing order must be consistent with the current version of the guidelines of the Centers for Disease Control and Prevention, guidelines of the United States Preventive Services Task Force, or generally recognized evidence-based clinical guidelines. **Rereferred to Rules.**

HB 4475 – (LaPointe/Villa) Provides that for all group or individual policies of accident and health insurance or managed care plans that are amended, delivered, issued, or renewed on or after January 1, 2026, or any contracted third party administering the behavioral health benefits for the insurer, reimbursement for in-network mental health and substance use disorder treatment services delivered by Illinois providers and facilities must be equal to or greater than 141% of the Medicare rate for the mental health or substance use disorder service delivered (rather than on

average, at least as favorable as professional services provided by in-network primary care providers). Removes language providing that reimbursement rates for services paid to Illinois mental health and substance use disorder treatment providers and facilities do not meet the required standard unless the reimbursement rates are, on average, equal to or greater than 141% of the Medicare reimbursement rate for the same service. Provides that, if the Department of Insurance determines that an insurer or a contracted third party administering the behavioral health benefits for the insurer has violated a provision concerning mental health and substance use parity, the Department shall by order assess a civil penalty of \$1,000 (rather than \$5,000) for each violation. Excludes health care plans serving Medicaid populations that provide, arrange for, pay for, or reimburse the cost of any health care service for persons who are enrolled under the Illinois Public Aid Code or under the Children's Health Insurance Program Act from provisions concerning mental health and substance use parity. Makes other changes. Effective immediately. **Failed to Pass the Senate, Similar to SB 2896 which was Rereferred to Assignments.**

HB 4525 – (West) Creates the Wholesale Prescription Drug Importation Program Act. Requires the Department of Public Health to establish the Wholesale Prescription Drug Importation Program. Provides that the Department shall implement the program by: contracting with one or more prescription drug wholesalers and Canadian suppliers to import prescription drugs and provide prescription drug cost savings to consumers in this State; developing a registration process for health benefit plan issuers, health care providers, and pharmacies to obtain and dispense prescription drugs imported under the program; developing a list of prescription drugs, including the prices of those drugs, that meet certain requirements set forth under the Act and publishing the list on the Department's website; establishing an outreach and marketing plan to generate program awareness; ensuring the program and the prescription drug wholesalers that contract with this State comply with certain federal tracking, tracing, verification, and identification requirements; and other actions. Sets forth eligibility criteria for prescription drugs that may be imported into the State under the program. Contains provisions concerning anticompetitive behavior monitoring; program funding; program expansion; audit procedures; annual reporting requirements; the adoption of rules to implement the Act; and federal waiver or authorization requirements. Effective July 1, 2024. **Oppose, Rereferred to Rules. Similar to SB 2893 which was Rereferred to Assignments.**

HB 4579 –(Lilly) Creates the Dentist and Dental Hygienist Compact Act. Provides that the State of Illinois ratifies and approves the Compact. Provides that the purposes of the Compact are to facilitate the interstate practice of dentistry and dental hygiene and improve public access to dentistry and dental hygiene services by providing dentists and dental hygienists licensed in a participating state the ability to practice in participating states in which they are not licensed. Includes provisions about state

participation in the Compact; qualifying licenses that are eligible for Compact privilege, including active military members or their spouses; imposition of adverse actions against a qualified license; establishment and operation of the Commission, including each participating state selecting one commissioner to the Commission; development, maintenance, operation, and utilization of a coordinated database and reporting system containing licensure; rulemaking powers of the Commission; oversight, dispute resolution, and enforcement of the Compact; effective date of and amendment to the Compact; withdrawal from the Compact by a participating state; construction and severability; and effect on and conflict with other state laws. **Rereferred to Rules.**

HB 5051- (Ladisch Douglass) Amends the Prior Authorization Reform Act. Provides that a health insurance issuer may not require prior authorization for a prescription drug prescribed to a patient by a health care professional for 6 or more consecutive months, regardless of whether the prescription drug is a non-preferred medication pursuant to the patient's health insurance coverage; or for specified prescription drugs, including insulin, human immunodeficiency virus prevention medication; human immunodeficiency virus treatment medication; viral hepatitis medication; estrogen; and progesterone. **Oppose, Rereferred to Rules.**

HB 5320- (Buckner) Hospital Staffing Levels. Provides that "hospital worker" means any person who receives an hourly wage directly or indirectly via a subcontractor by a hospital licensed under the Act. Replaces references to "nurse" with "hospital worker". Provides for additional staffing transparency and reporting requirements. Provides that hospitals licensed under the Act must employ and schedule enough hospital workers to provide quality patient care and ensure patient safety. Provides that hospitals must make available, at the beginning of each calendar year and upon request, all staffing matrices and other staffing metrics, if any, used to assess and maintain safe staffing levels for hospital workers in each unit. Provides that the Department of Public Health shall produce an annual report based on staffing disclosures. Provides that the Department shall make recommendations for minimum staffing standards for hospital workers in each hospital unit. Provides that hospitals licensed under the Act shall conduct, within the first month of employment and at no cost, a competency validation for each hospital worker hired. Provides that a hospital must submit documentation of each hospital worker's competency validation to the Department within 4 weeks after the worker's start date. Provides that hospitals shall conduct ongoing verification for each hospital worker employed during a given calendar year to determine each worker's continued competency to perform the worker's job and shall submit documentation of each worker's ongoing verification to the Department within 2 weeks of completion. Provides that hospitals shall submit a list of all competent employees currently employed at the end of each calendar year. Provides for a public registry of all competent employees to be maintained by the Department. Provides for the imposition of civil penalties for specified violations of the Act. Describes an assignment despite

objection resolution process to be implemented by each hospital that is licensed under the Act. Provides for a Hospital Safety Advocate role to be created within the Department. **Oppose, Rereferred to Rules.**

HB 5313– **(Croke/Castro)** Network Adequacy Audits. Amends the Network Adequacy and Transparency Act. Provides that a network plan shall, at least annually, audit (instead of audit periodically) at least 25% of its provider directories for accuracy, make any corrections necessary, and retain documentation of the audit. Provides that the network plan shall submit the audit to the Department of Insurance (instead of to the Director of Insurance upon request). Provides that the Department shall make the audit publicly available. Provides that a network plan shall include in the print format provider directory (i) a detailed description of the process to dispute charges for out-of-network providers or facilities that were incorrectly listed as in-network prior to the provision of care and (ii) a telephone number and email address to dispute those charges. Makes changes to the information that must be provided in a network plan's electronic and print directory. Requires the Director to conduct random audits of the accuracy of provider directories for at least 10% of plans each year. Provides that a consumer who incurs a cost for inappropriate out-of-network charges for a provider, facility, or hospital that was listed as in-network prior to the provision of services may file a verified complaint with the Department, and the Department shall conduct an investigation of the verified complaint and determine whether the complaint is sufficient. Provides that, upon a finding of sufficiency, the Director shall have the authority to levy a fine for not less than the cost incurred by the consumer for inappropriate out-of-network charges for a provider, facility, or hospital that was listed in-network. Provides that the fines collected by the Director shall be remitted to the consumer. **Failed to pass the Senate.**

HB 5517- **(Ladisich Douglass)** Creates the Protection Against Unnecessary Health Care Costs Act. Requires the State Comptroller to establish the Drug Discount Card Program to be made available for all residents of this State. Requires the Department of Insurance to report to the General Assembly and to the Governor recommendations for establishing an outreach and education program to inform licensed physicians on when a drug patent will expire and become available in generic form, and when generic alternatives exist for drugs whose patent recently expired. Provides that on and after October 1, 2025, a pharmaceutical manufacturer that employs an individual to perform the duties of a pharmaceutical sales representative shall register annually with the Department of Financial and Professional Regulation as a pharmaceutical marketing firm. Provides that each pharmaceutical marketing firm shall provide to the Department a list of all individuals employed by the pharmaceutical marketing firm as a pharmaceutical sales representative. **Oppose, Rereferred to Rules.**

SB 2653- (Villivalam) Creates the Operating Room Patient Safety Act. Provides that each surgical technologist hired or contracted by a health care facility on or after January 1, 2026 shall meet specified educational, certification, or experiential requirements. Provides that nothing in the Act prohibits an individual from performing surgical technology services if the individual is acting within the scope of the individual's license or registration or is a student or intern under the direct supervision of a licensed health care provider. Provides that a health care facility may employ or otherwise contract with an individual to perform surgical technology services and functions who does not meet those requirements if the health care facility makes a diligent and thorough effort and, after such an effort is completed, the facility is unable to employ or contract with a sufficient number of qualified surgical technologists who satisfy the requirements of the Act. Provides that the health care facility shall maintain documentation of its efforts. **Rereferred to Assignments.**

SB 2655- (Murphy/Mussman) Establishes the Medicaid Expansion of Network Providers for Persons with Developmental Disabilities Task Force to develop and propose policies to increase the State's Medicaid provider networks to give Medicaid clients more provider choice for their health care needs. Provides that the Task Force shall work toward creating solutions to streamline the State's Medicaid system, making it more efficient, and making it easier to use while improving the overall quality of care. **Failed to Pass the House.**

SB 2795 – (Halpin) Creates the Safe Patient Limits Act. Provides the maximum number of patients that may be assigned to a registered nurse in specified situations. Provides that nothing shall preclude a facility from assigning fewer patients to a registered nurse than the limits provided in the Act. Provides that the maximum patient assignments may not be exceeded, regardless of the use and application of any patient acuity system. Requires the Department of Public Health to adopt rules governing the implementation and administration of the Act. Provides that all facilities shall adopt written policies and procedures for the training and orientation of nursing staff and that no registered nurse shall be assigned to a nursing unit or clinical area unless that nurse has, among other things, demonstrated competence in providing care in that area. Provides requirements for the Act's implementation. Establishes recordkeeping requirements. Amends the Hospital Licensing Act to provide that a hospital shall not mandate that a registered professional nurse delegate nursing interventions. Makes changes concerning staffing plans. Amends the Nurse Practice Act. Requires the exercise of professional judgment by a direct care registered professional nurse in the performance of his or her scope of practice to be provided in the exclusive interests of the patient. Ratifies and approves the Nurse Licensure Compact, which allows for the issuance of multistate licenses that allow nurses to practice in their home state and other compact states. Provides that the Compact does not supersede existing State labor laws. Provides that the State may not share with or disclose to the Interstate

Commission of Nurse Licensure Compact Administrators or any other state any of the contents of a nationwide criminal history records check conducted for the purpose of multistate licensure under the Nurse Licensure Compact. **Oppose, Rereferred to Assignments.**

SB 2830 – (Koehler) Amends the Medical Assistance Article of the Illinois Public Aid Code. Requires the Department of Healthcare and Family Services to adopt rules and policies within 90 days after the effective date of the amendatory Act for interest penalties to be imposed on managed care organizations for all delayed payments, as defined, to medical providers. Provides that if payment is not issued from the managed care organization to the medical provider within 30 days of receiving the funds from the State, it shall be considered a delayed payment and an interest penalty of 1.0% of any amount unpaid shall be added for each month or fraction thereof after the end of this 30-day period, until final payment is made. Provides that if payment is not issued from the managed care organization to the medical provider within 60 days of receiving the funds from the State, the interest penalty shall increase to 2.5% of any amount unpaid, until final payment is made. Provides that if payment is not issued from the managed care organization to the medical provider within 90 days of receiving the funds from the State, the interest penalty shall increase to 5% of any amount unpaid, until final payment is made. Requires managed care organizations to review in a timely manner each claim made to it and provide the Department with a quarterly report indicating certain information, including, but not limited to: (i) the number of claims and dollar amount received by the managed care organization from providers for that quarter; (ii) the average length of time for that quarter it took the managed care organization to pay a provider claim from when it was first submitted; and (iii) the total number and dollar amount of interest penalty payments incurred for that quarter. Requires the Department to annually review managed care payment times and provide details of delays in the Department's annual report. **Rereferred to Assignments.**

SB 2893-(Villa) Creates the Wholesale Prescription Drug Importation Program Act. Requires the Department of Public Health to establish the Wholesale Prescription Drug Importation Program. Provides that the Department shall implement the program by: (1) contracting with one or more prescription drug wholesalers and Canadian suppliers to import prescription drugs and provide prescription drug cost savings to consumers in this State; (2) developing a registration process for health benefit plan issuers, health care providers, and pharmacies to obtain and dispense prescription drugs imported under the program; (3) developing a list of prescription drugs, including the prices of those drugs, that meet certain requirements set forth under the Act and publishing the list on the Department's website; (4) establishing an outreach and marketing plan to generate program awareness; (5) ensuring the program and the prescription drug wholesalers that contract with this State comply with certain federal tracking, tracing, verification, and identification requirements; and other matters. Sets forth eligibility

criteria for prescription drugs that may be imported into the State under the program. Contains provisions concerning anticompetitive behavior monitoring; program funding; audit procedures; annual reporting requirements; the adoption of rules to implement the Act; and federal waiver or authorization requirements. Effective July 1, 2024.

Oppose, Rereferred to Assignments. Similar to HB 4525 which was Rereferred to Rules.

SB 2896- (Villa) Provides that the amendatory Act may be referred to as the Strengthening Mental Health and Substance Use Parity Act. Provides that a group or individual policy of accident and health insurance or managed care plan that is amended, delivered, issued, or renewed on or after January 1, 2025, or any third-party administrator administering the behavioral health benefits for the insurer, shall cover all out-of-network medically necessary mental health and substance use benefits and services (inpatient and outpatient) as if they were in-network for purposes of cost sharing for the insured. Provides that the insured has the right to select the provider or facility of their choice and the modality, whether the care is provided via in-person visit or telehealth, for medically necessary care. Sets forth minimum reimbursement rates for certain behavioral health benefits. **Oppose, Rereferred to Assignments. Similar to HB 4475 which failed to pass the Senate.**

PBM and PDAB

HB 4548- (Jones) PBMs. While the bill ultimately did not move, it spurred greater interest in PBM operations in the GA which resulted in two subject matter hearings with possibly more in the coming months and a provision in the Medicaid omnibus (SB 3268) that requires PBMs report all activities with MCOs to the IDHS. **The Chamber will continue to participate in any negotiations or subject matter hearings on the issue.**

HB 4472- (Syed) Prescription Drug Advisory Board (PDAB), the legislation never received a hearing in the House and the issue itself never gained much traction, taking a back seat to the other components of the Administration's healthcare agenda. Perhaps after all the healthcare changes made in the 2024 session, legislators and the Governor will have less of an appetite to take this up in the 104th General Assembly.

For further questions related to Healthcare, please contact Jordan Ryan at jryan@ilchamber.org

Infrastructure

For this Council, legislative action of note is broken into five topical categories. While this isn't an exhaustive list of all legislation tracked, it does provide a deeper look into the legislation that required the most attention this Spring. Before diving into the legislation of interest, this section opens up with a breakdown of this year's procurement omnibus.

While 2024 was a relatively “quiet” year for transportation-related issues, we expect plenty of attention on issues like mass transit funding, emissions standards, and more in 2025.

Procurement Omnibus Passes House and Senate with Broad Support

In the final week of session, an omnibus procurement bill passed the House and Senate with broad bipartisan support. HB 5511 passed the Senate 48-7-1 and passed the House 80-27-0. Like last year, some of the material in the package was seen in standalone bills and subject matter hearings. Provided below is an outline of what is covered under the legislation with page numbers corresponding to the attached PDF.

Among other things, this bill includes the following:

- Pg. 1-17
 - Progressive Design Build Pilot Program
 - One of the factors considered in determination: "the probability that the progressive design-build procurement method will be in the best interests of the State by providing a material savings of time or cost over the design-bid-build or other delivery system."
 - Explanation of the requests for qualifications and other processes under the program
 - A selection committee will be used to evaluate and select the design-build entity. The committee will include a design professional as well as two members of the public with no conflict of interest.
 - Contract may be awarded to the highest overall ranked entity.
 - Design-build entity must enter into a project labor agreement used by state construction agency.
 - CDB reserves the right to transition to design-bid-build delivery method after design if fixed price exceeds budget or if schedule is unreasonable.
- Pg. 35-36
 - Clarification that nothing in the procurement code prohibits state agencies from accepting bids or proposals from online procurement system.
- Pg. 36
 - Permission for state agencies to use indefinite quantity contracts.
- Pg. 37
 - Curability for violations of procurement rules when it is in best interest of the state.
- Pg. 39-43
 - Under the Counties Code, competitive bid requirements apply to elected officials for purchases greater than \$30,000.
- Pg. 44-50

- IDNR has power to lease property for the purposes of a commercial solar energy system.
 - A lease for this purpose shall not exceed 40 years.
 - Any such project will be competitively bid.
 - IDNR will prioritize land based on suitability and economic feasibility for solar use as well as land that has "significant history of disturbance."
- Pg. 57
 - Third parties may lease state-owned communications infrastructure, including conduit and excess tower capacity.
- Pg. 61-62
 - Mid-sized business set-asides for Illinois State Toll Highway Authority
 - Definition:
 - Independently owned and operated
 - Annual sales \$14,000,000-\$45,000,000
 - Adoption of rules to establish additional criteria
- Pg. 77
 - FOIA exemption for "proposals or bids submitted by engineering consultants in response to requests for proposal or other competitive bidding requests by the Department of Transportation or the Illinois Toll Highway Authority."
- Pg. 79 -85
 - Procurement communication reporting exclusions.
- Pg. 85
 - Under the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act, state agency may communicate with firms not selected for contract to inform them of deficiencies in their proposal.
- Pg. 105-115
 - Reimaging Hotel Florence Act changes.
- Pg. 117-119
 - Concerning bid preferences, makes changes to the definition of "Illinois business". Provides additional requirements demonstrating that the bidder or contractor is an Illinois business and eligible for a 4% bid preference.
- Pg. 122
 - Unsolicited bids under the P3 for Transportation Act and prohibited bids under the Procurement Code.
- Pg. 131-133
 - Under the Business Enterprise for Minorities, Women and Persons with Disabilities Act, the BEP program may establish uniform contract goals.
 - State agencies and universities may establish participation goals.
- Pg. 145
 - Under the MWRD Act, the mandatory competitive threshold shall not be less than \$60,000.

- Pg. 154
 - Commission on Equity and Inclusion shall supervise the implementation and effectiveness of supplier diversity training and state procurement workforce.
- Pg. 161-191
 - Changes to the Definition of "Responsible Public Entity under the P3 for Transportation Act to include the five most populous Illinois counties.
 - Public meeting must be held before entering into negotiations
 - Transportation agency must submit annual report on potential P3 projects.
 - Transportation agency must develop rules for receiving and implementing unsolicited proposals.
 - A transportation agency shall receive unsolicited proposals no more than every 2 years for a time frame of no more than 90 days.
 - Nonnegotiable proposal review fee of \$25,000.
 - Includes information on the potential project that must be disclosed to public.
 - Environmental review requirements

Read the full bill [here](#).

Local Government

HB 890, (Rita/Harmon) Support states that if and only if Senate Bill 2849 of the 103rd General Assembly becomes law in the form in which it passed the House on April 9, 2024, amends the Illinois Aeronautics Act. Defines "critical infrastructure". Provides that a provision regarding publicly owned or controlled property that is intended or permitted to be used for recreational or conservation purposes does not authorize restricting or limiting the use of unmanned aircraft systems when such usage is by commercial users for business operations in connection with critical infrastructure. Provides that any rules adopted under a provision related to publicly owned or controlled property that is intended or permitted to be used for recreational or conservation purposes shall not: supersede the operation of an unmanned aircraft system by a person or entity for a commercial purpose in compliance with applicable Federal Aviation Administration authorization, regulations, or exemptions; or preclude an individual licensed under the Illinois Professional Land Surveyor Act of 1989 or the Professional Engineering Practice Act of 1989 from operating an unmanned aerial vehicle within the scope of his or her professional practice. **This bill passed the House and was referred to Senate Assignments.**

HB 4872, (Meyers-Martin) provides that a municipality shall receive a waiver from paying a required match to a State grant of State moneys if the municipality meets all the other requirements needed for approval of the grant and submits documentation to the Governor's Office of Management and Budget, in a form and manner prescribed by the Office, that the municipality: (1) has a population under 25,000; (2) has over 13% of

its residents under the federal poverty guidelines; (3) has had a negative fund balance within the past 5 years; or (4) has at least twice the debt compared to the retail market value of the municipality's real and personal property and moneys in the municipality's accounts. **This bill passed out of House Cities & Villages Committee but was rereferred to House Rules.**

HB 5138, (Meier/Plummer) provides that upon request by a unit of local government, the Department shall make available any study or survey completed by the Department that concerns traffic or the environmental impact on road construction projects. Allows a study or survey conducted by the Department to be substituted for a study or survey required by a unit of local government for construction projects affecting a portion of a State right-of-way. Provides that studies or surveys prohibited from disclosure by State or federal statutory confidentiality restrictions are not required to be made available. **This bill passed both houses.**

SB 692, (Morrison/Morgan) Support creates the Task Force on Interjurisdictional Industrial Zoning Impacts to study State and local zoning laws and policies related to large industrial developments. **This bill passed both houses.**

SB 2849, (Morrison/Rita) amends the Illinois Aeronautics Act. In provisions concerning the regulation of unmanned aircraft systems, provides that nothing in those provisions shall be construed to deny a unit of local government the right to adopt reasonable rules related to the use by a private party of airspace that is above ground level of public property owned or controlled by that unit of local government. Provides that the provisions apply to publicly owned or controlled property that is intended or permitted to be used for recreational or conservation purposes, including, but not limited to, parks, playgrounds, aquatic facilities, wildlife areas, or other recreational facilities. Provides that reasonable rules adopted pursuant to the provisions do not supersede any administrative rules adopted by the Department of Transportation or any federal laws, rules, or regulations. **This bill passed both houses.**

SB 3173, (DeWitte/Moeller) provides that a county may lease, license, or otherwise grant access to and use of infrastructure, including fiber optic cables, that the county owns or controls to public or private entities to facilitate the delivery of broadband services on the condition that the lease, license, access, or use: (1) be granted on a nondiscriminatory, nonexclusive, and competitively neutral basis; and (2) comply with all other State and federal laws, rules, and regulations, including, but not limited to, all applicable safety codes and requirements. Provides that the provisions apply to leases, licenses, or other agreements entered into, amended, or renewed on or after the effective date of the amendatory Act. **This bill passed both houses.**

SB 3608, (Halpin/Mason) provides that an ordinance of a unit of local government shall not be enforced against the construction, reconstruction, improvement, or installation of a State facility. Adds provisions providing that Capital Development Board shall coordinate with local utilities regarding utility connection requirements and procedures applicable to State facilities. Provides that the amendatory Act does not

relieve the Capital Development Board from its obligation to comply with any State or federal mandate. Provides that the amendatory Act does not relieve the Board from the obligation to compensate units of local governments for fair and reasonable connection or impact costs that (i) conform to industry standards or (ii) are consistent with similar costs that are applied to private, non-governmental capital projects. **This bill passed the Senate but was rereferred to House Rules.**

Procurement

HB 4418, (Davis) provides that all governmental units shall deposit retainage from contracts with an aggregate value of \$300,000 or more (rather than all retainage) into an interest-bearing escrow account. **This bill passed out of House State Government Committee but was rereferred to House Rules.**

HB 4440, (Davis) provides that a county may establish goals to promote minority-owned and operated businesses, women-owned and operated businesses, businesses owned and operated by persons with disabilities, and businesses located within the county. **This bill passed out of Counties & Townships Committee but was rereferred to House Rules.**

HB 5461, (Didech) creates the Concrete Carbon Utilization, Reduction, and Removal Breakthrough Act. Establishes a performance-based tax credit for concrete producers to incentivize the use of materials and methods for State-funded projects that reduce the embodied carbon generated in the production of concrete, and support the removal of carbon in the atmosphere and its permanent storage in concrete. Establishes a tax credit for concrete producers to defray the cost of implementing environmental product declaration technology at plants. Requires the implementation of performance-based specification standards for concrete. Directs the Department of Transportation to assess and propose opportunities to accelerate testing and evaluation of new decarbonization materials and methods for concrete by the Materials Bureau. **This bill was assigned to Revenue Committee but was rereferred to House Rules.**

HB 5479, (Olickal/Villivalam) provides that the Capital Development Board may elect to use the progressive design-build delivery method. Provides that "progressive design-build delivery method" means a project delivery process in which both the design and construction of a project are procured from a single entity that is selected through a qualifications-based selection at the earliest feasible stage of the project. Sets forth other provisions concerning procedures for selection and submission of qualifications, the award of contracts, pricing, and federal requirements. **This bill passed the House and was assigned to Senate Executive. The content of the bill was included in the procurement omnibus.**

State Regulation & Reports

HB 1634, (Gonzalez) Opposed provides that, by December 1, 2023, the Illinois Environmental Protection Agency shall adopt rules to implement the motor vehicle emission standards of the State of California, including, but not limited to the (1) zero-emission vehicle program, (2) low-emission vehicle program, (3) advanced clean trucks

program, and (4) heavy-duty low NOx omnibus program, and shall amend the rules within 6 months of any changes to maintain consistency with the California motor vehicle emission standards and federal clean air laws. Provides that the rules may incorporate by reference the California motor vehicle standards established in final regulations issued by the California Air Resources Board and promulgated under the California Health and Safety Code. **This bill was assigned to House Energy & Environment but was rereferred to House Rules after not receiving a vote.**

HB 4366, (Hoffman) Support provides that a large public utility, in its application to acquire a water or sewer utility or any other application requesting approval of an acquisition of a water or sewer utility, may request that the Illinois Commerce Commission expedite its review and issue an order within an expedited timeframe. Provides that, if, in its application, a large public utility requests an expedited review, the administrative law judge shall issue a ruling approving or denying expedited review within 30 days of the filing of the application. Provides that the large public utility, in its application, shall establish evidence that the expedited review is necessary based upon specified factors. **This bill was assigned to Public Utilities Committee but rereferred to House Rules.**

HB 5082, (Yednock) Support appropriates \$2,000,000 to the Department of Commerce and Opportunity from the General Revenue Fund for the implementation of information technology and staffing provisions under the Business Assistance and Regulatory Reform Act. Effective July 1, 2024. **This bill is a Chamber/IERG initiative that was assigned to the Appropriations General Services Committee. We will continue to seek adequate funding for the permit assistance portal.**

HB 5145, (Evans) provides that any State agency that disburses grant funds for electric vehicle charging stations must include provisions in the criteria for awarding grant funds that encourage the use of equity eligible contractors by the grantees. Provides that the provisions shall include, but not be limited to, additional points to those grantees who commit to exclusively using equity eligible contractors, a portion of the grant funds devoted exclusively for equity eligible contractors, and inclusion of aspirational goals for all grantees to use equity eligible contractors. **This bill passed House State Government Committee 6-3-0 but was rereferred to House Rules.**

HB 5157, (Syed) Opposed provides that 20% of the lesser of (rather than the lesser of): (i) the purchase price or (ii) the fair market value shall constitute the rate base associated with the water or sewer utility as acquired by and incorporated into the rate base of the district designated by the acquiring large public utility, subject to any adjustments that the Illinois Commerce Commission deems necessary to ensure such rate base reflects prudent and useful investments in the provision of public utility service. Provides that the difference between the rate base and the purchase price or fair market value shall be borne by the shareholders of the acquiring large public utility. In provisions concerning the acquisition of a water or sewer utility, provides that, at the

next election following the public meeting and notice requirements, a referendum shall be placed on the ballot for all electors within the area the water or sewer utility operates. Provides that, if a majority of the electors voting on the referendum within the service area of the water or sewer utility vote in favor of the referendum, then the acquisition may continue. Provides that, if less than a majority of the electors voting on the referendum within the service area of the water or sewer utility vote in favor of the referendum, the Commission shall not approve the large public utility's acquisition of the water or sewer utility. Removes a provision that provides that the Commission may authorize a water or sewer utility to file a surcharge which adjusts rates and charges to provide for recovery of costs associated with an investment in qualifying infrastructure plant, independent of any other matters related to the utility's revenue requirement.

This bill was assigned to Public Utilities Committee but rereferred to House Rules.

HB 5386/SB 3669 (Moeller & Ellman) Opposed creates the Wetlands and Small Streams Protection Act to restore protections for wetlands and small streams that were formerly protected from pollution and destruction by the Clean Water Act. Provides provisions concerning: exemptions; wetlands delineation, classification, notification, permits and veto; general permits; appeal of final decisions made by the Department of Natural Resources and judicial review; investigation and enforcement; and county authority. Creates the Wetlands and Small Streams Advisory Committee and establishes duties and rules for the Committee Provides for permit review fees. **HB 5386 passed House Energy & Environment Committee but was rereferred to House Rules. SB 3669 passed Senate Judiciary but was rereferred to Senate Assignments.**

HB 5459, (Syed/Villivalam) provides that in the case of a public utility that provides drinking water services, upon the request of a municipal wastewater agency or unit of local government organized under specified Acts, such public utility shall provide timely and accurate water usage data, in a format identifiable to the requester, for purposes of calculating wastewater billings. Provides that the public utility shall be entitled to collect its reasonable costs incurred to provide such data. **This bill passed both houses.**

SB 1556, (Koehler) provides that, to the extent allowed by federal law, the Environmental Protection Agency shall propose, within 12 months after the amendatory Act's effective date, and the Pollution Control Board shall adopt, within 12 months after receipt of the Agency's proposal, rules establishing a clean transportation standard to reduce carbon intensity from the on-road transportation sector by 20% by 2038, with further reductions to be implemented at the discretion of the Agency based upon advances in technology. Contains requirements for the Board rules and for the clean transportation standard. Exempts aviation fuels from the clean transportation standard. Provides that producers of sustainable aviation fuel shall be eligible to generate monetary credits on an opt-in basis that may be applied to future obligations or traded to providers not meeting the clean transportation standard. Requires the Agency to submit a report to the General Assembly detailing the implementation of the clean

transportation standard, the reductions in greenhouse gas emissions that have been achieved through the clean transportation standard, and targets for future reductions in greenhouse gas emissions from the transportation sector. **This bill received a subject matter hearing in Senate Energy and Public Utilities but did not receive a vote.**

SB 2702, (Villivalam/Kelly) requires that a fire sprinkler inspector be employed by a single fire sprinkler contractor at a time to perform fire sprinkler inspections (rather than be employed by a fire sprinkler contractor). Adds language that provides that nothing in the Fire Sprinkler Contractor Licensing Act shall be construed to prohibit an individual who is licensed as a fire sprinkler inspector from being employed by another employer or self-employed to perform duties that would not require a fire sprinkler inspector license. **This bill passed both houses.**

SB 2743, (Ellman/Williams) establishes the State Water Plan Task Force. Provides that the Task Force shall be chaired by the Director of the Office of Water Resources of the Department of Natural Resources and composed of the directors, or their designee, from various other State entities. Requires the Task Force to identify critical water issues, to develop and implement recommendations that address the critical water issues, and to reevaluate critical water issues and needs. Requires the Task Force to publish a State Water Plan not less than every 10 years. **This bill passed both houses.**

SB 2907, (Syverson/Weaver) Support creates the Job Training and Workforce Development Transparency Act. Provides that, within 18 months after the effective date of the Act, the Department of Commerce and Economic Opportunity, in coordination with relevant State agencies, shall compile a report concerning all State and federally funded job training and workforce development programs in this State. Contains provisions concerning reports. Provides that relevant State agencies shall collaborate with the Department of Commerce and Economic Opportunity to ensure the timely and accurate collection of information required for the report. **This bill passed both houses.**

Transportation Systems

HR 291 (Yednock) Support affirms support for the Jones Act and celebrates the more than 100-year history of the Jones Act in fostering a strong domestic maritime industry that is critical to Illinois workers and families and to the nation's economic prosperity and national security. **This resolution was adopted 107-4-0.**

HB 5496, (Davis/Harris) provides that in addition to the prequalification process under the Act, the Department of Transportation shall accept any unsolicited bids for the South Suburban Airport received pursuant to the Public-Private Partnerships for Transportation Act. Provides that nothing within the provisions shall be construed to restrict the obligations of the Department to respond to any unsolicited bids under the

Public-Private Partnerships for Transportation Act. Provides that "transportation facility" includes the South Suburban Airport. **This bill passed both houses.**

HB 5600, (Walsh) Opposed provides that Will County may adopt an ordinance regulating and imposing a civil penalty on an owner of a vehicle for failure of an operator to comply with gross vehicle weight or axle weight restrictions and that the County may enforce its regulations using an automated vehicle weigh-in-motion enforcement system. Allows a municipality wholly or partially within the County to enter into an intergovernmental agreement with the County to provide automated vehicle weigh-in-motion enforcement systems in the municipal jurisdiction. Includes requirements for automated vehicle weigh-in-motion enforcement systems. Provides requirements for violation notices and for civil penalties for violations. **This bill was assigned to House Transportation: Vehicles & Safety but was rereferred to House Rules.**

HB 5823, (Buckner) establishes the Metropolitan Mobility Authority. Provides that the Chicago Transit Authority, the Commuter Rail Division and the Suburban Bus Division of the Regional Transportation Authority, and the Regional Transportation Authority are consolidated into the Metropolitan Mobility Authority and the Service Boards are abolished, instead creating the Suburban Bus Operating Division, Commuter Rail Operating Division, and the Chicago Transit Operating Division. Includes provisions about the operation of the Metropolitan Mobility Authority. Repeals the Metropolitan Transit Authority Act and the Regional Transportation Authority Act. Creates the Equitable Transit-Supportive Development Act. Establishes the Office of Transit-Oriented Development and the Transit-Supportive Development Fund. Provides that the Office and the Fund are to aid transit-supportive development near high-quality transit by providing specified funding to municipalities that have adopted the standards in the transit support overlay district for that area or that have adopted zoning and other changes that the Office determines have benefits greater than or equal to such a District, including transit support overlay districts. Includes provisions relating to Office standards, procedures, and reports. **This bill was referred to House Rules.**

SB 693, (Koehler/Chung) amends the Illinois Waterway Ports Commission Act. Provides that each chairperson of the Seneca Regional Port District, the Ottawa Port District, the Illinois Valley Regional Port District, the Heart of Illinois Regional Port District, and the Havana Port District shall appoint a member to the Illinois Waterway Ports Commission. Provides that one of the Commission's duties is to coordinate and synchronize common efforts and initiatives within the areas over which it has jurisdiction under this Act. Allows the Commission to acquire, purchase, install, lease, construct, own, hold, maintain, equip, use, control, or operate specified port-related facilities required or incidental to the construction, outfitting, dry docking, or repair of ships or vessels, or water, air, or rail terminals, or roadways or approaches to the facilities or other necessary port-related structures or facilities. Prohibits the Commission from exercising control over the operation of port districts established by any other law of the State, except by voluntary agreement between the port district and

the Commission. Allows the Commission to enhance the reporting and benefits of statistical data as it relates to its duties or powers. **This bill passed both houses.**

SB 2784, (Ventura) Opposed creates the Cargo Transportation Fee Act. Provides that a fee is imposed upon each entity that is an interstate carrier or an intrastate carrier and that (i) transports by common carrier tangible personal property into the State, (ii) transports that tangible personal property for the purpose of selling that tangible personal property at retail, and (iii) receives tangible personal property directly from an intermodal facility that is located in the State and is located on more than 3,500 acres. Sets forth the amount of the fee. Provides that 95% of the proceeds from the fee shall be deposited into the Cargo Transportation Fee Fund and 5% of the proceeds shall be deposited into the State Police Services Fund. Amends the State Finance Act to create the Cargo Transportation Fee Fund and sets forth the uses for that Fund. **This bill received a subject matter hearing in Senate Revenue but was rereferred to Senate Assignments.**

Vehicles & Safety

HB 4451, (Andrade/Castro) establishes that a municipality that operates an automated speed enforcement system shall set aside 10% of the net proceeds from each system that generates more than \$500,000 in revenue for the school or park in the safety zone in which the automated speed enforcement system is located. **This bill passed the House but was referred to the Senate Executive Subcommittee on special issues.**

HB 4592, (Buckner/Hastings) allows the Secretary of State to issue a mobile Illinois Identification Card or mobile driver's license to an individual who is otherwise eligible to hold a physical credential, in addition to an identification card or driver's license, if the Secretary of State has issued an identification card or driver's license to the person. Allows the Secretary to enter into agreements or to contract with an agency of the State, another state, the United States, or a third party to facilitate the issuance, use, and verification of a mobile identification card or driver's license issued by the Secretary or another state. Requires the data elements that are used to build an electronic credential to match the individual's current Department record. Requires all mobile identification cards and driver's licenses issued by the Secretary to be in accordance with the most recent standards of the American Association of Motor Vehicle Administrators. Provides that, when required by law and upon request by law enforcement, a credential holder must provide the credential holder's physical credential. **This bill passed both houses.**

HB 4848, (Keicher/Harriss) provides that no person shall operate on a highway a commercial motor vehicle transporting garbage or refuse unless the tailgate on the vehicle is in good working repair, good operating condition, and closes securely, with a cover or tarpaulin of sufficient size attached. Provides for penalties for violations. Provides that a violation of the provisions shall be a petty offense punishable by a fine not to exceed \$150. Provides that a person, firm, or corporation convicted of 4 or more

violations within a 12-month period shall be fined an additional amount of \$150 for the fourth and each subsequent conviction within the 12-month period. **This bill passed both houses.**

HB 5189, (Davidsmeyer/Villivalam) provides that personally identifying information of train crew members contained in reports involving railroad fatalities and contained in communications between police officers and train crew members involved in those occurrences shall be redacted from any public reports and shall be maintained by the police departments and any persons in subsequent possession thereof listed below in a manner that ensures the confidentiality of the train crew's personally identifying information. Provides that unredacted copies of such reports and communications containing personally identifying information shall be accessible at all reasonable times to the host or employing railroad, by court order, and to law enforcement officers, State's Attorneys, Assistant State's Attorneys, and Illinois Commerce Commission Staff. **This bill passed both houses.**

HB 5304, (Andrade/Murphy) creates the Highway Work Zone Speed Control Program. Provides that the Illinois Department of Transportation, in coordination with the Illinois State Police and Illinois State Toll Highway Authority shall administer the Program and operate automated traffic control systems in certain areas. Provides that signs indicating that work zone speeds are enforced by automated traffic control systems must be clearly posted in the areas where the systems are in use. Provides that the Illinois Department of Transportation shall employ automated traffic control system operators and may adopt rules necessary to establish requirements, duties, or restrictions concerning automated traffic control system operators. **This bill passed the House and was assigned to Senate Executive.**

HB 5408, (Stephens/Harmon) provides that a person operating a motor vehicle shall not stop or stand the person's vehicle on a shoulder of a highway along traffic routes within a one-half mile radius of: (1) the eastern entrance to O'Hare International Airport; and (2) the intersection of Interstate 90 and Interstate 294 (rather than a 2-mile radius surrounding O'Hare International Airport). Requires the Illinois Toll Highway Authority to install and maintain automated traffic safety systems along traffic routes within a one-half mile radius of: (1) the eastern entrance to O'Hare International Airport; and (2) the intersection of Interstate 90 and Interstate 294 (rather than a 2-mile radius surrounding O'Hare International Airport). Provides that language prohibiting stopping or standing within one-half mile of O'Hare International Airport do not apply if the driver of the vehicle received a Uniform Traffic Citation from a police officer at the time of the violation for the same offense. **This bill passed both houses.**

For further questions related to Infrastructure, contact Andrew Cunningham at acunningham@ilchamber.org

Tax

Tax-related legislation that passed both chambers.

HB 4951-(Burke/Villanueva) Revenue Omnibus

Article 5 - County Official Compensation Task Force

Article 10 - Workforce Development Through Charitable Loan Repayment Act - Provides an Illinois income tax deduction for amounts included in an individual's federal adjusted gross income as a result of student loan repayment assistance received by an individual under this program.

Article 15 - Extends the sunset date of the Housing Opportunity Area Abatement Program from 2024 to 2034.

Article 20 - Deals with redemption of property for which a tax lien or certificate is acquired after 1/1/24 by the county as trustee.

Article 25 - For property tax bills mailed on or after 1/1/26, the statement must contain a list of exemptions and contact information for the Chief County Assessment officer.

Article 30 - Property tax – distributions from tax reimbursement account of taxing districts dealing with owners that received a tax incentive as a result of a tax incentivized development established by an intergovernmental agreement to which the taxing district is a party.

Article 35 - Property tax – Authorizes a supplemental levy for LaMoille Community Unit School District.

Article 40 - Establishes the Local Journalism Sustainability Act
Includes authorizing the award of income tax withholding credits to 501(c)(3) news organizations that employ journalists.

Article 45 - Expansion of the Live Theater Production Tax Credit Act.

Article 50 - Music and Musicians Tax Credit and Jobs Act is enacted – Income tax credit for “qualified music companies.” Credits awarded by DCEO – percentage of “labor expenditures.”

Article 52 - Amendments to the Freedom of Information Act – exempts from disclosure materials received by DCEO that are confidential under the new Music and Musicians Tax Credit and Jobs Act.

Article 55 - Income tax credit for wages paid to “returning citizens” formerly known as “ex-felons” or “ex-offenders” in the IITA is increased to 15% of qualified wages with a

cap for each individual of \$7500 each year, beginning with tax years ending on or after 12/31/25.

Article 60 - Income Tax credit for Volunteer emergency workers - Volunteer members of a county or municipal emergency services and disaster agency must volunteer for at least 100 hours during the taxable year to be entitled to the credit.

Article 65 - Hotel Tax – “re-renters” provisions -Rent includes any fee charge or commission received from a guest by a re-renter of hotel rooms. Hotels do not include a short-term rental – ex. Vrbo

Article 70 - Motor Fuel Tax law – extends the sunset date of the .3 cents per gallon tax on the privilege of being a receiver of motor fuel from 1/1/25 to 1/1/30. The sunset date of the Environmental Impact Fee law is extended from 1/1/25 to 1/1/30.

Article 75 - Chamber Tax Institute legislation, as redrafted by the IDOR, effective 1/1/25. These provisions change the sales taxation of leasing from an up-front tax on the acquisition cost of the leased property paid by the lessor to retailers’ occupation tax on the rental charges paid by a lessee.

The changes do not affect current law governing leases of automobiles and light trucks, either under long term leases, or purchased for lease under the Automobile Renting Occupation and Use Tax. The changes do not affect businesses operating under the rent-to-own tax.

Leased property purchased prior to 1/1/25 on which sales or use tax was paid remains subject to the “86-54” credit when the property comes off lease and is sold by the lessor.

There is a carve out for the City of Chicago. Leases of tangible personal property subject to the City of Chicago Personal Property Lease Transaction Tax are not subject to taxation of rental payments under the Retailers’ Occupation Tax Act. Purchases of tangible personal property for lease purposes subject to the Chicago Lease Transaction Tax are not subject to Illinois sales or use taxes upon acquisition upon purchase despite the carve-out from the retailers’ occupation tax on the lease. However, purchases for leases in the City of Chicago remain subject to the City of Chicago 1% non-titled Use Tax.

Article 80 - Cigarette Tax Act and Tobacco Products Tax Act – clarifies that information the Department of Revenue may require from various companies in the industry includes information related to the uniform regulation and taxation of cigarettes.

Article 85 - Income tax – amends the receipts factor dealing with receipts from investment assets and activities and trading assets and activities for tax years ending on or after 12/31/24.

Article 90 - Income tax Act – Sunset dates extended for the credit for student assistance contributions and the adoption credit.

Article 95 - Property Tax – Interest earned by a county on behalf of a taxing district must be distributed by the county treasurer, in counties of less than 3 million, no later than the last distribution of taxes.

Article 100 - Income tax – Establishes the Child Tax Credit

Article 105 - Net losses – caps net losses at \$500,000 per year – amendment 3 limits the cap to 3 years beginning with tax years ending on and after 12/31/24.

Article 110 - Caps the vendor discount at \$1,000 per month.

Article 115 - Franchise Tax – first \$10,000 in liability exempted effective 1/1/25 – currently the first \$5,000 is exempted.

Article 120 - Sports Wagering Tax changed to a graduated tax and overall receipts intended to be increased as a result.

Article 130 - Video Gaming Act amended to increase the tax by an additional 1% beginning on 7/1/24.

Article 135 - Property Tax – Senior homestead exemption – not required to reapply annually.

Article 140 - Historical Residence Assessment Freeze Law – amends the definition of “fair cash value” as declarative of existing law. Modifies rules governing valuation after the 8-year valuation period.

Article 145 - Section 15-40 of the Property Tax Code is amended to correct a reference from county recorder to the county clerk.

Article 150 - Creates the Interchange Fee Prohibition Act
Forbids the imposition of interchange fees on sales taxes or gratuities.

Article 155 - Property Tax Act amendment - Allows for a settlement agreement on certain property used for a petroleum refinery (**Staats note: this is a refinery in the metro-east area**)

Article 160 - Illinois Gambling Act – a tweak to the provision that authorized a lower tax rate at a facility located in Collinsville – the requirement that the facility must have commenced operations within 3 years of the effective date of the original legislation in the amendatory Act of the 103rd General Assembly is stricken.

Article 165 - Illinois Local Library Act - Lowers a surety bond requirement of the treasurer of the district.

Article 170 - Creates the “Illinois Gives Tax Credit Act”

Gives an income tax credit for endowment gifts to a permanent endowment fund held by a qualified community foundation.

Article 175 - Property Tax – excludes from PTELL extensions made under Section 4 of the Community Mental Health Act to provide funds for community mental health facilities and services.

HB 3144 (Burke/Castro) – Governor’s grocery tax legislation

As originally introduced and passed the House, the bill dealt with establishing a grant program by DCEO to local chambers of commerce. The bill was the subject of a “gut and replace” amendment in the Senate that stripped out the original language and replaced it with the Governor’s grocery tax legislation.

The bill repeals the state 1% tax on “groceries” and authorizes municipalities and counties to impose their own local 1% tax on groceries.

Beginning 1/1/26, food for human consumption that is to be consumed off the premises where it is sold (groceries) is exempt from state tax

Alcoholic beverages, food infused w/cannabis, soft drinks, candy and food prepared for immediate consumption remain taxable at the full sales tax rate - 6.25% plus applicable locally-imposed sales taxes.

Establishes the County Grocery Occupation Tax Law. Counties by ordinance or resolution that takes effect after 1/1/26 may impose a grocery tax on retailers located in the county, but outside of any municipality at a rate of 1%. The tax will be administered and collected by the Illinois Department of Revenue.

The provision of the Municipal Code that requires non-home rule municipalities to impose taxes authorized under the Municipal Code is amended to eliminate the referendum requirement. In the future, allowable taxes can be imposed via ordinance or resolution.

New Section 8-11-24 of the Municipal Code authorizes municipalities, both home rule and non-home rule to impose a grocery tax on and after 1/1/26. The Illinois Department of Revenue will administer and enforce the grocery taxes so enacted.

Food prepared for immediate consumption and transferred incident to a sale of service by a hospital, nursing home, assisted living and shared housing facility and certain other specifically enumerated facilities are exempted from tax under the Service Occupation Tax.

Sangamon County (Springfield area) is authorized to impose a 3% hotel tax on hotels that impose a tax under the Municipal (Springfield) hotel operators’ occupation tax.

SB 3362 (Castro/Burke) Support – Retailers’ Occupation Tax – Amends the Leveling the Playing legislation – This is an IDOR initiative - Amends the Retailers' Occupation Tax Act. Provides that a retailer that makes retail sales of tangible personal property to Illinois customers from a location or locations outside of Illinois is engaged in the occupation of selling at retail in Illinois for the purposes of the Retailers' Occupation Tax Act under specified conditions. Provides that a retailer maintaining a place of business in this State that makes retail sales of tangible personal property to Illinois customers from a location or locations outside of Illinois is engaged in the business of selling at the Illinois location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser. Effective January 1, 2025.

House Bills

HB 612 (Kifowit/Morrison) – Property Tax – Introduced as a shell bill. HFA#1 - Replaces everything after the enacting clause. Amends the Property Tax Code. In a Section granting a homestead exemption to veterans with disabilities, provides that property that is used as a qualified residence by a veteran who was a member of the United States Armed Forces during World War II is exempt from taxation regardless of the veteran's level of disability. Provides that a veteran who qualifies as a result of his or her service in World War II need not reapply for the exemption. Makes changes concerning service-connected disabilities. Makes changes concerning surviving spouses. Effective immediately.

HFA#2 - Makes changes to the bill as amended by House Amendment No. 1 to provide that provisions concerning service-connected disabilities apply beginning in taxable year 2023 (in the amended bill, 2024). Provides that provisions concerning veterans of World War II apply beginning in taxable year 2024 (in the amended bill, 2023). Makes a conforming change.

HB 1377 (Hernandez/ Lightford) – HCA#1 - Amends the Property Tax Code. Creates a homestead exemption for eligible property that contains a single-family residence that was built no earlier than January 1, 2021 by a municipality and was sold to a private homeowner before January 1, 2035. Provides that the exemption applies for a 10-year period beginning with the tax year following the year in which the property is first sold by the municipality to a private homeowner. Sets forth the amount of the exemption. Effective immediately.

HB 2232 (Rita/ Castro) – Property Tax – Reissue Decisions – HFA#2 - Replaces everything after the enacting clause. Amends the Property Tax Code. Provides that a claim for a refund resulting from a final order of the Property Tax Appeal Board shall not be allowed unless the claim is filed within 20 years from the date the right to a refund arose; provided, however, that the aggregate total of refunded taxes and interest shall not exceed \$5,000,000 in any calendar year for claims filed more than 7 years after the right to the refund arose. Provides that if the payment of a claim for a refund would cause the aggregate total of taxes and interest to exceed \$5,000,000 in any year,

the refund shall be paid in the next succeeding year. Provides that the changes made by the Amendatory Act apply to matters concerning refund claims filed on or after the first day of the first month following the effective date of the amendatory Act. Effective immediately.

HB 4125 (Croke/ Hastings) – Property Tax – Certificate of Error - Amends the Property Tax Code. Provides that the statute of limitations for the execution of a certificate of error does not apply to a certificate of error correcting an assessment to \$1 when the property is used as a common area by a subdivision, association, or planned development. Makes additional technical changes.

HB 4284 (Davis/ Harris) – PTELL – Homewood School District - Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that, for the purpose of calculating the limiting rate for levy year 2023, the last preceding aggregate extension base for Homewood School District No. 153 in Cook County shall be \$19,535,377. Effective immediately.

HB 5005 (Vella/ Stadelman) Support – SFA#2 - Replaces everything after the enacting clause. Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department of Commerce and Economic Opportunity may designate areas as Quantum Computing Campuses. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Electricity Excise Tax Law, the Telecommunications Excise Tax Act, the Simplified Municipal Telecommunications Tax Act, and the Gas Use Tax Law to make conforming changes.

Amends the Illinois Enterprise Zone Act. Provides that a restriction on designating businesses located in an Enterprise Zone as high impact businesses does not apply to grocery stores. Repeals provisions concerning certified payments for high impact businesses.

Amends the River Edge Redevelopment Zone Act. Provides that a River Edge Redevelopment Zone may overlap with an Enterprise Zone. Provides that the Department of Commerce and Economic Opportunity may certify a specified number of additional pilot River Edge Zones.

Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that certain credits under the Act may be taken against the taxpayer's withholding tax liability. Contains provisions concerning work hours at the project location.

Amends the Reimagining Energy and Vehicles in Illinois Act. Adds provisions concerning credits awarded for research and development activities related to aircraft. Amends the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act. Extends the provisions of the Act to quantum computer manufacturers. Specifies that, in order to receive credit for construction expenses under the Act, a company must provide the Department of Commerce and Economic Opportunity with evidence that a certified third-party executed an Agreed-Upon Procedure (AUP) verifying the construction

expenses or accept the standard construction wage expense estimated by the Department of Commerce and Economic Opportunity.

Amends the Property Tax Code. Provides that 2 or more taxing districts may agree to abate a portion of the real property taxes otherwise levied or extended by those taxing districts on a REV Illinois Project facility. Provides that abatements for REV project facilities may not exceed a period of 30 consecutive years.

Amends the Illinois Income Tax Act to extend the sunset of the research and development credit.

Amends the Illinois Income Tax Act and the Film Production Services Tax Credit Act of 2008. Provides that taxpayers who have been awarded a tax credit under the Film Production Services Tax Credit Act of 2008 shall pay a fee to the Department of Commerce and Economic Opportunity. Sets forth the amount of the fee. Provides that the fee shall be deposited into the Illinois Production Workforce Development Fund. Provides that, beginning on July 1, 2024, a taxpayer is no longer required to pay a fee to the Department of Commerce and Economic Opportunity for the transfer of credits under the Film Production Services Tax Credit Act of 2008. Makes other changes. Effective immediately.

SFA#3 - Amends the Energy Transition Act. Provides that the Department of Commerce and Economic Opportunity shall develop and, through Regional Administrators, administer the Clean Jobs Workforce Network Program and the Clean Energy Contractor Incubator Program to create a network of 14 Program delivery Hub Sites (rather than 13 Program delivery Hub Sites), to include Kankakee. Amends the Private Business and Vocational Schools Act of 2012. Exempts from being considered a private business or vocational school under the Act organizations that receive funding from the Department of Commerce and Economic Opportunity for workforce development preparation programs as provided for in the Energy Transition Act and the Illinois Works Jobs Program Act in which participants are not charged tuition or labor organizations that sponsor a United States Department of Labor registered apprenticeship program.

SFA#4 - In provisions concerning MICRO projects, provides that quantum computer component parts manufacturers and companies focusing on research and development in the manufacture of component parts for quantum computers, semiconductors, or microchips qualify for credits under the program. Makes a technical correction to insert a cross-reference.

[HB 5412 \(Sosnowski/Stadelman\)](#) – Rev and Micro – Reports - Amends the Reimagining Energy and Vehicles in Illinois Act and the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act. Provides that failure to report certain data may result in ineligibility to receive incentives and may result in revocation of building materials exemption certificates issued to the taxpayer. Amends the Retailers' Occupation Tax Act. In provisions concerning the building materials exemption for REV

Illinois projects and microchip and semiconductor manufacturing, provides that the retailer must obtain a certification from the purchaser that contains certain specified information. Effective immediately.

Senate Bills

[SB 317](#) (Murphy/Manley) – Property Tax – Taxing Districts – HCA#1 - Replaces everything after the enacting clause. Amends the Property Tax Code. Provides that provisions concerning delinquencies by lessees of property that is owned by a taxing district apply to property that is owned by a governmental entity that is a unit of federal, State, or local government, a school district, or a community college district and that is located in any county (currently, a taxing district in a county with more than 800,000 inhabitants but fewer than 1,000,000 inhabitants). Effective immediately.

[SB 2859](#) (McClure/DeLuca) – Property Tax – Wastewater - Amends the Property Tax Code. Provides that regional wastewater facilities shall be valued at 33 1/3% of the fair cash value of the facility, with consideration given to the probable net value that could be realized by the owner if the facility were removed and sold at a fair, voluntary sale, giving due account to the expense of removal, site restoration, and transportation. Provides that the alternate valuation for qualifying water treatment facilities applies only to the qualifying water treatment facility itself and not to the land on which the facility is located. Effective immediately.

[SB 2936](#) (Koehler/Spain)– Property Tax – Abatement - Amends the Property Tax Code. Provides that the abatement for property located in an area of urban decay also applies to newly remodeled single-family or duplex residential dwelling units (currently, only newly constructed single-family or duplex dwelling units). Provides that provisions requiring the abatement to be reduced in 20% increments annually during the last 4 years of the abatement period apply only to abatements granted prior to the effective date. Effective immediately.

[SB 3155](#) (Cunningham/Tarver II) Support – Income Tax – Angel Credit - Amends the Illinois Income Tax Act. In provisions requiring a claimant or claimants to repay certain amounts received under the angel investment tax credit if a qualified new business venture fails to maintain its minimum employment threshold, provides that, during the 3-year reporting period that includes March 13, 2020 to January 1, 2024, the repayment of any tax credits issued under those provisions shall be determined at the discretion of the Department of Commerce and Economic Opportunity. Effective immediately.

[SB 3209](#) (Villa) Support – Property Tax – Charitable Exemption - Amends the Property Tax Code. In provisions concerning charitable exemptions granted to limited liability companies, removes a requirement that the limited liability company must be a disregarded entity for federal and Illinois income tax purposes. Effective immediately.

SB 3275 (Holmes/Kifowit)- Property Tax – Stamps - Amends the Real Estate Transfer Tax Law in the Property Tax Code. Provides that paper revenue stamps shall be phased out by December 31, 2025. Requires counties to issue electronic revenue stamps or alternative indicia thereafter. Effective immediately.

SB 3282 (Feigenholtz/Sosnowski) – Retailers’ Occupation Tax – Direct Pay Program Purchase Review This was a Department of Revenue initiative. – As Introduced - Amends the Retailers' Occupation Tax Act. Requires each holder of a Direct Pay Permit to review its purchase activity by January 31 and July 31 of each year to verify that the purchases made in the preceding 6-month period were sourced correctly and the correct tax rate was applied. Sets forth penalties for failure to comply with the reporting requirements. Effective immediately.

As amended - Replaces everything after the enacting clause. Amends the Retailers' Occupation Tax Act. Provides that, by March 31 of each year, each holder of a Direct Pay Permit shall review its purchase activity for the 12-month period ending on December 31 of the immediately preceding calendar year to verify that the purchases made in that 12-month period were sourced correctly and the correct tax rate was applied. Provides that the Direct Pay Permit holder is subject to a \$6,000 penalty for failure to properly verify purchase activity and correct sourcing and tax rate errors. Provides that the penalty does not apply if at least 95% of the Direct Pay Permit holder's transactions for the applicable 12-month review period are correctly sourced and the correct taxes have been remitted or the permit holder acted with ordinary business care and prudence. Effective immediately.

Staats note: We partnered with the Illinois Manufacturers’ Association to have the bill amended in the House to minimize the burdensome nature of this initiative of the Illinois Department of Revenue. While we would have preferred no legislation, the bill as amended is better than the original bill.

SB 3343 (Martwick/Evans)- Finance – Unclaimed Property (RUUPA) – As introduced - Amends the State Officials and Employees Money Disposition Act. Provides that examiners of unclaimed property which is reported and remitted to the State Treasurer and custodians contracted by the State of Illinois to hold presumptively abandoned securities or virtual currency may deduct fees prior to remittance in accordance with the Revised Uniform Unclaimed Property Act.

Amends the Revised Uniform Unclaimed Property Act. Changes the definition of property presumed to be abandoned to a corporate bond (rather than a state or municipal bond.) If a holder cannot liquidate virtual currency and cannot otherwise cause virtual currency to be liquidated, requires the holder to promptly notify the administrator in writing. The administrator may direct the holder to either (1) transfer the virtual currency that cannot be liquidated to a custodian selected by the administrator, or (2) continue to hold the virtual currency until the administrator or the holder determines that the virtual currency can be liquidated pursuant to this Act or there is an indication of apparent owner interest. Provides that the sole administrative

and legal procedure for claiming property is under this Act. Requires compliance with this Act before exercising the exclusive judicial remedy. Any appeal from the administrator's decision under the Illinois Administrative Procedure Act must be taken under the provisions of the Administrative Review Law. In governing void agreements, provides that this Section does not apply to an apparent owner's agreement with a CPA firm licensed under the Illinois Public Accounting Act or with an affiliate of such firm under certain conditions. Makes other changes.

SB 3426 (Belt/Hoffman) – Revenue – Various – This is a Department of Revenue initiative -As introduced - Amends the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Makes changes concerning the exemption for materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft. Amends the Liquor Control Act of 1934. Provides that the tax imposed on manufacturers or importing distributors of alcoholic liquor containing not less than 0.5% alcohol by volume nor more than 10% alcohol by volume, other than cider, wine, or beer, is imposed at the rate of \$0.231 per gallon. Amends the Motor Fuel Tax Law. Sets forth the method for calculating the percentage change in the Consumer Price Index for the purpose of the annual adjustment in the tax rate. Effective immediately.

SCA#! - Removes provisions from the introduced bill amending the Liquor Control Act of 1934.

SB 3452 (Martwick/Syed) – Cigarette Tax – Hearings – This is a Department of Revenue initiative - Amends the Cigarette Tax Act, the Cigarette Use Tax Act, the Tobacco Products Tax Act of 1995, and the Cannabis Regulation and Tax Act. In provisions concerning administrative hearings regarding the seizure of certain contraband products, provides that the Department of Revenue is not required to hold a hearing if a waiver and consent to forfeiture has been executed by the owner of the property and by the person in whose possession the property was found. Further amends the Tobacco Products Tax Act of 1995. Removes provisions providing that the bonding requirement for a distributor's licensee does not apply to an applicant for a distributor's license who is already bonded under the Cigarette Tax Act or the Cigarette Use Tax Act. Removes provisions providing that the distributor's licenses are valid for a period not to exceed one year after issuance unless sooner revoked, canceled, or suspended. Provides that the Department of Revenue shall discharge any surety and shall release and return any bond provided to it by a distributor within 90 days after (i) the taxpayer becomes a prior continuous compliance taxpayer or (ii) the taxpayer has ceased to collect receipts on which he is required to remit the tax under this Act to the Department, has filed a final tax return, and has paid to the Department an amount sufficient to discharge his remaining tax liability. Effective immediately.

SB 3455 (Martwick/Canty) Support – IDOR – Property Tax Study – As introduced - Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that the Department of Revenue, in consultation with the

Department of Commerce and Economic Opportunity, shall conduct a study to evaluate the property tax system in the State. Provides that the Department may also determine whether the existing property tax levy, assessment, appeal, and collection process is reasonable and fair and may issue recommendations to improve that process.

SFA#1 - Replaces everything after the enacting clause. Reinserts the provisions of the introduced bill. Provides that the Department of Revenue may determine the scope of the historical data necessary to complete the study, but in no event shall the scope or time period be less than the 10 most recent tax years for which the Department has complete data. Provides that the study need not be limited to certain specified factors. Removes provisions from the introduced bill providing that the study shall include an analysis of the use of technology in data collection. Provides that the Department of Revenue may (in the introduced bill, shall) consult with Illinois institutions of higher education in conducting the study. Provides that the Department of Revenue may also consult with units of local government. Makes other changes.

SB 3475 (Sims Jr./ West II) – Hotel Tax – Deposits - Amends the Hotel Operators' Occupation Tax Act. Makes changes concerning the distribution of proceeds under the Act. Effective immediately.

SB 3476 (Sims Jr./Evans Jr.) Support – Use/Occupation Tax – Meals - Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that home-delivered meals provided to Medicare or Medicaid recipients when payment is made by an intermediary pursuant to a government contract are exempt from taxation under the Act. Effective immediately.

SB 3567 (Harriss/ Elik) – Property Tax – Notice – As introduced - Amends the Truth in Taxation Law in the Property Tax Code. In provisions concerning Truth in Taxation notices, provides that the notice shall be conspicuously posted (currently, posted) on the taxing district's homepage or on a page accessible through a direct link from the homepage for not less than 30 consecutive days. Effective immediately.

SFA#1 - Provides that the truth in taxation notice shall be posted on or near the top of the website's homepage or on a page accessible through a direct link from the homepage (in the introduced bill, conspicuously posted on the website's homepage or on a page accessible through a direct link from the homepage).

SB 3617 (Feigenholtz/Croke) – Revenue – Data Match – This is an IDOR initiative - Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that the Department of Revenue may design and implement a data match system pursuant to which the Department of Revenue shall enter into agreements with financial institutions doing business in this State for the purpose of identifying accounts of delinquent taxpayers. Provides that the agreements shall provide that (i) the financial institution shall compare data of account holders, owners, or customers who maintain one or more accounts at the financial institution with data of individuals and business entities who are identified by the Department as delinquent

taxpayers and for whom the Department has provided the name, record address, and social security number or tax identification number or (ii) the financial institution shall provide to the Department the social security numbers or tax identification numbers of the account holders, owners, or customers who maintain one or more accounts at the financial institution, and the Department shall compare that data with data of individuals and business entities who are identified by the Department as delinquent taxpayers. Effective immediately.

SB 3679 (Feigenholtz/Buckner) Support – Business Improvement Districts

- Creates the Business Improvement District Law. Provides for the establishment of business improvement districts by a municipality by ordinance after petition by property owners, creation of a district plan, notice, and hearings. Provides that a business improvement district may impose district charges on property owners whose real properties are located within the business improvement district. Provides that the board of directors of a business improvement district shall administer or implement activities and improvements specified in the district plan unless the board contracts with a district management association to do so. Contains provisions relating to district plans, formation of a district, district boundaries, terms and renewal of districts, amendment to district plans, governance of the district, reports of the board of directors of a business improvement district, contesting the validity of a business improvement district, district plan, or district charge, dissolution, and legislative purpose. Provides that the Act applies only to municipalities having a population exceeding 500,000. Defines terms. Effective immediately.

SB 3807 (Villanueva/Ammons) Support – Build Illinois Act – Loan Limit -

Amends the Build Illinois Act. Provides that the amount of small business loans made to minority persons, veterans, females, or persons with a disability under the Act shall not exceed \$2,000,000 (rather than \$400,000) or 50% of the business project costs unless the Director of Commerce and Economic Development determines that a waiver of these limits is required to meet the purposes of the Act. Provides that eligible projects under those provisions include refinancing current debt if the loan will refinance a loan previously made by a lender that is unaffiliated with the financial intermediary making the new loan and the proceeds of the refinance transaction are not used to finance an extraordinary dividend or other distribution.

For further questions related to tax, contact Keith Staats at kstaats@ilchamber.org

Technology

HB4629 (Morgan/Aquino) Junk Fees

Representative Bob Morgan and Senator Omar Aquino teamed up with two bills that would ban junk fees in Illinois. Junk fees are hidden or misleading fees that the consumer has not been made aware of or did not consent to prior to making payment.

The momentum behind this initiative appears to come from the White House so efforts were taken by both sponsors to be inclusive of many industries during this bill's legislative path. While there was majority party support for HB4629 during its time in the House Chamber, it turned into a more complicated process for that bill in the Senate. There are lots of outstanding issues with the bill including more recent concerns being raised by the Attorney General's office.

Even with the many changes made via amendment addressing industry concerns, the Chamber still sees issues for members – especially those with proportionate or percentage-based fees which can't be calculated prior to the transaction itself. Conversations were still ongoing at the end of the spring session, and the Chamber continues to be engaged in finding a balanced solution.

SB3591 (Stadelman) Local Journalism Preservation Act

Senator Steve Stadelman has a background in the news business. He has become a champion for the local journalism industry and filed legislation to provide support for it including a tax incentive program (SB3592) of which the Chamber was supportive.

Unfortunately, SB3591 took aim at the largest online entities who provide links to stories posted by local journalists in a manner that would effectively tax those links as they are clicked and provide that revenue to the local journalists. On its face, that may seem like a logical approach to provide additional income to the ailing industry. However, the very likely outcome is that those online entities will just turn off links to local news stories.

Senate President Don Harmon convened a meeting of the business groups and industry stakeholders to discuss opportunities for negotiation and alternative solutions. Conversations have continued while the bill was moved out of committee in the Senate. It has not yet been heard on the Senate Floor.

HB4093 (Williams) Healthcare Data Privacy Act

Rep. Ann Williams filed HB4093 with the intention of protecting personal health-related data once it has been collected. It makes it unlawful for any person to sell or offer to sell health data concerning a consumer without first obtaining valid authorization from the consumer through a signed authorization form.

While it was being heard in House Judiciary Civil Committee, members from both parties expressed concerns related to the bill's overly broad definitions that could extend to the purchase of everyday items such as sneakers and feminine hygiene products and how that might impact the retailers who provide those products.

Stakeholders and minority spokesperson Dan Ugaste asked about the use of private right of action for enforcement. The Attorney General's office explained that they aren't currently staffed for the work expected to truly enforce the bill. It was brought up in discussion that Washington state will be collecting fees to fund enforcement through the AG's office in that state as an alternative to using the private right of action mechanism.

HB4093 moved out of Judiciary – Civil committee with the commitment to hold on 2nd in order to meet with stakeholders and bring any amendment back to committee which has not yet occurred.

HB5380 (Gong-Gershowitz) Sammy's Law

Rep. Gong-Gershowitz is the sponsor of HB5380, known as "Sammy's Law", has significant implications for large social media platform providers by requiring them to open up their application programming interfaces to third-party safety software providers in real time to allow monitoring and data transfers to the parent or guardian. There are substantial privacy and security concerns that arise from this approach.

It is more than understandable that policymakers want to provide opportunities for children to be better protected in online circumstances where they are vulnerable to dangers such as cyberbullying, human trafficking, illegal drug distribution, and sexual harassment.

There are other issues and concerns related to privacy from the child's perspective that have been priorities in recent legislative initiatives in the Illinois General Assembly. The Chamber slipped in opposition to this bill along with several other business organizations as well as the ACLU of Illinois, Planned Parenthood, and Equality Illinois.

The bill did not move out of committee and has been referred back to the House Rules Committee.

SB3359 (Lightford/Buckner) Alcohol Delivery 3rd Party Platforms

Introduced by Senate Majority Leader Kim Lightford, SB3359 addressed several issues in the delivery of alcohol. Concerning to third-party delivery services were restrictions on advertising revenues. The Chamber opposed this measure and encouraged continued discussions to address these concerns.

The bill passed the Senate, but stalled in the House during further negotiations.

Artificial Intelligence Bills

Consistency in definitions makes compliance much easier among stakeholders. In the cutting-edge world of artificial intelligence, definitions may be evolving as the

technology continues to find new applications and new opportunities for use. The Chamber monitored several bills related to AI. The following bills showed a conscious effort by the General Assembly to address real-world concerns about AI while ultimately landing on a consistent definition of AI in the bill language. That definition is as follows:

"Artificial intelligence" means a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. "Artificial intelligence" includes generative artificial intelligence.

HB3773 (Andrade/Cervantes) Predictive Analytics in Hiring

Rep. Jaime Andrade is the sponsor of HB3773 which would provide guardrails about the use of AI and require notice to an applicant for the employer's use of predictive analytics (AI) including race or zip code (to evaluate race) as part of a process that would reject an applicant in the context of many facets of employment or conditions of employment.

During Senate deliberations, HB3773 was amended to address concerns raised regarding the different definition of artificial intelligence in this bill compared to other versions that were moving through the legislative process.

The bill passed both chambers with bipartisan support and moves to the Governor's desk.

HB4762 (Gong-Gershowitz/ Edly-Allen) Generative AI Deep Fake Bill

This bill, which retroactively makes contracts unenforceable that perpetually allow the use of generative AI to create content based on a particular person's voice and likeness under certain conditions was sponsored by Representative Jennifer Gong-Gershowitz. HB4762 originally included its own definition of AI which is as follows: "Artificial intelligence" means a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. "Artificial intelligence" includes generative artificial intelligence.

HB4762 was the source for the agreed upon AI definition and passed both chambers unanimously so it now heads to the Governor's desk.

HB4875 (Gong-Gershowitz/Edly-Allen) Generative AI Protection of Image and Likeness

HB4875 was presented by Representative Jennifer Gong-Gershowitz and the bill aims to shield musicians from exploitation by generative AI systems. HB 4875 originally included a definition for AI as follows: "Artificial intelligence" means a machine-based system that can make predictions, recommendations, or decisions influencing real or virtual environments for a given set of human-defined objectives. "Artificial intelligence" includes generative artificial intelligence.

Its AI definition was changed in the Senate before going back to the House for concurrence. The bill passed both chambers unanimously in its final form and now heads to the Governor's desk.

For further questions related to technology, contact Keith Wheeler at kwheeler@ilchamber.org



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