



END OF SESSION REPORT 2025



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INTRODUCTION TO THE 2025 SPRING END OF SESSION REPORT

From Lou Sandoval, President & CEO, Illinois Chamber of Commerce

As the 2025 Spring legislative session concludes, I want to take a moment to reflect on the Illinois Chamber of Commerce's work over the past several months and highlight how we've continued to advance a pro-growth, pro-business, and pro-Illinois agenda.

It has been an active Spring session. While progress on key issues was sometimes uneven, activity under the dome in Springfield was nearly nonstop, with only brief scheduled breaks from late January through May. In total, more than 7,000 bills and resolutions were filed this session. Of those, the Illinois Chamber's government affairs team actively tracked over 1,500 proposals that could impact the state's business community. You can view our legislative agenda published earlier this year [here](#).

We take pride in being a steadfast voice for businesses of all sizes, from local job creators to some of the world's most recognized brands. Now in my second year as President & CEO, I remain committed to seizing every opportunity to promote our mission: to position Illinois as a competitive, innovative, and vibrant place to do business. This begins with establishing meaningful relationships with lawmakers and demonstrating that the business community can be a genuine partner in advancing solutions for long-term growth.

While legislators have returned to their districts, many critical issues remain unresolved. Chief among them are mass transit reform and long-term, sustainable system funding. Equally pressing are discussions surrounding energy reliability and affordability, which continue to influence the broader economic landscape in Illinois. Additionally, structural challenges to the state's budget persist, including considerations of costly changes to the State's Tier 2 pension system, and will demand careful engagement in the months ahead.

The whirlwind of May reminded us of a critical truth: **when business isn't at the table, bad policy occurs**. Our collective presence *matters*. Without strong advocacy from the business community, legislative outcomes can, and often do, impose unintended consequences that hinder innovation, investment, and job creation in Illinois.

That's why the Illinois Chamber exists. We are here to serve as your voice in Springfield. To advocate, educate, and engage in real time to protect and promote the interests of our diverse membership.

We also recognize and appreciate the pragmatic, bipartisan leadership shown by many members of the General Assembly. These **"bridge builders"** are essential to crafting balanced, forward-thinking policy that benefits both residents and employers across the state. Public-private collaboration is a necessity and something we deeply appreciate.

This report outlines our legislative engagement across seven core areas: **Employment, Energy, Environment, Healthcare, Infrastructure, Tax, and Technology**. These pillars represent the heart of our government relations efforts this spring. While not exhaustive, the report provides a comprehensive snapshot of the issues we've tracked, the coalitions we've led, and the legislation we've helped pass or stop.

As always, none of this work is possible without you. Thank you for your continued partnership, engagement, and trust. You empower our team to speak on behalf of Illinois businesses and ensure that your interests are both represented and championed. We are honored to lead that charge, and we remain unwavering in our commitment to building a stronger Illinois through a stronger business community.

Sincerely,



Lou Sandoval
President and CEO
Illinois Chamber of Commerce

EMPLOYMENT

With the conclusion of the 2025 Spring Legislative Session, the General Assembly passed several bills of impact on employers in Illinois. The tenor of the supermajority party this year was largely to respond to movement, actual or perceived, at the federal level. The Illinois Chamber engaged with the sponsors and stakeholders of all bills pertaining to our council to address the concerns of Illinois business.

BILLS PASSED BOTH HOUSES

[HB 1278](#) (Didech/Edly-Allen) VESSA-Employee Access to Employer Monitoring

Amends the Victims' Economic Security and Safety Act. Provides that an employer shall not retaliate against an employee or deprive an employee of employer-issued equipment because the employee used employer-issued equipment to record domestic violence, sexual violence, gender violence, or any other crime of violence committed against the employee or a family or household member of the employee. Provides that an employer shall grant an employee access to any photographs, voice or video recordings, sound recordings, or any other digital documents or communications stored on an employer-issued device relating to domestic violence, sexual violence, gender violence, or any other crime of violence committed against the employee or a family or household member of the employee. Provides that the provisions do not prohibit an employer from complying with an investigation, court order, or subpoena for a device, information, data, or documents. Provides that the provisions shall not be construed to relieve an employee of obligations to comply with an employer's reasonable employment policies or to perform the essential functions of employment. NEUTRAL

[HB 1616](#) (Syed/Belt) Organ Donation Leave-Part Time Employee

Amends the Employee Blood and Organ Donation Leave Act. Provides that an employee or part-time employee (rather than an employee) may use up to 10 days of leave in any 12-month period to serve as an organ donor. Provides that, for a part time employee using leave to serve as an organ donor, the employer shall calculate the daily average pay the part-time employee received during his or her previous 2 months of employment and compensate the part-time employee in the amount of the daily average pay for the leave days used. NEUTRAL

[HB 2978](#) (Faver Dias/Cunningham) Neonatal Intensive Care Leave

Creates the Family Neonatal Intensive Care Leave Act. Provides that an employee of an employer with 16 or more employees and no more than 50 employees shall be entitled to use a maximum of 10 days of unpaid neonatal intensive care leave while any child of the employee is a patient in a neonatal intensive care unit. Provides that an employee of an employer with 51 or more employees shall be entitled to use 20 days of unpaid neonatal intensive care leave while a child of the employee is a patient in a neonatal intensive care unit. Provides that, upon the conclusion of leave taken under the Act, an employee shall be reinstated to his or her former position or a substantially equivalent one with no loss of benefits held or accrued prior to taking leave. Sets forth provisions concerning unlawful employer practices; Department of Labor responsibilities; and enforcement. Amends the State Finance Act to create the Neonatal Intensive Care Leave Fund. NEUTRAL

[HB 3094](#) (Mah/Villivalam) Transportation Benefits Program Act

HB 3094 significantly amends the Transportation Benefits Program Act, which was passed in bipartisan fashion in 2023. This underlying law took effect on Jan. 1, 2024. The law requires employers to offer a pre-tax commuter benefit, in which employees are allowed to use pre-tax dollars for the purchase of a transit pass, via payroll deduction. The costs for such purchases may be excluded from the employees' taxable wages and compensation up to the maximum amount permitted by federal tax law, which is \$300.

HB3094 expands the definition of a covered employer. Under current law, an employer is subject to the Act if they have 50 or more full-time employees. Under HB 3094, it would include all employees, regardless of full-time or part-time status. This would significantly expand the number of employers who are subject to the mandates under the Transportation Benefits Program.

HB 3094 would completely exempt unionized construction industry employers from having to offer the transit benefit. NEUTRAL

[HB 3200](#) (Hoffman/Cunningham) Unemployment Ins- Recovery

Amends the Unemployment Insurance Act. Provides for the recovery of benefits awarded to individuals who are determined to not be eligible for those benefits, plus any penalties and interest, in accordance with specified provisions of the Act. Provides that the Director of Employment Security is authorized to cooperate with and enter into appropriate agreements with the State Treasurer for the recovery of unclaimed property held by the State Treasurer in the name of an individual who received benefits that the individual was determined to not be eligible to receive or in the name of an employer who owes contributions, interest, or penalties under the Act. Authorizes the Director to directly request and accept the return of funds from a debit card issuer for any debit card account that received benefits under specified circumstances. Makes other changes. NEUTRAL

[HB 3638](#) (Williams, A/Fine) Work Transparency- Confidential

Amends the Workplace Transparency Act. Provides that no contract, agreement, clause, covenant, waiver, or other document shall prohibit, prevent, or otherwise restrict an employee, prospective employee, or former employee from engaging in concerted activities to address work-related issues. Provides that any agreement, clause, covenant, or waiver that is a mutual condition of employment or continued employment may include provisions that would otherwise be against public policy if it acknowledges the right of the employee or prospective employee to engage in concerted activities to address work-related issues. Provides that an employee, prospective employee, or former employee and an employer may enter into a valid and enforceable settlement or termination agreement that includes promises of confidentiality related to alleged unlawful employment practices if the confidentiality provision expires no later than 5 years after the alleged unlawful employment practices occurred. Provides for the recovery of consequential damages incurred by challenging a contract for violation of the Act. Makes other changes. NEUTRAL

The Chamber was initially opposed but worked with the proponents such as the National Employment Lawyers Association to adopt an amendment that moved the Chamber to neutral.

[SB 212](#) (Fine/Stuart) Nursing Mothers In The Workplace

Amends the Nursing Mothers in the Workplace Act. Provides that an employer shall compensate an employee during the break time provided under the Act at the employee's regular rate of compensation. Provides that an employer shall not require an employee to use paid leave during the break time or reduce an employee's compensation during the break time in any other manner. NEUTRAL

[SB 220](#) (Porfirio/Kifowit) Military Honor Leave

Amends the Family Military Leave Act. Changes the name of the Act to the "Military Leave Act". Provides that an employee may use up to 8 hours per calendar month to participate in a funeral honors detail, up to a total of 40 hours per calendar year, or more if authorized by the employer or if provided for in a collective bargaining agreement. Provides for requirements to take leave for funeral honors details. Provides that an employee that takes leave may do so in lieu of, and without having exhausted, his or her vacation leave, personal leave, compensatory leave, or any other leave that may be granted to the employee, including sick leave and disability leave. Defines terms. Provides that the employer of an employee that takes leave must pay the employee his or her regular rate of pay for the leave taken to participate in a funeral honors detail. Makes conforming changes. Effective immediately. MONITOR

[SB 1441](#) (Peters/Johnson) Secure Choice Program- IRAs

Amends the Illinois Secure Choice Savings Program Act. Provides that the accounts established under the Secure Choice Savings Program shall be IRAs, into which enrollees contribute funds that are invested in investment options established by the Illinois Secure Choice Savings Board. Provides that a separate account shall be established for each enrollee and the accounts shall be owned by the enrollee. Provides that the savings accounts established under the Program shall be portable and allow for an enrollee to make contri-

butions from multiple employers into a single account. Provides that an enrollee in the Program may have both a Roth IRA and a Traditional IRA through the Program. Provides that the Board shall have the duty to assess the feasibility of agreements with other governmental entities, including other states and their agencies and instrumentalities, to achieve greater economies of scale through shared resources and to enter into those agreements if determined to be beneficial. Provides that an employer who fails without reasonable cause to enroll an employee in the Program within the time provided and fails to remit their contributions (rather than fails without reasonable cause to enroll an employee in the Program within the time provided) shall be subject to a penalty. Make changes in provisions concerning employer and employee information packets. Effective immediately. NEUTRAL

[SB 1976](#) (Peters/Evans) Workers Rights And Safety

This bill creates the Illinois Workers' Rights and Worker Safety Act which pertains not only to OSHA, but also to wage and hour law as well as coal mine safety law by establishing that after April 28, 2025, the Illinois Department of Labor (IDOL) and Illinois Department of Natural Resources (IDNR) may not alter, amend or revise state agency rules in a manner that is less stringent in protections of workers' rights or safety as they existed prior to April 28, 2025.

SB1976 SA#1 additionally, establishes that if the federal government revokes, repeals federal OSHA standards it would trigger IDOL to adopt OSHA federal rules. OPPOSED

[SB 2164](#) (Halpin/Delegado) Illinois Department Of Labor Elimination Of Procedural Due Process Bill

This bill amends the Illinois Wage Payment and Collections Act and 820 ILCS 115/11 by establishing that after that 35 days of the issuance of the final and binding administrative decision from IDOL from the ALJ, the final and binding administrative decision is a debt due and owed to the State and may be collected using all remedies under the law, including but not limited to those found in Article XII of the Code of Civil Procedure. The findings, decisions, and order of the Department may be enforced in the same manner as any civil judgment entered by a court of competent jurisdiction.

SB2164 amends the penalties provision, 820 ILCS 115/14 in two ways. First, by establishing that a claim filed with IDOL and adjudicated through an administrative hearing, the damages of 5% (rather than 2%) shall accrue for each month that the underpayments remain unpaid until the date the final order and decision of the Department becomes a debt due and owed to the State. Secondly, for any employer who has been demanded or ordered by IDOL or the court to pay wages or final compensation, the employer shall be required to pay a nonwaivable administrative fee to the IDOL in the following amounts:

- \$500 rather than \$250 if the amount order by IDOL as wages owed is \$3K or less
- \$750 rather than \$500 if the amount order by IDOL is more than \$3K but less than \$10K
- \$1,250 rather than \$1K if the amount ordered by IDOL is \$10K or more.

OPPOSED

[SB 2487](#) (Johnson/Avelar) Human Rights- IDHR Conference

Amends the Illinois Human Rights Act. Makes it discretionary rather than mandatory that the Department of Human Rights conduct a fact-finding conference. Provides that the amendatory applies to charges pending or filed on or after the effective date of the amendatory Act. NEUTRAL

BILLS THAT MAY RESURFACE

[HB 3762](#) (Gonzalez) Workplace Extreme Temperature Safety Act

This bill requires IDOL to adopt model rules establishing employer requirements with respect to heating and cooling standards for both indoor and outdoor workplaces. The parameters are based on thresholds of 80 degrees and above in heat and 40 degrees and below in cold. HB3762 requires IDOL to establish a detailed plan according to statute and authorizes rule making for this "occupational temperature related illness and injury prevention plan ("the plan").

Additionally, employers are to create their own plan based on IDOL's masterplan. If an employer violates any of these rules and a complaint is made – even without it being adjudicated or litigated – the Attorney General can get a cease and desist to halt the business.

It also allows for a rebuttable presumption against employers and allows for interested parties without standing to bring claims. HB3762 doesn't require employees to exhaust all administrative remedies but can go directly to the circuit court. Penalties include: (i) not less than \$100 and not more than \$5,000 for each violation found in an initial investigation by IDOL or determined by a court in civil action brought by an interested party. With respect to violations of this act, for each employee and for each day the violation continues shall constitute a separate and distinct violation. OPPOSED

[SB 2339](#) (Cervantes/Gonzalez) E-Verify-Right To Privacy In The Workplace Act

SB2339 expands the definition of employee's authorized representative from a collective bargaining unit representative to include an attorney or any other representative authorized by an employee's written notification. This authorized representative is to be provided with certain documentation during the work verification/re-verification process. In the event of notification from any federal agency or outside third-party that does not enforce immigration law, relating to a discrepancy with an individual's tax identification number or other identifying documents, provides for the following:

1. The employer may not take any adverse action, including re-verification, based on the notification.
2. A notice to the employee and their authorized representative must be provided within 5 business days.
3. The notice shall include an explanation of the documents that do not appear to match and the period to contest the discrepancy.
4. The employee may have a representative of their choosing in any meetings, proceedings, and discussions with the employer.

SB 2339/HB 3364 allows for a civil action to be brought against an employer or prospective employer by an interested party upon reasonable belief for violations of the Act pursuant to the following sequence of events:

1. The interested party submits a complaint to IDOL.
2. IDOL sends notice to the named parties and the names parties contest or attempt to cure the alleged violation.
3. The named parties contest or cure the alleged violation within 30 days of receipt of the notice, or if the named party does not respond, the Department issues a right to sue. A right to sue is issued if one or more of the following occur:
 - The named party has cured the violation to the satisfaction of the Director.
 - The Director has determined the allegation is unjustified or they do not have jurisdiction.
 - The Director has determined the allegation is justified or has not made a determination and has decided not to exercise jurisdiction or concluded administrative enforcement.

If within 180 days after service of the notice of complaint to the parties, the Department has not (i) resolved the contest and cure period, (ii) with the mutual agreement of the parties, extended the time for the named party to cure the violation and resolve the complaint, or (iii) issued a right to sue letter, the interested party may initiate a civil action for penalties. The parties may extend the 180-day period by mutual agreement. The Department shall issue a right to sue letter after 180 days or any mutually agreed extension.

Upon receipt of the right to sue letter, the interested party may bring suit in the county where the alleged violations occurred.

Within 30 days of the filing of the action the interested party shall serve the AG a copy of the complaint and all evidence.

Private action: An employee or prospective employee whose rights have been violated under this Act by an employer or prospective employer is entitled to collect:

1. For violation of this Act or any rule adopted under this Act as it relates to the employee or prospective employee, a civil penalty of not less than \$100 and not more than \$1,000 for each violation found by a court
2. In the event a violation of this Act or any rule adopted under this Act as it relates to denial of or loss of employment for the employee or prospective employee, all relief necessary to make the employee whole, including, but not limited to the following:
 - Reinstatement with the same seniority status that the employee would have had, but for the violation, as appropriate
 - Back pay, with interest, as appropriate
 - A civil penalty of \$10,000
 - Compensation for any damage sustained as a result of the violation, including litigation costs, expert witness fees, and reasonable attorney fees

The right to private action expires 3 years after the alleged violation. OPPOSED.

Initially, the Chamber worked collaboratively with the Senate to come to an agreed bill, however, the bill was amended in the House to bring us back to opposed.

ENERGY

Given how the fall veto session ended – with a hurried attempt to impose more restrictions on carbon capture and sequestration, costly programs mandating energy efficiency, and new restrictions for wetland protection – the Chamber viewed the Spring Session as one that would find us on defense throughout the spring. These topics, and a few others, sought to impose unreasonable limitations on businesses, and staff worked with our members and other partners to slow the adoption of legislation that would impede economic growth. Given these issues and the outcomes, the legislative session was certainly a success, but the work has only just begun as we look to educate legislators and policymakers on the effects that their energy proposals have on economic development and growth.

Energy Omnibus

Chamber staff stayed apprised of energy discussions and sought feedback from our members as rumors and legislative language emerged during the last month of session. Talks didn't seem to have any real urgency even as rumors abounded, and it appeared that an energy omnibus would not be considered this spring. That all changed when, two weeks before the scheduled adjournment, an 800-page draft was disseminated by House Democratic staff to countless stakeholders. Over the next two weeks, five more drafts were disseminated, including two in the last two days of session. Besides analyzing the proposals for member impact and reaching out to our partners to coordinate a strategy, the Chamber team worked with our members to ensure that a cohesive message was sent to legislators and policymakers. This was another costly omnibus that did little to ensure reliable, low-cost energy while impeding business growth and making Illinois less attractive to businesses seeking to expand or locate here. [An energy omnibus did not pass either chamber.](#)

Carbon Capture and Sequestration

Two bills addressing CCS were ultimately adopted by the General Assembly, and the Chamber was involved in revising each proposal before adoption. [Senate Bill 1723](#) (Faraci/Ammons), which prohibits injection of CO₂ through the Mahomet Aquifer, and [Senate Bill 1697](#) (Fine/Hoffman), which addresses compensation for pore space owners and provides more clarity regarding liability for damage to the surface, ultimately were [passed by both houses](#) and will be sent to the Governor's Office. Each of these proposals was considerably more expansive and burdensome as introduced, but substantial changes urged by the Chamber narrowed each proposal's scope, making them far more reasonable.

PFAS

There were three legislative proposals on PFAS that had some traction during the last quarter: one prohibiting the sale of products that included intentionally added PFAS, another that prohibited the use of PFAS-containing products in personal protective equipment for firefighters, and a third that would create a PFAS task force that would focus on shifting the burden on addressing PFAS in wastewater away from wastewater treatment operators. [Only the first two proposals passed both houses.](#) This was only after significant work from the Chamber and our partners to appropriately define key terms and limit the prohibitions to products where alternatives already exist.

Environmental Justice

The Chamber has been at the forefront of this issue over the last several years as activists sought to develop far-reaching and extraordinarily onerous proposals that would have crippled development in certain parts of the State. A proposal drafted by the Chamber and our partners in the business community gave legislators a reasonable proposal to consider, and this seemingly had the effect of stalling all EJ-related legislation in this session until Illinois EPA offered its language in mid-April. In the last two weeks of the session, when there were indications that the proposal might move, the Chamber coordinated an effort with our partners to slow

the process, making it clear that while the Agency's proposal was considerably better than anything offered by the activists up to this point, there were still significant concerns with the language as drafted. [This issue will likely continue into the summer with further discussions with the Agency.](#)

Low Carbon Fuel Standard

Chamber staff continued to participate in Senator Koehler's Low Carbon Fuel Standard workgroup meetings throughout the quarter and will continue to do so during the summer. The Senator has scheduled these meetings to gather feedback on a host of issues, which he hopes will enable his staff to have a new draft for stakeholders to consider by mid-summer. [The Senator has targeted veto session for making another legislative push.](#)

Isolated Wetlands

Chamber staff worked with its partners to push back on unreasonable regulation of what are commonly referred to as "isolated wetlands" during the fall veto session. We were successful in slowing that legislation last fall, but advocates promised a renewed push this spring. By continuing to work with our partners and meeting this spring with state regulators who would be tasked with implementing these broad limitations, the Chamber was able to generate enough opposition within the General Assembly to stall the proposal this session. Further, the Chamber drafted alternative language that would first require a study to determine what the potential impacts of the advocates' poorly defined proposal would be, both in cost to implement but also in number of isolated wetlands that would be covered – [giving legislators an alternative approach should the issue be raised later this fall or next spring.](#)

Environmental Penalties

One issue that gives Chamber staff great concern is an issue that was slipped into the revenue bill on the very last day of session. Tucked away in the 1300 pages of [House Bill 2755](#) (Tarver/Villanueva), beginning on page 139, is language that would double the maximum penalties authorized by the Illinois Environmental Protection Act. Among other changes found in the bill, the revenue legislation would double the penalty. Any person is liable for violating the Act from \$50,000 to \$100,000 and increases the per day penalty from \$10,000 to \$25,000. Certainly, it is an interesting way to obtain revenue for the State.

ENVIRONMENT

The Spring 2025 session resulted in several pragmatic updates to environmental and energy regulations, with an emphasis on clarifying agency roles, reducing compliance burdens, and supporting infrastructure and workforce needs. Importantly, several costly or overly broad mandates were prevented from advancing—ensuring Illinois remains competitive for investment, industrial growth, and innovation.

[HB 2409](#) (Kelly/Villivalam) PFAS Firefighting PPE

This bill prohibits the sale and manufacturing of auxiliary firefighting personal protective equipment beginning January 1, 2030. Beginning January 1, 2026, anyone providing firefighting personal protective clothing containing PFAS chemicals is required to provide notification. The purchaser shall retain a copy of the notice for at least 3 years from the date of purchase. The Act is referred to as the Deputy Chief Pete Bendinelli PFAS PPE Act. [This bill Passed Both Houses.](#)

[HB 3290](#) (Smith/Fine) UST Fund Deductibles

This bill was an initiative of the Illinois EPA. The bill eliminates the \$15k, \$50k and \$100k deductibles and requires only a \$10k deductible moving forward. Unfortunately, if already paid, no refund will be issued. Any releases reported as of June 8, 2010, or later the \$5k deductible applies. [This bill Passed Both Houses.](#)

[SB 1723](#) (Faraci/Ammons) Mahomet Aquifer Carbon Sequestration

This bill prohibits carbon sequestration activity that overlies, underlies or passes through a sole source aquifer. Creates the Mahomet Aquifer Advisory Study Commission. The Advisory Study Commission is repealed on January 1, 2032. [This bill Passed Both Houses.](#)

[HB 2516](#) (Rashid/Morrison) PFAS Product Ban

This bill bans the intentional addition of PFAS to numerous products. This does not apply to products governed by federal law that preempt State authority; used products offered for sale or resale; electronic or internal components of products; and refrigerants, foams, and aerosol propellants that are listed as acceptable by USEPA. This bill instructs the IEPA to submit a report to the General Assembly by August 1, 2027. This bill also includes civil penalties between \$5k and \$10k for violations of this Act. [This bill Passed Both Houses.](#)

[SB 1697](#) (Fine/Hoffman) Carbon Dioxide Transportation and Sequestration Act

This bill adds that landowners must be compensated for damages to surface land where carbon capture and sequestration is occurring along with requirements to return the surface land back to conditions as near as practicable to the original surface conditions before the sequestration occurred. The bill contains additional provisions regarding when compensation would be required and for what purpose. [This bill Passed Both Houses.](#)

[HB 3278](#) (Mason/Morrison) Plastic Pellet Free Waters

This bill adds a new section to the Environmental Protection Act to address the control of plastic pellet release from permitted facilities. It directs IEPA to develop and begin implementation of requirements for a Stormwater Pollution Prevention Plan or other best management practice requirements to be included in NPDES permits issued to facilities regulated under 40 CFR 414 or 40 CFR 463. The bill states that these requirements shall apply to the control of plastic pellets or other pre-production plastic materials in stormwater runoff from these facilities. [This bill did not advance.](#)

[SB 1859](#) (Guzmán/Guzzardi) Climate Displacement Act

This bill creates the Climate Displacement Task Force Act for the purpose of making recommendations regarding climate displacement within the State. The Task Force will produce two reports to be submitted to the General Assembly. The first report will be due by June 30, 2026, to include an analysis of scientific research and global modeling that accurately assesses the level of climate displacement projected to occur in the United

States and neighboring countries. The second report will build upon the first report to include a needs assessment of infrastructure, systems development, and collaboration among State agencies to ensure the State is prepared through 2050 for upcoming climate-related challenges. The second report will be submitted by June 30, 2027. [This bill Passed Both Houses.](#)

[HB 2419](#) (Hirschauer/Villa) EPA-Local Siting Review

Legislation that initially would have required for a cumulative impact study to be performed under existing local siting review requirements by the IEPA, was ultimately negotiated to make more limited additions to the process. First, the bill will clarify that a county board or municipality must conduct a hearing that is accessible to persons with disabilities and non-native English speakers, and others. Upon completion of the hearing, the local unit of government will certify that the public hearing occurred and thereafter no allegation or claim of noncompliance with this public hearing requirement may occur. Secondly, the bill provides that a local unit of government, in addition to allowing for traffic impact studies to be performed, may include studies of the emissions associated with traffic; allows the IDOT to charge a fee to cover the costs of the emissions study. [The bill Passed Both Houses.](#)

[SB 93](#) (Preston/Faver Dias) Prohibited Food Additives

Legislation that has continued to be introduced year-over-year is the food additives prohibition legislation. This year SB 93 would, beginning January 1, 2027, prohibit the manufacture a food product for human consumption that contains any (i) potassium bromate or (ii) propylparaben. Beginning in 2028, no person or entity would be allowed to sell, deliver, distribute, hold, or offer for sale a food product for human consumption that contains any product containing potassium bromate or propylparaben. The bill sets civil penalties of \$5,000-\$10,000 and allows the Attorney General to administer the provisions of the legislation. [While the bill passed out of the Senate on a bi-partisan vote, the bill did not advance in the House.](#)

[SB 1531](#) (Fine/Gong-Gershowitz) Polystyrene Foam Container Ban

This bill creates the Disposable Food Service Container Act to eliminate the sale and distribution of disposable food service containers composed of all or part of polystyrene foam beginning January 1, 2030. [This bill did not advance.](#)

HEALTHCARE

Summary

The 104th General Assembly started out in a lot of ways right where the 103rd left off during Lame Duck session. The general feeling was that, while this is a completely new General Assembly, almost nothing was substantially different on Inauguration Day than the day before. In no place was that truer than in the health-care space. The big-ticket items from last year, PBMs, Healthcare Protection Act, PDAB, etc., were the same big-ticket items this year.

To further prove the point of what's old is new again, the Governor used a significant portion of his combined State of the State and Budget Address to highlight his healthcare priorities, just as he did in 2024. Like last year, he wanted to continue going after health insurance providers by expanding his Healthcare Protection Act to remove prior authorization for mental health, behavioral health, and substance use treatment, as well as increase the medical loss ratio to 87% for both small and large group plans.

The Governor did not stop there. He also adopted the PBM issue as his own and put them directly in the cross-hairs, calling PBMs true middlemen that did not add value but extracted it from the system. PBMs, according to the Governor and others, are the true source of rising prescription drug costs and the downfall of independent pharmacies across the state. To them, anything short of a complete overhaul of the system would not be sufficient.

Aside from the Governor's healthcare priorities, many members of the General Assembly entered the 104th with their own priorities in this issue area. These priorities ranged from another attempt at a state-run prescription drug advisory board (PDAB) to a myriad of insurance coverage mandates to trying to rein in the use of AI in healthcare coverage determinations.

Most of these proposals would either fizzle out completely or be worked to a point of neutrality from the respective industry. Of the roughly 250 bills the Illinois Chamber was tracking at the onset of the 104th General Assembly, only 31 would make it pass both houses.

Below you will find a summary of some of the bills the Illinois Chamber was engaged on. In no way is the list a complete universe of every healthcare-related bill or even every healthcare bill the Chamber "cares" about. The list should be seen as representative of the trend the Illinois General Assembly is taking in the space, and those bills that will have, or would have had, the most significant impact on businesses operating in the State. Perhaps the most impactful piece of legislation to pass both houses (and will undoubtedly become law) is [HB 1697](#), the Prescription Drug Affordability Act.

Governor's Healthcare Priorities

As mentioned above, the Governor once again used a significant portion of his State of the State and Budget Address to highlight his healthcare priorities for the first year of the 104th General Assembly. Governor Pritzker took up the pharmacy benefit manager fight and announced an expansion to the Healthcare Protection Act that he helped usher through the legislature last year.

The Healthcare Protection Act was signed into law last July, and while portions of the newly minted law are only just going into effect, and the ink is barely dry, the Governor indicated the law had not gone far enough. This time, prior authorization for mental and behavioral health and substance use treatments, and increasing the medical loss ratio would do the trick.

The other priority, targeting PBMs, was carried over from the 103rd General Assembly, where several subject matter hearings had taken place, both during regular session and throughout the summer in Chicago. What the Governor, his staff, the Illinois Department of Insurance, and other stakeholders would propose and eventually pass would be a much harsher rebuke of the industry than what was originally proposed.

For months following the Address, both bills would be “negotiated”. The Healthcare Protection Act expansion, originally on SB 708 (Fine), mellowed over time. The major components, like increasing the MLR and setting per diem rates for travel associated with care, were removed, and what was left was agreed to between all stakeholders. The Prescription Drug Affordability Act (PDAA), SB 709 (Koehler), talks broke down and eventually turned into sending draft requests, while months of session went by without any hearing.

After months of rumor and conjecture about hearings and votes on SB 708 (Fine) and SB 709 (Koehler), neither would turn out to be the vehicles for the proposals, which would go on to pass both chambers in the waning hours of May 31.

The Prescription Drug Affordability Act or “the big PBM bill” as Rep Manley refers to it, was attached to [HB 1697](#) (Manley/Koehler) on May 28 and would go on to pass the Senate the following day, May 29, 56-1-0 and then the House on May 31, on a concurrence vote of 115-1-0. The bill has [Passed Both Houses](#) but has yet to be sent to the Governor for his signature. The bill, among other things, does the following:

- Prohibits the practice known as “steering” in which a PBM can direct pharmaceutical prescriptions to certain pharmacies at a discounted rate
- Prohibits “spread pricing” in PBM negotiations over formularies
- Institutes a \$15/per covered individual tax on PBMs, first \$25 million collected is directed to the DCEO to be administered as grant program for pharmacies, the remaining sum (estimated to be around \$145 million) is directed to GRF
- Requires expanded PBM reporting
- Provides for a \$10,000 per violation per day fine for noncompliance
- Includes all covered individuals, including ERISA plans, in the State with the exception for Taft-Hartley plans (union healthcare plans)

The Healthcare Protection Act expansion language was attached to [HB 3019](#) (LaPointe/Fine) on May 29 after SB 708 (Fine) was no longer a viable option for passage before adjournment. The bill was negotiated between all stakeholders, and as a result, insurers did not take a position on the final product.

As [Passed Both Houses](#), the bill does not change the medical loss ratio, as intended in the introduced version, but does prohibit prior authorization for most behavioral and mental health and substance use treatments. The bill also provides for guidelines on travel, lodging, and food reimbursement for out-of-network coverage when no in-network coverage can be reasonably accommodated. The bill passed the Senate 45-11-0 and the House on a concurrence vote 84-32-0. The bill has yet to be sent to the Governor.

Late Session Movement

340B legislation was amended onto [HB 2371](#) (Moeller/Koehler) in the Senate on May 28. Senate Executive Committee recommended do adopt SFA2 13-0-0 before the entire body would pass the bill 55-0-0 over to the House. In the House, the Executive committee took up the concurrence motion on May 30 and passed RBA 12-0-0. The motion failed to be called on the House Floor before adjournment after a day and a half of mixed rumors about the sponsor having the “requisite” 60 Democratic votes.

The Medicaid omnibus, [SB 2437](#) (Aquino/Moeller,) [Passed Both Houses](#); 76-39-0 in the House and 36-19-0 in the Senate.

[HB 1085](#) (LaPointe/Villa), the “mental health parity” legislation, saw a last-minute resurgence after languishing in the Senate since early April. The Illinois Chamber opposed every iteration of the bill, slipping that position in the Committee and sharing our concerns with the sponsors. The bill was amended to require set reimbursement rates for mental and behavioral health and substance use treatments. [The Senate Executive Committee recommend do adopt SCA1 10-0-2, but no further action was taken on the legislation before adjournment.](#)

[HB 2771](#) (Lily/Aquino), the Hospital Assessment, [Passed Both Houses](#), 55-0-0 & 111-0-0

2025 Illinois Chamber Healthcare Priorities

[HB 35](#) (Morgan/Fine) which was identical to [SB 1425](#) (Fine) as introduced and remained substantially similar, as Passed the House, would have required “oversight” when using artificial intelligence or predictive models to make “adverse consumer outcomes” in health insurance coverage. The Illinois Chamber opposed this legislation and essentially any legislation that sought to hinder the use of AI and similar computing technologies before there is an opportunity to understand these technologies’ applications in improving businesses. The bill [passed the House 79-35-0](#) but never received a vote in the Senate. The bill currently remains in the Senate Executive Committee.

[HB 1141](#) (Hauter/Turner, D) prohibits the need for a medically necessary determination and time limit for general anesthesia use during medical operations. Initially the Illinois Chamber was opposed to the bill as introduced, however, the insurance industry worked with the House sponsor and moved industry and business to neutral. [Passed Both Houses](#).

[HB 1272](#) (West) is another rerun from the 103rd GA and would create the Wholesale Prescription Drug Import Act which would permit importation of prescription drugs from Canada into Illinois directly. As in the past, the Illinois Chamber opposed. The bill has been [re-referred to the Rules Committee](#).

[HB 1332](#) (Meyers-Martin/Hunter) as passed the House, Creates the Emergency Contact and Caregiver Advise, Record, and Enable Act and provides that a patient or patient’s legal representative the opportunity to designate a caregiver for the patient. The Chamber opposed the introduced legislation but was moved to neutral with the adoption of HFA3. The bill has [Passed Both Houses](#) but has yet to be sent to the Governor for signature.

[HB 1431](#) (West/Stadelman) as passed the House, amends the Fair Patient Billing Act to require hospitals that charge a facility fee for outpatient services that are distinct from a professional fee to adopt a policy to inform patients as reasonably practicable. The Illinois Chamber shared their concerns with the bill as introduced with Rep. West prior to the bill being heard in House Human Services Committee. Rep. West worked with the stakeholders on HCA1. The Illinois Chamber moved to neutral with the adoption of HCA1 and remained so with the technical change in SFA1. The bill has [Passed Both Houses](#).

[HB 1443](#) (Syed) & [SB 66](#) (Peters) would create the Health Care Availability and Access Board Act, or in other words, a state-run prescription drug advisory board. The two pieces of legislation are identical to previously introduced proposals in past GAs. As momentum gained around state intervention on the cost of healthcare, it was unclear whether PDAB would have legs this year. The Illinois Chamber will always be opposed to any form of PDAB. HB 1443 was [re-referred to Rules Committee](#) and SB 66 [remains in Assignments](#).

[HB 1598](#) (Hernandez, B/Castro) sought to increase barriers of entry for surgical technicians working in Illinois hospitals and health facilities by limiting eligible accrediting bodies. The Chamber engaged the House sponsor and proponents of the bill to express our unwavering opposition to any form of the legislation that would not permit hospital-run programs for surgical tech training and accreditation to continue. The bill [passed on partisan lines in the House but failed to move out of Senate Licensed Activities](#) where it remains at the time of this report.

[HB 1706](#) (Morris) & [SB 102](#) (Feigenholtz) would ratify and allow for Illinois’ participation in the Nurse Licensure Compact. The nurse licensure compact is a multi-state license that 43 other states and licensing jurisdictions, including all of Illinois’ neighboring states, participate in. The Illinois Chamber supports this effort; unfortunately, neither bill was able to advance and has since been [re-referred to Rules and Assignments](#).

[HB 3494](#) (Willams) and [SB 2273](#) (Villanueva) both sought to create the Health Data Privacy Act. To find out more about these pieces of legislation and the Illinois Chamber’s leadership on the efforts, please refer to the Tech Section.

[HB 3605](#) (Lilly), was an attempt to reopen an agreement from the 103rd General Assembly. The Illinois Chamber joined other stakeholders who were part of that agreement in opposition. The bill would have provided that a group policy of accident and health insurance or managed care plan that is amended, delivered, issued, or renewed after January 1, 2026, shall provide coverage for evidence-based cancer imaging for individuals with an increased risk of cancer as recommended by the current National Comprehensive Cancer Network clinical practice guidelines. Provides that this coverage shall be provided without cost-sharing, and the requirements of the Act shall not apply to the extent that providing coverage would disqualify a high-deductible health plan from eligibility for a health savings account. The bill has been [re-referred to Rules Committee](#).

[SB 1238](#) (Villa/Yang Rohr) as passed the Senate, provides that beginning January 1, 2027, a health insurance issuer shall develop a plan to provide adequate coverage and access to a broad spectrum of pain management services, including, but not limited to, nonopioid, nonnarcotic pain management services and non-medication pain management services that serve as alternatives to the prescribing of opioid or narcotic drugs in accordance with guidelines developed by the Department of Insurance. The Chamber remained neutral on the bill. The bill has [Passed Both Houses](#).

INFRASTRUCTURE

For this issue area, legislative action and bills of interest are 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 amount of attention this Spring. Before diving into the key legislation of interest, this section begins with a comprehensive review of one of the most impactful policy topics in transportation and infrastructure this year: mass transit reform and revenue. The mass transit governance reform package, specifically, was heavily discussed and debated over the past year.

While capacity to tackle other major transportation topics was limited, the General Assembly also made some legislative changes on procurement, project delivery and regulation of the industry.

Mass Transit Governance Reform and Funding Dominate Spring Transportation Discussions

After months of negotiation, a year of committee hearings on the subject, and three-plus years of sounding the alarm on the impending mass transit fiscal cliff, a governance reform bill was introduced with only days left on the legislative calendar. After over 40 hours of in-depth public hearings and months of media coverage on the issue, an over 800-page bill was filed in the Senate by Transportation Chairman Ram Villivalam ([HB 3438](#) (Andrade/Villivalam)) and in the House by Leader Eva-Dina Delgado ([SB 2111](#) (Simmons/Delgado)) on Wednesday, May 28th. With just four days of session remaining, and many challenges on adequate governance, structural reforms, and government efficiencies left unresolved, the viability of the legislation was immediately in question.

The Chamber has long called for transformative governance reform for mass transit. This session, we have had the pleasure of testifying in committee on the subject, publishing our [10 Business Principles for Mass Transit Reform](#) position paper, and remained in regular communication with each of the transit leaders in the legislature. While we applaud the work of numerous legislators on this critical topic, and the countless hours dedicated to attempting to draft a workable solution, the legislation unfortunately missed the mark on governance reform and budgetary efficiencies and imposed an undue funding burden on consumers and businesses in our state. You can view the letter the Chamber sent Chairman Villivalam and Leader Delgado [here](#).

On May 31st, the scheduled adjournment day for the Illinois General Assembly, HB 3438 passed out of the Senate on a vote of 32-22 but was not called for a vote in the House. Conversations will continue, but the path for passage of HB 3438 remains unclear.

Provided below is a high-level overview of the governance reforms contained within both the House proposal, SB 2111, and the Senate proposal, HB 3438. There were some changes made to the bill language on governance and funding between SFA 2 and SFA 3 to HB 3438.

- The bill creates the Northern Illinois Transit Authority (NITA), thereby replacing the Regional Transportation Authority (RTA)
- A new NITA board structure takes effect in 2026
 - A 20-member NITA Board would be appointed by the Governor, Mayor of Chicago, Cook County Board President, and collar county chairs with five appointments for each bloc.
 - Board members would have to have experience in transportation planning, operations, or finance.
 - Some appointees would serve concurrently on the NITA/CTA, Metra, and Pace boards in an attempt to align governance.
- Requires the adoption of new "service standards"
 - The Authority would have to adopt service standards to guide the provision of public transportation throughout the Chicago metropolitan region.

- The service standards would identify quantitative and qualitative attributes of quality public transit service using metrics drawn from the performance of high-quality transit systems in global metropolitan areas with populations and metropolitan economies comparable to the metropolitan region.
- Strengthens the ability for the new NITA Board and subordinate transit agencies to work on regional planning
- Establishes a “NITA Law Enforcement Task Force”
 - Led by the Cook County Sheriff, in cooperation with the Chicago Police Department, Metra Police, State Police, and collar county and municipal departments, the Task Force would establish a public safety strategy.
- Establishes the “Office of Transit Safety and Experience”
 - The Office would coordinate with law enforcement and social service agencies and oversee safety technologies and incident data collection.
- Expands transit-oriented development authority for NITA and the Service Boards
 - NITA and local transit districts would be able to develop, finance, and partner on TOD projects.
 - Would allow for funds-borrowing and the entering of contracts with private and nonprofit partners.
- Establishes a 25% “fare-box” revenue recovery ratio
- Implements best-value procurement for certain contracts
 - Adds additional minority contracting reporting requirements.
- Provides for some capital projects to be designated under “Fast-Track” and includes authority for use of eminent domain on utility and railroad property. Eminent Domain language was removed from later Senate versions.
- Imposes a broad-based new Service Board/NITA reporting requirements to capture reliability, safety, and other metrics
- Creates multiple advisory bodies but lacks formal business representation
 - Would establish three Regional Service Councils, an ADA Council, and a Riders Council to advise, among other things, on service quality and planning.

As passed the Senate, the following revenue-generating proposals were included in HB3438 to fund the new reformed governance structure.

- A statewide \$1.50 “climate impact fee” or a per-package delivery fee.
- A new ground transportation tax (i.e., rideshare tax) of 10% of a gross trip fare in Chicago, Cook, and the Collar Counties.
- A new Real Estate Transfer Tax in Cook County (excluding Chicago) and the collar counties of \$1.50 per \$500 of property value.
- A new EV Charging Tax imposed at the rate of \$0.06 per kilowatt hour of electric vehicle power.
- Redirects interest earned from the Road Fund to various Mass Transit Funds.

Among other things, a tollway surcharge of \$0.50 was removed in later drafts after strong opposition from organized labor was expressed. A Road User Charge (RUC) pilot program was also removed in later amendments.

While the Chamber had to Oppose the legislation discussed above, we look forward to continuing conversations with legislative leadership and stakeholders on a workable mass transit governance reform package. [HB 3438 failed to pass in the House and is now awaiting further action.](#)

Chamber-supported “Only Retain for a Reason” Initiative Passes Both Houses with Strong Bipartisan Support

The Chamber is a long-time advocate for improvements to the state’s procurement processes. This year we had the pleasure of joining a retainage reform coalition that advances Illinois toward a retainage model for state contracts where the Capital Development Board (CDB) and state universities will “only retain for a reason,” thereby, creating cash-flow solutions for, oftentimes, small and minority contractors; [HB 1224](#) (Davis, W./Preston).

On State projects, some State agencies retain 10% of contract funds until projects close-out, which can be months (or even years) after the contractors first take on the job, and only after subcontractors have completed their work. This leads to cash flow problems for contractors, especially as they seek to take on new projects. Federal regulations currently permit contracting officers to withhold retainage only if there has been a problem with the job or contractor. Illinois has an across-the-board policy of retaining 10% of the funds owed until it closes out, whether or not a problem exists.

HB 1224 will now allow retention on these projects only when there is a problem or when “satisfactory progress” has not been achieved. The Chamber strongly supports this concept and believes that this precedent will allow small businesses to be more able to compete fairly for state projects. Under the new model, determinations to retain will be made by the State agency on a case-by-case basis based on the successful completion of milestones.

The bill was a product of significant negotiation and passed both chambers with all opposition brought to neutral. This was largely done by exempting IDOT projects from the purview of the bill.

During the last week of session, HB 1224 passed the Senate, on a vote of 56-0-0 and passed the House on a vote of 86-28-0 with broad bipartisan support. The Chamber was in Support of the proposal.

No Procurement Omnibus Filed in the House or Senate

While several procurement-related bills did see passage in the final weeks of session (view below), there was no overarching procurement omnibus filed this year. In the closing weeks of the spring session, there were rumors about what proposals might be included in the end-of-year package. However, [no language was ultimately filed](#). Earlier in the year, there were some limited subject matter hearings on procurement reform in the Senate. Some of the legislation below passed out of committee or received a subject matter hearing but didn’t pass both chambers before adjournment.

[SB 2317](#), and IDOT initiative, seeks to reduce delays caused by the number of signatories required for project changes over \$250,000. The bill proposes increasing the threshold to \$750,000. [SB 245](#) concerns project goals for Disadvantaged Business Enterprise (DBE) participation and seeks to limit what is considered a “good faith effort.”

[SB 2334](#) would require supplier diversity reporting to be made publicly available. [SB 1294](#), aimed at addressing outsourcing, would prohibit the awarding of contracts if more than 10% is performed outside US. [SB 2157](#) restricts the procurement of goods from deforested areas, and [SB 101](#) attempts to streamline veteran certification processes across the state.

Numerous bills were also filed this year related to construction and project management for colleges and universities.

The Chamber remains engaged in procurement-related legislation and looks forward to continuing work with our members and allies in the business community to improve project delivery and contracts with the state.

Local Government

[HB 1158](#) (Du Buclet/Murphy) amends the Metropolitan Water Reclamation District Act. This bill raises the annual borrowing limit for MWRD from \$150,000,000 to \$250,000,000. [This bill Passed Both Houses.](#)

[HB 1831](#) (Vella) provides that each county shall have power to declare what sound nuisances are, including, but not limited to, sound amplification, construction noise, and noise from off-road vehicles, and to take all necessary measures to abate sound nuisances within the county's jurisdiction. [This bill passed the Committee but was re-referred to the Rules Committee.](#)

[HB 2391](#) (Katz Muhl/Simmons) provides that the use of treated municipal wastewater from a publicly owned treatment works is authorized for irrigation and industrial use (rather than only irrigation) when conducted in accordance with a permit issued under the Act. [This bill Passed Both Houses.](#) The Chamber supports.

[SB 2129](#) (Morrison/Faver Dias) provides that the Department of Transportation shall establish an online portal that allows units of local government to submit forms electronically to the Department. The online portal shall provide a tracking feature for the submission as well as a point of contact at the Department of Transportation. [This bill Passed Both Houses](#)

Procurement

[HB 2833](#) (Meier) amends the Illinois Procurement Code. In provisions concerning small business set-asides, provides that the maximum number of employees and the maximum dollar volume that a small business may have shall mirror the United States Small Business Administration's Table of Small Business Size Standards. [This bill passed Committee but was re-referred to the Rules Committee.](#)

[HB 3137](#) (Ness) provides that, for construction contracts procured by the Department of Transportation, a requirement that a contract or an amendment to an existing contract requires the signature of the chief executive officer of the agency, the chief legal counsel of the agency, and the chief fiscal officer of the agency applies only if the contract is in the amount of \$750,000 or more or is increased to or by \$750,000 or more in a fiscal year. Provides that the Department of Transportation may, by rule, adjust that threshold on a yearly basis to reflect inflationary costs in highway construction. [This bill passed Committee but was re-referred to Rules.](#) The Chamber supports.

[HB 3177](#) (Olickal/Villivalam) provides that the Department of Transportation or the Illinois State Toll Highway Authority may use the design-build project delivery method for transportation facilities if the capital costs do not exceed \$500,000,000 (rather than \$400 million) of contracts awarded on an annual basis (rather than during the Department's multi-year highway improvement program for any 5-year period). [This bill Passed Both Houses unanimously with industry support.](#)

[SB 1999](#) (Porfirio/Deuter) provides that the Department of Transportation shall develop and implement a life-cycle costs analysis for each new construction, reconstruction, or replacement road project, except for State rehabilitation and preservation projects, under its jurisdiction for which the total pavement costs exceed \$500,000. In practice, this change will remove the requirement that IDOT perform an LCCA on rehabilitation projects. [This bill Passed Both Houses.](#)

State Regulation & Reports

[HB 2535](#) (Syed) provides that a fire protection charge by a public utility shall be no greater than the average cost spent by the public utility on the maintenance, connection, or use of any fire protection services over the past 10 years. [This bill passed Committee but was later re-referred to the Rules Committee.](#) The Chamber is Opposed.

[HB 2863](#) (Elik/Harris) requires a water or sewer utility to mail a notice 30 days prior to a required public meeting to customers who will be affected by the acquisition. Provides that the notice shall include (i) information about the public meeting being held prior to the acquisition, (ii) information on the public body that will make the decision regarding the sale of the water or sewer utility, and (iii) if available, an estimate of the capital investment needs of the water or sewer utility being acquired and a statement stating that customer rates may change in the future due to the capital investment needs. The Chamber is Neutral on this legislation with Senate Committee Amendment #1. [This bill passed the House but was not called on the Senate floor.](#)

[SB 75](#) (Murphy) 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 where 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. The Chamber opposed this legislation due to the negative impact it will have on investment in water/wastewater infrastructure assets. [This bill passed out of Senate Public Utilities but did not advance further.](#) The Chamber is Opposed and engaged with a business coalition to actively work against the passage of this legislation.

[SB 1230](#) (Joyce/DeLuca) provides that beginning next year, the Capital Development Board shall submit a report to the General Assembly and the Governor concerning all planned and ongoing projects constructed by or under the supervision of the Board. [This bill Passed Both Houses unanimously.](#)

[SB 1507](#) (Feigenholtz/Croke) provides that the University of Illinois Chicago Urban Transportation Center shall conduct a study that includes the following: (1) a comprehensive review of the City of Chicago's website multi-year crash data on North and South DuSable Lake Shore Drive; (2) the available research on potential effectiveness of cameras powered by artificial intelligence in improving compliance and reducing crashes and road fatalities on North and South DuSable Lake Shore Drive; (3) an analysis of driving behavior to detect risky driving patterns and to address the DuSable Lake Shore Drive crash corridors; (4) an assessment of the effectiveness of psychological deterrence in reducing habitual speeding; and (5) an assessment of how fatalities can be reduced using these cameras powered by artificial intelligence and other technical options that may be available in place of cameras powered by artificial intelligence. Debate on the floor largely concerned the use of AI tools for analysis of this type of traffic accidents. [This bill Passed Both Houses.](#)

Transportation Systems

[HB 2394](#) (Benton/Loughran Cappel) provides that a vehicle or combination of vehicles operated by an engine fueled wholly or partially by an electric battery or hydrogen fuel cell electric fueling system may exceed the posted weight limits by up to 2,000 pounds. This legislation attempts to offset the additional weight of alternative fuel systems, which can range from 4,000-16,000 pounds. [This bill passed the House but was not called in the Senate.](#) The Chamber Supports.

[HB 3778](#) (Delgado) 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. The bill also contains California emissions standards mandates. While numerous mass transit reform proposals were filed this Spring, the Chamber opposed this legislation as it contained California emissions mandates. [This bill was not called in committee and was re-referred to the Rules Committee.](#) The Chamber is Opposed.

[SB 1938](#) (Villivalam) provides that beginning July 1, 2026, the Regional Transportation Authority shall be the sole agency responsible for the management and oversight of the fare collection systems used on all public transportation provided by the Service Boards. Make changes to the membership of the Suburban Bus Board and the Commuter Rail Board. Establishes the Road Usage Charge Advisory Committee to guide the development and evaluation of the road usage charge pilot program and to assess the potential for mileage-based revenue as an alternative to the current system of taxing highway use through motor fuel taxes. This is Labor's mass transit reform proposal. Some of the provisions of the bill were included in the mass transit package filed in the final days of session (see above). An RUC pilot program was removed from the final mass transit language that passed the Senate. [This bill received a subject matter hearing but did not move out of Committee.](#)

[SB 2253](#) (Villivalam/Hoffman) requires the Department of Transportation to consult with all Class 1 and short line railroads and relevant businesses engaged in the railroad industry in preparation of the State Rail Plan. Creates the Freight Rail Transportation Coordinating Committee. Amends the Eminent Domain Act. Provides that for property being acquired by the Department of Transportation under the Illinois Highway Code, the Illinois Commerce Commission shall issue its final order within 6 months after the date that the petition is filed unless the Commission extends the period for issuing a final order. Provides that the Commission may extend the 6-month period for issuing a final order for up to an additional 3-month period on its own motion or on a petition filed with good cause by any party. Authorizes the Commission to have the power to establish an expedited schedule for making its determination on a petition filed by the Department in less than 6 months if it finds that the public interest requires the setting of an expedited schedule. While the Chamber originally opposed this bill, SFA 3 brought the Chamber and several other business organizations to Neutral. [This bill Passed Both Houses.](#)

Vehicles & Safety

[HB 1389](#) (Rita) expands the authority for automated speed enforcement systems in safety zones to include municipalities in the counties of Cook, DuPage, Kane, Lake, Madison, McHenry, St. Clair, and Will (instead of just the City of Chicago). [This bill did not pass out of Committee and was re-referred to the Rules Committee.](#)

[HB 3044](#) (Kifowit) provides that a manufacturer shall submit to the Department of Transportation documentation regarding the level of driving automation, along with a filing fee in an amount to be determined by the Department before selling or operating autonomous vehicles. Provides that the Department shall assemble an Automated Driving Systems Review Committee to evaluate submitted documentation and make determinations concerning the level of automated driving capabilities and the suitability of the vehicle for operation on public roads. Provides that an autonomous vehicle classified as having Level 2 Driving Automation may be sold to consumers and registered for use. Provides that the owner of the automated vehicle shall file an annual report with the Department of Transportation stating the number of miles driven per year, the estimated number of miles driven using equipped automated driving systems, and any collisions that occurred involving the vehicle. Prohibits the sale or operation of autonomous vehicles classified as having Level 3, 4, or 5 Driving Automation. Among other reasons, the Chamber Opposed this bill as it would stifle innovation in a growing industry. [This bill did not advance out of committee and was re-referred to House Rules.](#)

[SB 1591](#) (Cervantes) amends the Illinois Vehicle Code. Authorizes the Department of Transportation and the Illinois State Toll Highway Authority to implement the use of a leader-follower work zone vehicle (autonomous connected system) in a highway construction or maintenance zone under their jurisdiction to create a safety system to protect their workers. [This bill did not advance out of committee and was re-referred to the Assignments Committee.](#) The Chamber Supports.

[SB 2040](#) (Villanueva/Davis) amends the Illinois Vehicle Code. Establishes registration requirements for commercial vehicle safety relocators and tasks the Illinois Commerce Commission with oversight duties and the imposition of penalties. Provides that commercial vehicle safety relocators must follow specified business address requirements. Sets forth provisions concerning liens against personal property in a towed vehicle, making false statements and the power of the Commission to deny an application or revoke registration from a commercial vehicle safety relocator, and the relocation and redemption of vehicles. The Chamber Supported this legislation to combat "rogue towing," which has caused significant expense and hassle for drivers and insurers in cities across the US. [This bill Passed Both Houses.](#)

TAX

The 2025 spring legislative session was an important one for tax changes in Illinois. Many revenue sources were considered including sales tax, income tax, property tax, and more. Several significant conversations were held on major taxation issues such as the expansion of the sales tax to services which did not receive a vote but certainly received much attention from both the media and from those in the Capitol.

Ultimately, the end of session resulted in significant corporate tax changes that will likely have continued reverberations in Illinois' economy for the years to come by continuing the General Assembly's tradition of identifying so-called "tax loopholes" to balance the budget. Should Congress act on many of the provisions of the Tax Cuts and Jobs Act (TCJA) set to expire at the end of this year or make other changes to our federal tax code, Illinois may continue to respond accordingly.

Below is an overview of the major highlights that the Illinois Chamber was monitoring for Tax Institute members.

2025 Spring Session – Tax and Budget Overview

In February, the Governor's introduced budget provided that the State would be generating \$55.453 billion in revenue next fiscal year (FY26). Accounting for expenditures, and the nearly \$492 million in "revenue adjustments" that the Governor proposed (which included a tax amnesty program, pausing the transition of sales tax on Motor Fuel to the GRF, and modifications to gaming/cannabis taxes), the Governor's Office was projecting a \$218 million surplus. At the time of the Governor's "State of the State" and budget presentation, the Illinois Chamber was encouraged by the Governor's measured budget proposal that included no new taxes. The Chamber's statement regarding the February Introduced Budget can be found [here](#).

Later in legislative session, both the Governor's Office of Management and Budget (GOMB) and the Commission on Government Forecasting and Accountability (COGFA) issued revised revenue estimates that were more pessimistic than first reported in February. Most of the downward revisions were attributed to sluggish employment, wages and salary growth, as well a generally pessimistic economic outlook.

Under the final appropriations bill which passed on the scheduled May 31st adjournment day, the General Assembly approved a \$55.1 billion spending plan and a revenue package totaling \$55.4 billion. By many accounts, the final budget package largely resembles a status-quo or "maintenance" budget that does not address many looming budget pressures. Those issues range from possible Congressional tax and budget changes that may impact Illinois' federal grant funding to solving the \$771 million-to-\$1.5 billion in mass transit funding demands.

Below is an overview of several FY26 budget package items.

FY26 Budget Legislation

[SB 2510](#) (Welch/Harmon) contained the FY26 budget that will be effective July 1, 2025. The FY26 Budget contains many of the initially announced investments that the Governor presented in his budget proposal back in February, including the following:

- \$500 million in funding for the "Shovel, Site Readiness" Program to help the State offload surplus property to attract new investment in Illinois.
- \$307 million in additional EBF Funding for our K-12 Schools.
- \$771.6 million in MAP and AIM HIGH higher education funding.
- \$75 million in additional reserves to be utilized by the Administration to address the Tier 2 pension safe harbor issue in the future.

- \$15 million in medical debt relief.
- \$7.5 million in new funding for Non-for-Profit Security Grants.

Unfortunately, the budget proposal was built upon new or increased taxes, including several harmful proposals that our members expressed strong concerns with. For this reason, the Illinois Chamber of Commerce opposed the Revenue Package. The Illinois Chamber's statement on the final budget package can be found [here](#).

FY26 Revenue Omnibus

[HB 2755](#) (Tarver/Villanueva) contains the FY26 revenue omnibus package which this year contained over \$330 million in corporate tax increases (e.g., limits to the 80/20 exemption, reduction to the GILTI income tax deduction, and changes related to combined apportionment). In addition, the revenue bill contains the following:

- Creates a new sports wagering tax (\$36 million)
- Expands the State's hotel-motel tax to short-term rental platforms (\$10 million)
- Increases and expands several tobacco product taxes (\$50 million)
- Creates a new telecommunications surcharge (\$50 million)
- Imposes several new EPA fee (environmental) increases

The proposal also would create several tax amnesty programs that the Governor's Office believe will generate \$228 million and generate \$171 million for the State's General Revenue Fund by pausing the full transition of the redirecting of the sales tax on motor fuel for one year.

Other items in the legislation included the following:

- Creates a "Tax Delinquency Amnesty" from October 1, 2025, through November 15, 2025
- Creates a "Franchise Tax and License Fee Liability Amnesty" for any period between June 30, 2019, to June 30, 2025
- Amends the Use Tax Act
 - Pauses the incremental transfer of sales tax on the sale of motor fuel from GRF to the Road Fund by one year (now July 1, 2026)
 - Provides that beginning on January 1, 2026, a retailer or marketplace facilitator making sales to purchasers in Illinois from outside of Illinois with sales of \$100,000 or more is subject to State's sales tax (Removes the 200 or more transactions threshold to establish Wayfair nexus.)
 - Allows consumers to remit use tax on any applicable transaction
 - Makes other changes
- Creates a "Remote Retailer Amnesty Program" for periods January 1, 2021 to June 30, 2026. Allows IDOR to establish a Remote Retailer Amnesty Programs for remote retailers that may owe State or local ROT on eligible transactions
- Amends the Illinois Vehicle Code
 - Provides that the motor vehicle privilege tax does not apply if the motor vehicle is purchased for the purpose of resale by a retailer registered under the Retailers' Occupation Tax Act
- Amends the Illinois Gives Tax Credit Act
 - Modifies the definition of "qualified community foundation"
 - Increases the tax credits allowed per year to \$200,000
- Amends the Illinois Municipal Code
 - Makes a clarification regarding allowable municipal motor fuel tax allowed in municipalities in Cook County

- Amends the Illinois Finance Authority Act
 - Authorizes the IFA to finance or refinance any accounts receivable, working capital, liability, insurance or noncapital cost or operating expense for any local unit of government, health institution, higher education institution, academic/cultural/other institution
 - Expands the IFA's financing to support clean water projects, drinking water projects, waste-water treatment projects, or climate resilience projects
- Amends the Climate Bank Loan Financing Act
 - Adds climate resilience projects to eligible programming
- Amends the Property Tax Code
 - Expands and modifies the affordable housing special assessment program
 - Provides that in Cook County, the application for judgement and order of sale for the 2023 annual tax sale that would normally be held in calendar year 2025 shall be filed on or before March 10, 2026. Prohibits interest from accruing between 9/2/25–4/1/26 on delinquent warrant year 2023 tax balances.
 - Adds language concerning information required to be provided to property tax owners on their PTAX bill concerning TIF projects
- Amends the River's Edge Act
 - Adds RERZ zones in the City of Alton and City of Sterling
- Amends the Electric Vehicle Rebate Act
 - Expands eligibility, reduces max award of the rebate, and includes EV motorcycles
 - Additionally, provides a \$2,000 rebate for new or used vehicles for low-income applicants
- Amends the Film Production Services Tax Credit Act
 - Modifies the application of the "above-the-line-spending," "below-the-line" spending, and makes other enhancements to the Film Tax Credit
- Creates the Advancing Innovative Manufacturing for Illinois Tax Credit
- Amends the DCEO Administrative Code
 - Makes modifications to the quantum computing campus operating language
- Amends the REV in Illinois Act
 - Expands eligible projects to include renewable energy products manufacturing, eVTOL manufacturing, battery recycling and reuse manufacturing, green steel manufacturing, electrical transformer and transformer component part manufacturing, component part providers, and battery raw materials refining service providers, and other projects
- Makes changes to the Apprenticeship Education Expense Credit
- Makes changes to the EDGE Tax Credit
 - Allows for certain green steel manufacturing projects to be eligible for an EDGE withholding tax credit
 - Expands the criteria for receiving EDGE—for a project that retains 500 employees, makes a \$100 million capital investment, and places a new project site
- Amends the Illinois Enterprise Zone Act
 - Makes changes to HIB to allow for HVDC current converter station facilities to be eligible for a HIB designation
- Amends the Illinois Lottery Law
 - Extends the sunset of the Internet gaming program through July 1, 2028 (currently, July 1, 2025)

Combined, the FY26 Revenue Omnibus presents a serious concern for taxpayers that currently rely upon legitimate protections in our tax code against possible double taxation and unfair treatment.

A full overview of the provisions of the bill can be found [here](#).

FY26 Business Development Packages Incorporated into the Tax Bill

In addition to the tax proposals in the Revenue Omnibus, there was included at the last minute several of the provisions that had been previously included in the FY26 Business Development Package (located in [SB 2008](#) (Cervantes/Hoffman)). Under SB 2008, there were several positive economic development tools that the Chamber supported.

While some of the provisions did were not ultimately included in the Revenue Omnibus, the following provisions were retained:

- Update to the State's Wayfair nexus laws to more easily capturing sales tax revenues on remote sellers
- Makes changes to the Illinois Gives Tax Credit
- Expands the authority of the Illinois Finance Authority to support additional local projects, including clean water projects, wastewater treatment projects, and climate resiliency projects
- Expands the River's Edge tax credit program to Alton and Sterling, Illinois
- Modifies the EV Rebate under IEPA
- Creates a new Advanced Innovative Manufacturing tax credit
- Makes several enhancements to the EDGE tax credit, REV tax credit, and HIB

While many of the items that were included in the Revenue Omnibus help and support many of the industries the Chamber represents, ultimately the new tax burdens are anti-competitive and outweigh the improvements to the State's business incentive toolkit.

FY26 Budget Implementation Bill (BIMP)

The BIMP this year, which traditionally includes operational language for many of the budget-related items and several non-budgetary items, made several changes. The FY26 BIMP was largely aligned with many of the major budgetary items in the Governor's recommended budget.

A few of items of note include the following:

- Contains enhancements to DCEO's SBIR/STTR grant program
- Creates the "Tier 2 Social Security Wage Base Reserve Fund" and allows for \$75 million to be redirected to the Fund
- Grants broad authority for the Governor's Office to make line-item transfers of no more than 4% of the appropriated amount across agencies
- Extends the life of the Design-Build Procurement Act through 2027
- Contains the \$0.80 wage increase for certain frontline DD/ID and MC/DD facility workers
- Sets certain SNAP recipient eligibility restrictions for single individuals
- Instructs DHFS to provide notice to GOMB prior to making or agreeing to make any advance payment to any hospital; requires additional reporting
- States that the IDPH, at the direction of the Governor, will engage in a health care strategy and delivery planning efforts to determine steps to strengthen safety-net hospitals and other health care systems in pursuit of long-term sustainability

- Instructs DHFS to provide notice to GOMB prior to making or agreeing to make any advance payment to any hospital; requires additional reporting
- Creates a Budget Reserve for Immediate Disbursements and a Governmental Emergencies Fund (BRIDGE) to allow the Governor to provide supplemental moneys to other Funds in the event of unanticipated delays in or failures of revenues when supplemental money is required

A full overview of the provisions of the bill can be found [here](#).

Substantive Tax & Finance Bills

Ahead of the bill filing deadline in February, 6,375 bills were introduced in the House and Senate combined. Of those, the Chamber was tracking about 1,700 bills across several issue areas—the Tax Institute alone identified almost 600 pieces of legislation.

The 2025 Spring Legislative Session, all told, contained 20 meetings of the House Revenue and Finance Committee and 7 hearings of the Senate Revenue Committee. While this allowed for some discussion on substantive bills throughout session, there were not many substantive hearings on legislation. As has now become customary, this year, the Revenue committees in each chamber employed the “subject matter hearing” mechanism as a means to provide legislators with an opportunity to discuss pieces of legislation without taking a vote on them. Below are highlights of this year’s efforts.

Bills Passed Both Houses

- [SB 1797](#) (Walker/Gonzalez) creates the Digital Assets and Consumer Protection Act. A proposal that was supported by the Governor’s Office and the Illinois Department of Financial and Professional Regulation creates broad restrictions and guidelines on digital asset business activity that is not otherwise regulated by certain federal laws. The act broadly defines digital asset business activity as exchanging, transferring, or storing a digital asset; engaging in digital asset administration; and any other business activity involving digital assets designated by rule by IDFPF as may be necessary and appropriate for the protection of Illinois residents. The bill further outlines various powers the Department may utilize in the administration and regulation of the Act, including examinations, investigations, requirements for disclosures, exchanges oversight, compliance, and other oversight, including legal recourse. The bill [Passed Both Houses](#) on a largely partisan vote. It is expected to be signed into law by the Governor. The Chamber monitored the legislation.
- [SB 2319](#) (Ellman/Tarver) creates the Digital Assets Kiosks Act. Similar to SB 1797, the proposal seeks to regulate digital asset infrastructure by ostensibly protecting against fraud and scams in digital asset kiosk transactions by providing necessary registration requirements, disclosures, and other safeguards for consumers. The bill, which passed largely along partisan lines, [Passed Both Houses](#) and is expected to be signed into law. The Chamber monitored this legislation.
- [HB 742](#) (Croke/Walker) contains a one-year extension of the Interchange Fee Prohibition Act (pushed the legislation back to July 1, 2026). This is a law that the Chamber has long opposed after it was swiftly implemented under the FY25 Budget negotiations last year. The Chamber strongly supports any effort to stall or eliminate this onerous law. The bill is expected to be signed into law. [Sent to the Governor](#). The Chamber supports.

Major Legislation Stopped

- One Fair Wage. [HB 2982](#) (Hernandez, E.) was an effort by the One Fair Wage coalition that would have eliminated the subminimum wage for tipped workers in Illinois by 2027. The Chamber was strongly opposed to this effort when it unexpectedly passed out of House Executive. The controversial measure faced much opposition from industry and legislators on both sides of the aisle. The measure is likely not going away, but the Chamber and other industry business groups were instrumental in making sure the proposal did not pass at the state level after a phase-out of the tipped credit passed in the Chicago City Council in 2023.

- Assessor Kaegi Legislation. Two proposals that have been introduced in recent years by Cook County Assessor Fritz Kaegi to require new disclosures of sensitive property tax assessment data to his office failed to pass yet again. [HB 1827](#) (Davis) and [HB 1829](#) (Slaughter) would seek additional powers to require certain income-producing properties in Cook County to share income and expense data and physical description data, respectively. The proposals did not receive any vote.
- Progressive Income Tax Proposals. [HJRCA 8 \(Tarver\)](#): Last November, voters in Illinois voted on three advisory referenda. One of the questions asked voters if they would support a 3% income tax surcharge on incomes of over \$1 million to be used towards “property tax relief.” Given the advisory and non-binding nature of the question, no real campaign was made to inform voters, which resulted in its passage by 60.8% of the voters voting on the question. This year, Chairman Tarver introduced a constitutional amendment that would impose a similar surcharge of 3% on incomes higher than \$1 million, with revenues going to school districts in the State. The amendment did not receive a substantive hearing or vote. [SJRCA 4 \(Martwick\)/HJRCA 16](#) (Rashid): Senator Martwick (who previously has introduced [graduated income tax proposals](#)) and Representative Rashid introduced a constitutional amendment that would amend the State’s “non-graduated rate” (or “flat tax”) requirement and allow the State to adopt by law an income tax rate or rates. The amendment did not receive a vote or hearing.

Chamber-Supported Housing Bill Builds Momentum

- Build Illinois Homes Tax Credit Act. [HB 1147](#) (Avelar) and [SB 62](#) (Peters) were identical initiatives of the Illinois Housing Council to create the Build Illinois Homes Tax Credit Act, an effort create a new tax credit that would incentivize the development of affordable housing in the State. The Chamber was a strong supporter of the effort and hopes to continue to advocate for the legislation at a future date. The House and Senate bills were both heard as subject matter hearings where business groups and housing advocates both supported the passage of the legislation.

Bills Considered But Not Passed

- [HB 1074](#) (Yang Rohr) would have prohibited separate fees from being charged by tax preparing software for electronically filing an Illinois income tax return. Though the legislation was amended, the proposal failed to advance given the continued opposition to the proposal.
- [HB 1283](#) (DeLuca) would have allowed municipalities outside of Cook County to impose a local motor fuel tax of up to \$0.03/gallon. The measure is one that the Chamber opposed. The bill did not advance out of the Committee.
- [HB 1396](#) (Tarver) is an initiative of TFI that the Chamber was supporting. The proposal would have made a positive modification to the foreign tax credit to prevent possible double taxation of certain investment partnerships. The bill did not advance, though it did receive a subject matter hearing.
- [HB 744](#) (Mayfield), under FA #1, would have established the Small Business Financing Transparency Act that would have provided the IDFPF with expansive new powers to regulate certain commercial financing services in Illinois. The amendment was hastily posted to the House Financial Institutions and Licensing Committee, though the measure did not get a vote. The Chamber is strongly opposed to this proposal.
- A proposal ([HB 2790](#)) that would allow non-home rule units of government to regulate most commercial operations passed the House unanimously. The concern with this legislation is that allowing additional jurisdictions to regulate commercial operations may lead to over-regulation and competing regulatory environments for businesses to operate under. The bill failed to advance in the Senate.
- Rep. Syed passed [HB 3564](#) out of the House by the narrowest of margins with several Democratic members not voting. The bill amends the Landlord and Tenant Act by adding a new section that sets landlord/tenant fee limitations, including new rules around allowable fees and fee amounts. The fees impacted include: Background check fees and required disclosure of the report, Move-in fees, Appli-

cation fees or payments/charges, Late fees, Prohibitions against renaming of fees to avoid application of the new law, and Prohibitions against waiving or limiting of the scope of the provisions of the new law. The proposal received several amendments once in the Senate but failed to advance. The Chamber was opposed.

- [SB 2028](#) (Villanueva), an initiative to create a sales tax exemption for certain broadband equipment and materials, received a subject matter hearing in the Senate. The proposal is one that the Chamber strongly supported, given its focus on investing in broadband infrastructure and solutions.

Issues to Watch

- **Mass Transit Revenue:** The House and Senate transit leads worked tirelessly to create a package to address the fiscal cliff facing the mass transit systems in the Northeastern part of the State this session. With [HB 3438](#) (Villivalam/Andrade) passing out of the Senate on a narrow vote, and failing to pass in the House, the legislature will need to regroup and pass a governance and revenue package later this year. Tax items that have been considered thus far include: \$1.50 “environmental impact fee” or per-package delivery fee; a new ground transportation tax (rideshare tax) of 10% of a gross trip fare in Chicago, Cook, and the Collar Counties; a new Real Estate Transfer Tax in Cook County (excluding Chicago) and the collar counties of \$1.50 per \$500 of property value; a new EV Charging Tax imposed at the rate of \$0.06 per kilowatt hour of electric vehicle power; redirection of interest earned from the Road Fund to Mass Transit Funds; and tollway surcharges. For more information on Mass Transit Governance Reform and Revenue, please refer to the Infrastructure section of the End of Session Report.
- **Sales tax expansion to services:** A proposal that received the endorsement of several civic groups and progressive advocates alike is the expansion of the state’s sales tax to services. Claiming to generate over \$2 billion, the concept of adopting a broader sales tax base (similar to Iowa or Wisconsin) has been looked at this year with serious intrigue, especially as it was related to mass transit revenue options. While it is perhaps a sound tax policy to enact a broad base change to our sales tax laws, enacting such a significant expansion would require several years to fully implement and, at least for now, has not been formally introduced via legislation. Additionally, without lowering the sales tax rate, any sales tax expansion proposal would surely risk increasing the overall tax burden on Illinois residents and businesses alike.
- **Digital ads tax:** A 10% digital ads tax was removed from the FY26 Revenue package at the last minute after a lack of consensus between the House and Senate—and pressure from the tech community, including the Chamber. The proposal was intended to target large tech companies. However, the impact of the new tax would reach small and mid-size businesses that rely on digital advertisements to grow their business. The proposal may be one that is re-introduced in the future.
- **Pensions:** [SB 1937](#) (Martwick/Kifowit) contained several Tier 2 pensions modifications, many of which went beyond the Governor’s proposed (and Chamber-supported) change to make sure the system meets the federal social security wage base threshold. Efforts by organized labor to expand Tier 2 pension benefits for State employees will likely continue to make fixing Tier 2 a difficult task.
- **Federal tax/budget changes looming:** With uncertainty in proposed and enacted foreign trade policies this year, possible reductions in federal funding to states, not to mention the expiration of the TCJA provisions at the federal level at the end of the year, the Chamber will be carefully monitoring these developing issues and any possible impact to Illinois taxpayers.

TECH

The Illinois Chamber advocated for a healthy and vibrant tech landscape in Illinois which fosters innovation and job creation while balancing the need to protect the public. By working with member companies and legislators, several measures were presented, but didn't move forward once the impact of the language was more clearly explained and the unintended consequences were better understood.

Some of the measures below were held and didn't pass in this session. That doesn't mean that those bills won't resurface with new amendments to address concerns that were raised. It is more than likely that there will be further conversations and developments as sponsors make their best efforts to address problems with their legislation.

The tech landscape is constantly changing, and continued vigilance and collaboration will be required by the Chamber team and our members to make Illinois a great place for innovation.

Please refer to some of the highlights of the energy-related bills in this report, as energy costs and regulations have tremendous potential to affect tech-related development in Illinois.

There are more bills with AI implications originating in the House than in the Senate. It appears that the Senate is taking a more deliberative approach to AI legislation and has not moved forward with several bills that passed the House. The Senate heard many bills for subject matter which allowed proponents and opponents the opportunity to provide a deeper understanding of some of the implications of very complicated tech legislation.

Priority Legislation

[HB 3574](#) (Slaughter/Collins) Data Residency

The City of Chicago passed a data residency ordinance which creates requirements for where the City's data is stored. HB3574 follows that model and extends the residency requirement for state data to be stored in the United States. The bill also incentivizes the hosting of all state data (which does not preclude backups from being stored there) by a single company in a single geographic location. This approach is not considered the best practice. HB3574 would not allow most cloud providers to take advantage of the new incentive program.

Rep. Slaughter moved HB3574 out of the House on a vote of 114-1-0 before the Easter break. The bill was then assigned to the Senate Executive Committee. The tech community then took greater notice of the bill and began to rally to stop its passage. When several attempts to slow its momentum failed, the Illinois Chamber requested a meeting with Senate President Harmon.

In the meeting with Senator Harmon, the potential vulnerabilities to state data were explained, and the request was made to the Chamber to bring back language that instead incentivizes best practices. The Chamber drafted an amendment that was circulated among active stakeholders. When it became clear that more time and discussion were necessary to reach an agreement, the Chamber again met with Senate President Harmon, and it was determined that a summer project regarding best practices was in order.

Through the efforts of the Chamber on behalf of Chamber members, [the bill did not move forward](#), and opportunities to craft better language will be underway throughout the summer.

[SB 1486](#) (Aquino/Morgan) Junk Fees

For the last two session years, Senator Aquino and Representative Morgan have worked hard to prevent Illinois consumers from paying junk fees that don't add value to the transaction and lack transparency for the purchaser to make an informed decision. In 2024, a version of this bill made its way through committee in the Senate but never got to the Senate Floor. SB1486 was filed in 2025 to pick up where the initial effort left off.

Senate Floor Amendment 2 made substantial changes to the bill and removed a great deal of opposition. The Chamber has been opposed because the original draft impacted membership in the delivery space. One outstanding concern was not addressed in Amendment 2 or in Amendment 3, so the Chamber remains opposed.

To his credit, Senator Aquino worked collaboratively with stakeholders across the spectrum for a great deal of time and then moved very quickly. He managed to get the amendment filed on Tuesday, May 6th and had it through committee on the morning of May 8th and off the Senate Floor later that afternoon. It received a nearly unanimous vote on the Floor.

The Chamber met with the House Sponsor, Leader Bob Morgan, to alleviate member concerns before and after it was heard in the House Consumer Protection Committee, where it passed unanimously. Concerns raised by the Attorney General's office [prevented SB1486 from getting a vote on the House Floor](#).

Leader Morgan informed the Chamber that he plans to work on the bill over the summer to address issues raised by the AG. The Chamber will remain involved with the sponsors to attempt to work out necessary changes on behalf of the affected Chamber members.

[HB 3494](#) (Williams, Ann/Villanueva) Healthcare Data Privacy

HB3494 seeks to protect consumers from having information regarding their healthcare situations and/or choices from being sold or transferred without their consent. In order to achieve that goal, the initial language reached into places beyond purchase data to create those protections.

This bill creates a strict set of protections around health-related data, and it includes a private right of action based on \$1000/violation or actual damages, whichever is greater, along with enforcement from the Attorney General.

After several lengthy discussions and good-faith efforts to provide alternative language, there was still general disagreement over the definition of health data, which is at the crux of the bill.

During a scheduled stakeholder discussion in early May, the bill sponsors announced that they will [not be moving healthcare data privacy legislation this spring](#). With just a few short weeks before the May 31st deadline, it was determined that more time would be needed. Instead, a subset of stakeholders will meet throughout the summer to work through several challenging issues regarding definitions, scope, and enforcement.

The Illinois Chamber appreciates the sponsors' approach as this issue deserves a deeper dive in order to get to a better legislative product. As progress unfolds, expect to see requests for feedback throughout the process.

Naturally, the Chamber has extended its willingness to be included in those meetings over the summer regarding health data privacy and how

Other Legislation

[HB 3712](#) (Williams, A) Geo-Location- Opposed

This bill has been filed in the past by Leader Williams to require additional consent for users to have their geographic locations tracked by apps and platforms. This bill was [passed out of House Judiciary – Civil Committee but did not get called on the Floor](#).

[HB 3021](#) (Rashid) Consumer Fraud – AI Deception – Opposed

HB3021 attempts to clarify if a user is interacting with a human being or an AI-based chatbot. The bill passed the House Consumer Protection Committee on partisan votes. However, the sponsor was asked to bring an amendment, which is not unusual, except that the vote on the amendment received a Present vote from the Chair of the committee because the amendment didn't address all the concerns raised during the bill's initial presentation. The bill [did not get called on the House Floor](#).

[HB 3567](#) (Briel) AI Meaningful Human Review

The bill sponsor presented HB3567, which is a result of recommendations from the AI Task Force. The bill's requirement for human oversight of decisions generated by AI processes within all state agency processes

would reach into almost every corner of state government. Several committee members questioned whether the remaining time in the spring session related to the Third Reading deadline could possibly be met. After a substantial amount of questioning, the bill was [pulled before a committee vote was taken](#).

[HB 3506](#) (Didech) Artificial Intelligence Safety – Opposed

This bill creates the Artificial Intelligence Safety and Security Protocol Act which mandates a set of standards for publicly available risk assessments and third-party auditing of AI systems. The bill would be inherently problematic from a compliance perspective along with opening the door to many trade secret concerns. The [bill passed House Cybersecurity, Data Analytics and I.T. Committee on a vote of 7-4-0 and was never called on the House Floor](#).

[HB 3646](#) (Hernandez, N/Peters) DoIT AI Task Force– Supported

HB3646 effectively extends the AI task force that generated a report last year that was used to guide legislation for this session. As AI continues to develop at an incredible speed, a collaborative task force that includes industry has the potential to facilitate better tech-related bills. The bill [passed the House 111-0-0. HB3646 was assigned to Senate Executive but was never called](#).

[HB 35](#) (Morgan/Fine) AI Use in Health Insurance– Opposed

This bill creates the Artificial Intelligence Systems Use in Health Insurance Act which would regulate insurers' use of AI in the process of adverse determinations for consumers. The following aspect of the bill is quite broad and prevents insurers from leveraging technology for even the most basic tasks related to claim processing:

Provides that an insurer authorized to do business in Illinois shall not issue an adverse consumer outcome with regard to the denial, reduction, or termination of insurance plans or benefits that result solely from the use or application of any AI system or predictive model. Provides that any decision-making process for the denial, reduction, or termination of insurance plans or benefits that results from the use of AI systems or predictive models shall be meaningfully reviewed, in accordance with review procedures determined by Department rules, by an individual with authority to override the AI systems and determinations. Authorizes the Department to adopt emergency rules to implement the Act and to adopt rules concerning standards for full and fair disclosure of an insurer's use of AI systems.

The bill also authorizes the department to determine a great deal of the details related to the implementation of the bill through rulemaking. Furthermore, it authorizes the adoption of emergency rules which give the industry no opportunity for public comment prior to compliance. HB35 [passed the House 79-35-0 but was never called in Senate Executive Committee](#).

[HB 1311](#) (Ness) Employee Class – IRS Guidelines– Opposed

The Chamber has been protective of the gig economy and the workers who benefit from being properly classified as independent contractors in order to maintain the work flexibility that they prioritize. This bill has the potential for far-reaching impact and is being followed in three different interest areas within the Chamber Government Relations Team. HB1311 was [assigned to House Labor & Commerce Committee but was not called for a vote](#).



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