



2026 | END OF SESSION REPORT



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PRESIDENT'S MESSAGE

As we reflect on the 2026 legislative session, I am reminded that effective advocacy is never measured solely by the laws that pass or fail. It is measured by the strength of the relationships we build, the credibility of our voice, and our ability to bring together a diverse business community around a shared vision for Illinois' future.

This year, that collective effort was on full display.

The Illinois Chamber entered the session with a renewed commitment to ensuring that employers of every size, industry, and region had a seat at the table. Through the relaunch of our Government Affairs Committee, the creation of a new Advisory Council, and the expansion of member engagement across the state, we strengthened the foundation of our advocacy efforts and amplified the voice of Illinois business in Springfield.

The 2026 session presented no shortage of challenges. Employers faced proposals affecting workforce policy, healthcare and insurance regulation, taxation, infrastructure investment, housing, emerging technologies, and economic competitiveness. Many of these issues carried significant implications for our state's business climate and long-term growth. Yet through thoughtful engagement, coalition building, and persistent advocacy, the Chamber helped shape conversations, improve proposals, and, in many cases, prevent policies that would have increased costs, uncertainty, or regulatory burdens for Illinois employers.

At the same time, we remained focused on advancing a positive vision for Illinois. Our advocacy emphasized workforce development, innovation, infrastructure modernization, responsible tax policy, economic growth, and creating an environment where businesses can invest, hire, and compete. We continued to champion solutions that strengthen our state's economy while preserving opportunities for future generations of Illinois workers and entrepreneurs.

None of this work happens in isolation.

I am exceptionally proud of our Government Relations team, whose expertise, professionalism, and tireless commitment were evident throughout the session. Their work in the Capitol, in committee rooms, in stakeholder negotiations, and alongside our members helped ensure that Illinois employers were represented with integrity and credibility on every major issue before the General Assembly.

I am equally grateful to our members. Your insight, engagement, and willingness to share real-world perspectives remain the most valuable assets this organization possesses. Whether responding to action alerts, participating in policy discussions, serving on advisory groups, or helping us understand the challenges facing your industry, you make our advocacy stronger and more effective.

While the spring session has concluded, our work continues. Important issues remain on the horizon, and the business community's voice will be just as critical during the veto session and beyond. The Illinois Chamber will continue to advocate for policies that promote growth, competitiveness, and opportunity while remaining guided by the needs of the employers we serve.

Thank you for your partnership, your trust, and your commitment to building a stronger Illinois. Together, we are helping shape a future where businesses can thrive, workers can succeed, and our state's economy can reach its full potential.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Clayton". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jimmy Clayton
President & CEO
Illinois Chamber of Commerce

**LEGISLATION
BY THE NUMBERS**

★ ★ ★ ★ ★

BILLS FILED

IN THE 104TH
GENERAL ASSEMBLY

★



SENATE BILLS
SINCE NOVEMBER 1, 2025

1,474



HOUSE BILLS
SINCE NOVEMBER 1, 2025

1,600

★ CUMULATIVE BILLS FILED ★



SENATE BILLS

4,212



HOUSE BILLS

5,796



HOW MANY BILLS
OUT OF SENATE

443



HOW MANY BILLS
OUT OF HOUSE

451



HOW MANY BILLS
PASSED BOTH
CHAMBERS


395

**IL CHAMBER TEAM
BY THE NUMBERS**

★ **GR PUBLICATIONS & OUTREACH** ★ 



16
GR NEWSLETTERS

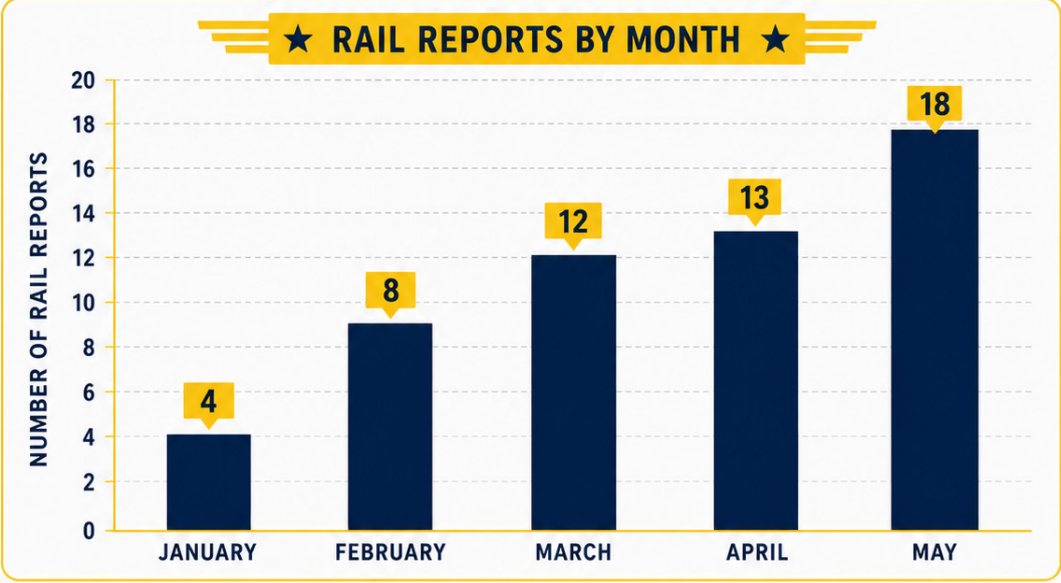


**BILLS REPORTED ON
IN GR PUBLICATIONS**

1,041 | **400**
TOTAL BILLS | UNIQUE BILLS



16
GAP CALLS




**KEEPING YOU INFORMED.
ADVANCING GOOD GOVERNMENT.**



IL CHAMBER TEAM BY THE NUMBERS

★ ADVOCACY EFFORTS IN THE CAPITOL



GOVERNMENT RELATIONS
DEPARTMENT OVERVIEW



JORDAN RYAN | Vice President of Government Relations

Policy Areas | Employment Law and Healthcare & Insurance

Background | In his role as VP of Government Relations, Jordan is responsible for the Chamber's day-to-day operations in the Capitol, as well as guiding employment, labor, and healthcare policy for the Illinois Chamber's extensive membership. Jordan has 15 years of experience in Illinois politics and the ILGA, having previously served on legislative staff as a legislative analyst, committee staffer, and Floor Manager for the Illinois House Republicans for nearly a decade. Most immediately before joining the Chamber team in 2024, he lobbied for a nonpartisan not-for-profit. Jordan has worked hard to build and grow bipartisan, bicameral relationships throughout his career.



RAMIRO HERNANDEZ | Vice President of Public Policy & Strategy

Policy Areas | Tax & Finance and Energy & Environment

Background | In his role as VP of Public Policy and Strategy, Ramiro helps lead the Government Relations team on issues of tax policy, energy & environment policy, and local affairs. With 12 years of legislative, public policy, and communications experience at the City of Chicago, Cook County, and State of Illinois levels of government, Ramiro has developed, shaped, and advocated for pro-business legislation in the areas of economic development, tax law, employment law, energy policy and workforce development. Prior to joining the Illinois Chamber of Commerce, Ramiro served as the Director of Government Relations and Public Policy for the Chicagoland Chamber of Commerce where he helped lead the advocacy efforts of the regional Chamber, representing the interests of chamber members of every size, sector, and industry in the Chicagoland region before Chicago's City Hall, the Cook County Board of Commissioners, and the Illinois General Assembly. Ramiro has also held the position of Senior Legislative Analyst for the legislative staff of former Illinois House Minority Leader, Jim Durkin, working as the lead staffer on taxation, revenue, and labor issues.



ANDREW CUNNINGHAM | Senior Director of Government Relations

Policy Areas | Transportation & Infrastructure and Technology & Innovation

Background | In his role as Senior Director of Government Relations, Andrew helps lead the Chamber's transportation & infrastructure and technology policy efforts. Andrew lobbies lawmakers and works with stakeholders on infrastructure, tech, and other legislative issues most pressing to our members and our state economy. In addition to this role, Andrew helps organize our advocacy efforts for local chambers of commerce and small businesses. Andrew joined the Chamber in 2021, where he first kept our businesses informed on policy issues, tracked legislation, and compiled research relevant to the Chamber's advocacy efforts. Previously, Andrew interned in the communications department of the Senate Republican Caucus, where he assisted with constituent and member relations, as well as at the Central Illinois Nonprofit Resource Center. He has also worked on state and federal political campaigns. At one time, he served as the Illinois Chamber Government Affairs Intern.



AUBRIE MOZINGO | Manager of Government Relations

Policy Areas | Communications and Member Management

Background | In her role as Manager of Government Relations, Aubrie assists in tracking relevant legislation, compiling legislative updates, and facilitating relationships with legislators and staff. Prior to joining the Illinois Chamber of Commerce, Aubrie held two previous chamber positions, one as the intern at the Illinois Association of Chamber of Commerce Executives, and the other as the government affairs intern at the Lincoln Square Ravenswood Chamber of Commerce. Most recently, Aubrie worked as a Legislative Coordinator for the Illinois Office of the Speaker, where she staffed several members and committees and assisted with developing legislative agendas and served as administrative support.





The Government Affairs Committee (GAC) is a committee of the Illinois Chamber's Board of Directors charged with providing perspective from Illinois' diverse business community, as well as counsel to the Government Relations team. The Committee's guidance includes approving the Illinois Chamber's annual legislative agenda, as well as input into nuanced policy areas throughout the year.

In December 2025, the GAC was relaunched to better engage membership across industries and sectors, alongside the restructured Government Relations team in preparation for the 2026 Spring Session. The GAC reflects an important notion: when members contribute their valuable insight, the Chamber team can best represent the interests of businesses of every size, region, and industry within the State.

This Spring Session, the GAC provided input into the Chamber's position on the Governor's housing agenda, created a new Advisory Council, and created a subcommittee to address the onerous data center proposals introduced by members of the legislature.

This relaunch would not have been possible without the diligent leadership of Chairman Rob Carney. Rob is a strong advocate for strengthening the Illinois Chamber and brings with him years of business experience and policy insight.

Of course, a committee is not complete without its members. Each member of the GAC brings a unique perspective from their industry, including healthcare, transportation and logistics, manufacturing, and more.

- **Robert Carney** | Manager of State Government Affairs, Caterpillar, Inc.
- **Valerie Bruggeman** | Director of External Affairs, Superior Ambulance
- **Colin Dalough** | System Program Director Government Relations, Endeavor Health
- **Kevin Donahue** | State & Local Affairs Manager, Canadian National
- **Kelly Edwards** | State Counsel for Illinois and Indiana, State Farm
- **Natalie Higgins** | Manager-State Public Affairs, John Deere
- **Paul Newman** | Senior Manager, Government Affairs, Motorola Solutions
- **Crystal Olsen** | Director of Government Affairs, Advocate Aurora Health
- **Tony Reinhart** | Director of State and Local Government Affairs, Ford Motor Company
- **Dane Thull** | Principal, Government Affairs, Illinois American Water
- **Dan Wagner** | Senior Vice President, The Inland Real Estate Group, LLC
- **Eric Whitfield** | Director, Economic Development, Ameren Illinois



CHAMBER ESTABLISHES NEW ADVISORY COUNCIL (AC) TO THE GOVERNMENT AFFAIRS COMMITTEE

In addition to the work of the Government Affairs Committee (GAC) of the Board, and to expand the voices informing the Chamber’s legislative strategy, the Chamber also convenes a larger Advisory Council (AC) that works in collaboration with the GAC and Chamber staff. The Advisory Council to the GAC assists the IL Chamber Government Relations team in developing a holistic, representative set of legislative priorities. The Advisory Council is composed of 12 government relations professionals with diverse industry representation.

- **Matt Pakula** | Senior Director, Public Affairs, Coca-Cola
- **Matt MacKenzie** | Head of US Advocacy & Government Affairs, Optiver
- **Khalid Pagan** | Government Relations Manager, Lenovo-Motorola Mobility
- **Joe Hrdlicka** | Government Relations Manager, Genentech
- **Emily Gibellina** | Director, State Government Affairs Midwest Region, AbbVie
- **Larry Lewis** | Senior Director, State Government Affairs, Cigna
- **Chris Warwick** | Director, External Affairs, AT&T
- **Tyler Diers** | Public Policy Manager, Meta
- **Samantha Breslow** | Partner, Kilpatrick Townsend & Stockton
- **Annette Tyman** | Partner, Seyfarth Shaw LLP
- **Breen Schiller** | Partner, Greenberg Traurig LLP
- **Dennis Chiu** | Director, Government Relations, The Doctors Company

This year, the Government Relations team convened the inaugural meeting of the GAC and the AC before Chamber Day in April. This meeting served as an opportunity to gather government relations professionals to speak with legislators about the importance of a strong business community within the State. Opportunities like these help legislators hear directly from industries that are most impacted by their policy proposals.

Senator Cervantes, who championed the Illinois Chamber’s Employer-Provided Child Care Tax Credit Initiative in the Senate (SB 3420), joined the group at the Illinois Chamber office in Springfield and spoke about the importance of collaboration between vested interests and elected officials. After the meeting concluded, the GAC, AC, and Chamber GR team went to the statehouse to conduct legislative meetings to advance the Chamber’s legislative agenda.

“

As Chairman of the Government Affairs Committee, I’m incredibly proud to be a part of the legislative efforts of the Illinois Chamber of Commerce, said **Rob Carney**, Chairman of GAC. “Working with my colleagues, and the Chamber’s government affairs team, we’ve put together a great Chamber Lobby Day program that shows the strength of our diverse membership and focuses on the issues that matter most to Illinois employers.

”

This year, the IL Chamber was highlighted in well over a dozen media pieces, ranging from coverage of our annual Illinois Chamber Day to commentary on a legislative measure within the State. See below for links to these pieces.

- [Illinois Chamber of Commerce Calls for Increased Child Care Credit, Tax Notes](#)
- [Reaction to Governor's State of the State and Budget Address, Capitol City Now](#)
- [Illinois Leaders Sweat over Tight Budget; GOP Wants More Cuts, The Center Square Illinois](#)
- [Amid Artificial Intelligence Explosion, Lawmakers Debate Best Path to Regulate, Capitol News Illinois](#)
- [Patrick Pfungsten Talks with New President & CEO of the Illinois Chamber of Commerce, Jimmy Clayton](#)
- [Illinois to Establish Office in Taiwan to Deepen Trade and Tech Cooperation, Taipei Times](#)
- [Illinois Proposal Would Give Unemployment Benefits to Striking Workers, The Center Square](#)
- [Pritzker says BUILD Plan Would Not Cost Taxpayers, Advantage News](#)
- [Illinois State Lawmakers Work Toward AI Regulation, Belleville News-Democrat](#)
- [New Illinois Chamber President Seeks to Bolster Statehouse Relationships, Capitol News Illinois](#)
- [Illinois Bill Would Create Excise Tax for Short-Term Renters, Tax Notes](#)
- [Digital Ad Tax Plan Prompts Discussion as Impacts Remain Unclear, The Center Square](#)
- [Energy Choice and Economic Impact Commission Proposed in Illinois, The Center Square](#)
- [Constitutional Questions Raised Over Digital Age Verification Bill, The Center Square](#)

The IL Chamber drafted and led a coalition letter effort signed by local and regional chambers of commerce throughout the State to the General Assembly. The letter expressed the desire for collaboration throughout the Spring Session, the nonpartisan approach of chambers, and the initiatives on our 2026 Legislative Agenda.

IL CHAMBER 2026 LEGISLATIVE AGENDA





WHO WE ARE

Since 1919, the Illinois Chamber of Commerce has operated as the state's leading business advocacy organization, representing member companies from across every region of Illinois. We are comprised of, and guided by, employers of every size, sector, and industry that call the Land of Lincoln home.

WHAT WE DO

Today, Illinois businesses benefit greatly from the State's tremendous assets: Illinois' place as a national transportation hub, a strong talent pipeline, a world-class higher education system, and a growing center of tech development and innovation. However, too often we hear from businesses about the rising costs of goods and services, lingering impacts of inflation, workforce shortages, and burdensome mandates.

CHAMBER'S 2026 LEGISLATIVE AGENDA

- **HB 5080** (Canty)/**SB 3420** (Cervantes)
SUPPORT employers investing in their Illinois workforce by modernizing the State's employer-provided childcare tax credit and leveraging recently expanded federal tax changes that support additional childcare opportunities for Illinois workers.
- **HB 5195 & HB 5194** (Walsh)/**SB 3664 & SB 3665** (Belt)
SUPPORT a comprehensive and holistic approach to energy policy in Illinois that elevates the voices of industry by creating a first-of-its kind Illinois Future of Energy Affordability, Reliability, and Economic Impact Commission to navigate major energy challenges and tax policy changes which incentivize the retention of existing energy workforces that may be impacted by looming retirements under the State's long-term energy goals.
- **HB 4945** (Mason)/**SB 3492** (Preston)
SUPPORT innovative workforce guidance at the K-12 level that considers the needs of employers both today and in the future and prepares students for new and emerging technologies, such as AI and quantum, shaping the workforce of the future.
- **HB 5180** (Gill)/**SB 3768** (Villivalam)
SUPPORT comprehensive business licensing and permitting reform that embraces technology, transparency and quality customer service in the state's internal and interagency processes.
- **HB 5392** (Avelar)/**SB 3843** (Joyce)
SUPPORT common sense reforms to sales tax policy regimes that are unfairly impacting the innovation economy and creating instances of double-taxation.
- **HB 5128** (Ugaste)/**SB 3622** (Lewis)
SUPPORT reasonable modifications to the State's Paid Leave for All Workers Act that creates additional flexibility to key industries and small businesses.
- **HB 2838** (Ugaste)/**SB 3122** (Balkema)
SUPPORT continued efforts to reform the State's Biometric Information Protection Act (BIPA) law that continues to stifle innovation, creates overly burdensome regulations on certain industries, and has led to growing litigation exposure.

Support HB 5080 (Canty) / SB 3420 (Cervantes) Modernizing the Employer-Provided Childcare Tax Credit

Background

Employers today are in a near daily competition for talent. This reality, especially in the post-pandemic workplace context, has incentivized employers to continue identifying innovative ways to not only attract talent but retain their workforce. Whether it is adopting hybrid-workplace policies, investing in employee development and training, or enhancing workforce benefits, employers both big and small are meeting workers where they are.

One of the most critical needs for workers today, who are navigating many of the same economic challenges employers are being faced with, including higher costs of goods and services, is access to childcare. As a recent [U.S. Chamber of Commerce Foundation report indicated](#), “the childcare sector is critical to the American economy,” citing not only the economic outcomes of having access to childcare solutions, but also demonstrating a need to continue exploring opportunities for investment in these areas.

Solution

Illinois is currently one of approximately 17 states that offers an employer-provided childcare tax credit. To modernize and incentivize employers to make investments in employer-provided childcare opportunities for their employees in Illinois, HB 5080 and SB 3420 will do the following:

- Working with the existing IL employer-provided childcare tax credit, which provides a tax credit for qualified businesses that make investments in employer-provided childcare, the bill modernizes the credit that provides a credit equal to 30% of start-up costs and increasing the additional 5% credit for annual expenses to 10%.
- Building upon recent changes at the federal level, the bill additionally creates a new Illinois tax credit to help Illinois employers maximize the federal employer-provided childcare tax credit by allowing for a matching credit here in Illinois, equal to 10% of the federal credit.
- Among the benefits of the federal credit, small businesses are provided a higher benefit, and additional employer-provided childcare solutions would be covered, including payments made through third-party intermediaries who contract with childcare providers.
- In order to limit the overall fiscal impact to the State, there is a provision in the bill that disallows the use of both the existing credit and the newly-created credit that is based off of the federal employer-provided childcare tax credit.

Support HB 5194 (Walsh) / SB 3665 (Belt) Tax Credit to Retain Our State's Energy Workforce

Background

Energy policy is increasingly an issue area that businesses both big and small are incredibly interested in. While the issue certainly has revolved around issues of energy affordability, reliability, and resiliency, the issue of energy policy currently also has a tremendous economic impact, both from an economic development perspective and workforce consideration.

The State of Illinois is home to a robust energy sector and ecosystem that has historically promoted energy affordability and made the State a net energy exporter. The diverse energy generation, supply, and distribution has fostered a strong employee footprint for the communities that have been home to these employers. The State's landmark energy legislation, the Climate and Equitable Jobs Act (or CEJA) set the State on an ambitious path towards developing new energy solutions and sustainability. However, many of these goals are now challenging existing and future economic investments in this State.

Solution

As the CEJA targets continue to move forward, and the scheduled retirements of certain energy sources cause massive loads of energy to come offline in the next few years and decades, there needs to be an incentive to retain the essential workforce within these critical systems. Workers in the natural gas industry, peaker plant industry, and the larger impacted utility industry that is working to upskill workers to prepare them for the forthcoming energy transition would be eligible for this retention credit. The proposal helps address increasingly time-sensitive decisions being made by regulated industries that may not be able to operate in Illinois under future retirements.

Under this legislation, there is created the following:

- A tax credit allowable to energy generators or utilities equal to 20% of the wages paid to qualified energy workers.
- In order to be eligible for the tax credit, the taxpayer **MUST** be able to demonstrate that their Illinois workforce and operations will be materially and adversely impacted by the scheduled phaseout target dates under CEJA (i.e., 2030, 2035, 2040, 2045).
- The proposal caps the total number of allowable credits provided under the bill to \$25 million per fiscal year.

The proposal provides a short-term solution to the energy policy challenges faced by Illinois companies that employ thousands of Illinois workers in numerous communities throughout the State!

Support HB 5195 (Walsh) / SB 3664 (Belt) Commission to Address Our State's Future of Energy Challenges

Background

From the local to the federal levels of government, energy policy is a chief priority for policymakers and of incredible interest to the business community. With the national conversations taking place around energy reliability and affordability, and the implementation of the State's Climate and Equitable Jobs Act (or CEJA) and, most recently, the Clean and Reliable Grid Affordability (or CRGA) Act, continuing, there are several major challenges that are of increasing concern to Illinois businesses.

The Illinois Chamber believes that an all-of-the-above approach to our energy future, one that supports a comprehensive approach to supporting and meeting Illinois businesses' unique and diverse energy needs, is necessary to maintain Illinois' role as a leader on energy policy. To meet this goal, industry leaders, representing the diverse needs of the energy industry and employers, need to be at the table to offer best practices and industry insights. Throughout the country, states continue to invite these robust discussions to ensure sound future energy policies. For example, last year Maryland Governor Wes Moore created the Maryland Energy Advisory Council within his Cabinet and, in Texas, the state legislature passed bi-partisan legislation to create the Texas Energy Waste Advisory Committee to address key future energy challenges around grid reliability and efficiency.

Solution

While efforts led by the IEPA, ICC, and IPA are underway, such as the Future of Gas proceeding and recently published Resource Adequacy study, there needs to be a more comprehensive, cooperative, and long-term focus to help policymakers (i) look at the future of energy from an economic impact perspective and (ii) receive direct input from key stakeholders, the business community, and industry.

The proposal includes the following:

- Creates an Illinois Future of Energy Affordability, Reliability, and Economic Impact Commission; the Commission would be made up of legislators from the four caucuses, representatives of key industries in the energy sector, business representatives, and other key stakeholders.
- The Commission would be required to meet regularly to help tackle many of the major issues facing energy policy.
- The Commission would have the ability to analyze the State's ability to continue being a net exporter of energy, analyze the impact of current energy policies that may impact workforce, consider the possible negative impact of existing laws or regulations on the State's ability to meet energy demands, and allow the Commission to study information forecasting energy affordability and reliability impacts, among other duties.
- An annual report would be due to the Governor and General Assembly every December 1st.
- The Commission would be housed under the State's Department of Commerce and Economic Opportunity, to give added emphasis to the significant economic impact energy policy has on the State's economy and workforce.

SUPPORT HB 4945 (Mason)/SB 3492 (Preston) AI and Quantum Workforce Curriculum Guidance

Background

The US and global economy are fundamentally transforming. The World Economic Forum projects that 170 million new jobs will be created by the technological trends, energy transitions, and consumer shifts of this decade. With growth and innovation, realignment in certain segments of the economy is inevitable. To prepare the next generation of workers for this era of transition, we must first provide our students with the knowledge and skills for jobs of the future. This preparation starts in the classroom.

Last year, the General Assembly passed SB 1920 (Turner/Faver Dias) that charged ISBE with providing guidance for school districts and educators in Illinois using artificial intelligence in elementary and secondary education. Part of the effort was designed to inform school districts and educate staff on best practices for AI. While such guidance is sensible for the daily procedures of the classroom, HB 4945/SB 3492 goes beyond this initial step and seeks to prepare students for innovative new career paths, including those utilizing technology tools like AI.

The business community is meeting the moment with legislation that, subject to appropriation, encourages workforce-based curriculum to be adopted that covers AI across disciplines and teaches students the basics of AI, quantum computing, and other new technologies in a way that prepares them for careers in the field. This legislation, further, encourages the development of district guidance on best practices from across the country, and augments the voice of employers in the development of this guidance.

Proposal

This legislation provides that the Illinois State Board of Education, working with employers, educational bodies, and other stakeholders, may develop curriculum or programming guidance that prepares students for AI and Quantum Computing job opportunities through career-ready instruction and school-sponsored activities.

In preparing the guidance, the State Board may partner with or consult employers, business organizations, or career-focused not-for-profit entities. This is critical as employers can offer direct insight into in-demand skills, hiring opportunities, economic trends, and more.

Additionally, ISBE must prepare a comprehensive review of any workforce development preparation curriculum and programming specifically designed around technology, implemented or considered in other states. The State Superintendent of Education may also convene meetings with stakeholders from the public or private sector in preparing the guidance.

In all, this initiative will help students across the state learn more about the practical and applied-use of new technology, help the State explore and better align their CTE and high-quality curriculum opportunities, and, ultimately, provide students with tools that may inform them of the numerous career opportunities that could be available to them today and in the future.

Support HB 5180 (Gill) / SB 3768 (Villivalam) Improving Illinois' Business Licensing and Permitting Process

Background

The ability to seamlessly open and operate a business is fundamental to the success of Illinois' economy. Yet the permitting and licensing requirements for businesses of all sizes, and especially, small businesses, can be difficult to navigate.

At the state level, while the Department of Commerce and Economic Opportunity (DCEO) offers a guide to starting a business application, there are limited digital tools from relevant agencies available to the applicant once an application is submitted. Additionally, an applicant may interact individually with several state agencies in the start-up or expansion process, whether it be DCEO, the Illinois Environmental Protection Agency, the Secretary of State, or the Department of Financial and Professional Regulation. This lack of coordination can be burdensome for businesses and disincentivize further investment.

By modernizing the permitting and licensing application process, and ensuring coordination between relevant agencies, the state will ease the regulatory burden for current and potential business owners.

Solution

Illinois business licensing and permitting applicants would greatly benefit from an online system that aggregates their application information and status into one easily accessible portal. Interagency exchange is essential for creating transparency and ensuring an efficient and easily navigated process. HB 5180/SB 3768 would accomplish both of those objectives by doing the following:

- Provides that DCEO, through the Office of Business Permits and Regulatory Assistance, will continue to develop a unified online dashboard or portal to track business permitting and licensing for applicants. The dashboard should include relevant permitting process information for projects of all sizes, including a business' place in the queue.
- Each state agency with permitting and licensing jurisdiction will conduct an annual performance report citing the number of permits or licenses issued, any formal complaints from applicants, efforts undertaken to procure or utilize new technology tools, and more.
- Gives DCEO authority to establish a local government grant program for tech tool development related to business permitting, subject to appropriation; and
- Establishes an interagency permitting coordination advisory committee for relevant permit-issuing agencies and stakeholders.

Support HB 5392 (Avelar)/SB 3843 (Joyce) Bringing Fairness to Delivery Network Double Taxation

Background

The innovation and digital economy has been most noticeable perhaps in the rise of third-party delivery options that help connect customers to more products, services, and businesses than ever before. These now essential tools have been a reliable option for consumers and an opportunity for small businesses to grow. The platforms, too, have become a one-stop shop for these transactions.

Indeed, in order to streamline product offerings and improve relations with local retailers, third-party delivery platforms typically partner with local establishments in their network to make transactions as seamless as possible for the customer, the platform, and the retailer. While some state sales tax laws have been able to keep up with the industry and allow for sales taxes on these transactions to be fairly and accurately collected, Illinois' sales tax laws unfortunately have not been able to achieve fairness on all transactions.

Solution

HB 5391 and SB 3843 provide a narrow solution to a narrow problem that is leading to double taxation on some third-party delivery platform transactions. Specifically, the legislation would allow a delivery network company (e.g., a third-party delivery service) to deduct or exclude from its tax liability the amount of sales tax that the delivery company pays to a seller in connection with a delivery sale if and only if the sales tax was collected (i) by the delivery network company from a customer and (ii) paid by the delivery network company to a retailer on the same transaction.

While most transactions that involve a third-party delivery app are covered by agreements between the platform and the retailer and, by and large, most transactions only require that the third-party app collect sales tax from the customer, there are occasions where the retailer imposes sales tax on the transaction, which results in both the customer in third-party delivery platform paying sales tax.

The legislation, modeled off similar proposals introduced in other states, allows for the following:

- In instances where sales tax was paid for by a customer and collected by a delivery network company AND, at the point of sale, the delivery network company was also required to pay sales tax to a retailer on the same transaction, then the delivery network company may deduct or exclude the amount of sales tax paid on the transaction.
- The legislation provides a narrow ability for the Illinois Department of Revenue to review that these unique circumstances exist and that the collection and remittance was erroneous.
- The legislation would allow the IDOR to adopt a mechanism by which to accommodate for these changes in the law.

SUPPORT HB 5128 (Ugaste) /SB 3622 (Lewis) Reasonable Paid Leave Modifications

Background

The Paid Leave for All Workers Act (PLAWA) was passed in January 2023 at the end of the 102nd General Assembly and became effective January 1st, 2024. Under the law, employees earn up to 40 hours (five days) of paid leave per 12-month period, with leave accruing at 1 hour for every 40 hours worked (up to 40 hours). Employees may use this leave for any reason, whether it be personal matters, illness, or appointments.

While commendable in its attempt to provide leave flexibility to employees, the act has continued to pose implementation challenges for certain segments of the Illinois economy and serve as a burden on our small, neighborhood businesses. Under current law, no exemptions exist for small businesses, and there is no flexibility for industries and employers with unique scheduling structures. Among the 20 states that have some type of paid leave mandate, many offer a small business exemption, including Colorado, Maryland, Massachusetts, and Michigan.

HB 5128/SB 3622 offers reasonable modifications to this Act.

Proposal

This initiative amends the Paid Leave for All Workers Act to change the definition of employee regarding transportation of goods, employees of small businesses, and those in workplaces in which employees build their own schedule. The bill also reduces penalties for initial violations of the act.

The proposal ensures that the act does not apply to small businesses (those with fewer than 15 employees) and the transportation industry, specifically maritime, which has had a difficult implementation process due to the unique scheduling challenges of work on Illinois waterways.

Additionally, first-time violations of the Act are reduced to \$250 instead of \$2500, and the Department of Labor is given greater discretion on when to cite violations.

SUPPORT HB 2838 (Ugaste) / SB 3122 (Balkema) Reasonable Reforms to the Biometric Information Privacy Act (BIPA)

Background

The Biometric Information Privacy Act (BIPA) was first passed and signed into law by the Illinois General Assembly in 2008. In a time before the ubiquity of smartphones, advanced security solutions, and cloud-based computing, lawmakers could hardly have predicted the scale and sophistication of biometric technologies that would emerge over the ensuing two decades. Neither could they have predicted the BIPA-related claims that exploded in the late 2010s, leading to widespread litigation against Illinois businesses, often for involuntary violations based on routine employer functions.

After BIPA's enactment, the law was largely not invoked in litigation. However, much of this changed in 2019, when the Illinois Supreme Court decided in *Rosenbach v. Six Flags* that plaintiffs did not need to prove "actual injury or adverse effect" to successfully prove an actual violation of the law. After thousands of lawsuits were filed and continuous advocacy from the Illinois business community, BIPA was amended for the first time in 2024 (SB 2979) to create some limitations on potential damages, cap the "per violation" clause to one violation in the event of repeated instances of violations, and allow for electronic signature consent.

While the 2024 reforms were welcome, there is still more work to do to make BIPA reflect common-sense protections for employers and innovators.

BIPA remains a significant deterrent to investment in Illinois and prevents our businesses from using the latest safety technology to protect their assets, employees, and customers.

Solution

HB 2838 (Ugaste) / SB 3122 (Balkema) make reasonable reforms to BIPA while preserving privacy protections. The legislation does so by creating a narrow security exemption, giving an entity the right to cure its violation, and establishing a one-year statute of limitations.

Certain safety-sensitive job sites would benefit from advanced security tools that utilize biometric information, but it may be impractical or nearly impossible to collect an opt-in signature before doing so. This could include a freight yard with highly valuable cargo, a small business owner suffering from repeated harassment, or even a daycare seeking to better secure its facilities.

This bill creates an exemption for a "security purpose" with the intent of preventing retail theft, protecting property from trespass, controlling access to property, or protecting any Illinois residents and businesses from harm.

This security exemption and the additional reforms included within continue to make compliance with BIPA more feasible without sacrificing consumer protections or compromising tech development or the adoption of innovative security features.

IL CHAMBER 2026

AREAS OF IMPACT SUMMARIES



EMPLOYMENT-RELATED LEGISLATION

2721
“ACTIVE” BILLS
FROM THIS YEAR AND LAST

166
EMPLOYMENT POLICY BILLS

EMPLOYMENT POLICY UPDATE

Summary

Typically, the second year of a General Assembly is more predictable and less controversial in comparison to the preceding year. The actual schedule is also typically lighter as a reflection of the agenda. This year, the first two and half months were as close to predictable as it gets, with the exception of the legislative calendar, which led to both chambers being in Springfield at the same time only twice prior to the March 17 primary. In fact, the legislature convened in its entirety only eight of the 17 weeks of session, with half of those during the month of May.

Due to the infrequent overlapping of session days, it became difficult early on to coordinate on important issues, and for fully fledged stakeholder meetings and negotiations to take place. Couple that with the very porous legislative deadlines, and there seemed to be a general sense that everything could be done at a later point. That later point would turn out to be the last few days and hours of scheduled session and even some spill over into the early morning of June 1.

While most of the headline items did not get a full launch until mid-May, at the earliest, some sponsors and stakeholders took early initiative and started even prior to the first official day of session on January 13th. For example, by that time, there had already been preliminary discussions on and a scheduled meeting for the Paid Family and Medical Leave Insurance Act proposals, [SB 2413](#) (Villivalam) and [HB 3483](#) (Moeller), and both pieces of legislation (once thought to be major issues the General Assembly would tackle in 2026) were deemed effectively dead on arrival by Senate leadership. Thankfully, neither bill would advance after the first and only stakeholder meeting, but those early conversations proved that the legislature did not have an appetite for this issue and that the bills were in a far place from ready.

Some bills/issues, as will become very apparent in this Section, would've benefited more than others from those early conversations, as there would be attempts to force them through the legislature, like Workplace Temperature, [HB 3762](#) (Gonzalez), and the myriad of non-compete changes, in particular [HB 3213](#) (Moeller).

As the dust settles on the 2026 Spring Session, from an employment law perspective, it appears Illinois businesses were not as battered as in previous years. In fact, many of the most damaging items were not taken seriously and as a result the business community only came out with minor scrapes and bruises. Broadly speaking, there were no substantial punitive damages increases, new, widespread regulations, red tape, or reporting requirements, and the Agreed Bill Process was largely adhered to, which resulted in a straightforward unemployment insurance agreement ([SB 807](#)) and a very livable deal on workers' compensation ([HB 5228](#)).

This type of outcome was not certain, and very few members of the business community would have predicted it based on the tone and tenor in which 2025 ended and 2026 began. As has been written

“As the dust settles on the 2026 Spring Session, from an employment law perspective, it appears Illinois businesses were not as battered as in previous years.”

and spoken about extensively, Labor made a shocking announcement in the fall of 2025 that would instill uncertainty for the prospects of the relationship between employers and employees within the State in perpetuity.

Agreed Bill Process

In October 2025, the Illinois AFL-CIO made the surprising announcement that Labor would no longer be participating in the Agreed Bill Process. The Agreed Bill Process was established in 1982, and for nearly the entirety of its existence was adhered to in good faith by business and labor. The Process was established by then-Governor Thompson (R) to curtail the drastic pendulum swings in unemployment insurance and workers' compensation policies, and with the exception of two times (once on each side) over the four and half decades, brought employees represented by Labor and employers represented by the Joint Employers to the table to deliver fair and reasonable outcomes.

Of course, that is an overly simplistic summary of what has been, on occasion, contentious negotiations where one side is a clear winner, and one side is a clear loser. On the whole, however, the Process worked and resulted in shared investment in re-establishing the UI Trust Fund while not penalizing either side and stabilized the workers' compensation system, moving Illinois from near the top to almost exactly middle of the pack for liability and making the State more attractive to do business and maintaining protections and benefits for workers.

After the announcement by Labor, the Joint Employers, of which the Illinois Chamber of Commerce is a member, issued a retort calling on the Governor and the four legislative leaders to hold Labor to the agreement and compel them back to the table. Seeing the past successes of the Process, most elected officials wanted to continue on and responded as such. Behind the scenes, though, it was uncertain whether, when push came to shove on these issues, they would be able to stand against the considerable pressure from organized Labor.

There was added stress to the situation as the stop-gap agreement for workers' compensation struck in 2024 was on year two of what was meant to be a single-year fix, while a more permanent solution could be figured out to help stem the bleeding at the Workers' Compensation Commission, and the "speed bumps" for the UI Trust Fund were set to take effect on January 1, 2027. The speed bumps are provisions within the Act that increase the UI tax on employers while decreasing the number of beneficiaries for employees so as to compel both sides to come back to the negotiating table to, at minimum, push the speed bumps back if no significant changes need to be made.

By the time the 2026 spring session began, there were a number of bills filed that sought to make changes to the UI and WC systems. As a matter of principle and good faith, the Joint Employers opposed all pieces, even those that were favorable to employers and, in some instances, filed on behalf of a member-organization. All the while, conversations with those elected officials would often revert to whether or not they would uphold the decades-old Process.

UI and WC Bills

Until mid-March, there was little movement of any kind, making it difficult to ascertain which of the many, many bills that sought to change the UI and WC systems "had legs". For UI, the most concerning were [HB 2565](#) (Vella), [HB 4416](#) (Evans), and [HB 4805](#) (Johnson). None of these are "new" or "unique" proposals; most are perennial failures, but what was not viable before 2026 may now be primed for passage.

- [HB 2565](#) was introduced in 2025 and passed out of House Labor and Commerce that year 18-9-0. The bill seeks to make striking workers eligible for UI benefits, breaking with longstanding precedent. Given that at the time of introduction and passage out of Committee, the Agreed Bill Process was not under threat, the bill was not taken seriously. That would change in April

of 2026 when the sponsor introduced HFA #2, breathing life into the stalled measure, and House Labor and Commerce recommended adoption of the amendment, 18-7-0.

- HB 4416 (Evans) was another retread from previous years and sought to make permanent a COVID-era deal that *temporarily* allowed non-instructional, non-administrative employees at educational institutions to receive unemployment benefits as a result of the COVID closures. For years, Labor would bring this provision forward as part of UI negotiations, but it was always among the first to hit the cutting room floor.
- HB 4805 (Johnson) would have required any employer with 75 or more employees to file a UI claim on behalf of a laid-off or furloughed employee. Unlike the other two proposals, this measure has been proffered less frequently as part of negotiations and even less so as a bill.

For workers' compensation, [HB 4942](#) (Hoffman/Cunningham) was the most concerning for employers as it sought to increase and establish new fees for employers and carriers without any input from the employers or corresponding reductions in spending and increased efficiencies from the Workers' Compensation Commission.

Other provisions that were less concerning but still sought to make changes without input from employers were [HB 4177](#) (Deuter) and [HB 5228](#) (Hoffman/Cunningham), as introduced.

- [HB 4177](#) would increase the WC death benefit, a sum paid to families when an employee dies on the job or as a result of a job-related injury. The death benefit had remained stagnant at \$8,000 for nearly 20 years, and [HB 4177](#) would see it increased to \$10,000.
- As introduced, [HB 5228](#) would increase the fines and penalties associated with businesses operating without required and adequate workers' comp insurance. Not unlike driving without auto insurance in Illinois.

Agreement

Beginning in April, the first meetings on UI and WC began. At that time, it was still unclear whether this was the "traditional" Process, something new entirely, or more of a one-sided negotiation. Even if what was transpiring at the time was understood to be the reality, the future of the process was difficult to ascertain. The answers to both of those questions are still somewhat unanswered. What would transpire was atypical but close enough to bring agreement, and what will happen next year and thereafter remains uncertain.

As has been the case, the two negotiations are distinct and separate of each other, and while they generally have the same rules of engagement, there are some differences, such as who and how many representatives from each side can attend and expectations of each side to "deliver." This goes around for both UI and WC it was a single representative from the Joint Employers and Labor, with assisting counsel allowed for WC, a designee from each legislative caucus and a member of their staff (Rep. Hoffman, Sen. Cunningham, Rep. Ugaste, and Sen. Lewis), the Governor's Office, and the head of each governing Agency.

The starting point for the negotiations was very much on Labor's terms, with provisions of the bills in the above section being foundational to their initial asks. After several meetings and a lot of back and forth, the final deal for both was set with only a day or so left in Session. For UI, the agreement would manifest on a shell bill that had previously been amended for GATA, [SB 807](#) (Holmes/Hoffman), and for WC, [HB 5228](#) (Hoffman/Cunningham), which would be amended in the Senate after it sat in Senate Judiciary Committee for weeks.

[SB 807](#) essentially does two things. The bill pushes the speed bumps back two years from Jan 1, 2027 to Jan 1, 2029 and requires employers with 75 more employees, excluding construction, to transmit

certain employment information to IDES when laying off 50 or more employees at a single site in a calendar year for the purposes of enrolling them for unemployment benefits. This was a compromise that worked in some of the provisions of HB 4805 and dropped the striking workers and non-instructional employee pieces, as the UI Fund remains in a healthy spot at around \$2.5B in funding. As a result of this compromise, the Joint Employers agreed to **SUPPORT** SB 807, and the measure passed unanimously out of both houses. The Governor will sign the deal upon reaching his desk.

HB 5228 did not come together quite as smoothly as its UI sister legislation. The Joint Employers agreed on three of the four provisions of the bill for nearly the entirety of the conversations, understanding that the WCC needs to be funded but that employers are not to blame, and going back to a time when employer liability was among the highest in the nation was not a solution either. Those three components that made up the agreement included the following:

- Increase the death benefit from \$8,000 to \$10,000
- Tighten penalties on employers operating without legally required WC insurance coverage
- Increases the annual WC fund fee on employers to 3.5% and create a surcharge on WC carriers' profits to provide an estimated \$7m shot in the arm for the Fund

In exchange for agreement on the funding mechanism, the Joint Employers got to provide a list of candidates for nomination for the next two arbitrators. Historically arbitrator selections have alternated between “pro” business and “pro” labor candidates, with the former not being the case for several picks.

The fourth and final component of HB 5228 was a later addition to the conversation and did not come with much of a counterbalance for employers. What was enshrined with the passage of HB 5228 was the best offer employers were going to get, and so to stave off further damage, the Joint Employers agreed to be **NEUTRAL** on HB 5228. The final provision strengthens independent medical examinations and imposes a “shot clock” for utilization review and follow-up from employers, which if not met, creates a rebuttable presumption of fault on the employer. HB 5228 would pass both houses largely on partisan lines, and the Governor has indicated he will sign once it reaches his desk.

“On the balance, employers fared much better than anyone could have expected in this first year without the traditional Agreed Bill Process.”

On the balance, employers fared much better than anyone could have expected in this first year without the traditional Agreed Bill Process. Thankfully, the elected officials and the Institution understood the need to prevent wild pendulum swings, especially at a time when Illinois is trying to improve its attractiveness for businesses. The Illinois Chamber remains hopeful that this year will be only a short footnote, like the two previous breaks, in the entirety of the Agreed Bill Process.

Another Broken Agreement

Not every issue has a formalized agreed bill process, but the entirety of the Statehouse runs on agreements to some extent. Whether formally established or through a handshake deal at the conclusion of a long, legislative battle to allow newly minted laws time to work (or not work in some instances). Both are equally valid, and both should be upheld to ensure that everyone operates in good faith. Unfortunately, and not always intentionally or with malice, agreements are broken.

Non-Compete Issue Bubbles Up Again

Going back about a decade, a push to change the so-called “Jimmy John’s Law” started to make its way both through the legislature and in the courts in Illinois. The nickname of the law stems from the practice of enforcing non-compete clauses on minimum wage and lower wage workers, made

infamous in Illinois and New York by the nominative sandwich restaurants. Immediately following the settlement and with significant political desire, Illinois passed the Illinois Freedom to Work Act, which prohibited “low wage” employees, those making the minimum wage or in the aggregate \$13 or less on an hourly basis, from being compelled to enter a non-compete. This was always viewed, by some, to be a temporary fix while working toward a more permanent solution.

Over the following five years, negotiations and proposals would gain steam and fall out of favor or become outdated, but work on the issue was nearly continuous from stakeholders. Since the beginning, the Illinois Chamber has been the lead for business on the issue and would negotiate the terms of the 2021 agreement.

During the 102nd General Assembly, it became clear that *something* was going to pass, so the IL Chamber negotiated the best deal for business on what would become the current Illinois Freedom to Work Act, SB 672 (Hunter/Burke, K) of the 102nd GA, now P.A. 102-358. The Act establishes a floor for non-competes and non-solicits that gradually rise from \$75,000 and \$47,500, respectively, in 2022 to \$90,000 and \$52,500 by 2037. The law took into account the regionality of the State when it comes to cost of living and salaries, and instead of creating a convoluted formula or patchwork of different minimums and maximums based on geography, established a single standard that may not reflect the highest-end earners in Chicago, Cook, and the Collars, but did not unfairly punish downstate employers.

Due in no small part to the considerable effort put in by the Illinois Chamber, the agreement on SB 672 passed unanimously out of both chambers and was signed into law under Governor Pritzker. As a condition of the agreement and the reason for unanimous support, the law was to be left untouched until at least the first step increase in salary, Jan 1, 2027, went into effect. Given the natural turnover and shifting of priorities among legislators, it is not uncommon for a new legislator (or new to the issue) to take up the mantle of changing a law under such agreements without their knowledge, and during the first year of the 104th General Assembly this unfortunate occasion occurred with [HB 3213](#) (Moeller).

Representative Moeller filed HB 3213 at the outset of the 104th GA, with the intention of prohibiting non-compete/non-solicit agreements in Illinois. The filing of this legislation coincided with a growing movement in other states across the country, such as California, that have either outright banned the practice or have made the minimum conditions of these covenants so high that they are essentially de facto bans.

HB 3213 garnered some support among the Democratic membership of the House Labor and Commerce Committee around the time of the 2025 House Committee Deadline under the auspices that the sponsor would work on an “agreement” with stakeholders and bring back that agreement before the Committee prior to the legislation advancing further. Without any real input from opposition, HFA #1 to HB 3213 was drafted and filed.

- The amendment would seek to exempt athletes and actors from the prohibition,
- Immediately banned non-competes for healthcare professionals providing reproductive health services, and
- Instituted a gradual ban for all other professions over the course of the succeeding two years.

At this point, the Illinois Chamber took lead on quashing the momentum of the bill. During an April 2025 meeting, the IL Chamber informed the sponsor that there would no longer be any negotiations and informed her of the agreement on the underlying law. Admitting that she was unaware of the agreement on SB 672/PA 102-358, she committed to holding the bill and renegotiating it at a later date.

Advocates, predominantly employment attorneys, reached out to the Illinois Chamber and other business groups at the start of the 2026 spring session to convey the intention of the sponsor to re-run HB 3213 and to work on an amendment. Citing a few more laws and pieces of legislation working their way through state legislatures throughout the country that ban the practice, they felt confident there would be enough appetite in Illinois to advance a measure that would, at a minimum, significantly increase the salary floor. The Illinois Chamber, as lead negotiator for business, committed to hearing from proponents but reaffirmed that no movement could take place until at least after the first step increase. As part of the conditions for entertaining stakeholder meetings, the Illinois Chamber received a commitment that no other non-compete legislation could move while conversations were ongoing;

- [HB 4565](#) (Faver Dias) prohibits non-competes for doctors and advanced practitioner nurses and physician assistants employed at hospitals
- [SB 3607](#) (Stadelman) is substantially similar to HB 4565
- [HB 4221](#) (Briel) bans non-competes for doctors and advanced practitioner nurses and physician assistants irrespective of place of employment
- [HB 1642](#) (Stava) increases the salary threshold for enforceable non-competes and non-solicits to \$300,000

The stakeholders and sponsor agreed to those terms, as did the other sponsors of the legislation above. The Illinois Chamber informed the sponsors of the underlying agreement to mixed reception, but overall, there was a commitment to holding up institutional promises. Unfortunately, Rep. Faver Dias did advance HB 4565 out of House Labor and Commerce, but committed to the Illinois Chamber prior to that she was going to hold the bill on Second Reading.

After the second stakeholder meeting on HB 3213, conversations ceased, and the legislature plodded along with no substantive movement on much of anything prior to the March 17 primary election. Once the election was over, the House’s Committee Deadline for House Bills was approaching. Without any notice, Rep. Moeller filed HFA #2 to HB 3213 with the intention of receiving the Committee’s recommendation for adoption before the Deadline.

The Illinois Chamber was able to stall the measure from advancing until mid-April, when the sponsor indicated she would be calling the amendment before the House Labor and Commerce Committee for a vote. The Chamber testified against the bill during the April 15th hearing. Noting that while there were substantive problems with the amendment, including the \$300,000 salary floor, one-year garden leave, geographical restrictions on medical providers, etc., that would make this a de facto ban, the crux of the testimony focused on why the 104th GA should not break the agreement made in the 102nd GA.

While it was a forgone conclusion that the amendment would be recommended 18-7-0, the testimony and lobbying efforts leading up to the testimony had worked. The Illinois Chamber was contacted by the sponsor and stakeholders the following day, and we were informed that they would no longer be seeking to break the agreement and that they would pause efforts until “after the spring session,” when conversations could take place.

If not for the intervention of the Illinois Chamber during the 104th General Assembly, Illinois would have a ban on non-competes today. While not used by every industry, it is important to allow businesses to protect their investment in attracting, training, and retaining employees here in the State.

“
If not for the intervention of the Illinois Chamber during the 104th General Assembly, Illinois would have a ban on non-competes today.”

Worker Protection Unit Expansion

Often, the business community sees onerous policies pass under the auspices of rooting out bad actors, and while usually well-intended and noble, the tools created for those purposes are not always limited to that end. The Illinois Chamber at times finds itself in the unenviable position of arguing against these measures and trying to convince legislators that the unintended consequences of the new policy far outweigh the safeguards and restrictions on the targeted bad actors. During the 2026 spring session, the Attorney General's Worker Protection Unit expansion ([HB 4725](#) & [SB 3183](#)) legislation became a prime example.

In addition to all of the advantages the Attorney General's Office has in passing legislation, like the AG himself being a former legislator who has maintained strong relationships within the super-majority caucuses, the AG also had the advantage that HB 4725 (Hoffman/Aquino) and SB 3183 (Aquino) sought to expand the authority and jurisdiction of the largely unknown and favorably named Worker Protection Unit.

The Worker Protection Unit was established, with considerable bipartisan support, under P.A. 101-527/[SB 161](#) of the 101st GA for the purposes of combatting the black market in Illinois. Previous attempts at establishing the Unit, which was sponsored in the Senate by then Senator Raoul, were vetoed by then Governor Rauner.

After P.A. 101-527 went into effect, the COVID-19 pandemic curtailed the meeting and limited the subsequent report of the Worker Protection Unit Task Force. The Task Force was supposed to make recommendations on best practices for combatting the black market in Illinois, but instead largely reported on the lack of resources for enforcement of employment law by the IDOL and interagency/governmental communications. Also, due to the COVID-19 pandemic, the legislature did not meet consistently during this time, and so the report was not widely disseminated.

After five years of operation, the Unit has *only* investigated or intervened in roughly 125 cases and due to the low volume of cases making their way in front of a judge, the AG's Office is often required to justify their involvement and statutory authority for enforcement over the Prevailing Wage Act, Employee Classification Act, Minimum Wage Law, Day and Temporary Labor Services Act, and Wage Payment and Collection Act. In what the AG's Office characterized as "codifying" caselaw to make it explicitly clear that they have authority in not only the above employment law statutes, but all statutes concerning employment law, HB 4725 and SB 3183, were filed.

Immediately, the Illinois Chamber recognized the expansive authority the legislation would give the AG's Office and rallied business groups to not only oppose the legislation but make it a priority for their organizations. The IL Chamber also initiated stakeholder meetings with the Attorney General's Office on SB 3183 (Aquino), which at the time was the "lead legislation".

The primary issue for the Illinois Chamber of Commerce with SB 3183 as introduced was that the legislation not only expanded the authority of the Unit to all employment-related statutes, but that there was no standard threshold for when an investigation would be initiated. That lack of clarity left businesses vulnerable as they could not know if only legitimate, substantiated claims would be investigated or if all complaints/claims would be treated as valid. Of course, hand-in-hand with these concerns is that the Unit, upon its discretion, could conduct investigations that include on-site visits and interrogatories without a warrant. Power not given to any other employment law enforcement body in the country.

Several stakeholder meetings took place on SB 3183 prior to the first Senate Judiciary hearing, which resulted in the first of three attempts at reaching an agreement. SFA #1 was filed by Sen Aquino, and while some of the concerns of the business community were met, new, not previously discussed provisions were introduced by the AG that effectively undid any of the protections afforded to business-

es. At the hearing, the Illinois Chamber testified and informed the members of the Senate Judiciary that the Chamber was committed to continuing to work with the AG and sponsors, but the bill was not ready as is. The sponsor committed to holding the bill on Second Reading due to the good faith efforts by the business community to work on this legislation.

In the House, HB 4725 (Hoffman/Aquino) started to gain steam. Another round of negotiations had taken place but were unfruitful. In the hallway outside of room 118 in the Capitol, prior to the first House Executive Committee hearing on HB 4725, the IL Chamber engaged the AG's Office in a last-ditch effort to reopen the conversations on a compromise. During testimony, the Illinois Chamber noted that the most recent development was proof that an agreement could be reached if given more time. Rep. Spain indicated to the House sponsor that he would like to participate in House negotiations moving forward. The House sponsor agreed to not only include Rep. Spain in the stakeholder meetings moving forward, but to hold the bill on Second Reading as the group started yet another round of negotiations.

Three weeks after that hearing, the House Executive Committee met again. This time they would be voting on a recommendation to adopt HFA #3 to HB 4725. HFA #3, while significantly better than the bill as introduced, still fell short of providing the final protection piece for employers, statutory guidance on procedure, and threshold standards for enforcement. The IL Chamber once again provided testimony against the bill, all the while noting how close the business community was to reaching an agreement. Before the Committee voted to recommend the amendment be adopted 7-4-0, they noted that more work would continue in the Senate, as the House sponsor intended to move the bill ahead of the Third Reading Deadline for House Bills in the House.



Later in the evening, as expected, the sponsor called the bill on the House Floor. During his presentation of the bill, the sponsor acknowledged the Chamber's opposition, but that agreement was close. The bill passed, as expected 79-23-0. Not as expected, however, was the number of votes the House Republicans would put on the bill. Due to the nine yes votes from the HGOP, the bill was deemed bipartisan and in good enough shape by the AG's Office and sponsorship.

Negotiations on the legislation came to a halt as the bill was now viewed as satisfactory for business. While the AG's Office has always contended it is not the intent of the legislation to spur "witch hunts" or "fishing expeditions" for businesses in the State, the Illinois Chamber remained **OPPOSED** to the bill as *Passed both Houses*. Even though the bill passed in an "unfinished" form from the perspective of the business community, there is still a victory in moving the legislation to its current form. That would not have been the case if the Illinois Chamber had not sought early intervention and continued to maintain pressure on all stakeholders.

Six-Year Saga Ends

For the better part of the last six years, there has been a push by the IL Department of Human Rights to enshrine a disparate impact standard in the Illinois Compiled Statutes. Disparate impact,

however, is a standard that has been cobbled together over the course of roughly 60 years, pulling from a few federal statutes, but predominantly from federal case law. So, creating a state analog without a definitive definition is extremely difficult.

Over the last six years, the attempts to create an Illinois disparate impact have varied from very narrowly defined to extremely expansive, going well beyond what could be considered the “federal standards”. This session, the latter was filed in the forms of [HB 5386](#) (Guzzardi) and [SB 3777](#) (Johnson/Slaughter).

Given the potential liability expansions associated with deviating from the federal standards that businesses in the State have reliably created workplace policies and practices around, the Illinois Chamber has taken an active role in combatting the most expansive forms. For example, during the 2025 session, the Illinois Chamber was the chief negotiator on [HB 3582](#) (Guzzardi).

- [HB 3582](#) (Guzzardi) would have established a criterion for employers more in line with the criteria for housing and lending practices to avoid unintentional disparities, but was comparatively more narrow and significantly less harmful than [HB 5386/SB 3777](#) as introduced. Even still, the Illinois Chamber was effective at stopping the legislation in its entirety.

Due to the significant IL Chamber victory last year, it appeared that while the IDHR was attempting yet again to advance similar legislation, the legislature had no appetite. The Illinois Chamber met with the IDHR several times on legislation, including [SB 3777/HB 5386](#), and expressed its immovable opposition to the language as introduced, which included judicial guidance for state courts to construe the Human Rights Act, and therefore disparate impact, as liberally as possible while simultaneously taking the narrowest criteria definitions for business necessity when judging a case.

The liberal construction clause found in the latest versions of the IDHR’s bills would have effectively created a completely new and unknown standard for disparate impact within the State that would have inevitably resulted in widespread lawsuits against businesses for everyday business practices that were previously non-discriminatory.

Even though the General Assembly was signaling that the two measures would not be moving, the Illinois Chamber still engaged the sponsors to share those same concerns that were shared with IDHR and with the Senate Judiciary Chair, where [SB 3777](#) had been assigned. For the first four and a half months of Session, and well beyond any of the bills in chamber of origin deadlines, [SB 3777](#) remained on the Committee posting but was never called.

During the first week of May, [SB 3777](#) was unexpectedly put on the “call list” for Senate Judiciary with no prior notice to the Illinois Chamber or any other business groups. The IDHR and Senate sponsor presented the bill before the Committee and portrayed the language as identical to federal standards, but thankfully, the earlier intervention by the Illinois Chamber proved to have worked, and the members of the Committee instructed the sponsor that the bill would need to be significantly altered to get passage. A week later, again completely by surprise and without a single stakeholder meeting, the bill passed the Senate 38-20-0.

Being late May, the bill unexpectedly passing a chamber, and the bill being handed to a first-time issue sponsor in the House, it became apparent that [SB 3777](#) *could* and likely *would* pass unless further intervention were to take place. The IL Chamber approached the new House sponsor, Rep. Slaughter, and House Immigration and Human Rights Chair, Rep. Hernandez, B., to convey its strong opposition and try to push the issue out another week for adjournment.

The Chamber was told, as with other business allies, real estate interests, and the financial institutions, to come to an 8:30am stakeholder meeting on 05/27/26 and be prepared to provide language.

During the meeting, the Illinois Chamber led the conversation for business and made it clear that no language could be offered to make the bill “better” if the liberal construction clause remained. Ad-
 amant, at the time, that the Clause was already the judicial standard employed by the Illinois Supreme
 Court, the IDHR refused to take that into consideration. Later that morning, the House Immigration
 and Human Rights Committee membership would lambast the Department for that particular sec-
 tion and instructed the sponsor and the Department to go back to the table and figure it out.

Three days later, and after a few rounds of give and take, HFA #1 to SB 3777 was filed as an agreed
 amendment. In this form, it was as clear as possible that Illinois was attempting to adopt a federal
 standard for disparate impact at the state-level. While there is still opportunity for some deviation
 from that standard in state courts, the Illinois Chamber felt comfortable enough to remove oppo-
 sition, following other business groups and the financial institutions. The Committee passed the
 recommendation to adopt the amendment 8-4-0 later in the day on May 30.

As part of the deal on removing opposition, the Illinois Chamber wrote and submitted legislative
 intent to further ensure that the intention of the legislation was as clear as possible. The IDHR and
 House sponsor agreed to have the intent read on the House Floor if the bill were called. May 31 came
 and went, and the bill was never called on the House Floor. As the calendar flipped to June and the
 legislature remained in session trying to pass all the components of the budget, bills that were not
 ready started to get called.

SB 3777 was called for a vote on the House Floor at 2:30 am, June 1. The sponsor read the legislative
 intent provided by the Illinois Chamber before the House passed the legislation 72-38-0. Roughly
 two hours later, the Senate took up the motion to concur with the House and passed SB 3777 41-14-
 0. The bill *Passed Both Houses*. It is expected that the Governor will sign the bill into law upon arrival
 on his desk.

Executive Bill Summary

Below is a list of bills with a short summary that the Illinois Chamber either engaged in directly,
 viewed as significantly impactful to membership, or, in most instances, both. This list is in no way
 comprehensive of the entire universe of legislation on employment.

Employment Bills

- [SB 3821](#) (Lightford)/[HB 5367](#) (Hernandez, N)- Minimum Wage increase to \$27/hr by 2032
 with a CPI or 2.5% yearly increase every Jan 1 thereafter, elimination of subminimum wages
 including tip credit, and includes a PRA. SB 3821 assigned to Senate Executive and considered
 “lead” legislation; deadline extended until May 31 before being *re-referred to Assignments and
 Rules*. **OPPOSE**
- [SB 3777](#) (Johnson/Slaughter)- Establishes a state analog for federal disparate im-
 pact. IL Chamber was a lead negotiator for business and while the measure ultimate-
 ly *Passed Both Houses*, the language should have negligible impact on business operations
 and not increase liability. **NO POSITION**
- [HB 4725](#) (Hoffman/Aquino)- Attorney General’s Worker Protection Unit expansion- Illinois
 Chamber was the first business organization to engage on the legislation. As introduced, the bill
 would have given the AG’s Office unparallel authority on employment law enforcement. After
 months of negotiations, the bill as *Passed Both Houses*, provides protections for employers that
 would have not otherwise been included if not for the IL Chamber’s leadership. Due to political
 pressures among the HGOP membership, a greater than expected number of members voted
 “yes” on the House Floor, making the bill bipartisan enough for passage without further amend-
 ing, and the AG’s Office and sponsors concluded negotiations. VP of Gov Relations, Jordan

Ryan, testified in opposition to the measure twice in House Exec Committee and once in Senate Judiciary Committee in addition to leading negotiations on behalf of business. **OPPOSE**

- ❖ SB 3183 (Aquino)- Senate version- Passed Senate Judiciary, Provided testimony
- HB5228 (Hoffman/Cunningham) 2026 Workers' Compensation agreement. **NEUTRAL** as *Passed Both Houses*. The Illinois Chamber participated in the negotiations as part of the Joint Employers. While not strictly the traditional Agreed Bill Process, the bill reflects a hard-fought negotiation that curbed much of the proposed onerous provisions by Labor. The bill does the following
 - ❖ Increase death benefits from \$8,000 to \$10,000
 - ❖ Tightens penalties on employers operating without legally required WC insurance coverage
 - ❖ Increases the annual WC Fund fee on employers to 3.5% and creates a surcharge on WC carriers' profits to provide an estimated \$7m shot in the arm for the Fund
 - ❖ Changes parameters around Utilization Review and Independent Medical Examinations while establishing a timeline for IMEs and a rebuttable presumption of fault for employers if failure to timely comply (within 90 days of the *request* of the records)

In addition to the above provisions, outside of statute but agreed to by all participants, the Joint Employers will provide a list of acceptable candidates for WC arbiters that the Governor must pick from for the next two vacancies. Below are bills that were part of the negotiations:

- HB 4942 (Hoffman)- WC fee increases and new surcharge- passed House Labor 18-10-0. *Re-referred to Rules*
- HB 4177 (Deuter)- Increased the WC death benefit \$8K --> \$10K. *Re-referred to Rules*
- HB 5228 (Hoffman)- As introduced would have tightened penalties on businesses operating w/o WC insurance. SFA 1 contains the original language on IME/UR as submitted by the Med Society and backed by Labor. SFA 1 was tabled.
- SB 807 (Holmes/Hoffman)- 2026 Unemployment Insurance agreement- IL Chamber participated in negotiations as members of the Joint Employers. **SUPPORT** as *Passed both Houses*. The legislation pushes the speed bumps back two years from Jan 1, 2027, to Jan 1, 2029, and requires employers with 75 more employees, excluding construction, to transmit certain employment information to IDES when laying off 50 or more employees at a single site in a calendar year for the purposes of enrolling them for unemployment benefits. This was a compromise that worked in some of the provisions of HB 4805 and dropped the striking workers and non-instructional employees pieces as the UI Fund remains in a healthy spot at around \$2.5B in funding.
 - ❖ HB 4805 (Johnson)- Major component of negotiations-passed House Labor 18-10-0. *Re-referred to Rules* **OPPOSE**
 - ❖ HB 4416 (Evans)- non-instructional/admin educational employees- passed House Labor 18-10-0. *Re-referred to Rules*. **OPPOSE**
 - ❖ HB 2565 (Vella)- striking workers- passed House Labor 18-9-0. *Re-referred to Rules*. **OPPOSE**
- SB 3622 (Lewis)/HB 5128 (Ugaste)- IL Chamber of Commerce Paid Leave exemptions. *Re-referred to Assignments and Rules*. **SUPPORT**

- ❖ SB 2904 (Cappel)/HB 4607 (Walsh)/provision within SB 3393 (Hastings/Cunningham)- Paid Leave for All Workers exemption for mariners. *Re-referred to Assignments/Rules* **SUPPORT**
- SB 3393 (Hastings/Hoffman)- Labor & Prevailing Wage Omnibus- Made changes to the Illinois Prevailing Wage Act to require the Rate be paid to new worker and project classifications and provided for “PLA Light” in RECs and Covered Broadband projects, among other things. While there were two provisions in the measure that the Illinois Chamber was supportive of, the majority of the bill was too problematic for businesses in Illinois and therefore **OPPOSED**. The bill failed to receive a concurrence vote in the Senate and remains on the Calendar Order of Concurrence in the Senate. Concurrence motions are not susceptible to the ordinary deadline rules in the House and Senate and, therefore, are still considered “live” for the remainder of the 104th GA.
- SB 2413 (Villivalam)/HB 3483 (Moeller)- Paid Family and Medical Leave. The IL Chamber participated in the sole stakeholder meeting before the bills stalled. *Re-referred to Assignments/Rules.* **OPPOSE**
- SB 3975 (Aquino)/HB 5147 (Canty)- Would require expansive employee and operational reporting for private companies with 100 or more employers and \$100M in annual revenue. - The Illinois Chamber led opposition and held two stakeholder meetings on SB 3975 resulting in a commitment to hold the bill in Committee. SB 3975 was placed on partisan agreed bill list in Senate Exec after commitment and passed DA 9-3-0. House Labor passed HB 5147 DP 18-10-0. Following a third stakeholder meeting following Committee action, the sponsors agreed “more work” needed to be done before further movement. Do not see any path for agreement with the Illinois Chamber. *Re-referred to Assignments/Rules.* **OPPOSE**
- HB 3762 (Gonzalez)- Workplace temps. The sponsor and primary advocate held countless stakeholder meetings, all of which were unproductive, resulting in no significant changes to the underlying language. The sponsor stated that no industry carve-outs would be entertained, and as the most diverse business representative, the Illinois Chamber was unable to provide any language that could appease ALL membership and therefore conveyed its unwavering opposition on the concept. The House Labor and Commerce Committee passed the bill as introduced in March 2025 and recommends the House adopt HFA 2 a full year later in March 2026 18-0-0. Shortly after Committee, the sponsor indicated the bill would not be advancing any further. *Re-referred to Rules.* **OPPOSE**
- HB 3213 (Moeller)- Non-competes/solicit- Breaking agreement on Freedom to Work Act, passed out of House Labor and Commerce March 2025 16-03-0. IL Chamber led negotiations both years and spoke with advocates leading into session. As part of the “new” agreement, the IL Chamber received commitment that no other non-compete bills would move while conversations were still ongoing. Sponsor broke word and attempted to move the legislation as amended by HFA 2. Jordan Ryan testified in House Labor and Commerce against HFA 2. The Committee RBA 18-7-0, however, the following day the sponsor informed the Illinois Chamber that she would not attempt to move the bill and would punt any stakeholder meetings until “after the spring session”. The bill has been *re-referred to Rules.* **OPPOSE**. The other major non-compete bills the Illinois Chamber **OPPOSED** and stopped are:
 - ❖ HB 4565 (Faver Dias)- prohibit non-competes for doctors and advanced practitioner nurses and physician assistants employed at hospitals. *Re-referred to Rules.*
 - ❖ SB 3607 (Stadelman) substantially similar to HB 4565. *Re-referred to Assignments*

- ❖ HB 4221 (Briel) bans non-competes for doctors and advanced practitioner nurses and physician assistants irrespective of place of employment. *Re-referred to Rules.*
- ❖ HB 1642 (Stava)- increases the salary threshold for enforceable non-competes and non-solicits to \$300,000. *Re-referred to Rules*
- [HB 3249](#) (Jimenez)- Right to Sit at Work, passed House Labor and Commerce in March 2025 19-8-0, attempted to move HFA 1. Never called for a vote after inclusion of PRA. *Re-referred to Rules.* **OPPOSE**
- [SB 3079](#) (Faraci)- Workplace Accountability/blackballing-Assigned to Senate Exec but ultimately did not move. *Re-referred to Assignments.* **OPPOSE**
- [SB 3005](#) (Villanueva)- Liability expansion for emotional distress, pain and suffering, and loss of a normal life. Assigned to Judiciary but sponsor pulled before being called. *Re-referred to Assignments.* **OPPOSE**
- [HB 5567](#) (Olickal)- Warehouse Quotas. The sponsor never called the bill for a vote. *Re-referred to Rules.* **OPPOSE**
- [HB 4987](#) (Syed)- Surveillance-based wages. The sponsor informed the Illinois Chamber that the bill would be rolled up into the House AI working group discussions. No further movement on the legislation occurred. *Re-referred to Rules.* **OPPOSE**
- [HB 4858](#) (Yang Rohr)- provides that benefits, in addition to salary range, are required as part of a job posting. **Re-referred to Rules. OPPOSE**
- [SB 3052](#) (Collins)- End At-Will Employment. *Re-referred to Assignments.* **OPPOSE**

Other Bills

- [SB 714](#) (Villivalam/Jones)- Auto insurance rate review. Isolated provision from [HB 3799](#) (Gabel/Hastings). First introduced in mid-May, received considerable opposition but powered through largely partisan lines. The bill has *Passed Both Houses*. The Governor will likely sign; however, there is less certainty on signage than counterpart HB 4273. **OPPOSE**
- [HB 4273](#) (Jones/Hastings) - Homeowner insurance rate review- similar to above, however Governor's office has been signaling for changes to home insurance rate setting since late last summer and with the hijacking of HB 3799 during 2025 Veto Session. The bill has *Passed Both Houses*, and it is expected the Governor will sign into law upon arrival on his desk. **OPPOSE**
- [SB 3645](#) (Porfirio/Morgan)- 2026 Sunset Extension Omnibus- Contains a year delay, July 1, 2026, to July 1, 2027, for the implementation of the Interchange Fee Prohibition Act. While it is not customary for the IL Chamber to support the Sunset Extension Omnibus, the Chamber is supportive of this measure while taking **NO POSITION** on the bill in its entirety. The bill has *Passed Both Houses*

ENERGY-RELATED LEGISLATION



2721

“ACTIVE” BILLS
FROM THIS YEAR AND LAST



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ENERGY & ENVIRONMENT
POLICY BILLS

ENERGY & ENVIRONMENT POLICY UPDATE

2025 Veto Session, Energy Omnibus Legislation Advances

After the General Assembly failed to advance legislation in the Spring of 2025, the October Veto Session presented an opportunity to build sufficient legislative support for what turned out to be one of the largest energy policy packages since the State enacted the Climate and Equitable Jobs Act in 2021 (P.A. 102-662).

The legislation filed under SB 25 (Stadelman/Hoffman) (now P.A. 104-458) contained over 1,000 pages worth of provisions. Below are the main provisions of the legislation:

- Under changes to DCEO’s Administrative Code Law, regarding changes to the Energy Transition Assistance Fund, increases the amount of funds allocated to \$192 million in addition to other amounts necessary to fund programs under the Fund.
- Removes provisions related to funding for the Energy Transition Navigator Program prioritizing organizations with experience serving climate change impacted populations.
- Adds additional language allowing the Department to engage contractors or provide grants to NGOs for technical assistance for equity eligible contractors under the Clean Energy Primes Contractor Accelerator Program and the Clean Energy Contractor Incubator Program.
- Concerning the additional energy storage procurements of 3,000 megawatts, makes changes to the annual schedule for procurements.
- Under the Counties Code, provides additional flexibility to allow counties to continue to require setback distances between fencing and public rights-of-way if the requirement is not specific to wind and solar energy systems.
 - ❖ Allows for waivers of certain rules under the Illinois Pollution Control Board. Makes other changes.
 - ❖ Adds a specific provision for wind and solar farms in Madison County.
- Makes several changes to the Natural Gas Energy Efficiency Program.
- Adds additional language concerning MYPs submitted by the utilities with regard to identifying methods of minimizing ratepayer impacts and minimizing or exempting costs to low-income ratepayers with respect to the expansion of EV charging programs by further allowing the ICC to evaluate the standards and cost-effectiveness of the programs.
- Makes a technical change to remove a less than 5,000 kW threshold for filing a rebate petition request to an electric utility serving more than 200,000 customers. Outlines additional criteria for rebate eligibility. Makes conforming changes.
- Makes changes to the Energy Storage System Resources Procurement Plan provisions:

- ❖ Makes a technical modification concerning the Plan conforming with the IRP.
- ❖ Provides that any procurement should consider the value of higher capacity resources that aid in resource adequacy. Provides that the Agency must propose contract structures that do not create contractual obligations on utilities that are not contingent on full and timely cost recovery, that avoid negative financial impacts on the utilities, and that are implemented through contracts that are agreed upon by the utilities.
- Makes changes concerning IRP review and approval changes; makes largely technical changes to the GA's role in the review of any changes that may lead to increased costs on ratepayers.
- Revises provisions concerning "siting of qualified energy facilities." Rewrites a new section created to allow for resolution of disputes between facility owners and units of local government related to the siting of qualified energy facilities to ensure the expedited procedures of the State's siting laws. Allows for rule-making authority.
- Adds provisions concerning the Board adopting regulations around noise emissions limitations. Provides that in connection with any commercial solar energy facility or commercial wind energy facility, the fee simple owner of a participating property, participating residence, nonparticipating property or residence, or any combination of these properties may enter into a waiver agreement to waive enforcement of certain rules.
- Revises language concerning data center backup generators.
 - ❖ Provides that each air pollution construction permit for diesel powered backup generators to data centers, that is applied for 6 months after the enactment of the bill, and that is required to have a CAAPP permit, must require each backup generator to (i) meet standards at least as protective as Tier 4 standards for non-road diesel engines set out under the US EPA, and (ii) operate solely as an emergency or standby unit,
 - ❖ If the diesel generator becomes out of compliance with these standards during a power outage, the generator may operate for 24 hours or operate when compliance is achieved.
 - ❖ Makes similar rules around natural gas-powered backup generators. Provides that that each of those generators must meet Tier 2 standards under the US EPA and operate on an emergency or standby basis. Allows for a similar 24-hour dispensation in the event of a power outage.
- Lifts the moratorium on nuclear energy development. Increases various fees on nuclear reactor facility operators.



Overall, the legislation, referred to by proponents as the Clean and Reliable Grid Affordability Act, contained positive advancements in investments in new technologies and a lifting of the nuclear moratorium. However, the legislation also gave additional powers to the energy policy-setting State agencies, created new procedures for the environmental and renewable energy community to continue advancing their interests, and did not contain any reasonable or measured efforts to tackle the root causes of the State's energy affordability or reliability issues.

2026 Spring Legislative Session

The second year of the 104th General Assembly brought a significant amount of energy to the energy and environmental policy front. After the fall 2025 Veto Session ushered through the sizeable energy omnibus, it was anticipated that the spring session would be lighter. In some ways, this early prognostication held true; however, in several important ways, this was a misleading thought. There were several major issues that found resolution, thankfully, many with the input of industry and business voices. Below is an overview of some of these major policy discussions that took place this year.

Illinois Chamber Unveils Robust Energy Policy Package in 2026

In direct response to the significant importance that energy policy, energy reliability and affordability have on the business community, the IL Chamber unveiled a robust pair of legislative items focused on energy affordability and economic impact as part of the 2026 State Legislative Agenda.

- [HB 5194](#) (Walsh)/[SB 3665](#) (Belt) Tax Credit for Future of Energy Workforce Retention
- [HB 5195](#) (Walsh)/[SB 3664](#) (Belt) Illinois Future of Energy Affordability, Reliability, and Economic Impact Commission

The proposals sought to provide both short-term and long-term solutions to our energy challenges today. As the CEJA targets continue to move forward, and the scheduled retirements of certain energy sources cause massive loads of energy to come offline in the next few years and decades, the Chamber identified a need to focus on incentivizing the retention of the essential workforce within these critical systems. Under HB 5194 and SB 3665, a tax credit is created for energy generators or utilities equal to 20% of the wages paid to qualified energy workers. In order to be eligible for the tax credit, the taxpayer must be able to demonstrate that their Illinois workforce and operations will be materially and adversely impacted by the scheduled phaseout target dates under CEJA (i.e., 2030, 2035, 2040, 2045). The proposal caps the total number of allowable credits provided under the bill to \$25 million per fiscal year.

Workers in the natural gas industry, peaker plant industry, and the larger impacted utility industry that is upskilling workers to prepare them for the forthcoming energy transition would be eligible for this retention credit. The proposal helps address increasingly time-sensitive decisions being made by regulated industries that may not be able to operate in Illinois under future retirements.

To tackle the longer-term vision for the future of energy challenges, and as a direct response to many of the ongoing agency efforts that have largely excluded industry voices from having input in energy policy in this State, HB 5195 and SB 3664 would do the following:

- Creates an Illinois Future of Energy Affordability, Reliability, and Economic Impact Commission; the Commission would be made up of legislators from the four caucuses, representatives of key industries in the energy sector, business representatives, and other key stakeholders.
- The Commission would be required to meet regularly to help tackle many of the major issues facing energy policy.
- The Commission would have the ability to analyze the State's ability to continue being a net exporter of energy, analyze the impact of current energy policies that may impact workforce, consider the possible negative impact of existing laws or regulations on the State's ability to meet energy demands, and allow the Commission to study information forecasting energy affordability and reliability impacts, among other duties.
- The Commission would be housed under the State's Department of Commerce and Economic Opportunity, to give added emphasis to the significant economic impact energy policy has on the State's economy and workforce.

- An annual report would be due to the Governor and General Assembly every December 1st.

In the House, Rep. Walsh championed the Commission proposal, and the Chamber was able to successfully pass HB 5195 out of the House Energy & Environment Committee on a unanimous roll call. The bill passed out despite strong opposition from the environmental community that favored the status quo processes underway at the IEPA, IPA, and ICC. This Chamber initiative, however, received the strong support of labor unions, including Local 150, the Pipe Trades, and IBEW, and from the business community, including the IMA, Farm Bureau, NFIB, and the IIEC. The Chamber will continue to pursue this initiative in the future and has secured the commitment from House and Senate sponsors that this will be a priority moving forward.

Environmental Justice Law Passes After Years of Lacking Sufficient Support

[SB 3772](#) (Villanueva/Jimenez) successfully passed both houses this year after several years of negotiations between industry, the environmental community, and the IEPA. Under the bill that passed both houses, the legislation will largely codify existing IEPA policies regarding environmental justice. The legislation, working under the EPA Act, will codify procedures employed currently by the Agency in assessing construction permits for new or expanded sources located in EJ areas of concern. The legislation was the product of significant discussion between the IEPA, environmental community, and a business coalition, led by the IMA, which included the IL Chamber.

Under SB 3772, the legislation amends the EPA Act to create a new section concerning air pollution control construction permitting in areas of environmental concern. Under the provisions of the bill, the following requirements are made in order for an applicant to receive approval for qualifying permits:

- Beginning on January 1, 2027, an owner or operator of a facility requiring a construction permit for a new source that is located in an area of EJ concern must obtain a CAAPP permit or a federal enforceable state operating permit and meet certain other requirements.
- To receive the permit, the applicant must comply with a thorough review of permit application process, including complying with public notice and hearing provisions, conduct air quality modeling, and take on mitigation efforts. Additionally, authorizes the IEPA to require additional permit enhancements, including additional air monitoring, additional testing, adopt additional mitigation plans, weigh historic compliance record for the applicant, and other requirements.
- Under the proposal, the measure would allow the IEPA to conduct further analysis and consider social, environmental, infrastructure, public health, and other factors in modifying its evaluation process.
- Outlines a process by which approval of the permit will be granted, including providing a written analysis of its evaluation.
- Establishes an Office of Environmental Justice within the IEPA.

The IL Chamber requested of the sponsors and stakeholders that legislative intent be read into the record concerning the codification of existing IEPA regulations, a statement declaring no intent to go beyond existing IEPA regulations, and restriction of EJ area mapping beyond what exists today. However, stakeholders did not honor that request. As passed both houses, the legislation represents one of the least onerous versions of this effort that has been introduced since discussions first began on this topic. The bill has now *Passed Both Houses*.

“Federal Backstop” Legislation Passes to Create Mechanism to Protect Against Federal Environmental Rollbacks

[HB 5070](#) (Williams, A./Ellman) is legislation that was introduced to protect against federal actions that may roll back environmental protections. After significant negotiations between the business community, IEPA, and the House and Senate sponsors, the legislation advanced out of both chambers.

The legislation amends the Environmental Protection Act to expand certain authority of the Pollution Control Board as it relates to “identical in substance” rules that may be developed in the event that the U.S. EPA imposes standards that are less stringent than those of the Board regulations. The bill clarifies that a federal regulation becomes less stringent when the change substantively reduces the level of environmental or public health protections and contains the following:

- The federal revision eliminates a numerical emission, discharge, or concentration limit, or increases it above the level established in the existing Board regulation.
- The federal revision eliminates or narrows the scope of a specific prohibition or restriction on an activity, substance, or process that is expressly set in existing Board regulations.
- The federal revision eliminates or weakens a specific performance standard, design standard, or technology-based requirement that is set forth in the existing Board regulation.

The new provisions would be applicable to air quality standards, NPDES permits, water protection standards, hazardous materials, solid waste regulations, and other types of resource regulations. The Chamber was opposed to the underlying legislation; however, the Sponsor worked with industry to secure changes to the legislation. The Chamber is **NEUTRAL** as Passed Both Houses.

Veto Session Energy Omnibus (P.A. 104-458) Trailer Bill Passes, Largely Making Technical Changes

The General Assembly approved a largely technical omnibus bill that contained many modifications to P.A. 104-458, which passed during the Veto Session last year. The package contained modifications in consultation with public utilities, labor groups, and the environmental community.

HB 1700 (Williams, A./Stadelman) contained the following major provisions:

- Reiterates labor protections concerning battery energy storage facilities utilizing HIB incentives
- Makes several changes to several programs created under P.A. 104-458, including the Clean Jobs Workforce Network Program and the Illinois Climate Works Preapprenticeship Program
- Makes several changes to the Public Utilities Act, especially concerning Energy Efficiency and Demand-Response programs concerning annual energy savings schedules and adds new provisions to the distributed storage systems eligible for the renewable energy distributed generation rebate
- Makes various other changes to ongoing efforts at the IPA, ICC, and IEPA, including the IRP, utility data access programs, and the interconnection working group

For a full overview of the provisions of the trailer legislation, please [click here](#).

As stated above, the Chamber meaningfully engaged this session with willing partners and our legislative agenda sponsors on the need to enact real reform that will make energy policy discussions inclusive of industry voices and consider many of the ongoing energy challenges as part of larger economic discussions for the State.

LIHEAP Omnibus Legislation Passes After Negotiations with Industry

HB 4456 (Faver Dias/Edly-Allen) amends the Public Utilities Act to make several changes under the Low-Income Home Energy Assistance Program (LIHEAP). The proposal gives the ICC the authority to approve a low-income discount for electric and natural gas residential customer program that applies to the qualifying customer’s bill. The bill provides that the electric and gas utility may fund its

low-income discounts through a surcharge on both residential and non-residential customers' electric and natural gas bills. The bill specifies the manner and form by which charges may be applied.

The bill further amends the Energy Assistance Act to make further changes to LIHEAP, including the S-LIHEAP Fund. The bill updates the administrative allowance allowed under the S-LIHEAP program and makes modifications to the Base Energy Assistance Charge rate to match the existing rate for this year in statute, beginning January 1, 2027.

The Chamber was strongly opposed to the original version of the legislation. The House Sponsor, however, worked with stakeholders to alleviate several concerns. As passed both houses, however, the Chamber continues to have some concerns about implementation of many of the changes contained in the legislation. The bill has Passed Both Houses.

Outstanding Issues that may Appear in the Veto Session, Lane Duck

There were several major issues that the Illinois Chamber was engaged on this session that are likely to continue receiving the attention of the Governor's Office and the General Assembly either in the Veto Session/Lane Duck or early in the 105th General Assembly.

Power Act and Data Center Regulations Largely Stopped

One major victory that the business community had in the final days of session was successfully stopping all of the onerous provisions contemplated under the so-called Power Act ([HB 5513](#) (Gabel)/[SB 4016](#) (Villivalam)). While progressive legislators and the environmental community sought to push through significant regulations on the data center industry this session and held an Advocacy Day over the final weekend in May to urge legislators to impose regulations on the industry, no specific regulation contained under the Power Act found its way into any legislative proposal.

The Power Act contains over 600 pages of broad regulations and fees on the data center industry, focusing on electric utility tariffs, new energy fees, and water and energy usage disclosure requirements.

The legislation adds an overarching regulatory regime that, collectively, represents a prohibitive landscape imposing new, broad processes and treats these economic development projects in an adversarial manner.

The following provisions represent significant concerns for future developments:

- The legislation significantly narrows the ability to use essential backup generation capabilities by imposing new regulations on diesel-powered and natural gas-powered backup generation.
- New restrictions that outright prohibit the construction, establishment, or expansion of data centers in either the City of Chicago, EIECs, and surrounding areas send the wrong message to the industry.
- The mandatory compliance with a Cumulative Impact Assessment requirement under the EPA Act represents an incredible new set of requirements on future projects by introducing broad criteria that negatively impact a project's ability to be placed in service.
- There is an elimination of standard processes that economic development projects use when negotiating an investment in a unit of local government (i.e., non-disclosure provisions).
- Imposes new requirements that compel projects to enter into legally binding and rigid agreements (e.g., community benefits agreements) that do not value industry priorities or needs.
- Compels the industry to disclose private and sensitive energy usage information that runs counter to standard business practices.

- Creates significant new water utilization disclosures on the industry and demands several new reporting requirements.
- Lastly, the new regulations, including new rulemaking authority provided to State agencies, mean that the industry will be operating under a tremendous amount of uncertainty and may see permits and projects stall.

Additionally, the legislation will significantly raise costs on the industry and create new direct fee and surcharge structures that will increase the overall cost of projects and essential services provided by hyperscale data centers. This includes the following:

- The new Hyperscale Data Center surcharge, while generating revenue for the new Hyperscale Data Center Public Benefits and Affordability Fund, will create new fees ranging from \$2 million to \$12 million per year.
- There is a new Water Impact Permit fee levied on owners and operators of data centers that range from \$20,000-\$60,000 on an annual basis, in addition to creating new separate service fees of \$50,000.
- The new Hyperscale Data Center Tariff will represent a significant cost driver to the industry, and this will continue to impact the cost of providing these essential services to customers in Illinois.
- Lastly, the overall compliance cost that will be borne by industry to merely meet the vast new regulatory demands required by the bill will make investments in infrastructure and technologies extraordinarily difficult.

Lastly, whether it is the new requirements placed on industry concerning mandated energy codes on the hyperscale data center industry, or the promotion of specific forms of energy systems (e.g., battery energy storage, Bring Your Own policies, VPP programs), the construction of complex REC computations under a modified self-direct program, and the new onerous restrictions on the allowable use of natural gas-powered or diesel-powered back generation, the bill prioritizes certain types of energy systems or procedures and does not take into account industry best practices.

This bill also removes flexibility that is necessary to ensure that resource adequacy and energy demand are met. By placing these requirements, the legislation creates a challenging energy environment for this essential industry to deliver the level of service that is required by customers, who, in many instances, require 24/7 operations.

Thankfully, the Power Act and every other onerous data center regulation proposal did not receive a vote this Session. Given, however, the Governor's June 5th announcement to pause the Data Center Tax Incentive and outline several regulations he would like to see advance, the Power Act and similar proposals will continue to gain traction. These conversations will not cease, and there will be summer conversations on the issue. We will continue to stay engaged and notify our members of any developments.

Wetlands Protection Act Fails to Advance

HB 3596 (Moeller) was one of the environmental lobby's priority bills for the year. The legislation would create the Wetlands Protections Act to largely address issues created after the *Sackett v. U.S. EPA* SCOTUS decision in 2023 that narrowly defined the scope of the Clean Water Act to the wetlands and permanent bodies of water with a connection to interstate navigable waters.

The attempt of the Wetlands Protection Act, as contained under HB 3596, would enact a new regime of regulatory oversight in Illinois over deemed wetland property. The new regime contained under the Act would impose a series of required permitting, allow for broad review and oversight



over these types of wetlands, impose new permit fees and fines, and create new rulemaking authority. While the legislation contains several exemptions, there is a concern from several industries that the new law is overly broad and would create a tremendous administrative burden on numerous property types that may be covered under the Act.

This is an issue that has been around for several years following the Supreme Court action, and the legislation successfully passed out of the House Energy & Environment Committee early in the year on a vote of 16-8-0. However, the bill did not advance on the House Floor, largely given the significant opposition from the State agencies that would be responsible for oversight, in addition to several concerns raised by the business community.

Clean Transportation Standard Act Likely to Continue to Garner Attention

SB 41 (Koehler), concerning the adoption of a Clean Transportation Standard Act to reduce emissions in the transportation sector, was amended in the final week of session, raising some speculation that the matter may be alive for consideration. However, the intent of the sponsor was only to file a revised version of the overarching proposal. It is expected that the issue will continue to materialize ahead of the Veto Session. The measure has been discussed over the last several years and received a subject matter hearing this year in the Senate Energy and Public Utilities Committee.

Under SB 41, the legislation requires that the State adopt a clean transportation standard to reduce the lifecycle carbon intensity of fuels for the ground transportation sector by specified amounts. The legislation provides that the clean transportation standard must take the form of a credit marketplace monitored by the IEPA. In addition to setting various regulations on the industry and allowing for agency oversight, the bill outlines several penalties for failing to offset deficits, and for penalties for submitting false information. Lastly, the legislation would require the IEPA to develop a periodic fuel supply forecast.

The IL Chamber has stayed engaged on this issue; however, it is **NEUTRAL** on the matter given the impact on distinct segments of our membership.

Effort to Pass Polystyrene Container Ban in Food Service Stalls Despite Significant Pressure from Environmental Lobby

SB 1531 (Fine/Gong-Gershowitz) would seek to create the Disposable Food Service Container Act in an effort to, by 2030, prohibit the sale or distribution of disposable food services containers that are either wholly or in part composed of polystyrene foam. The legislation outlines several fines and penalties for violation of the Act and contains some home rule provisions concerning local action.

The effort passed out of the Senate in 2025 and had made its way onto the House Floor. However, it failed to pass in the spring of 2025. This year, the environmental community made this proposal one of its top priorities. Opposition led by the Chemical Industry Council of Illinois, and several business groups, including the IL Chamber, pushed back and engaged several members of the House moderate caucus to explain the drastic negative economic impact that this ban would have on manufacturers, distributors, and retailers that rely on polystyrene foam containers. The bill has been *re-referred to the Rules Committee*.

Notable Legislation that Passed Both Houses

There were several pieces of legislation that passed both houses, which the IL Chamber was monitoring. Below is a list of some of the most notable:

- [HB 5524](#) (Severin/Bryant), as *Passed Both Houses*, requires COGFA, to publish a report outlining any charges levied on a residential customer’s monthly bill outside of delivery or supply charges. **SUPPORT.**
- [SB 3917](#) (Fine/Faver Dias), as *Passed Both Houses*, amends the EPA Act concerning NPDES permit requirements to monitor for PFAS at specified intervals and requires disclosure of certain monitoring information from major facilities and major industrial facilities.
- [HB 4514](#) (Syed/Villivalam), as *Passed Both Houses*, adds additional requirements on public utilities to notify customers and the public of the right to request a public forum ahead of a scheduled general rate increase. Outlines new responsibilities of the ICC to comply with public forum requirements.
- [SB 4025](#) (Villivalam/Olickal), as *Passed Both Houses*, amends the EPA Act to create new requirements around responsibilities of property owners as they relate to lead service line replacement projects conducted by community water supplies.
- [HB 4403](#) (Hoffman/Belt), as *Passed Both Houses*, amends the EPA Act to establish new safety guidelines required on the shipment and transport of potentially infectious medical waste. Increases the transport fee for medical waste from \$0.03 to \$0.05 per pound of medical waste. The bill was negotiated with industry.
- [HB 4418](#) (Mason/Morrison), as *Passed Both Houses*, amends the EPA Act to require the IEPA to develop a Stormwater Pollution Prevention Plan to be considered in NPDES permit issuances for federally regulated facilities. Requires the review to apply to the control of plastic pellets or other preproduction plastic materials.
- [HB 4941](#) (Mason/Morrison), as *Passed Both Houses*, amends the EPA Act concerning LUST fund expenditures to allow for the use of these funds to reimburse certain costs incurred by property owners for the removal of tanks over 30 years old.
- [HB 5317](#) (Avelar/Feigenholtz), as *Passed Both Houses*, amends the Petroleum Underground Storage Tanks title of the EPA Act, to allow for counties or municipalities to remove tanks, investigate, or take corrective action with regard to orphan underground storage tanks in accordance with the LUST Fund program.
- [SB 3272](#) (Cunningham/Hoffman), as *Passed Both Houses*, amends the Public Utilities Act concerning renewable access plan updates required to be undertaken by the ICC. Allows for the Commissions to retain the services of technical experts to help carry out the plan updates.
- [SB 3273](#) (Cunningham/Hoffman), as *Passed Both Houses*, amends the Public Utilities Act to require an expedited process for electric distribution companies’ interconnection requests made for public school projects.



- [HB 2955](#) (Rashid/Villivalam), as *Passed Both Houses*, creates the PFAS Wastewater Citizen Protection Committee to research and report on certain findings around PFAS.
- [HB 5541](#) (Moeller/Johnson), as *Passed Both Houses*, sets new standards and regulations around allowable permitted organic waste composting operations in the State.

Miscellaneous Legislation That Stalled

This Session, there continued to be discussions around several pieces of legislation that were introduced. Many of these pieces of legislation were supported by the environmental community, and some garnered media attention. However, none of these concerning measures received a vote or passed.

- [HB 4773](#) (Gabel) Climate Change Superfund/[SB 2981](#) (Guzman) Climate Change Superfund would have created the Climate Change Superfund Act, which would have imposed a new substantial fee on “responsible parties” (i.e., fossil fuel emitters). The bill did not make it out of Committee and was *re-referred to House Rules*. The Chamber is strongly **OPPOSED**.
- [HB 1146](#) (Ness) amends the Solid Waste Planning and Recycling Act to prohibit grocery stores and food service retailers in Illinois from providing or selling single-use plastic carryout bags 18 months after the bill becomes effective. The bill was assigned to the House Executive Committee, however, did not receive a vote and was *re-referred to House Rules*. The Chamber is strongly **OPPOSED**.
- [HB 4272](#) (Crawford) /[SB 3974](#) (Aquino) were related pieces of legislation that would have set new regulations around the need to place subjective labels on gas appliances manufactured and sold at retail in the State. This measure is similar to an effort in Colorado that required labeling of certain household gas appliances. That law is currently subject to litigation. The Chamber is **OPPOSED** and the bill was *re-referred to House Rules*.
- [SB 2907](#) (Murphy) amends the Municipal Code to require that public utilities disclose to municipalities via audits of the public utilities customer-specific information. The legislation would encompass several types of disclosures, including monthly usage information, the amount of taxes collected, and other information. The bill passed out of the Senate Energy and Public Utilities Committee, however, failed to advance on the Senate Floor and was *re-referred to Assignments*. The Chamber is **OPPOSED**.
- [HB 1175](#) (Mayfield)/[SB 1436](#) (Johnson) amends the EPA Act to impose severe new requirements on owners or operators of CCR surface impoundments at electricity generating plants located near Lake Michigan. While the bills did receive consideration last year, this year, the legislation did not receive any vote in either the House or Senate and was *re-referred to House Rules and Senate Assignments*. The Chamber is **OPPOSED**.
- [HB 1612](#) (Canty)/[HB 5366](#) (Canty) creates the Illinois Appliance Standards Act. Under the new Act, these pieces of legislation would require the IEPA to adopt minimum efficiency standards for various products and require onerous new testing, certification, and labeling of these products. While the bill was posted for Committee on several occasions in the House Energy & Environment Committee, the bill did not receive a vote and was *re-referred to House Rules and Senate Assignments*. The Chamber is **OPPOSED**.
- [HB 5600](#) (Ortiz)/ [SB 3732](#) (Ventura) creates the Warehouse Pollution Reduction Act, which orders the IEPA and Pollution Control Board to adopt rules establishing warehouse review programs. The Act would in effect require for new emissions-reductions targets and air pollution mitigation efforts to be required in the warehousing industry. While neither the House nor Senate bill advanced, the House Sponsor did hold a subject matter hearing in the House Energy &

Environment Committee. *Re-referred to House Rules and Senate Assignments.* The Chamber is strongly **OPPOSED**.

- [SB 3362](#) (Simmons) creates the Make Polluters Pay Act, which, among other changes, drastically increases the penalties across several different conservation laws in the State, including the Drug Take-Back Act, the Consumer Electronics Recycling Act, and the Paint Stewardship Act. The bill did not get assigned to a substantive committee after filing. The Chamber is **OPPOSED**.
- [SB 3704](#) (Guzman) amends the Metropolitan Water Reclamation District Act to significantly increase several fines and penalty amounts for violations of the Act. The bill was never assigned to a substantive committee after filing. The Chamber is **OPPOSED**.
- [SB 3742](#) (Jones) creates the Single-Use Plastic Bag Taxation Act to impose a \$0.05 fee on every retail checkout bag offered to a retail customer at checkout. The bill was not assigned to a substantive committee after filing. The Chamber is **OPPOSED**.

HEALTHCARE-RELATED LEGISLATION

2721
“ACTIVE” BILLS
FROM THIS YEAR AND LAST

606
HEALTHCARE POLICY BILLS

HEALTHCARE POLICY UPDATE

Summary

After nearly five years of constant barrage on the business side of healthcare, the legislature and Governor relented, mostly, during the 2026 Spring Session. Perhaps in part because of the many industry-changing and transformative pieces of legislation that have already been passed; the Healthcare Protection Act (HPA), the Prescription Drug Affordability Act (PDAA), and the HPA expansion. Whatever the reason, a partial respite was welcomed as the impacted industries try to get their feet underneath them and start complying with the staggering new regulations.

As stated though, it was only a small reduction in pressure, and the endless insurance coverage mandates, hospital operational regulations, and pharmaceutical manufacturing and pricing pieces were still filed as usual. It did not become clear until after the midterm election that the vast majority of the most impactful pieces would never even receive a hearing.

The most significant specter hanging over the healthcare space was, and still is, the continued effort to pass *something* to create a state-run, Prescription Drug Affordability Board or PDAB as it is commonly referred. Given the election year, and that attempts at “addressing” healthcare costs remain politically popular, and there were few spaces left to regulate in Illinois, PDAB became the most concerning piece for a majority of the 2026 session.

Movement on PDAB may have been the most concerning piece, but it wasn’t the only concern, and the legislature saw either new or re-introduced initiatives on mental health and substance use coverage parity; going beyond what was included in the HPA and its trailer expansion, prescription drug dispensing fees, prescription drug imports, and staffing ratios for hospitals.

Out of the hundreds of bills that the Illinois Chamber was tracking, only few remained viable after the March primary and subsequent Committee Deadlines. The focus shifted to only a small number of items, and PDAB dominated the conversation until the dwindling hours of legislative session this Spring.

While there is still a long road ahead for Illinois businesses, and frankly more so for residents, in the healthcare space as a result of the significant Medicaid reductions and cuts to the provider tax credits in the OBBB and the added regulatory burden created in the HPA and PDAA, the 2026 spring session was mostly a win through inaction. Veto and Lame Duck Sessions could prove otherwise, but for now, we can breathe easy.

PDAB

For as long as there has been legislation to create an Illinois PDAB, the Illinois Chamber of Commerce has been opposed. In recent years the idea has not only gained steam here in Illinois but across the country as multiple states have enacted a version of their own PDAB.

“Out of the hundreds of bills that the Illinois Chamber was tracking, only few remained viable after the March primary and subsequent Committee Deadlines.”

Prescription Drug Affordability Boards are state-level bureaucracies created with the purpose of reviewing and, in some cases, setting prescription drug prices within the state of operation. There are currently 11 PDABs throughout the country, four of which have the authority to set upper payment limits (UPLs) while some of the remaining seven have some authority to intervene if a drug price is deemed too high, they predominantly review and make recommendations on drug pricing within the state. The proposal in [HB 1443](#) (Syed) and [SB 3496](#) (Harmon/Syed) more closely resemble the former.

HB 1443 (Syed), as evidenced by the “low” bill number, was filed at the outset of the 104th General Assembly. The legislation failed to gain traction, as did its predecessors in the 103rd General Assembly, during the 2025 spring session as the Governor’s healthcare priorities took priority and the addition of a PDAB to the ever-growing list of regulations would only further muddy the water.

At the beginning of the 2026 session, the House sponsor, Rep Syed, indicated that she would prioritize moving HB 1443 and began holding limited stakeholder meetings on the legislation. Complaints soon began as the meetings excluded large swaths of actual stakeholders, including the Illinois Chamber. The Illinois Chamber, as was likely the case with other stakeholders, made several failed attempts at inclusion.

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After several months of inaction and no verbal commitment from the sponsor on whether she would call the bill, the prospects of HB 1443 began to look slim. However, shortly after the election, word spread that the sponsor would be calling the bill in the House Healthcare Availability and Accessibility Committee during the Committee Deadline week in attempt to keep the issue alive. The Illinois Chamber once again shared its concerns with the sponsor and approached Chairwoman Manley on the topic.

During the March 24th Committee hearing, the sponsor and advocates were only able to get support for passage to the House Floor if they committed to holding the bill on Second Reading before bringing an agreed amendment back before the Committee. Opposition contended that there had not been productive conversations and their concerns were not being heard previously so were dubious about a shift in the future.

Three weeks later and after multiple one-sided negotiations and amendments, HFA 4 to HB 1443 was filed. This amendment was a deal cut by other business representatives in an attempt to curb the damage. The amendment established the PDAB as a “pilot program” (repealing only the associated Fund) for five years and limits the setting of UPLs to the first 10 Medicare reviewed drugs. By no means was this an agreed amendment and the Illinois Chamber remained opposed as did a majority of the original opposition. Nevertheless, HFA 4 was portrayed as an agreement during the April 16th Committee hearing, and it received the majority recommendation for adoption on the House Floor. Later that evening, HB 1443 was called on the House Floor and HFA #4 was adopted.

As the debate began, the House Republican Floor Leader called for a verification of the vote if the bill were to receive the requisite number of votes and shortly thereafter, without warning, the Speaker announced the bill was pulled from the record before any vote could be taken. No one seemed exactly sure why the bill was pulled, maybe there were not enough members on the Floor at the time and because it was Third Reading Deadline, the majority party wanted to move on to sure things, or perhaps the sponsor did not have a firm 60 House Democratic vote roll call as is required by Speaker Welch before any controversial measure can get called on the Floor. Whatever the reason, opposition was relieved.

Just a little over a month went by with no further action on the bill until May 19th when Rep. Syed filed a gut and replace amendment on SB 3496 in the House and coopted the bill with a new itera-

tion of PDAB in hopes that there would be quick passage out of the House and concurrence in the Senate. HFA #1 to SB 3496 created an identical PDAB pilot program as provided for in HB 1443 as amended by HFA #4.

This time the bill and amendment were sent to the House Executive Committee instead of the House Availability and Affordability Committee where the membership had heard and debated the previous iterations of the bill. That point was not lost on the minority membership of the House Executive Committee, some of whom are on both Committee rolls. Once again, the bill was portrayed as a reasonable compromise despite all of the continued opposition. The Committee would recommend the House adopt HFA #1 to SB 3496 8-4-0.

The following day, May 21, the House called SB 3496 on the Floor and adopted HFA #1 before narrowly passing the bill over to the Senate 62-39-0. In the Senate, President Harmon took over as sponsor and the bill was placed on the Calendar Order of Concurrence. Given the sponsor in the Senate, concern grew, however it was soon understood that this was a parliamentary move to prevent the bill from progressing through that Chamber and the bill failed to receive another vote.

SB 3496 remains on the Calendar Order of Concurrence in the Senate. Motions to concur are not subject to the ordinary deadlines established in the House and Senate Rules and therefore still considered “live” until Session Sine Die. Because of this, the Illinois Chamber will maintain pressure in the Senate when the body returns for Veto in November.

Downcoding

Health insurance carriers have seen the brunt of the blame for rising healthcare costs across the country, but especially here in Illinois, being the primary target for the more burdensome regulations passed this past half decade, all the while still being expected to provide the same or higher level of coverage with no corresponding price increases. When bans on step-therapy and prior authorization haven’t fixed the cost increases, some pointed to the practice of “downcoding.”

Downcoding is the colloquial term used to describe when a health insurance carrier provides coverage for a smaller sum or less costly procedure than was prescribed (coded) by a physician. This practice is usually the result of a satisfactory alternative for treatment that is within the coverage scope of the patient or because of insufficient or incorrect documentation. On the opposite side of the spectrum is the illegal practice of “up-coding” in which a provider bills for unnecessary procedures or treatments that are more costly or does not provide treatment at all but still bills insurance.

To complicate those matters, there are claims by providers that carriers are implementing AI tools to automatically downcode procedures and treatments, irrespective of evaluation documentation, without any human review. [SB 3114](#) (Koehler/Chung) and [HB 4735](#) (Chung) were introduced this year with the intention of curtailing the alleged automated process for downcoding.

SB 3114 and HB 4735, as introduced, would have prohibited health insurers in the state from using automated systems to downcode claims and would have required physician approval for downcoding for certain chronic illnesses. These pieces had the potential to, yet again, fundamentally change how insurance companies operate and their ability to provide coverage for individuals and employer sponsored healthcare plans.

The Illinois Chamber was the first business group to raise alarms on the legislation and was among the first of any group to oppose. At the first Senate Insurance Committee meeting in 2026, the

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Senate sponsor who is often tapped to carry some of the more complicated and impactful pieces of legislation in the medical spaces, indicated that he was going to be looking for a compromise on the bill before moving it in earnest.

At the time the idea that any agreement could be reached on the bill seemed nearly impossible, as the two sides were miles apart. No vote was taken on the bill during that Committee hearing. Nearly a month later the bill would be put on the agreed bill list after the sponsor ensured the Committee membership negotiations were proving fruitful. In the House, no action would be taken on HB 4735 as the wheels were already in motion on SB 3114.

By the time Third Reading Deadline for bills in the chamber of origin had come around for both the House and Senate, no final agreement had been reached by stakeholders on SB 3114, but SFA #1 was filed to show good faith and that the process continued to work. Once again, the Senate Insurance Committee put the measure on the agreed bills list, and the Committee recommended the Senate do adopt SFA #1 on a vote of 11-0-0.

As the last few details were being worked out, and to ensure that once they were, there would be as few issues in the House as possible, the House Insurance Committee scheduled a subject matter on SB 3114 for May 5th, before the bill had even passed the Senate. As it would turn out, agreement on the final amendment would be reached prior to this hearing and the House sponsor relayed this detail to the Committee. SFA #2 would go on to fix some technical issues within SFA #1, but essentially what SFA #2 did was make the new, lessened restrictions on the use of downcoding only applicable to Managed Care Organizations (MCOs) or in other words, predominantly Medicaid providers.

With the agreement in place and having removed any real direct impact on Illinois Chamber membership, the Chamber removed itself from the conversation and took no position on the bill moving forward. SB 3114 would go on to pass both chambers unanimously by May 27. It is expected that the Governor will sign the bill into law once transmitted.

Beyond Parity

After significant, successive victories in establishing greater parity for mental and behavioral health and substance use treatments through the HPA expansion, 104-28, which prohibited the practice of prior authorization for most mental and behavioral health and substance use treatments and PA 104-446 which set the “floor” for coverage those same treatments, Rep. LaPointe filed a pair of bills that would go beyond creating parity for mental health and substance use.

[HB 4585](#) (LaPointe) would require health insurers to provide coverage for residential treatment center stays for substance use and [HB 4785](#) (LaPointe) would require insurers to provide funding to the Illinois Department of Insurance for the creation and management of expanded mental health crisis services. While the Illinois Chamber and its membership are sympathetic to the serious issues the Representative has passionately advocated for, the undue burden being placed on the already beleaguered industry would inevitably raise premium costs for employers and therefore **OPPOSED** both pieces of legislation.

Fortunately, there was little appetite for these measures and even though they both managed to reach the House Floor, neither would be called for a vote and would be *re-referred to Rules* after failing to pass the Third Reading Deadline.

Executive Bill Summary

Below is a list of bills with a short summary that the Illinois Chamber either engaged in directly, viewed as significantly impactful to membership, or in most instances, both. This list is in no way comprehensive of the entire universe of legislation on healthcare.

- [SB 3114](#) (Koehler/Chung)- *As Passed both Houses*, the bill restricts the use of “downcoding” in Medicaid health cases and is only applicable to MCOs. The bill is the result of months of negotiations and as passed both houses, the Illinois Chamber has **NO POSITION**.
- [HB 3605](#) (Lilly/Hunter)- Genetic testing/screening insurance coverage mandate. The legislation breaks a coverage agreement made in 2024 by carriers and advocates. The bill originally passed in March 2025 out of House Insurance 11-6-0, and the sponsor filed four separate floor amendments, none of which were agreed to before the House passed 70-33-0. Senate Insurance passed as amended by SCA #1 on a vote of 11-2-0. Opponents to the bill, including the IL Chamber, remained steadfast, and eventually the legislation stalled (well past where it should have reached) and has since been *re-referred to Assignments*. **OPPOSE**
- [HB 4327](#) (Lilly/Koehler) & [HB 2371](#) (Moeller/Koehler) represent the “sister” legislation on 340B. HB 4327 requires the IL Dept of Insurance to conduct a study of the 340B program in Illinois if and on if HB 2371 becomes law. HB 2371 provides that no institution or entity may interfere or prevent a hospital or covered pharmacy from participating in the federal 340B program. **Both measures** have *Passed Both Houses*.
- [HB 1443](#) (Syed)/ [SB 3496](#) (Harmon/Syed)- HB 1443 as amended by HFA #4 would establish a “pilot program” Prescription Drug Affordability Board (PDAB) in Illinois as independent entity with setting the upper payment limits (UPLs) on the 10 Medicare negotiated drugs as part of the federal Inflation Reduction Act. HB 1443 was abruptly pulled from the record during House Floor debate. Rep. Syed would eventually amend SB 3496 with identical language and narrowly pass it out of the House, 62-39-0. The Senate never took up the motion to concur, and the bill remains on the *Calendar Order of Concurrence*. Motions to concur are not susceptible to the ordinary deadlines in the House and Senate and so, the bill is still “live” until session sine die. While the motion could be taken up during Veto or Lame Duck, there is no indication the Senate President intends to make the motion at this time. **OPPOSE**
- [SB 2762](#) (Morrison/Morgan)- Seizure device coverage. No agreement was reached after five amendments were filed on the bill but the bill ultimately passed both houses with veto-proof, bipartisan majorities. The Illinois Chamber took **NO POSITION** on the legislation as *Passed Both Houses*.
- [SB 2873](#) (Simmons) Single payer healthcare. The bill was assigned to Senate Appropriations: Health and Human Services but was never called for a vote before being *re-referred to Assignments*. **OPPOSE**
- [SB 2899](#) (Preston/Evans) Stuttering therapy coverage. The bill began with Sen. Preston and Rep. Evans in the Veto Session of 2024, was worked through compromise over 2025, and has now *Passed Both Houses* unanimously after being amended by SFA #1. **NO POSITION**
- [HB 4490](#) (Hernandez, B)/[SB 2940](#) (Johnson) Operating Room Technician third-party certification. These measures were defeated during the spring session of 2025. The Illinois Chamber assisted in the opposition efforts. The 2026 versions both failed to receive a substantive vote before being *re-referred to Rules and Assignments*. **OPPOSE**
- [HB 4461](#) (Briel) Hospital Liens. *As Passed Both Houses*, the bill prohibits a hospital from putting a lien against a patient’s primary residence for medical debt. While there was no significant opposition, the bill still received mixed roll call votes for changing a complex financial/legal system. The Illinois Chamber took **NO POSITION** after the lead negotiators came to agreement with the sponsor.

- [HB 4785](#) (LaPointe) Behavioral Health Parity. HB 3019/PA 104-28 (HPA expansion). The bill contained an expansion that would require coverage parity for behavioral health going beyond those provisions in the Healthcare Protection Act and the subsequent expansion under PA 104-28. Passed out of House Human Services on a vote of 8-4-0, but the sponsor could not overcome opposition and find agreement on an amendment, *re-referred to Rules*. **OPPOSE**
- [HB 4585](#) (LaPointe) Substance Abuse coverage. The bill creates an identical situation as above for substance use coverage parity. Passed out of the House Insurance Committee on a vote of 9-6-0 before being *re-referred to Rules*. **OPPOSE**
- [HB 3512](#) (Buckner) Hospital Staffing/Bed. The bill was originally filed and heard during 2025, but there was a motion to waive House Rule 21 (override a committee hearing for a subject matter hearing) and was heard again on 03/26/26 in House Appropriations: Health and Human Services before being *re-referred to Rules*. **OPPOSE**
- [HB 4233](#) (Briel) ER Kiosks. The Sponsor worked on an amendment to remove opposition in HCA #1, and passed unanimously out of House Health Care Availability and Accessibility but stalled on the House Floor before being *re-referred to Rules*. **NO POSITION** as passed Committee.
- [SB 3365](#) (Aquino/Moeller) FY27 Medicaid Omnibus. *Passed Both Houses*. **NO POSITION**

INFRASTRUCTURE-RELATED LEGISLATION

2721
"ACTIVE" BILLS
FROM THIS YEAR AND LAST

612
INFRASTRUCTURE & TRANSPORTATION
POLICY BILLS

INFRASTRUCTURE & TRANSPORTATION POLICY UPDATE

After the committee deadlines in both chambers, legislative activity in the transportation and infrastructure policy space was limited. However, during the final week of Spring session, the trailer bill to last year's mass transit omnibus was filed, moved through committee, and passed both chambers.

Mass Transit

There'd been talk throughout the Spring, but began last Fall, that a trailer bill to the 2025 mass transit omnibus would be needed. With such a massive undertaking, years of stakeholder discussions and expansive changes in

statute, technical corrections were expected. According to Senator Villivalam, this bill emerged out of collaboration between the House, Senate, Governor's administration, and advocates.

HB 2335 (Delgado/Villivalam) passed the House on a vote of 74-39-0 after passing the Senate 36-16-0. The trailer is for last fall's Mass Transit Omnibus (SB 2111/PA 104-457), which passed during Veto Session. That bill, at over 1,000 pages, provided significant reorganization, the creation of NITA, and new mass transit funding for the Chicagoland area and downstate, which is largely funded by diversion of sales tax revenue on motor fuels sales to transit operations, as well as authority for the RTA to increase its sales tax by 0.25%.

On the floor, Leader Delgado stated that changes throughout the legislation are all technical in nature, but that more substantive transit fixes and discussions will likely occur as last year's reforms go into effect this summer. There were a couple points of contention during the floor debate. Leader Delgado stated that the change related to the 85%-15% split on capital funds for downstate transit from interest on the road fund was a "technical fix" and that the original intended amount was to be a 90%-10% split. Based off of subject matter testimony last fall, this appears to be the case. This *Bill Passed Both Houses*.

Procurement Changes Receive Minimal Attention, No Major Legislation Advances

Procurement policy remained an important topic throughout the spring legislative session, but almost no legislation on the topic passed both houses. Early in the Spring, the Senate Executive Procurement Subcommittee held a subject matter hearing covering 27 bills across six policy areas: how the State conducts procurement, diversity in procurement, public-private partnerships and design-build authority, exemptions from the Procurement Code, procurement-adjacent policy proposals, and threshold increases.

While no comprehensive procurement omnibus ultimately emerged, the hearing served as a guidepost for what Senate leadership may potentially see as viable legislative measures, or subjects that would need further discussion and work.



Several bills sought to modernize procurement processes and provide agencies with greater flexibility. These included proposals to require agency procurement reports and recommendations for statutory changes, [SB 2917](#) (Ventura), streamline contract modifications [SB 3182](#) (Aquino), and allow greater use of market-based analysis in lieu of traditional RFP processes [SB 3558](#) (Porfirio).

The committee also considered several proposals intended to provide agencies with additional project delivery tools. These included authorizing broader public-private partnership authority for universities ([SB 3514](#)), making Design-Build authority permanent rather than a pilot framework ([SB 3803](#)), and an IDOT procurement modernization initiative ([SB 2997](#)). While these proposals did not move independently, design-build authority was ultimately extended through the sunset extension omnibus to January 2030.

Several other bills sought to use the procurement process to advance broader policy goals. [SB 3307](#) (Halpin) establishes “buy clean” standards requiring climate impact considerations in construction material procurement. This standard would be considered in the bidding for state-funded infrastructure projects to encourage lower emissions. This is a Sierra Club initiative. Proponents would like the bill to go further through third-party verification and other provisions. Proponents would also like to go beyond IDOT for these standards. [SB 3518](#) (Ventura) prohibits tropical hardwood purchases and requires certifications related to deforestation. Under the bill, large companies must adopt formal forestry policies. Neither proposal advanced before adjournment.



[SB 3664](#) (Villivalam) is an IDOT project delivery omnibus sought to update appraisal standards, right-of-way acquisition procedures, and contract change/signature requirement thresholds. While the legislation itself did not advance, many of the concepts reflect IDOT’s attempt at project delivery acceleration.

While each of these concepts generated conversation among stakeholders, none passed both houses or saw advancement after the hearing in the Senate. In the House, a few bills passed off the floor, including some related to small business procurement standards. The fate of these bills was the same in the Senate as well.

IDOT Priorities

During a May hearing before the Senate Appropriations - Public Safety and Infrastructure Committee, IDOT Secretary Gia Biagi outlined the Department’s priorities, including continued delivery of projects under Rebuild Illinois, implementation of the state’s \$50 billion Multi-Year Program, and efforts to improve safety, mobility, and freight movement across Illinois. Since taking office, Secretary Biagi has emphasized project delivery and long-term planning.

IDOT’s FY27 request included a \$5.8 billion operating budget and a \$30.2 billion capital budget. As always, IDOT made no General Revenue Fund request. The Department reported approximately \$6.3 billion in cash on hand, including \$3.6 billion in the Road Fund and \$2.7 billion in the Construction Fund. However, Secretary Biagi noted that the vast majority of those dollars are already obligated for construction projects, engineering and design work, operations, and a minimum amount of around \$600 million required by the federal government. Secretary Biagi said she’d be comfortable getting fund balance down to around \$1 billion.

Discussions and priorities from the Department also touched on DBE participation, project delivery, and implementation of Northern Illinois Transit Authority (NITA) and IDOT’s role in mass transit.

FY27 Bond Authorization

SB 3255 (Sims/Rita) passed the House on a vote of 77-39-0 and the Senate on concurrence by a vote of 37-21-0. This is the Bond Authorization Act of 2026, which authorized an additional \$3.8 billion in bonding, including \$2.4 billion in General Obligations Bonds and \$1.3 billion in BIBFs.

E-Bikes and Micromobility

While not an issue the Chamber directly lobbied this Spring, the debates over E-bikes and micromobility generated significant conversation as SB 3484 (Villivalam/Hernandez) went on to pass both chambers in the final week of session. Riders of e-bikes capable of traveling more than 28 mph would need a driver’s license, title, registration, and insurance. Riders of any high-speed micromobility device, including electric scooters and skateboards, would have to be at least 16 years old, and the devices would be banned from riding above 28 mph on streets, sidewalks, and bike paths. The bill is an initiative of Illinois Secretary of State Alexi Giannoulias. SB 3484 passed the House 84-16-0 and the Senate on concurrence 48-7-0.

Housing Availability

During his FY27 State of the State and Budget Address, Governor Pritzker introduced and prioritized a housing affordability agenda. From a workforce and general economic standpoint, the Illinois Chamber agrees with the Governor’s assessment that more housing is needed.

The shortage in Illinois is only one part of a much broader national housing crisis. Both locally and nationally, there are numerous causes. No matter what the origin, high housing costs create greater inflationary pressures, make it difficult to attract and retain talent, and put undue stress on residents and businesses.

SB 4060-SB4064 and SB 4071 formed the Governor’s BUILD housing agenda in the Senate this Spring. These bills cover everything from zoning preemption to safety standards in apartment buildings to impact fee standardization and local inspection acceleration. The Chamber was supportive of two bills in this package with strong business nexus, SB 4062 and SB 4063.

At the municipal level, these proposals garnered strong opposition from those concerned with the loss of local control or the shifting of public, unionized work to private third parties.

While the Governor’s BUILD plan generated a lot of conversation, no major piece of the package mentioned above advanced out of either chamber. A fuller description of some of the bills can be found below.



Other Notable Legislation in the Infrastructure and Transportation Space

- [HB 5081](#) (Hanson/Porfirio) gives state and local authorities more structured flexibility to set lower speed limits based on safety and target speeds. This bill *Passed Both Houses*.
- [SB 3275](#) (Joyce/Deluca) IDOT Intersection Safety Review. This bill amends the Department of Transportation Law to require IDOT to conduct a road safety assessment for the 10 most hazardous intersections under State jurisdiction in Will County south of Interstate 80. The Department must submit the assessment to the General Assembly by January 1, 2028. This bill *Passed Both Houses*.
- [SB 4041](#) (Murphy/Lewis) O'Hare Sound Mitigation. This bill amends the Permanent Noise Monitoring Act to require airport sponsors to prepare noise contour studies for covered airports, beginning no later than December 31, 2030, and every five years thereafter. Completed studies must be publicly posted on the airport sponsor's website and submitted to the Governor and legislative leaders. This bill *Passed Both Houses*.
- [HB 4943](#) (Hoffman/Sims) Telecommunications Theft. This bill amends the Recyclable Metal Purchase Registration Law to restrict cash payment by recyclable metal dealers for telecommunications wire valued at \$100 or more and adds "telecommunications wire" to the list of restricted purchases under the act. The Chamber supports this bill to address the real threat of equipment theft in the industry. With strong bipartisan support, this bill *Passed Both Houses*. **SUPPORT.**
- [HB 4442](#) (Cochran/Stadelman) extends the repeal of the High-Speed Rail Commission Act from 2027 to 2030. This bill *Passed Both Houses*.
- [HB 4279](#) (Mayfield) creates the Passenger Rail Planning Act, establishing intercity passenger rail aspirational frequency targets into the Illinois State Rail Plan and the Long-Range State-wide Transportation Plan. The bill also directs Metropolitan Planning Organizations to recognize and plan around these frequency targets. The bill was *re-referred to the House Rules Committee*. A similar bill did not advance in the Senate. **OPPOSED.**
- [SB 4060](#) (Hunter) attempts to make middle housing subject to the same permitting process as a single-family home and limit municipalities' ability to exclude these home types during zoning/permitting process. This bill was *re-referred to Senate Assignments*.
- [SB 4062](#) (Castro) This bill attempts to standardize Impact fees for developments statewide to reduce cost, negotiation time, unpredictability, and inconsistency between developments in different communities. This bill was *re-referred to Senate Assignments*. **SUPPORT.**
- [SB 4063](#) (Ellman), among other things, if a municipality fails to complete its plan review within the deadlines established under the provisions, then the applicant may retain a qualified third-party plan reviewer. This bill was *re-referred to Senate Assignments*. **SUPPORT.**
- [SB 4071](#) (Martwick) attempts to increase affordable housing at the margins by allowing for the construction of Accessory Dwelling Units (ADUs) on existing single-family lots without additional restrictions or delays. This bill was *re-referred to Senate Assignments*.

TAX & FINANCE-RELATED LEGISLATION


2721
“ACTIVE” BILLS
FROM THIS YEAR AND LAST


1057
TAX & REVENUE
POLICY BILLS

TAX & FINANCE POLICY UPDATE

2025 Veto Session: General Assembly Responds to H.R. 1 (i.e., One Big Beautiful Bill)

Prior to the start of the second year of the 104th General Assembly, the legislature, during the Fall Veto Session, looked to address several issues that remained outstanding after the 2025 spring legislative session. Of notable significance in the tax and finance space was the comprehensive federal tax reform and regulatory omnibus effort that passed during the summer of 2025 when Congress enacted H.R. 1, otherwise known as the One Big Beautiful Bill. Given the significant provisions in the bill,

ranging from new income tax benefits and incentives for individuals and businesses, to environmental policy changes, and funding changes, Illinois legislators and the Governor’s Office sought to limit the impact of some of these federal changes during the Veto Session.

Ultimately, the House and Senate agreed to enact the following Revenue Omnibus bill to, at least in part, decouple from key provisions of the federal tax code and make conforming changes to the Global Intangible Low-Taxed Income (or GILTI) income modifications passed in May, which, under H.R. 1, was replaced and named the Net CFC Tested Income. The Chamber was strongly opposed to the FY26 Revenue Omnibus (P.A. 104-6) and the Veto Session Revenue Omnibus.

Under [SB 1911](#) (Sims/Tarver) (now, P.A. 104-453), there were the following changes:

- Makes permanent the Pass-Through Entity (PTE) Tax election.
- Provides that for tax years 2026 and thereafter, creates an income modification for the bonus depreciation deduction taken under subsection (k) and (n) of Section 168.
- Adds net controlled foreign corporation (CFC) tested income received or deemed received or paid or deemed paid under Sections 951 through 965 to income subject to Illinois tax (formerly, GILTI).
- Makes changes to the Film Production Services Tax Credit, by providing that compensation paid to a loan out company and (i) compensation is made for compensation in Illinois and (ii) the compensation is for in-State services then the company or its authorized payroll service company shall withhold tax on the compensation on all payments to loan out companies for services performed in Illinois by the loan out company’s employees. Provides further that non-resident employees of loan out companies who perform services in Illinois shall also be considered taxable nonresidents and shall be subject to tax.
- Makes further changes to the Film Production Services Tax Credit by making modifications to the credit structure.

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The Chamber was strongly opposed to the FY26 Revenue Omnibus (P.A. 104-6) and the Veto Session Revenue Omnibus.
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- ❖ Provides that the credit amount is equal to:
 - 35% of the Illinois production spending for the use of TPP or the expenses to acquire services from vendors in Illinois and for Illinois labor expenditures generated by the employment of IL residents; plus
 - 30% of wages paid to nonresidents for services performed on an accredited production, plus
 - 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, plus
 - 5% of the Illinois labor expenditures generated by the employment of Illinois residents for services performed for an accredited production in one or more IL counties outside of Cook, DuPage, Kane, Lake, McHenry, and Will Counties, plus
 - 5% of the Illinois production spending for TV series relocating to Illinois from another jurisdiction (except that all prior series must not have been shot in IL, plus
 - 5% of the Illinois production spending for productions are certified as green by the IDOR.
- ❖ Makes clarifications regarding the restrictions on acceptable Illinois labor expenditures.
- ❖ Makes additional restrictions related to the maximum number of executive producers per production (2).
- ❖ Specifies additional restrictions on allowable labor expenditures, including limitation on 13 nonresidents, sets further nonresident restrictions based on total spending.
- ❖ Makes changes to the allowable expenditures to nonresidents.
- ❖ Extend the life of the film production credit to 2039 (currently, 2033).
- Creates the Statewide Innovation Development and Economy Act. Creates a new statewide STAR bonds program. The STAR bond program is designed to establish STAR bond districts that would encourage economic development projects related to major tourism, entertainment, retail, and related development within the State would stimulate economic activity in the State. Makes other changes.

The Chamber **OPPOSED** the legislation, given the corporate tax changes that decoupled from key federal provisions contained in H.R. 1.

2026 Spring Legislative Session

This legislative session, the Chamber team tracked, engaged on, or monitored several hundred bills under the tax and finance policy issue area. This session saw the filing of several pieces of legislation that covered issues related to income tax, sales tax, property tax, and economic development.

Although typically understood to be a lighter legislative session year than the first year of a General Assembly, 2026 was rather lively, in part due to the legislative activity around the State House, and in part given the seeming lack of coordination between the House and Senate on a great many things, including priority issues and even the legislative calendar. Adding to this increased legislative activity, there was pressure on House and Senate Democrats, and the Governor, to distinguish themselves from Congressional and Trump Administration activities.

As is typical of taxation and major finance matters, the legislative session saw little action on major policy items throughout the spring. It was not until later in session that some major initiatives

received at least a subject matter hearing. Although many of the more onerous tax proposals that were introduced this year did not pass, this did not stop many progressive advocacy groups and legislative champions from advocating for onerous tax proposals. The Chamber was active in pushing back against many of these onerous proposals; however, we were also strategic in building the Chamber’s presence in the Capitol, especially with the robust legislative agenda the Chamber introduced this session.

In the last few hours of the legislative session, the FY27 revenue omnibus was introduced, which, much to the Illinois Chamber’s dismay, contained several revenue enhancement proposals that, if enacted, will lead to increased costs on Illinois residents and businesses and send the wrong message to companies looking to invest in Illinois. More on all of these issues below.

IL Chamber’s 2026 Legislative Agenda Responds to Employer Needs

This Session, the IL Chamber was proud to introduce one of its most robust and bipartisan legislative agendas in recent history. Of these legislative items, HB 5080/SB 3420 and HB 5392/SB3843, were two initiatives that contained issues of priority for our members.

- [HB 5080 \(Canty\)/SB 3420 \(Cervantes\)](#) Employer-Provided Childcare Tax Credit Modernization
- [HB 5392 \(Avelar\)/SB 3843 \(Joyce\)](#) Bringing Fairness to Delivery Network Double Taxation

HB 5080/SB 3420 sought to leverage recent federal changes on childcare tax benefits for employers investing in their workers and enhance an existing State tax credit for employer-provided childcare options:

- Working with the existing IL employer-provided childcare tax credit, which provides a tax credit for qualified businesses that make investments in employer-provided childcare, the bill modernizes the credit that provides a credit equal to 30% of start-up costs and increases the additional 5% credit for annual expenses to 10%.
- Building upon recent changes at the federal level, the bill additionally creates a new Illinois tax credit to help Illinois employers maximize the federal employer-provided childcare tax credit by allowing for a matching credit here in Illinois, equal to 10% of the federal credit.
- Among the benefits of the federal credit, small businesses are provided a higher benefit, and additional employer-provided childcare solutions would be covered, including payments made through third-party intermediaries who contract with childcare providers.
- In order to limit the overall fiscal impact to the State, there is a provision in the bill that disallows the use of both the existing credit and the newly created credit that is based off of the federal employer-provided childcare tax credit.

While these House and Senate bills did not receive a vote this Session, the sponsors in both chambers have indicated their willingness to continue to advocate for this tax credit expansion proposal to bring additional attention to an important but underutilized employer-provided childcare tax credit program. Additionally, according to COGFA, in FY23 the credit cost the state a mere \$83,000.

In addition to this effort, HB 5392/SB 3843 sought to create a mechanism by which to address an ongoing sales tax liability issue impacting third-party delivery companies. Under the proposal, as amended, the bill would do the following:

“ This Session, the IL Chamber was proud to introduce one of its most robust and bipartisan legislative agendas in recent history. ”

1. The bill provides that the IDOR may not assess sales tax on both the seller (i.e., a retailer) and the delivery network company on the same qualified network sale.
2. When sales tax is paid to a retailer by a delivery network company (if and only if the sales tax has already been collected from a customer on the 3rd party platform), then the delivery network company may reduce its sales tax liability by the amount of sales tax paid to the retailer.
3. In the end, the bill ensures that the State is capturing the correct and appropriate amount of sales tax.

SB 3843 received a subject matter hearing this year, where the Illinois Chamber spoke in strong support of the bill alongside our Senate Sponsor, Sen. Joyce. Both our legislative sponsors have expressed a willingness to work on this issue in the future.

FY27 Budget Package Contains Several Onerous New, Unworkable Taxes and Fees

The most significant development this year, as referenced above, came during the final hours of the Spring session. The General Assembly passed HB 111 (Welch/Sims), which included an appropriations package totaling \$55.94 billion that relied on a \$55.95 billion revenue package for FY27.

The budget bill contains the following new investments:

- Makes a \$250 million investment in IHDA and DCEO to promote additional housing programs, such as \$100 million in a new Missing Middle Housing Infrastructure (M2I) grant program.
- Appropriates \$100 million in grocery and food assistance, including \$70 million to the newly created Families Receiving Emergency Support for Hunger or FRESH Program.
- Makes the statutorily required \$350 million appropriation to the Evidence-Based Funding formula for K-12 education and maintains the \$722 million allocation to the Monetary Award Program (MAP) for college tuition assistance.



Unfortunately, SB 3019 (Villanueva/Tarver), the FY27 Revenue Omnibus, contained several onerous new taxes designed to generate the revenue necessary to fund the appropriations made for FY27. This was coupled with many economic development provisions that we support. Given the outsized negative impact created by the tax and fee increases in the legislation, the Chamber stood in strong opposition to the bill. The legislation was publicly introduced on May 31st and passed both houses by the following day, in the early hours of June 1st. The IL Chamber expressed strong opposition to many of these provisions. Below is an overview of the main provisions in the bill.

New or increased taxes or fees:

- Targeted Advertising Services Tax
- Digital Asset Tax

- Social Media Platform Fee
- Changes to the Net Operating Losses Deduction
- Creates an income modification for the amount of gain excluded from gross income under Section 1202 of the Internal Revenue Code (i.e., Qualified Small Business Stock)
- Creates a new Fantasy Contest privilege tax
- Creates a new Exchange Wager Tax under the Sports Wagering Act
- Under the Environmental Protection Act imposes a new fee on new or used tire sales of \$2.50 and increases several Pollution Control Board filing fees, tying these amounts to inflation
- Imposes higher fees under the Vehicle Code for special vehicles
- Makes changes to the Hotel Operators' Occupation Tax Act concerning re-renters.

Economic development provisions:

- Extends the R&D Tax Credit from (2032) to 2036
- Extends the Angel Investment Tax Credit from 2026 to 2032
- Extends the River's Edge Tax Credit program through 2033 (currently, 2029)
- Extends the Apprenticeship Education Expense Tax Credit through 2032 (currently, 2027)
- Extends the REV Tax Credit through 2028
- Pushes back the sunset of the Tax Credit for Affordable Housing Donations to 2036.
- Pushes back the sunset of the tax credit for the Live Theatre Production Credit to 2039. Makes changes to the Tax Credit to allow for long-run and pre-Broadway productions to take advantage of additional credits
- Creates a permissive improvement to the Pass-Through Entity (PTE) income tax election

Other provisions:

- Creates a sales tax holiday from August 7-16th.
- Pushes back the sunset of the municipal hotel use tax in DuPage County. Adds an additional provision related to the municipal hotel operators' occupation and use tax reporting.
- Makes changes under the Liquor Control Act of 1934 concerning liquor retailer certificate of registration renewals.
- Makes updates to the Tobacco Products Tax Act and the Cigarette Tax Act concerning licenses and permits; adds language concerning remote retailers.

Although the Illinois Chamber was disappointed and concerned that the General Assembly took action on several onerous tax proposals and relied heavily on new tax changes that, in totality, send a wrong signal to the business community, we were pleased that several pending issues that were possibly going to be included in an end-of-year budget package were excluded, including the following.

1. The Data Center Tax Incentive was protected amidst pressure from the Governor's Office to suspend the program for 2 years;

2. The MM&E manufacturing equipment exemption was protected amidst pressure from progressives to eliminate the valuable investment tool; and
3. The overwhelming majority of Illinois Revenue Alliance (IRA) proposals, including the push for mandated worldwide combined reporting, a mark-to-market tax, and several onerous federal decoupling provisions targeting corporate taxpayers, were successfully stopped.

IL Chamber Requests an Amendatory Veto from the Governor to Strike Digital Ads Tax, Digital Asset Tax, and Social Media Fee from FY27 Revenue Package

While the IL Chamber shared the concerns of increasing taxes directly on our members or enacting increased fees or taxes that may contribute to the overall cost of doing business in Illinois, there were provisions in the FY27 revenue omnibus that are of significant concern and will likely give rise to legal challenge.

On June 9th, IL Chamber President & CEO, Jimmy Clayton, submitted a letter to the Governor's Office requesting an amendatory veto on the following proposals included in SB 3019: 1) the Targeted Advertising Services Tax, 2) the Social Media Platform Fee, and 3) the Digital Asset Tax. Beyond targeting key sectors in the Illinois economy, these taxes, should they go into effect, will send the wrong signal to businesses here in Illinois and those looking to invest in Illinois. A copy of the AV request letter is available [here](#).

Illinois Moves Towards Complying with SCOTUS Decision Requiring Changes to Delinquent Property Tax Sale System

[HB 4537](#) (Tarver/Villanueva) became the Tyler v. Hennepin County property tax omnibus designed to address the Tyler SCOTUS decision from 2023 that provided that certain property tax sale processes in various states are unconstitutional when the property tax owner is not fairly compensated for the equity that may be lost through a delinquent property tax sale process. Illinois was one of the states which fell out of compliance with the Tyler decision. HB 4537 is the latest effort to seek to address this issue. Previous legislative efforts merely delayed tax sales processes.

Under HB 4537, which was a heavily negotiated bill between the tax purchasing industry, PTAX state and local agencies, and other stakeholders, the bill seeks to provide at least a partial remedy to the issues around lost equity. The bill provides the following:

- Creates a permissive process wherein a county may elect to acquire or sell tax delinquent property. Under this process, the county would purchase the property from a delinquent tax property owner and seek to provide surplus funds owed to the former property owner (save the cumulative costs incurred by the county). There is prescribed new county tax deed auction procedures, new bidding procedures, notice requirements, minimum bidding rules, adjournment, payment of winning bids, marketability of title, and disbursement of surplus fund processes.
- Under the new procedures, outlines different processes for sales conducted in Cook County and all other counties. Provides that in Cook County, 6 tax sales be conducted prior to offer to purchase or otherwise acquire for the total tax amount due all properties offered at a tax sale conducted pursuant to a judgment and order for tax sale issued.
- The bill creates a new Pilot Program for Acquisition of Tax Certificates in Cook County and creates a permissive process in all other counties. Allows the county to acquire tax certificates for up to 100 properties offered at an annual tax sale that meet certain criteria.
- Lastly, the bill outlines new Surplus Equity Fund requirements.

- ❖ Requires the payment of a nonrefundable \$20 fee paid by tax purchasers for each item purchased. Adds a 5% purchasing fee for total taxes, interest, and penalties (up to \$1,000). Adds an \$80 purchasing fee to be paid to the county collector.
- ❖ Outlines the provisions for payments made for a Surplus Equity Fund.
- ❖ Outlines new public notices and notice-mailing requirements to alert property owners of the implications of the new property tax sale process.

The legislation, it was stated in Committee, purports to make Illinois comply with the SCOTUS decision; however, there remained some opposition from downstate tax purchasers. The Senate sponsors did hint that there will likely be further changes in the future on this issue, given the incredibly complex PTAX system in Illinois.

IL Chamber-Supported Delay of Interchange Fee Prohibition Act Passes Both Houses

In a major victory for the IL Chamber and our financial services members, the Interchange Fee Prohibition Act was delayed by one year. The law, which was included as a last-minute addition to the FY25 budget package, has faced a considerable legal challenge that continues to unravel. Illinois became the first state in the country (and first jurisdiction in the world) to impose such an onerous restriction on the ability for electronic payment operators to be compensated for effectuating a debit card or card payment on a portion of every transaction in the State of Illinois. Since its passage in 2024, over two dozen other states have introduced similar legislation, with Colorado becoming the latest state to pass similar legislation, though Governor Polis vetoed the measure shortly after arrival on his desk.

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In a major victory for the IL Chamber and our financial services members, the Interchange Fee Prohibition Act was delayed by one year.

The Act’s implementation was originally scheduled to take effect on July 1, 2025, however, last year, the General Assembly delayed the implementation by one year. This year, given the continuation of the litigation against the Act and growing hesitation by the General Assembly in the overall viability of this law, the General Assembly, once again, acted to delay the effective date.

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Under the FY27 Licensing Omnibus contained in SB 3645 (Porfirio/Morgan), IFPA’s implementation was delayed until July 1, 2027. The bill passed both houses and was supported by industry and the Illinois Chamber.

It should be noted that the Federal government has also begun to intervene on this issue, with the Office of the Comptroller of the Currency (or OCC) recently filing a rule to preempt the IFPA and order that no federally chartered financial institution is subject to the Act. The Chamber was supportive of this delay and the OCC’s involvement.

Governor Announces a Pause of the Data Center Tax Incentive Days After Session Adjourns

On Friday, June 5th, just days after the General Assembly concluded its work in Springfield, Governor Pritzker announced that his Administration would be pausing any new Data Center Tax Incentive agreements beginning on July 1, 2026, after the General Assembly chose not to seek a legislative pause to the incentive program by May 31st. As you will recall, the Governor called for, as part of his State of the State Address in February, a 2-year pause to the incentive.

As part of the Governor’s announcement, he called “on legislators, consumer advocates, labor organizations, environmental stakeholders, utilities, local governments, and industry leaders to work together during veto session to advance comprehensive reforms...” The Governor’s newly released

“reforms” include many provisions that were highlighted in the Power Act ([HB 5513/SB 4016](#)) this year, looking at water, electricity, and energy cost regulations, focusing on renewable energy usage by the industry, and creating additional transparency and environmental protections for communities in and around data center facilities. It remains unclear if the Governor has the authority to unilaterally pause the program, and for how long the pause will be in effect.

The Governor’s Office, along with progressive members of the General Assembly and the environmental lobby, advocated throughout session to impose significant regulations on the data center industry and to pause the data center incentive. These calls were made as misguided concerns have been raised over the industry on conservation, transparency, and energy usage grounds.

The Illinois Chamber has been strongly supportive of the data center industry and was instrumental in helping pass the Data Center Tax Incentive in 2019. We are incredibly concerned with the Governor’s announcement to pause this successful economic development tool that has led to nearly \$16 billion in direct investment here in Illinois. We will continue to monitor the situation and engage in discussions as they arise over the summer.

“The Illinois Chamber has been strongly supportive of the data center industry and was instrumental in helping pass the Data Center Tax Incentive in 2019.”

Race to Pass an Incentive Package to Keep the Chicago Bears in Illinois Amidst a Possible Move to Indiana Winds Up Short

One of the most popular legislative issues that has garnered the attention of not only the legal and government relations world, but sports fans of all types in Chicago, was the so-called “Megaprojects” legislation that was believed to be the preferred model by the General Assembly and Chicago Bears to keep the team from relocating to Indiana.

With negotiations being upended near the end of session due in part to (i) the Mayor of Chicago encouraging discussions to renew on a possible proposal to keep the Chicago Bears in Chicago, and (ii) continued scrutiny of the fiscal impact of the Megaprojects bill on local units of government, legislators scrambled to put together a new package. What resulted was an approach that is not too far from what is currently in place for the Chicago White Sox under the Illinois Sports Facilities Authority, given that the State has ownership of the White Sox stadium.

[HB 958](#) (Avelar/Cunningham), as amended by [SAM #2](#) and [#3](#) (Cunningham), creates the Municipal Stadium Authority Act. The bill contains the following main provisions:

- Allows any home-rule municipality with a population of over 70,000 in Cook County, within 5 years of the passage of the bill, through the resolution, to establish a municipal stadium authority.
- Provides that the Municipal Authority would be the owner of the professional sporting stadium.
- Requires PLA on the construction of a stadium, and for certain minority participation aspirational goals.
- Provides bonding authority to the Authority. Provides that the stadium would be exempt from PTAX.
- Allows STAR Bonds and NOVA Districts to be established in the location of a sports stadium.
- Amends the Income Tax Act to create an income modification for the interest on bonds issued under the MSAA.

- Creates a traffic study requirement to take place before the establishment of the Municipal Stadium Authority to be conducted by IDOT; additionally, requires a specific traffic study to be conducted of Soldier Field.

The bill passed, as amended, out of the Senate on a vote of 37-17-0. The bill was not delivered to the House and failed to pass before the adjournment date.

On June 10th, Governor Pritzker made a public announcement stating that he, and the General Assembly, would be inclined to call a Special Session this summer should the team and the legislature come up with a legislative package that was agreed to and had bipartisan support. The IL Chamber has been supportive of our member, the Chicago Bears, and looks forward to supporting a fair and negotiated proposal should it continue to be considered by the General Assembly.

Bipartisan Pension Bill to Fund Accelerated Pensions Buyout Program Passes

The Illinois Chamber has worked with several other business groups over the years to stop organized labor’s efforts, largely led by AFSCME, to make incredibly costly changes to the State’s Tier II pension system. Thankfully, the business community, civic partners, and the legislature have thus far not acted on any pension “sweetener” legislation or on any of the major requests being made by Labor to move Tier II back towards the unsustainable Tier I defined-benefit structure. The Chamber has



supported the Governor’s efforts to achieve fiscal stability and applauded his Administration’s efforts in recent years to make substantial contributions to our pension system, including the over \$700 million advanced pension payments that have been made above the actuarially required contributions during his tenure.

One of the few innovative legislative solutions to continuing to address the State’s significant pension liability is the State’s Accelerated Pension Benefit Payment program. HB 5196 (Morgan/Martwick), in addition to increasing the GO Bond

bonding authority, extends the accelerated pension benefit payment program through June 30, 2028 (currently, June 30, 2026). The legislation also increased the State Pension Obligation Acceleration Bonds (used to fund the Program) to \$3.2 billion (currently, \$2.2 billion). According to COGFA, the accelerated pension buyout program has resulted in the reduction of about \$2.6 billion in State pension liabilities.

The legislation *Passed Both Houses* unanimously and has been sent to the Governor. The IL Chamber **SUPPORTS** the measure.

Bills that the IL Chamber Stopped: Onerous New or Expanded Tax Proposals Fail to Receive Vote

Every year, there is no shortage of proposals that aim to increase the cost of doing business in Illinois, either through direct tax increases on Illinois employers or taxpayers, or through complex schemes that target select industries only to risk passing these new costs onto end-users. This year, there were several proposals that were introduced; however, almost all of these known efforts were successfully prevented from receiving a vote. The IL Chamber was strongly **OPPOSED** to all of these new or expanded tax proposals.

Among some of the most onerous proposals that were introduced, there were the following:

- [HB 4366](#) (Huynh) creates a new “billionaire hedge fund” fee of 0.2% on various covered transactions. The bill did not receive a vote.
- [SB 3658](#) (Martwick) would establish new income tax rates, which would create a progressive set of rates ranging from 4% to 6.95% for income brackets over \$500,000 (or \$1 million, if filing jointly). The bill did not receive a vote.
- [SB 2811](#) (Simmons), while not prescribing any specific revenue source, would direct the DCEO to provide \$500 monthly cash payments to 3,250 low-to-moderate income families for 2 years. The bill did not receive a vote.
- [SB 3169](#) (Guzman) would create a new tax under the Hotel Operators’ Occupation Tax (or hotel-motel tax) on short-term rentals. The new tax would, in part, help support affordable housing investments. The proposal received a subject matter hearing, however, no vote was taken.
- [SB 3931](#) (Faraci)/[HB 5213](#) (Moeller) /[HB 5212](#) (Moeller) would, in order to cover housing and wrap-around service costs for persons at risk of losing long-term care housing options, would increase the State’s RETT to \$0.75 per \$500 in valuation (currently, \$0.50/\$500 in valuation). The bills did not receive any vote.

Over the last couple of years, the Illinois Revenue Alliance (a coalition made up of progressive groups such as the Chicago Teachers’ Union, SEIU, Housing Action IL, and others) has been pushing unworkable and economically injurious tax increase proposals. This year, the coalition narrowed its list of demands to largely four major pieces of legislation, including: efforts to impose a digital ads tax, a worldwide combined reporting mandate, create a mark-to-market tax, and an omnibus package that would have eliminated several business incentives including the Blue Collar Jobs Act credits, the MM&E manufacturing incentive, and decoupled from several recent OBBB business provisions.

“ With the exception of the digital ads tax, which unfortunately was included in the end-of-year FY27 Revenue Omnibus, all other Illinois Revenue Alliance efforts were successfully stopped. ”

With the exception of the digital ads tax, which unfortunately was included in the end-of-year FY27 Revenue Omnibus, all other Illinois Revenue Alliance efforts were successfully stopped. The IL Chamber testified on several occasions against these efforts, submitted written comments, and advocated against these efforts with all legislative caucuses.

- [SB 3486](#) (Martwick)/[HB 5318](#) (West) creates an attempt to mandate worldwide combined reporting on unitary business groups with an international presence. The proposals received subject matter hearings, however, did not receive a vote.
- [SB 3376](#) (Villa)/[SB 3884](#) (Simmons) /[HB 5215](#) (Mah) creates the Extremely High Wealth Mark-to-Market Tax Act, which would impose a 4.95% tax on the unrealized gains of Illinois residents with incomes of over \$1 billion. The proposals received subject matter hearings, however, did not receive a vote.
- [HB 5125](#) (LaPointe)/[SB 3796](#) (Collins) was an omnibus piece of legislation that sought to eliminate several business tax incentives and sought to decouple from several provisions of H.R. 1. The proposals received subject matter hearings, however did not receive a vote.
- [SB 3353](#) (Peters)/[HB 4894](#) (Hernandez, N.) creates the Digital Advertising Tax Act to impose a 10% tax on the annual gross revenues derived from digital advertising services provided by entities generating over \$150 million in revenues from digital advertising services. The proposals received subject matter hearings, however, they did not receive a vote.

In addition to these pieces of legislation, several constitutional amendments were introduced this session, many receiving at least some media coverage or legislative consideration; however, none received sufficient support to be put on the November ballot. The Chamber expressed opposition to these items.

- [SJRC 4](#) (Martwick), introduced last year, removed a provision in the Constitution prohibiting graduated income tax rates. The amendment did not receive a vote.
- [HJRCA 21](#) (Ford) would create a constitutional amendment to impose a new 3% income surcharge on incomes over \$1 million for the purpose of raising revenues for school districts and PTAX relief. The proposal was called for a vote in the House Revenue & Finance Committee, where it did pass out on a vote of 13-7-0. The amendment failed to advance on the House Floor.
- [HJRCA 16](#) (Rashid) would remove a provision in the Constitution prohibiting graduated income tax rates. The amendment did not receive a vote.
- [HJRCA 26](#) (Ford) would create a constitutional amendment to impose a 3% income tax surcharge on incomes over \$1 million with the revenues used to provide PTAX relief. The amendment did not receive a vote.

Economic Development Efforts the IL Chamber Supported, But Stalled

Not all efforts in the tax and finance space were onerous tax increases. The General Assembly typically introduces a myriad of proposals that aim to provide tax relief to different groups of taxpayers or industries. This year was no different, with several innovative initiatives **SUPPORTED** by the Chamber, including the following:

- [HB 4513](#) (Mayfield)/[SB 3873](#) (DeWitte) contained an initiative of the IMA and would seek to extend the Research and Development tax credit in the State on a permanent basis. The bill did not receive a vote; however, the Chamber supported.
- [HB 4703](#) (Vella)/[SB 3765](#) (Halpin) creates the Short Line Railroad Modernization Act to create an income tax credit for railroad infrastructure improvements made. The bills received subject matter hearings, and were expected to be included in the FY27 DCEO omnibus; however, the proposal was not included. The Chamber supported these efforts. The bills did not receive a vote.
- [SB 3067](#) (Belt)/[HB 4636](#) (Hoffman) increased the New Markets Development Program credit cap to \$37 million and made changes to the allocation of credit awards. The bills received subject matter hearings in the House and Senate, with the Chamber expressing strong support; however, the bills did not receive a vote.
- [SB 3790](#) (Balkema) is an initiative of the TFI to reinstate the centralized purchasing sales tax exemption that was sunset in 2016. The Chamber has introduced this initiative in the past and is supportive. The bill did not receive a vote.

Miscellaneous Legislation that Received Consideration

Below is a list of legislation that received some consideration this Session.

- [HB 5487](#) (Gong-Gershowitz/Hastings) amends the Attorney Act to impose new regulations around the ability of a law firm to have ownership over certain business activities. The Bill *Passed Both Houses*.

- [HB 4263](#) (Tarver), an initiative of the Illinois Restaurant Association, would preempt local home-rule units of government from regulating the tipped credit. The effort was in direct response to the City of Chicago passing a local ordinance that gradually phases out the subminimum wage for tipped workers in Chicago. The bill passed out of the House Revenue & Finance Committee on a vote of 22-4-1; however, the bill did not advance in the House Floor. The Chamber **SUPPORTED**.
- [HB 5237](#) (DeLuca), an initiative of the IMA, would prohibit any county or municipality from imposing a business tax on employers based on the number of employees the business has. The legislation was introduced in response to the City of Chicago's attempt to impose a "head tax" in 2025. The bill passed out of the House Revenue & Finance Committee on a vote of 19-0-0; however, no further action was taken. The Chamber **SUPPORTED**.
- [HB 1818](#) (Tarver), an initiative of BOMA/Chicago, amends the Property Tax Code to require assessors to disclose for public inspection various types of information concerning their assessment, valuation, and data collection processes. The bill passed out of the House Revenue & Finance Committee on a vote of 20-0-0; however, the bill did not receive a vote on the House Floor. The Chamber **SUPPORTED**.
- [HB 1827](#) (Davis, W.)/[HB 5464](#) (Slaughter)/[SB 3003](#) (Villanueva) were initiatives of the Cook County Assessor, Fritz Kaegi, that sought to require physical description and other data from property owners during the assessment process. The legislation has been introduced several years in a row but has failed to receive a vote in Committee. The bills did not receive a vote.

★ TECH & INNOVATION-RELATED LEGISLATION



2721

“ACTIVE” BILLS
FROM THIS YEAR AND LAST



516

TECHNOLOGY & INNOVATION
POLICY BILLS

TECHNOLOGY & INNOVATION POLICY UPDATE

It's more than apparent that technology policy was a dominant conversation this year both in our daily personal lives and at the Statehouse. Whether it concerns artificial intelligence, data center development, data privacy, social media restrictions, or algorithmic pricing regulations, the business community's development and use of emerging technologies to meet rapidly changing and rising consumer demands in recent years has been met by a series of onerous legislative proposals.

Consider the following:

- This year alone, over 20 bills were filed on Artificial Intelligence (AI), which created new regulations on AI development, deployment, or usage by consumers. Nearly a dozen bills sought to further interject the state into data center development. And data privacy remained a lingering conversation.
- For members tracking weekly committee hearings, very little of the legislation described below was ever heard in a formal committee until the final days of the session. Instead, in the House, Speaker Welch launched a comprehensive artificial intelligence (AI) policy Working Group within his caucus. Speaker Welch chose Rep. Jennifer Gong-Gershowitz to chair the working group, following Gong-Gershowitz's previous work on explicit, AI-generated 'deep-fake' images, among other issues. 23 members of the House Democratic Caucus were appointed to serve on the working group, with each member assigned to a specific subject matter area. However, the scope of the working group quickly touched on other issues beyond what could be considered "artificial intelligence." Unfortunately, these working group meetings were private and outside of the formal committee process.
- The Senate, on the other hand, did not use the working group model like the House. Instead, the Senate held a 10.5-hour marathon subject matter hearing in early April in a Senate Executive Subcommittee on "AI and Social Media". Thereafter, the Senate solicited feedback and redlines from various groups and stakeholders. The Senate's true priorities on tech policy did not publicly emerge until May 11th, when a spate of new bills on the subject, largely borne out of discussions from the April hearings, was filed on a series of shell bills.

In some way, each of the major topics below was negotiated, debated, or voted on in the final weeks of session. For many of these issues, outstanding questions remain, and conversations may continue into the summer. For example, expansive regulation of frontier AI models passed both chambers nearly unanimously, but data privacy and regulation of chatbots and customer service disclosures stalled.

Here is a look at the major policy priorities of legislators on AI, data privacy, algorithmic pricing, and more that developed this Spring.

Artificial Intelligence (AI) Regulation

As mentioned above, the House and Senate took different approaches to gather feedback and advance legislation, but leadership in both chambers prioritized AI regulation as part of their caucus agendas.

SB 315 (Edly-Allen/Didech) passed the House 110-0-0 in the final week of session after passing the Senate 52-5-0. This is despite opponents’ efforts, including those of the Illinois Chamber, to demonstrate that this legislation will leave Illinois out of step with the few states that have any form of frontier AI model regulation. Among other things, this bill:

- Requires large frontier developers to publish and implement a frontier AI framework addressing catastrophic-risk assessment, mitigations, governance, cybersecurity, third-party evaluations, and internal-use risks.
- The bill also establishes severe civil penalties for violations.
- “Frontier model” is defined as a model that was trained using a quantity of computing power greater than 1026 integer or floating-point operations.
- The “large frontier developer” threshold is \$500 million.

The FY27 BIMP, HB 2949, contained language giving IEMA emergency rulemaking authority to implement the Act, and also established a special fund for fees and violations.

The Chamber believes any frontier AI framework must be interoperable with existing state standards, and we urged legislators to ensure Illinois does not become an outlier on this issue, particularly regarding mandated third-party auditing. Unfortunately, this legislation has now passed both houses and heads to the Governor’s desk, where it is expected to be signed.

SB 316 (Ellman/Gong-Gershowitz) and SB 317 (Ventura/Gong-Gershowitz) were both posted for House Executive Committee in the final week of the Spring session after passing the Senate nearly unanimously. However, neither were heard in committee. SB 316 seeks to place requirements on AI “companion models” by requiring the operator to implement a protocol to detect and address suicidal expressions of self-harm by a user. If the operator’s artificial intelligence companion is directed to minors, they must implement reasonable measures to prevent it from generating or producing sexually explicit content.

The Chamber appreciates the intent and the sensitive nature of the concerns that motivated this legislation. We, however, have some lingering issues with liability exposure for operators and developers, and definitions that may conflict with similar laws in other states. By the final weekend of session, it was clear that motivation for further action on a few of these AI-related topics had waned. However, that does not mean this issue will not be revived this Fall or beyond.

SB 317 faced a similar fate in the House. SB 317 requires companies who uses a conversational customer service artificial intelligence system in a chat interface to communicate with a consumer to provide a clear and conspicuous disclosure that they are communicating with an automated system and not with a human.

Ahead of the scheduled committee hearing, we raised several outstanding concerns with the Sponsor and with Committee members. These concerns included the effective date, the limited cure period, and expanded liability with the private right of action under the Consumer Fraud and Deceptive Business Practices Act. Just like with SB 316, SB 317 was not heard in Committee, and no further action took place on the bill. The Illinois Chamber will continue to engage on both of these issues as needed.

“The Chamber believes any frontier AI framework must be interoperable with existing state standards, and we urged legislators to ensure Illinois does not become an outlier on this issue, particularly regarding mandated third-party auditing.”

AI Chatbot Liability Legislation Does Not Advance

HB 5044 (Gong-Gershowitz) would deem chatbots “products” for purposes of strict liability. The IL Chamber knows this liability expansion would impact many segments of our membership, and we are strongly **OPPOSED**. If passed, HB 5044 would make it nearly impossible for any chatbot or related AI tool to be deployed, and it would make Illinois the first state in the nation to apply a strict liability standard. An early May subject hearing in the House was the first time this concept had been considered in any public format this year. The Chamber submitted written testimony in opposition to HB 5044 and raised numerous concerns about the proposed legislation.



As mentioned above, under this bill, chatbots are deemed “products” for the purpose of strict liability. As we recognize chatbots and artificial intelligence as a service, we strongly disagree with this classification. Chatbots are not tangible consumer goods with physical characteristics. A chatbot’s utility is its ability to provide a dynamic digital response to often challenging verbal or written prompts.

Under HB 5044, any chatbot user may file a civil action in court

seeking actual damages, injunctive relief, and attorney’s fees. These broad expansions in liability run counter to the Chamber’s prioritization of limiting any liability to narrow and reasonable remedies.

Ultimately, the Illinois Chamber urged the General Assembly to oppose applying the legal framework prescribed to these tools under HB 5044. If not, we risk stifling innovation and severely limiting the availability of services for Illinois residents and businesses. While the Illinois Chamber opposed HB 5044, we always welcome open dialogue on artificial intelligence, consumer safety, and any other business-related matter. Thankfully, after the subject matter hearing, conversations on the proposal did not advance any further.

Consumer and Health Data Privacy

Health data privacy negotiations were one of the most pressing legislative items of interest for our members this Spring, which all came to a head in the final week of session.

Proponents have been seeking to pass a sweeping health data bill that somewhat mimics (but differs in some key areas) Washington’s “My Health My Data Act.” This has been a multi-year effort. The Chamber has strong concerns, and we have been a part of a business coalition in opposition to this proposal, which would govern how “health data”, defined in expansive and at times ambiguous terms, can be consented to, processed, controlled, and sold.

Since the inception of this topic in a previous General Assembly, the Chamber has had concerns with the bill’s definitions, which would affect many industries, as well as the burdensome requirements

“While the Illinois Chamber opposed HB 5044, we always welcome open dialogue on artificial intelligence, consumer safety, and any other business-related matter.”

placed on businesses throughout the data-handling chain. With its ambiguous definitions, expansive expectations, and potential for litigation, this bill could be more onerous and unworkable than BIPA.

In the final few days of session, the latest health data privacy proposal was filed on [SB 3222](#), HFA 1 (Canty). The bill immediately drew strong opposition from the business community. Despite mixed support among the sponsor's caucus, the bill was posted for a hearing in House Executive Committee on one of the final days of Session. The Chamber provided oral testimony in opposition alongside business community allies.

During the Chamber's oral testimony in late May, we shared some strong concerns, including the following:

- *PRA, scope, and the compliance burden.*
- This concept is new to Illinois and very technical.
- Compliance burden for many small and mid-sized businesses will be high and will be costly, and the education period will be lengthy.
- Numerous specific sections of this bill are nearly unworkable or will lead to certain litigation for businesses of all sizes.

While this bill moved out of committee, it was with significant reservations from members of the House Democratic caucus. Thankfully, this legislation moved no further during the final week of session. We will continue to monitor for future conversations.

SB 340 (Murphy) creates the Consumer Data Privacy Act. Just like with SB 316 and SB 317 (mentioned above), this bill moved out of the Senate with broad support but stalled in the House. Despite some business groups and trade associations removing their opposition in the House, the Chamber remained **OPPOSED** to this bill for a few reasons.

- We strongly believe Illinois should follow the consensus model adopted by many states that have enacted data privacy laws. While not exhaustive, provided below are specific areas of improvement we sought for this bill, which we previously submitted to the committee.
- Among other concerns, Section 16(b)(4) of the bill states that an entity cannot process sensitive data without affirmative consent. Section 16(b)(1)(B), even with consent, a controller cannot collect or process sensitive data unless it is "strictly necessary" to provide or maintain a specific product or service the consumer requested. This would make Illinois an outlier among states that have adopted a comprehensive data privacy law. With consent already required, we requested that the "strictly necessary" standard be removed and instead only require opt-in consent.
- We had additional concerns with definitions related to geolocation data, as well as the sunset of the Cure Period.

After SB 340 was not heard in committee, the Chief Sponsor was changed to Representative Rashid, and no further action took place on the bill. Conversations on comprehensive consumer data privacy and health data privacy will continue this summer.

Surveillance Pricing

Algorithmic pricing policies have become a growing conversation nationally, and legislators worry that consumers are being deceptively surveilled online. While we respect the intent of the sponsor, we do not agree with that contention.

With any bill that is seeking to require disclosure, opt-out, or an outright ban on “surveillance pricing”, we are trying to ensure there is no new liability for members, loyalty and discount programs are protected, and that personalized pricing, a standard practice which many consumers enjoy, continues to be protected.

HB 4248, the “algorithmic pricing prohibition act,” passed out of the House 78-19-0 on May 22nd, during the second-to-last week of the Spring session. As passed by the House, the private right of action was removed, and numerous exceptions were added to this bill, which exclude most of any regular business practices.

Unfortunately, when HB 4248 arrived in the Senate, an amendment was filed that largely placed the more onerous language from SB 320 by Senator Peters onto the bill. Thereafter, HB 4248 was not heard in a Senate committee despite the significant changes made to the legislation. The bill went on to pass the Senate 41-16-0. The Chamber strongly **OPPOSED** this version of the legislation.

With significant changes to the bill, HB 4248 was not taken up on concurrence in the House in the final days of the session. As this remains a priority of some members of the General Assembly, and other states continue to attempt to regulate algorithmic pricing practices, we will remain vigilant and engaged on this outstanding issue in the Fall.



With any bill that is seeking to require disclosure, opt-out, or an outright ban on “surveillance pricing”, we are trying to ensure there is no new liability for members, loyalty and discount programs are protected, and that personalized pricing, a standard practice which many consumers enjoy, continues to be protected.



Data Centers

As noted in other sections of this report, the Chamber is strongly supportive of the data center industry here in Illinois. Illinois is home to over 200 data centers. The industry has invested over \$15 billion in our state since the state incentive was first rolled out in 2019, and any tax relief from the state comes with a promised investment of over \$250 million. Data center growth really is a natural outgrowth of the need to power our digital economy.

As the Spring session wrapped, we were glad to see that no pause on the data center investment credit and that no major provisions of the Power Act were advanced by the legislature. While more was covered on this in the Tax and Finance section of this document, the Chamber was disheartened to see Governor Pritzker order his administration to pause the processing of the data center investment tax credit.

A full look at what data center legislation was introduced this year can be found later in this Tech & Innovation section of this report.

Social Media and Online Age Verification

HB 5511 (Gong-Gershowitz/Preston) creates the Children’s Online Social Media Safety Act. This bill, which first passed the House in April, will require expansive age verification procedures and tools for “covered manufacturers” and platforms offering applications and online services for youth and consumers in Illinois. Under the bill, a covered manufacturer must provide an accessible interface at account setup that requires an account holder to indicate the birth date, age, or both, and an operator shall not offer a platform in the State without conducting age verification to determine whether a user is a minor. Additionally, the language provides far-reaching mandates and restrictions for online platforms.

The Chamber has concerns with the language related to a private right of action, responsibilities for the covered entities, the scope of “covered manufacturer,” and more. Additionally, age verification laws continue to be litigated nationally.

Despite extensive debate in committee and significant language changes between versions, the bill advanced off the Senate floor unanimously. The House concurred unanimously on the morning of June 1st and it is now expected to make its way to the Governor's desk.

Illinois Chamber Initiative on AI and Tech Workforce Education Receives Subject Matter Hearing in the Senate

This year, the Illinois Chamber drafted HB 4945 (Mason)/SB 3492 (Preston), an initiative on AI and quantum workforce curriculum guidance. With this bill, the Chamber is encouraging work-force-based curriculum to be developed and adopted that covers AI across disciplines and teaches students the basics of AI, quantum computing, and other new technologies in a way that prepares them for careers in the field.

As mentioned above, the Senate held a 10.5-hour marathon subject matter hearing on "AI and Social Media" in early April in a Senate Exec subcommittee. Senator Preston presented the legislation while the Chamber offered oral testimony in support. We were glad to see this important topic discussed and prioritized by the committee.

We are looking to partner with the State Board of Education and, at some point, local districts to ensure that the best practices are being adopted and students have the skills necessary for the jobs of tomorrow.

The legislation does a few things:

1. While subject to appropriation, the legislation asks the State Board to consider tech-focused curriculum or guidance for district-level approaches to workforce partnerships.
2. The bill asks the Board to consider consulting stakeholders, including employers, in developing this guidance and possible curriculum.
3. The bill also requires the Board to look at what other states and jurisdictions are doing to promote workforce readiness and career-based programs of the future, with a focus on technology literacy.
4. Lastly, there is a stakeholder/public comment period that the bill encourages the Board to take on as they are considering these programs.

We will continue to advocate for workforce education of the future in the years to come.

Other Notable Legislation in Technology & Innovation by Category

Consumer Protection

- [HB 45](#) (Yang Rohr/Ellman) requires grocery stores to offer in-store alternatives for digital-only coupons found on a company website or mobile application. This alternative can be offered in the form of automatic discounts, Point-of-Sale-assisted discounts, the use of barcodes, or other outlined forms. Due to an amendment in the House that added many exceptions, including for loyalty programs, the IL Chamber is neutral on the bill. This bill *Passed Both Houses*. **NEUTRAL**.
- [HB 4044](#) (Evans/Ventura) establishes that a retailer shall not limit the method of return or refund to store credit for a returned product that is unopened and unused. Applying only to consumer goods, the bill adds the caveat that retailers may establish their own return policy, refuse to accept the item in the case of suspected fraud or package tampering, among many other exceptions. Due to the amendment added in the House, the IL Chamber has **NO POSITION** on the bill as passed. This bill has *Passed Both Houses*.

- [HB 228](#) (Morgan/Aquino) amends the Consumer Fraud and Deceptive Business Practices Act and provides that it is an unlawful practice within the meaning of the Act for a person to advertise, display, or offer a price for goods or services that does not include all mandatory fees or surcharges. The bill is referred to by proponents as the “Junk Fees” bill. The IL Chamber is **OPPOSED** to the bill. This bill has *Passed Both Houses*.
- [SB 2013](#) (Stadelman/Vella) provides that a third-party hotel booking website shall not facilitate the reservation or booking of a hotel stay in the State without making affiliation disclosures to the consumer. This bill passed the Senate unanimously but was *re-referred to Rules in the House*.
- [HB 4468](#) (Huynh) provides that anyone who sells or offers to sell any products or services to a consumer pursuant to a contract, where such contract automatically renews unless the consumer cancels the contract, shall provide a simple cancellation mechanism to the consumer. This bill was *re-referred to House Rules*. **OPPOSED**
- [HB 4562](#) (West) requires Large Electing Providers to document and report quarterly to IDPH and the ICC all activities related to the salvaging of their traditional circuit switch networks, including total realized salvage value and geographic location of salvages. Beginning December 1, 2032, those providers must transfer all salvage value from retired networks into the Lead Service Line Replacement Funds. The Chamber opposes this bill because it effectively mandates how private telecommunications companies must deploy capital from their own network retirements, redirecting private infrastructure value into a state-directed fund. The bill was *re-referred to House Rules*. **OPPOSED**

AI Regulation

- [SB 2927](#) (Simmons) DCEO AI Impact Study. This bill provides that DCEO shall conduct, in consultation with the Department of Labor, a comprehensive study to identify strategies to protect jobs that are at risk of loss due to artificial intelligence. This bill was *Re-referred to Assignments*.
- [SB 3180](#) (Ventura) AI Data Privacy Act. This bill creates the Artificial Intelligence Data Privacy Act. Prohibits a deployer from training artificial intelligence on a user’s data and retaining the training data indefinitely unless specified conditions are satisfied. Starting January 1, 2027, deployers are prohibited from training their artificial intelligence on a user’s covered information and retaining that training data indefinitely unless they first inform the user in writing and obtain their express written consent. The Act also provides a private right of action. The bill has been *re-referred to Assignments*.
- [HB 4711/SB 1929](#) (Scherer/Edly-Allen) AI Provenance Data. These bills create the Provenance Data Requirements Act. Provides that a generative artificial intelligence tool provider shall apply provenance data, either directly or through the use of third-party technology, to wholly-generated synthetic content generated by the provider’s generative artificial intelligence tool. The bills were *re-referred to House Rules* and *re-referred to Senate Assignments*. **OPPOSED**
- [HB 4980](#) (Rashid) Human Control of AI. This bill provides that a public employer, including a contractor or subcontractor of the public employer, shall not use or apply, or authorize any procurement, purchase, or acquisition of any service or system using or relying on any automated decision-making system, directly or indirectly, without meaningful and continuing human review when performing specified functions. Provides that an employer seeking to use or apply an automated decision-making system shall conduct an initial impact assessment and an additional impact assessments at least once every 2 years and prior to any material changes

to the automated decision-making system. This bill passed House Labor but was *re-referred to House Rules*. **OPPOSED**

- [HB 4988](#) (Syed) Fraud-AI. The bill requires generative artificial intelligence systems to conspicuously display a warning on the system's user interface notifying users of the limitations of generative artificial intelligence systems. Provides that each day the required warning is not displayed by the owner, licensee, or operator of a generative artificial intelligence system constitutes a separate violation of the law. The bill was *re-referred to House Rules*.
- [SB 3364](#) (Ventura) AI Human Rights Violations. This bill amends the Illinois Human Rights Act to establish new civil rights violations related to the use of artificial intelligence (AI) in different transactions. The bill was re-referred to Assignments.
- [SB 3502](#) (Ventura) AI Product Liability. This bill creates the Artificial Intelligence Design Requirements Act which, among other things, establishes new legal standards for product liability actions against developers of artificial intelligence systems. The bill was *re-referred to Senate Assignments*.
- [SB 3571](#) (Simmons) Layoffs/AI. Provides that, when required to report the reason for a mass layoff or closing, the employer shall disclose any artificial intelligence-related job impacts, including the number of employees laid off substantially due to the replacement or automation by artificial intelligence of the functions performed by the employees. The bill was *re-referred to Senate Assignments*.
- [SB 3590](#) (Edly-Allen) AI Product Liability. This bill creates the Artificial Intelligence Product Liability Act. Sets forth provisions concerning product liability actions brought against a developer of an artificial intelligence system for defective design, failure to contain adequate instructions or warnings, and failure to conform to an express warranty. Provides that a deployer of an artificial intelligence system shall be deemed to be liable as a developer for harm caused by a product if: (1) the deployer makes material and substantial change to the product or (2) the deployer intentionally misuses the product contrary to the express warranty, and that use was the proximate cause of harm to the plaintiff. The bill was *re-referred to Senate Assignments*.

Data Center Development

- [HB 3574](#) (Slaughter) This bill provides a requirement that State data must be processed, stored, and disposed of within the territory of the United States within a procurement contract. The bill also inserts earned credits to entities for ensuring that data was stored within a qualified area. The IL Chamber asserts that this bill is not best practice within the State due to viability concerns. The bill was *re-referred to House Rules*. **OPPOSED**
- [HB 4319](#) (Davis) Data Center Property Rights. This bill creates the Property Owner Protection from Data Center Impacts Act. The bill makes a property owner eligible for compensation for harm materially and proximately caused by the construction or operation of a data center if the affected property is located within 1,000 feet of the data center. The bill was *re-referred to House Rules*. **OPPOSED**
- [HB 4989](#) (Du Buclet) Data Center Heating and Cooling. This bill creates the Data Center Heating and Cooling Act. Provides that any new or existing data center in the State shall adopt a heat energy reuse plan that involves the use of an air-to-water heat exchanger to help heat homes and businesses in the area around the data center. Provides that any data center constructed on or after the effective date of the Act that has an aggregate demand load of 20 megawatts or more shall have a liquid cooling system. The bill was *re-referred to House Rules*. **OPPOSED**

- [HB 5513](#) (Gabel)/ [SB 4016](#) (Villivalam) Hyperscale Data Center Regulation. This bill establishes stringent new regulations for hyperscale data centers. The bill requires cumulative impact assessments, public notice, and community benefits agreements for data centers; prohibits nondisclosure agreements; and creates the Data Center Community Intervenor Compensation Fund and Hyperscale Data Center Public Benefits and Affordability Fund funded by annual fees based on peak demand. The bill also includes specific requirements for backup generators at data centers. Mandates: water resource planning, quarterly water usage reporting, water scarcity plans and Water Impact Permits with public hearings and renewal every 5 years. The bill was *re-referred to House Rules* and *Re-referred to Assignments*. **OPPOSED**
- [SB 94](#) (Rezin) provides that no foreign company may construct, or cause to be constructed, a data center in Illinois unless the ICC, IPA, and DCEO conduct a joint study of the energy consumption of the prospective data center. Includes a provision that these entities must certify to the Governor and the General Assembly that the energy used is a new self-generated load and does not affect the load supply of PJM or MISO. The bill was *re-referred to Senate Assignments*. **OPPOSED**
- [SB 3030](#) (Rezin) Data Center Noise. This bill provides that cryptocurrency mining facilities shall apply noise-reduction techniques. The specified noise-reduction techniques include using liquid or submerged cooling systems, fully enclosing noise-producing equipment, or relocating facilities to a minimum distance of 2,000 feet from residential or commercial structures. Provides that the Pollution Control Board shall adopt rules implementing these provisions. The bill was *re-referred to Senate Assignments*. **OPPOSED**
- [SB 3120](#) (Murphy) Data Centers Water Usage. This bill provides that a new or existing data center is a qualifying data center for purposes of data center investment and tax exemptions only if it provides in its application details regarding the water stewardship strategy used by it. Requires the Department of Commerce and Economic Opportunity's annual report to the General Assembly and the Governor on data center investments to provide details regarding the water stewardship strategies used by each recipient business. The bill was *re-referred to Senate Assignments*. **OPPOSED**
- [SB 3830](#) (Ventura) Data Centers Various. Among other things, this bill establishes the data center self-direct program. Provides that the Illinois Power Agency may require that participating customers provide annual reports related to facility operation and performance, customer electricity consumption and load profiles, and other information as necessary. Requires all data centers operating within the State to maintain water consumption data to submit annual disclosures of the data center's water usage to the Department of Natural Resources. Requires the Department of Natural Resources to make an aggregated and anonymized form of data disclosed to it available on a publicly accessible website. Provides that data centers that fail to comply with any disclosure requirements under the Act may be subject to fines of up to \$10,000 per violation. The bill was *re-referred to Senate Assignments*. **OPPOSED**

Data Privacy (Miscellaneous)

- [HB 5221](#) (Gonzalez) Consumer Data Privacy. This bill creates the Consumer Data Privacy Act. Among other things, the bill includes the ability for consumers to opt out of targeted advertising, the sale of personal data, and automated decision-making processes. The bill includes obligations of data processors, mandates data privacy assessments, and includes civil penalties for non-compliance. Applies to entities with personal data of 100,000 or more consumers or 25,000 consumers if the company derives more than 25% of revenue from the sale of data. The bill was *re-referred to House Rules*.

- [SB 3220](#) (Rezin) Consumer Data Privacy. This bill establishes certain consumer rights relating to personal data, including the rights to confirm whether data is being processed, to correct any inaccuracies in the consumer’s personal data, to delete personal data provided by the consumer, to obtain a copy of the consumer’s personal data that was previously provided, and to opt out of targeted advertising, the sale of data, or profiling of the consumer. Applies to persons who conduct business in Illinois or produce products or services that are targeted to Illinois residents and that during a calendar year control or process personal data of at least 100,000 consumers or 25,000 consumers and derive over 50% of gross revenue from the sale of personal data. Creates requirements for persons or entities that control and process consumer data. Provides that the Attorney General has exclusive authority to enforce the consumer data privacy rights. The bill was *re-referred to Senate Assignments*.
- [SB 2875](#) (Murphy) Consumer Data Privacy. This bill creates the Illinois Consumer Data Privacy Act. Applies to legal entities that conduct business in Illinois or produce products or services that are targeted to Illinois residents and that satisfy one or more of the following thresholds: controls or processes personal data of 100,000 consumers or more, excluding personal data controlled or processed solely for the purpose of completing a payment transaction; or derives over 25% of gross revenue from the sale of personal data and processes or controls personal data of 25,000 consumers or more. Requires a controller to notify consumers of a breach of the security of the system. Authorizes rights to consumers under the Act to include, but not be limited to, the right to access their personal data, obtain a list of third parties to whom their data has been disclosed, request corrections to inaccurate data, and question the profiling of their information. Creates an appeal process for a consumer to gather more information on the actions of a covered entity. The bill was *re-referred to Senate Assignments*.
- [SB 3603](#) (Stadelman) Consumer Data Processing. This bill provides that a consumer may opt out of the processing of personal data for the purpose of targeted advertising by submitting a request using the methods specified in a data processing controller’s privacy notice. Provides that, if a controller processes personal data for purposes of targeted advertising or sells personal data to third parties for targeted advertising, the controller shall disclose the processing or sale in a privacy notice and provide access to a clear and conspicuous method outside the privacy notice for a consumer to opt out of the processing or sale. The bill was *re-referred to Senate Assignments*.
- [SB 3890](#) (Ventura) Illinois Data Privacy Protection Act. This bill applies to legal entities that conduct business in Illinois or produce products or services that are targeted to Illinois residents and that satisfy one or more of the following thresholds: controls or processes personal data of 100,000 consumers or more, excluding personal data controlled or processed solely for the purpose of completing a payment transaction; or derives over 25% of gross revenue from the sale of personal data and processes or controls personal data of 25,000 consumers or more. Requires a controller to notify consumers of a breach of the security of the system. Authorizes rights to consumers under the Act to include, but not be limited to, the right to access their personal data, obtain a list of third parties to whom their data has been disclosed, request corrections to inaccurate data, and question the profiling of their information. The bill was *re-referred to Senate Assignments*.

Pricing Transparency and Algorithmic Disclosures

- [HB 4544](#) (Delgado) Algorithmic Pricing Discrimination Act. This bill creates the Preventing Algorithmic Pricing Discrimination Act. Any person who knowingly advertises, promotes, labels, or publishes a statement, display, image, offer, or announcement of personalized algorithmic pricing using consumer data specific to a particular individual must disclose that this price

was set by an algorithm using the individual's personal data. Prohibits the use of algorithmic pricing under certain conditions. Provides that if there is a violation of the Act, the Attorney General may file a civil action requesting that an injunction be issued against the defendant to enjoin and restrain the continuance of the violation. Authorizes the court to impose a civil penalty of not more than \$1,000 for each violation. The bill was re-referred to House Rules. **OPPOSED**

- [HB 4717](#) (Grant) Algorithmic Pricing Disclosure. This bill provides that any entity that sets the price of goods or services using personalized algorithmic pricing, and that directly or indirectly advertises, promotes, labels, or publishes a statement, display, image, offer, or announcement of personalized algorithmic pricing to a consumer, using personal data specific to the consumer, shall include a specified disclosure. Provides that a violation of the Act constitutes an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. The bill was *referred to House Rules*.
- [HB 4985](#) (Syed) Surveillance-Based Pricing. This bill creates the Surveillance-Based Price Discrimination Act. Provides that a person shall not use surveillance data as part of an automated decision system to inform the individualized price assessed to a consumer for goods or services. The Attorney General will enforce the Act, which includes provisions for civil penalties of up to \$10,000 per violation and the ability for individuals to pursue private rights of action. The bill was *re-referred to House Rules*.
- [HB 5323](#) (Rashid) Algorithmic Pricing Disclosure. This bill provides that any entity that sets the price of goods or services using personalized algorithmic pricing, and that directly or indirectly advertises, promotes, labels, or publishes a statement, display, image, offer, or announcement of personalized algorithmic pricing to a consumer, using personal data specific to the consumer, shall include a specified disclosure. Provides that a violation of the Act constitutes an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. The bill was *re-referred to House Rules*. **OPPOSED**
- [HB 5530](#) (Delgado) Fair Online Pricing Act. This bill creates the Fair Online Pricing Act. Provides that a price offered to a consumer through the consumer's online device shall not be generated in whole, or in part, based on the following input data: (1) the hardware or hardware state of the online device; (2) the presence or absence of any software on the online device; and (3) geolocation data of the online device. Provides that a violation of the provisions of the Act is an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. The bill was *re-referred to House Rules*.
- [SB 3657](#) (Martwick) Surveillance Pricing Prohibition. This bill provides that a person may not use surveillance-based price setting or use surveillance data as part of an automated decision system to inform the individualized price assessed to a consumer for goods or services. The bill was *re-referred to Senate Assignments*.

Autonomous Vehicles

- [HB 4663](#) (Buckner) AV Pilot Project. Creates the Autonomous Vehicle Pilot Project Act. Provides that in order to commence an autonomous vehicle pilot project, a person must provide to the Department of Transportation a statement that sets forth the operational design domain for an autonomous vehicle pilot project. Pilot program is limited to Cook County, Sangamon County, and the Metro-East (Madison, St. Clair, Monroe). Allows the Department to authorize the statewide deployment of autonomous vehicles beyond the operational design domain after a period of 3 years following the effective date of the Act. Includes "Request to Intervene" for human passenger and applies to level 4 or 5 driving automation. The bill was *re-referred to House Rules*.

- [HB 4789](#) (Kelly) Applies to level 4 or 5 driving automation. This bill sets forth eligibility requirements for participation in an automated vehicle pilot project. Requires the Secretary of State to develop a driving test to evaluate the capability of highly automated vehicles to safely operate on State roads. Includes more information on data reporting. The bill was *re-referred to House Rules*.
- [HB 5220](#) (Gonzalez) creates the Autonomous Vehicles Article within the Illinois Vehicle Code. Allows AVs on roadways for testing purposes. It mandates that a licensed driver must be present in the vehicle to monitor its operation and take manual control if necessary. Also includes a requirement for manufacturers to obtain a \$5,000,000 insurance or surety bond before testing. Requires the AV to be immobilized by a third party or remote location. Requires notice by the manufacturer and dealer of any partial automation features in vehicles before sale or upgrades to the vehicle. The bill was *re-referred to House Rules*.

OUTSTANDING ITEMS OF CONCERN – WHAT HAS POTENTIAL IN THE VETO AND LAME DUCK SESSIONS?

With Session Sine Die for the 104th General Assembly in January 2027, and without any special session days currently scheduled, any outstanding items in the legislature need to be taken up during the Veto and Lame Duck Sessions.

In the past decade, these stretches of Session have largely lost their intended purpose and have become symbols of a bill's "last chance" within a General Assembly. With at least 10 House members and three Senate members not returning in the 105th GA, there will likely be a push to pass outstanding legislation that has traction.

The following bills were stalled in the Spring Session and have the potential to move forward once the General Assembly reconvenes in the Fall:

1. POWER Act & reporting requirements surrounding water and energy usage of data centers
2. Algorithmic Pricing
3. Wetlands Protection Act
4. Workplace Temperatures Measure
5. Health Data Privacy
6. Non-Compete Agreements
7. Megaprojects Incentive Package
8. PDAB
9. Prevailing Wage and Employment Omnibus
10. Chatbot Liability

The IL Chamber GR team will remain vigilant on these measures and more, as conversations will surely be taking place throughout the summer. No single piece of legislation can ever be considered "dead" within the General Assembly, as the body has the magic touch of resurrecting nearly any measure before Session Sine Die.



As we turn the final page on this year’s edition of the End of Session Report, we would be remiss if we failed to appreciate and uplift the “why” behind our everyday work: our members.

Whether you represent one location or many, spread across the state, country, or world, the insight that you offer from your industry and sector is critical to our ability to effectively advocate at the Statehouse. Throughout this Spring Session, we called on our members to engage, provide feedback, and act, and you answered. As an association with a wide range of interests and stakeholders, we relish the diversity and depth of our membership.

We are honored that you entrusted our organization with advocating on behalf of your business. Each year, the businesses we represent face new challenges in the Capitol, whether that be through shifting schedules, strong opposition to pro-growth policies, or competing interests. And yet, the strength that lies within this organization is hardened by the unwavering commitment from our membership.

As the work of the Illinois Chamber of Commerce continues to grow and expand, we want you to know this: our commitment to the members and industries that serve as the foundation of this organization remains the same. We will always prioritize the members and industries that keep us grounded.

As we continue into Veto Session and beyond, we will maintain our commitment to delivering a strong and effective voice for business throughout Illinois. Securing a strong future for business requires diligent and thoughtful planning and execution, in which we will continue to value and incorporate membership insight.

From all of us at the Illinois Chamber of Commerce Government Relations team, we express our most sincere gratitude to each member of this institution. Thank you for taking the time to read our 2026 End of Session Report. We greatly look forward to continuing our advocacy efforts for years to come.

 | *Ben E. Henth* | *Quinn Cunningham* | *A. Moryingo*

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