



## 2026 End-Of-Session Recap

The Illinois General Assembly concluded its spring session in familiar fashion, through the night and well beyond its scheduled May 31 midnight adjournment. Lawmakers approved a \$55.9 billion budget package in the early morning hours of June 1 after thousands of pages of budget legislation were released only shortly before final passage, with portions of the package still being amended after 2:00 a.m. as members worked toward adjournment.

The late-session scramble was compounded by a spring calendar that provided limited overlap between the House and Senate. With fewer opportunities for members, staff, and the Governor's Office to negotiate across chambers throughout the spring, several major policy debates remained unresolved until the final hours of session, leaving significant legislation unfinished and positioning veto session as a likely continuation of many of this year's negotiations.

Despite a challenging fiscal environment and concerns about potential federal funding reductions, lawmakers largely rejected many of the more aggressive progressive revenue proposals that had been discussed throughout the spring. Proposals targeting wealth, broad corporate tax changes, and other structural revenue reforms failed to advance, with legislative leaders instead relying on a narrower package of targeted tax and fee increases, fund transfers, and other revenue measures to balance the budget.

The session also ended with a notable number of high-profile gubernatorial initiatives left unfinished. Governor Pritzker's proposal to pause data center tax incentives amid ongoing negotiations over energy and environmental policy did not advance, nor did the Governor's BUILD initiative, which sought to address Illinois' housing supply challenges through zoning and development reforms. Several other administration priorities were either scaled back, folded into broader negotiations, or postponed for future consideration, leaving a substantial amount of business unfinished.

With adjournment behind us and little time to rest, attention now shifts to the fall veto session. The General Assembly is scheduled to return November 17-19 and December 1-3, 2026, with a strong probability of a Lamé Duck session before the January 13, 2027, inauguration of the 105th General Assembly. Given the number of major issues left unresolved during the regular session, the remaining days of the 104th General Assembly could very well rival a regular session in scope and significance.

Below is a comprehensive overview of the session's key outcomes:

### **FY27 BUDGET - [House Bill 111](#)**

The FY27 budget provides approximately \$55.9 billion in spending, supported by a comparable amount of revenue. The plan also includes an approximately \$830 million supplemental current-year spending plan, making the upcoming fiscal year essentially flat compared with the revised FY26 level. The budget fully funds the certified pension contribution and the K-12 Evidence-Based Funding commitment, preserves the Local Government Distributive Fund percentage at 6.47%, includes several affordability measures, and

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relies on targeted revenue changes and fund transfers to balance the plan.

## **Education Investments**

### *Early Childhood:*

- Officially launches the Illinois Department of Early Childhood, including the transfer of approximately 495 staff and more than \$2.4 billion in early childhood programs to the new agency.
- Transitions the \$748 million Early Childhood Block Grant from the Illinois State Board of Education to the new Department of Early Childhood.
- Continues the Smart Start Illinois plan and includes \$200 million for Early Childhood Workforce Compensation Contracts.
- Increases funding for the Child Care Assistance Program by \$55 million and early intervention programs by \$30 million.

### *K-12 Education:*

- Provides the annual \$350 million Evidence-Based Funding increase, including restoration of the Property Tax Relief Grant component.
- Requires districts receiving Property Tax Relief Grants to lower their levies for three years, rather than the prior two-year requirement.
- Continues funding for career and technical education, computer science education, the Illinois Comprehensive Literacy Plan, agriculture education, the Teacher Vacancy Grant Program, after-school programs, and parent mentoring.
- Nearly triples funding for free breakfast and lunch programs to approximately \$26 million.

### *Higher Education:*

- Includes 1% increase for unrestricted operating support.
- Maintains the Monetary Award Program at more than \$721 million, the largest MAP appropriation in state history.
- Provides additional capital support for higher education facilities, including \$300 million for universities and \$100 million for community colleges for renovations and deferred maintenance.
- Continues funding for dual credit, non-credit workforce community college programs, the Diversifying Higher Education Faculty in Illinois program, Golden Apple Scholars, and Early Childhood Access Consortium for Equity scholarships.

## **Health, Human Services & Food Security**

- Creates the Families Receiving Emergency Support for Hunger Program, or FRESH, to provide a one-time food assistance benefit for eligible individuals who lose or see reductions in SNAP benefits due to federal work requirements.
- Includes \$50 million to hire additional staff and update eligibility determination systems for SNAP and Medicaid to comply with federal changes.
- Maintains healthcare access for immigrant seniors age 65 and older and continues funding for immigrant welcoming services.
- Includes more than \$2.5 billion for services for people with developmental disabilities, including a \$0.60-per-hour increase for direct support professionals beginning January 1, 2027, and continued funding for Ligas Consent Decree compliance.
- Increases Home Services Program funding and continues funding for the Community Care Program, home-delivered meals, and Adult Protective Services.
- Continues funding for the Medical Debt Relief Program, reproductive health initiatives, the Illinois Breast and Cervical Cancer Program, federally qualified health centers, free and charitable clinics, and safety-net hospital supports.

## **Economic Development, Housing & Environmental Investments**

- Invests in workforce training, community revitalization, tourism promotion, small business assistance, innovation vouchers, grant navigators, small business innovation and research grants, and the Illinois Works Pre-Apprenticeship Program.
- Provides funding for Area Career Centers, Rebuild Illinois Downtowns and Main Streets, historic sites, state parks, state museums, and agriculture promotion.
- Invests \$100 million in the Missing Middle Housing Infrastructure Grant Program and \$150 million for other affordable housing programs at the Illinois Housing Development Authority.
- Continues significant HOME Illinois funding for supportive housing, homelessness prevention, emergency housing, rapid rehousing, shelters, wraparound services, and court-based rental assistance.
- Includes funding for electric vehicle rebates, home weatherization and utility assistance, Brownfields Redevelopment Grants, PFAS and emerging contaminant response, water infrastructure, and lead service line replacement.

## **Fiscal Resilience & Local Government**

- Fully funds the state's certified pension contribution.
- Maintains the Local Government Distributive Fund percentage at 6.47%, allowing local governments to benefit from natural income tax growth rather than a reduced percentage.

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## **BUDGET IMPLEMENTATION - [House Bill 2949](#)**

House Bill 2949 is the FY27 Budget Implementation Act. As is typical, the BIMP is the companion legislation that makes the appropriations package operational by authorizing transfers, adjusting program rules, creating or renaming funds, and updating state statutes to align with the FY27 spending plan.

- Fund and agency administration: Creates or updates funds and agency authorities needed for FY27 operations, including the State Facility Maintenance and Improvement Fund, State Fire Marshal Special Purposes Fund, Illinois Arts Council funds, AI Safety Measures Fund, and statutory updates for the Illinois Emergency Management Agency and Office of Homeland Security.
- State facility maintenance: Dedicates 10% of video gaming tax proceeds to the new State Facility Maintenance and Improvement Fund and increases the State Gaming Fund share from 2% to 3% to support Illinois Gaming Board administrative costs.
- Transportation and Road Fund uses: Authorizes FY27 Road Fund support for Pace paratransit grants, Northern Illinois Transit Authority reduced fare grants, Amtrak subsidies, port district grants, downstate student reduced-fare programs, and downstate public school transportation pilot programs.
- School and education implementation: Extends the Property Tax Relief Grant abatement period to three years, directs ISBE to study transportation funding best practices, and makes technical changes related to special education reimbursement and early childhood program transitions.
- Early childhood transition: Creates and updates Department of Early Childhood funds and transfer authority as programs move from DHS, DCFS, and ISBE to the new agency in FY27.
- Healthcare and human services implementation: Allows HFS to use the Healthcare Provider Relief Fund for grant expenditures, accommodates federal Rural Healthcare Transformation funding, implements the \$0.60-per-hour developmental disability provider wage increase, and establishes the FRESH Program at DHS.
- Transfers and sweeps: Authorizes numerous transfers, including \$70 million from the BRIDGE Fund to the Fund for Illinois' Future for FRESH-related costs, \$110 million from the Hospital Provider Fund

to the Healthcare Provider Relief Fund, up to \$305 million from GRF to the Fund for Illinois' Future during FY26, and several additional transfers to support GRF and agency operations.

- Budget management tools: Sets FY27 Income Tax Refund Fund deposit percentages at 9.15% for personal income taxes and 14.0% for corporate income taxes and temporarily expands the agency appropriation transfer limit from 2% to 4%.
- Government efficiency items: Splits the Water Revolving Fund into separate Clean Water and Drinking Water State Revolving Funds, consolidates several environmental funds, modernizes Pollution Control Board filing fees, and makes additional technical changes to align statutes with current operations.

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## REVENUE - [Senate Bill 3019](#)

Senate Bill 3019 is the 2026 Spring Revenue Omnibus. The package focuses on targeted taxes, fees, compliance provisions, and tax credit changes rather than broad-based increases on individuals.

- Net operating loss deductions: Extends the corporate net operating loss limitation framework by moving from a fixed cap to a phased percentage-based approach over five years, while preserving a minimum \$500,000 annual deduction. This is estimated to generate approximately \$300 million.
- Social media platform fee: Creates a monthly fee on large social media platforms beginning January 1, 2027, based on the average number of monthly Illinois users. This is estimated to generate approximately \$200 million.
- Targeted advertising services tax: Creates a 10% tax on targeted advertising services provided in Illinois when gross receipts exceed \$1 million over a 12-month period. The budget does not rely on FY27 revenue from this provision due to expected legal uncertainty.
- Digital Asset Tax: Creates a 0.2% tax on digital asset business activity involving Illinois customers, with digital asset brokers responsible for registration, collection, and remittance. This is estimated to generate approximately \$60 million.
- Sports exchange wagering and prediction markets: Creates a licensing and tax structure for exchange wagers tied to sporting contests or sporting events, including application and license fees and a per-wager tax structure.
- Fantasy contests: Creates a licensing and regulatory structure for fantasy contest operators and imposes a 15% privilege tax on adjusted gross fantasy contest receipts beginning July 1, 2026.
- Motor fuel tax timing: Pauses the scheduled July 1, 2026 CPI adjustment to the motor fuel tax until January 1, 2027.
- Sales tax holiday: Creates a back-to-school sales tax holiday from August 7 through August 16, 2026, reducing the state sales tax rate on qualifying school-related purchases from 6.25% to 1.25%.
- Motor fuel sales tax redirect: Redirects a portion of sales tax revenue from motor fuel to the General Revenue Fund and Road Fund, generating approximately \$150 million for GRF.
- Tire user fee: Beginning July 1, 2026, sets the tire user fee at \$2.50 per new or used tire sold and delivered in Illinois and allocates revenues among GRF, the Used Tire Management Fund, and the Emergency Public Health Fund.
- Hotel and short-term rental taxes: Requires hotel marketplace facilitators to collect and remit applicable hotel taxes and adds municipal hotel tax reporting requirements beginning in FY2028.
- Remote tobacco and compliance provisions: Updates tobacco tax compliance for remote retail sellers and makes several licensing, enforcement, lien, tax administration, and technical cleanup changes across revenue statutes.
- Tax credits and incentives: Extends or modifies multiple tax credits and programs, including affordable housing, research and development, angel investment, live theater production,

apprenticeship education expenses, REV Illinois, River Edge, and Middle Housing-related incentives.

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### **BONDING - [Senate Bill 3255](#)**

Senate Bill 3255 creates the Bond Authorization Act of 2026 and updates bond authority under the General Obligation Bond Act and the Build Illinois Bond Act. The bill provides authorization for capital and infrastructure borrowing; it does not itself appropriate funds or require bonds to be issued.

- **General Obligation Bonds:** Increases the overall General Obligation Bond authorization from approximately \$82.665 billion to approximately \$85.138 billion, a net increase of approximately \$2.473 billion.
  - **Capital facilities:** Provides a net \$1.873 billion increase in capital facilities authorization, including \$500 million for state universities and public community colleges and \$1.373 billion for state departments, authorities, public corporations, commissions, and agencies.
  - **Transportation:** Provides a \$500 million increase for statewide transportation infrastructure tied to economic development, including roads, bridges, and related public infrastructure projects. These funds will be distributed to local governments outside of Chicagoland.
  - **Anti-pollution:** Provides an approximately \$140.8 million increase for anti-pollution purposes, including grants and loans related to sewage treatment works, solid waste disposal facilities, and water revolving funds.
  - **Coal and energy authorization:** Reduces certain coal and energy development bond authority, partially offsetting the gross General Obligation Bond increases.
  - **Build Illinois Bonds:** Increases Build Illinois Bond authorization from approximately \$12.099 billion to approximately \$13.465 billion, a net increase of approximately \$1.366 billion.
  - **Build Illinois categories:** Increases authorization by \$201 million for public infrastructure, \$695 million for economic development, \$450 million for educational, scientific, technical, vocational, health, and human services facilities and programs, and \$20 million for environmental and natural resources purposes.
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## **MAJOR INITIATIVES: PASSED BOTH CHAMBERS**

### **Artificial Intelligence**

Artificial intelligence emerged as one of the most significant and rapidly evolving policy discussions of the 2026 session. Lawmakers spent months conducting subject matter hearings, stakeholder negotiations, and internal working group discussions focused on balancing innovation, consumer protection, transparency, online safety, and emerging risks associated with advanced AI systems. The result was a package of legislation addressing frontier AI safety, automated systems, online age assurance, chatbot transparency, and other technology-related concerns, while other elements of the policy conversations remain “works in progress”. The following bills passed with broad, bipartisan consensus:

[Senate Bill 315](#) **Frontier Model Safety** (Edly-Allen/Didech) would require developers of certain large-scale AI models with more than \$500 million in annual gross revenue to maintain and publicly disclose safety and security protocols, evaluate and mitigate catastrophic risks, and report qualifying AI safety incidents to the Attorney General and state officials within prescribed timelines. The legislation is intended to establish baseline accountability standards for advanced AI developers operating in Illinois.

[Senate Bill 318](#) **Prohibition on Bots Purchasing Tickets** (Stadelman/Morgan) prohibits the use of automated software programs, multiple accounts, or similar methods to circumvent ticket purchasing limits and acquire tickets in bulk for resale. The bill also includes consumer protection provisions intended to increase transparency in the ticket marketplace and prevent deceptive practices by ticket resellers.

[House bill 5511](#) **Digital Age Assurance** (Gong-Gershowitz/Preston) creates a new framework requiring operating system providers, device manufacturers, and covered online platforms to implement age-assurance mechanisms for minor users. The legislation requires age-category signals to be provided to covered platforms, establishes default privacy and safety settings for minors, limits certain platform features for underage users, and provides parents with oversight and control options. Violations are enforceable through the Consumer Fraud and Deceptive Business Practices Act. The legislation represents one of Illinois' most significant efforts to address children's online safety and social media use.

Illinois joins a growing number of states pursuing sector-specific regulation of artificial intelligence, automated systems, and digital platforms in the absence of a comprehensive federal framework.

### **Cannabis and Hemp Regulatory Reform**

Legislative Leaders Kimberly Lightford and Will Guzzardi managed to pull together a significant legislative package, bringing intoxicating hemp products under state regulation and making substantial changes to Illinois' medical and adult-use cannabis markets. [Senate Bill 3222](#) creates a regulatory framework for hemp-derived cannabinoid products, including licensing, testing, labeling, and enforcement standards, while limiting the sale of intoxicating hemp products to the regulated cannabis marketplace. The legislation also expands medical cannabis patient access, increases possession limits, authorizes drive-through and curbside dispensary sales, expands opportunities for craft growers, and streamlines various operational and regulatory requirements for licensed cannabis businesses. The bill represents the most significant overhauls of Illinois cannabis policy since the legalization of adult-use cannabis.

### **Cell Phone Ban in Schools**

Delivering on a policy priority he first advanced in 2025 and renewed during his 2026 State of the State address, Governor Pritzker secured passage of [Senate Bill 2427](#) (Castro/Mussman) requiring all Illinois school districts to adopt policies restricting student cell phone use during the school day, subject to limited exceptions for educational, medical, safety, and individualized student needs. After more than a year of stakeholder negotiations and legislative refinement, the bill passed with broad bipartisan support and represents one of the Governor's most visible education policy achievements.

### **Energy Trailer**

A relatively narrow follow-up to last year's sweeping Clean and Reliable Grid Affordability (CRGA) Act, [Senate Bill 1700](#) (Cunningham/A. Williams) was intended primarily to address technical and implementation issues identified since enactment rather than advance major new energy policy.

The legislation makes a series of clarifying changes related to battery storage procurement, grid planning, utility programs, and clean energy implementation. Notably, the bill includes revisions to battery storage siting and capacity limitations that provide additional flexibility for larger behind-the-meter storage installations associated with industrial and manufacturing facilities. While significantly narrower in scope than the original CRGA package, SB 1700 reflects the ongoing effort by legislative leaders and stakeholders to refine implementation of Illinois' expansive energy transition policies.

### **Insurance Regulation**

The General Assembly approved a pair of high-profile insurance measures that significantly expand state oversight of automobile and homeowners insurance rates. [Senate Bill 714](#) (Villivalam/Jones) and [House Bill 4273](#) (Jones/Hastings) authorize the Illinois Department of Insurance to review rate filings and challenge rates deemed excessive, inadequate, or unfairly discriminatory, while also requiring advance notice of significant premium increases and prohibiting insurers from shifting out-of-state loss experience onto Illinois policyholders. The measures take effect for new filings and renewal notices beginning July 1, 2027.

The legislation was a major priority for Governor Pritzker and Secretary of State Giannoulias, who argued additional consumer protections and regulatory oversight were needed to address rising insurance costs. Insurers and business groups strongly opposed the measures, warning they could increase regulatory uncertainty, reduce market competition, and ultimately contribute to higher premiums. The issue emerged as one of the session's most closely watched consumer protection debates and is expected to remain a significant focus for regulators, insurers, and policymakers in the years ahead.

### **Interchange Fee / Credit Cards**

After months of one of the most visible lobbying campaigns of session, including competing statewide television, radio, and digital advertising campaigns, the General Assembly approved a one-year delay of the Interchange Fee Prohibition Act, moving implementation of Illinois' first-in-the-nation swipe fee law to July 1, 2027. The law prohibits interchange fees on the portion of credit and debit card transactions attributable to taxes and gratuities and restricts certain uses of transaction data.

The extension was a top priority for banks, credit unions, payment processors, and card networks, which argued additional time was needed to address operational and legal challenges. Retailers opposed the delay, maintaining the law would reduce costs for businesses and consumers. The law remains subject to ongoing federal litigation and preemption disputes, including federal regulators' determination that the law is preempted as applied to national banks and federal savings associations.

### **Junk Fee Ban**

[House Bill 228](#) (Morgan/Aquino) prohibits businesses from advertising or offering prices for goods or services that exclude mandatory fees or surcharges, excluding taxes. Violations will be enforced under the existing Consumer Fraud and Deceptive Business Practices Act. Governor JB Pritzker indicated he intends to sign the legislation into law.

### **Medicaid Omnibus**

The General Assembly approved the FY27 Medicaid Omnibus, [Senate Bill 3365](#), a wide-ranging package estimated to cost approximately \$56 million net and \$113.8 million gross in its first year, with annualized costs of approximately \$109.1 million net and \$226.8 million gross. The legislation touches nearly every corner of Illinois' Medicaid program, including hospitals, nursing homes, behavioral health services, managed care, provider reimbursement, eligibility, and program administration.

A significant portion of the package is devoted to stabilizing healthcare providers serving Medicaid patients. The bill creates a new Distressed Hospital Loan Program for financially struggling hospitals, extends and preserves several safety-net hospital funding mechanisms, and provides additional flexibility for hospital transformation funding. The legislation also makes substantial investments in long-term care by extending the Medicaid Access Adjustment program through 2029, providing new funding tied to staffing requirements, establishing a new fund dedicated to nursing home oversight and workforce development, and creating a framework for cottage-style nursing homes modeled after the Green House

concept.

The omnibus also includes several behavioral health and managed care initiatives. Among other changes, the bill delays implementation of both the Medicaid Gold Card Program and the 72-hour prior authorization rule, establishes new standards for behavioral health reviews conducted by managed care organizations, authorizes Medicaid coverage for certain telehealth-based intensive outpatient therapy services, and provides a pathway for increased reimbursement to community-based behavioral health providers.

In addition, the legislation expands coverage for several emerging healthcare services and technologies, including seizure detection devices and certain maternal health screenings, while making numerous administrative and eligibility changes designed to align Illinois Medicaid programs with evolving federal requirements and improve program administration.

### **340B Drug Pricing Program**

The General Assembly approved a two-bill package addressing the federal 340B drug pricing program. [House Bill 2371](#) created the Patient Access to Pharmacy Protection Act, limiting restrictions on covered entities' use of contract pharmacies and prohibiting certain data and operational requirements not otherwise required by law. A companion bill, [House Bill 4327](#), created a 340B reporting framework directing the Department of Insurance to study covered entity participation in 340B, including acquisition costs, reimbursement, contract pharmacy arrangements, intermediary payments, charity care, payer mix, and impacts on Medicaid and the State Employees Group Insurance Program. Together, the bills reflect the central policy tension around 340B: preserving access and revenue streams for hospital providers while responding to concerns about transparency, program growth, state cost exposure, duplicate discounts, and the role of contract pharmacies, PBMs, TPAs, and other intermediaries in the 340B ecosystem. The reporting bill requires DOI to submit findings by July 1, 2028, and is structured to repeal July 1, 2029.

### **Property Tax Reform**

The General Assembly approved [House Bill 4537](#), a comprehensive overhaul of Illinois' tax sale and tax deed system in response to the U.S. Supreme Court's *Tyler v. Hennepin County* decision. The legislation establishes a new process to ensure former property owners can recover surplus equity remaining after delinquent taxes, interest, penalties, and costs are satisfied, bringing Illinois into compliance with constitutional requirements. The bill also makes significant changes to tax sale procedures, notice requirements, redemption opportunities, and county authority over tax-delinquent properties.

### **Rideshare Unionization**

The General Assembly approved [House Bill 5090](#), creating a first-in-the-nation framework allowing rideshare drivers to collectively organize and bargain over compensation and working conditions while maintaining their status as independent contractors. The legislation establishes a state-regulated process for drivers to select a representative organization and engage in negotiations with transportation network companies. The legislation represents one of the most consequential labor policy changes affecting app-based transportation services in Illinois and could serve as a model for similar efforts in other states.

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**MAJOR INITIATIVES: DID NOT PASS**

Numerous high-profile bills failed to cross the finish line. Some measures stalled due to political disagreements, while others faced opposition from stakeholders or lacked sufficient support. These unresolved issues are expected to resurface during the fall veto session or in the future legislative session.

### **Artificial Intelligence**

Numerous proposals remained under active consideration through the final days of session, including legislation addressing companion chatbots ([Senate Bill 316](#)), customer service chatbots ([Senate Bill 317](#)), comprehensive consumer data privacy ([Senate Bill 340](#)), biometric data use in schools ([Senate Bill 415](#)), the use of artificial intelligence in student grading ([Senate Bill 416](#)), and algorithmic price transparency ([House Bill 4248](#)). While none of these measures ultimately advanced, they reflect the wide range of policy questions lawmakers are beginning to confront as AI becomes more integrated into everyday life. Absent a federal framework, Illinois will remain active in the AI policy debate.

### **Chicago Bears / Megaprojects**

The long-running effort to keep the Chicago Bears in Illinois took several unexpected turns during the final weeks of session but ultimately ended without a legislative solution. Earlier in the spring, the House approved [House Bill 910](#), the "megaprojects" proposal championed by Representative Kam Buckner, which sought to provide large-scale developments with property tax certainty and other economic development tools viewed as critical to the Bears' Arlington Heights redevelopment plans. The bill represented the most significant legislative vehicle to support the project but struggled to gain traction in the Senate as lawmakers questioned whether the state should be involved in a dispute between Illinois communities competing for the same project.

As the House proposal stalled, Senator Bill Cunningham unveiled a last-minute alternative through [House Bill 958](#). Rather than favoring a specific location, the proposal would have authorized municipalities to create local stadium authorities capable of owning and financing stadium facilities, an approach designed to place Chicago and Arlington Heights on equal footing while avoiding direct state subsidies. Senate support for the House-passed megaprojects bill never materialized, with many senators preferring to "do nothing" rather than weigh in on a contest between Chicago and the suburbs. By the time the stadium authority concept gained enough support to move, the legislature was consumed by budget negotiations and other end-of-session priorities, leaving insufficient time for House consideration.

The legislation's failure leaves the Bears without a state-backed framework as they continue to evaluate their options. The issue was further complicated by persistent reports that the team may be re-engaging with Chicago on a lakefront stadium despite years of focus on Arlington Heights, creating uncertainty that many lawmakers privately cited as a major obstacle to advancing legislation. This remains a live issue and could quickly reemerge should the Bears signal a clear preference for an Illinois site.

### **Data Centers & Biometric Privacy (BIPA)**

The General Assembly spent considerable time this session debating whether Illinois should impose new regulatory requirements on the rapidly growing data center industry that supports artificial intelligence and other advanced computing applications. Proposals such as the POWER Act ([HB 5513](#) / [SB 4016](#)) sought to address concerns related to electric grid reliability, water consumption, energy procurement, and potential cost impacts on ratepayers, but lawmakers ultimately adjourned without advancing a comprehensive regulatory framework. While stakeholders generally agreed that data centers present significant economic development opportunities, consensus proved elusive on how to balance continued investment with increased oversight.

At the same time, policymakers continued grappling with broader questions surrounding artificial intelligence regulation and Illinois' existing Biometric Information Privacy Act (BIPA). Several ongoing lawsuits have raised questions about the use of biometric data to train AI models and the potential liability exposure facing technology companies operating in Illinois. As Illinois continues competing for major data center investments, stakeholders increasingly view energy policy, infrastructure capacity, and BIPA liability as interconnected issues. While lawmakers spent considerable time discussing each this spring, the General Assembly adjourned without advancing major legislation in either area, ensuring the debate will continue in the months ahead.

**FOIA/OMA Reforms:** [Senate Bill 2715](#) (Porfirio/Didech) became the vehicle for a broad transparency and local government omnibus package that proposed numerous changes to the Freedom of Information Act and Open Meetings Act, including new FOIA exemptions for certain school-related communications and school safety hotline information, expanded closed-meeting authority for public bodies meeting with statewide and regional associations, and various administrative and compliance changes affecting public bodies. The legislation advanced through the House in the final days of session but ultimately ran out of time in the Senate.

**Health Data Privacy:** [Senate Bill 93](#) (Canty) - A multi-year effort led by the ACLU to regulate the collection, use, and disclosure of consumer health data remained under active negotiation throughout the session. Due to significant industry opposition, the legislation did not advance before adjournment and is expected to remain a focus of negotiations this summer.

#### **Higher Education Reform Initiatives**

##### ❖ **Community College Baccalaureate**

Legislation authorizing community colleges to offer limited four-year baccalaureate degree programs continued to advance following two years of stakeholder negotiations and refinement. [House Bill 5319](#) (Katz-Muhl), which includes significant guardrails related to program approval, workforce need, and institutional collaboration, advanced out of the House Executive Committee but did not receive further consideration before adjournment. Although the legislation has evolved considerably from its original form and many stakeholder concerns have been addressed, proponents continue to face the challenge of educating lawmakers on the scope and limitations of the proposal. As a result, the issue remains unfinished business heading into future sessions.

##### ❖ **Public University Funding Formula**

What began several years ago as a general policy discussion has increasingly become a serious legislative priority. Advocates for [Senate Bill 13](#) and [House Bill 1581](#) (Lightford/Ammons) continued efforts to establish an adequacy-based funding formula for Illinois public universities, modeled after the state's K-12 Evidence-Based Funding system. The proposal received heightened attention throughout the spring and was viewed as a potential component of broader budget negotiations. However, concerns regarding the distribution of funds among institutions, the overall cost of implementation, and the state's fiscal capacity prevented the proposal from advancing either as standalone legislation or within the FY27 budget. Despite another year without enactment, the issue appears to have gained momentum and is likely to remain a central higher education policy debate moving forward.

#### **Housing / BUILD Initiative**

One of Governor Pritzker's signature policy initiatives this session was the Building Up Illinois Developments (BUILD) proposal, a broad housing package intended to address housing affordability and

supply shortages through statewide zoning and development reforms. The initiative included proposals to legalize accessory dwelling units, expand opportunities for "missing middle" housing, limit certain local zoning restrictions, streamline permitting and inspections through third-party reviewers, establish statewide impact fee standards, and reduce development barriers that the administration argued contribute to Illinois' estimated housing shortage. The Governor framed the proposal as a response to rising housing costs and a need for approximately 227,000 additional housing units statewide by 2030.

While portions of the BUILD agenda attracted support from housing advocates, developers, and real estate organizations, the proposal generated significant opposition from municipalities and local government groups concerned about state preemption of local zoning and land-use authority. Despite extensive negotiations throughout the spring, none of the major BUILD policy proposals reached the Governor's desk before adjournment. However, the General Assembly did approve portions of the initiative's capital investments through the budget process, and housing policy is expected to remain a priority heading into veto session and the 2027 legislative calendar.

**Labor Omnibus:** [Senate Bill 3393](#) (Hastings/Hoffman) - A late-session labor omnibus package containing a wide range of labor and employment law changes, including revisions to prevailing wage requirements, labor dispute mediation procedures, workforce development provisions, and various technical and administrative changes sought by organized labor. The bill passed the House but was not considered by the Senate before adjournment.

**Prescription Drug Advisory Board:** [Senate Bill 3496](#) (Rep. Syed) would create a Prescription Drug Affordability Board to review certain prescription drug costs and, under specific circumstances, establish upper payment limits for select medications. The proposal generated significant opposition from pharmaceutical manufacturers who argued it could restrict access to medications and discourage future investment. Despite extensive debate and effort from the sponsor, the legislation passed the House but failed to advance in the Senate.

**Procurement:** Procurement reform remained an active topic of discussion throughout the session, including extensive review by the Senate Executive Committee's Procurement Subcommittee. However, despite the discussion around several potential reforms, lawmakers did not advance a procurement omnibus package or several standalone procurement measures before adjournment, leaving the issue largely unchanged heading into the fall.

**Summer Unemployment in Schools:** [House Bill 4416](#) and [Senate Bill 3286](#) stalled in committee; would allow non-instructional school employees, including paraprofessionals, bus drivers, cafeteria workers, and other support staff, to collect unemployment benefits during summer and other scheduled school breaks despite having "reasonable assurance" of returning to work in the fall. The Illinois Department of Employment Security estimated it would cost between \$138 million and \$176 million annually. Public schools, colleges, universities and not-for-profit academic institutions would bear approximately 93% of this cost, according to IDES.

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## OTHER BILLS: PASSED BOTH CHAMBERS

Total of 395 bills sent to the Governor for his consideration— below are some highlights

## Education & Technology

- [House Bill 4304](#): **Higher Education Student Support and Academic Freedom Act** – Creates a statewide framework outlining student rights at Illinois public colleges and universities, including protections for free speech, peaceful protest, academic freedom, accessibility, due process, and access to educational records. The bill also promotes transparency in tuition, fees, transfer credits, degree requirements, and disciplinary procedures while reaffirming institutional independence and academic integrity.
- [Senate Bill 3070](#): **Foreign Language and Career & Technical Education (CTE)** – Provides students with an alternative pathway to satisfy Illinois high school graduation requirements by allowing completion of two years of approved CTE coursework in lieu of the existing two-year foreign language requirement.
- [House Bill 4577](#): **Play-Based Learning** – Encourages school districts to incorporate evidence-based play and exploration into early childhood instruction.
- [House Bill 5107](#): **School Safety Panic Alert System ("Alyssa's Law")** – Requires schools to consider mobile panic alert systems in their emergency response planning and establishes statewide standards to improve coordination between schools and first responders during emergencies.
- [Senate Bill 3720](#): **Reverse Transfer** – Expands opportunities for students who transfer from community colleges to four-year institutions to retroactively earn an associate degree by applying credits earned after transfer, improving degree attainment and student recognition.

## Energy & Environment

- [Senate Bill 3273](#): **Public School Solar Interconnections** – Creates a streamlined interconnection process for renewable energy projects located on public school property and establishes requirements related to utility review timelines, net metering credits, and interconnection fees.
- [Senate Bill 3772](#): **Environmental Justice** – Requires additional public notice and community engagement for certain environmental permit applications affecting environmental justice communities and updates Illinois EPA's environmental justice mapping and outreach responsibilities.
- [Senate Bill 4025](#): **Lead Service Line Replacement** – Updates Illinois' lead service line replacement requirements by modifying notification procedures, replacement standards, and compliance requirements for community water systems.
- [House Bill 2955](#): **PFAS Wastewater Citizen Protection Act** – Creates the PFAS Wastewater Citizen Protection Committee to develop a statewide action plan addressing PFAS contamination in wastewater systems, including recommendations related to treatment technologies, funding mechanisms, and cost recovery from PFAS manufacturers.

## Government Operations & Local Government

- [Senate Bill 1454](#): **Chicago Supplemental Retirement Savings Plans** – Establishes automatic enrollment of newly hired Chicago police officers, firefighters, and municipal employees into supplemental deferred compensation retirement plans, creating an additional retirement savings vehicle alongside existing pension benefits.
- [Senate Bill 2802](#): **IMRF Benefits** – Increases the IMRF death benefit and expands IMRF participation eligibility to include regional water commissions.
- [Senate Bill 2102](#): **Electronic Budget Filings** – Authorizes taxing districts to electronically file budget and appropriation ordinances and revenue estimates with county clerks, modernizing local government reporting requirements and recordkeeping processes.

- [Senate Bill 3321](#): **Local Government Credit Card Processing** – Ensures local governments retain flexibility in selecting credit card payment processing systems by prohibiting contractual restrictions on the use of the State Treasurer's E-Pay program or other procured payment platforms.

## Healthcare

- [Senate Bill 3341](#): **Contraceptive Services for Minors** – Expands minors' ability to access contraceptive services and information without requiring parental consent and limits circumstances under which providers may disclose related health information.
- [House Bill 3711](#): **Healthcare Professional Conduct** – Requires healthcare professionals and healthcare organizations to report certain allegations and findings of sexual misconduct involving licensed healthcare providers to IDFPR and strengthens disciplinary enforcement for failure to report.
- [House Bill 5295](#): **Reproductive Health Privacy** – establishes new privacy protections for reproductive health records by requiring electronic health networks to limit disclosure of certain abortion-related and gender dysphoria-related medical information, particularly to out-of-state providers, businesses, and health information exchanges.
- [Senate Bill 3509](#): **Biomarker Testing Coverage** – Updates Illinois' biomarker testing coverage law to expand access to precision medicine and ensure health plans provide coverage for medically supported biomarker testing used in diagnosis, treatment selection, disease management, and ongoing patient monitoring.
- [House Bill 5001](#): **Mammogram Coverage** – Requires health insurance coverage for mammograms and related breast imaging services to be provided in accordance with evidence-based clinical guidelines and the determination of a healthcare provider, including for patients under age 35 when medically appropriate.
- [Senate Bill 3211](#): **Teledentistry Examinations** – Expands access to teledentistry services while establishing guardrails that require in-person examinations before certain orthodontic, sleep apnea, cosmetic, and irreversible dental treatments may be provided or authorized.
- [Senate Bill 3049](#): **Newborn Screening Modernization** – Establishes new timelines and procedures for reviewing conditions recommended for newborn screening and strengthens the advisory process used to determine whether additional conditions should be added to Illinois' newborn screening program.

## Public Health & Safety

- [House Bill 4714](#): **Children's Mental Health Act** – Expands coordination among state agencies, schools, healthcare providers, and community organizations to improve children's mental health services and outcomes.
- [Senate Bill 3688](#): **Menopause Education** – Expands menopause and perimenopause education requirements within Illinois medical, nursing, and physician assistant training programs to improve provider awareness and patient care.
- [House Bill 4472](#): **Blue Envelope Program** – Creates a voluntary program allowing drivers with autism spectrum disorder, communication disabilities, or other conditions to present a blue envelope during traffic stops to facilitate communication with law enforcement.
- [House Bill 4659](#): **Coerced Debt Protections** – Creates a legal defense for victims of domestic violence, exploitation, and human trafficking who incur certain consumer debts through coercion, allowing those debts to be challenged in court or arbitration proceedings.
- [Senate Bill 3048](#): **Domestic Violence Lethality Assessments** – Establishes a process for developing

voluntary domestic violence lethality assessment tools, policies, and training resources for law enforcement agencies and exempts related assessment records from public disclosure.

### Consumer Protection & Financial Services

- [Senate Bill 3561](#): **Buy Now, Pay Later Act** – Creates a regulatory framework for buy-now-pay-later lenders, including registration requirements, consumer disclosure standards, dispute resolution protections, refund procedures, and oversight by state regulators.
- [House Bill 3564](#): **Residential Rental Fee Transparency** – Creates new statewide standards governing residential rental fees by requiring disclosure of mandatory fees and utility charges, restricting certain move-in and move-out fees, and establishing consumer protections intended to increase transparency in residential leasing transactions.
- [House Bill 3595](#): **Pet Insurance** – Creates new standards for pet insurance policies, requiring greater transparency regarding coverage limitations, exclusions, waiting periods, premium adjustments, and optional wellness benefits.
- [House Bill 4044](#): **Consumer Right to Return** – Requires retailers to clearly disclose return, refund, and exchange policies to consumers and establishes default return rights when such policies are not properly communicated.
- [Senate Bill 3707](#): **Vision Benefit Managers** – Establishes a regulatory framework for vision benefit managers, including registration requirements, provider contracting standards, reimbursement transparency, protections related to non-covered services, and new disclosure requirements for enrollees and eye care providers.

### Transportation

- [House Bill 2335](#): **Transit Trailer** – Makes technical, governance, funding, and implementation changes related to the Northern Illinois Transit Authority Act, including provisions intended to facilitate the transition to the region's new transit governance structure and clarify responsibilities among transit agencies. NITA became effective in law on June 1, 2026.
- [Senate Bill 3484](#): **Electric Mobility Devices** – Modernizes the Illinois Vehicle Code by creating new standards for electric bicycles, motor-driven cycles, and personal e-mobility devices, while establishing related titling and registration requirements.
- [Senate Bill 3275](#): **Intersection Safety Reviews** – Directs IDOT to identify and evaluate the 10 most hazardous state-controlled intersections in Will County south of Interstate 80 and develop recommendations for infrastructure, traffic control, and other safety improvements.
- [House Bill 4442](#): **High-Speed Rail Commission Repeal** – Eliminates the dormant High-Speed Rail Commission, reflecting the state's shift away from a commission-based approach to high-speed rail planning and oversight.
- [Senate Bill 3449](#): **Mobile Driver's Licenses and Identification Cards** – Makes a series of updates to Illinois' mobile identification framework, including conforming changes for digital driver's licenses and protections preventing law enforcement and other parties from taking possession of an individual's mobile device during identity verification.

### Workplace

- [House Bill 4844](#): **Jury Duty Pay** – Requires employers with 25 or more employees to compensate workers serving on jury duty for the difference between their regular wages and the amount received for jury service.
- [House Bill 5487](#): **Law Firm Independence** – Restricts private equity and other non-lawyer entities from owning, controlling, or influencing the professional judgment and operations of Illinois law firms. \*\* This bill is receiving national attention because Illinois is one of the first states to directly

address private equity involvement in legal practices.

- [House Bill 4758](#): **Driver's License and Employment Applications** – Prohibits employers from requiring a driver's license as a condition of employment unless driving is an essential function of the position, reducing barriers to employment for individuals who do not drive.
- [House Bill 5228](#): **Workers' Comp Omnibus** – Serves as the primary workers' compensation vehicle of the session, incorporating a variety of negotiated changes affecting insurance compliance, utilization review, administrative procedures, and enforcement under the Workers' Compensation Act.
- [Senate Bill 807](#): **Unemployment Insurance Omnibus** – Serves as the session's principal unemployment insurance package, incorporating multiple negotiated labor priorities, including provisions related to unemployment benefits eligibility, program administration, and workforce support programs. The package notably includes the long-debated effort to provide unemployment benefits to certain non-instructional school employees during summer and other academic breaks.