

# ICCTA Government Relations and Public Policy End of Session Report June 3, 2024

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The 2024 Illinois state legislative session -- the second year of the 103rd General Assembly -- ended in a dramatic fashion, which was not reflective of the session as a whole. Typically, the second year of any general assembly is less eventful than the first, as members campaign for their primaries (March 19) and then re-focus ahead to the general election in November. Lawmakers are less likely to do big things -- particularly on taxes -- if an election is coming up. While not always an iron-clad rule, legislative sessions are usually quieter during even-numbered years.

One issue was targeted for reform early in the session. During Gov. JB Pritzker's State of the State Address, he announced his primary legislative effort would be to expand healthcare access and affordability. Contentious debates over reproductive rights and insurance regulations highlighted ideological divisions within the legislature. Significant changes were made to prior authorization and step therapy. Providers state that this gives quicker and greater access to services for patients by eliminating barriers to care and prescription drugs, although it is apparent that these changes will come with increased costs for payers (employers and patients) when fully enacted in 2026 as they remove the ability of insurance carriers to use these cost control measures.

Environmental policy also emerged with bipartisan legislation. Illinois passed the Safety and Aid for the Environment in Carbon Capture and Sequestration Act (Senate Bill 1289) after weeks of intense negotiations. The bill includes some of the strongest carbon capture and sequestration protections in the nation. The initiative is timely given that multiple corporations are currently targeting Illinois for carbon waste disposal. CCS projects have already been proposed across the state despite a lack of state and codified federal regulations. Companies have proposed injecting CO2 underground through 22 wells in six Illinois counties and CO2 pipelines have been proposed in 23 counties. The Illinois Clean Jobs Coalition and the Coalition to Stop CO2 Pipelines engaged with stakeholders to draft the CCS protections bill.

Ultimately, the budget proved to be the most contentious item this year, as, counter to the typical rule, the General Assembly tackled revenue enhancements during an election year. The frustration felt by rank-and-file lawmakers led them to miss their self-imposed deadline. While May 24 had long been on the calendar as the adjournment date, lawmakers had until the end of May before there was a three-fifths majority vote needed to pass a budget with an immediate effective date. The Senate remained in Springfield through Sunday, May 26, while the House adjourned after an all-nighter in the early hours of Wednesday, May 29. Despite holding 78 seats in the House, it took Democrats three tries to reach the 60 votes needed to approve more than \$1.1 billion in revenue increases, including a tax hike on sportsbooks and businesses, to balance the \$53.1 billion spending plan for fiscal year 2025. The spending plan passed the House 65-45 and the Senate 38-21.

In all, the General Assembly passed 466 measures to the Governor for his consideration. The legislature has 30 days to present a bill to the Governor, and the Governor has 60 days after receiving the bill to sign, veto, or

issue an amendatory veto. Lawmakers will not return to Springfield until the Fall Veto Session. Dates have not yet been announced.

#### **FISCAL YEAR 2025 BUDGET OVERVIEW**

This session, the budget package was more about revenue enhancements than spending. In February, Gov. Pritzker proposed to raise \$1.1 billion in revenue enhancements to balance his proposed budget and avoid cuts, noting that the effort to meet the ends was very tight. This was the first session in several years (and the first for many new lawmakers) where they did not have an abundance of funds to spend.

One of the Governor's proposed revenue enhancements would extend a cap on losses large corporations can write off on their state income taxes, which Pritzker estimated would bring in \$526 million in revenue. Another would more than double the tax on sports betting, a change estimated to generate \$200 million. Pritzker also resurrected a previously unsuccessful plan to limit the tax that discount retailers receive for collecting sales tax, which his office estimated would generate another \$101 million. After some recalcitrance from legislators on the proposed revenue enhancements, the Governor's office instructed its agency directors to prepare for \$800 million in potential budget cuts -- typically grants and projects lawmakers have championed.

A proposed tax break also sparked heated debate. Gov. Pritzker proposed to eliminate a 1% sales tax on groceries. While many lawmakers believe the idea is commendable, they expressed concern that their municipalities would struggle to pick up the tab. They called for local governments to receive some kind of public reimbursement for any resulting tax burden.

The budget put forth by the General Assembly tracked closely with the Governor's February proposal. The budget contained in <u>Senate Bill 251</u> will increase funding for K-12 schools by \$350 million. The proposal also includes the \$182 million that the Governor committed to provide shelter, health care and other services for recently arrived migrants. It also includes a child tax credit for qualifying families with children under the age of 12, providing parents a credit of 20% of the state's Earned Income Tax Credit in calendar year 2024 and 40% in 2025. (The Governor's proposal would have provided the credit for children under the age of three.) The Governor's proposed revenue enhancements also passed the General Assembly, although some concessions were made specifically to retail merchants and to units of local government to ease the blow.

## FY 25 Budget Bill Senate Bill 251 (Harmon-D/Gordon-Booth-D)

The budget, which is set to take effect on July 1, would increase spending by 5% from last year's enacted budget, but just 1.6% when factoring in supplemental spending for the current year. In total, the budget allocates \$124.6 billion in all funds -- \$53.1 billion of which is allocated from the General Revenue Fund. The budget anticipates \$53.3 billion in revenue, about \$1.2 billion of which comes from various fund transfers in the budget implementation bill.

## Governance

- \$198 million to the state's "rainy day" fund
- \$10.1 billion (\$322 million increase) to contribute the minimum pension payment required by law
- \$3 billion in capital spending \$500 million of which is allocated for quantum computing

# **Early Childhood Education**

- \$14 million to launch the Illinois Department of Early Childhood a new agency to focus on administering early childhood education programs
- An additional \$75 million will be sent to the Illinois State Board of Education's Early Childhood Block Grant putting in place 5,000 more slots in preschool deserts
- \$36.5 million to support higher participation in the Child Care Assistance Program

#### K-12 Education

- Continues the commitment of a \$350 million increase toward the evidence-based funding model for K-12 education. The state will top \$2 billion toward the evidence-based funding model from its inception with this investment
- \$10.3 million increase for Career and Technical Education programs
- \$3 million for State Literacy Plan Implementation -- a roadmap to enhance and unify core literacy instruction efforts statewide
- \$45 million for year two of the three-year Teacher Vacancy Grant Pilot Program to help underserved districts with teacher retention

#### **Higher Education**

- 2% or \$30 million increase for community colleges and public universities
- \$10 million increase for Monetary Award Program funding
  - In Fiscal Year 2025, \$700 million total spend is projected to support 146,000 students benefiting from MAP Grants – up from 126,864 in 2019
- \$8 million for the Minority Teacher Scholarship Program

# **Violence Prevention and Public Safety**

- \$5.3 million to hire and train 200 new state troopers a total of two new cadet classes
- \$22.6 million for the Illinois Department of Corrections to hire additional staff
- \$200 million to the Restore, Reinvest, Renew (R3) program
- \$45 million to build up the Reimagine Public Safety grant program
- \$200 million to enhance after-school and summer youth programs

#### **Health and Human Services**

- \$290 million for HOME Illinois to prevent homelessness a \$90 million increase
- \$2.4 billion for services for people with developmental disabilities, including a \$1 per hour wage increase for Direct Support Professionals (about \$40M). Community Care Program workers will see a raise to \$18 per hour (about \$50M)
- \$155 million for safety net hospitals
- \$50 million for a child tax credit (up to age 12) for eligible low-income families
  - Parents will get a credit of 20% of the state's Earned Income Tax Credit in 2024 and 40% in 2025
  - This will cost \$50 million in FY25 and \$100 million the following year
- \$182 million to provide shelter, health care and other services for recently arrived migrants, many of whom have been bused to the state from Texas
- Two programs providing state-funded Medicaid-like benefits to noncitizens would receive \$440 million from the General Revenue Fund, or \$629 million total with other state funds
- \$10 million for the Governor's plan to erase \$100 million in total medical debt

#### **Budget Implementation Bill House Bill 4959 (Sims-D/Gordon-Booth-D)**

The budget implementation bill includes provisions for how the budget will be executed. HB 4959 covers revenue sources and fund transfers, spending guidelines, and any policy changes related to the budget.

#### Some highlights of the BIMP include:

- To help alleviate the classroom teacher shortage problem in Illinois, a law that allows retired teachers to teach for a full school year in districts declared to be subject shortage areas has been extended until June 30, 2027
- Establishes a new "Fleet Electrification Incentive Program" to promote the use of eligible electric vehicles and increase access to federal funding programs which provides grants to eligible purchasers

- Establishes a camping fee waiver to promote campground use and Illinois State Fair attendance
- Creates the Professions Licensure Fund at the Illinois Department of Professional Regulation to leverage private and public funds for the procurement of licensure software, license, or information technology system for administration of all licenses under IDFPR jurisdiction
- Enables the Illinois Board of Higher Education to establish and administer a grant program to assist public universities in administering the Mental Health Early Action on Campus Act to raise mental health awareness on college campuses
- Enables local government to lease body cameras to take advantage of bundle deals offered by equipment providers
- Creates the Illinois Caregiver Assistance and Resource Portal Act at the Illinois Department on Aging to
  provide caregivers with access to an information, support, and resource website to help caregivers
  develop and implement caregiving plans for loved ones or friends
- Authorizes the Illinois Comptroller to frontload the required monthly certified pension payments earlier in the calendar year if the funds are available
- Creates the Health Equity and Access Fund, which may receive money from public or private sources for the purpose of paying for medical expenses and enabling rulemaking
- Redirects \$150 million from the Road Fund and \$50 million from the Leaking Underground Storage Fund to public transit
- Transfer \$20 million from the Capital Projects Fund to support the Illinois Works Pre-apprenticeship Program
- Creates a \$5 million fund to support health care telemonitoring entities
- Health benefits for teachers shall now include dental and vision benefits
- The University of Illinois Springfield is authorized to build a new downtown Innovation Center, which will be a space used to drive economic growth and workforce development
- The State Board of Education is authorized to award grants up to \$7,000 to schools for a "breakfast after the bell" program.
- Veterans' property tax reimbursement cap is increased from \$15 million to \$30 million

#### Revenue Package House Bill 4951 (Villanueva-D/Burke-D)

The revenue plan is expected to raise between \$865.5 million (\$746 million for General Revenue Funds), which is less than the \$1.1 billion proposed by the Governor. It did not include a decrease to the standard deduction claimed by many Illinoisans, which Pritzker proposed in February and was scored to raise revenues by \$93 million. It did, however, include a cap on corporate net operating losses businesses can claim, which is expected to generate \$526 million, and a cap on the retailer's discount for collecting the sales tax, which should generate \$101 million. Retailers received several concessions for this revenue stream, including \$5 million to a retail theft investigator program at the Illinois Attorney General's office; a workforce development program will receive \$5 million in the first fiscal year, \$7 million in the second, and \$10 million in the third; and pharmacists will now be allowed to test and treat patients for HIV, flu, strep throat, and other ailments (enabling language is contained in the Medicaid omnibus bill referenced below).

HB 4951 will raise more than \$200 million in new revenues from a graduated tax on sports betting, which would bump the existing 15% tax on revenues to anywhere between 20 and 40%, depending on individual sportsbooks adjusted gross receipts. The bill provides distribution of the sports betting revenue would be split between the General Revenue Fund at 58% and capital expenditures at 42%. Illinois' tax on video gaming terminals would increase from 34% to 35%, a growing market netting \$814 million in tax revenue for the state last year, with the increase expected to boost revenues by \$35 million. That money would still be directed toward infrastructure projects.

The bill also includes a ban on financial institutions and credit card companies from charging fees on the sales tax portion of electronic transactions. This portion is hotly opposed by financial institutions and could continue to be a contentious topic, as this portion of the bill is not effective until July 1, 2025.

News publishers would be able to claim a \$15,000 credit per newsgathering employee – meaning reporters, editors, photographers, and others – up to \$150,000 per newsroom and \$250,000 per parent company. A newsroom could claim another \$10,000 per new employee. It is available to print and broadcast outlets, as well as profit and nonprofit newsrooms, and would be capped at \$5 million.

The bill also closes a loophole used by third-party hotel booking websites that allowed their customers to pay lower taxes when they book rooms online. Imposing the re-renter tax for hotel rooms is expected to generate an additional \$25 million.

# Bond Authorization House Bill 4582 (Harmon-D/Rita-D)

The annual bonding authority bill corresponds to available revenues that are part of the budget package. This year, the bill includes an additional \$8 billion in debt authority. The bill also provides for some greater flexibility for school districts by removing antiquated checks and to support kindergarten and pre-kindergarten facility growth.

- \$2.35 billion for capital
  - o \$575 million for higher education
  - o \$900 million for corrections
  - o \$ 3 million for land preservation and plugging abandoned wells
  - \$871 million for renewable energy upgrades for use by the state
- \$1.34 billion
  - \$235 million for vertical public infrastructure
  - o \$1.08 billion for economic development, now including quantum technology
  - \$24 million for health and human services expansion
- \$4.3 billion Illinois Housing Authority

#### **2024 SESSION HIGHLIGHTS**

#### Health Care Consumer Access & Protection Act House Bill 5395 (Moeller-D/Peters-D)

The Governor's chief legislation seeks to limit the ability of insurance companies to deny coverage or steer individuals toward lower cost, treatments and medications, strategies sometimes referred to as "utilization management." The package also includes measures giving the Illinois Department of Insurance authority to approve or deny premium rate changes in large-group health insurance plans.

Among other things, it requires insurance companies to use "generally accepted standards of care" when deciding whether to cover certain treatments or services. It also bans the use of step therapy requirements in prescription drug plans that require a patient to show that a lower-cost alternative drug is ineffective before covering a more expensive drug recommended by their physician. The bill also prohibits insurance plans from requiring prior authorization before covering in-patient psychiatric care. For other kinds of care, it requires insurers to post publicly on their website when prior authorization is required. It also requires insurers to maintain accurate, up-to-date lists of providers who are included in their networks. And it gives the Illinois Department of Insurance the authority to approve or reject proposed premium rate changes in large-group health insurance plans. Last year, the legislature granted the Department the authority to approve or reject rates on small-group plans – but the process of rate making is wildly different than large groups. Most of these changes will not take effect until 2026.

#### Ban Short Term Insurance Policies House Bill 2499 (Fine-D/Morgan-D)

A second piece of the Governor's health insurance package will prohibit the sale of a type of insurance known as "short-term, limited duration" health policies that do not have to meet minimum standards under the federal Affordable Care Act. These policies are typically sold to people who are temporarily unemployed or have some other circumstance in their life that causes them to need coverage for only a short period. But while they often cost much less than traditional policies, many of them also have high deductibles and do not offer the same types of benefits that are mandated in other plans, such as coverage for emergency treatment, laboratory services or preexisting conditions. These products were never designed to be used for primary coverage. This ban will not take effect until 2026, when the state will stand up its own state-based exchange.

These changes apply only to the types of insurance plans regulated by the state. Those include employer-based group plans that are fully funded by the insurance carrier as well as plans offered by local governments and plans provided under the state Medicaid program. They do not apply to plans regulated under the federal law known as ERISA -- the Employee Retirement Income Security Act of 1974.

#### Birth Equity Initiative House Bill 5142 (Gabel-D/Collins-D)

An initiative of Gov. Pritzker, the goal of this bill is to close the gap in maternal mortality between Black women and other new mothers. The bill requires private insurance companies to cover maternal services provided by midwives, doulas, and lactation consultants. Private insurance companies would be required to cover home births, home visits, and support during labor, abortion, or miscarriage -- expanding insurance coverage of pregnancy and postpartum services. The bill would also regulate how providers and authorities can keep and use abortion patient data.

# BIPA Damages Reform Senate Bill 2979 (Cunningham-D/A. Williams-D)

The measure is a response to an Illinois Supreme Court ruling last year that "respectfully suggest(ed)" that lawmakers clarify the state's Biometric Information Privacy Act. That ruling found that fast food chain White Castle violated BIPA each time its employees used their fingerprints in the course of performing their jobs, as the company never obtained permission under the law. In that case, White Castle estimated it would be on the hook for up to \$17 billion in penalties, as the law provides for \$1,000 in damages for each "negligent" violation or \$5,000 for each "reckless" or "intentional" violation. White Castle settled the case last month for \$9.4 million.

SB 2979 would change BIPA's violation accrual so that each initial collection of a fingerprint or other biometric data would amount to one violation, rather than a violation occurring for each individual scan. A business is in violation of BIPA if it does not have a storage policy in place, does not properly protect the data, or if it does not get consent from customers or employees for the data being collected. Under SB 2979, businesses could get that consent via an electronic signature, which the bill defines as an "electronic sound, symbol, or process."

#### **Procurement Omnibus** House Bill 5511 (Hoffman-D/Castro-D)

House Bill 5511 is an effort to improve diversity, clear up bureaucratic issues, and modernize the state's contracting process. The measure drives Illinois' supplier diversity goals forward by requiring goals to be set for minority business development programs and tasking the Commission on Equity and Inclusion with oversight of these programs to ensure they are implemented effectively, among other provisions. To address the slow pace of the procurement process, the bill allows contractors to fix procurement violations while the procurement process moves forward and allows bids to be posted or accepted online. Further, the initiative prioritizes local competition and control by ensuring counties follow competitive bidding requirements that apply to other units of local government. It also eases the joint purchasing process to make it easier for towns,

villages, and counties to utilize existing state contracts -- reducing the need for duplicative contracts for similar needs. One provision in the bill aims to move the state toward contracting with more Illinois companies on construction projects by expanding the definition of an Illinois business. Under the legislation, a business operating and headquartered in Illinois for one year prior to submitting a bid would be eligible to receive a 4% bid preference on state projects.

#### Safe Carbon Capture & Storage (CCS) Act Senate Bill 1289 (A. Williams-D/Fine-D)

This legislation will establish a regulatory framework to safely advance carbon capture and storage in Illinois, which will help the state meet clean energy goals while promoting economic development and creating new jobs. This measure represents a compromise among environmental groups, organized labor, agriculture interests, and the business community. SB 1289 requires 30 years of post-injection air and soil monitoring at project sites (which goes further than existing federal requirements). It also ensures existing well set back requirements apply to CCS projects and puts in place a CO2 pipeline moratorium until the Pipeline and Hazardous Materials Safety Administration finalizes updated safety rules for CO2 pipelines or July 2026, whichever is sooner.

In addition, SB 1289 creates an emergency planning and training fund to provide training exercises, equipment, and support for local emergency services and disaster agencies to prepare for future  $CO_2$  pipelines and sequestration projects. The bill establishes an environmental justice fund to be administered by the Illinois Environmental Protection Agency that can make grants to eligible entities representing areas of environmental justice concern and to fund environmental projects benefiting areas disproportionately burdened by environmental harms. The bill also creates a long-term trust fund to ensure that the state's citizens, resources, and environment will be protected in the future.

## Election Omnibus #1 Senate Bill 2412 (Harmon-D/Hoffman-D) -- Signed into law on May 3, 2024

This new law prevents either of the major political parties from nominating a candidate to run in the general election for state senate or state representative unless that candidate first runs in the primary -- preventing political parties from adding candidates to a general election if nobody ran in the primary. By passing this legislation in the middle of an election cycle, a lawsuit challenging the provisions was filed and is ongoing in Sangamon County. The judge placed a temporary pause on the law through June 3 -- the next hearing in the case.

Additionally, the new law shifts the period for gathering candidate petition signatures and filing the petition to appear on the ballot back by 28 days. Finally, the bill adds three non-binding referendums to the November 2024 general election ballot. The ballot questions focus on:

- 1. Protecting elections workers
- 2. Targeting an additional tax on income over \$1 million for the purpose of property tax relief; and
- 3. Supporting insurance coverage for in vitro fertilization treatment

As state law limits the number of questions on a statewide ballot to three, the legislation effectively crowds out the possibility of any other questions from making it onto the ballot.

#### Election Omnibus #2 House Bill 4488 (Morrison-D/West-D)

House Bill 4488, among other things, would allow election authorities to deliver vote by mail ballots to voters who live in veterans' and nursing homes, hospitals, and mental health facilities, in addition to the authorities' preexisting ability to administer supervised, on-site voting. The bill will require Illinois' Electoral College votes to go to the winner of the state's popular election (joining 33 other states); includes a provision loosening restrictions on what political parties can do with campaign funds; and removes a requirement that election

judges must wear an identification badge showing their full name, instead requiring a unique identification number. The legislation also codifies that the public has access to the state's voter registration list. The database, which is required by federal law and routinely shared with local governments and political committees, is tightly protected by the Illinois State Board of Elections. The bill also lays out what voter information cannot be used for: "any personal, private, or commercial purpose, including, but not limited to, the intimidation, threat, or deception of any person or the advertising, solicitation, sale, or marketing of products or services." Overall, the package of proposals aims to increase voting accessibility and make elections more transparent.

#### Eliminate Grocery Tax / Local Government Benefits House Bill 3144 (Castro-D/Burke-D)

This bill contains the Governor's proposal to eliminate the 1% municipal tax on groceries -- a tax benefiting municipalities, not state government. The tax cut will take effect on January 1, 2026. It is expected that this will result in a \$350 million total loss to municipal governments. To ease the loss, local governments, including non-home rule units, will be able to implement their own grocery taxes without holding a referendum and no state administrative fee will be charged. Non-home rule units will also be given the ability to increase sales taxes by up to 1% without resorting to referendums. Sangamon County has been granted the authority under this bill.

Another piece of legislation -- the state's revenue bill (HB 4951) – also contains benefits for local government: an increase in local road grants, a re-renter hotel tax that will produce approximately \$35 million, and the retailer sales tax discount.

# Medicaid Omnibus Senate Bill 3268 (Aquino-D/Gabel-D)

This bill is the work product of a bicameral bipartisan working group that met with stakeholders regularly throughout the session. Key items in the annual Medicaid omnibus include increased reimbursement rates for psychiatric services, dentists, dialysis providers, and children's health centers; additional regulations and transparency requirements on pharmacy benefit managers; and an expanded scope of practice for pharmacists. A key revenue generator is reflected in an increase in the assessment of medical care organizations that will bring in an additional \$200 million. Other highlights include provisions allowing for an up to 72 hour inpatient admission to stabilize an emergency medical condition without seeking authorization from the MCO; adoption of rules to increase transparency and streamline the prior authorization process; and creation of a "gold card" program permitting physicians and hospitals with historically high service authorization approvals to receive a one-year exemption from the MCO's service authorization process for healthcare services rendered in the inpatient or outpatient setting, including hospital-based clinics. The anticipated total cost of the legislation is expected to be \$25 million in General Revenue Funds after federal reimbursements are taken into account (\$66 million total).

The increase to the scope-of-practice for pharmacists was debated on the floor and they will likely be addressed during the fall veto session or into the next spring session to determine whether the scope needs to be scaled back.

#### **Economic Growth Package** House Bill 5005 (Stadelman-D/Vella-D)

HB 5005 contains new incentives supporting the state's manufacturing base to build on the Reimaging Energy and Vehicles Act, which has made Illinois a hub for electric vehicle manufacturing and auto battery production. New incentives are included for green steel manufacturers and electric and hybrid aircraft.

The package also expands the Central, Western and Northern Illinois communities eligible for the River Edge Tax Credit — a program that gives income tax credits to project owners who rehabilitate historic buildings to

revitalize riverfront communities like Rockford, Peoria, and Elgin — and extends tax incentives to next-generation emerging industries like quantum computing.

Quantum computing, a complex processing technology similar to supercomputing, is exponentially faster than current computer processing abilities. While no quantum computer yet exists, a partnership between Illinois' top universities is currently researching pathways to create functional quantum computing technology. Stadelman's measure would establish an incentivized enterprise zone for the creation of a quantum computing campus to be located at a site in Illinois.

#### OTHER NOTABLE BILLS THAT HAVE PASSED BOTH HOUSES

<u>House Bill 307</u> (Buckner-D/Harris-D) amends the Name Image and Likeness for student athletes. Under HB 307, athletes could earn NIL compensation directly from their universities as permitted by the NCAA; and block press or the public from requesting how much athletes make from their private NIL deals. Universities will also be permitted to create athletic department incentives for fans to support NIL activities.

House Bill 581 (Avelar-D/Villanueva-D) would ensure that women's right to life-saving care remains in place in Illinois and would impose civil penalties on hospitals that refuse to provide lifesaving abortion procedures. Although currently protected by federal law, the U.S. Supreme Court's anti-choice majority is expected to rule as early as this June in *Moyle v. Idaho*, a case that would exempt Idaho's total abortion ban from the Emergency Medical Treatment and Active Labor Act. Idaho has presented the Court with an argument that, if accepted, would dismantle critical patient protections in cases involving severe pregnancy complications.

<u>House Bill 3521</u> (Cassidy-D/Villa-D) would specifically preclude any employee or agent of a hospital affiliate from abusing a patient operated by a hospital affiliate.

<u>House Bill 4589</u> (Hoffman-D/Hastings-D) would require recyclable metal dealers to keep records of the vehicle identification number of the vehicle from which the catalytic converter was removed and any numbers, bar codes, stickers, or other unique markings of the catalytic convertor. It would also require them to obtain and retain a copy of the certificate of title or uniform invoice showing the seller's ownership of the vehicle in transactions involving catalytic converters.

<u>House Bill 4592</u> (Buckner-D/Hastings-D) would enable the Illinois Secretary of State to offer a driver's license or an identification card in an electronic format and would be able to use them in any situation calling for identification. The legislation does not eliminate physical driver's licenses but would allow the state to offer them as a companion to a physical card. Several states, including Arizona, Colorado, Delaware, Florida, Georgia, Iowa, Louisiana, Maryland, Mississippi, Missouri, and Utah already have digital IDs.

<u>House Bill 4621</u> (Sims-D/Slaughter-D) would enhance the Office of Statewide Pretrial Services. The bill will codify the office – initially created by the Illinois Supreme Court – into law, allowing it to provide pretrial services to circuit courts and counties that do not currently have pretrial services agencies. To date, the office has completed 11,932 investigations and 11,607 defendants have been ordered to its supervision. The legislation would ensure the office creates and enforces uniform standards for pretrial services.

<u>House Bill 4623</u> (Gong-Gershowitz-D/Edly-Allen-D) would make "obscene depiction of a purported child" a Class 3 felony for the first offense, targeting AI and "deep fake" porn.

<u>House Bill 4762</u> (Gong-Gershowitz-D/Edly-Allen-D) would order an artist to be represented by legal counsel or labor union when negotiating terms, thus avoiding the potential for a contractor to replace them with Algenerated content in the artist's likeness.

<u>House Bill 4848</u> (Keicher-R/Harriss-R) would create a specific violation for law enforcement to cite when garbage or other debris falls from a truck and litters highways. Each infraction would result in a \$150 ticket.

<u>House Bill 4875</u> (Gong-Gershowitz-D/Edly Allen-D) would grant artists the right to seek legal action if their content is replicated by artificial intelligence without their consent.

House Bill 5047 (Costa Howard-D/Glowiak Hilton-D) would allow advanced practice registered nurses with pending applications to practice under supervision for six months while waiting for the Illinois Department of Financial and Professional Regulation's review of their application. Under current law, this status is revoked after three months. These nurses would need to have completed at least 250 hours of continuing education in their area of certification and have at least 4,000 hours of clinical experience to be applicable for this opportunity.

<u>House Bill 5239</u> (Cassidy-D/Villanueva-D) gives individuals the right to sue for civil damages if their information is improperly disclosed. Further, it gives minors the right to apply for public aid to obtain family planning services without the consent of their parents; and it gives the state exclusive authority to define and regulate "lawful health care activity," prohibiting local units of government from exercising similar authority. This bill is another of several responses Illinois lawmakers have passed in the wake of the U.S. Supreme Court's decision in 2022 that overturned *Roe v. Wade*.

<u>House Bill 5290</u> (Simmons-D/Cassidy-D) creates the Medical Debt Relief Act, which establishes a program to purchase and forgive major medical debt for individuals earning less than 400% of the federal poverty line and their debt is 5% or more of their household income. The new pilot program implements Gov. Pritzker's plan to put \$10 million of state money into partnership with nonprofit "Undue Medical Debt" to erase \$100 million in medical debt for Illinoisans.

<u>House Bill 5296</u> (Faver Dias-D/Villa-D), dubbed the Homeowners' Native Landscaping Act, would prohibit homeowners associations from restricting residents from planting native plants on their property. Associations would still be able to mandate that properties be free from weeds, invasive species, and trash. The homeowner would also need to keep the plants from growing onto common areas or neighboring properties.

House Bill 5371 (A. Williams-D/Fine-D) aims to enhance civil rights protections for people in Illinois and provide important clarifications to existing law. Specifically, it will: align definitions with federal fair housing law; strengthen relief in discriminatory pattern-and-practice determinations by clarifying "per violation" terms and increasing maximum penalty amounts available in court; clarify aggrieved parties have a right to take action to collect judgments; ensure confidential reporting of discrimination and hate incidents through helplines administered by the Illinois Department of Human Resources; and reduce redundancies and improve enforcement processes at the IDHR.

House Bill 5408 (Stephens-R/Harmon-D) would prohibit drivers from stopping or standing their vehicles on shoulders of highways within a one-half mile radius of the eastern entrance to O'Hare International Airport. It also applies to the intersection of Interstates 90 and 294. Anyone in violation of the law would be subject to a citation and a fine of \$100. The bill also will permit the installation of cameras by the Illinois Tollway Authority for the purposes of enforcement, citing a need to properly allocate law enforcement manpower around the airport.

<u>House Bill 5561</u> (Evans, Jr.-D/Castro-D) enhances whistleblower protections by expanding definitions and protected activity and giving the Illinois Attorney General the ability to act on behalf of workers whose employers have retaliated against them for disclosing a dangerous or unlawful practice.

<u>Senate Bill 774</u> (Feigenholtz-D/Gabel-D) provides that a certified medication aide may administer medications under the supervision and delegation of a registered nurse under the auspices of certain state agencies.

<u>Senate Bill 2586</u> (Cunningham-D/Moeller-D) ensures teledentistry meets in-person care standards, including medical history reviews and x-rays; and specifically provides for in-person exams before treatment.

<u>Senate Bill 2641</u> (Holmes-D/Manley-D) provides that, beginning January 1, 2026, every insurer shall demonstrate to the Director of Insurance that each in-network hospital has at least one radiologist, pathologist, anesthesiologist, and emergency room physician as a preferred provider in a network plan.

<u>Senate Bill 2643</u> (D. Turner-D/Gill-D) creates the Integrity in Death Care Act, which outlines new funeral home regulations in response to the mishandling of human remains at the Heinz Funeral Home in Carlinville, Illinois. The legislation would create an identification system for all human remains to ensure funeral homes never mishandle remains again. Under this proposal, anyone intentionally violating preparation room procedures and rules could face a Class 4 felony. People engaging in funeral directing or embalming without a license would be charged with a Class A misdemeanor.

<u>Senate Bill 3077</u> would create a special fund for the Illinois Department of Agriculture to administer the Local Food Infrastructure Grant Program. In its pilot phase, the state awarded \$1.8 million to 19 local farms for a variety of projects, like building a meat processing center and a new kitchen.

<u>Senate Bill 3207</u> (Tracy-R/Frese-R) would allow daycares to operate 24 hours and provide care for children up to 12 hours at a time if their parent has a job requiring regularly scheduled shifts. After 12 hours, there must be a 10-hour waiting period before the kid can return to the daycare center.

<u>Senate Bill 3455</u> (Martwick-D/Canty-D) would allow the Illinois Department of Revenue and the Illinois Department of Economic Development and Opportunity to evaluate the fairness of property taxes across the levy, assessment, appeal, and collection process. Lawmakers on both sides of the aisle hope an independent study of Illinois property taxes can lead to solutions for the broken system.

<u>Senate Bill 3481</u> (Feigenholtz-D/Moeller-D) would require automotive parts recyclers that store over 5,000 kilograms of used electric vehicle batteries -- or approximately 10 EV batteries -- to register with the Illinois Environmental Protection Agency by February 1, 2026.

<u>Senate Bill 3592</u> (Stadelman-D/Vella-D) is referred to as the Strengthening Community Media Act and would require news companies to give written notice 120 days before any sale of the news organization may occur. SB 3592 would also create a Journalism Student Scholarship Program for students who work at a local news organization for at least two years.

<u>Senate Bill 3650</u> (Peters-D/Gonzalez, Jr.-D) prohibits employers from threatening, disciplining, firing, or otherwise retaliating against workers who refuse to attend mandatory workplace meetings focused on communicating opinions on political or religious matters. It will not prohibit employers from holding meetings, only protect workers who choose not to engage in matters unrelated to their work.

# **NOTABLE BILLS HELD**

# Cannabis Omnibus House Bill 2911 (Lightford-D/Ford-D) Passed the Senate

This legislation includes numerous provisions that follow up the legalization of cannabis. The bill would expand craft growers to 14,000 square feet; create needed flexibility for transporters; provide additional support for social equity license holders; update the medical use and cultivation tax section; allow for the prescription of medical cannabis via telehealth; enable curbside pickup and drive through windows at dispensaries; allow

DCEO to use a lottery system to award social equity grants and loans; and establishes standards and market protections against unfair practices.

## Hemp Consumer Products Act House Bill 4293 (Lightford-D/Buckner-D) Passed the Senate

Delta-8 is a synthetic hemp-derived THC intoxicant with serious side effects that often is sold at gas stations and other locations near schools. Under this bill, Delta-8 products would be subject to strict regulations, ultimately keeping kids away from its dangerous effects. Delta 8 has been infiltrating schools and children have been hospitalized due to overdosing on this unregulated product, currently inclusive of industrial hemp. Additionally, the unregulated market has been undermining the hard work of those in the regulated market. The bill will restrict the sale of Delta 8 and THC to state-licensed cannabis dispensaries and put limits on CDB products — which can continue to be sold statewide in any retailer, which will now need to register products with the Department of Agriculture. The regulation of hemp-derived THC products would be similar to how the state regulates cannabis as it relates to taxing, testing, possession limits and more. Importantly, the legislation imposes package and labeling requirements, so the products do not appeal to children and consumers know what they are consuming and prevent deceptive practices.

**Gaming** Senate Bill 327 (Rita-D/Cunningham-D) passed House Exec. Committee — would prohibit wagering at family amusement locations like Dave & Busters; provide for gambling disorder education and prevention; removes various outdated requirements of the Illinois Department of the Lottery; and repeals racing board provisions, among other provisions.

Potawatomi Nation Land Transfer Senate Bill 867 (Walker-D/Guzzardi-D) Passed the Senate; House Bill 4718 (Guzzardi-D) Passed House Exec. Committee — would transfer a 1,500 acre state park in DeKalb County to the Prairie Band Potawatomi Nation. The bill would authorize the state to hand over what is now Shabbona Lake and State Park to the tribe for \$1. It also allows the tribe and the Illinois Department of Natural Resources to enter into a land management agreement under which the land would remain open to the public for recreational use for an unspecified period. The bill would help the Prairie Band Potawatomi Nation expand their newly established reservation in DeKalb County. It advanced out of a House committee, despite concerns about the tribe's long-term plans for the property. The Prairie Band Potawatomi currently operate a hotel and casino complex on their reservation just north of Topeka, Kansas. But tribal chair Joseph "Zeke" Rupnick assured the House Executive Committee that the tribe has no such plans for the property in Illinois. Rupnick insisted that the tribe's immediate plans are to work with IDNR to keep the property open for public recreation.

**Junk Fees** House Bill 4629 (Morgan-D/Aquino-D) *Passed the House* – would require companies to provide consumers with the full price of the provided goods or services, thereby removing back-end, hidden fees.

**Prisoner Review Board Reforms** House Bill 681 Passed the Senate – Amid ongoing controversy with the Illinois Prisoner Review Board, including a recent high-profile tragedy where a young boy was murdered by an offender just days after the offender's release, the Senate passed legislation to reform the controversial body. 76 members of the House have signed on as co-sponsors. Ultimately, the Governor opposed the reforms. The bill would have enhanced protections for victims by ensuring they are notified when prisoners are up for release and by improving the process for filing impact statements. Additionally, the legislation establishes new qualification standards for board members, increases transparency, and creates a task force to examine various issues related to the board.

**Dual Credit** House Bill 5020 (Blair-Sherlock-D/Castro-D) *Passed the House* – seeks to expand access to dual credit programs, which enable high school students to get a jump start on their postsecondary education by providing them with opportunities to earn college credit while simultaneously earning high school credits.

**Pension Reform** – The Governor proposed a plan to increase the statutory funded ratio goal from the current 90% in FY45 to 100% in FY48. In addition, when legacy debts are paid off (\$6 billion bill backlog bonds in FY30 and \$10 billion pension obligation bonds in FY33), half of what was allotted to those bond payments are to be redirected to the state's pension systems as additional payments. The Pritzker administration indicates that this maneuver will save taxpayers an estimated \$5.1 billion by FY45.

**Chicago Bears / White Sox** – Despite lobbying efforts from each professional sports team, the General Assembly did not take up any legislation related to public funding for new stadiums.

**Prescription Drug Affordability Board (PDAB)** House Bill 4472 (Syed-D/Koehler-D) Failed to advance out of committee — Lawmakers have increasingly been interested in lowering prescription drug spending and improving affordability for patients. One approach has been to introducing prescription drug affordability boards at the state level, which would be a government body tasked with price-setting. Ultimately lawmakers were not ready to proceed, expressing concerns about worsening patient access to medications and favoring insurance and not patients.

**Journalism Preservation Act** Senate Bill 3591 (Stadelman-D) Failed to advance out of the Senate – The legislation seeks to address the financial challenges faced by local news publishers in the digital age. It would mandate that major online platforms pay local news publishers for the use of their content. An arbitration process would be set up to determine the appropriate compensation each platform must pay to the news publishers. Opposition expressed concerns about violating the First Amendment and conflicting with the Supremacy Clause.

Car Insurance Rate Review House Bill 4611 (T. Jones-D) Failed to advance out of House Insurance Committee – An initiative of Illinois Secretary of State Alexi Giannoulias would have created a review process for auto insurance rate increases and would have prohibited any practices from insurers that disparately impact customers. This includes practices based on race, color, national or ethnic identity, religion, sex, sexual orientation, disability, gender identity, or gender expression.

**End Subminimum Wage for Tipped Workers** House Bill 5345 (L. Hernandez) *Failed to advance out of the House* — would prohibit businesses from paying employees a subminimum wage and instead have them paid the minimum wage plus tips. The bill encountered resistance from lawmakers and business groups alike who claim it will force them to raise prices to cover the higher wages.

**Wetlands** Senate Bill 771 (Ellman-D) Failed to advance out of the Senate – would grant the state broad authority over potential wetlands following a recent U.S. Supreme Court decision, Sackett v. EPA, which said that the federal EPA had overreached with their wetlands rules. The legislation would grant the state power to determine what is or is not a wetland, and then empower them to create regulations and restrictions for what is done on the property. The legislation also proposed new permitting rules and an appeal process for approved permits. Many organizations, especially age-related groups, strongly opposed the legislation.

Indemnity Fund Reform House Bill 613 (Burke-D) Filed late in session for future negotiations — Current Illinois law gives homeowners with unpaid property taxes a limited period to redeem property by paying off the tax lien. Throughout that redemption process, however, the "debt" continues to grow through the addition of interest and fees. Ultimately, the investor and county can choose to seize the property, evict the residents, and sell the property for full market value. A U.S. Supreme Court decision, Tyler v. Hennepin, purports to declare such "tax sales" in Illinois to be unconstitutional taking of property. A group of Illinois counties argue that the Court's decision does not apply under Illinois law, because Illinois law requires the counties tasked with collecting property taxes to maintain an "indemnity fund" from which homeowners whose homes are seized and sold over delinquent property taxes can sue to recover the equity they may have lost in the tax sale.

Subject matter hearings were conducted in both the House and Senate Revenue committees, and HB 613 was filed in the final days of session to serve as a baseline for negotiations among stakeholders.

**Subminimum Wage for Disabled Workers** House Bill 793 (Mah-D) Passed the House -- would phase out subminimum wage for disabled workers beginning in 2030 -- a timeline that was extended in a late amendment to garner enough House support. It would also create a \$2 million transition fund to partially subsidize providers implementing shelter work alternatives and create a task force comprised of stakeholders to ensure the transition works effectively. The bill also calls for an increase in the personal needs allowance, the amount of money allocated to residents in care facilities they keep for personal use, from \$60 to \$100.

**K-12 403(b) Plans** Senate Bill 2568 / House Bill 341 (Villa-D) Failed to advance out of the Senate — would put new parameters in place for 403(b) plans offered by public school districts, both on the types of 403(b) plans that can be offered and that they must be mutually agreed about by the school district and collective bargaining units. While the bill would allow employees to maintain 403(b) plans to which they are currently contributing, any employees not currently contributing to a 403(b) plan would only be able to choose from 403(b) plans that meet these new requirements. The new parameters are intended to narrow down available options to more fiscally prudent ones. However, up to 90% of the current 403(b) options would be eliminated under this bill, significantly reducing employee choice.

For more information on state legislative and public policy issues, please contact:

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