Spring 2026: End of Session Report
Mac Strategies Group Government Affairs

A lopsided proportion of the Illinois Legislature's work was accomplished in the last weekend of session, and particularly after midnight on Monday, June 1. Whether it was due to misaligned and end-loaded session schedules, the last-minute inclination of human nature, a desire to peel every penny from post-tax filing updated revenue estimates, or the gravity of some of the proposals [and disagreements about them], anyone who clocked out at close of business Friday had a lot to catch up on Monday morning.

Here is a brief recap of the highlights of the 2026 Illinois General Assembly spring session.

The spring session (House, Senate) kicked off in January and concluded just before 5 am on Monday, June 1. Key session deadlines and milestones included:

- Friday, January 16: Bill drafting requests due to the Legislative Reference Bureau
- Week of January 26: Both chambers in district; no session week
- Friday, February 6: Bills must be filed (introduced)
- Wednesday, February 18: Governor's budget address
- Friday, March 13: Deadline for Senate bills to pass out of their Senate (first chamber) committee
- Tuesday, March 17: Primary Election Day
- Friday, March 27: Deadline for House bills to pass out of their House (first chamber) committee
- Week of March 30: Both chambers in district; no session week
- Friday, April 17: Deadline for bills to pass out of their first chamber
- Friday, May 8: Deadline for bills to pass out of their second chamber's committee
- Friday, May 22: Deadline for bills to pass out of their second chamber
- Sunday, May 31: Scheduled session adjournment

State budget

The Republicans poked at the Fiscal Year 2027 (FY '27) [balanced] budget passed by the Democratic supermajority in both chambers as being the largest in state history. The pressure of costs in education, health care and pensions gobble up the bulk of the spending; yet, many other asks consume considerable consternation.

If you recall, the development of the FY '26 budget included 'revenue enhancements' (tax hikes, fund shifts, etc) debated to cover costs needed for both the budget and for the transit package, as well as cuts that were fiercely fought over (e.g. health care coverage for immigrant, non-refugee adults, pay increases for direct support workers, payments for safety-net hospitals, etc). The repetition of some of the proposals muted some of the debate around them, though progressives wanted considerably greater revenues raised on wealthy individuals and companies. The budget, HB 111, provided for $55.94m in spending by relying on $55.95m in revenues, slightly ahead of current-year $55.89m revenues. A notable portion of funds came from FY '26 'surplus' funds. The accompanying budget implementation bill ("BIMP") was in HB 2949.

Revenue enhancements

The revenue omnibus bill, SB 3019, contained these items:

- Social media tax totaling **$200m**, setting charges on a scale based on number of Illinois users, and increasing annually based on inflation, with this money going to K-12 education.
- A tax on cryptocurrency, also known as a digital asset excise tax, which would take 0.2% on digital currencies traded through brokers (not private transactions), estimated to bring in **$60m.**
- Diverting **$125m** from the gasoline sales tax, at a time of gas price increases, from the planned use for Chicago-area mass transit to the state's general revenue fund (or operating budget).
- Passing the state's budget by pulling **$79m** in state sales tax revenue on the sale of candy, soft drinks and grooming products that would otherwise be going to fund capital construction but instead using it for the state's general revenue fund (or operating budget).
- **$3.8m** anticipated to be generated from applying the 45% tax rate subject to tobacco products to those products sold by online sellers or retailers without a brick-and-mortar store in Illinois.
- Changes to net operating loss deductions that are estimated to bring in **$300m** to the state.
- Requiring fantasy sports to be licensed in Illinois and pay a 15% revenue tax to bring in **$5m.**
- Requiring third-party hotel booking sites and short-term rental sites with more than $100k in Illinois revenues to collect and remit the hotel owners' occupation tax, like hotels do.
- Pausing the gas tax increase of 1.3 cents (due to increase to 49.6 cents per gallon) from July 1, 2026 until January 1, 2027, without delaying the next increase due July 1, 2027.

Of the new revenue enhancements enacted, some were created with the anticipation that they may be challenged or overturned in court. If the revenue comes through in future years, they will have those funds to rely upon. If the courts block implementation of these items, they will not have hurt this current year's budget. For that reason and others, a few changes were made with the anticipation that funds would not be received this fiscal year:

- A digital ad tax on companies aimed at large social media or tech companies, culling 10% on gross receipts above $1m annually, with provisions barring individual municipalities from adding their own versions of these taxes. Estimates range wildly, topping out at potentially bringing in **$1b**, when it is in effect, if likely legal challenges fail.
- Sports exchange (prediction market) betting will have a 1.75% tax added up to 5 million wagers per operator per year, and 3.5% per wager above that.
- Decoupling from federal tax breaks on "qualified small business stocks," means that where the federal government made a change forgiving some tax collection, the state would still collect. There are other federal tax changes that the state has not decoupled from. This change does not have an immediate revenue impact, as these stocks have to be held for multiple years.

Spending highlights

Some prominent aspects of the state budget's spending are:

- Local Government Distributive Fund ("LGDF") – the governor proposed a cut of the LGDF percentage rate, as the share of state funds that is send to local governments, but the legislature did not carry out this reduction so the amount of LGDF funds distributed to local governments will increase by $60 million over last fiscal year.
- SNAP – the budget includes a one-time amount of **$70m** to provide a few months coverage (about $400) for low-income residents in Illinois who miss out on federal food assistance due to federal program cuts, rules changes, or missing the window to adhere to new regulations. The fear of the federal cuts has been a dark cloud looming over the state budget, and this is the extent to which the state opted to cover a stopgap, while more cuts or changes are yet to be determined.

- Safety net hospitals – a priority of the Black Caucus was repeating a payment to help safety net hospitals cover costs, even though previous such payments were touted as "one-time-only" or standalone funding, with requirements of partial repayment unfulfilled. This payment may have been part of the debate over the 340B program (see below).
- Back to school sales tax holiday August 7 through 16 for purchases up to $125 per item, where the sales tax is reduced from 6.25% down to 1.25% forgoing about **$10m** in state sales tax revenue.
- **$250m** for housing priorities under the governor's BUILD plan, including housing development, infrastructure and down payment assistance for homebuyers through DCEO and IHDA.
- **$350m** increase in K-12 education funding to meet this year's evidence-based funding goal.

Economic development

The legislature commonly bundles economic development measures into a single omnibus package at the end of the spring session. This year, however, no such measure was enacted by the GA. However, Illinois' research and development tax credit was extended to 2037 and various job training grants were funded once again .

PILOT

A specific new economic development tool was sought by the governor and others, including the Chicago Bears. Megaprojects or payment in lieu of taxes (PILOT) legislation would allow the developer of a large project to directly negotiate its future property taxes with local taxing bodies rather than going through the assessment process. The Village of Arlington Heights, three local school districts, and the Chicago Bears also asked for the opportunity to use this tool so that a new stadium for the team could be built on the vacant 326-acre property where Arlington Racecourse used to sit. While the House passed legislation, HB 910, to create this economic development tool on a statewide basis, including in Arlington Heights, the Senate did not take up that measure. Instead, the Senate passed legislation, HB 958, in the waning hours of session to allow Arlington Heights (or any large municipality) to create its own sports facilities authority to own the stadium. The House did not take up the Senate's bill on concurrence before adjourning.

Springfield

Local Senator Doris Turner (D-Springfield) tried different paths to create a downtown Springfield revitalization center to generate revenue to expand its convention center and build another downtown hotel. HB 4496 passed the Senate on the last night of session. However, the House did not take up the measure before adjourning. Negotiations on this bill continue. The initiative creates a taxing district that would require taxes be raised at hotels in Springfield from both inside and outside the downtown area to help fund these downtown developments.

Junk Fees

For several years lawmakers have worked to address the issue of fees that are perhaps not readily apparent to the consumer being added to the purchase price of a variety of goods and services. Addressing these so-called "junk fees" has been an initiative of Attorney General Kwame Raoul and sponsors in the House and Senate since at least 2024, following then-President Biden popularizing the phrase. Governor Pritzker made the issue a priority in his State of the State address in February. After the Senate passed this language on a different bill (SB 1486) in May 2025, the end result of this collective push was the passage of HB 228 (Morgan/Aquino) this spring. With certain industry-specific exceptions, this bill requires those advertising a good or service to include all mandatory fees associated with the purchase of said good or service up front. The bill was modeled after legislation and subsequent rulemaking in Minnesota. Also, legislative intent was read on the House floor confirming that "avoidable" fees are not subject to this measure.

AI

Artificial intelligence is a growing part of everyday life. A desire to regulate it in states is growing, too. SB 315 (Edly-Allen) creates a general framework for large scale or "large frontier" AI developers to provide and publish regular safety audits to assess catastrophic risk and create plans to address such negative outcomes should they occur. The measure is largely patterned after legislation in New York and California.

SB 318 (Stadelman/Syed) prohibits the use of bots to purchase tickets online. The measure passed both chambers. It partnered with HB 4984 (Stadelman/Syed) to stop 'ghost tickets' by barring sellers from selling or offering tickets they don't actually have.

Other AI measures, including SB 317 (Ventura), requiring notice if using a conversational customer service AI system, passed one chamber but not the second.

Algorithmic Pricing

HB 4248 (Hirschauer) sought to bar "surveillance pricing" by prohibiting the use of algorithmic information to set individual pricing. Extensive negotiations resulted in making the bill more workable, including acknowledgement of loyalty programs and other business-related impacts not directly implicated in the activities the sponsor seeks to ban. The measure passed the House but was unable to pass the Senate by the end of session.

While much was done in this space this session, we fully expect this to be a hot issue for future legislation as AI grows in prominence in our lives.

Data Centers

As we entered 2026, addressing impediments to building more data centers in Illinois was labor's top legislative priority. However, those goals ran counter to the view of other top statehouse influencers: the environmental NGOs and the trial lawyers. Then, Gov. Pritzker announced his intention to seek legislation to temporarily halt the state's data center development tax credit in his annual address.

Specifically, labor sought clarification that the state's Biometric Information Privacy Act (BIPA) does not apply to data centers. The Illinois Trial Lawyers Association hotly opposed such a clarification. Ultimately, no action was taken on BIPA reform.

Also, environmental groups want to regulate data centers. They supported HB 5513 (Gabel) the "Power Act" to require data centers to provide their own renewable energy and water, report on their usage of same, and pay into local funds for energy assistance and environment justice. Like all issues on data centers this session, this bill did not advance. Although the governor announced after session that his administration would stop approving data center permits beginning on July 1.

For now, this battle of statehouse titans has played to a draw. However, we expect action on these issues in Veto and Lame Duck Sessions before this General Assembly draws to a close next January.

Energy
For the first year in a while, energy hardly qualifies as a category of major interest this session. This is in large part due to the fact the aforementioned battle on data centers and that the General Assembly passed the Clean and Reliable Grid Affordability Act ("CRGA") last fall. HB 1700 (Stadelman/Williams) was a narrow, trailer bill to CRGA. It places a requirement for project labor agreements for certain battery storage, wind, and solar projects that receive state funding. The bill also clarifies the Illinois Commerce Commission's authority around renewable review. The bill does not change any of the dates in the CEJA bill passed in 2021.

Governor's initiatives
Hemp
In a rare showing of disunity among the Democratic members of the Illinois House and the Democratic governor, a proposal to regulate hemp products was the subject of a hot internal debate that escalated to name-calling a few years ago. This rift was seemingly put to bed by further work on this topic, melding hemp regulations with a larger package of modernizations to the state's cannabis law in the passage of SB 3222. This bill reacts to the federal government's changes to regulate intoxicating hemp and the federal rescheduling of medical cannabis from a Schedule 1 to a Schedule 3 controlled substance. Hemp products containing intoxicating THC will now be restricted to sell and market only to those age 21 and above, like cannabis. The bill also makes changes in the cannabis market, including allowing medical cannabis patients to purchase from recreational dispensaries, increasing infuser licenses and grow space, changing security requirements, enabling short-term warehousing 'transfer sites' to legally allow movement of products, and creating registration processes for sellers of CBD products.

Cell phones in schools
Another proposal the governor issued last year was also resolved by the passage of SB 2427. A "bell-to-bell" ban, the bill bars students from accessing cell phones during class time but allows for schools to set policies to allow access during breaks or between classes. There are also a series of exceptions for students with special needs who could benefit from additional access, those who serve as caregivers, or other situations where access may be needed. It provides flexibility for local school policies, while setting the floor for a statewide standard.

Protecting kids online
Soon, the governor will have on his desk HB 5511 (Gong-Gershowitz/Preston) which adds protections to kids' use of social media, including requiring device manufacturers to have age input upon device set-up and, for minors, requiring social media companies to restrict 'scrolling' or continuous, automatic feeds of new posts, block notifications during night-time hours, and require parental approval of purchases on the basis of that age.

Home and car insurance policy
To the chagrin of lawmakers representing the companies' headquarters, the governor called out one of the state's largest insurers on home insurance rate increases of over 25% in his annual address. State Farm was not the only company facing the pressures of rising costs, increasing frequency of natural disasters, and greater unpredictable liabilities, yet the company's choice to endure several unprofitable years several years in a row and then make a large rate increase made them a visible target. SB 714 for auto insurance and HB 4273 for single-family home insurance will add a type of state review of price increases that most other states have, but it is debatable how much ability Illinois will have to block rate increases that are justified by the market and mother nature within the state's boundaries.

Housing

In his February budget address (see text here), Governor Pritzker touted a housing agenda, "Building Up Illinois Developments (BUILD)" focused on countering the rise in costs facing renters, homeowners and home building. This agenda primarily consisted of proposals aimed at circumventing existing zoning rules to add multi-family housing to lots that are zoned single-family, superseding local permitting processes to expedite reviews and approvals, and expanding the use of accessory dwelling units (ADUs). The package was introduced in the House in one bill, HB 5626 (Buckner), and individually in separate bills in the Senate. It faced difficulty gaining traction, as even among the House Democratic Caucus, some lawmakers whose districts face different housing dynamics (such as greater density, displacement or gentrification) were resistant to some portions from the start. Furthermore, the logistics of local regulations are complex, and communities value local input. Local officials raised out in opposition, and some lawmakers were sympathetic to the call for retaining the ability of communities to make some housing decisions to fit their needs. The details of local infrastructure and resources proved complicated.

To oppose the effect of the BUILD plan in tying the hands of local municipalities to govern housing development and permitting, the Illinois Municipal League released a housing plan of its own, entitled the "Reducing Expenses and Advancing Local" (REAL) Housing Act. Among the couple-dozen provisions included caps on realtor fees, incentive funding for municipalities that increase affordable housing, a proposal for greater state funds if locals use a portion to offset property taxes, rent control by local referendum, algorithmic restrictions and restrictions on rental fees.

The chambers held public hearings on the BUILD plan, and discussions revealed the policies needed more development. As deadlines approached, the Senate re-introduced some of these pieces on new bills, as well as other housing bills that Senators were sponsoring, keeping them afloat through the latter weeks of session. However, none of the Governor's BUILD plan's substantive components passed. [As mentioned above,] the budget included $250 million for housing development, related infrastructure, and homebuyer assistance. While the governor was not successful in this key policy initiative, this is likely to be an ongoing conversation, as lawmakers share an interest in passing policies to increase the availability and affordability of housing.

Tax sales

Illinois is the last state to act in response to a U.S. Supreme Court ruling from a few years ago (in a case is called Tyler v. Hennepin County, Minnesota) mandating that in cases of property tax payment default where a home is seized, the homeowners are entitled to regain equity from a sale above the owed amount. In Cook County, this is made particularly difficult by the tax lien process currently in place, the desire to use the pressure that tax buyers [and interest charges] create to incentivize late payments, and the political pain of transitioning to a system where properties are sold away from buyers without the cover of a lien process. While the changes in HB 4537 apply statewide, Cook County will take the added step of standing up a process to purchase and sell the properties, rather than ceding that role to private buyers, with the added grace of an extended three years to catch up on payments.

Health care

340B

Arguably one of the hottest head-to-head battles between powerful lobbying groups in the Statehouse for the last few years has been the debate over the 340B program which provides discounts on prescription drugs to hospitals. Hospitals and FQHCs (federally qualified health centers) view the program as essential and under threat due to federal changes and cite studies showing its effectiveness and the negative impact on people in need that would result if the program is allowed to be limited. Pharma companies argue the program has experienced scope creep beyond the original intention of lower payments to help safety net healthcare providers manage costs for patients cover by Medicare and Medicaid, and that funds are not being used as intended. They have sought to utilize the federal changes to limit the contract pharmacies that hospitals can use to avail themselves of this program to mitigate the increased utilization hitting their bottom line. Needless to say, it's a complex issue with many ripple effects. The intense efforts to sway legislators both with innumerable visits to Springfield and other tactics like regional town hall meetings resulted in something of a compromise.

It seems that nearly everyone could get behind an audit of the program, which passed with over 100 votes in support as HB 4327 (Lilly). It mandates creation of a report on the effect of the 340B program on state group health insurance, requires added data collection, sets parameters for core use of the program and appeals to concerns by the Black Caucus and others by creating a "health equity omnibus framework" and a Vulnerable Community Capital Investment Fund.

Mollified by the passage of that 'companion bill, a majority of the legislature went on to approve HB 2371 (Moeller) blocking limitations on the program with the belief that further conversations could be had, depending on what the data and audits reveal.

Health Data Privacy

Legislation was passed to regulate the topic of health data privacy. This has been discussed and negotiated for at least the past three years, motivated out of concerns based on both the proliferation of technology touching on personal health data, such as apps, but also due to the intersection of health data and controversial topics like abortion and gender-affirming care that are managed so differently between 'red' and 'blue' states. Democratic lawmakers, including those who are members of a pro-choice "Dobbs" working group in the House Democratic caucus, have proposed ways to protect the identification of individuals who seek reproductive health care including abortion and transgender care including medication and surgical procedures. They are concerned with laws in states that bar these procedures or that would go so far as to penalize those who seek it. HB 5295 (Canty / Villanueva) passed, with the goal of blocking use of select medications or surgeries from the medical records of recipients. Those patients can choose to share that medical history with providers, but it would not be immediately evident to future caregivers. Opponents are concerned with the ability of health care providers to assess conditions and offer safe and effective health care remedies without knowledge of the full scope of patients' past or current conditions and treatments. Additionally, companies managing electronic health care records and their transmission raise flags about the technological limitations of editing or partially shielding some information without having to insert more eyes into the records to discern what now can or cannot be shared. Proponents argue that providers currently care for patients who are unable or unwilling to share all information accurately, and that the clinical risks and logistics hurdles are outweighed by the ability to protect these patients from punitive legal restrictions.

PDAB

What could be more in line with the affordability mantra on the minds of voters (and politicians) this year than a Prescription Drug Advisory Board (PDAB)? However, this effort stalled out after intense effort and multiple amendments, starting on HB 1443 and SB 66 last session, with a late-session attempt on SB 3456 that did pass one chamber. The concept of a PDAB is to have a body conduct 'affordability reviews' of select prescriptions and set price ceilings on expensive prescription drugs. Opponents argue that the federal government has a similar effort in motion, which could be conflicting, and the state of Colorado has had a PDAB enacted for quite a while but has had difficulty and delays in implementing it.

They argue the effect of capping some drugs' costs, may mean increasing costs for consumers on other prescriptions and reduce the capability of companies to perform research and development of new treatments.

Medicaid Omnibus

The legislature passed a Medicaid omnibus bill this year, in SB 3365. Much of the bipartisan working group's discussions centered on reacting to significant uncertainty from federal Medicaid cuts and increasing pressure on hospitals, behavioral health providers, and community health centers in Illinois. Among many provisions, it:

- creates a distressed hospital loan program to help financially struggling hospitals remain open to continue to serve their communities with enhanced financial reporting requirements to the state,
- helps preserve safety net hospitals, which provide critical care for low-income and underserved patients,
- increases support for adult day services, dementia care, developmental disability services, behavioral health programs, and nursing home staffing improvements,
- expands access to seizure detection devices, telehealth intensive outpatient mental health treatment and predictive testing for birth and preeclampsia,
- supports community-based care by improving reimbursement for providing serving seniors, individuals with disabilities, and those with serious mental illness,
- provides tools to help individuals reenter society after incarceration by allowing Medicaid-funded pre-release services and healthcare coordination,
- codifies Medicaid coverage for individuals with sickle cell disease,
- preserves protections and continuity of care for seniors and people with disabilities who are enrolled in both Medicare and Medicaid, and
- includes language to comply with federal H.R. 1 requirements.

Ethics

- An elections omnibus bill was proposed to make some changes to state law regarding state elections and lawmaker ethics statutes (in amendments to HB 1832). These topics tend to get lumped together to make tweaks and clean-ups, as well as to give lawmakers the ability to tout some progress on ethics regulations. Topics considered included reacting to the federal government's proposal to limit counting ballots after election day. However, a package ultimately did not pass.

A Look Ahead

Now that the spring session has adjourned, the legislators' attention will turn to the upcoming general election on Tuesday, November 3.

The fall veto session is scheduled the weeks before and after Thanksgiving: Tuesday, November 17 through Thursday, November 19 and Tuesday, December 1 through Thursday, December 3 (House, Senate). As in past years where the current Democratic governor has been in office alongside Democratic supermajority chambers, it is unlikely that there will be many, if any, actual vetoes to address during this session. However, lawmakers enjoy the opportunity to advance legislative proposals at any chance and would be expected to meet and take votes regardless of actual vetoes.

The constitution sets the date for the inauguration of the next General Assembly class on the second Wednesday in January, after its composition is determined by the election. As mentioned, because lawmakers are often interested in taking advantage of opportunities to move proposals forward, it is possible they will hold a ‘lame duck session’ in the preceding few days. Exiting lawmakers, who are either retiring or were defeated in the election, sometimes feel more free to vote for controversial topics during such a session. An advantage exists over veto session because rules allow for lower vote requirements in lame duck session (after the new year) for new laws with an immediate effective date, than a vote during the fall veto session requires. No major proposals, such as tax increases, are anticipated at this point, but the opportunity remains tempting for lawmakers to convene.

Chicagoland Apartment Association

This was, yet another, incredibly busy session for legislation of interest to the Chicagoland Apartment Association. With gubernatorial attention on housing proposals, as well as unceasing pursuit by tenant advocates to instate rent control in Illinois, there was a plethora of bills to track and work on your behalf. Here is a quick score card:

- Rent control: did not pass
    - There were several version introduced, one which passed committee and fought hard and repeatedly for a House floor vote that we had to fight against, and a second that was live until the end of session.
- Landlord/ tenant fees & trailer bill: passed
    - The final version of HB 3564 that CAA was neutral on passed, as well as a follow-up (“trailer”) bill to push out its effective date until January 1, 2027 was successful.
- Corporate ownership tax / ROFR: did not pass
    - These bills remain a threat, as they passed the Senate and could quickly be approved by the House in an upcoming session.
- Plug-in solar: did not pass
    - Technical complications stalled this bill it is chamber of origin.
- Fuel-gas detector: did not pass
    - This bill remain a threat, as it passed the House, gained a lot of co-sponsors, and could quickly be approved by the Senate in an upcoming session. However, there have been doubt raised by the details, giving room to keep pushing back.

As always, we will provide more detailed reporting on bills of interest. As you can see from this list, we were successful in stopping or neutralizing some of the legislation of greatest concern this session.

We consider it a privilege to ride the waves of the legislative seasons on your behalf and advocate for your concerns before state government. We hope this update has been helpful and look forward to what we take on together next.