

2024 SPRING SESSION SUMMARY

The 2024 spring session officially wrapped just before 5:00 a.m. on Wednesday, May 29, after over 15 hours of continuous House committee and floor action culminating in passage of the FY25 budget package. The Senate had remained in Springfield after missing its self-imposed May 24 adjournment deadline and passed the budget on Sunday, May 26. After observing Memorial Day in their districts, the House returned to Springfield on Tuesday in order to vote on the budget package on Wednesday (so as to fulfill the requirement that a bill must be read into the record on three separate days before a chamber vote) before adjourning.

In total, members of the General Assembly introduced 2,855 bills (1,542 in the House and 1,313 in the Senate); of which 469 (or 16%) were approved by both chambers. Governor Pritzker signed the FY25 budget into law on June 5. Highlights of the FY25 budget include:

- Largest spending plan in state history at \$53.1 billion
- \$1.2 billion in revenue enhancements
- Economic development incentive package estimated to generate \$21 billion in investment over 30 years
- Elimination of the state grocery tax

Aside from the budget, healthcare seemed the overarching focus of the 2024 spring session; the General Assembly passed major healthcare initiatives including Governor Pritzker's insurance reforms, targeted Medicaid rate increases (including mental health services), creation of a statewide medical debt relief pilot program, and stronger penalties against physicians found abusing patients.

Senators and Representatives now return to their districts and turn their collective focus to the General Election. Summer and fall will be devoted to the upcoming national conventions, constituent services, campaigning, and fundraising. Just after the Nov. 5 election, the General Assembly will return to Springfield for veto session. Both chambers will meet Nov 12-14 and Nov 19-21 before adjourning for the calendar year.

FY25 Budget Package

FY25 budget is the sixth budget enacted under Gov. Pritzker and is the largest spending plan in state history at \$53.1 billion in spending authority.

Revenue estimates at the time of Gov. Pritzker's February budget address indicated that if revenues stayed at status quo, FY25 would run a deficit of \$800 million. During his address, the Governor proposed \$1.0 billion in various revenue enhancements to fill the estimated budget gap. Despite pushback by moderate Democrats in both chambers to many of the proposed enhancements, the final FY25 budget approved by the General Assembly went beyond Gov. Pritzker's proposal, with revenue enhancements totaling \$1.2 billion. Negotiated versions of several of Gov. Pritzker's proposals were contained in the

final budget, including elimination of the statewide 1% grocery tax, \$500 million for quantum computing incentives, creation of a new Department of Early Childhood, and a state-level child tax credit for eligible parents of children under 12.

A brief summary of the full FY25 budget package:

SB 251 – State Budget & Capital Appropriations

- \$53.1 billion in total state spending authority.
- Over \$500 million in increased education funding (early childhood, K-12, and higher-ed).
- \$14 million to fund creation of the new Department of Early Childhood.
- \$50 million for the new state child tax credit.
- \$290 million to Home Illinois to work towards ending homelessness in Illinois.
- Full payment to state pensions.
- Fully funds Medicaid rate increase for Illinois hospitals.
- \$3.5 billion for capital projects including \$500 million for quantum computing development and \$400 million dedicated for local road projects.

HB 4959 – Budget Implementation (BIMP)

- Includes various substantive law changes to implement new/update existing programs, based on appropriations in SB 251.
- Creates new Department of Early Childhood and details its oversight and authority.
- Codifies the DCEO Projects Fund.
- Permits IDOT to use the road fund to pay past transit grants for reduced fare subsidy grants (RTA) and Amtrak subsidies.
- Allows Comptroller to frontload pension payments when additional cash is on hand.
- Imposes new monthly reporting requirements for GOMB.
- Creates the Professional Licensure Fund for IDFPR's electronic licensing system overhaul.
- Allows law enforcement to use grant money to lease cameras (as opposed to only purchase).
- Requires TRS to offer vision and dental insurance to retired members starting July 1.
- Allows downstate and Chicago retired teachers to return to work without affecting their pensions.

HB 4591 – Revenue

- Estimated to generate \$1.2 billion in annual revenues.
- Creates new state child tax credit.
- Increases tax rate on sports betting and video gaming wagers.
- Extends the limit on the Corporate Net Operating Loss Deduction (set to expire 2024) but increases the cap to \$500,000 in allowable loss.
- Caps retailer's discount on sales tax collections to \$1,000 per month.
- Maintains the standard income tax credit at \$2,550 (no inflation adjustment).

HB 4582 – Bonding Authority

- Total bonding authority increase of \$7.988 billion for housing and capital construction projects.
- \$4.3 billion in additional bonding for Illinois Housing Development Authority.
- \$2.35 billion for state/local capital projects (non-school).
- \$1.33 billion for school construction projects.

HB 5005 – Economic Development

- Incentive package estimated to generate \$21 billion in investments over 30 years
- Creates quantum computing campus incentive program.
- Grants incentive eligibility to grocery stores located in a High Impact Business district.
- Allows property tax abatements from overlapping taxing districts for electric vehicle facilities.
- Extends state research and development tax credit.
- Imposes new fee on recipients of Illinois Film Tax Credit.

HB 3144 – Local Government

- Eliminates 1% statewide grocery tax, effective January 1, 2026.
- Authorizes both home rule and non-home rule municipalities to impose a local 1% grocery tax without a referendum, effective on or after January 1, 2026.
- Allows non-home rule municipalities to impose existing local sales tax without a referendum.
- Increases the prepaid wireless 911 surcharge from 3% per retail transaction to 9% per retail transaction for municipalities with a population over 500,000.
- Expands the prepaid wireless telecommunications service charge to prepaid plans.
- Allows Sangamon County to impose by ordinance a tax of up to 3% on renting, leasing, or letting rooms in hotels countywide.

Major Healthcare Initiatives

SB 3268 – Medicaid

- Authorizes various rate increases including dentistry, psychiatry, dialysis, prosthetics, children's health centers, and birthing centers.
- Adds low volume adjustment for safety net hospitals.
- Places the University of Illinois Chicago Hospital, recently designated a safety net hospital, in the acute pool (rather than the safety net pool) for assessment purposes.
- Increases the monthly personal needs allowance for supportive living residents.
- Eliminates prior authorization for adults on Medicaid seeking serious mental healthcare.
- Creates a gold card for physicians and a new stabilization window to streamline prior authorization for emergency services.
- Creates new transparency requirements for pharmacy benefit managers.
- Expands pharmacists' allowable activities in Illinois (allows pharmacists to test for RSV, Group A strep, SARS COV2, head lice, and influenza).

HB 5395 – Healthcare Protection Act

- Contains Gov. Pritzker's proposed healthcare reforms and recommendations from the Medicaid Working Group.
- Bans step therapy for prescription medications.
- Prohibits prior authorization for inpatient mental health care in a hospital setting.
- Creates statewide standards on clinical criteria when performing utilization reviews.
- Requires insurers to publicly list all treatments that require prior authorization.
- Strengthens regulations on "ghost networks."
- Establishes rate reviews for large group health plans.

HB 5290 – Medical Debt Relief Pilot Program

- Allocates \$10 million to target \$100 million in medical debt forgiveness for qualified residents
- Eligible individuals must have a household income below 400% of the Federal Poverty Level and have medical debt amounting to 5% or more of their household income.
- Requires HFS to review and award relief to qualified applicants and mandates annual reports on the program's progress and outcomes.
- Authorizes a third-party nonprofit to negotiate the sale of “bad” medical debt, which will then be cancelled.

Other Major Legislative Initiatives

HB 2911 – Cannabis

- Increases allowable area to 14,000 square feet for craft growers.
- Creates new consolidated transport center license.
- Requires the Dept. of Ag to maintain a list of dispensing organizations with non-payment for goods or services.
- Allows for prescription via telehealth.
- Removes excluded offenses that prohibit someone from working in a medical cannabis facility.
- Allows curbside pickup and drive through windows at all dispensaries.
- Expands allowable HVAC equipment requirements.
- Allows DCEO to use a lottery to award social equity grants and loans.
- Currently held in House on concurrence.

SB 1996 – Workers’ Compensation

- Increases the IL Workers’ Compensation Commission Operations Surcharge (paid by employers) from 1.01% to 1.092%, effective July 1, 2024.
- Increases the IL WCC Rate Adjustment Fund surcharge (paid by employers) to 1.375%, effective July 15, 2024.
- Intended as one-time increases to cover current funding shortfall; discussions will continue to identify a more sustainable and permanent fix to fund the Commission.

SB 2979 – Biometric Information Privacy Act (BIPA) Reform

- Limits damages to one violation per individual (rather than each instance).
- Updates definition of “written release” to include an electronic signature on consent forms.
- Changes do not apply retroactively.

SB 1289 – Carbon Capture

- Enacts a moratorium on new pipeline projects until the federal Pipeline and Hazardous Materials Safety Administration adopts its final pipeline safety rules or until after July 1, 2026.
- Outlines rules for ownership, damage compensation, and rights related to pore space, and stipulates emergency services personnel receive training and support for incidents involving carbon dioxide pipelines and storage.
- Clarifies conditions under which the Illinois Commerce Commission may authorize carbon dioxide pipeline construction and operation including comprehensive public engagement, emergency planning, and adherence to federal safety rules.

- Allows the ICC to set fees for pipeline operators and updates the Environmental Protection Act to regulate carbon dioxide injection and storage.

Looking Ahead

Over the summer months, the Republican Party will prepare for its national convention in July (held in Milwaukee, WI) and the Democratic Party will prepare for its national convention in August (held in Chicago, IL). The General Assembly has scheduled the two-week veto session to convene on Nov. 12-14 and Nov. 19-21 (after the Nov. 5 general election). Legislative discussions over the summer months, to prepare for the veto or lame duck sessions, are expected to include the following issues: (a) supplemental budget appropriations legislation; (b) renewable energy policy to ensure reliability of Illinois' electric grid; (c) gaming; (d) reforms to state/local Tier 2 pension plans; and (e) authorizing assisted suicide in Illinois.