



## NAIFA IL Legislative Update

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### **104<sup>TH</sup> ILLINOIS GENERAL ASSEMBLY:**

The Illinois General Assembly stands adjourned for the week. The House will return to session Tuesday, March 11th through Thursday, March 13th. The Senate is off next week.

Two weeks remain to consider legislation at the committee level; Friday, March 21st is the deadline to pass substantive legislation out of committee in the first chamber. With the Senate not in session next week, it will have only one week to consider Senate Bills at the committee level. A list of upcoming House hearings is [here](#).

As of now, there are 1,427 House Bills pending in the House Rules Committee and 1,838 Senate Bills pending in the Senate Assignments Committee. Considering the upcoming committee deadline, the current pace of bill passage out of committees, and the number of bills pending, deadline extensions are more than probable.

Only 98 bills advanced out of committees this week with 58 House Bills and 40 Senate Bills moving to the full chamber.

### **Rate Review Update**

This week, the Illinois Insurance Association (IIA), the National Association of Mutual Insurance Companies (NAMIC), the American Property and Casualty Insurance Association (APCIA), and the Big I IL submitted questions for review and consideration to the Department of Insurance and Sen. Mike Hastings regarding [SB 268](#). Stakeholders plan on meeting with the Department and sponsor next week to discuss the issue further and receive feedback on our submitted questions.

### **Insurance Committees**

The House and Senate Insurance Committees both met this week. In the House Insurance Committee, they passed four bills out of committee. [HB 1782](#), a bill to increase the fee for out-of-state CE providers. [HB 2425](#) a bill to prevent life insurance companies from discriminating

against people with a felony from receiving burial insurance. The bill was passed on a partisan roll call but will be held and come back to the committee with an agreed amendment. [HB 1141](#) a bill concerning covering general anesthesia regardless of duration came back to the committee with an agreed amendment and passed unanimously. [HB 1076](#) a bill concerning allergenic supplement coverage passed on partisan roll call.

In the Senate, [SB 69](#) a bill concerning health insurance coverage for medically necessary riding therapy passed. [SB 2105](#) the Department of Insurance's bill for easy enrollment for the forthcoming State Based Exchange passed unanimously. Additionally, two bills were heard on subject matter only discussion. [SB 1238](#) a bill concerning non-opioid alternatives cannot be denied in favor of opioid treatment. [SB 40](#) a bill that would require all insurance plans to cover stuttering.

### **Bills in Other Committees**

Because some 3.4 million Illinoisans are covered by Medicaid, a subject matter hearing was held on potential federal cuts to the program and possible impacts on enrollees. The House Appropriations Health and Human Services Committee conducted the hearing; read more [here](#).

In other legislative news, Speaker Emanuel 'Chris' Welch created two additional working groups to lead House Democrats' work on property tax relief and reform, and sustainability and economic security in state pensions.

The Property Tax Working Group will be chaired by Representative Jehan Gordon-Booth. Other members include Representatives Mary Beth Canty, Anthony DeLuca, Marti Deuter, Daniel Didech, Norma Hernandez, Tracy Katz Muhl, Suzanne Ness, Abdelnasser Rashid, Nabeela Syed, and Curtis Tarver II.

Representative Jay Hoffman will chair the Pensions Working Group. Serving with him are Representatives Dagmara 'Dee' Avelar, Angelica Guerrero-Cuellar, Thaddeus Jones, Mike Kelly, Stephanie Kifowit, Justin Slaughter, Dave Vella, and Janet Yang Rohr.

Barrington Hills Trustee Darby Hills was named the new state senator for the 26th District on Friday, February 28th -- for the second time in a month. Republican Party leaders representing the district selected Hills to succeed Republican Dan McConchie of Hawthorn Woods, who resigned on February 2nd.

Plaintiff Brittany Colatorti alleged that Hills lacked sufficient Republican Party activity and hence was ineligible for the appointment. In response, Lake County Republican Party Chair Keith Brin, who led the legislative committee that met last Friday, appointed Hills to an open Republican precinct committee post in an effort to boost her GOP credentials.

Senator Hills will serve as Minority Spokesperson for the Child Welfare Committee, as well as sit on the Commerce, Consumer Protection, Judiciary, and Transportation committees.

**2025 Spring Session Key Dates and Deadlines:**

March 21: Deadline – Committee Deadline Both Chambers

April 11: Deadline – Third Reading Deadline Both Chambers

May 9: Deadline – Committee Deadline Bills in Opposite Chamber

May 23: Deadline – Third Reading Deadline Bills in Opposite Chamber

May 31: Adjournment

**GOVERNOR’S HIGHLIGHTS:**

**Governor Pritzker Responds to Tariffs:** Democratic Governor JB Pritzker issued a statement regarding President Trump’s tariffs plan. Pritzker noted “Trump’s Tax on Working Families will have a devastating impact on Illinois’ manufacturing and agriculture sectors and will hurt hardworking Illinoisans at the grocery store checkout, on their utility bills, and at the gas pump. I have spent the past few weeks talking with farmers, manufacturers, and even breweries who have been preparing to reduce production and raise prices – actions that may have ripple effects for supply chains in Illinois and across the country.

He further said, “Donald Trump swore to bring down costs on Day One. Instead, he’s taxing working families while embarrassing America on the world stage. I will be staying in close contact with representatives from Canada and Mexico to emphasize Illinois’ commitment to an ongoing trade partnership, and I will not stop fighting to ensure Illinoisans get a fair deal for our economy and our families.” Read the full statement [here](#).

**Wieland’s Celebrates Ground Breaking:** A groundbreaking ceremony was held this week for an East Alton facility. Wieland Rolled Products North America was joined by Governor Pritzker, representatives from the Illinois Department of Commerce and Economic Opportunity, and others to mark the company’s \$500 million investment that will retain 800 jobs statewide. The modernization project will install a new state-of-the-art hot rolling mill for increased production of critical copper and copper alloy components used in electric vehicles (EVs), EV charging infrastructure, and renewable energy. This investment supports Illinois’ clean energy economy. Read more [here](#).

**OTHER NEWS:**

**CGFA Revised FY 25 Revenue Estimate:** The Commission on Government Forecasting and Accountability issued a revised revenue estimate for the current fiscal year which ends June 30th. In total, the agency is upwardly recasting by \$333 million (0.6%) its General Funds revenue outlook -- now expected to come in at \$53.614 billion rather than \$53.281 billion. The overall pace of revenues remains on track to meet or slightly exceed the enacted revenue assumptions, CGFA reports, but the performance of individual sources has been mixed. For example, due to moderate employment and wage growth, Personal Income Tax exceeded

expectations, up 7.2% through February, with increases also being seen in business-related tax revenues from Pass-through Entity payments. However, this also led to underperformance in Corporate Income Tax receipts. The result: CGFA is increasing its Personal Income Tax projection by \$1.217 billion but lowering by \$655 million the Corporate Income Tax estimate.

Underperformance this fiscal year is also being seen in Sales Tax receipts (down 0.6% through February), prompting a \$363 million downward revision. But adjustments in other areas, such as an upward revision in Interest on State Funds & Investments, have resulted in a net increase of \$215 million.

Because the Transfers In category has delivered slightly disappointing numbers, a \$219 million downward adjustment has been applied to it. With respect to Federal Sources, though, CGFA projects that numbers are on pace to surpass the May projection and thus should yield a \$73 million increase. Additionally, \$65 million in one-time federal stimulus-related money was received earlier this fiscal year.

Some different stances on revenue estimates are taken by the Governor's Office of Management and Budget (GOMB). In its FY 2026 Budget Book, GOMB revised its FY 2025 General Funds outlook, projecting total revenue of \$53.900 billion. This figure exceeds by \$619 million the FY 2025 Enacted Budget's assumed revenue of \$53.281 billion. However, CGFA's March 2025 estimate of \$53.582 billion is \$286 million (or -0.5% ) lower than what GOMB put forth in its February 2025 revised forecast.

Key differences in the revenue estimates include:

- Both CGFA and GOMB have significantly increased the Personal Income Tax (net) forecast due to year-to-date growth. CGFA's adjustment is \$22 million lower than GOMB's, but this variance (-0.1%) is negligible given the size of this revenue source.
- CGFA also has a lower projection than GOMB for the Corporate Income Tax (net), to the tune of \$177 million. This difference likely stems from CGFA's inclusion of notable declines observed in January and February actuals in its estimate.
- Both CGFA and GOMB have also revised down their Sales Tax (net) estimates due to subpar year-to-date performance, with CGFA projections coming in at \$152 million less than GOMB's.
- CGFA did have more optimism than GOMB about expected performance in the category of All Other State Sources. CGFA's projections reflect a combined \$60 million higher than GOMB's, primarily due to higher projections for interest income and insurance taxes.
- The downward adjustments for Transfers In are nearly identical, with CGFA's revised forecast just \$5 million higher than GOMB's.

- At this time, the Commission is adopting GOMB's FY 2025 Federal Sources figure. Both agencies include the one-time deposit of \$65 million in ARPA receipts in the overall total.

Read more [here](#) and [here](#).

**CGFA FY 26 Revenue Estimate:** Also rolled out this month was CGFA's FY 2026 General Funds revenue projection, estimating total revenues of \$54.224 billion -- a \$610 million bump up from what CGFA offered in its revised FY 2025 forecast (which was \$53.614 billion). Removing the estimated \$65 million in non-base sources in FY 2025, the Commission expects base revenues to see a slightly higher gain of \$675 million in FY 2026.

The following factored into CGFA's projections:

- Employment growth with higher wages should boost Personal Income Tax revenues by \$521 million (+1.9%) in FY 2026, primarily due to \$500 million fewer "true-up" receipts than in FY 2025.
- Corporate Income Tax is expected to rise by \$58 million in FY 2026, thanks to fewer reallocated business tax receipts.
- Sales tax revenue growth will improve slightly over FY 2025 but with more diverted to the Road Fund, resulting in an overall net decrease of \$85 million.
- Other State sources are projected to decline by \$120 million -- a downturn pinned on lower interest rates, increased Corporate Franchise Tax exemptions, and reduced Insurance, Public Utility, and Cigarette taxes, offset partially by Estate Tax and other sources.
- Transfers In are expected to increase by \$128 million, mainly from higher Sports Wagering taxes and new casino developments.
- Federal Sources estimate shows a \$173 million growth based on anticipated federal matching spending.
- No "one-time revenues" are included in the FY 2026 forecast.

Again, CGFA's revenue projections for next fiscal year differ from GOMB's. According to GOMB, \$55.453 billion in General Funds revenue is anticipated, while CGFA is projecting \$54.224 billion in this category (a \$1.229 billion difference). Accounting for the variance: CGFA's estimate is based on current law, while GOMB's projection includes some \$492 million in net revenue adjustments that would require changes to State law.

- The primary discrepancies between the two agencies' estimates lie in the "big three" revenue sources, with CGFA consistently taking a more conservative stance. For FY2026, CGFA is projecting Personal Income Tax at \$414 million less than GOMB, while also estimating Corporate Income Tax at \$370 million below GOMB and

placing expected Sales Tax revenue at \$187 million lower than GOMB's. Among the economic uncertainties being factored into the estimates are potential federal changes, possible tariffs, and the volatile geopolitical climate.

- Conversely, CGFA demonstrates slightly higher optimism in its outlook for All Other State Sources (\$195 million higher) and Transfers In (\$39 million higher). The Federal Sources estimate is adopted from GOMB due to its dependency on anticipated spending.

Read more [here](#) and [here](#).

**CGFA February Report:** The Commission on Government Forecasting and Accountability also delved into February revenue receipts. The State's General Funds in February dipped \$152 million (4.4%) below those seen a year ago. And even though January 2025 and January 2024 revenues closely reflected each other, this February's decline nearly matched the year-to-date difference of \$153 million, with two-thirds of the fiscal year complete. This was partly due to having one less receipting day compared to last February.

Stagnant Personal Income Tax receipts helped drive the decline. Specifically, this category was \$4 million lower on a gross basis and \$3 million lower net of non-General Fund distributions. Corporate Income Tax receipts fell an even steeper \$46 million (\$37 million net).

However, Sales Taxes helped deliver a bright spot. Receipts in this area reflected a \$24 million (2.9%) increase, or \$12 million (1.7%) on a net basis. This offset declines in other revenue sources -- like the \$14 million drop in Corporate Franchise Tax.

Transfers In fell \$72 million, largely due to a \$90 million decline in Other Transfers that was not repeated this month. Softening the blow of this were increases in Sports Wagering, Lottery, and Cannabis Transfers.

Finally, Federal Sources revenue fell \$73 million after growing \$139 million the prior month. Read more [here](#).

**State of Illinois Economic Forecast:** CGFA had Moody's prepare an economic report, which noted that the moderate strengthening in 2024 of Illinois's economy allowed the state's job market to surpass its pre-pandemic employment levels.

However, the pace of job and income growth has slowed, trailing the below-average performance seen in the Midwest region. Job creation has also narrowed across industries. Healthcare, government, and leisure/hospitality have been driving growth, while sluggishness is seen in professional/business services, finance, manufacturing, and transportation/warehousing.

Illinois' unemployment rate averaged 5.3% in Q4 -- higher than the 4.1% regional and national rates -- though partly due to an expanding labor force. The Moody's report projects that in

2025, Illinois will underperform the Midwest and U.S., with slower growth in gross state product, employment, and income. And while turbulence in key industries like professional services, finance, and manufacturing is expected to subside (and allow job growth to match the prior year's pace), labor force growth will diminish.

Uncertainty remains, with risks from potential Federal Reserve missteps and policy changes under President Trump. Taking a long-term view, Moody's anticipates Illinois will trail the Midwest and national averages in job and income gains, held back by below-average population trends and persistent fiscal challenges (like pension obligations and a shrinking tax base). Continued out-migration will further weigh on employment and income growth in the state. Read the full report [here](#).

**Chicago Mayor Brandon Johnson Testifies Before Congress:** A six-hour Congressional hearing was held on Wednesday on cities' sanctuary status and immigration enforcement. Appearing before the Congressional committee were Chicago Mayor Brandon Johnson, along with New York Mayor Eric Adams and Denver Mayor Mike Johnston. Read more [here](#).