



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1167

Introduced 1/9/2025, by Rep. Thaddeus Jones

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.1030 new
30 ILCS 105/6z-112
30 ILCS 105/6z-144 new
35 ILCS 200/15-175.1 new
230 ILCS 40/60

Amends the Property Tax Code. Creates the South Suburban Property Tax Relief Homestead Exemption Pilot Program. Provides that, for taxable years 2026 through 2030, certain qualified homestead property that is used as the primary residence of an individual who has occupied the property for at least 5 continuous years as of January 1 of the taxable year is eligible for a credit against the property taxes imposed on that property. Provides that the amount of the credit is the lesser of (i) the property tax liability for the property for the applicable taxable year or (ii) \$5,000. Contains provisions concerning applications for the pilot program. Provides that the Cook County Assessor may not award credits under the pilot program for more than 7,500 properties in any taxable year. Amends the State Finance Act. Creates the South Suburban Property Tax Relief Fund. Provides that moneys in the Fund shall be used to make reimbursements to taxing districts that are affected by the South Suburban Property Tax Relief Homestead Exemption Pilot Program. Makes changes to provisions concerning the Cannabis Regulation Fund to provide for transfers to the South Suburban Property Tax Relief Fund. Amends the Video Gaming Act to make conforming changes. Effective immediately.

LRB104 06475 HLH 16511 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by changing
5 Section 6z-112 and by adding Sections 5.1030 and 6z-144 as
6 follows:

7 (30 ILCS 105/5.1030 new)

8 Sec. 5.1030. The South Suburban Property Tax Relief Fund.

9 (30 ILCS 105/6z-112)

10 Sec. 6z-112. The Cannabis Regulation Fund.

11 (a) There is created the Cannabis Regulation Fund in the
12 State treasury, subject to appropriations unless otherwise
13 provided in this Section. All moneys collected under the
14 Cannabis Regulation and Tax Act shall be deposited into the
15 Cannabis Regulation Fund, consisting of taxes, license fees,
16 other fees, and any other amounts required to be deposited or
17 transferred into the Fund.

18 (b) Whenever the Department of Revenue determines that a
19 refund should be made under the Cannabis Regulation and Tax
20 Act to a claimant, the Department of Revenue shall submit a
21 voucher for payment to the State Comptroller, who shall cause
22 the order to be drawn for the amount specified and to the

1 person named in the notification from the Department of
2 Revenue. This subsection (b) shall constitute an irrevocable
3 and continuing appropriation of all amounts necessary for the
4 payment of refunds out of the Fund as authorized under this
5 subsection (b).

6 (c) On or before the 25th day of each calendar month, the
7 Department of Revenue shall prepare and certify to the State
8 Comptroller the transfer and allocations of stated sums of
9 money from the Cannabis Regulation Fund to other named funds
10 in the State treasury. The amount subject to transfer shall be
11 the amount of the taxes, license fees, other fees, and any
12 other amounts paid into the Fund during the second preceding
13 calendar month, minus the refunds made under subsection (b)
14 during the second preceding calendar month by the Department.
15 The transfers shall be certified as follows:

16 (1) The Department of Revenue shall first determine
17 the allocations which shall remain in the Cannabis
18 Regulation Fund, subject to appropriations, to pay for the
19 direct and indirect costs associated with the
20 implementation, administration, and enforcement of the
21 Cannabis Regulation and Tax Act by the Department of
22 Revenue, the Department of State Police, the Department of
23 Financial and Professional Regulation, the Department of
24 Agriculture, the Department of Public Health, the
25 Department of Commerce and Economic Opportunity, and the
26 Illinois Criminal Justice Information Authority.

1 (2) After the allocations have been made as provided
2 in paragraph (1) of this subsection (c), of the remainder
3 of the amount subject to transfer for the month as
4 determined in this subsection (c), the Department shall
5 certify the transfer into the Cannabis Expungement Fund
6 1/12 of the fiscal year amount appropriated from the
7 Cannabis Expungement Fund for payment of costs incurred by
8 State courts, the Attorney General, State's Attorneys,
9 civil legal aid, as defined by Section 15 of the Public
10 Interest Attorney Assistance Act, and the Department of
11 State Police to facilitate petitions for expungement of
12 Minor Cannabis Offenses pursuant to Public Act 101-27, as
13 adjusted by any supplemental appropriation, plus
14 cumulative deficiencies in such transfers for prior
15 months.

16 (3) After the allocations have been made as provided
17 in paragraphs (1) and (2) of this subsection (c), the
18 Department of Revenue shall certify to the State
19 Comptroller and the State Treasurer shall transfer the
20 amounts that the Department of Revenue determines shall be
21 transferred into the following named funds according to
22 the following:

23 (A) 2% shall be transferred to the Drug Treatment
24 Fund to be used by the Department of Human Services
25 for: (i) developing and administering a scientifically
26 and medically accurate public education campaign

1 educating youth and adults about the health and safety
2 risks of alcohol, tobacco, illegal drug use (including
3 prescription drugs), and cannabis, including use by
4 pregnant women; and (ii) data collection and analysis
5 of the public health impacts of legalizing the
6 recreational use of cannabis. Expenditures for these
7 purposes shall be subject to appropriations.

8 (B) 8% shall be transferred to the Local
9 Government Distributive Fund and allocated as provided
10 in Section 2 of the State Revenue Sharing Act. The
11 moneys shall be used to fund crime prevention
12 programs, training, and interdiction efforts,
13 including detection, enforcement, and prevention
14 efforts, relating to the illegal cannabis market and
15 driving under the influence of cannabis.

16 (C) 25% shall be transferred to the Criminal
17 Justice Information Projects Fund to be used for the
18 purposes of the Restore, Reinvest, and Renew Program
19 to address economic development, violence prevention
20 services, re-entry services, youth development, and
21 civil legal aid, as defined by Section 15 of the Public
22 Interest Attorney Assistance Act. The Restore,
23 Reinvest, and Renew Program shall address these issues
24 through targeted investments and intervention programs
25 and promotion of an employment infrastructure and
26 capacity building related to the social determinants

1 of health in impacted community areas. Expenditures
2 for these purposes shall be subject to appropriations.

3 (D) 20% shall be transferred to the Department of
4 Human Services Community Services Fund, to be used to
5 address substance abuse and prevention and mental
6 health concerns, including treatment, education, and
7 prevention to address the negative impacts of
8 substance abuse and mental health issues, including
9 concentrated poverty, violence, and the historical
10 overuse of criminal justice responses in certain
11 communities, on the individual, family, and community,
12 including federal, State, and local governments,
13 health care institutions and providers, and
14 correctional facilities. Expenditures for these
15 purposes shall be subject to appropriations.

16 (E) 10% shall be transferred to the Budget
17 Stabilization Fund.

18 (F) On and after January 1, 2026 and before
19 December 31, 2030, 1% shall be transferred to the
20 South Suburban Property Tax Relief Fund until
21 transfers under this item (F) for the calendar year
22 equal 50% of the amount certified by the Cook County
23 Assessor to the State Comptroller under subsection (b)
24 of Section 15-175.1 of Property Tax Code.

25 (G) Any ~~(F) 35%, or any~~ remaining balance, shall
26 be transferred to the General Revenue Fund.

1 As soon as may be practical, but no later than 10 days
2 after receipt, by the State Comptroller of the transfer
3 certification provided for in this subsection (c) to be given
4 to the State Comptroller by the Department of Revenue, the
5 State Comptroller shall direct and the State Treasurer shall
6 transfer the respective amounts in accordance with the
7 directions contained in such certification.

8 (d) On July 1, 2019 the Department of Revenue shall
9 certify to the State Comptroller and the State Treasurer shall
10 transfer \$5,000,000 from the Compassionate Use of Medical
11 Cannabis Fund to the Cannabis Regulation Fund.

12 (e) Notwithstanding any other law to the contrary and
13 except as otherwise provided in this Section, this Fund is not
14 subject to sweeps, administrative charge-backs, or any other
15 fiscal or budgetary maneuver that would in any way transfer
16 any amounts from this Fund into any other fund of the State.

17 (f) The Cannabis Regulation Fund shall retain a balance of
18 \$1,000,000 for the purposes of administrative costs.

19 (g) In Fiscal Year 2024 the allocations in subsection (c)
20 of this Section shall be reviewed and adjusted if the General
21 Assembly finds there is a greater need for funding for a
22 specific purpose in the State as it relates to Public Act
23 101-27.

24 (Source: P.A. 101-27, eff. 6-25-19; 102-558, eff. 8-20-21.)

1 Sec. 6z-144. The South Suburban Property Tax Relief Fund;
2 creation. The South Suburban Property Tax Relief Fund is
3 hereby created as a special fund in the State treasury. Moneys
4 in the South Suburban Property Tax Relief Fund shall be used by
5 the Cook County Treasurer to make reimbursements to taxing
6 districts as provided in subsection (c) of Section 15-175.1 of
7 the Property Tax Code. Any moneys remaining unencumbered and
8 unexpended in the South Suburban Property Tax Relief Fund on
9 December 31, 2031 shall be transferred to the General Revenue
10 Fund and the South Suburban Property Tax Relief Fund shall be
11 dissolved on June 30, 2032.

12 This Section is repealed on July 1, 2032.

13 Section 10. The Property Tax Code is amended by adding
14 Section 15-175.1 as follows:

15 (35 ILCS 200/15-175.1 new)

16 Sec. 15-175.1. South suburban property tax relief
17 homestead exemption pilot program.

18 (a) Notwithstanding any other provision of law, for
19 taxable years 2026 through 2030, qualified homestead property
20 is eligible for a credit against the property taxes imposed on
21 that property under this Code. The amount of the credit is the
22 lesser of (i) the property tax liability for the property for
23 the applicable taxable year or (ii) \$5,000. A credit under
24 this Section may not reduce the property tax liability for any

1 property to less than zero. Property is not eligible for a
2 credit under this Section if the property receives any other
3 homestead exemption under this Code for the applicable taxable
4 year, other than the general homestead exemption under Section
5 15-175. A credit may not be awarded under this Section with
6 respect to any property if that property received a credit
7 under this Section in either of the 2 immediately preceding
8 taxable years.

9 (b) Eligible qualified taxpayers shall apply with the Cook
10 County Assessor for the credit under this Section on or before
11 January 1 of the applicable taxable year. Applications shall
12 be made in the form and manner required by the Cook County
13 Assessor. The Cook County Assessor may not award credits under
14 this Section for more than 7,500 properties in any taxable
15 year. Credits under this Section shall be awarded on a
16 first-come, first-served basis. The Cook County Assessor shall
17 certify to the State Comptroller the total amount awarded in
18 credits under this Section for each taxable year of the pilot
19 program period.

20 (c) The property taxes collected for the qualified
21 homestead property for the taxable year in which the credit
22 under this Section is applied to the property shall be
23 distributed to the taxing districts in which the property is
24 located according to each taxing district's proportionate
25 share of the qualified homestead property's aggregate
26 liability. In addition, the Cook County Treasurer shall

1 reimburse taxing districts, from moneys appropriated to the
2 Cook County Treasurer from the South Suburban Property Tax
3 Relief Fund for that purpose, in an amount equal to the amount
4 that, when coupled with property tax collections attributable
5 to the qualified homestead property for the applicable taxable
6 year, equals the amount that would have been collected from
7 the qualified homestead property in the applicable taxable
8 year if the credit under this Section had not been applied.

9 (d) As used in this Section:

10 "Eligible zip code" means any of the following zip codes:
11 60409, 60419, 60411, 60478, 60426, 60429, 60430, 60475, 60633,
12 60469, 60428, 60429, 60445, 60438, or 60473.

13 "Homestead property" has the meaning given to that term in
14 Section 15-175.

15 "Pilot program period" means taxable years 2026 through
16 2030.

17 "Qualified homestead property" means homestead property
18 that is located in an eligible zip code and that is owned and
19 occupied as a primary residence by a qualified taxpayer.

20 "Qualified taxpayer" means an individual who, for at least
21 5 continuous years as of January 1 of the taxable year, has
22 occupied the qualified homestead property as a primary
23 residence.

24 (e) Notwithstanding Sections 6 and 8 of the State Mandates
25 Act, no reimbursement by the State is required for the
26 implementation of any mandate created by this Section.

1 Section 15. The Video Gaming Act is amended by changing
2 Section 60 as follows:

3 (230 ILCS 40/60)

4 Sec. 60. Imposition and distribution of tax.

5 (a) A tax of 30% is imposed on net terminal income and
6 shall be collected by the Board.

7 On and after January 1, 2026 and before December 31, 2030,
8 1% of the tax collected under this subsection (a) shall be
9 deposited into the South Suburban Property Tax Relief Fund
10 until the total amount of those deposits for the calendar year
11 equals 50% of the amount certified by the Cook County Assessor
12 to the State Comptroller under subsection (b) of Section
13 15-175.1 of Property Tax Code. Of the remainder of the tax
14 collected under this subsection (a), five-sixths shall be
15 deposited into the Capital Projects Fund and one-sixth shall
16 be deposited into the Local Government Video Gaming
17 Distributive Fund.

18 (b) Beginning on July 1, 2019, an additional tax of 3% is
19 imposed on net terminal income and shall be collected by the
20 Board.

21 Beginning on July 1, 2020, an additional tax of 1% is
22 imposed on net terminal income and shall be collected by the
23 Board.

24 Beginning on July 1, 2024, an additional tax of 1% is

1 imposed on net terminal income and shall be collected by the
2 Board.

3 The tax collected under this subsection (b) shall be
4 deposited into the Capital Projects Fund.

5 (c) Revenues generated from the play of video gaming
6 terminals shall be deposited by the terminal operator, who is
7 responsible for tax payments, in a specially created, separate
8 bank account maintained by the video gaming terminal operator
9 to allow for electronic fund transfers of moneys for tax
10 payment.

11 (d) Each licensed establishment, licensed truck stop
12 establishment, licensed large truck stop establishment,
13 licensed fraternal establishment, and licensed veterans
14 establishment shall maintain an adequate video gaming fund,
15 with the amount to be determined by the Board.

16 (e) The State's percentage of net terminal income shall be
17 reported and remitted to the Board within 15 days after the
18 15th day of each month and within 15 days after the end of each
19 month by the video terminal operator. A video terminal
20 operator who falsely reports or fails to report the amount due
21 required by this Section is guilty of a Class 4 felony and is
22 subject to termination of his or her license by the Board. Each
23 video terminal operator shall keep a record of net terminal
24 income in such form as the Board may require. All payments not
25 remitted when due shall be paid together with a penalty
26 assessment on the unpaid balance at a rate of 1.5% per month.

1 (Source: P.A. 103-592, eff. 6-7-24.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.