



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB4062

Introduced 2/19/2026, by Sen. Cristina Castro

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/Art. 11 Div. 12.2 heading new  
65 ILCS 5/11-12.2-1 new  
65 ILCS 5/11-12.2-5 new  
65 ILCS 5/11-12.2-10 new  
65 ILCS 5/11-12.2-15 new  
65 ILCS 5/11-12.2-20 new  
65 ILCS 5/11-12.2-30 new  
65 ILCS 5/11-12.2-40 new  
65 ILCS 5/11-12.2-45 new  
65 ILCS 5/11-12.2-50 new  
65 ILCS 5/11-12.2-55 new  
65 ILCS 5/11-12.2-60 new  
65 ILCS 5/11-12.2-65 new

Amends the Illinois Municipal Code. Provides that municipalities authorized to levy impact fees must calculate fees using the statewide formula structure issued by the Department of Commerce and Economic Opportunity. Provides that municipalities may adopt fees lower than the formula-derived levels. Provides that the Department shall issue, update annually, and make publicly available specified mandatory information to be used in the calculation of standardized impact mitigation fees. Provides that the Department shall issue a model impact fee ordinance that municipalities authorized to levy impact fees must adopt verbatim or with only technical deviations. Provides that each municipality authorized to levy impact fees must, before imposing any fee, publish a schedule identifying: (1) the formula-generated maximum fee per unit type; (2) the State-issued multipliers and assumptions used; (3) any allowable municipal adjustment factors applied; and (4) any municipal reductions adopted. Provides that municipalities authorized to levy impact fees must annually report to the Department, including: (1) fees collected; (2) fund expenditures; (3) fund balances; (4) number and type of housing units approved; and (5) any use of adjustment factors. Requires the Department to adopt rules to implement the provisions. Provides that, beginning 30 months after the effective date of the amendatory Act, any impact fee imposed on residential development must be calculated in accordance with the provisions. Limits home rule powers. Effective immediately.

LRB104 20892 RTM 34566 b

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by  
5 adding Article Division 12.2 as follows:

6 (65 ILCS 5/Art. 11 Div. 12.2 heading new)

7 DIVISION 12.2. IMPACT MITIGATION FEES

8 (65 ILCS 5/11-12.2-1 new)

9 Sec. 11-12.2-1. Legislative findings and purpose.

10 (a) The General Assembly finds that:

11 (1) Illinois communities require predictable,  
12 evidence-based standards to ensure that new development  
13 contributes fairly to public services, infrastructure,  
14 schools, parks, and other essential facilities.

15 (2) Existing State laws authorize land dedication or  
16 fees instead of land dedication but lack uniform,  
17 transparent formulas that reflect the true impacts of  
18 residential development.

19 (3) The absence of standardized methodologies results  
20 in inconsistent practices, prolonged negotiations, and  
21 uncertainty for developers and units of local governments.

22 (4) Establishing statewide formulas for calculating

1 impact mitigation fees will create fairness, increase  
2 certainty, and streamline housing production statewide.

3 (b) The purpose of this Division is to ensure that impact  
4 fees imposed by municipalities in this State are predictable,  
5 proportionate, transparent, and supportive of housing  
6 production, including missing middle housing. This Act  
7 establishes statewide model impact-fee formulas and  
8 demographic multipliers and requires municipal use of these  
9 formulas when imposing impact fees on residential development.

10 (65 ILCS 5/11-12.2-5 new)

11 Sec. 11-12.2-5. Definitions. As used in this Division:

12 "Residential development" means construction, conversion,  
13 or placement of new housing units, including single-family  
14 homes, multifamily dwellings, and middle housing.

15 "Standardized impact mitigation fee" means a fee  
16 calculated using the formulas established under this Division  
17 to mitigate the measurable impacts of residential development.

18 (65 ILCS 5/11-12.2-10 new)

19 Sec. 11-12.2-10. Applicability.

20 (a) The formulas established in this Division apply only  
21 to municipalities authorized to levy impact fees.

22 (b) Municipalities may not impose impact fees based on any  
23 methodology other than the formulas in this Division, unless  
24 expressly allowed in Section 11-12.2-40.

1       (c) Municipalities may adopt fees lower than the  
2 formula-derived levels but may not exceed formula-based  
3 maximums.

4       (d) Nothing in this Division confers new authority upon  
5 non-home rule municipalities.

6       (65 ILCS 5/11-12.2-15 new)

7       Sec. 11-12.2-15. Mandatory statewide formulas.

8       (a) Municipalities authorized to levy impact fees must  
9 calculate fees using the statewide formula structure issued by  
10 the Department of Commerce and Economic Opportunity, which  
11 shall cover:

12           (1) school impact mitigation;

13           (2) parks and open space;

14           (3) transportation;

15           (4) public safety; and

16           (5) stormwater and other public facilities.

17       (b) The formulas shall incorporate the State-issued  
18 components under Section 11-12.2-20, including:

19           (1) standardized demand multipliers;

20           (2) baseline capital cost tables;

21           (3) model worksheets and formula templates;

22           (4) allowable adjustment factors; and

23           (5) model ordinance requirements.

24       (c) Municipalities must use the State-issued model  
25 worksheet or digital calculator to generate their fee

1 schedules. No alternative calculation method may be used.

2 (d) Middle housing must receive fee adjustments based on  
3 State-established multipliers that reflect lower average  
4 household size and lower per-unit service demand.

5 (65 ILCS 5/11-12.2-20 new)

6 Sec. 11-12.2-20. State-issued formula components. The  
7 Department of Commerce and Economic Opportunity shall issue,  
8 update annually, and make publicly available the following  
9 mandatory information to be used in the calculation of  
10 standardized impact mitigation fees:

11 (1) Multipliers estimating service demand by housing  
12 type, including, but not limited to:

13 (A) student-generation rates;

14 (B) household population multipliers;

15 (C) peak-hour trip generation;

16 (D) public safety service load factors; and

17 (E) stormwater or utility demand coefficients.

18 The multipliers under this paragraph replace all  
19 municipal multipliers unless the Department of Commerce  
20 and Economic Opportunity authorizes a documented  
21 variation.

22 (2) Statewide per-capita or per-unit capital cost  
23 estimates for schools, parks, transportation, public  
24 safety, and stormwater facilities. The Department of  
25 Commerce and Economic Opportunity shall define permissible

1 deviations, including allowable ranges for:

2 (A) land acquisition costs;

3 (B) construction and capital costs; and

4 (C) capacity expansion costs.

5 (3) The Department of Commerce and Economic  
6 Opportunity must provide downloadable spreadsheets or  
7 web-based calculators embedding all formulas, multipliers,  
8 and cost tables. Municipalities authorized to levy impact  
9 fees must use these worksheets to produce their fee  
10 schedules. Worksheets must automatically generate a  
11 public-facing fee schedule for municipal adoption.

12 (4) The Department of Commerce and Economic  
13 Opportunity shall issue statewide adjustment factors  
14 permitting controlled variation, including:

15 (A) land-value cost adjustments within  
16 State-defined bands;

17 (B) infill or redevelopment discount factors;

18 (C) documented higher-cost construction market  
19 adjustments; and

20 (D) middle-housing elasticity adjustments.

21 Adjustment factors under this paragraph may not exceed  
22 State-defined maximums or minimums.

23 (5) The Department of Commerce and Economic  
24 Opportunity shall issue a model impact fee ordinance that  
25 municipalities authorized to levy impact fees must adopt  
26 verbatim or with only technical deviations. The model

1           ordinance must include:  
2                   (A) definitions;  
3                   (B) applicability;  
4                   (C) formula structure;  
5                   (D) exemptions;  
6                   (E) reporting;  
7                   (F) annual fee recalibration process; and  
8                   (G) appeal procedures conforming to constitutional  
9                   nexus standards.

10           (65 ILCS 5/11-12.2-30 new)

11           Sec. 11-12.2-30. Public fee schedule.

12           (a) Each municipality authorized to levy impact fees must,  
13 before imposing any fee, publish a schedule identifying:

14                   (1) the formula-generated maximum fee per unit type;  
15                   (2) the State-issued multipliers and assumptions used;  
16                   (3) any allowable municipal adjustment factors  
17 applied; and  
18                   (4) any municipal reductions adopted.

19           (b) Only fees produced through the State worksheet may be  
20 imposed.

21           (65 ILCS 5/11-12.2-40 new)

22           Sec. 11-12.2-40. Interaction with land dedication  
23 requirements.

24           (a) If the laws of this State authorize land dedication or

1 fees instead of land dedication, then a standardized impact  
2 mitigation fee is a fee instead of land dedication unless a  
3 municipal ordinance expressly requires both a fee and land  
4 dedication.

5 (b) A pre-existing land dedication requirement may  
6 continue only if:

7 (1) it existed prior to the effective date of this  
8 amendatory Act of the 104th General Assembly; and

9 (2) a formula-based cash alternative using the State  
10 worksheets is available.

11 (c) Any land dedication requirement without a cash  
12 alternative is superseded.

13 (65 ILCS 5/11-12.2-45 new)

14 Sec. 11-12.2-45. Exemptions and reductions.

15 (a) Mandatory exemptions shall include:

16 (1) units affordable to households equals 60% AMI;

17 (2) permanent supportive housing;

18 (3) transitional housing; and

19 (4) accessory dwelling units.

20 (b) Municipalities may grant additional reductions for:

21 (1) middle housing;

22 (2) transit-oriented development;

23 (3) redevelopment of vacant, underutilized, or  
24 brownfield parcels; and

25 (4) a building undergoing a change of use from a

1           nonresidential to a residential use.

2           (65 ILCS 5/11-12.2-50 new)

3           Sec. 11-12.2-50. Report requirements.

4           (a) Municipalities authorized to levy impact fees must  
5 annually report to the Department of Commerce and Economic  
6 Opportunity:

7                   (1) fees collected;

8                   (2) fund expenditures;

9                   (3) fund balances;

10                   (4) number and type of housing units approved; and

11                   (5) any use of adjustment factors.

12           (b) The Department of Commerce and Economic Opportunity  
13 shall publish online the reports that municipalities submit  
14 under subsection (a).

15           (65 ILCS 5/11-12.2-55 new)

16           Sec. 11-12.2-55. Rulemaking.

17           (a) The Department of Commerce and Economic Opportunity  
18 shall adopt rules necessary to implement this Division,  
19 including:

20                   (1) formula methodologies;

21                   (2) multipliers;

22                   (3) capital cost tables;

23                   (4) allowable adjustment ranges;

24                   (5) worksheets and calculators; and

1           (6) model ordinances.

2           (b) The Department of Commerce and Economic Opportunity  
3 shall update multipliers, capital cost tables, and worksheets  
4 no less frequently than once every 12 months.

5           (65 ILCS 5/11-12.2-60 new)

6           Sec. 11-12.2-60. Implementation and transition.

7           (a) The Department of Commerce and Economic Opportunity  
8 shall adopt initial formulas, multipliers, worksheets, and the  
9 model ordinance required under this Division no later than 18  
10 months after the effective date of this amendatory Act of the  
11 104th General Assembly.

12           (b) A municipality authorized to levy impact fees shall  
13 adopt the model ordinance and fee schedule consistent with  
14 this Division no later than 12 months after the Department of  
15 Commerce and Economic Opportunity adopts the initial formulas  
16 and model ordinance.

17           (c) Until a municipality adopts the model ordinance  
18 required under this Division, it may continue to impose impact  
19 fees under its existing ordinances.

20           (d) Beginning 30 months after the effective date of this  
21 amendatory Act of the 104th General Assembly, any impact fee  
22 imposed on residential development must be calculated in  
23 accordance with this Division and rules adopted under this  
24 Division.

25           (e) An application for residential development that is

1 complete under the laws of the municipality before the  
2 municipality adopts the model ordinance shall be subject to  
3 the impact fee requirements in effect at the time the  
4 application was deemed complete.

5 (f) Nothing in this Division shall be construed to  
6 authorize municipality to levy impact fees if it lacked the  
7 authority to prior to levy impact fees the effective date of  
8 this amendatory Act of the 104th General Assembly.

9 (65 ILCS 5/11-12.2-65 new)

10 Sec. 11-12.2-65. Home rule preemption. A home rule unit  
11 may not regulate plan reviews or building inspections in a  
12 manner inconsistent with this Division. This Division is a  
13 limitation under subsection (i) of Section 6 of Article VII of  
14 the Illinois Constitution on the concurrent exercise by home  
15 rule units of powers and functions exercised by the State.

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law.