



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5264

Introduced 2/10/2026, by Rep. Elizabeth "Lisa" Hernandez

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1119 new
30 ILCS 105/5.1038 new

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department of Commerce and Economic Opportunity shall establish a loan program to provide low interest loans to small businesses that have been negatively impacted by federal immigration enforcement. Provides that the Department may make those loans from the Federal Immigration Recovery Fund and may administer the program directly through the Fund or enter into agreements with banks, credit unions, nonprofit loan administrations, or community development financial institutions. Amends the State Finance Act to create the Federal Immigration Recovery Fund. Effective immediately.

LRB104 19654 HLH 33103 b

1 AN ACT concerning State government.

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

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by adding Section 605-1119 as follows:

7 (20 ILCS 605/605-1119 new)

8 Sec. 605-1119. Loans to small businesses impacted by
9 immigration enforcement activities.

10 (a) The Department shall establish a loan program, subject
11 to appropriation, to provide low interest loans to small
12 businesses that have been negatively impacted by federal
13 immigration enforcement. The Department may make loans under
14 this Section from the Federal Immigration Recovery Fund, a
15 special fund created in the State treasury.

16 (b) If the Governor declares that an economic emergency
17 exists due to federal immigration enforcement activity
18 disrupting local or regional businesses and markets, the
19 Department of Commerce and Economic Opportunity shall provide
20 loans to eligible small businesses. The Governor shall make
21 any determination under this Section based on objective
22 indicators such as:

23 (1) reduced foot traffic;

- 1 (2) declining sales in certain corridors;
2 (3) workforce disruptions, such as increased
3 absenteeism or job abandonment; and
4 (4) business closures.

5 (c) Upon a declaration of an economic emergency as
6 provided in subsection (b), a business shall be eligible for a
7 loan under this Section if:

8 (1) the business employed 50 or fewer persons at any
9 one time in the prior year;

10 (2) the business's gross receipts in the prior year
11 were \$3,000,000 or less;

12 (3) the business has been materially impacted or is
13 located in an area that has been determined by the
14 Department to be materially impacted by federal
15 immigration enforcement.

16 (d) The loans shall be in an amount determined by the
17 Department but shall not exceed \$50,000 per business. The
18 loans shall be repaid by the business at a fixed interest rate
19 of 2%, and the term of repayment shall not exceed 5 years. No
20 repayments shall be required for the first 6 months following
21 disbursement, and no early repayment penalty shall be charged.
22 The loan proceeds shall be used for recovery related operating
23 expenses including:

- 24 (1) rent and mortgage payments;
25 (2) employee wages and benefits;
26 (3) inventory restocking;

1 (4) equipment repair and replacement;
2 (5) debt repayments incurred to maintain operations;
3 (6) marketing or customer re-engagement expenses; and
4 (7) any other cost that the Department may approve by
5 rule.

6 (e) The Department may adopt rules to administer and
7 enforce this Section and may administer the program directly
8 through the Federal Immigration Recovery Fund or enter into
9 agreements with banks, credit unions, nonprofit loan
10 administrations, or community development financial
11 institutions.

12 (f) All interest and principal collected by the Department
13 shall be deposited into the Fund to replace lending capacity.

14 (g) Upon a declaration by the Governor that the economic
15 emergency has ended, no new loans may be made.

16 Section 10. The State Finance Act is amended by adding
17 Section 5.1038 as follows:

18 (30 ILCS 105/5.1038 new)

19 Sec. 5.1038. The Federal Immigration Recovery Fund.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.