

SB3426



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3426

Introduced 2/4/2026, by Sen. Dale Fowler

SYNOPSIS AS INTRODUCED:

20 ILCS 750/5
20 ILCS 750/15

Amends the Grocery Initiative Act. Provides that the Act also includes grants and financial assistance for mobile farmers markets and online farmers markets. Provides that, in addition to other purposes, the Department of Commerce and Economic Opportunity may award grants under the Act for technology upgrades, including software and point-of-sale systems.

LRB104 19042 HLH 32487 b

A BILL FOR

1 AN ACT concerning finance.

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

4 Section 5. The Grocery Initiative Act is amended by
5 changing Sections 5 and 15 as follows:

6 (20 ILCS 750/5)

7 Sec. 5. Definitions. In this Act:

8 "Cooperative" means an organization that is organized
9 according to the Co-operative Act.

10 "Department" means the Department of Commerce and Economic
11 Opportunity.

12 "Food desert" means a census tract that:

13 (1) meets one of the following poverty standards:

14 (A) the census tract has a poverty rate of at least
15 20%; or

16 (B) the census tract is not located within a
17 metropolitan statistical area and has a median family
18 income that is less than or equal to 80% of the
19 statewide median household income; or

20 (C) the census tract is located within a
21 metropolitan statistical area and has a median family
22 income that is less than or equal to 80% of the greater
23 of (i) the statewide median household income or (ii)

1 the metropolitan area median family income; and
2 (2) meets one of the following population density and
3 food accessibility standards:

4 (A) the census tract is a rural tract, and at least
5 33% of the population of the tract or at least 500
6 residents in the tract reside more than 10 miles from
7 the nearest grocery store; or

8 (B) the census tract is an urban tract, and at
9 least 33% of the population of the tract or at least
10 500 residents in the tract reside more than one-half
11 mile from the nearest grocery store.

12 The Department may also designate an area that does not
13 meet the standards set forth in this definition as a food
14 desert if the designation is made in accordance with criteria
15 established by the Department by rule using data that
16 includes, but is not limited to, poverty metrics and access to
17 existing grocery stores.

18 "Grocery store" means an existing or planned retail
19 establishment that: (1) has or will have a primary business of
20 selling a variety of grocery products, including fresh
21 produce; (2) derives or will derive no more than 30% of its
22 revenue from sales of tobacco and alcohol in any given year;
23 (3) is or will be classified as a supermarket or other grocery
24 retailer in the 2022 North American Industry Classification
25 System under code 445110; (4) accepts or will accept
26 Supplemental Nutrition Assistance Program benefits and Special

1 Supplemental Nutrition Program for Women, Infants, and
2 Children benefits; and (5) provides or will provide for the
3 retail sale of a substantial variety of perishable foods,
4 including fresh or frozen dairy products, fresh produce, and
5 fresh meats, poultry, and fish.

6 "Local governmental unit" means any county, municipality,
7 township, special district, or unit that is designated as a
8 unit of local government by law and exercises limited
9 governmental powers or powers in respect to limited
10 governmental subjects. "Local governmental unit" also includes
11 any school district or community college district.

12 "Mobile farmers market" means a farmers market operated
13 from a movable motor driven or propelled vehicle or trailer
14 that can change location, including a farmers market owned and
15 operated by a farmer or a third party that sells products on
16 behalf of farmers or cottage food operations with the intent
17 of a direct sale to an end consumer.

18 "Not-for-profit corporation" means an organization or
19 institution that is organized and conducted on a
20 not-for-profit basis with no personal profit inuring to anyone
21 as a result of the operation and that is organized according to
22 the General Not For Profit Corporation Act of 1986.

23 "Online farmers market" means an online marketplace that
24 sells products primarily from Illinois farmers and provides
25 delivery or pick-up options for consumers.

26 "Rural tract" means a census tract that is not an urban

1 tract.

2 "Urban tract" means a census tract having its geographic
3 centroid in an urban area, as defined by the Bureau of the
4 Census for the most recent year in which all relevant data to
5 identify food deserts is available.

6 (Source: P.A. 103-561, eff. 1-1-24.)

7 (20 ILCS 750/15)

8 Sec. 15. Grocery Initiative Grants and Financial Support.

9 (a) The Department shall, subject to appropriation,
10 establish the Grocery Initiative to expand access to healthy
11 foods in food deserts in Illinois and areas at risk of becoming
12 food deserts in Illinois by providing grants and other forms
13 of financial assistance to independently owned for-profit
14 grocery stores, cooperative grocery stores, or not-for-profit
15 grocery stores, mobile farmers markets, online farmers
16 markets, as well as grocery stores owned and operated by local
17 governmental units. The Department may enter into contracts,
18 grants, or other agreements to administer these grants and
19 other forms of financial assistance. The Department may, by
20 rule, place limits on the size of the entities ~~grocery stores~~
21 that are eligible for grants and other financial assistance
22 under this Act, including, but not limited to, limits on the
23 annual revenue or projected revenue of the applicant, number
24 of full-time employees, or square footage of the facilities.
25 The Department may prioritize grant awards and loan funding to

1 applicants based on poverty rates, income, geographic
2 diversity, local ownership, access to grocery stores in the
3 area surrounding proposed project locations, and other factors
4 as determined by the Department. The Department may award
5 grants or provide loans for any one or more of the following:

6 (1) market and site feasibility studies, promotional
7 materials, and marketing;

8 (2) salaries and benefits for workers;

9 (3) rent or a down payment to acquire a facility;

10 (4) purchase of ownership of a grocery store as part
11 of establishing a new grocery store;

12 (5) capital improvements, planning, renovations, land
13 acquisition, demolition, durable and non-durable equipment
14 purchases; ~~or~~

15 (6) technology upgrades, including software and
16 point-of-sale systems; or

17 (7) ~~(6)~~ other costs as determined eligible by the
18 Department.

19 (b) The Department may, subject to appropriation, provide
20 grants for equipment upgrades for existing independently owned
21 for-profit grocery stores, cooperative grocery stores,
22 not-for-profit grocery stores, or farmer-owned grocery stores
23 or markets. The Department shall use no more than 20% of total
24 program funding for this purpose. Equipment upgrades shall be
25 focused on providing access to equipment that is energy
26 efficient.

1 (Source: P.A. 103-561, eff. 1-1-24; 103-957, eff. 1-1-25.)