

**Senate Study Bill 3074 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON BROWN)

**A BILL FOR**

1 An Act creating a grocer reinvestment fund and program under  
2 the purview of the economic development authority, and  
3 making appropriations.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

GROCER REINVESTMENT FUND AND PROGRAM

1  
2  
3 Section 1. NEW SECTION. 15.413 Grocer reinvestment fund  
4 and program.

5 1. As used in this section:

6 a. "*Financial assistance*" means assistance provided only  
7 from the funds and legally available to the authority pursuant  
8 to this section and includes assistance in the form of loans,  
9 forgivable loans, and grants.

10 b. "*Grocery store*" means an establishment also known as a  
11 supermarket that primarily engages in retailing a general line  
12 of food including canned and frozen food; fresh fruits and  
13 vegetables; and fresh and prepared meat, fish, and poultry.

14 c. "*Low-income community*" means a census tract, as reported  
15 by the most recent federal decennial census, that has a  
16 poverty rate of at least twenty percent or in which the median  
17 household income does not exceed eighty percent of the greater  
18 of the statewide or metropolitan median household income.

19 d. "*Moderate-income community*" means a census tract, as  
20 reported by the most recent federal decennial census, in which  
21 the median household income is between eighty-one percent and  
22 ninety-five percent of the statewide or metropolitan median  
23 household income.

24 e. "*Program*" means the grocer reinvestment program.

25 f. "*Underserved community*" means a census tract, as reported  
26 in the most recent federal decennial census, determined to  
27 be an area with low grocery store access as identified in  
28 the food access research atlas prepared by the United States  
29 department of agriculture, or by a methodology adopted by  
30 another governmental healthy food initiative.

31 2. a. A grocer reinvestment fund is created in the state  
32 treasury under the control of the authority. The fund shall  
33 consist of moneys appropriated to the authority and any other  
34 moneys available to, obtained by, or accepted by the authority  
35 for placement in the fund. The fund shall be used to award

1 financial assistance as provided under the program. The  
2 authority shall use any moneys specifically appropriated for  
3 purposes of this section only for the purposes of the program.

4 *b.* Notwithstanding section 8.33, moneys in the fund  
5 that remain unencumbered or unobligated at the close of the  
6 fiscal year shall not revert but shall remain available for  
7 expenditure for the purposes designated until the close of  
8 the succeeding fiscal year. Notwithstanding section 12C.7,  
9 interest or earnings on moneys in the fund shall be credited  
10 to the fund.

11 3. The authority shall establish and administer the program  
12 for the purpose of awarding financial assistance to eligible  
13 grocery stores for the following projects at existing grocery  
14 stores, or new grocery stores to be located in this state:

15 *a.* Capital improvements to expand capacity, including  
16 expansions and modifications.

17 *b.* Upgrades to utilities, including water, electric, heat,  
18 refrigeration, and freezing units.

19 *c.* Energy efficiency measures.

20 *d.* Expenditures for repairs and maintenance.

21 *e.* Purchases of equipment and furnishings.

22 *f.* Expenditures for professional services.

23 *g.* Workforce training.

24 *h.* Technology that allows increased capacity or business  
25 resilience, including software and hardware related to business  
26 functions, logistics, inventory management, temperature  
27 monitoring controls, and internet site design that enables  
28 electronic commerce.

29 *i.* Predevelopment costs.

30 4. The authority shall establish eligibility criteria for  
31 the program by rule. The eligibility criteria must include all  
32 of the following:

33 *a.* The grocery store has filed all required documents with  
34 the secretary of state under the relevant filing statute as  
35 described in section 9.11.

1     *b.* The grocery store is organized as a sole proprietorship,  
2 partnership, limited liability company, corporation,  
3 cooperative, nonprofit organization, or nonprofit community  
4 development entity.

5     *c.* The grocery store employs twenty-five or fewer  
6 individuals.

7     *d.* The total amount of financial assistance requested by the  
8 grocery store in the form of a grant or forgivable loan does  
9 not exceed fifty percent of the total amount of the project  
10 costs, or the total amount of financial assistance requested  
11 by the grocery store in the form of a loan does not exceed  
12 seventy-five percent of the total amount of the project costs.

13     *e.* The grocery store will create new jobs or increase  
14 compensation for existing employees.

15     *f.* The grocery store has the capacity to successfully  
16 implement or complete the project.

17     *g.* The grocery store has the ability to repay any loans  
18 awarded as part of any financial assistance.

19     *h.* The project is economically viable.

20     5. A grocery store seeking financial assistance under this  
21 section shall make application to the authority in the manner  
22 prescribed by the authority by rule.

23     6. The authority shall evaluate applications pursuant to  
24 rules adopted by the authority, and priority shall be given to  
25 the grocery stores that commit to all of the following:

26     *a.* Providing matching funds of at least fifty percent of the  
27 total project cost.

28     *b.* Locating the project in an underserved community that  
29 primarily serves the residents of low-income or moderate-income  
30 communities.

31     *c.* Accepting benefits under the United States department  
32 of agriculture supplemental nutrition assistance program and  
33 the special supplemental nutrition program for women, infants,  
34 and children.

35     *d.* Creating or retaining jobs for local residents.

1 e. Other criteria determined by the authority by rule.

2 7. By November 1, 2025, and each November 1 thereafter,  
3 if financial assistance has been provided in the immediately  
4 preceding fiscal year, the director shall submit a report to  
5 the general assembly describing the activities of the program  
6 including the geographic distribution of the projects, the  
7 identity of the applicants, and the new investments or new jobs  
8 created as a result of the financial assistance provided under  
9 the program.

10 8. The authority shall adopt rules pursuant to chapter 17A  
11 to administer this section.

12 Sec. 2. Section 15.106B, Code 2024, is amended by adding the  
13 following new subsection:

14 NEW SUBSECTION. 6. The authority may enter into a contract  
15 with a nonprofit organization organized under chapter 504 or  
16 similar laws of another jurisdiction, or with a community  
17 development financial institution, to administer the grocer  
18 reinvestment program under section 15.413.

19 DIVISION II

20 APPROPRIATIONS

21 Sec. 3. GROCER REINVESTMENT FUND — FY 2024-2025. There  
22 is appropriated from the general fund of the state to the  
23 economic development authority for the fiscal year beginning  
24 July 1, 2024, and ending June 30, 2025, the following amount,  
25 or so much thereof as is necessary, to be used for the purposes  
26 designated:

27 For deposit in the grocer reinvestment fund created in  
28 section 15.413:

29 ..... \$ 2,000,000

30 Sec. 4. GROCER REINVESTMENT FUND — FY 2025-2026. There  
31 is appropriated from the general fund of the state to the  
32 economic development authority for the fiscal year beginning  
33 July 1, 2025, and ending June 30, 2026, the following amount,  
34 or so much thereof as is necessary, to be used for the purposes  
35 designated:

1 For deposit in the grocer reinvestment fund created in  
2 section 15.413:

3 ..... \$ 2,000,000

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with  
6 the explanation's substance by the members of the general assembly.

7 This bill creates a grocer reinvestment fund (fund) and  
8 program (program) under the purview of the economic development  
9 authority (authority), and makes appropriations to the fund.

10 DIVISION I — GROCER REINVESTMENT FUND AND PROGRAM. The  
11 bill provides the fund shall consist of moneys appropriated to  
12 the authority, and any other moneys placed or accepted into the  
13 fund. The fund shall be used to award financial assistance to  
14 eligible grocery stores under the program.

15 The bill defines "grocery store" to mean an establishment  
16 also known as a supermarket that primarily engages in retailing  
17 a general line of food including canned and frozen food; fresh  
18 fruits and vegetables; and fresh and prepared meat, fish, and  
19 poultry.

20 The bill defines "financial assistance" to mean a loan,  
21 forgivable loan, or grant.

22 Under the bill, the authority shall administer the  
23 program for the purpose of awarding financial assistance to  
24 eligible grocery stores for projects located in this state  
25 including capital improvements, utility upgrades, repairs and  
26 maintenance, equipment and furnishings, professional services,  
27 workforce training, technology, and predevelopment costs.

28 The bill establishes the criteria for the program. The  
29 criteria relates to a grocery store's eligibility to do  
30 business in the state, the business organizational structure  
31 of the grocery store, the number of employees, the amount of  
32 financial assistance provided in relation to the size of the  
33 project, job or income creation, ability to repay any financial  
34 assistance, ability to implement or complete the project, and  
35 the economic viability of the project.

1 The bill requires a grocery store seeking financial  
2 assistance to make application to the authority in the manner  
3 prescribed by the authority by rule. The authority is required  
4 to evaluate applications pursuant to rules adopted by the  
5 authority.

6 The bill allows the authority to contract with a nonprofit  
7 organization or a community development financial institution  
8 to administer the program.

9 Under the bill, priority shall be given to projects where  
10 the grocery store commits to providing matching funds of  
11 at least 50 percent of the total project cost; locates the  
12 project in an underserved community that primarily serves  
13 residents of low-income or moderate-income communities; commits  
14 to accepting benefits under the United States department  
15 of agriculture supplemental nutrition assistance program,  
16 and the special supplemental nutrition program for women,  
17 infants, and children; creates or retains jobs; and meets any  
18 other criteria determined by the authority by rule. The bill  
19 defines "underserved community", "low-income community", and  
20 "moderate-income community".

21 The authority is required to submit a report to the general  
22 assembly describing the activities of the program by November  
23 1, 2025, and each November 1 thereafter, if applicable. The  
24 report shall include the geographic distribution of the  
25 projects, the identity of the applicants, and new investments  
26 or new jobs created.

27 The authority is required to adopt rules to implement the  
28 bill.

29 DIVISION II — APPROPRIATIONS. The bill appropriates \$2  
30 million each of the next two fiscal years (FY 2024-2025 and FY  
31 2025-2026) from the general fund of the state to the fund to  
32 provide financial assistance to eligible grocery stores under  
33 the program.