

**House File 1032 - Reprinted**

HOUSE FILE 1032  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 550)  
(SUCCESSOR TO HF 59)

(As Amended and Passed by the House April 24, 2025)

**A BILL FOR**

1 An Act creating a grocer reinvestment program, a local produce  
2 processing grant program, and a grocer reinvestment and  
3 local food processing fund under the purview of the economic  
4 development authority, and modifying the local food and farm  
5 program.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

GROCER REINVESTMENT AND LOCAL PRODUCE PROCESSING

Section 1. NEW SECTION. **15.413 Grocer reinvestment program.**

1. As used in this section:

a. "Financial assistance" means assistance, in the form of grants, provided only from the funds and assets legally available to the authority pursuant to this section.

b. "Grocery store" means an establishment also known as a supermarket that primarily engages in retailing a general line of food including canned and frozen food; fresh fruits and vegetables; and fresh and prepared meat, fish, and poultry, and the establishment meets either of the following requirements:

(1) A minimum of fifty percent of the retail space in the establishment is dedicated to retailing a general line of food.

(2) A minimum of thirty percent of the establishment's revenue derives from retailing a general line of food.

c. "Program" means the grocer reinvestment program.

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

a. Capital improvements to establish or expand capacity, including expansions and modifications.

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

c. Purchases of equipment and furnishings.

d. Expenditures for professional services.

e. Technology that allows increased capacity or business resilience, including software and hardware related to business functions, logistics, inventory management, temperature monitoring controls, cybersecurity, and internet site design that enables electronic commerce.

3. The authority shall establish eligibility criteria for the program by rule. The eligibility criteria must include all of

1 the following:

2 a. The grocery store has filed all required documents with  
3 the secretary of state under the relevant filing statute as  
4 described in section 9.11.

5 b. The grocery store is organized as a sole proprietorship,  
6 partnership, limited liability company, corporation, cooperative,  
7 nonprofit organization, or nonprofit community development  
8 entity.

9 c. The grocery store owns ten or fewer grocery stores.

10 d. The grocery store has the capacity to successfully  
11 implement or complete the project, and demonstrates a plan for  
12 sustainability.

13 4. In order to be awarded financial assistance under the  
14 program, a grocery store must provide matching funds for the  
15 project equal to the amount of the financial assistance award.  
16 Financial assistance awarded under the program shall not exceed  
17 one hundred thousand dollars.

18 5. The authority shall evaluate applications, and priority  
19 shall be given to the grocery stores that commit to all of the  
20 following:

21 a. Accepting benefits under the United States department of  
22 agriculture supplemental nutrition assistance program and the  
23 special supplemental nutrition program for women, infants, and  
24 children.

25 b. Creating or retaining jobs for local residents.

26 c. Making efforts to procure and offer local foods for sale.

27 d. Other criteria determined by the authority.

28 6. The authority shall prioritize eligible grocery stores  
29 based on the population size of the community in which the  
30 eligible grocery store is located. Priority shall be given  
31 to eligible grocery stores located in the least-populated  
32 communities.

33 7. By November 1, 2026, and each November 1 thereafter,  
34 if financial assistance has been provided in the immediately  
35 preceding fiscal year, the director shall submit a report to

1 the general assembly describing the activities of the program  
2 including the geographic distribution of the projects, the  
3 identity of the applicants, and the new investments or new jobs  
4 created as a result of the financial assistance provided under  
5 the program.

6 Sec. 2. NEW SECTION. **15.415 Grocer reinvestment and local**  
7 **food processing fund.**

8 1. a. A grocer reinvestment and local food processing fund  
9 is created in the state treasury under the control of the  
10 authority. The fund shall consist of moneys appropriated by the  
11 general assembly to the authority and any other moneys available  
12 to, obtained by, or accepted by the authority for placement in  
13 the fund. The fund shall be used to award financial assistance  
14 as provided under the grocer reinvestment program established in  
15 section 15.413 and the local produce processing grant program  
16 established in section 187.331.

17 b. Commencing with the fiscal year beginning July 1, 2025,  
18 and each fiscal year thereafter, one hundred thousand dollars  
19 of the annual appropriation to the fund, or ten percent of  
20 the moneys in the fund available on July 1, whichever is less,  
21 shall be allocated to the local produce processing grant program  
22 established in section 187.331.

23 c. The authority may use not more than five percent of  
24 the moneys in the fund at the beginning of the fiscal year  
25 for purposes of administrative costs, marketing, technical  
26 assistance, and other program support.

27 2. Notwithstanding section 8.33, moneys in the fund that  
28 remain unencumbered or unobligated at the close of the fiscal  
29 year shall not revert but shall remain available for expenditure  
30 for the purposes designated until the close of the succeeding  
31 fiscal year. Notwithstanding section 12C.7, interest or earnings  
32 on moneys in the fund shall be credited to the fund.

33 Sec. 3. NEW SECTION. **187.331 Local produce processing grant**  
34 **program.**

35 1. As used in this section:



1 1. The purpose of this chapter is to empower farmers, and  
2 food entrepreneurs, and grocery stores to provide for strong  
3 local food economies that promote self-sufficiency and job growth  
4 in the agricultural sector and allied sectors of the economy.

5 Sec. 6. Section 267A.1, subsection 2, paragraph d, Code 2025,  
6 is amended to read as follows:

7 d. Increase the number of jobs in this state's farm  
8 and business economies associated with producing, processing,  
9 distributing, retailing, and marketing local food.

10 Sec. 7. Section 267A.1, subsection 2, Code 2025, is amended  
11 by adding the following new paragraph:

12 NEW PARAGRAPH. e. Increase the availability and viability of  
13 grocery stores in this state.

14 Sec. 8. Section 267A.2, Code 2025, is amended by adding the  
15 following new subsection:

16 NEW SUBSECTION. 4A. "Grocery store" means the same as  
17 defined in section 15.413.

18 Sec. 9. Section 267A.6, subsection 2, paragraphs a and c,  
19 Code 2025, are amended to read as follows:

20 a. Improve communication and cooperation between and among  
21 farmers, food entrepreneurs, grocers, and consumers.

22 c. Demonstrate the value of processing, distributing,  
23 retailing, and marketing local foods. A demonstration project  
24 must be capable of being replicated on a statewide basis.