

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1116

Introduced by Ibach, 44; Dorn, 30; Hardin, 48; Sanders, 45.

Read first time January 10, 2024

Committee: Agriculture

- 1 A BILL FOR AN ACT relating to food retailers; to adopt the Grocer
- 2 Reinvestment Option Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 6 of this act shall be known and may be
2 cited as the Grocer Reinvestment Option Act.

3 Sec. 2. For purposes of the Grocer Reinvestment Option Act:

4 (1) Convenience retailer means a retail outlet that sells a limited
5 selection of foods and other products and includes corner stores,
6 convenience stores, and gas stations;

7 (2) Department means the Department of Agriculture;

8 (3) Financing means loans, grants, and forgivable loans;

9 (4) Grocery store business means an establishment generally known as
10 a supermarket or grocery store that is primarily engaged in retailing a
11 general line of food, such as canned and frozen foods, fresh fruits and
12 vegetables, and fresh and prepared meats, fish, and poultry;

13 (5) Low-income community means a census tract, as determined by the
14 most recent federal decennial census, that has a poverty rate of at least
15 twenty percent or in which the median household income does not exceed
16 eighty percent of the median household income for the state or the
17 metropolitan statistical area, whichever is greater;

18 (6) Median household income means the median household income as
19 determined by the United States Bureau of the Census;

20 (7) Moderate-income community means a census tract, as determined by
21 the most recent federal decennial census, in which the median household
22 income is more than eighty percent but not more than ninety-five percent
23 of the median household income for the state or metropolitan statistical
24 area, whichever is greater;

25 (8) New investment means expenses incurred for expanding or
26 improving access to perishable or nutritious foods. The term includes
27 expenses incurred for any of the following:

28 (a) Pre-development costs, including market studies and appraisals;

29 (b) Capital improvements to expand capacity, including expansion and
30 modifications to existing buildings or construction of new buildings at
31 existing facilities;

1 (c) Upgrades to utilities, including water, electric, heat,
2 refrigeration, and freezing facilities;

3 (d) Energy efficiency measures;

4 (e) Repair and maintenance of buildings and equipment;

5 (f) Purchases of equipment and furnishings;

6 (g) Technical assistance, including, but not limited to, business
7 planning, marketing, financing, supply chain management, and workforce
8 development assistance; or

9 (h) Purchases of technology that allows increased capacity or
10 business resilience, including software and hardware related to business
11 functions, logistics, inventory management, plant production controls,
12 temperature monitoring controls, and website design that enables e-
13 commerce;

14 (9) Program means the Grocer Reinvestment Option Program created in
15 section 3 of this act; and

16 (10) Underserved community means a census tract, as determined by
17 the most recent federal decennial census, that is determined to be an
18 area with low supermarket access by the United States Department of
19 Agriculture in its Food Access Research Atlas.

20 Sec. 3. (1) The Grocer Reinvestment Option Program is created. The
21 department shall administer the program.

22 (2) Any person seeking financing under the program shall apply to
23 the department on a form prescribed by the department.

24 (3) The department shall develop eligibility standards that an
25 applicant must meet in order to qualify for financing under the program.
26 At a minimum, the applicant must demonstrate:

27 (a) The grocery store business or convenience retailer is registered
28 in good standing with the Secretary of State to do business in Nebraska;

29 (b) The grocery store business or convenience retailer is organized
30 as a sole proprietorship, partnership, limited liability company,
31 corporation, cooperative, or nonprofit organization;

1 (c) The level of need in the area to be served;

2 (d) The grocery store business or convenience retailer has, at the
3 time of application, twenty-five or fewer full-time equivalent employees
4 at the location where the project will occur;

5 (e) Any financing received through the program will be used to make
6 a new investment in an existing grocery store business or convenience
7 retailer currently domiciled in Nebraska;

8 (f) The applicant has the capacity to successfully implement the
9 project;

10 (g) The project will be economically self-sustaining; and

11 (h) The applicant has the ability to repay any debt incurred under
12 the program.

13 (4) When evaluating applications under the program, the department
14 shall give priority to applicants that can demonstrate the following:

15 (a) A commitment to provide matching funds of at least one-half of
16 the total project cost;

17 (b) The project is located in an underserved community. First
18 priority shall be given to projects located in underserved communities
19 that are low-income communities or moderate-income communities, and
20 second priority shall be given to projects located in underserved
21 communities that are not low-income communities or moderate-income
22 communities;

23 (c) A commitment to accepting benefits under the United States
24 Department of Agriculture's Supplemental Nutrition Assistance Program and
25 Special Supplemental Nutrition Program for Women, Infants, and Children;

26 (d) The project will have a positive economic impact on the
27 underserved community, including by creating or retaining jobs for local
28 residents; and

29 (e) Other criteria the department determines to be consistent with
30 the purposes of the Grocer Reinvestment Option Act.

31 (5) The department may contract with one or more nonprofit

1 organizations or community development financial institutions to
2 administer the program through a public-private partnership.

3 Sec. 4. (1) The Grocer Reinvestment Revolving Fund is hereby
4 created. The department shall administer the fund and shall use the fund
5 for purposes of carrying out the Grocer Reinvestment Option Act. No more
6 than fifteen percent of the money in the fund shall be used for the
7 department's administrative costs.

8 (2) The fund shall consist of money transferred by the Legislature,
9 repayments of loans, and gifts, grants, and private contributions from
10 any source.

11 (3) Any money in the fund available for investment shall be invested
12 by the state investment officer pursuant to the Nebraska Capital
13 Expansion Act and the Nebraska State Funds Investment Act.

14 (4) It is the intent of the Legislature to appropriate two million
15 dollars for fiscal years 2024-25 and 2025-26 for purposes of carrying out
16 the Grocer Reinvestment Option Act.

17 Sec. 5. The department shall report annually to the Legislature on
18 the projects funded, the geographic distribution of the projects, the
19 identity of the applicants, and the new investment that was produced as a
20 result of the program. The report shall be electronically submitted on or
21 before October 31, 2025, and on or before October 31 of each year
22 thereafter.

23 Sec. 6. The department may adopt and promulgate rules and
24 regulations to carry out the Grocer Reinvestment Option Act.