

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 1032	House Committee:	PASSED on 4/16/25 (24-0)
Committee:	Economic Growth & Technology	House Floor:	
Floor Manager:	Rep. Latham	Senate Floor:	
Date:	April 24, 2025	Governor:	
Staff:	Kristi Kious (2-5290)		

Grocer Reinvestment Fund

- Creates a grocer reinvestment and local produce processing grant program.
- Modifies the local food and farm program.

Section by Section Analysis

Division I—Grocer Reinvestment and Local Produce Processing

Section 1 – Grocer reinvestment program (15.413)

(New section) This section provides that the fund shall be used to award grants to eligible grocery stores under the program. A *grocery store* is 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. IEDA shall administer the program and award grants to eligible Iowa grocery stores for capital improvements, utility upgrades, equipment and furnishings, professional services, and technology. This section also allows IEDA to establish the eligibility criteria for the program by rule. The eligibility criteria must include:

- compliance with any documents required to be filed with the secretary of state
- an organizational structure that is either a sole proprietorship, partnership, limited liability company, corporation, cooperative, nonprofit organization, or nonprofit community development entity
- ownership of 10 or fewer grocery stores
- priority is given to stores in the least-populated communities

To be awarded a grant—a grocery store must provide 50/50 matching funds for the project. This section specifies a grant shall not exceed \$100,000. Priority shall be given to projects:

- that accept SNAP and WIC benefits
- that create or retain jobs

IEDA is required to submit a report to the general assembly by November 1, 2026, and each November 1 thereafter. The report shall include the geographic distribution of the projects, the identity of the applicants, and new investments or new jobs created.

Section 2 – Local produce processing grant program (15.414)

(New section) This section directs IEDA to establish and administer the local produce processing grant program. In administering the program, IEDA shall prioritize grants to Iowa entities that will increase any of the following (as it relates to local produce processing): availability, access, efficiency, or capacity.

Grants shall not be awarded to an entity unless they local produce processing includes local produce from multiple Iowa-based farms.

Section 3 – Grocer reinvestment and local food processing fund (15.415)

(New section) This section creates a fund in the state treasurer under the control of IEDA for purposes of a grocer reinvestment and local food processing grants. Beginning in fiscal year 2026, \$100,000 or ten percent of the fund, whichever is less shall be allocated to the local produce processing grant program.

Division II—Local Food and Farm Program—Grocery Stores

Section 4 – Purpose and goals (267A.1)

This section adds *grocery stores* to the local food and farm program.

Section 5 – Purpose and goals (267A.1)

This section makes a conforming change.

Section 6 – Purpose and goals (267A.1)

(New paragraph) This section changes the purpose and goals of the local food and farm program in Code chapter 267A to include the retailing of local food and increasing the availability and viability of grocery stores in this state.

Section 7 – Definitions (267A.2)

(New subsection) This section makes a conforming change.

Section 8 – Local food and farm program (267A.6)

(New paragraph) This section makes a conforming change.

Amendment Analysis

Amendment H-1281 by Harris –The amendment changes the definition of *grocery store* to mean establishments that dedicate 50 percent of retail space to traditional grocery shopping or 30 percent of revenue comes from grocery shopping.

Amendment H-XXX by Ingels –The amendment directs that the local produce processing grant program be run through IDALS instead of IEDA.