

AMENDMENT TO RULES COMMITTEE PRINT

119-22

OFFERED BY MR. CARSON OF INDIANA

Add at the end of title IV the following:

1 **SEC. 4 ____ . FOOD DESERTS.**

2 (a) GRANT PROGRAM TO ESTABLISH GROCERY
3 STORES IN UNDERSERVED COMMUNITIES.—

4 (1) ESTABLISHMENT OF GRANT PROGRAM.—

5 The Secretary shall establish a program to provide
6 capitalization grants to States for the purpose of es-
7 tablishing revolving funds to support the establish-
8 ment and operation of grocery stores in underserved
9 communities.

10 (2) ADMINISTRATION.—A State receiving funds
11 under this section shall administer the revolving
12 fund of the State through an instrumentality of the
13 State with such powers and limitations as may be
14 required to operate such fund in accordance with the
15 requirements of this section.

16 (3) PROJECTS AND ACTIVITIES ELIGIBLE FOR
17 ASSISTANCE.—Amounts in a revolving fund shall be
18 used for the purpose of making loans—

1 (A) to open a grocery store in an under-
2 served community, except that such loan may
3 not be used for the purpose of new construc-
4 tion;

5 (B) to support the operations of an exist-
6 ing grocery store in an underserved community;

7 (C) to provide access to healthy food; or

8 (D) to support the operations of a program
9 participant that is located in a community that
10 would be an underserved community if the pro-
11 gram participant was not located in such com-
12 munity.

13 (4) GROCERY STORES ELIGIBLE FOR ASSIST-
14 ANCE.—

15 (A) REQUIRED CRITERIA.—A State receiv-
16 ing a capitalization grant under this section
17 may only make a loan from the revolving fund
18 of the State to an entity that the State deter-
19 mines—

20 (i) is a grocery store or will be a gro-
21 cery store after opening;

22 (ii) emphasizes or will emphasize un-
23 processed, healthful foods;

24 (iii) provides or will provide a variety
25 of raw fruits and vegetables;

1 (iv) provides or will provide staple
2 foods;

3 (v) has a plan to keep such foods in
4 stock to the extent possible;

5 (vi) charge affordable at or below
6 market values;

7 (vii) either—

8 (I) is demonstrably qualified to
9 operate a grocery store; or

10 (II) at the time of such applica-
11 tion, has existing partnerships with
12 organizations that provide technical
13 assistance on business operations of
14 food services; and

15 (viii) will match no less than 20 per-
16 cent, from non-Federal funds, of the
17 amount of such loan.

18 (B) PRIORITY CRITERIA.—A State shall
19 prioritize an application for a loan from the re-
20 volving fund of the State from an entity that
21 the State determines—

22 (i) hires or plans to hire workers who
23 reside within the underserved community
24 that would be served by the entity;

1 (ii) provides or plans to provide class-
2 es or other educational information about
3 a healthful diet;

4 (iii) sources or plans to source food
5 from local urban farms and gardens; and

6 (iv) demonstrates existing supply
7 chain relationships in the grocery industry.

8 (5) APPLICATION.—An entity that desires a
9 loan from a revolving fund of a State shall submit
10 an application to the State at such time, in such
11 manner, and containing such information as the
12 State may require.

13 (6) LOAN CONDITIONS.—

14 (A) IN GENERAL.—A loan distributed from
15 a revolving fund by a State may be used by a
16 program participant only for the purposes spec-
17 ified in subsection (c).

18 (B) INTEREST RATES.—A loan distributed
19 by a State from a revolving fund—

20 (i) shall be made at or below market
21 interest rates; and

22 (ii) may be an interest free loan, at
23 terms not to exceed the lesser of 30 years
24 or the projected useful life (as determined

1 by the State) of the project to be financed
2 with the proceeds of the loan.

3 (C) STRUCTURE OF LOAN.—A loan may be
4 distributed from a revolving fund by a State to
5 a program participant in—

6 (i) a lump sum; or

7 (ii) in multiple distributions over a pe-
8 riod of years, if the State determines mul-
9 tiple distributions are necessary to carry
10 out the project.

11 (D) LOAN AMOUNT.—A State may not
12 provide a loan to a program participant from
13 the revolving fund of the State in a fiscal year
14 that exceeds 10 percent of the amount available
15 from the fund for making distributions in that
16 fiscal year.

17 (E) PAYMENTS.—Annual principal and in-
18 terest payments on a loan received from a re-
19 volving fund of a State shall commence not
20 later than 1 year after the loan is disbursed to
21 the program participant and all loans will be
22 fully amortized upon the expiration of the term
23 of the loan.

24 (F) REVENUE FOR REPAYMENT.—A pro-
25 gram participant shall establish a dedicated

1 source of revenue for repayment of a loan re-
2 ceived from a revolving fund of a State.

3 (G) CREDITING REVOLVING FUND.—A re-
4 volving fund of a State shall be credited with all
5 payments of principal and interest on all loans
6 made from the revolving fund.

7 (7) ADMINISTRATION COSTS.—A State shall
8 charge a program participant an administrative fee
9 of not more than 4 percent of the loan amount. The
10 State shall use the fees to administer the revolving
11 fund and conduct administration activities under
12 this section.

13 (8) TECHNICAL ASSISTANCE.—The Secretary
14 shall provide technical assistance to program partici-
15 pants to assist with sourcing of food, food storage,
16 and other operational requirements.

17 (9) BANKRUPTCY.—In the case of the bank-
18 ruptcy of a program participant, amounts owed on
19 a loan from a revolving fund shall be afforded prece-
20 dence over other debt.

21 (10) CHANGE IN UNDERSERVED STATUS.—In
22 the case of a community that qualified as under-
23 served during a period in which loans were made by
24 a State pursuant to this section and no longer quali-

1 fies as underserved, recipients of loans under this
2 section in such community—

3 (A) shall not be eligible for further loans
4 under this section; and

5 (B) may not have their loan agreements al-
6 tered.

7 (11) GROCERY STORE EARNINGS.—Earnings of
8 a nonprofit organization or municipally owned pro-
9 gram participant that are attributable to a loan re-
10 ceived from a revolving fund of a State shall be used
11 for reinvestment into the program participant or to
12 support the continuity of operations of the program
13 participant.

14 (b) CAPITALIZATION GRANTS TO FUND STATE RE-
15 VOLVING FUNDS.—

16 (1) ELIGIBILITY OF STATE FOR CAPITALIZA-
17 TION GRANT.—To be eligible for a capitalization
18 grant, a State shall—

19 (A) establish a revolving fund that com-
20 plies with the requirements of this section; and

21 (B) establish a process for applications and
22 criteria for making loans from the revolving
23 fund, subject to the requirements in subsection
24 (a)(4).

1 (2) UPON RECEIPT OF CAPITALIZATION
2 GRANT.—Upon the receipt of a capitalization grant,
3 a State shall deposit such capitalization grant into
4 the revolving fund of the State.

5 (3) DISTRIBUTION.—For a fiscal year, the Sec-
6 retary shall apportion amounts made available for
7 capitalization grants under this section among the
8 States eligible under paragraph (1) in the ratio
9 that—

10 (A) the population of underserved commu-
11 nities in each State eligible under subsection
12 (a), bears to

13 (B) the population of underserved commu-
14 nities in all States eligible under subsection (a).

15 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
16 authorized to be appropriated to carry out this section
17 \$150,000,000 for fiscal year 2026.

18 (d) DEFINITIONS.—In this section:

19 (1) CAPITALIZATION GRANT.—The term “cap-
20 italization grant” means a grant made to a State
21 under the program.

22 (2) HEALTHFUL FOOD.—The term “healthful
23 food” means food that reflects the most recent Die-
24 tary Guidelines for Americans.

1 (3) GROCERY STORE.—The term “grocery
2 store” means a retail store that derives income pri-
3 marily from the sale of food for home preparation
4 and consumption.

5 (4) PROGRAM.—The term “program” means
6 the program described in subsection (a)(1).

7 (5) PROGRAM PARTICIPANT.—The term “pro-
8 gram participant” means an entity that has received
9 a loan under the program.

10 (6) REVOLVING FUND.—The term “revolving
11 fund” means a fund established by a State for use
12 as a depository for a capitalization grant.

13 (7) SECRETARY.—The term “Secretary” means
14 the Secretary of Agriculture.

15 (8) STAPLE FOOD.—The term “staple food”
16 has the meaning given the term in section 243(b) of
17 the of the Department of Agriculture Reorganization
18 Act of 1994 (7 U.S.C. 6953(b)).

19 (9) STATE.—The term “State” means States of
20 the Union, the District of Columbia, Puerto Rico,
21 the Virgin Islands, Guam, American Samoa, and the
22 Northern Mariana Islands.

23 (10) UNDERSERVED COMMUNITY.—The term
24 “underserved community” has the meaning given
25 the term in section 310B(g)(9)(A) of the Consoli-

1 dated Farm and Rural Development Act (7 U.S.C.
2 1932(g)(9)(A)).

