

119TH CONGRESS  
1ST SESSION

# H. R. 484

To direct the Secretary of Agriculture to make grants to States to support the establishment and operation of grocery stores in underserved communities, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2025

Mr. CARSON (for himself, Mr. CARTER of Louisiana, Mr. CASTEN, Mrs. CHERFILUS-McCORMICK, Mr. COHEN, Mrs. WATSON COLEMAN, Mrs. DINGELL, Mr. GARAMENDI, Mr. GOLDMAN of New York, Ms. NORTON, Mr. HORSFORD, Mr. JOHNSON of Georgia, Mr. KRISHNAMOORTHY, Mr. LARSON of Connecticut, Mr. LYNCH, Mrs. McIVER, Mr. MOULTON, Mr. MRVAN, Mr. MULLIN, Ms. ROSS, Ms. SCHAKOWSKY, Ms. SCHOLTEN, Mr. SOTO, Ms. STANSBURY, Ms. STEVENS, Ms. TLAIB, Mr. TAKANO, Mr. TONKO, Ms. TOKUDA, and Ms. VELÁZQUEZ) introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To direct the Secretary of Agriculture to make grants to States to support the establishment and operation of grocery stores in underserved communities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Food Deserts Act”.

1 **SEC. 2. GRANT PROGRAM TO ESTABLISH GROCERY STORES**  
2 **IN UNDERSERVED COMMUNITIES.**

3 (a) ESTABLISHMENT OF GRANT PROGRAM.—The  
4 Secretary shall establish a program to provide capitaliza-  
5 tion grants to States for the purpose of establishing re-  
6 volving funds to support the establishment and operation  
7 of grocery stores in underserved communities.

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

13 (c) PROJECTS AND ACTIVITIES ELIGIBLE FOR AS-  
14 SISTANCE.—Amounts in a revolving fund shall be used for  
15 the purpose of making loans—

16 (1) to open a grocery store in an underserved  
17 community, except that such loan may not be used  
18 for the purpose of new construction;

19 (2) to support the operations of an existing gro-  
20 cery store in an underserved community;

21 (3) to provide access to healthy food; or

22 (4) to support the operations of a program par-  
23 ticipant that is located in a community that would  
24 be an underserved community if the program partici-  
25 pant was not located in such community.

26 (d) GROCERY STORES ELIGIBLE FOR ASSISTANCE.—

1           (1) REQUIRED CRITERIA.—A State receiving a  
2 capitalization grant under this Act may only make  
3 a loan from the revolving fund of the State to an en-  
4 tity that the State determines—

5           (A) is a grocery store or will be a grocery  
6 store after opening;

7           (B) emphasizes or will emphasize unproc-  
8 essed, healthful foods;

9           (C) provides or will provide a variety of  
10 raw fruits and vegetables;

11           (D) provides or will provide staple foods;

12           (E) has a plan to keep such foods in stock  
13 to the extent possible;

14           (F) charge affordable at or below market  
15 values;

16           (G) either—

17           (i) is demonstrably qualified to oper-  
18 ate a grocery store; or

19           (ii) at the time of such application,  
20 has existing partnerships with organiza-  
21 tions that provide technical assistance on  
22 business operations of food services; and

23           (H) will match no less than 20 percent,  
24 from non-Federal funds, of the amount of such  
25 loan.

1           (2) PRIORITY CRITERIA.—A State shall  
2           prioritize an application for a loan from the revolving  
3           fund of the State from an entity that the State  
4           determines—

5                   (A) hires or plans to hire workers who re-  
6                   side within the underserved community that  
7                   would be served by the entity;

8                   (B) provides or plans to provide classes or  
9                   other educational information about a healthful  
10                  diet;

11                  (C) sources or plans to source food from  
12                  local urban farms and gardens; and

13                  (D) demonstrates existing supply chain re-  
14                  lationships in the grocery industry.

15       (e) APPLICATION.—An entity that desires a loan  
16       from a revolving fund of a State shall submit an applica-  
17       tion to the State at such time, in such manner, and con-  
18       taining such information as the State may require.

19       (f) LOAN CONDITIONS.—

20                   (1) IN GENERAL.—A loan distributed from a  
21                   revolving fund by a State may be used by a program  
22                   participant only for the purposes specified in sub-  
23                   section (c).

24                   (2) INTEREST RATES.—A loan distributed by a  
25                   State from a revolving fund—

1 (A) shall be made at or below market in-  
2 terest rates; and

3 (B) may be an interest free loan, at terms  
4 not to exceed the lesser of 30 years or the pro-  
5 jected useful life (as determined by the State)  
6 of the project to be financed with the proceeds  
7 of the loan.

8 (3) STRUCTURE OF LOAN.—A loan may be dis-  
9 tributed from a revolving fund by a State to a pro-  
10 gram participant in—

11 (A) a lump sum; or

12 (B) in multiple distributions over a period  
13 of years, if the State determines multiple dis-  
14 tributions are necessary to carry out the  
15 project.

16 (4) LOAN AMOUNT.—A State may not provide  
17 a loan to a program participant from the revolving  
18 fund of the State in a fiscal year that exceeds 10  
19 percent of the amount available from the fund for  
20 making distributions in that fiscal year.

21 (5) PAYMENTS.—Annual principal and interest  
22 payments on a loan received from a revolving fund  
23 of a State shall commence not later than 1 year  
24 after the loan is disbursed to the program partici-

1       pant and all loans will be fully amortized upon the  
2       expiration of the term of the loan.

3           (6) REVENUE FOR REPAYMENT.—A program  
4       participant shall establish a dedicated source of rev-  
5       enue for repayment of a loan received from a revol-  
6       ving fund of a State.

7           (7) CREDITING REVOLVING FUND.—A revolving  
8       fund of a State shall be credited with all payments  
9       of principal and interest on all loans made from the  
10      revolving fund.

11      (g) ADMINISTRATION COSTS.—A State shall charge  
12      a program participant an administrative fee of not more  
13      than 4 percent of the loan amount. The State shall use  
14      the fees to administer the revolving fund and conduct ad-  
15      ministration activities under this Act.

16      (h) TECHNICAL ASSISTANCE.—The Secretary shall  
17      provide technical assistance to program participants to as-  
18      sist with sourcing of food, food storage, and other oper-  
19      ational requirements.

20      (i) BANKRUPTCY.—In the case of the bankruptcy of  
21      a program participant, amounts owed on a loan from a  
22      revolving fund shall be afforded precedence over other  
23      debt.

24      (j) CHANGE IN UNDERSERVED STATUS.—In the case  
25      of a community that qualified as underserved during a pe-

1 riod in which loans were made by a State pursuant to this  
 2 section and no longer qualifies as underserved, recipients  
 3 of loans under this section in such community—

4 (1) shall not be eligible for further loans under  
 5 this section; and

6 (2) may not have their loan agreements altered.

7 (k) GROCERY STORE EARNINGS.—Earnings of a non-  
 8 profit organization or municipally owned program partici-  
 9 pant that are attributable to a loan received from a revolv-  
 10 ing fund of a State shall be used for reinvestment into  
 11 the program participant or to support the continuity of  
 12 operations of the program participant.

13 **SEC. 3. CAPITALIZATION GRANTS TO FUND STATE REVOLV-**  
 14 **ING FUNDS.**

15 (a) ELIGIBILITY OF STATE FOR CAPITALIZATION  
 16 GRANT.—To be eligible for a capitalization grant, a State  
 17 shall—

18 (1) establish a revolving fund that complies  
 19 with the requirements of this Act; and

20 (2) establish a process for applications and cri-  
 21 teria for making loans from the revolving fund, sub-  
 22 ject to the requirements in section 2(d).

23 (b) UPON RECEIPT OF CAPITALIZATION GRANT.—  
 24 Upon the receipt of a capitalization grant, a State shall

1 deposit such capitalization grant into the revolving fund  
2 of the State.

3 (c) DISTRIBUTION.—For a fiscal year, the Secretary  
4 shall apportion amounts made available for capitalization  
5 grants under this section among the States eligible under  
6 subsection (a) in the ratio that—

7 (1) the population of underserved communities  
8 in each State eligible under subsection (a), bears to

9 (2) the population of underserved communities  
10 in all States eligible under subsection (a).

11 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

12 There is authorized to be appropriated to carry out  
13 this Act \$150,000,000 for fiscal year 2026.

14 **SEC. 5. DEFINITIONS.**

15 In this Act:

16 (1) CAPITALIZATION GRANT.—The term “cap-  
17 italization grant” means a grant made to a State  
18 under the program.

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

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

1           (4) PROGRAM.—The term “program” means  
2 the program described in section 2(a).

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

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

9           (7) SECRETARY.—The term “Secretary” means  
10 the Secretary of Agriculture.

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

15           (9) STATE.—The term “State” means States of  
16 the Union, the District of Columbia, Puerto Rico,  
17 the Virgin Islands, Guam, American Samoa, and the  
18 Northern Mariana Islands.

19           (10) UNDERSERVED COMMUNITY.—The term  
20 “underserved community” has the meaning given  
21 the term in section 310B(g)(9)(A) of the Consoli-  
22 dated Farm and Rural Development Act (7 U.S.C.  
23 1932(g)(9)(A)).

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