

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 375

Introduced by Ibach, 44.

Read first time January 16, 2025

Committee: Agriculture

- 1 A BILL FOR AN ACT relating to grocery stores; 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 7 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) Department means the Department of Economic Development;

5 (2) Grocery store means an establishment that is primarily engaged
6 in retailing a general line of food, such as canned or frozen foods,
7 fresh fruits or vegetables, or fresh or prepared meats, fish, or poultry;

8 (3) New investment means any expense incurred for expanding or
9 improving access to perishable or nutritious food, including expenses
10 incurred for any of the following:

11 (a) Technical assistance to apply for eligible federal funding
12 opportunities that offer financial assistance to grocery businesses;

13 (b) Technical assistance to transition from a sole proprietorship to
14 a cooperative or other multi-owner or community-supported business model;

15 (c) Purchases of technology that allow increased capacity or
16 business resilience, including software and hardware related to business
17 functions, logistics, inventory management temperature monitoring
18 controls, electronic shelf tags, automated checkout and website design
19 that enables e-commerce; or

20 (d) Innovation to increase wholesale purchasing power, including
21 feasibility studies, technology, and equipment necessary to enable
22 cooperative purchasing among multiple businesses local to a participating
23 grocery store; and

24 (4) Program means the Grocer Reinvestment Option Program created in
25 section 3 of this act.

26 **Sec. 3.** (1) The Grocer Reinvestment Option Program is created. The
27 department shall administer the program.

28 (2) Any person may apply to the department for a grant under the
29 program on a form prescribed by the department.

30 (3) The department shall develop eligibility standards for an
31 applicant to meet in order to qualify for a grant under the program. At a

1 minimum, the applicant shall demonstrate the following:

2 (a) The grocery store is registered and in good standing with the
3 Secretary of State to do business in Nebraska;

4 (b) The grocery store is organized as a sole proprietorship,
5 partnership, limited liability company, corporation, cooperative, or
6 nonprofit organization;

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

8 (d) Any grant received through the program will be used to make a
9 new investment in an existing grocery store currently domiciled in
10 Nebraska;

11 (e) The applicant has the capacity to successfully implement the
12 project;

13 (f) The project will be economically self-sustaining; and

14 (g) The grocery store is located in a city or village with fewer
15 than forty thousand residents or is located in one of Nebraska's ninety
16 least populated counties.

17 (4) When evaluating grant applications under the program, the
18 department shall give priority to any applicant that can demonstrate the
19 following:

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

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

25 (c) The grocery store has, at the time of application, ten or fewer
26 locations of operation; and

27 (d) Other criteria the department determines to be consistent with
28 the purposes of the Grocer Reinvestment Option Act.

29 (5) The department may contract with one or more nonprofit
30 organizations or community development financial institutions to
31 administer the program through a public-private partnership.

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

6 (2) The fund shall consist of money transferred by the Legislature
7 and gifts, grants, and private contributions from any source.

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

11 (4) It is the intent of the Legislature to appropriate [XXX] dollars
12 for fiscal years 2025-26 and 2026-27 for purposes of carrying out the
13 Grocer Reinvestment Option Act.

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

20 **Sec. 6.** (1) Each grant awarded under the program shall be spent
21 within three years of disbursement.

22 (2) Any grant money that is disbursed and not spent pursuant to the
23 Grocer Reinvestment Option Act shall be recouped by the department.

24 (3) Any money recouped by the department under the Grocer
25 Reinvestment Option Act shall be remitted to the State Treasurer for
26 credit to the General Fund.

27 **Sec. 7.** The department may adopt and promulgate rules and
28 regulations to carry out the Grocer Reinvestment Option Act.