

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

HOUSE BILL 1965

5 By: Representative McCullough
6 By: Senator K. Hammer
7

For An Act To Be Entitled

9 AN ACT TO CREATE THE ARKANSAS HEALTHY FOOD RETAIL ACT
10 OF 2025; TO PROVIDE FINANCIAL INCENTIVES FOR HEALTHY
11 FOOD RETAILERS IN UNDERSERVED COMMUNITIES; AND FOR
12 OTHER PURPOSES.
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Subtitle

15 TO CREATE THE ARKANSAS HEALTHY FOOD
16 RETAIL ACT OF 2025; AND TO PROVIDE
17 FINANCIAL INCENTIVES FOR HEALTHY FOOD
18 RETAILERS IN UNDERSERVED COMMUNITIES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 15, Chapter 4, is amended to add an
24 additional subchapter to read as follows:

25 Subchapter 40 – Arkansas Healthy Food Retail Act of 2025
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27 15-4-4001. Title.

28 This subchapter shall be known and may be cited as the "Arkansas
29 Healthy Food Retail Act of 2025".
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31 15-4-4002. Legislative findings and intent.

32 (a) The General Assembly finds that:

33 (1) When fresh produce and other healthy foods are not readily
34 available or affordable, people, particularly low-income families, children,
35 and the elderly, face serious barriers to eating a healthy diet;

36 (2) Research in Arkansas and the nation shows that residents of



1 low-income, minority, and rural communities are most often affected by high
2 rates of obesity and poor access to supermarkets and other healthy food
3 retailers;

4 (3) Obesity, which frequently results from poor diet and
5 physical inactivity, is America's fast-growing cause of disease and death;

6 (4) Arkansas has one of the highest rates of obesity nationwide,
7 putting growing numbers of Arkansas adults and children at risk for
8 developing heart disease, Type 2 diabetes, hypertension, certain cancers, and
9 other health problems;

10 (5) Increasing access to retail food outlets that sell fresh
11 fruits and vegetables and other healthy food is an essential strategy for
12 fighting the obesity epidemic and improving health;

13 (6) Studies have shown that people with better access to
14 supermarkets and fresh produce tend to have healthier diets and lower levels
15 of obesity; and

16 (7) Developing quality retail food outlets also creates jobs,
17 expands markets for Arkansas farmers, and supports economic vitality in
18 underserved communities.

19 (b) It is the intent of the General Assembly that the Healthy Food
20 Retailer Program established under this subchapter shall:

21 (1) Provide a reliable source of financing for healthy food
22 retailers operating in underserved communities in the state in both rural and
23 urban areas;

24 (2) Increase access to affordable healthy food to improve diets
25 and health;

26 (3) Promote the sale and consumption of fresh produce,
27 particularly fresh produce that is grown in Arkansas; and

28 (4) Support the expansion of economic opportunities in low-
29 income and rural communities.

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31 15-4-4003. Definitions.

32 As used in this subchapter:

33 (1) "Funding" means grants, loans, or a combination of grants
34 and loans;

35 (2) "Healthy food retailers" means for-profit or nonprofit
36 retailers that sell high-quality, fresh produce at competitive prices to

1 various sellers, including without limitation supermarkets, grocery stores,
2 and farmers' markets; and

3 (3) "Underserved community" means a geographic area with limited
4 access to healthy food retailers in a low-income, low-access, or high-poverty
5 area or an area otherwise determined to have serious healthy, nutritional
6 food limitations.

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8 15-4-4004. Healthy Food Retailer Program – Establishment and
9 administration.

10 (a) To the extent funds are available, the Arkansas Economic
11 Development Commission, in cooperation with public and private sector
12 partners, shall establish the Healthy Food Retailer Program that provides
13 funding directly and indirectly to healthy food retailers that increase
14 access to fresh fruits and vegetables and other affordable healthy food in
15 underserved communities.

16 (b)(1)(A) The commission may contract with one (1) or more qualified
17 nonprofit organizations, community development financial institutions, or
18 consultants experienced in food retail to design and administer the Healthy
19 Food Retailer Program through a public-private partnership to leverage funds,
20 market the program statewide, evaluate applicants, make funding award
21 decisions, underwrite loans, and monitor compliance and impact.

22 (B) A nonprofit organization or a community development
23 financial institution that partners with the commission may allocate a
24 portion of the funds received under the Healthy Food Retailer Program to
25 cover administrative costs associated with administering the program.

26 (2) The commission shall coordinate with complimentary nutrition
27 assistance and education programs in administering the Healthy Food Retailer
28 Program.

29 (c) The Healthy Food Retailer Program shall provide funding on a
30 competitive basis as appropriate for each project awarded funding.

31 (d) The Healthy Food Retailer Program may provide funding through
32 grants, subgrants, and contracts for projects that align with the goals of
33 the Health Food Retailer Program, including without limitation:

34 (1) The construction of new healthy food retailers, including
35 without limitation supermarkets and grocery stores;

36 (2) Predevelopment activities, store renovations, expansion, and

1 infrastructure upgrades that improve the availability and quality of fresh
 2 produce;

3 (3) Farmers' markets, public markets, food cooperatives, mobile
 4 markets and delivery projects, and distribution projects that enable healthy
 5 food retailers in underserved communities to obtain fresh produce regularly;

6 (4) Equity investments, credit enhancement initiatives,
 7 subordinate debt, and interest rate buy downs that benefit healthy food
 8 retailers; and

9 (5) Other projects that create or improve healthy food retailers
 10 that meet the intent of this subchapter, as determined by the commission.

11 (e) Funding made available through the Healthy Food Retailer Program
 12 may be used for the following purposes:

13 (1) Site acquisition and preparation;

14 (2) Construction costs;

15 (3) Equipment and furnishings;

16 (4) Workforce training;

17 (5) Security;

18 (6) Certain predevelopment costs as determined by the
 19 commission, including without limitation market studies and appraisals;

20 (7) Financial assistance, including without limitation working
 21 capital for first-time inventory, start-up costs, and interest rate buy down;
 22 and

23 (8) Consulting and technical assistance, including without
 24 limitation stakeholder training and the provision of informational resources
 25 to stakeholders.

26 (f) A restaurant is not eligible for funding under this subchapter.

27 (g) An applicant for funding under this subchapter may include without
 28 limitation a sole proprietorship, partnership, limited liability company,
 29 corporation, cooperative, community development entity, institution of higher
 30 education, or governmental entity.

31 (h) To be considered for funding under this section, an applicant
 32 shall meet the following criteria:

33 (1) The project for which the applicant seeks funding benefits
 34 an underserved community;

35 (2) The applicant demonstrates a meaningful commitment to
 36 selling fresh produce according to a measurable standard established by the

1 commission; and

2 (3) The applicant accepts the Supplemental Nutrition Assistance
3 Program and the Special Supplemental Nutrition Program for Women, Infants,
4 and Children (WIC) benefits.

5 (i) The commission or its designee shall evaluate each applicant based
6 on the following criteria to determine the award of funding:

7 (1) The applicant's demonstrated capacity to successfully
8 implement the project, including without limitation the applicant's relevant
9 experience and the likelihood that the project will be economically self-
10 sustaining;

11 (2) The ability of the applicant to repay debt;

12 (3) The degree to which the project requires an investment of
13 public funding to move forward, create an impact, or be competitive;

14 (4) The level of need in the underserved community to be served
15 by the project, which may include the consideration of factors that will
16 improve or preserve retail access for low-income residents, such as the
17 proximity to public transit lines;

18 (5) The degree to which the project will promote sales of fresh
19 produce, particularly Arkansas-grown fruits and vegetables;

20 (6) The degree to which the project will positively impact the
21 underserved community, including without limitation creating or retaining
22 local residents' jobs; and

23 (7) Any other criteria that the commission determines are
24 consistent with the intent of this subchapter.

25 (j) The commission shall:

26 (1) Establish Healthy Food Retailer Program benchmarks and
27 reporting processes to ensure that the Healthy Food Retailer Program benefits
28 both rural and urban communities in Arkansas;

29 (2) Establish monitoring and accountability mechanisms for
30 projects that receive funding under this section, such as tracking sales data
31 for fresh produce;

32 (3) Prepare and submit an annual report to the Legislative
33 Council, or if the General Assembly is in session, the Joint Budget
34 Committee, concerning any projects funded and the outcome data related to
35 each project; and

36 (4) Establish rules for implementing this subchapter.

1 (k) To the extent practicable, funds described in this subchapter may
2 be used to leverage other funding, including without limitation new markets
3 tax credits, federal and foundation grant programs, incentives available to
4 designated renewal communities or empowerment zones, operator equity, and
5 funding from private-sector financial institutions under the Community
6 Reinvestment Act of 1977, 12 U.S.C. § 2901 et seq., as it existed on January
7 1, 2025.

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