

1 AN ACT relating to the grocery store initiative fund.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO  
4 READ AS FOLLOWS:

5 (1) (a) There is hereby established in the State Treasury a revolving account to be  
6 known as the grocery store initiative fund. The fund shall consist of moneys  
7 received from state appropriations, gifts, grants, federal funds, and all  
8 repayment, interest, or other return on the investment of fund dollars as  
9 required by this section.

10 (b) The fund shall be administered by the Cabinet for Health and Family  
11 Services.

12 (c) Moneys in the fund shall be used for the purposes set forth in this section.

13 (d) All repayment, interest, or other return on the investment of fund moneys  
14 are required to be returned to the fund and used for eligible activities in  
15 accordance with this section.

16 (e) Notwithstanding KRS 45.229, any moneys remaining in the fund at the  
17 close of the fiscal year shall not lapse but shall be carried forward into the  
18 next fiscal year.

19 (2) The cabinet shall utilize the grocery store initiative fund to expand access to  
20 healthy foods in underserved areas by providing grants, loans, and technical  
21 assistance to eligible food retailers and food enterprises that are independently  
22 owned for-profit grocery stores, cooperative grocery stores, nonprofit grocery  
23 stores, or grocery stores owned and operated by local governmental units.

24 (3) The cabinet may place limits on the size of the food retailers and food enterprises  
25 that are eligible for grants, loans, and technical assistance, including limits on  
26 the annual revenue or projected revenue of the applicant, number of full-time  
27 employees, or square footage of the facilities.

- 1 (4) The cabinet may prioritize grants, loans, public-private partnerships, and  
2 technical assistance to applicants based on poverty rates, income, geographic  
3 diversity, local ownership, access to grocery stores in the area surrounding  
4 proposed project locations, and other factors as determined by the cabinet.
- 5 (5) The cabinet may make grants, loans, public-private partnerships, and technical  
6 assistance awards for one (1) or more of the following:
- 7 (a) Market and site feasibility studies, promotional materials, and marketing;  
8 (b) Salaries and benefits for workers;  
9 (c) Rent or a down payment to acquire a facility;  
10 (d) Establishing a new grocery store;  
11 (e) Capital improvements, planning, renovations, land acquisition, demolition,  
12 and durable and nondurable equipment purchases;  
13 (f) Upgrades for existing food retailers and food enterprises; and  
14 (g) Other costs as determined to be eligible by the cabinet.
- 15 (6) By October 1, 2027, and October 1 of each year thereafter, the cabinet shall  
16 submit a report to the Governor and the Legislative Research Commission for  
17 referral to the Interim Joint Committee on Health Services, which shall include:
- 18 (a) A summary of all grants, loans, public-private partnerships, and technical  
19 assistance awards;  
20 (b) An account of all funds received and awarded;  
21 (c) A summary of all progress on activities funded; and  
22 (d) Any recommendations for future initiatives or actions.
- 23 (7) The cabinet shall promulgate administrative regulations in accordance with KRS  
24 Chapter 13A to implement this section.