

State of Arkansas  
95th General Assembly  
Regular Session, 2025

# A Bill

HOUSE BILL 1965

By: Representative McCullough

By: Senator K. Hammer

## For An Act To Be Entitled

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

## Subtitle

TO CREATE THE ARKANSAS HEALTHY FOOD RETAIL ACT OF 2025; AND TO PROVIDE FINANCIAL INCENTIVES FOR HEALTHY FOOD RETAILERS IN UNDERSERVED COMMUNITIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 15, Chapter 4, is amended to add an additional subchapter to read as follows:

Subchapter 40 – Arkansas Healthy Food Retail Act of 2025

15-4-4001. Title.

This subchapter shall be known and may be cited as the "Arkansas Healthy Food Retail Act of 2025".

15-4-4002. Legislative findings and intent.

(a) The General Assembly finds that:

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

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



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

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

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

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

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

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

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

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

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

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

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

#### 15-4-4003. Definitions.

As used in this subchapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Site acquisition and preparation;

(2) Construction costs;

(3) Equipment and furnishings;

(4) Workforce training;

(5) Security;

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

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

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

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

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

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

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

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

commission; and

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

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

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

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

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

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

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

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

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

(j) The commission shall:

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

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

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

(4) Establish rules for implementing this subchapter.

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

**APPROVED: 4/17/25**