

By: Meza

H.B. No. 4054

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the community development grocery store grant program and to the use of money from the Texas Enterprise Fund for the program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 481, Government Code, is amended by adding Subchapter EE to read as follows:

SUBCHAPTER EE. COMMUNITY DEVELOPMENT GROCERY STORE GRANT PROGRAM

Sec. 481.601. DEFINITIONS. In this subchapter:

(1) "Food desert" means a census tract, based on the most recent information published by the United States Bureau of the Census, in which:

(A) the poverty rate is 20 percent or higher or the median family income is at or below 80 percent of the area median family income; and

(B) at least 500 people or at least 33 percent of the census area's population reside more than:

(i) one mile from a grocery store, in the case of a census tract other than a rural census tract; or

(ii) 10 miles from a grocery store, in the case of a rural census tract.

(2) "Grocery store" means a store that has at least:

(A) 66 percent of the store's retail space reserved for the sale of food products;

1           (B) 50 percent of the store's food retail space  
2 reserved for the sale of non-prepared foods or foods intended for  
3 home preparation and consumption; and

4           (C) 30 percent of the store's food retail space  
5 reserved for the sale of perishable foods, including dairy  
6 products, fresh produce, fresh meats, poultry, fish, and frozen  
7 foods.

8           (3) "Program" means the community development grocery  
9 store grant program established under this subchapter.

10         Sec. 481.602. ESTABLISHMENT OF GRANT PROGRAM. (a) The  
11 office shall establish and administer the community development  
12 grocery store grant program to assist communities by awarding  
13 grants to business entities proposing to operate a grocery store  
14 that will be located in a food desert.

15         (b) The office may use any available revenue, including  
16 legislative appropriations, appropriation transfers from the  
17 trusteed programs within the office of the governor, including  
18 authorized appropriations from the Texas Enterprise Fund, and any  
19 other statutorily authorized and appropriate funding sources  
20 transferred from the trusteed programs within the office of the  
21 governor, for the purposes of this subchapter.

22         Sec. 481.603. ELIGIBILITY FOR GRANT. To be eligible to  
23 receive a grant under this subchapter, a business entity must:

24           (1) demonstrate significant levels of planned capital  
25 investment at the proposed location, as determined by office rule;

26           (2) demonstrate the support of the governing officials  
27 of the local governmental entities in which the grocery store is

1 proposed to be located, particularly in the form of local economic  
2 development incentive offers; and

3 (3) be well established and financially sound.

4 Sec. 481.604. APPLICATION. A small business may apply for a  
5 grant under this subchapter by submitting an application to the  
6 office in the form and manner prescribed by the office.

7 Sec. 481.605. GRANT AGREEMENT. (a) Before awarding a grant  
8 under this subchapter, the office shall enter into a written  
9 agreement with the business entity to be awarded the grant  
10 specifying that if the grocery store closes before the fourth  
11 anniversary of the date on which the grant is awarded, the  
12 recipient shall repay the grant and any related interest to the  
13 state at the agreed rate and on the agreed terms.

14 (b) A grant agreement for a grant awarded under this  
15 subchapter must contain a provision stating that:

16 (1) the grocery store will provide health insurance  
17 benefits to its full-time employees; and

18 (2) the total average wages for new jobs at the grocery  
19 store must meet or exceed the average wage for the same or similar  
20 type of job in the county in which the grocery store will be  
21 located.

22 Sec. 481.606. GIFTS, GRANTS, AND DONATIONS. The office  
23 shall solicit and accept gifts and grants for the purposes of this  
24 subchapter. The office shall use gifts and grants received for the  
25 purposes of this subchapter before using any other revenue.

26 Sec. 481.607. GRANT PROGRAM RULES. The executive director  
27 of the office shall adopt rules necessary to administer and

1 implement this subchapter.

2 SECTION 2. Section 481.078, Government Code, is amended by  
3 adding Subsection (d-2) to read as follows:

4 (d-2) The fund may be used for the community development  
5 grocery store grant program under Subchapter EE. The governor may  
6 transfer appropriations from the fund to the office for purposes of  
7 administering the community development grocery store grant  
8 program. Subsections (e), (f), (f-1), (f-2), (g), (h), (h-1), (i),  
9 and (j) and Section 481.080 do not apply to a grant awarded for a  
10 purpose specified by this subsection.

11 SECTION 3. Section 481.079(a-1), Government Code, is  
12 amended to read as follows:

13 (a-1) For grants awarded for a purpose specified by Section  
14 481.078(d-2) [~~481.078(d-1)~~], the report must include only the  
15 amount and recipient [~~purpose~~] of each grant.

16 SECTION 4. As soon as practicable after the effective date  
17 of this Act, the executive director of the Texas Economic  
18 Development and Tourism Office shall adopt rules for the  
19 establishment of the community development grocery store grant  
20 program under Subchapter EE, Chapter 481, Government Code, as added  
21 by this Act.

22 SECTION 5. This Act takes effect September 1, 2021.