

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 15, 2025**

**TO:** Honorable Gary VanDeaver, Chair, House Committee on Public Health

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB821** by Bernal (Relating to the establishment of a grocery access investment fund program.), **As Introduced**

The fiscal implications of the bill cannot be determined because the amount and timing of state appropriations, federal, state, and private grants and loans; federal tax credits; and other financial assistance that would be received in the Texas Grocery Access Investment Fund established by the bill are unknown.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

This bill would amend the Agriculture Code to add Chapter 26, regarding the Texas Grocery Access Investment Fund.

The bill would require the Texas Department of Agriculture (TDA), in cooperation with public and private sector partners, to create the Texas Grocery Access Investment Fund Program. The bill would also establish the the Texas Grocery Access Investment Fund as a trust fund outside the treasury with the Comptroller, administered by TDA. The fund would consist of money appropriated by the Legislature; federal, state, and private grants and loans; federal tax credits; and other financial assistance. The bill would require no less than 25 percent of the money in the fund to be used to provide grants or forgivable loans distributed by the program. The bill would also require that no more than 10 percent of the money in the fund may be used for administrative or operational costs for the program, unless costs would be covered by other budget or in-kind-contributions.

The program would provide financing for construction of new grocery stores and renovation, expansion, and infrastructure upgrades of existing stores. The grocery stores would be located in underserved communities, and would primarily serve low- and moderate-income areas, as defined in the bill. TDA would adopt rules to administer the program by December 1, 2025.

The bill would require TDA to contract with one or more qualified nonprofit organizations or community development financial institutions to administer the program through a public-private partnership by December 15, 2025. The organizations or institutions would establish program guidelines, raise matching funds, promote the program statewide, evaluate applicants, underwrite and disburse grants and loans, and monitor compliance and impact.

Applicants for financing would be required to meet certain requirements, including agreeing, for five years, to accept SNAP and WIC benefits, allocate 30 percent of food retail space for the sale of perishable foods, comply with TDA's reporting requirements, and promote the hiring of local residents. TDA would be required to transfer funds to the Texas Grocery Access Investment Fund by January 15, 2026.

The bill would require TDA to report annually to the Legislature on the projects funded, geographic distribution of the projects, costs of startup and administration of the program, and the outcomes.

Based on information provided by the Comptroller of Public Accounts (CPA), the bill would have no revenue

implications and the amount and timing of state appropriations, federal, state, and private grants and loans; federal tax credits; and other financial assistance that would be received in the Texas Grocery Access Investment Fund are unknown.

The cost analysis provided by TDA reflected funding needs for grant issuances each fiscal year. Based on information provided by TDA, this analysis assumes that additional staff would be needed if funds were made available for the program. It is assumed that TDA would need 1.0 FTE to administer grant awards for the program if funding would be provided in amounts up to \$10,000,000 each fiscal year.

Based on analysis from the TDA, it is assumed the agency would require one FTE (Grant Specialist III) each fiscal year to administer the program, if the program is capitalized. Costs for the position would include operating equipment and expenses, professional services expenses and one time rule making costs to implement the provisions of the bill. The estimated personnel cost (Salary, benefits, and operating) for the one FTE is \$99,189 in FY 2026 and \$95,945 in subsequent FYs 2027-2030. If funds were provided to the new fund in an amount sufficient to cover administrative costs under the 10 percent administrative cap, it is assumed the fund would be used for that purpose. Otherwise, this analysis assumes General Revenue would be required to cover those costs.

**Note:** This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 551 Department of Agriculture

**LBB Staff:** JMc, NPe, MW, RSTE