



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 1222** HLS 26RS 1810
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 12, 2026 9:13 AM	Author: LYONS
Dept./Agy.: Louisiana Economic Development	Analyst: Noah O'Dell
Subject: Grocery Initiative Program and Food Insecurity Study	

ECONOMIC DEVELOPMENT RE INCREASE GF EX See Note Page 1 of 1
 Provides relative to grocery initiative grants and financial support

Proposed law authorizes Louisiana Economic Development (LED), subject to appropriation, to establish the Grocery Initiative program to provide grants, loans, technical assistance, or other financial assistance to eligible grocery stores (for-profit, cooperative, or not-for-profit) in food deserts in the state and areas at risk of becoming food deserts. Proposed law defines "food deserts" and allows LED to promulgate rules that may designate other areas as "food deserts" and further refine program eligibility. LED may enter into grants, contracts, or other agreements to provide technical assistance to grantees. LED is permitted to study food insecurity in food deserts and may submit a report to the legislature by December 31, 2027. Proposed law permits LED to provide grants, subject to appropriation, for equipment upgrades to existing independently owned or farmer-owned grocery stores or markets. LED is limited to 20% of the total program funding for this purpose.

Effective when an Act of the Louisiana Legislature containing a specific appropriation of monies for the implementation of the provisions of the bill becomes effective.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

Proposed law authorizes, but does not mandate, Louisiana Economic Development (LED) to establish the Grocery Initiative Program. To the extent the department implements the provisions of proposed law, LED anticipates an increase in SGF expenditures of \$440,000 in FY 27 and two (2) T.O. positions associated with administration of the program, **in addition to an indeterminable amount of SGF (subject to appropriation) for the funding to issue grants and loans under the program.** This fiscal note assumes LED implements the proposed law and that a separate legislative instrument provides such an appropriation. The Legislative Fiscal Office (LFO) is unable to estimate the scale of any appropriation or the number of loans or grants that may be issued annually under the program.

The bill establishes the Grocery Initiative Program within LED to offer grants, loans, technical assistance, and other financial assistance to certain grocery stores in food deserts and areas at risk of becoming food deserts. The program will also offer grants for equipment upgrades to certain grocery stores. LED is permitted to study food insecurity in urban and rural food deserts and may submit a report to the legislature by December 31, 2027.

LED estimates implementation will require two Program Administrators at an annual cost of \$210,000 (average salary of \$70,000 and related benefits of \$35,000), with annual market rate adjustments beginning in FY 28. One-time costs include up to \$50,000 for an outside consultant to complete the food insecurity study and \$60,000-\$180,000 for the development of a program management platform. Such costs are reported on the high end of the range for this fiscal note.

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services					
Program Administrators (2 T.O.)	\$210,000	\$216,300	\$222,789	\$229,473	\$236,357
Professional Services					
Development of the Program System	\$180,000	\$0	\$0	\$0	\$0
Contracted Study on Food Deserts	\$ 50,000	\$0	\$0	\$0	\$0
Total LED Administration Expenditures	\$440,000	\$216,300	\$222,789	\$229,473	\$236,357

These estimated expenditures assume the technical assistance required under the bill may be accomplished by the two full-time program administrators. To the extent program participation is higher than expected, and such responsibilities fall outside of the scope of the two employees, additional resources may be necessary.

REVENUE EXPLANATION

As LED issues loans to certain grocery stores under the Grocery Initiative Program, repayment of those loans is expected to increase SGR within LED by an indeterminable amount. LFO assumes such loan repayments would be classified as SGR, given that the proposed legislation does not provide for a statutorily dedicated fund associated with the program. LFO is unable to estimate program participation, particularly in loan activity.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
 Legislative Fiscal Officer