

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30539-NPa-22

Short Title: Affordable Food Act.

(Public)

Sponsors: Representative Pittman.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO STRENGTHEN FOOD SECURITY, SUPPORT NORTH CAROLINA
3 FARMERS, PROTECT AGRICULTURAL LAND, EXPAND FOOD ACCESS IN URBAN
4 AND RURAL COMMUNITIES, AND PROHIBIT THE PRACTICE OF DYNAMIC
5 PRICING IN RETAIL GROCERY STORES.

6 The General Assembly of North Carolina enacts:

7
8 **PART I. LEGISLATIVE FINDINGS**

9 **SECTION 1.** Legislative Findings. – The General Assembly makes the following
10 findings:

- 11 (1) Food insecurity has increased across North Carolina due to rising food costs,
12 supply chain disruptions, and reductions in federal nutrition and food
13 assistance programs.
14 (2) North Carolina farmers and food producers face economic instability resulting
15 from market volatility, declining institutional demand, and development
16 pressures on agricultural land.
17 (3) Urban, rural, military, and veteran populations experience distinct food access
18 challenges that require targeted and coordinated State responses.
19 (4) Preservation of farmland is essential to long-term food security, rural
20 economic stability, and responsible land-use planning. North Carolina is
21 expected to lose 1,200,000 acres of farmland by 2040 to urban and residential
22 development, the second most farmland lost among any state in the nation.
23 (5) Strategic State investment in food procurement, distribution infrastructure,
24 and nutrition assistance can simultaneously strengthen farm viability and
25 improve food access.
26

27 **PART II. SNAP NUTRITION INCENTIVE WAIVER/PROGRAMS**

28 **SECTION 2.1.(a)** By January 1, 2027, the Department of Health and Human
29 Services, Division of Social Services (Division), shall request a waiver from the United States
30 Department of Agriculture (USDA) authorizing the State to operate a nutrition incentive program
31 that would increase the purchasing power of food and nutrition services benefits (also known as
32 the federal Supplemental Nutrition Assistance Program or SNAP) for fruits, vegetables, and other
33 healthy foods. The Division shall submit a report to the Joint Legislative Oversight Committee
34 on Health and Human Services within 30 days of the USDA's decision to either grant or deny the
35 waiver.

36 **SECTION 2.1.(b)** This section is effective when it becomes law.



1 SECTION 2.2.(a) Part 5 of Article 2 of Chapter 108A of the General Statutes is
2 amended by adding a new section to read:

3 **"§ 108A-53.5. Incentive programs for food and nutrition services.**

4 (a) Purpose. – The purpose of this section is to expand access to nutritious food for
5 recipients of food and nutrition services programs in this State by supporting and funding
6 nutrition incentive programs that increase the purchasing power of food and nutrition services
7 benefits for fruits, vegetables, and other healthy foods.

8 (b) Definitions. – The following definitions apply in this section:

9 (1) Double-Up Food Bucks. – Nutrition incentive programs modeled on or
10 affiliated with the Double-Up Food Bucks network that match food and
11 nutrition services electronic benefit transfer (EBT) benefits for the purchase
12 of eligible foods at participating locations.

13 (2) Nutrition incentive program. – A program that increases the purchasing power
14 of food and nutrition services benefits by providing matching funds, tokens,
15 credits, or similar incentives for the purchase of fruits, vegetables, and other
16 nutritious foods at authorized retail locations, including grocery stores,
17 farmers markets, farm stands, community-supported agriculture programs,
18 mobile markets, or other qualifying vendors.

19 (3) SNAP. – The federal Supplemental Nutrition Assistance Program also known
20 as the State's food and nutrition assistance program.

21 (c) Program Authorization and Administration. – The Department shall administer food
22 and nutrition services nutrition incentive programs as authorized by federal law and in
23 accordance with this section. In administering the program, the Department shall do each of the
24 following:

25 (1) Establish, operate, expand, or support the State's participation in Double-Up
26 Food Bucks, Market Match, Healthy Incentives Program, or similar SNAP
27 nutrition incentive programs.

28 (2) Enter into contracts, cooperative agreements, or memoranda of understanding
29 with nonprofit organizations, local governments, farmers, farmers market
30 associations, grocery retailers, food cooperatives, or other public or private
31 entities to implement and operate nutrition incentive programs.

32 (3) Seek, receive, accept, and administer federal, State, local, and private funds to
33 expand food and nutrition services nutrition incentive programs.

34 (4) Provide technical assistance, outreach, education, and operational support to
35 vendors, market operators, and communities to increase participation in
36 nutrition incentive programs.

37 (d) Incentive Matching and Benefit Structure. – Nutrition incentive programs
38 implemented pursuant to this section shall meet all applicable federal requirements and do the
39 following:

40 (1) Match electronic food and nutrition benefit purchases for fruits, vegetables,
41 and other nutritious foods at a rate determined by the Department based on
42 available funding and federal guidelines.

43 (2) Ensure that incentive matches are redeemable at participating locations at the
44 point of purchase or through token, voucher, or electronic credit mechanisms
45 approved by the Department.

46 (e) Report. – The Department shall submit a report no later than December 1 of each year
47 to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal
48 Research Division of the General Assembly that, at a minimum, includes each of the following:

49 (1) The number of participating food and nutrition services benefits households.

50 (2) The total amount of food and nutrition services benefits matched.

51 (3) The number and type of participating vendors.

1 (4) The geographic distribution of program activity.

2 (5) The outcomes related to access to healthy food."

3 **SECTION 2.2.(b)** This section is effective upon approval from the USDA of the
4 waiver requested under Section 2.1 of this Part.

5 **SECTION 2.3.(a)** There is appropriated from the General Fund to the Department
6 of Health and Human Services, Division of Social Services, the sum of eleven million dollars
7 (\$11,000,000) in recurring funds for the 2026-2027 fiscal year to support SNAP matching funds,
8 program administration, outreach, and other nutrition incentive purposes authorized under this
9 Part, subject to approval of the waiver set forth under Section 2.1 of this Part. If the USDA does
10 not approve the waiver, these funds shall revert to the General Fund.

11 **SECTION 2.3.(b)** Subsection (a) of this section is effective July 1, 2026.
12

13 **SNAP FUNDING IN RESPONSE TO H.R. 1**

14 **SECTION 2.4.(a)** There is appropriated from the General Fund to the Department
15 of Health and Human Services, Division of Central Management and Support, the sum of sixteen
16 million dollars (\$16,000,000) in recurring funds beginning in the 2026-2027 fiscal year. These
17 funds shall be used to cover the loss in federal receipts for the administrative costs of the federal
18 Supplemental Nutrition Assistance Program (SNAP) as a result of Public Law 119-21. The
19 Department may allocate a portion of these appropriated funds to any division within the
20 Department that incurs a loss of federal receipts for the administrative costs of SNAP as a result
21 of Public Law 119-21. The Department shall only spend the portion of these appropriated funds
22 up to the actual amount of lost federal receipts.

23 **SECTION 2.4.(b)** There is appropriated from the General Fund to the Department
24 of Health and Human Services, Division of Social Services, the sum of sixty-nine million dollars
25 (\$69,000,000) in recurring funds beginning in the 2026-2027 fiscal year to cover the loss of
26 federal receipts for the administrative costs of the federal Supplemental Nutrition Assistance
27 Program (SNAP) as a result of Public Law 119-21. The Division of Social Services shall
28 distribute these funds to counties proportional to each county's loss of federal receipts. The
29 Division of Social Services shall only spend the portion of these appropriated funds up to the
30 actual amount of lost federal receipts.

31 **SECTION 2.4.(c)** This section becomes effective July 1, 2026.
32

33 **PART III. AGRICULTURAL STABILIZATION AND FARMLAND PRESERVATION**

34 **STATE FOOD PROCUREMENT AND FARMER STABILIZATION PROGRAM**

35 **SECTION 3.1.(a)** Chapter 106 of the General Statutes is amended by adding a new
36 Article to read:

37 "Article 1C.

38 "Food Assistance Programs.

39 **§ 106-26.25. State Food Procurement and Farmer Stabilization Program.**

40 (a) Program Established. – The State Food Procurement and Farmer Stabilization
41 Program is established within the Department of Agriculture and Consumer Services for the
42 purpose of purchasing food products grown or processed in North Carolina for distribution to
43 public and nonprofit food assistance programs. The Department shall administer the Program in
44 a manner that both encourages broad participation among North Carolina farmers and food
45 producers and prioritizes procurement from small and mid-sized farms, beginning farmers,
46 historically underserved producers, and producers located in economically distressed or rural
47 areas.

48 (b) Program Funds; Authority. – The Department may use funds appropriated for the
49 Program for costs related to food purchasing, aggregation, storage, transportation, and
50 coordination, in addition to the Department's reasonable administrative expenses. The
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1 Department may enter into contracts, cooperative agreements, or direct purchase arrangements
2 necessary to administer the Program.

3 (c) Reporting Requirement. – No later than February 15 of each year, the Department
4 shall submit a report on the Program to the Joint Legislative Oversight Committee on Agriculture
5 and Natural and Economic Resources and the Fiscal Research Division. Each report shall contain,
6 at a minimum, all of the following information:

7 (1) The total amount of funds expended to date.

8 (2) The geographic distribution of the funds expended to date.

9 (3) The types and quantities of food products procured.

10 (4) The names and localities of each farmer and producer from whom the
11 Department procured food products."

12 **SECTION 3.1.(b)** There is appropriated from the General Fund to the Department
13 of Agriculture and Consumer Services the sum of nine million dollars (\$9,000,000) in recurring
14 funds for the 2026-2027 fiscal year to administer the State Food Procurement and Farmer
15 Stabilization Program.

17 **FARMLAND PRESERVATION AND LAND USE**

18 **SECTION 3.2.(a)** G.S. 106-744(c) reads as rewritten:

19 "(c) There is established a "North Carolina Agricultural Development and Farmland
20 Preservation Trust Fund" to be administered by the Commissioner of Agriculture. The Trust Fund
21 shall consist of all monies received for the purpose of purchasing agricultural conservation
22 easements or funding programs that promote the development and sustainability of farming and
23 assist in the transition of existing farms to new farm families, or monies transferred from counties
24 or private sources. The Trust Fund shall be invested as provided in G.S. 147-69.2 and
25 G.S. 147-69.3. The Commissioner shall use Trust Fund monies for any of the following purposes:

26 (1) For the purchase of agricultural conservation easements, including transaction
27 costs.

28 (2) For the costs of public and private enterprise programs that will promote
29 profitable and sustainable family farms through assistance to farmers in
30 developing and implementing plans for the production of food, fiber, and
31 value-added products, agritourism activities, marketing and sales of
32 agricultural products produced on the farm, and other agriculturally related
33 business activities.

34 (2a) To provide farmland preservation grants to local governments and nonprofit
35 land conservation organizations.

36 (2b) To provide local governments with technical assistance and capacity-building
37 support related to farmland preservation planning and implementation.

38 (3) To fund conservation agreements to bring into or maintain farmland in active
39 production of food, fiber, and other agricultural products.

40 (4) For the costs of administering the program under this Article, including the
41 cost of staff and staff support."

42 **SECTION 3.2.(b)** There is appropriated from the General Fund to the Department
43 of Agriculture and Consumer Services the sum of forty-seven million dollars (\$47,000,000) in
44 recurring funds for the 2026-2027 fiscal year to be allocated to the North Carolina Agricultural
45 Development and Farmland Preservation Trust Fund to be used for purposes consistent with this
46 Fund.

48 **PART IV. FOOD DISTRIBUTION AND TARGETED ASSISTANCE**

50 **TARGETED MILITARY AND VETERAN FOOD ASSISTANCE PROGRAM**

1 **SECTION 4.1.(a)** Article 1C of Chapter 106 of the General Statutes, as enacted by
2 Section 3.1 of this act, is amended by adding a new section to read:

3 **"§ 106-26.30. Targeted Military and Veteran Food Assistance Program.**

4 (a) Program Established. – The Targeted Military and Veteran Food Assistance Program
5 is established within the Department of Agriculture and Consumer Services for the purpose of
6 addressing food insecurity among members of the military, military veterans, and military
7 families.

8 (b) Program Funds; Authority. – The Program shall be used to provide food assistance to
9 veterans and members of the Armed Forces of the United States and the North Carolina National
10 Guard, in addition to their dependents and other members of their household, who are
11 experiencing or at risk of experiencing food insecurity. The Department may use funds
12 appropriated for the Program for costs related to food purchasing, aggregation, storage,
13 transportation, and coordination, in addition to the Department's reasonable administrative
14 expenses. The Department shall procure and distribute, to the extent practicable, nutritious food
15 products grown or processed in North Carolina.

16 (c) Eligibility. – The Department may establish eligibility criteria consistent with this
17 section for individuals and households to receive food assistance from the Program. The
18 Department may prioritize assistance to households experiencing demonstrable food insecurity
19 and financial hardship.

20 (d) Program Administration; Coordination. – The Department shall administer the
21 Program in coordination with food banks, food assistance programs, veterans' service
22 organizations, military family support organizations, and other appropriate public or private
23 partners. The Department may enter into contracts, cooperative agreements, or direct purchase
24 arrangements necessary to administer the Program.

25 (e) Reporting Requirement. – No later than February 15 of each year, the Department
26 shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural
27 and Economic Resources and the Fiscal Research Division. Each report shall contain, at a
28 minimum, all of the following information:

29 (1) The total amount of funds expended to date.

30 (2) The number of individuals and households served, disaggregated by
31 beneficiary category.

32 (3) The types and quantities of food distributed.

33 (4) The geographic distribution of benefits provided under the Program."

34 **SECTION 4.1.(b)** There is appropriated from the General Fund to the Department
35 of Agriculture and Consumer Services the sum of one hundred forty million dollars
36 (\$140,000,000) in recurring funds for the 2026-2027 fiscal year to administer the Targeted
37 Military and Veteran Food Assistance Program.

38
39 **STRENGTHENING FOOD DISTRIBUTION PROGRAMS**

40 **SECTION 4.2.** There is appropriated from the General Fund to the Department of
41 Agriculture and Consumer Services the sum of twenty million dollars (\$20,000,000) in
42 nonrecurring funds for the 2026-2027 fiscal year to be used to issue grants to nonprofit and local
43 government administered food assistance programs for the purposes of expanding and
44 strengthening food storage, transportation, coordination, and distribution capacity.

45
46 **PART V. URBAN AND RURAL FOOD ACCESS**

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48 **MOBILE MARKETS AND FOOD BANK GRANT PROGRAM**

49 **SECTION 5.1.(a)** Article 1C of Chapter 106 of the General Statutes, as enacted by
50 Section 3.1 of this act, is amended by adding a new section to read:

51 **"§ 106-26.35. Mobile Markets and Food Bank Grant Program.**

1 (a) Program Established. – The Mobile Markets and Food Bank Grant Program is
2 established within the Department of Agriculture and Consumer Services for the purpose of
3 expanding access to nutritious food in rural and underserved areas of the State. The Program
4 shall support mobile food pantries, temporary or pop-up food distribution sites, mobile markets,
5 and similar food distribution models designed to serve populations experiencing food insecurity.

6 (b) Program Administration. – The Department of Agriculture and Consumer Services
7 shall administer the Program in consultation with the Department of Health and Human Services.
8 In administering the Program, the Department of Agriculture and Consumer Services may enter
9 into interagency agreements to allocate responsibilities related to program design, grantmaking,
10 monitoring, and reporting. The Department of Agriculture and Consumer Services may
11 coordinate with food banks, nonprofit organizations, local governments, tribal governments, and
12 other appropriate public and private partners to carry out the purposes of this section.

13 (c) Eligible Grant Recipients. – Grants under this section may be awarded to the
14 following entities operating in North Carolina:

15 (1) Food banks and food pantries.

16 (2) Nonprofit organizations.

17 (3) Units of local government.

18 (4) Tribal governments.

19 (d) Eligible Uses of Funds. – Grant funds may be used for costs necessary to establish,
20 expand, or operate eligible food distribution activities, including costs related to the following:

21 (1) Vehicles, trailers, or mobile units.

22 (2) Refrigeration, storage, and food handling equipment.

23 (3) Temporary site setup, staffing, and logistics.

24 (4) Food procurement and aggregation.

25 (5) Outreach, coordination, and reasonable administrative expenses.

26 (e) Program Requirements and Prioritization. – The Department of Agriculture and
27 Consumer Services shall develop application procedures, eligibility requirements, award criteria,
28 and reporting standards necessary to carry out this section. In awarding grants, the Department
29 shall prioritize projects that serve rural communities, areas with high rates of food insecurity, and
30 populations with limited access to traditional retail food outlets.

31 (f) Reporting Requirements. – No later than February 15 of each year, the Department
32 of Agriculture and Consumer Services shall submit a report to the Joint Legislative Oversight
33 Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight
34 Committee on Health and Human Services, and the Fiscal Research Division. Each report shall
35 contain, at a minimum, the following information:

36 (1) The total amount of funds awarded and expended.

37 (2) The number and type of grantees awarded funds.

38 (3) A description of the populations served by the grantees.

39 (4) A description of the geographic distribution of funds provided under the
40 Program."

41 **SECTION 5.1.(b)** There is appropriated from the General Fund to the Department
42 of Agriculture and Consumer Services the sum of eight million dollars (\$8,000,000) in recurring
43 funds for the 2026-2027 fiscal year to administer the Mobile Markets and Food Bank Grant
44 Program.

45 **GROCERY STORE AND FOOD RETAIL PILOT PROGRAM**

46 **SECTION 5.2.(a)** Grocery Store and Food Retail Pilot Program. – There is
47 established the Grocery Store and Food Retail Pilot Program to increase access to affordable,
48 nutritious food in underserved areas and food deserts across the State. The Pilot Program shall
49 provide loans and grants to support capital costs associated with the establishment, expansion, or
50

1 rehabilitation of grocery stores, food cooperatives, mobile markets, or similar food retail outlets
2 that offer a meaningful selection of staple foods and fresh produce.

3 **SECTION 5.2.(b)** Program Administration. – The Department of Health and Human
4 Services shall administer the Pilot Program in consultation with the Department of Commerce
5 and the Department of Agriculture and Consumer Services. The Department of Health and
6 Human Services may enter into public-private partnerships and cooperative agreements with
7 financial institutions, community development financial institutions, local governments,
8 nonprofit organizations, and other appropriate entities to carry out the purposes of this section.

9 **SECTION 5.2.(c)** Grantmaking and Loan Authority. – The Department of Health
10 and Human Services is authorized to award grants and low-interest or forgivable loans under the
11 Pilot Program. The Department shall develop eligibility criteria, application procedures, and
12 geographic targeting standards, including, where practicable, criteria to identify underserved
13 areas and food deserts. The Department may establish maximum award amounts, matching fund
14 requirements, repayment terms for loans, and performance requirements to ensure the long-term
15 sustainability of participating retail outlets. Funds awarded under this section may be used for
16 eligible capital expenses, including the following:

- 17 (1) Land acquisition or site preparation.
- 18 (2) Construction, renovation, or build-out costs.
- 19 (3) Refrigeration, shelving, and food storage equipment.
- 20 (4) Energy efficient or climate resilient infrastructure.
- 21 (5) Other capital costs determined by the Department to be necessary to support
22 viable food retail operations.

23 **SECTION 5.2.(d)** Reporting Requirement. – No later than February 15, 2028, the
24 Department of Health and Human Services shall submit to the Joint Legislative Oversight
25 Committee on Health and Human Services and the Fiscal Research Division a report containing
26 the following information:

- 27 (1) The amount of funds awarded and expended.
- 28 (2) The number and type of retail outlets supported.
- 29 (3) The geographic distribution of awards.
- 30 (4) An estimation of the population served.
- 31 (5) An account of the Program's effectiveness in expanding food access in
32 participating communities.

33 **SECTION 5.2.(e)** Appropriation. – There is appropriated from the General Fund to
34 the Department of Health and Human Services the sum of ten million dollars (\$10,000,000) in
35 nonrecurring funds for the 2026-2027 fiscal year to administer the Grocery Store and Food Retail
36 Pilot Program.

37 38 **PART VI. PROHIBIT RETAIL GROCERY STORES FROM DYNAMIC PRICING** 39 **USING ELECTRONIC SHELF LABELS**

40 **SECTION 6.(a)** Chapter 75 of the General Statutes is amended by adding a new
41 Article to read:

42 "Article 9.

43 "Dynamic Pricing.

44 **"§ 75-150. Definitions.**

45 For purposes of this Article, the following definitions apply:

- 46 (1) Dynamic pricing. – A practice by which a retail price is increased, decreased,
47 or otherwise changed during the course of a business day or more frequently
48 than once in a 24-hour period.
- 49 (2) Electronic shelf label. – A digitally controlled or electronically connected
50 display placed on or near a shelf, product, or point-of-sale that displays the
51 price or pricing information for a consumer good offered for sale.

- 1 (3) Household essential good. – A consumer good used for cleaning, hygiene,
- 2 sanitation, baby care, or other ordinary household purpose.
- 3 (4) Retail grocery store. – A retail store engaged primarily in the sale of food,
- 4 beverages, household essential goods, or a combination of these products for
- 5 off-premises consumption or use.

6 **"§ 75-151. Prohibition on dynamic pricing through electronic shelf labels in retail grocery**

7 **stores.**

8 (a) It is unlawful for a retail grocery store to use an electronic shelf label to implement

9 dynamic pricing for any food, beverage, or household essential good offered for retail sale.

10 (b) A retail grocery store may only use an electronic shelf label for the following

11 purposes:

- 12 (1) To display a price that does not change more than once in a 24-hour period.
- 13 (2) To correct a pricing error.
- 14 (3) To comply with State or federal law.
- 15 (4) To apply a price reduction or markdown that is uniformly available to all
- 16 consumers.

17 (c) Nothing in this section shall be construed to prohibit a temporary sales price,

18 promotional price, or manager's special, so long as the price is set on a nondiscriminatory basis

19 and is not changed more than once in a 24-hour period through an electronic shelf label.

20 **"§ 75-152. Enforcement.**

21 A violation of this Article is an unfair or deceptive trade practice under G.S. 75-1.1.

22 **"§ 75-153. Civil penalty.**

23 In addition to any other remedies provided by law, the Attorney General may bring a civil

24 action to recover a civil penalty of not more than five thousand dollars (\$5,000) for each violation

25 of this Article. Each distinct price change in violation of this Article constitutes a separate

26 violation."

27 **SECTION 6.(b)** This section becomes effective October 1, 2026, and applies to acts

28 or omissions occurring on or after that date.

29 **PART VII. EFFECTIVE DATE**

30 **SECTION 7.** Except as otherwise provided, this act becomes effective July 1, 2026.

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