HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

ENGROSSED SENATE
BILL NO. 506

By: Bice, Matthews and Pittman of the Senate

and

Pfeiffer, Dollens and Osborn (Leslie) of the House

An Act relating to healthy food consumption; creating the Healthy Food Financing Act; defining terms; creating the Healthy Food Financing Revolving Fund; stating uses of the fund; providing for deposits to the fund; limiting certain expenditures; directing the Oklahoma Department of Agriculture, Food, and Forestry to administer program; allowing the Department to contract with other entities; directing the State Board of Agriculture to promulgate rules; stating projects eligible for financing; stating purposes eligible for financing; providing certain considerations the Department shall use to determine eligibility; stating entities that are eligible for financing; providing requirements for eligible applicants; directing the Board to create monitoring and compliance mechanisms; requiring annual report; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-201 of Title 2, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Healthy Food Financing Act."

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-203 of Title 2, unless there is created a duplication in numbering, reads as follows:

As used in the Healthy Food Financing Act:

1. "Board" means the State Board of Agriculture;

2. "Department" means the Oklahoma Department of Agriculture, Food, and Forestry;

3. "Financing" means loans, grants and forgivable loans;

4. "Grocery store" means a for-profit or not-for-profit self-service retail establishment that primarily sells meat, seafood, fruits, vegetables, dairy products, dry groceries, household products and sundries;

5. "Low-income community" means a census tract, as reported in the most recent decennial census published by the United States Bureau of the Census, that has a poverty rate of at least twenty percent (20%) or in which the median family income does not exceed eighty percent (80%) of the greater of the statewide or metropolitan median family income;

6. “Moderate income community” means a census tract, as reported in the most recent decennial census published by the United States Bureau of the Census, in which the median family income is between eighty-one percent (81%) and ninety-five percent (95%) of the statewide or metropolitan median family income;

7. “Small food retailer” means a small retail outlet less than two thousand five hundred (2,500) square feet, which sells a limited selection of foods and other products; and

8. “Underserved community” means a census tract, as reported in the most recent decennial census published by the United States Bureau of the Census, determined to be an area with low supermarket access by either the United States Department of Agriculture, as identified in the Food Access Research Atlas, or through a methodology that has been adopted for use by another governmental healthy food initiative.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-204 of Title 2, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund to be designated the “Healthy Food Financing Revolving Fund”. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the State Board of Agriculture for the Healthy Food Financing Act from any state-appropriated funds, federal funds, donations, grants, contributions and gifts from any public or private source. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the State Board of Agriculture for the purposes set forth in the Healthy Food Financing Act. No more than ten percent (10%) of the fund expenditures shall be reserved for administrative and operational costs to manage the program, unless those costs are provided from other budgets or in-kind resources.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-205 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. The Department shall administer the provisions of the Healthy Food Financing Act.

B. The Department may contract with one or more nonprofit organizations or community development financial institutions to administer this program through a public-private partnership.

C. The Board shall adopt the rules and program eligibility guidelines necessary to enforce and administer the Healthy Food Financing Act, including an application process for financing and grants. Projects that receive financing must be located in an underserved community and primarily serve low or moderate income communities. Projects eligible for financing include:

1. Construction of new grocery stores;

2. Construction of small food retailers; and

3. Grocery store or small food retailer renovations, expansions and infrastructure upgrades that improve the availability and quality of fresh produce and other healthy foods.

D. Financing made available for projects may be expended for the following purposes:

1. Site acquisition and preparation;

2. Construction costs;

3. Equipment and furnishings;

4. Workforce training or security;

5. Pre-development costs, including market studies and appraisals;

6. Energy efficiency measures;

7. Working capital for first-time inventory and start-up costs; and

8. For small food retailers, the acquisition or leasing of refrigeration equipment, display shelving or other one-time capital expenditure, at a cost of less than Five Thousand Dollars ($5,000.00), for the promotion and display of perishable foods, which shall include a blend of dairy products, fresh produce, fresh meats and poultry and fresh or frozen fish.

E. In determining which projects shall qualify for financing, the Department shall consider:

1. The level of need of access to healthy foods in the area to be served;

2. The degree to which the project requires an investment of public financing to progress, create and impact on access to healthy food;

3. The degree to which the project will have a positive economic impact on the underserved community, including by creating or retaining jobs for local residents;

4. The degree to which the project will participate in state and local health department initiatives to educate consumers on nutrition and promote healthier eating; and

5. Other criteria the Board determines to be consistent with the purposes of this act.

F. Eligible applicants for financing shall include but are not limited to sole proprietorships, partnerships, limited liability companies, corporations, cooperatives, nonprofit organizations, nonprofit community development entities, universities or government entities. Applicants for financing must:

1. Demonstrate the capacity to successfully implement the project and the likelihood that the project will be economically self-sustaining;

2. Demonstrate the ability to repay the debt; and

3. Agree, for a period of at least five (5) years, to comply with the following conditions:

a. to accept the benefits of The United States Department of Agriculture's Supplemental Nutrition Assistance Program,

b. to apply to accept The United States Department of Agriculture's Special Supplemental Nutrition Program for Women, Infants, and Children and to accept the benefits, if approved,

c. to allocate at least thirty percent (30%) of food retail space for the sale of perishable foods, which shall include fresh dairy, produce, meats, poultry and fish,

d. to comply with all data collection and reporting requirements established by the Board, and

e. to promote the hiring of local residents.

G. The Board may establish monitoring and compliance mechanisms for projects receiving financing.

H. The Department shall raise matching funds, promote the program statewide, evaluate applicants, underwrite and disburse grants and loans and monitor compliance and impact.

I. The Department shall report annually to the Legislature on the projects funded, the geographic distribution of the projects, the costs of the program, and the outcomes, including the number and type of jobs created and health initiatives associated with the program.

SECTION 5. This act shall become effective November 1, 2017.

COMMITTEE REPORT BY: COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT, dated 04/11/2017 - DO PASS, As Coauthored.