

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 506

By: Bice

4
5
6 AS INTRODUCED

7 An Act relating to healthy food consumption; creating
8 the Healthy Food Financing Act; providing legislative
9 intent; providing purpose of the act; defining terms;
10 creating the Healthy Food Financing Revolving Fund;
11 stating uses of the fund; providing for deposits to
12 the fund; limiting certain expenditures; directing
13 the Oklahoma Department of Agriculture, Food, and
14 Forestry to administer program; allowing the
15 Department to contract with other entities; directing
16 the State Board of Agriculture to promulgate rules;
17 stating projects eligible for financing; stating
18 purposes eligible for financing; providing certain
19 considerations the Department shall use to determine
20 eligibility; stating entities that are eligible for
21 financing; providing requirements for eligible
22 applicants; directing the Board to create monitoring
23 and compliance mechanisms; requiring annual report;
24 providing for codification; and providing an
effective date.

17
18
19 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5-202 of Title 2, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The Legislature finds and declares the following:

5 1. Overweight children and adults are at greater risk for
6 numerous adverse health consequences, including type 2 diabetes,
7 heart disease, stroke, high blood pressure, high cholesterol,
8 certain cancers, asthma, low self-esteem, depression and other
9 debilitating diseases. In Oklahoma, about thirty-four percent (34%)
10 of adult residents were obese in 2015, and almost twelve percent
11 (12%) of adolescents were obese in 2014. Obese children are at
12 least twice as likely as non-obese children to become obese adults.

13 2. Obesity-related health conditions have serious economic
14 costs. Annual health care costs from obesity are at least One
15 Hundred Ninety Billion Dollars (\$190,000,000,000.00), or twenty-one
16 percent (21%) of total health care spending, and are expected to
17 rise substantially. Roughly forty percent (40%) of these costs are
18 paid through Medicare and Medicaid, which means that taxpayers foot
19 much of the bill. Medicare and Medicaid spending would be reduced
20 by eight and one-half percent (8.5%) and eleven and eight tenths
21 percent (11.8%), respectively, in the absence of obesity-related
22 spending. Obesity-related annual medical expenditures in Oklahoma
23 are estimated at One Billion Four Hundred Seventy Million Dollars
24 (\$1,470,000,000.00).

1 3. Living close to a grocery store is associated with a better
2 diet and a decreased risk for obesity and diet-related chronic
3 diseases. Many Americans, particularly those in low-income
4 neighborhoods, rural areas and communities of color, live in
5 communities that lack adequate access to full-service grocery
6 stores. National studies conducted by the United States Department
7 of Agriculture's Economic Research Service and The Reinvestment Fund
8 have found that twenty-five million (25,000,000) to thirty million
9 (30,000,000) Americans live in communities that do not provide
10 adequate access to health food retailers, such as supermarkets or
11 grocery stores, within a reasonable distance from their home.

12 4. Developing grocery stores also stimulates economic activity.
13 Building new grocery stores increases jobs and employment in the
14 community where the grocery store is located. Adding a grocery
15 store can also increase the levels and rates of appreciation of home
16 prices near the new store and the market for state-grown produce and
17 other foods.

18 5. Small food stores tend to sell little fresh produce, whole
19 grains and low-fat dairy products. These stores commonly sell
20 highly-processed foods that are high in fat and low in nutrients.
21 Small stores tend to charge higher prices for their food as compared
22 to grocery stores and supermarkets.

23 6. The program established pursuant to this act is intended to
24 provide a dedicated source of financing for grocery stores operating

1 in underserved communities in Oklahoma, in both urban and rural
2 areas, to increase access to affordable healthy food to improve
3 residents' diets and health, to promote the sale and consumption of
4 fresh fruits and vegetables, particularly those that are grown
5 locally and to support expanded economic opportunities in low-income
6 communities.

7 B. The purpose of this act is to establish and fund Three
8 Million Dollars (\$3,000,000.00) to a statewide program to increase
9 the availability of fresh and nutritious food, including fruits and
10 vegetables, in underserved communities. It is the specific intent
11 of the Legislature that funding provided to eligible entities will
12 expand and stimulate economic activity in low-income and underserved
13 areas.

14 SECTION 3. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 5-203 of Title 2, unless there
16 is created a duplication in numbering, reads as follows:

17 As used in the Healthy Food Financing Act:

- 18 1. "Board" means the State Board of Agriculture;
- 19 2. "Department" means the Oklahoma Department of Agriculture,
20 Food, and Forestry;
- 21 3. "Financing" means loans, grants and forgivable loans;
- 22 4. "Grocery store" means a for-profit or not-for-profit self-
23 service retail establishment that primarily sells meat, seafood,
24

1 fruits, vegetables, dairy products, dry groceries, household
2 products and sundries;

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

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

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

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

1 SECTION 4. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5-204 of Title 2, unless there
3 is created a duplication in numbering, reads as follows:

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

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

21 A. The Department shall administer the provisions of the
22 Healthy Food Financing Act.
23
24

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

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

- 10 1. Construction of new grocery stores;
- 11 2. Construction of small food retailers; and
- 12 3. Grocery store or small food retailer renovations, expansions
13 and infrastructure upgrades that improve the availability and
14 quality of fresh produce and other healthy foods.

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

- 17 1. Site acquisition and preparation;
- 18 2. Construction costs;
- 19 3. Equipment and furnishings;
- 20 4. Workforce training or security;
- 21 5. Pre-development costs, including market studies and
22 appraisals;
- 23 6. Energy efficiency measures;
- 24

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

3 8. For small food retailers, the acquisition or leasing of
4 refrigeration equipment, display shelving, or other one-time capital
5 expenditure, at a cost of less than Five Thousand Dollars
6 (\$5,000.00), for the promotion and display of perishable foods,
7 which shall include a blend of dairy products, fresh produce, fresh
8 meats and poultry and fresh or frozen fish.

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

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

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

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

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

22 5. Other criteria the Board determines to be consistent with
23 the purposes of this act.
24

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

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

9 2. Demonstrate the ability to repay the debt; and

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

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

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

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

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

1 e. to promote the hiring of local residents.

2 G. The Board shall establish monitoring and compliance
3 mechanisms for projects receiving financing.

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

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

12 SECTION 6. This act shall become effective November 1, 2017.

13
14 56-1-216 QD 1/19/2017 8:11:06 PM
15
16
17
18
19
20
21
22
23
24