SB260
165196-4

By Senators Reed, Ross, Whatley, Waggoner, Dial, Holley, Coleman, Figures, Albritton, Smitherman, Marsh, Allen, Scofield, Bussman, Williams, Glover and Hightower
RFD: Health and Human Services
First Read: 17-MAR-15
ENROLLED, An Act,

Relating to underserved communities; to create the Healthy Food Financing Act to provide financing for grocery stores to operate in low and moderate income areas in order to increase the availability of fresh and nutritious food to underserved communities; and to require the Alabama Department of Economic and Community Affairs to administer the financing program.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) This act shall be known as the Healthy Food Financing Act.

(b) The purpose of this act is to establish a statewide program to increase the availability of fresh and nutritious food, including fruits and vegetables, in underserved communities by providing financing for retailers to open, renovate, or expand grocery stores.

Section 2. For the purposes of this act, the following words have the following meanings:

(1) DEPARTMENT. The Alabama Department of Economic and Community Affairs.

(2) FINANCING. Loans or grants.
(3) GROCERY STORE. A for-profit or nonprofit self-service retail establishment that primarily sells meat, seafood, fruits, vegetables, dairy products, dry groceries, household products, and other healthy or fresh food retailers.

(4) LOW INCOME AREA. A census tract, as reported in the most recently completed decennial census published by the U.S. Bureau of the Census, that has a poverty rate of at least 20 percent or in which the median family income does not exceed 80 percent of the greater of the statewide or metropolitan median family income.

(5) MODERATE INCOME AREA. A census tract in which the median family income is between 81 and 95 percent of the median family income for the area.

(6) UNDERSERVED COMMUNITY. A census tract determined to be an area with low supermarket access by either the U.S. Department of Agriculture (USDA), as identified in the USDA's Food Access Research Atlas, or through a methodology that has been adopted for use by another governmental or philanthropic healthy food initiative.

Section 3. There is established the Healthy Food Financing Fund, which shall be comprised of federal, state, or private grants or loans, federal tax credits, or other type of financial assistance, for the construction or expansion of grocery stores to expand access to fresh produce and other nutritious foods in underserved communities. Monies in the
fund shall be used, to the extent practicable, to leverage other forms of financing. No less than 25 percent of the monies in the fund shall be expended in the form of grants or forgivable loans.

Section 4. (a) The department, in cooperation with public and private sector partners, shall establish a financing program to provide financing to retailers to construct, rehabilitate, or expand grocery stores in underserved communities in urban and rural low and moderate income areas.

(b) The department may contract with one or more qualified nonprofit organizations or community development financial institutions to administer this program through a public-private partnership. The department shall establish program guidelines, promote the program statewide, evaluate applicants, underwrite and disburse grants and loans, and monitor compliance and impact. The department may develop rules in accordance with the Administrative Procedure Act to carry out the program and to meet the intent of this act. No more than 10 percent of the monies in the fund shall be reserved for administrative and operational costs to manage the program by the department, unless those costs are provided for from other budgets or in-kind resources.

(c) The department shall establish monitoring and accountability mechanisms for projects receiving financing and
shall report annually to the Legislature on the projects funded, the geographic distribution of the projects, the costs of the program, the administrative cost of the program, and the outcomes, including the number and type of jobs created and health impacts associated with the program.

(d) The department shall create eligibility guidelines and provide financing through an application process. Projects shall be located in an underserved community and primarily serve low or moderate income areas. Projects eligible for financing include the following:

(1) Construction of new grocery stores.
(2) Store renovations, expansion, and infrastructure upgrades that improve the availability and quality of fresh produce and other healthy foods.

(e) An applicant for financing may be a for-profit or nonprofit entity, including, but not limited to, a sole proprietorship, partnership, limited liability company, corporation, cooperative, nonprofit organization, nonprofit community development entity, university, or government entity. An applicant for financing shall do all of the following:

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

a. To allocate at least 30 percent of food retail space for the sale of perishable foods, which may include fresh or frozen dairy, fresh produce, whole grains, fresh meats, poultry, and fish.

b. To comply with all data collection and reporting requirements established by the department.

c. To promote the hiring of local residents.

(f) In determining which qualified projects to finance, the department shall consider all of the following:

(1) The level of need in the area to be served.

(2) The degree to which the project requires an investment of public financing to move forward, create impact, or be competitive, and the level of need in the area to be served.

(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.

(5) Other criteria the department determines to be consistent with the purposes of this act.
(g) Financing made available for projects may be used for any of the following purposes:

(1) Site acquisition and preparation.
(2) Construction and build-out costs.
(3) Equipment and furnishings.
(4) Workforce training or security.
(5) Pre-development costs such as market studies and appraisals.
(6) Energy efficiency measures.
(7) Working capital for first-time inventory and startup costs.

Section 5. This act shall become effective on the first day of the third month following its passage and approval by the Governor, or its otherwise becoming law.
SB260

Senate 31-MAR-15
I hereby certify that the within Act originated in and passed
the Senate.

Patrick Harris
Secretary

House of Representatives
Amended and passed 19-MAY-15

Senate concurred in House amendment 21-MAY-15

APPROVED ________ 4:30 P.M.  May 27, 2015

GOVERNOR

Alabama Secretary Of State
Act Num.: 2015-240
Bill Num.: S-260
Rec'd 05/28/15  09:19am SAM
SENATE ACTION

DATE: 3-12 2015
RD 1 RFD 412x

I hereby certify that the notice & proof is attached to the Bill, SB __________ as required in the General Acts of Alabama, 1975 Act No. 919.

PATRICK HARRIS, Secretary

This Bill was referred to the Standing Committee of the Senate on HEALTH and was acted upon by such Committee in session and is by order of the Committee returned therefrom with a favorable report w/amd(s) __________ w/sub __________ w/eng sub __________
yeas ___ nays ___ abstain ___
this ____ day of March, 2015

Chairperson

HOUSE ACTION

REPORT OF STANDING COMMITTEE

This bill having been referred by the House to its standing committee on House Agriculture & Forestry was acted upon by such Committee in session, and returned therefrom to the House with the recommendation that it be passed w/amd(s) __________ w/sub __________
this ____ day of May, 2015

Chairperson

DATE: 3-18 2015
RF FAU RD 2 CAL

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, SB __________
yeas ___ nays ___ abstain ___

PATRICK HARRIS, Secretary

DATE: 3-31-15 RD 3 at length

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, SB __________
yeas ___ nays ___ abstain ___

PATRICK HARRIS, Secretary

JEFF WOODARD, Clerk

FURTHER SENATE ACTION (OVER)

FURTHER HOUSE ACTION (OVER)