



HOUSE BILL 387: Corner Store Initiative.

2017-2018 General Assembly

Committee:	House Agriculture. If favorable, re-refer to Appropriations	Date:	April 11, 2017
Introduced by:	Reps. Holley, Lambeth, McElraft, Quick	Prepared by:	Jennifer McGinnis
Analysis of:	First Edition		Committee Counsel

SUMMARY: *House Bill 387 would create the Healthy Food Small Retailer Fund in the Department of Agriculture and Consumer Services (DACs) for food desert relief purposes by providing micro-grants for equipment and shelving, initial expense offsets, and food and nutrition safety and handling education.*

[As introduced, this bill was identical to S296, as introduced by Sens. D. Davis, Pate, which is currently in Senate Re-ref to Appropriations/Base Budget. If fav, re-ref to Health Care.]

BILL ANALYSIS: The bill provides funding for the benefit of small food retailers of no more than 5,000 heated square feet located in food desert zones to assist them in carrying nutrient-dense foods, such as vegetables, fruits, whole grains, low-fat dairy products, and lean meats. A food desert zone is a tract that has (i) a poverty rate of 20% or greater or has a median family income at/below 80% of the median family income for the State and (ii) has 500/+ persons or at least 33% of the population who live 1/+ mile/s (if in a metropolitan area) or 10+ miles (if in a nonmetropolitan area) from a healthy, affordable food store. Counties must apply to DACs to have food desert zones designated as such, and the designation is good for 10 years.

Fund disbursements must be used (i) for shelving and equipment to stock nutrient-dense foods, (ii) to offset initial expenses related to participating in food desert relief efforts, or (iii) to cover salaries/costs of technical assistance to retailers on food safety and handling, nutrition education, business operations, and nutrient-dense food promotion. The maximum per retailer amount for these activities, respectively, is (i) \$5,000, (ii) \$100, and (iii) \$1,500. In making disbursements, attention should be paid to level of need, and DACs must establish monitoring and accountability for participants. Participants must (i) accept SNAPⁱ benefits and Special Supplemental Nutrition Program for Women, Infants, and Children benefits and (ii) provide a plan for expenditures of the grant to increase nutrient-dense food sales and for engaging the community to support food desert relief efforts.

Funds may be disbursed only if there is (i) a retailer performance agreement between the county/regional public health department and a small retailer and (ii) a local food desert relief agreement between the State and 1/+ county/regional public health department/s.

- The retailer performance agreement must include, among other things, a commitment to promote and sell nutrient-dense foods for a minimum time period, along with satisfactory proof of such efforts, an agreement to use funds only for permissible purposes, a provision allowing records inspection, the methodology for determining agreement compliance, a fund disbursement schedule dependent on the retailer's submission of a plan of implementation, a

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recapture provision, a provision allowing purchase of equipment for nominal cost after 5 years, and a provision encouraging cooperation with local producers.

- The local food desert relief agreement must include, among other things, a mandatory recapture provision coupled with State reimbursement for recaptured funds, a provision allowing records inspection, and a fund disbursement schedule reflecting the disbursement schedule in the retailer performance agreement.

DACS must annually report on use of funds from the Fund by April 30 to the oversight committee for Health and Human Services, the appropriations committees with jurisdiction over agriculture and natural and economic resources, and the Fiscal Research Division. The report should detail the amount of funds disbursed, geographic distribution of disbursements, and an evaluation of outcome of disbursements, including the health impact of funded efforts.

Guidelines for use of the Fund and to selection of projects are to be developed by DACS with abbreviated notice and comment requirements.

EFFECTIVE DATE: The bill would be effective when it becomes law.

Dan Ettefagh, Committee Counsel to the House Appropriations Committee, substantially contributed to this summary.

¹The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, provides food-purchasing assistance for low- and no-income people living in the U.S. It is a federal aid program, administered by the U.S. Department of Agriculture, under the Food and Nutrition Service, though benefits are distributed by each state's Division of Social Services or Children and Family Services.