



February 7, 2017

SENATE BILL No. 277

DIGEST OF SB 277 (Updated February 2, 2017 12:49 pm - DI 130)

Citations Affected: IC 5-20.

Synopsis: Healthy food initiative program. Establishes the healthy food initiative program (program) to be administered by the Indiana housing and community development authority (authority) to assist new businesses, existing businesses, and other legal entities to offer fresh or unprocessed foods within an underserved geographic area. Defines "underserved geographic area". Requires the authority to establish: (1) criteria for awarding grants and making loans under the program; and (2) terms and conditions for recipients of the grants and loans. Specifies the permissible uses of grants and loans. Establishes the healthy food initiative fund for purposes of awarding grants and loans under the program. Requires the authority to establish criteria for the evaluation of the health impact of the program and to evaluate the grants and loans awarded under the program according to the criteria. Requires an annual report. Specifies that the law establishing the program expires July 1, 2021. Makes an appropriation.

Effective: July 1, 2017.

**Head, Ford, Ruckelshaus,
Randolph Lonnie M**

January 9, 2017, read first time and referred to Committee on Commerce and Technology.
February 6, 2017, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

SB 277—LS 6824/DI 125



February 7, 2017

First Regular Session 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

SENATE BILL No. 277

A BILL FOR AN ACT to amend the Indiana Code concerning human services and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-20-1-28 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2017]: **Sec. 28. Any outstanding loan or grant awarded under the**
4 **healthy food initiative program established by IC 5-20-9-6 that**
5 **must be repaid to the authority after the expiration of IC 5-20-9-6**
6 **shall be repaid to the authority for deposit in the state general**
7 **fund.**

8 SECTION 2. IC 5-20-9 IS ADDED TO THE INDIANA CODE AS
9 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
10 1, 2017]:

11 **Chapter 9. Food: Access to Healthy Foods**

12 **Sec. 1. As used in this chapter, "development authority" refers**
13 **to the Indiana housing and community development authority**
14 **created by IC 5-20-1-3.**

15 **Sec. 2. As used in this chapter, "fund" means the healthy food**
16 **initiative fund established by section 7 of this chapter.**

17 **Sec. 3. As used in this chapter, "grocery store" means a store or**

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1 part of a store that is known generally as:

2 (1) a supermarket, grocery store, or delicatessen and is
3 primarily engaged in the retail sale of a general food line,
4 which may include:

5 (A) canned and frozen foods;

6 (B) fresh fruits and vegetables; and

7 (C) fresh and prepared meats, fish, and poultry;

8 (2) a convenience store or food mart and is primarily engaged
9 in:

10 (A) the retail sale of a line of goods that may include milk,
11 bread, soda, and snacks; or

12 (B) the retail sale of automotive fuels and the retail sale of
13 a line of goods that may include milk, bread, soda, and
14 snacks;

15 (3) a warehouse club, superstore, supercenter, or general
16 merchandise store and is primarily engaged in the retail sale
17 of a general line of groceries or gourmet foods in combination
18 with general lines of new merchandise, which may include
19 apparel, furniture, and appliances; or

20 (4) a specialty or gourmet food store primarily engaged in the
21 retail sale of miscellaneous specialty foods not for immediate
22 consumption and not made on the premises, not including:

23 (A) meat, fish, and seafood;

24 (B) fruits and vegetables;

25 (C) confections, nuts, and popcorn; and

26 (D) baked goods.

27 Sec. 4. As used in this chapter, "program" refers to the healthy
28 food initiative program established by section 6 of this chapter.

29 Sec. 5. (a) As used in this chapter, "underserved geographic
30 area" means a geographic area where affordable fresh and healthy
31 foods are difficult to obtain, as determined by the development
32 authority.

33 (b) The term includes:

34 (1) an urban neighborhood or rural town in which:

35 (A) at least twenty-five percent (25%) of the households
36 are below the federal income poverty level (as defined in
37 IC 12-15-2-1); or

38 (B) the median family income of residents is not more than
39 eighty percent (80%) of the median family income of the
40 state;

41 (2) an urban neighborhood, rural town, or metropolitan
42 census tract in which at least five hundred (500) residents or



1 at least thirty-three percent (33%) of the population resides
 2 more than one (1) mile from a supermarket or large grocery
 3 store; or

4 (3) a nonmetropolitan census tract in which at least five
 5 hundred (500) residents or at least thirty-three percent (33%)
 6 of the population resides more than ten (10) miles from a
 7 supermarket or large grocery store.

8 **Sec. 6. (a) The healthy food initiative program is established to**
 9 **assist:**

- 10 (1) new businesses;
 11 (2) existing businesses; or
 12 (3) any legal entity;

13 **to offer fresh produce and other healthy foods within an**
 14 **underserved geographic area.**

15 (b) Except as provided in subsection (g), the development
 16 authority shall establish:

- 17 (1) criteria for awarding grants and making loans, including
 18 a preference for applicants who will use a grant or loan to
 19 offer fresh produce and other healthy foods produced in
 20 Indiana; and

21 (2) terms and conditions for recipients of grants and loans;
 22 under the program established by this chapter.

23 (c) A recipient of a grant or loan must abide by:

- 24 (1) this chapter; and
 25 (2) the terms and conditions established under subsection
 26 (b)(2).

27 (d) The recipient of a grant or loan may use the proceeds of the
 28 grant or loan for any of the following projects:

- 29 (1) Construction of new grocery stores.
 30 (2) Grocery store, food bank, or food pantry renovations,
 31 expansion, and infrastructure upgrades that improve the
 32 availability and quality of fresh produce and other healthy
 33 foods.
 34 (3) Farmers' markets, farm stands and markets, community
 35 supported agriculture programs, food cooperatives, mobile
 36 markets, and delivery projects and distribution projects that
 37 improve the availability and quality of fresh produce and
 38 other healthy foods.
 39 (4) Other projects, including outreach programs, that
 40 improve the availability and quality of fresh produce and
 41 other healthy foods.

42 (e) A recipient of a grant or loan under the program shall allow



1 the development authority to conduct an annual audit of the
 2 recipient's business or other entity to ensure compliance with this
 3 chapter and the terms and conditions established under subsection
 4 (b)(2).

5 (f) A recipient of a grant under the program must agree to
 6 repay the grant to the development authority if the recipient does
 7 not comply with this chapter and the terms and conditions
 8 established under subsection (b)(2).

9 (g) Except as provided in subsection (h), before awarding
 10 multiple grants or loans in one (1) area, the development authority
 11 shall award at least one (1) grant or loan under the program in
 12 each of the following areas:

13 (1) An area that includes the following counties:

- 14 (A) Boone County.
- 15 (B) Hamilton County.
- 16 (C) Hancock County.
- 17 (D) Hendricks County.
- 18 (E) Johnson County.
- 19 (F) Marion County.
- 20 (G) Morgan County.
- 21 (H) Shelby County.

22 (2) An area that includes the following counties:

- 23 (A) Benton County.
- 24 (B) Carroll County.
- 25 (C) Cass County.
- 26 (D) Clinton County.
- 27 (E) Fountain County.
- 28 (F) Fulton County.
- 29 (G) Jasper County.
- 30 (H) La Porte County.
- 31 (I) Lake County.
- 32 (J) Marshall County.
- 33 (K) Montgomery County.
- 34 (L) Newton County.
- 35 (M) Parke County.
- 36 (N) Porter County.
- 37 (O) Pulaski County.
- 38 (P) St. Joseph County.
- 39 (Q) Starke County.
- 40 (R) Tippecanoe County.
- 41 (S) Vermillion County.
- 42 (T) Warren County.



- 1 (U) White County.
2 (3) An area that includes the following counties:
3 (A) Allen County.
4 (B) Adams County.
5 (C) Blackford County.
6 (D) De Kalb County.
7 (E) Delaware County.
8 (F) Elkhart County.
9 (G) Grant County.
10 (H) Howard County.
11 (I) Huntington County.
12 (J) Jay County.
13 (K) Kosciusko County.
14 (L) La Grange County.
15 (M) Madison County.
16 (N) Miami County.
17 (O) Noble County.
18 (P) Randolph County.
19 (Q) Steuben County.
20 (R) Tipton County.
21 (S) Wabash County.
22 (T) Wells County.
23 (U) Whitley County.
24 (4) An area that includes the following counties:
25 (A) Bartholomew County.
26 (B) Clark County.
27 (C) Dearborn County.
28 (D) Decatur County.
29 (E) Fayette County.
30 (F) Floyd County.
31 (G) Franklin County.
32 (H) Harrison County.
33 (I) Henry County.
34 (J) Jackson County.
35 (K) Jefferson County.
36 (L) Jennings County.
37 (M) Ohio County.
38 (N) Ripley County.
39 (O) Rush County.
40 (P) Scott County.
41 (Q) Switzerland County.
42 (R) Union County.



- 1 (S) Washington County.
 2 (T) Wayne County.
 3 **(5) An area that includes the following counties:**
 4 (A) Brown County.
 5 (B) Clay County.
 6 (C) Crawford County.
 7 (D) Daviess County.
 8 (E) Dubois County.
 9 (F) Greene County.
 10 (G) Gibson County.
 11 (H) Knox County.
 12 (I) Lawrence County.
 13 (J) Martin County.
 14 (K) Monroe County.
 15 (L) Orange County.
 16 (M) Owen County.
 17 (N) Perry County.
 18 (O) Pike County.
 19 (P) Posey County.
 20 (Q) Putnam County.
 21 (R) Spencer County.
 22 (S) Sullivan County.
 23 (T) Vanderburgh County.
 24 (U) Vigo County.
 25 (V) Warrick County.
- 26 **(h) If the development authority does not receive an application**
 27 **for a grant or loan under the program from an entity in an area**
 28 **described in subsection (g), the development authority may award**
 29 **multiple grants or loans in another area or areas.**
- 30 **Sec. 7. (a) The healthy food initiative fund is established for the**
 31 **purpose of awarding grants and making loans under the program**
 32 **established by section 6 of this chapter.**
- 33 **(b) The fund shall be administered by the development**
 34 **authority.**
- 35 **(c) The fund consists of the following:**
 36 **(1) Appropriations by the general assembly.**
 37 **(2) Donations.**
 38 **(3) Federal grants or other federal appropriations.**
 39 **(4) Interest and other earnings derived from the investment**
 40 **of money in the fund.**
- 41 **(d) The expenses of administering the fund shall be paid from**
 42 **money in the fund.**



1 (e) The treasurer of state shall invest the money in the fund not
 2 currently needed to meet the obligations of the fund in the same
 3 manner as other public money may be invested.

4 (f) The money in the fund at the end of a state fiscal year does
 5 not revert to the state general fund but remains in the fund to be
 6 used exclusively for purposes of this chapter.

7 **Sec. 8. Financing made available for projects under this chapter**
 8 **may be used for the following purposes:**

- 9 (1) Site acquisition and preparation.
 10 (2) Construction and build-out costs.
 11 (3) Equipment and furnishings.
 12 (4) Workforce training or security.
 13 (5) Predevelopment costs, such as market studies and
 14 appraisals.
 15 (6) Energy efficiency measures.
 16 (7) Working capital for first time inventory and startup costs.
 17 (8) Outreach and educational activities.
 18 (9) Technology infrastructure and software development.

19 **Sec. 9. (a) The development authority shall:**

- 20 (1) establish criteria for the evaluation of the health impact of
 21 the program; and
 22 (2) evaluate the grants and loans awarded under the program
 23 according to the criteria established under subdivision (1).

24 **(b) The development authority shall submit an annual report to**
 25 **the general assembly in an electronic format under IC 5-14-6. The**
 26 **report must document the effectiveness of the program, including:**

- 27 (1) the amount of each grant or loan awarded to a recipient;
 28 (2) the number of jobs created;
 29 (3) how grants and loans were used by each recipient; and
 30 (4) the products sold by a recipient of a grant or loan using
 31 the proceeds from a grant or loan under this chapter.

32 **Sec. 10. There is appropriated to the Indiana housing and**
 33 **community development authority for deposit in the healthy food**
 34 **initiative fund established by IC 5-20-9-7, as added by this act, for**
 35 **purposes of the healthy food initiative fund:**

- 36 (1) for the state fiscal year beginning July 1, 2017, and ending
 37 June 30, 2018, seventy-five thousand dollars (\$75,000);
 38 (2) for the state fiscal year beginning July 1, 2018, and ending
 39 June 30, 2019, seventy-five thousand dollars (\$75,000);
 40 (3) for the state fiscal year beginning July 1, 2019, and ending
 41 June 30, 2020, seventy-five thousand dollars (\$75,000); and
 42 (4) for the state fiscal year beginning July 1, 2020, and ending



1 **June 30, 2021, seventy-five thousand dollars (\$75,000);**
2 **from the state general fund.**
3 **Sec. 9. This chapter expires July 1, 2021.**



COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Technology, to which was referred Senate Bill No. 277, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 25.

Page 2, between lines 25 and 26, begin a new paragraph and insert:
"SECTION 1. IC 5-20-1-28 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 28. Any outstanding loan or grant awarded under the healthy food initiative program established by IC 5-20-9-6 that must be repaid to the authority after the expiration of IC 5-20-9-6 shall be repaid to the authority for deposit in the state general fund."

Page 2, line 26, delete "SECTION 4. IC 16-42-12.5" and insert "SECTION 2. IC 5-20-9".

Page 2, line 29, delete "12.5." and insert "9".

Page 2, delete lines 30 through 32, begin a new paragraph and insert:

"Sec. 1. As used in this chapter, "development authority" refers to the Indiana housing and community development authority created by IC 5-20-1-3."

Page 2, line 34, delete "6" and insert "7".

Page 2, between lines 34 and 35, begin a new paragraph and insert:

"Sec. 3. As used in this chapter, "grocery store" means a store or part of a store that is known generally as:

(1) a supermarket, grocery store, or delicatessen and is primarily engaged in the retail sale of a general food line, which may include:

(A) canned and frozen foods;

(B) fresh fruits and vegetables; and

(C) fresh and prepared meats, fish, and poultry;

(2) a convenience store or food mart and is primarily engaged in:

(A) the retail sale of a line of goods that may include milk, bread, soda, and snacks; or

(B) the retail sale of automotive fuels and the retail sale of a line of goods that may include milk, bread, soda, and snacks;

(3) a warehouse club, superstore, supercenter, or general



merchandise store and is primarily engaged in the retail sale of a general line of groceries or gourmet foods in combination with general lines of new merchandise, which may include apparel, furniture, and appliances; or

(4) a specialty or gourmet food store primarily engaged in the retail sale of miscellaneous specialty foods not for immediate consumption and not made on the premises, not including:

- (A) meat, fish, and seafood;
- (B) fruits and vegetables;
- (C) confections, nuts, and popcorn; and
- (D) baked goods."

Page 2, line 35, delete "3. As used in this chapter, "pilot program"" and insert "**4. As used in this chapter, "program"**".

Page 2, line 36, delete "pilot program established by section 5" and insert "**program established by section 6**".

Page 2, line 38, delete "4." and insert "5."

Page 2, line 40, delete "state" and insert "**development authority**".

Page 2, delete line 41.

Page 3, line 17, delete "5. (a) The healthy food initiative pilot" and insert "**6. (a) The healthy food initiative**".

Page 3, line 22, delete "or unprocessed foods" and insert "**produce and other healthy foods**".

Page 3, line 24, delete "division" and insert "**development authority**".

Page 3, line 28, delete "or unprocessed foods" and insert "**produce and other healthy foods**".

Page 3, line 30, delete "pilot".

Page 3, delete lines 35 through 42, begin a new paragraph and insert:

"(d) The recipient of a grant or loan may use the proceeds of the grant or loan for any of the following projects:

- (1) Construction of new grocery stores.
- (2) Grocery store, food bank, or food pantry renovations, expansion, and infrastructure upgrades that improve the availability and quality of fresh produce and other healthy foods.
- (3) Farmers' markets, farm stands and markets, community supported agriculture programs, food cooperatives, mobile markets, and delivery projects and distribution projects that improve the availability and quality of fresh produce and other healthy foods.
- (4) Other projects, including outreach programs, that



improve the availability and quality of fresh produce and other healthy foods."

Page 4, line 1, delete "pilot".

Page 4, line 2, delete "division" and insert "**development authority**".

Page 4, line 5, delete "pilot".

Page 4, line 6, delete "division" and insert "**development authority**".

Page 4, delete lines 9 through 24, begin a new paragraph and insert:

"(g) Except as provided in subsection (h), before awarding multiple grants or loans in one (1) area, the development authority shall award at least one (1) grant or loan under the program in each of the following areas:

(1) An area that includes the following counties:

- (A) Boone County.**
- (B) Hamilton County.**
- (C) Hancock County.**
- (D) Hendricks County.**
- (E) Johnson County.**
- (F) Marion County.**
- (G) Morgan County.**
- (H) Shelby County.**

(2) An area that includes the following counties:

- (A) Benton County.**
- (B) Carroll County.**
- (C) Cass County.**
- (D) Clinton County.**
- (E) Fountain County.**
- (F) Fulton County.**
- (G) Jasper County.**
- (H) La Porte County.**
- (I) Lake County.**
- (J) Marshall County.**
- (K) Montgomery County.**
- (L) Newton County.**
- (M) Parke County.**
- (N) Porter County.**
- (O) Pulaski County.**
- (P) St. Joseph County.**
- (Q) Starke County.**
- (R) Tippecanoe County.**
- (S) Vermillion County.**



- (T) Warren County.
- (U) White County.
- (3) An area that includes the following counties:
 - (A) Allen County.
 - (B) Adams County.
 - (C) Blackford County.
 - (D) De Kalb County.
 - (E) Delaware County.
 - (F) Elkhart County.
 - (G) Grant County.
 - (H) Howard County.
 - (I) Huntington County.
 - (J) Jay County.
 - (K) Kosciusko County.
 - (L) La Grange County.
 - (M) Madison County.
 - (N) Miami County.
 - (O) Noble County.
 - (P) Randolph County.
 - (Q) Steuben County.
 - (R) Tipton County.
 - (S) Wabash County.
 - (T) Wells County.
 - (U) Whitley County.
- (4) An area that includes the following counties:
 - (A) Bartholomew County.
 - (B) Clark County.
 - (C) Dearborn County.
 - (D) Decatur County.
 - (E) Fayette County.
 - (F) Floyd County.
 - (G) Franklin County.
 - (H) Harrison County.
 - (I) Henry County.
 - (J) Jackson County.
 - (K) Jefferson County.
 - (L) Jennings County.
 - (M) Ohio County.
 - (N) Ripley County.
 - (O) Rush County.
 - (P) Scott County.
 - (Q) Switzerland County.



- (R) Union County.
- (S) Washington County.
- (T) Wayne County.
- (5) An area that includes the following counties:
 - (A) Brown County.
 - (B) Clay County.
 - (C) Crawford County.
 - (D) Daviess County.
 - (E) Dubois County.
 - (F) Greene County.
 - (G) Gibson County.
 - (H) Knox County.
 - (I) Lawrence County.
 - (J) Martin County.
 - (K) Monroe County.
 - (L) Orange County.
 - (M) Owen County.
 - (N) Perry County.
 - (O) Pike County.
 - (P) Posey County.
 - (Q) Putnam County.
 - (R) Spencer County.
 - (S) Sullivan County.
 - (T) Vanderburgh County.
 - (U) Vigo County.
 - (V) Warrick County.

(h) If the development authority does not receive an application for a grant or loan under the program from an entity in an area described in subsection (g), the development authority may award multiple grants or loans in another area or areas."

Page 4, line 25, delete "6." and insert "7."

Page 4, line 26, delete "pilot".

Page 4, line 27, delete "5" and insert "6".

Page 4, line 28, delete "state department." and insert "**development authority.**".

Page 4, between lines 28 and 29, begin a new paragraph and insert:

"(c) The fund consists of the following:

- (1) Appropriations by the general assembly.**
- (2) Donations.**
- (3) Federal grants or other federal appropriations.**
- (4) Interest and other earnings derived from the investment of money in the fund."**



Page 4, line 29, delete "(c)" and insert "(d)".

Page 4, line 31, delete "(d)" and insert "(e)".

Page 4, line 34, delete "(e)" and insert "(f)".

Page 4, between lines 36 and 37, begin a new paragraph and insert:

"Sec. 8. Financing made available for projects under this chapter may be used for the following purposes:

- (1) Site acquisition and preparation.**
- (2) Construction and build-out costs.**
- (3) Equipment and furnishings.**
- (4) Workforce training or security.**
- (5) Predevelopment costs, such as market studies and appraisals.**
- (6) Energy efficiency measures.**
- (7) Working capital for first time inventory and startup costs.**
- (8) Outreach and educational activities.**
- (9) Technology infrastructure and software development."**

Page 4, line 37, delete "7. (a) The division" and insert "**9. (a) The development authority**".

Page 4, line 39, delete "pilot".

Page 4, line 40, delete "pilot".

Page 5, line 1, delete "division, at the direction of the state health" and insert "**development authority**".

Page 5, line 2, delete "commissioner,".

Page 5, line 4, delete "pilot".

Page 5, line 8, delete "using property or equipment acquired," and insert "**by a recipient of a grant or loan using the proceeds from a grant or loan under this chapter.**".

Page 5, delete lines 9 through 15, begin a new paragraph and insert:

"Sec. 10. There is appropriated to the Indiana housing and community development authority for deposit in the healthy food initiative fund established by IC 5-20-9-7, as added by this act, for purposes of the healthy food initiative fund:

- (1) for the state fiscal year beginning July 1, 2017, and ending June 30, 2018, seventy-five thousand dollars (\$75,000);**
- (2) for the state fiscal year beginning July 1, 2018, and ending June 30, 2019, seventy-five thousand dollars (\$75,000);**
- (3) for the state fiscal year beginning July 1, 2019, and ending June 30, 2020, seventy-five thousand dollars (\$75,000); and**



(4) for the state fiscal year beginning July 1, 2020, and ending June 30, 2021, seventy-five thousand dollars (\$75,000); from the state general fund."

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 277 as introduced.)

MESSMER, Chairperson

Committee Vote: Yeas 5, Nays 1

