

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 SENATE BILL 1508

By: Pittman

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6 AS INTRODUCED

7 An Act relating to healthy food; creating the Health
8 Food Financing Act; providing short title; providing
9 definitions; creating the Health Food Financing
10 Revolving Fund; stating source of funding; stating
11 purpose; designating State Department of Health as
12 agency to administer program; providing eligibility
13 guidelines; authorizing the State Board of Health to
14 promulgate rules; establishing certain requirements;
15 setting forth conditions for Department to consider;
16 specifying allowable expenses; providing for
17 codification; and providing an effective date.

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

21 SECTION 1. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 2062 of Title 63, unless there
23 is created a duplication in numbering, reads as follows:

24 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 2062.1 of Title 63, unless there
is created a duplication in numbering, reads as follows:

As used in this act:

- 1 1. "Financing" means loans, grants or forgivable loans;
- 2 2. "Grocery store" means a for-profit or not-for profit self-
3 service retail establishment that primarily sells meat, seafood,
4 fruits, vegetables, dairy products, dry groceries, household
5 products and sundries;
- 6 3. "Low income community" means a census tract, as reported in
7 the most recently completed decennial census published by the U.S.
8 Bureau of the Census that has a poverty rate of at least twenty-five
9 percent (25%) or in which the median family income does not exceed
10 eighty percent (80%) of the greater of the statewide or metropolitan
11 median family income;
- 12 4. "Moderate income community" means a census tract in which
13 the median family income is between eighty-one percent (81%) and
14 ninety-five percent (95%) percent of the median family income for
15 the area;
- 16 5. "Small food retailer," also referred to as a small-scale
17 store, corner store, convenience store, neighborhood store, small
18 grocery store or bodega, means a small retail outlet of under
19 twenty-five thousand (25,000) square feet, which sells a limited
20 selection of foods and other products; and
- 21 6. "Underserved community" means a census tract determined to
22 be an area with low supermarket access by either the U.S. Department
23 of Agriculture (USDA), as identified in the USDA's Food Access
24 Research Atlas, or through a methodology that has been adopted for

1 use by another governmental or philanthropic healthy food
2 initiative.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2062.2 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 A. There is hereby created in the State Treasury a revolving
7 fund for the State Department of Health to be designated the
8 "Healthy Food Financing Revolving Fund". The fund shall be a
9 continuing fund, not subject to fiscal year limitations, and shall
10 consist of all monies received by the State Department of Health
11 from federal, state or private grants, loans, federal tax credits or
12 other types of financial assistance. All monies accruing to the
13 credit of the fund are hereby appropriated and may be budgeted and
14 expended by the State Department of Health for the purpose of
15 increasing the number of healthy food retail outlets in underserved
16 communities. Expenditures from the fund shall be made upon warrants
17 issued by the State Treasurer against claims filed as prescribed by
18 law with the Director of the Office of Management and Enterprise
19 Services for approval and payment.

20 B. The Fund shall be expended primarily on the construction,
21 renovation, or expansion of grocery stores. Moneys in the Fund
22 shall be expended upon appropriation by the Legislature, and shall
23 be used, to the extent practicable, to leverage other forms of
24 financing. No less than twenty-five percent (25%) of the moneys in

1 the Fund shall be expended in the form of grants or forgivable
2 loans.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2062.3 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 A. 1. The State Department of Health, in cooperation with
7 public and private sector partners, shall administer the Fund. The
8 Department may contract with one or more qualified nonprofit
9 organizations or community development financial institutions to
10 administer this program through a public-private partnership. The
11 Department shall establish program guidelines, raise matching funds,
12 promote the program statewide, evaluate applicants, underwrite and
13 disburse grants and loans, and monitor compliance and impact. The
14 State Board of Health may develop rules, regulations, or other
15 procedures to carry out the program to meet the intent of this act.
16 No less than ten percent (10%) of the moneys in the Fund shall be
17 reserved for administrative and operational costs to manage the
18 program, unless those costs are provided for from other budgets or
19 in-kind resources.

20 2. The Department shall establish monitoring and accountability
21 mechanisms for projects receiving financing and shall report
22 annually to the Legislature on the projects funded, the geographic
23 distribution of the projects, the costs of the program and the
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1 outcomes, including the number and type of jobs created and health
2 initiatives associated with the program.

3 B. The Department shall create eligibility guidelines and
4 provide financing through an application process. All projects
5 shall be located in underserved communities and primarily serve low
6 or moderate income communities. Projects eligible for financing
7 include:

- 8 1. Construction of new grocery stores;
- 9 2. Grocery store renovations, expansions, and infrastructure
10 upgrades that improve the availability and quality of fresh produce
11 and other healthy foods; and
- 12 3. Small food retailers, such as farmers' markets, mobile
13 markets, or other retail outlets.

14 C. 1. An applicant for financing shall be a for-profit or not-
15 for profit entity including, but not limited to, a sole
16 proprietorship, partnership, limited liability company, corporation,
17 cooperative, nonprofit organization, nonprofit community development
18 entity, university or government entity. An applicant for financing
19 shall:

- 20 a. demonstrate the capacity to successfully implement the
21 project and the likelihood that the project will be
22 economically self-sustaining,
- 23 b. demonstrate the ability to repay the debt, and

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1 c. agree, for a period of at least five (5) years, to
2 comply with the following conditions:

3 (1) to accept Supplemental Nutrition Assistance
4 Program (SNAP) benefits,

5 (2) to apply to accept Special Supplemental Nutrition
6 Program for Women, Infants and Children (WIC)
7 benefits and accept WIC benefits, if approved,

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

12 (4) to comply with all data collection and reporting
13 requirements established by the Department, and

14 (5) to promote the hiring of local residents.

15 2. In determining which qualified projects to finance, the
16 Department shall consider:

17 a. the level of need in the area to be served,

18 b. the degree to which the project requires an investment
19 of public financing to move forward, create impact or
20 be competitive,

21 c. the degree to which the project will have a positive
22 economic impact on the underserved community,
23 including by creating or retaining jobs for local
24 residents,

- d. the degree to which the project will participate in state and local Department initiatives to educate consumers on nutrition and promote healthier eating, and
- e. other criteria the Department determines to be consistent with the purposes of this act.

3. Financing made available for projects shall be used for the following purposes:

- a. site acquisition and preparation,
- b. construction and build-out costs,
- c. equipment and furnishings,
- d. workforce training or security,
- e. pre-development costs such as market studies and appraisals,
- f. energy-efficiency measures,
- g. working capital for first-time inventory and start-up costs, and
- h. the acquisition or lease of refrigeration, display shelving or other one-time capital expenditures at a cost not greater than Five Thousand Dollars (\$5,000.00) per location.

SECTION 5. This act shall become effective November 1, 2018.