HOUSE BILL NO. 1328  
(As Sent to Governor)

AN ACT TO CREATE THE SMALL BUSINESS AND GROCER INVESTMENT ACT; TO PROVIDE THAT, TO THE EXTENT FUNDS ARE AVAILABLE, THE MISSISSIPPI DEVELOPMENT AUTHORITY, IN COOPERATION WITH PUBLIC AND PRIVATE SECTOR PARTNERS, SHALL ESTABLISH A PROGRAM THAT PROVIDES GRANTS AND LOANS AND/OR PROMOTES ACCESS TO HEALTHY FOOD RETAILERS THAT INCREASE ACCESS TO FRESH FRUITS AND VEGETABLES AND OTHER AFFORDABLE HEALTHY FOOD IN UNDERSERVED COMMUNITIES; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY CONTRACT WITH ONE OR MORE QUALIFIED NONPROFIT ORGANIZATIONS OR COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS TO ADMINISTER THE PROGRAM DESCRIBED IN THIS ACT THROUGH A PUBLIC-PRIVATE PARTNERSHIP, TO RAISE MATCHING FUNDS, MARKET THE PROGRAM STATEWIDE, EVALUATE APPLICANTS, MAKE AWARD DECISIONS, UNDERWRITE LOANS, AND MONITOR COMPLIANCE AND IMPACT; TO PROVIDE THAT THE PROGRAM SHALL PROVIDE FUNDING ON A COMPETITIVE, ONE-TIME BASIS AS APPROPRIATE FOR THE ELIGIBLE PROJECT; TO PROVIDE THE TYPES OF PROGRAMS AND PROJECTS FOR WHICH FUNDING MAY BE PROVIDED; TO PROVIDE THE CRITERIA THAT MUST BE MET FOR FUNDING UNDER THE PROGRAM; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY SHALL ESTABLISH PROGRAM BENCHMARKS AND REPORTING PROCESSES TO MAKE CERTAIN THAT THE PROGRAM BENEFITS BOTH RURAL AND URBAN COMMUNITIES IN MISSISSIPPI; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. This act shall be known as the "Small Business and Grocer Investment Act."

SECTION 2. The Legislature finds the following:
(a) Developing quality retail food outlets creates jobs, expands markets for Mississippi farmers, and supports economic vitality in underserved communities.

(b) Increasing access to retail food outlets that sell fresh fruits, vegetables and other healthy food is an important strategy for fighting the obesity epidemic and improving health. Studies have shown that people with better access to supermarkets and fresh produce tend to have healthier diets and lower levels of obesity.

(c) The program established under this act is intended to provide a dedicated source of financing for healthy food retailers operating in underserved communities in Mississippi, in both urban and rural areas; to increase access to affordable healthy food so as to improve diets and health; to promote the sale and consumption of fresh fruits and vegetables, in natural and/or frozen form, particularly those that are Mississippi grown; and to support expanded economic opportunities in low-income and rural communities.

SECTION 3. As used in this act:

(a) "Agency" means the Mississippi Development Authority.

(b) "Funding" means grants, loans, or a combination of grants and loans.

(c) "Healthy food retailers" means retailers that sell quality fresh fruits and vegetables, in natural and/or frozen form.
form, including, but not limited to, supermarkets, grocery stores, convenience stores and farmers' markets.

(d) "Program" means technical assistance and a public-private partnership established in the state by the Mississippi Development Authority to identify and/or provide a dedicated source of funding and other financing for food retailers that increase access to fresh fruits and vegetables, in natural and/or frozen form, and other affordable healthy food for Mississippi residents overseen by the Mississippi Development Authority.

(e) "Underserved community" means a geographic area that has limited access to healthy food retailers, or an area that is otherwise determined to have serious healthy food access limitations, that is located in a county that has been designated by the Department of Revenue as a Tier Two or Tier Three area under the provisions of Section 57-73-21(1).

SECTION 4. (1) To the extent funds are available, the Mississippi Development Authority, in cooperation with public and private sector partners, is authorized to establish a program modeled on comparable initiatives throughout the nation that provides grants and loans and/or promotes access to healthy food retailers that increase access to fresh fruits and vegetables, in natural and/or frozen form, and other affordable healthy food in underserved communities.
(2) The agency may contract with one or more qualified nonprofit organizations or community development financial institutions to administer the program described in this act through a public-private partnership, to raise matching funds, market the program statewide, evaluate applicants, make award decisions, underwrite loans and monitor compliance and impact. The agency and its partners shall coordinate with complementary nutrition assistance and education programs.

(3) Any funding provided under the program shall be provided on a competitive, one-time basis as appropriate for the eligible project. No state funds shall be directly provided as a source of funding for any food retailer under this program, but may be used by the agency for its administrative duties in carrying out the provisions of this act.

(4) (a) The program may provide technical assistance and/or funding for projects such as:

(i) New construction of healthy food retailers.

(ii) Store renovations, expansion and infrastructure upgrades that improve the availability and quality of fresh produce.

(iii) Farmers' markets and public markets, food cooperatives, mobile markets and delivery projects and distribution projects that enable food retailers in underserved communities to regularly obtain fresh produce.
(iv) Other projects that create or improve healthy food retail outlets that meet the intent of this act as determined by the agency.

(b) Funding made available for projects included in paragraph (a) of this subsection may be used for the following purposes:

(i) Site acquisition and preparation.

(ii) Construction costs.

(iii) Equipment and furnishings.

(iv) Workforce training.

(v) Security.

(vi) Certain predevelopment costs such as market studies and appraisals.

(vii) Working capital for initial inventory and costs.

(5) An applicant for funding may include, but not be limited to, a sole proprietorship, partnership, limited liability company, corporation or cooperative.

(6) In order to be considered for funding, an applicant shall meet the following eligibility criteria:

(a) The project for which the applicant seeks funding shall benefit an underserved community.

(b) The applicant shall demonstrate a meaningful commitment to sell fresh fruits and vegetables, in natural and/or
frozen form, according to a measurable standard established by the agency.

(7) Applicants shall be evaluated on the following financial criteria in order to determine the funding awarded:

(a) Demonstrated capacity to successfully implement the project, including the applicant's relevant experience and the likelihood that the project will be economically self-sustaining.

(b) The ability of the applicant to repay debt.

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

Additional factors that will improve or preserve retail access for low-income residents, such as proximity to public transit lines, also may be taken into account.

(d) The degree to which the project will promote sales of fresh produce, particularly Mississippi-grown fruits and vegetables.

(e) The degree to which the project will have a positive economic impact on the underserved community, including, creating or retaining jobs for local residents.

(f) Other criteria that the agency determines to be consistent with the purposes of this act.

(8) The agency shall establish program benchmarks and reporting processes to make certain that the program benefits the communities in the program area. The agency shall likewise
establish monitoring and accountability mechanisms for projects receiving grants or loans, such as tracking fruit and vegetable sales data.

(9) The agency shall prepare and submit an annual report to the Legislature on any projects funded and outcome data.

(10) The agency shall establish rules for the implementation of the act.

SECTION 5. Funding described in this act, to the extent practicable, may be used to leverage other sources of funds, including, but not limited to, New Markets Tax Credits, federal and foundation grant programs, incentives available to designated Enterprise Zones or Renewal Communities, operator equity and funds from private sector financial institutions under the federal Community Reinvestment Act.

SECTION 6. Sections 1 through 5 of this act shall stand repealed on July 1, 2016.

SECTION 7. This act shall take effect and be in force from and after July 1, 2014.