

By: Representatives Barker, Dixon

To: Public Health and Human Services

HOUSE BILL NO. 1328
(As Sent to Governor)

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

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

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

25 **SECTION 2.** The Legislature finds the following:



26 (a) Developing quality retail food outlets creates
27 jobs, expands markets for Mississippi farmers, and supports
28 economic vitality in underserved communities.

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

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

44 **SECTION 3.** As used in this act:

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

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

49 (c) "Healthy food retailers" means retailers that sell
50 quality fresh fruits and vegetables, in natural and/or frozen



51 form, including, but not limited to, supermarkets, grocery stores,
52 convenience stores and farmers' markets.

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

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

67 **SECTION 4.** (1) To the extent funds are available, the
68 Mississippi Development Authority, in cooperation with public and
69 private sector partners, is authorized to establish a program
70 modeled on comparable initiatives throughout the nation that
71 provides grants and loans and/or promotes access to healthy food
72 retailers that increase access to fresh fruits and vegetables, in
73 natural and/or frozen form, and other affordable healthy food in
74 underserved communities.



75 (2) The agency may contract with one or more qualified
76 nonprofit organizations or community development financial
77 institutions to administer the program described in this act
78 through a public-private partnership, to raise matching funds,
79 market the program statewide, evaluate applicants, make award
80 decisions, underwrite loans and monitor compliance and impact.
81 The agency and its partners shall coordinate with complementary
82 nutrition assistance and education programs.

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

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

91 (i) New construction of healthy food retailers.

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

95 (iii) Farmers' markets and public markets, food
96 cooperatives, mobile markets and delivery projects and
97 distribution projects that enable food retailers in underserved
98 communities to regularly obtain fresh produce.



99 (iv) Other projects that create or improve healthy
100 food retail outlets that meet the intent of this act as determined
101 by the agency.

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

105 (i) Site acquisition and preparation.

106 (ii) Construction costs.

107 (iii) Equipment and furnishings.

108 (iv) Workforce training.

109 (v) Security.

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

112 (vii) Working capital for initial inventory and
113 costs.

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

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

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

121 (b) The applicant shall demonstrate a meaningful
122 commitment to sell fresh fruits and vegetables, in natural and/or



123 frozen form, according to a measurable standard established by the
124 agency.

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

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

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

131 (c) The degree to which the project requires an
132 investment of public funding to move forward, create impact or be
133 competitive, and the level of need in the area to be served.
134 Additional factors that will improve or preserve retail access for
135 low-income residents, such as proximity to public transit lines,
136 also may be taken into account.

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

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

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

145 (8) The agency shall establish program benchmarks and
146 reporting processes to make certain that the program benefits the
147 communities in the program area. The agency shall likewise



148 establish monitoring and accountability mechanisms for projects
149 receiving grants or loans, such as tracking fruit and vegetable
150 sales data.

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

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

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

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

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

