

By: Representatives White, Sykes

To: Workforce Development

HOUSE BILL NO. 696

1 AN ACT TO REENACT SECTIONS 57-10-701 THROUGH 57-10-709,
2 MISSISSIPPI CODE OF 1972, WHICH CREATE THE SMALL BUSINESS AND
3 GROCER INVESTMENT ACT; TO AMEND SECTION 57-10-711, MISSISSIPPI
4 CODE OF 1972, TO EXTEND THE DATE OF THE REPEALER ON THE SECTIONS
5 OF LAW THAT CREATE THE SMALL BUSINESS AND GROCER INVESTMENT ACT;
6 AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 57-10-701, Mississippi Code of 1972, is
9 reenacted as follows:

10 57-10-701. This article shall be known as the "Small
11 Business and Grocer Investment Act."

12 **SECTION 2.** Section 57-10-703, Mississippi Code of 1972, is
13 reenacted as follows:

14 57-10-703. The Legislature finds the following:

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

18 (b) Increasing access to retail food outlets that sell
19 fresh fruits, vegetables and other healthy food is an important
20 strategy for fighting the obesity epidemic and improving health.



21 Studies have shown that people with better access to supermarkets
22 and fresh produce tend to have healthier diets and lower levels of
23 obesity.

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

33 **SECTION 3.** Section 57-10-705, Mississippi Code of 1972, is
34 reenacted as follows:

35 57-10-705. As used in this article:

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

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

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

44 (d) "Program" means technical assistance and a
45 public-private partnership established in the state by the



46 Mississippi Development Authority to identify and/or provide a
47 dedicated source of funding and other financing for food retailers
48 that increase access to fresh fruits and vegetables, in natural
49 and/or frozen form, and other affordable healthy food for
50 Mississippi residents overseen by the Mississippi Development
51 Authority.

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

58 **SECTION 4.** Section 57-10-707, Mississippi Code of 1972, is
59 reenacted as follows:

60 57-10-707. (1) To the extent funds are available, the
61 Mississippi Development Authority, in cooperation with public and
62 private sector partners, is authorized to establish a program
63 modeled on comparable initiatives throughout the nation that
64 provides grants and loans and/or promotes access to healthy food
65 retailers that increase access to fresh fruits and vegetables, in
66 natural and/or frozen form, and other affordable healthy food in
67 underserved communities.

68 (2) The agency may contract with one or more qualified
69 nonprofit organizations or community development financial
70 institutions to administer the program described in this article



71 through a public-private partnership, to raise matching funds,
72 market the program statewide, evaluate applicants, make award
73 decisions, underwrite loans and monitor compliance and impact.
74 The agency and its partners shall coordinate with complementary
75 nutrition assistance and education programs.

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

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

84 (i) New construction of healthy food retailers.

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

88 (iii) Farmers' markets and public markets, food
89 cooperatives, mobile markets and delivery projects and
90 distribution projects that enable food retailers in underserved
91 communities to regularly obtain fresh produce.

92 (iv) Other projects that create or improve healthy
93 food retail outlets that meet the intent of this article as
94 determined by the agency.



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

98 (i) Site acquisition and preparation.

99 (ii) Construction costs.

100 (iii) Equipment and furnishings.

101 (iv) Workforce training.

102 (v) Security.

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

105 (vii) Working capital for initial inventory and
106 costs.

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

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

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

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



118 (c) The applicant shall not locate the project in an
119 area where it would be directly competing against an existing food
120 retailer.

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

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

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

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

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

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

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

141 (8) The agency shall establish program benchmarks and
142 reporting processes to make certain that the program benefits the



143 communities in the program area. The agency shall likewise
144 establish monitoring and accountability mechanisms for projects
145 receiving grants or loans, such as tracking fruit and vegetable
146 sales data.

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

149 (10) The agency shall establish rules for the implementation
150 of this article.

151 **SECTION 5.** Section 57-10-709, Mississippi Code of 1972, is
152 reenacted as follows:

153 57-10-709. Funding described in this article, to the extent
154 practicable, may be used to leverage other sources of funds,
155 including, but not limited to, New Markets Tax Credits, federal
156 and foundation grant programs, incentives available to designated
157 Enterprise Zones or Renewal Communities, operator equity and funds
158 from private sector financial institutions under the federal
159 Community Reinvestment Act.

160 **SECTION 6.** Section 57-10-711, Mississippi Code of 1972, is
161 amended as follows:

162 57-10-711. Sections 57-10-701 through 57-10-709 shall stand
163 repealed on July 1, * * * 2022.

164 **SECTION 7.** This act shall take effect and be in force from
165 and after July 1, 2019.

