

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill creates a good food access program administered by the Minnesota Department of Agriculture (MDA) in consultation with an advisory group. The program would provide financial and technical assistance to nonprofit and for-profit grocers and small food retailers who provide underserved communities access to affordable, nutritious, and culturally-appropriate food. MDA could contract with one or more organizations to offer loans and technical assistance to eligible applicants. The program would receive \$10,000,000 of annual base funding from the general fund.

#### Section

**1 Good food access program.** Establishes the new program and a corresponding account in the agricultural fund.

**Subd. 1. Definitions.** Defines key terms, including “economic or community development financial institution,” “financing,” “low-income area,” “moderate-income area,” “technical assistance,” and “underserved community.”

**Subd. 2. Program established.** Establishes the program and its purposes and directs MDA to implement the program in cooperation with public and private partners.

**Subd. 3. Good food access account; appropriation.** Creates a new program account in the Agricultural Fund to hold money appropriated by the legislature and contributions from other sources. Appropriates money in the account to MDA for program purposes.

## Section

**Subd. 4. Program administration.** Requires MDA to be administrator of the good food access account for auditing purposes. Requires MDA to establish program requirements and a competitive project-selection process. Authorizes MDA to receive money from philanthropic foundations, financial investors, and other nonstate sources. Authorizes MDA to contract with one or more economic or community development financial institutions to manage the loan/nongrant portion of the program. Authorizes MDA to contract with one or more qualified organizations or public agencies with relevant expertise to provide technical assistance to grantees. Reserves up to 15 percent of the money in the account for MDA's administrative costs. Provides that any balance in the account at the end of a state fiscal year remains in the account and does not cancel. Requires MDA to determine each biennium the appropriate allocation of program dollars between loans, grants, technical assistance, and other financial assistance. Requires MDA to convene an advisory group to encourage public-private, cross-sector collaboration and investment in the program and to ensure that program intent is maintained throughout implementation. Specifies that the advisory group must have diverse representation from throughout the state and identifies certain entities—including the Minnesota Grocers Association and Second Harvest Heartland—that must be represented. Requires MDA to manage and promote the program in cooperation with the advisory group. Requires MDA to establish annual project monitoring and accountability mechanisms in cooperation with the advisory group.

**Subd. 5. Eligible projects.** Requires MDA to establish project eligibility guidelines and application processes in cooperation with program partners and advisors. Specifies that all projects must either be in an underserved community or serve primarily underserved communities in low-income and moderate-income areas. Lists loan-eligible projects such as new construction, renovation, expansion, and infrastructure upgrades at grocery stores and small food retailers to improve availability of and access to affordable nutritious food and to build capacity in areas of greatest need. Lists projects eligible for grants and technical assistance – feasibility studies, new construction, renovations, expansion of operations, and infrastructure upgrades for small food retailers.

**Subd. 6. Qualifications for receipt of financing and other financial or technical assistance.** Provides that for-profit and nonprofit entities are eligible for program grants and technical assistance, or loans from a participating economic or community development financial institution. Lists four requirements that each applicant must satisfy. Requires applicants, for at least five years, to: accept SNAP (formerly Food Stamps) benefits; apply for permission to accept WIC benefits and to accept them if approved; allocate at least 30 percent of their retail space to certain affordable, nutritious, and culturally-appropriate foods; comply with MDA's data collection and reporting requirements; and promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas who reflect area demographics, including communities of color. Exempts small food retailers from the 30-percent-allocation requirement and authorizes them to use program assistance for specific purposes.

**Section**

**Subd. 7. Additional selection criteria.** Requires MDA, in cooperation with any contractors and the advisory group, to consider five additional criteria when reviewing applicants.

**Subd. 8. Eligible costs.** Identifies six purposes that would be eligible for assistance under the program.

**Subd. 9. Legislative report.** Requires MDA, in cooperation with program contractors, to report to the legislature by January 15 each year. Lists metrics that must be summarized in the report.

**2 Appropriation.** Appropriates \$10,000,000 of base general fund dollars to MDA for deposit in the new program account.