

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 200**

Introduced by Council, 11; Ashford, 20; Avery, 28; Carlson, 38;  
Cook, 13; Dubas, 34; Harr, 8; Lathrop, 12; McGill, 26;  
Mello, 5; Schilz, 47; Wallman, 30.

Read first time January 07, 2011

Committee: Agriculture

A BILL

1 FOR AN ACT relating to agriculture; to amend sections 2-5424 and  
2 81-3603, Reissue Revised Statutes of Nebraska; to adopt  
3 the Nebraska Healthy Food Financing Initiative Act; to  
4 create a fund; to harmonize provisions; and to repeal the  
5 original sections.  
6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 6 of this act shall be known and  
2 may be cited as the Nebraska Healthy Food Financing Initiative Act.

3           Sec. 2. (1) The Legislature finds that:

4           (a) Access to healthy foods is a basic human necessity.  
5 When fresh fruits and vegetables and other healthy foods are not  
6 easily available or affordable, people, particularly low-income  
7 families, children, the elderly, and other at-risk populations face  
8 serious barriers to eating a healthy diet. Research indicates that  
9 residents of low-income, minority, and rural communities are most  
10 often affected by poor access to supermarkets and other retailers  
11 offering healthy food choices. Lack of access to healthy, affordable  
12 food items contributes to increased prevalence of obesity and other  
13 diet-related diseases which ultimately impose substantial societal  
14 costs, including increased public costs in providing health services;  
15 and

16           (b) It is in the interest of the welfare of the state and  
17 its citizens to pursue opportunities for increasing access in  
18 underserved communities to retail grocers, urban and rural farm  
19 stands, farmers' markets, food consumer cooperatives, community  
20 gardens, and direct farmer-to-consumer and institution marketing  
21 systems.

22           (2) It is the intent of the Legislature to stimulate  
23 financing for grocery retail and other sources of healthy food for  
24 underserved communities in Nebraska, in both urban and rural areas;  
25 to increase access to healthy, affordable food so as to improve diets

1 and health; to support expanded economic opportunities in low-income  
2 and rural communities; and to provide expanded markets for Nebraska-  
3 grown farm products.

4           Sec. 3. For purposes of the Nebraska Healthy Food  
5 Financing Initiative Act, underserved community means a geographic  
6 area that has limited access to healthy food retailers and is located  
7 in a lower-income or high-poverty area or an area that is otherwise  
8 determined to have serious healthy food access limitations.

9           Sec. 4. (1) To the extent that funds are available and in  
10 consultation with the Department of Agriculture and the Department of  
11 Health and Human Services, the Rural Development Commission shall  
12 establish a financing program involving both the public and private  
13 sectors to increase access to fresh fruits and vegetables and other  
14 nutritional foodstuffs in underserved communities.

15           (2) The commission shall contract with one or more  
16 entities certified as a community development entity for purposes of  
17 26 U.S.C. 45D of the Internal Revenue Code to develop and administer  
18 the financing program described in this section, raise matching  
19 funds, acquire private investment capital, market the program  
20 statewide, evaluate applicants, make award decisions, underwrite  
21 loans, and monitor compliance and impact.

22           (3)(a) Such financing programs shall provide funding on a  
23 competitive, one-time basis as appropriate for the following eligible  
24 projects:

25           (i) New construction of retail grocery structures;

1           (ii) Grocery store renovations, expansion, and  
2 infrastructure upgrades;

3           (iii) Establishment of farmers markets, food  
4 cooperatives, community gardening projects, mobile markets and  
5 delivery projects, and distribution projects that enable food  
6 retailers in underserved communities to regularly obtain fresh  
7 produce; and

8           (iv) Other projects that create or improve healthy food  
9 outlets that meet the intent of the Nebraska Healthy Food Financing  
10 Initiative Act.

11           (b) Funding made available for projects included in  
12 subdivision (a) of this subsection may be used for:

13           (i) Site acquisition and preparation;

14           (ii) Construction costs;

15           (iii) Equipment and furnishings;

16           (iv) Workforce training;

17           (v) Security;

18           (vi) Certain predevelopment costs such as market studies  
19 and appraisals;

20           (vii) Working capital for first-time inventory and start-  
21 up costs; and

22           (viii) Other costs for eligible projects.

23           (c) In order to be considered for funding, an applicant  
24 shall meet the following criteria:

25           (i) The project for which the applicant seeks funding

1 shall benefit an underserved community;

2 (ii) The applicant shall demonstrate a meaningful  
3 commitment to provide regular offerings of fresh fruits and  
4 vegetables; and

5 (iii) The applicant shall accept Supplemental Nutrition  
6 Assistance Program and Special Supplemental Nutrition Program for  
7 Women, Infants and Children benefits. For households in underserved  
8 communities that are not eligible to accept such benefits, the  
9 applicant shall demonstrate a meaningful commitment to make healthy  
10 food affordable to such low-income households in underserved  
11 communities.

12 (d) Applicants shall be evaluated on the following  
13 criteria to determine the funding awarded:

14 (i) Demonstrated capacity to successfully implement the  
15 project, including the applicant's relevant experience and the  
16 likelihood that the project will be economically self-sustaining;

17 (ii) The ability of the applicant to repay debt;

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

21 (iv) The degree to which the project will provide new  
22 markets for Nebraska-grown fruits and vegetables and other Nebraska-  
23 grown food items;

24 (v) The degree to which the project will have a positive  
25 economic impact on the underserved community, including by creating

1 or retaining jobs for local residents; and

2 (vi) Other criteria the commission determines to be  
3 consistent with the purposes of the act.

4 Sec. 5. The Nebraska Healthy Food Financing Initiative  
5 Cash Fund is created. The State Treasurer shall credit to the fund  
6 any funds transferred to the fund pursuant to section 2-5424, any  
7 money appropriated to the fund by the Legislature, and any money  
8 received as gifts or grants or other public or private funds obtained  
9 for the purposes of the Nebraska Healthy Food Financing Initiative  
10 Act. The fund may be used to carry out the purposes of the act and,  
11 to the extent practicable, to leverage other funding, including, but  
12 not limited to, new markets tax credits, federal and foundation grant  
13 programs, incentives available to designated enterprise zones,  
14 operator equity, and funding from private sector financial  
15 institutions pursuant to the federal Community Reinvestment Act of  
16 1977, 12 U.S.C. 2901 et seq., and 12 C.F.R. parts 25, 228, 345, and  
17 563e. Any money in the fund available for investment shall be  
18 invested by the state investment officer pursuant to the Nebraska  
19 Capital Expansion Act and the Nebraska State Funds Investment Act.

20 Sec. 6. (1) From funds available in the Nebraska Healthy  
21 Food Financing Initiative Cash Fund, the Rural Development Commission  
22 shall contract with the Public Policy Center of the University of  
23 Nebraska to prepare a research report on the limitations to healthy  
24 food access and the existence of food deserts in this state. The  
25 commission shall provide no more than sixty thousand dollars for such

1 research report. The research report shall include a synthesis of  
2 authoritative literature identifying methods of identifying limited  
3 food access areas and constituencies, causal factors, and social  
4 impacts associated with limited healthy food access and shall include  
5 a geospatial analysis integrating data with cartographic information  
6 to identify limited food access areas of the state. The study may  
7 include public engagement activities to assess public understandings  
8 and behavior relevant to food deserts, and to support policy response  
9 from consumers and stakeholders. Copies of the report shall be  
10 provided to the Governor and the Legislature on or before November 1,  
11 2012.

12 (2) With the report, the commission shall provide  
13 recommendations for the level of program funding needed to support  
14 the purposes of the Nebraska Healthy Food Financing Initiative Act.  
15 The recommendation of the commission shall identify potential sources  
16 of funding including private sector investment capital, federal grant  
17 funding, foundation grants, and other nonstate sources that may be  
18 available for the financing program described in section 4 of this  
19 act.

20 Sec. 7. Section 2-5424, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22 2-5424 (1) The Agricultural Opportunities and Value-Added  
23 Partnerships Cash Fund is created. The fund shall be used by the  
24 Department of Economic Development for grants awarded pursuant to the  
25 Agricultural Opportunities and Value-Added Partnerships Act. Money

1 credited to the fund shall include any monetary gifts, grants,  
2 donations, proceeds from contracts for services, and reimbursement of  
3 expenses. The department shall seek money from sources such as, but  
4 not limited to, federal funds, commodity checkoff funds, private  
5 donations, and private grants. All such funds shall be credited to  
6 the Agricultural Opportunities and Value-Added Partnerships Cash  
7 Fund. No funds shall be received or accepted for the Agricultural  
8 Opportunities and Value-Added Partnerships Cash Fund that are  
9 designated for the purpose or the benefit of a single business,  
10 enterprise, or individual. Any money in the fund available for  
11 investment shall be invested by the state investment officer pursuant  
12 to the Nebraska Capital Expansion Act and the Nebraska State Funds  
13 Investment Act.

14 (2) On each of October 1, 2011, and October 1, 2012, the  
15 State Treasurer shall transfer one hundred thousand dollars from the  
16 fund to the Nebraska Healthy Food Financing Initiative Cash Fund.

17 Sec. 8. Section 81-3603, Reissue Revised Statutes of  
18 Nebraska, is amended to read:

19 81-3603 The Rural Development Commission shall:

20 (1) Focus attention on and increase awareness of the  
21 opportunities and needs of rural Nebraskans;

22 (2) Advocate for rural Nebraska by proposing solutions to  
23 rural challenges;

24 (3) Strengthen community sustainability and growth in  
25 rural Nebraska through increased community-based wealth creation,

1 expanded economic opportunity, and improved quality of life;

2 (4) Stimulate rural development innovation and foster  
3 information transfer to, from, and within rural Nebraska;

4 (5) Encourage and support continuity, coordination, and  
5 cooperation among national, state, multicomunity, and local rural  
6 development initiatives and service providers;

7 (6) Ensure that rural Nebraskans are afforded the  
8 opportunity to determine rural Nebraska's development agenda;

9 (7) Serve as an advisory body to the Governor, state  
10 agencies, and the Legislature on rural development issues;

11 (8) Establish an information clearinghouse on rural  
12 challenges and needs, development services, model initiatives,  
13 available resources, and service providers;

14 (9) Foster community-based development initiatives  
15 through multicomunity partnerships;

16 (10) Support strategic planning and research for and  
17 evaluation of rural development initiatives and service providers by  
18 administering the Nebraska Development Network Program;

19 (11) Serve as Nebraska's rural development council within  
20 the meaning of the National Rural Development Partnership by  
21 providing inventories, reports, assessments, and implementation plans  
22 as appropriate; ~~and~~

23 (12) Participate in the Partnership for Rural Nebraska;  
24 and -

25 (13) Administer the Nebraska Healthy Food Financing

1 Initiative Act.

2                   Sec. 9. Original sections 2-5424 and 81-3603, Reissue

3 Revised Statutes of Nebraska, are repealed.