

ONE HUNDRED SECOND LEGISLATURE - FIRST SESSION - 2011
COMMITTEE STATEMENT (CORRECTED)
LB200

Hearing Date: Tuesday March 01, 2011
Committee On: Agriculture
Introducer: Council
One Liner: Adopt the Nebraska Healthy Food Financing Initiative Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 7 Senators Bloomfield, Brasch, Carlson, Harr, Larson, Lathrop, Wallman
Nay:
Absent:
Present Not Voting: 1 Senator Karpisek

Proponents:	Representing:
Senator Brenda Council	Introducer
Pam Edwards	Nebraska Dietetic Association
Natalie Sehi	University of Nebraska Extension, SNAP-Ed Program
Gregory Fripp	No More Empty Pots & Self
Susan Whitfield	No More Empty Pots
Annette T. Artherton	No More Empty Pots
Julie Carda	No More Empty Pots
Jim Steffen	No More Empty Pots & Massena Corporation
Brian Krannawitter	American Heart Association

Opponents:	Representing:
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Neutral:	Representing:
Jerry Stilmock	Nebraska Bankers Association
Kathy Siefken	Nebraska Grocery Industry Association

Summary of purpose and/or changes:

LB 200 would create and name the Nebraska Healthy Food Financing Initiative Act as distinct statutory sections. The bill states legislative findings and intent tying the purposes and mechanisms of the bill to public health concerns associated with lack of healthy food access and articulated public welfare objectives in stimulating financing for retail grocery and other food sourcing in underserved communities.

The primary substantive provisions are contained in sections 4 - 6 which assign specific duties and authorizations to the Rural Development Commission relating to implementation of the Nebraska Healthy Food Financing Initiative Act. Section 8 of the bill inserts harmonizing assignment of implementation of the Act within Section 81-3603 which enumerates duties assigned to the Rural Development Commission. Specifically, LB 200 vests the Commission with the following duties and authorities:

In consultation with the Departments of Agriculture and Health, and to the extent of available funding, establish a financing program to stimulate grocery retail and other types of food sourcing establishments in underserved communities. An underserved community is defined by section 3 of the bill as a geographic area located in a

lower-income or high poverty area having limited access to healthy food retailers. Section 4, subsection (3) sets forth the following detail regarding the elements of such financing program, as follows:

****Directs that the Rural Development Commission shall contract with one or more certified development entities as defined by cited reference to the New Market Tax Credit provisions of the Internal Revenue Code, to develop and administer the financing program.**

****Projects eligible are identified to include new construction of grocery retail structures, grocery store renovation, expansion and infrastructure upgrades, establishment of farmers markets, community gardens, mobile markets and delivery projects that increase capacity of food retailers to obtain fresh produce, and other projects consistent with the purposes of the Act;**

****Specific expenditures for which funding obtained through the mechanisms of the Act are enumerated to include site acquisition, construction costs, purchase of equipment and furnishing, workforce training, and pre-development costs such as market studies and working capital for initial inventory and start-up-costs;**

****State general criteria for projects to be eligible for financing products including that the project shall serve an underserved community, demonstrate a commitment to provide regular offerings of fruits and vegetables, and accept Supplemental Nutrition Assistance Program and WIC program benefits.**

****States specific criteria to evaluate applicants for funding, including the applicants capacity to successfully implement the project, ability to repay debt, the extent of public funding required, and extent to which the project will provide new markets for Nebraska grown food items and a positive economic impact on the community served.**

The Nebraska Healthy Foods Financing Initiative Cash Fund is created under section 5 of the bill as a repository of any appropriated funds, and other funds acquired through gifts or grants, and transfers to the fund. The State Treasurer is directed by revisions to Section 2-5424 found in section 7 of the bill to annually transfer \$100,000 from the Agricultural Opportunities and Value-Added Partnerships cash fund over the upcoming biennium.

Section 6 directs the Commission, utilizing funds available in the Nebraska Healthy Foods Financing Initiative Cash Fund, to contract with the UNL Public Policy Research Center to prepare a research report relative to food deserts and provide the report to the Legislature no later than November 1, 2012. The bill sets forth various elements to be included in such research project and limits the Commission's expenditure for the commissioned report to \$60,000. Utilizing information from the report, the commission is to provide recommendations for funding to achieve the purposes of the Act and to identify non-state sources of funding that may be available to capitalize the program.

Explanation of amendments:

The Committee amendment (AM 645) strikes sections 6 & 7 of the bill as introduced and inserts new sections 6 and 7. (A harmonizing deletion of an internal reference to the transfers from the Value Added fund is made in section 5 of the bill)

New section 6 as inserted by AM 645 states legislative intent to appropriate \$150,000 annually to fund the Healthy Foods Financing Initiative Act. New section 7 inserts a corresponding revision to Section 13-208 of the Community Development Assistance Act. The amendment would reduce the maximum annual total tax expenditure for credits awarded under the Community Development Act from \$350,000 to \$200,000.

Tom Carlson, Chairperson