

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1645

5 By: Representative McCullough
6

For An Act To Be Entitled

8 AN ACT TO CREATE THE ARKANSAS HEALTHY FOOD RETAIL ACT
9 OF 2023; TO PROVIDE FINANCIAL INCENTIVES FOR HEALTHY
10 FOOD RETAILERS IN UNDERSERVED COMMUNITIES; AND FOR
11 OTHER PURPOSES.
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Subtitle

14 TO CREATE THE ARKANSAS HEALTHY FOOD
15 RETAIL ACT OF 2023; AND TO PROVIDE
16 FINANCIAL INCENTIVES FOR HEALTHY FOOD
17 RETAILERS IN UNDERSERVED COMMUNITIES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 15, Chapter 4, is amended to add an
24 additional subchapter to read as follows:

25 Subchapter 40 – Arkansas Healthy Food Retail Act of 2023
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27 15-4-4001. Title.

28 This subchapter shall be known and may be cited as the "Arkansas
29 Healthy Food Retail Act of 2023".
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31 15-4-4002. Legislative findings and intent.

32 (a) The General Assembly finds that:

33 (1) When fresh produce and other healthy foods are not readily
34 available or affordable, people, particularly low-income families, children,
35 and the elderly, face serious barriers to eating a healthy diet;

36 (2) Research in Arkansas and the nation shows that residents of



1 low-income, minority, and rural communities are most often affected by high
 2 rates of obesity and poor access to supermarkets and other healthy food
 3 retailers;

4 (3) Obesity, which frequently results from poor diet and
 5 physical inactivity, is America's fast-growing cause of disease and death;

6 (4) Arkansas has one of the highest rates of obesity nationwide,
 7 putting growing numbers of Arkansas adults and children at risk for
 8 developing heart disease, type-2 diabetes, hypertension, certain cancers, and
 9 other health problems;

10 (5) Increasing access to retail food outlets that sell fresh
 11 fruits and vegetables and other healthy food is an essential strategy for
 12 fighting the obesity epidemic and improving health;

13 (6) Studies have shown that people with better access to
 14 supermarkets and fresh produce tend to have healthier diets and lower levels
 15 of obesity; and

16 (7) Developing quality retail food outlets also creates jobs,
 17 expands markets for Arkansas farmers, and supports economic vitality in
 18 underserved communities.

19 (b) It is the intent of the General Assembly that the program
 20 established under this subchapter shall:

21 (1) Provide a reliable source of financing for healthy food
 22 retailers operating in underserved communities in the state in both rural and
 23 urban areas;

24 (2) Increase access to affordable healthy food to improve diets
 25 and health;

26 (3) Promote the sale and consumption of fresh produce,
 27 particularly fresh produce that is grown in Arkansas; and

28 (4) Support the expansion of economic opportunities in low-
 29 income and rural communities.

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 31 15-4-4003. Definitions.

32 As used in this subchapter:

33 (1) "Funding" means grants, loans, or a combination of grants
 34 and loans;

35 (2) "Healthy food retailers" means for-profit or nonprofit
 36 retailers that sell high-quality, fresh produce at competitive prices to

1 various sellers, including without limitation supermarkets, grocery stores,
2 and farmers' markets;

3 (3) "Program" means a public-private partnership managed by the
4 Arkansas Economic Development Commission and established to provide a
5 reliable source of financing for healthy food retailers that increases access
6 to fresh produce and other affordable healthy food for Arkansas residents;
7 and

8 (4) "Underserved community" means a geographic area with limited
9 access to healthy food retailers in a low-income, low-access, or high-poverty
10 area or an area otherwise determined to have serious healthy, nutritional
11 food limitations.

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13 15-4-4004. Healthy Food Retailer Program – Establishment and
14 administration.

15 (a) To the extent funds are available, the Arkansas Economic
16 Development Commission, in cooperation with public and private sector
17 partners, shall establish the Healthy Food Retailer Program that provides
18 funding to healthy food retailers that increase access to fresh fruits and
19 vegetables and other affordable healthy food in underserved communities.

20 (b)(1) The commission may contract with one (1) or more qualified
21 nonprofit organizations or community development financial institutions to
22 administer the program established under subsection (a) of this section
23 through a public-private partnership to raise matching funds, market the
24 program statewide, evaluate applicants, make funding award decisions,
25 underwrite loans, and monitor compliance and impact.

26 (2) The commission shall coordinate with complimentary nutrition
27 assistance and education programs in administering the program established
28 under subsection (a) of this section.

29 (c) The program established under subsection (a) of this section shall
30 provide funding on a competitive, one-time basis as appropriate for each
31 project awarded funding.

32 (d) The program established under subsection (a) of this section may
33 provide funding for projects that include without limitation:

34 (1) The construction of new healthy food retailers, including
35 without limitation supermarkets and grocery stores;

36 (2) Store renovations, expansion, and infrastructure upgrades

1 that improve the availability and quality of fresh produce;

2 (3) Farmers' markets, public markets, food cooperatives, mobile
 3 markets and delivery projects, and distribution projects that enable healthy
 4 food retailers in underserved communities to obtain fresh produce regularly;
 5 and

6 (4) Other projects that create or improve healthy food retailers
 7 that meet the intent of this subchapter, as determined by the commission.

8 (e) Funding made available through the program created under
 9 subsection (a) of this section may be used for the following purposes:

10 (1) Site acquisition and preparation;

11 (2) Construction costs;

12 (3) Equipment and furnishings;

13 (4) Workforce training;

14 (5) Security;

15 (6) Certain predevelopment costs as determined by the
 16 commission, including without limitation market studies and appraisals; and

17 (7) Working capital for first-time inventory and start-up costs.

18 (f) A restaurant is not eligible for funding under this subchapter.

19 (g) An applicant for funding under this subchapter may include without
 20 limitation a sole proprietorship, partnership, limited liability company,
 21 corporation, cooperative, community development entity, institution of higher
 22 education, or governmental entity.

23 (h) To be considered for funding under this section, an applicant
 24 shall meet the following criteria:

25 (1) The project for which the applicant seeks funding benefits
 26 an underserved community;

27 (2) The applicant demonstrates a meaningful commitment to
 28 selling fresh produce according to a measurable standard established by the
 29 commission; and

30 (3) The applicant either:

31 (A) Accepts the Supplemental Nutrition Assistance Program,
 32 and the Special Supplemental Nutrition Program for Women, Infants, and
 33 Children (WIC) benefits; or

34 (B) If the applicant is not eligible to accept
 35 Supplemental Nutrition Assistance Program, and the Special Supplemental
 36 Nutrition Program for Women, Infants, and Children (WIC) benefits, the

1 applicant meets the alternative standard established by the commission to
2 demonstrate a meaningful commitment to making healthy food affordable to
3 underserved communities.

4 (i) The commission shall evaluate each applicant based on the
5 following criteria to determine the award of funding:

6 (1) The applicant's demonstrated capacity to successfully
7 implement the project, including without limitation the applicant's relevant
8 experience and the likelihood that the project will be economically self-
9 sustaining;

10 (2) The ability of the applicant to repay debt;

11 (3) The degree to which the project requires an investment of
12 public funding to move forward, create an impact, or be competitive;

13 (4) The level of need in the underserved community to be served
14 by the project, which may include the consideration of factors that will
15 improve or preserve retail access for low-income residents, such as the
16 proximity to public transit lines;

17 (5) The degree to which the project will promote sales of fresh
18 produce, particularly Arkansas-grown fruits and vegetables;

19 (6) The degree to which the project will positively impact the
20 underserved community, including without limitation creating or retaining
21 local residents' jobs; and

22 (7) Any other criteria that the commission determines are
23 consistent with the intent of this subchapter.

24 (j) The commission shall:

25 (1) Establish program benchmarks and reporting processes to
26 ensure that the program benefits both rural and urban communities in
27 Arkansas;

28 (2) Establish monitoring and accountability mechanisms for
29 projects that receive funding under this section, such as tracking sales data
30 for fresh produce;

31 (3) Prepare and submit an annual report to the Legislative
32 Council, or if the General Assembly is in session, the Joint Budget
33 Committee, concerning any projects funded and the outcome data related to
34 each project; and

35 (4) Establish rules for implementing this subchapter.

36 (k) To the extent practicable, funds described in this subchapter may

1 be used to leverage other funding, including without limitation new markets
2 tax credits, federal and foundation grant programs, incentives available to
3 designated renewal communities or empowerment zones, operator equity, and
4 funding from private-sector financial institutions under the Community
5 Reinvestment Act of 1977, 12 U.S.C. § 2901 et seq., as it existed on January
6 1, 2023.

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