

FIRST REGULAR SESSION

HOUSE BILL NO. 420

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE PETERS.

0569H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto eleven new sections relating to food deserts.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto eleven new sections, to be known as sections 620.1970, 620.1971, 620.1972, 620.1973, 620.1974, 620.1975, 620.1976, 620.1977, 620.1978, 620.1979, and 620.1980, to read as follows:

620.1970. Sections 620.1970 to 620.1980 shall be known and may be cited as the "Food Deserts Act of 2017".

620.1971. As used in sections 620.1970 to 620.1980, the following terms mean:

(1) "Food desert fund", the fund created under subsection 1 of section 620.1972;

(2) "Healthful food", food that reflects the most recent Dietary Guidelines for Americans;

(3) "Grocery store", a retail store that derives income primarily from the sale of food for home preparation and consumption;

(4) "Program participant", an entity that has received a loan under the program;

(5) "Department", the department of economic development;

(6) "Staple food", the same meaning as that term is defined in section 243(b) of the Agricultural Act of 2014, 7 U.S.C. 6953(b);

(7) "Underserved community", the same meaning as that term is defined in section 301B(g)(9)(A)(ii) of the Consolidated Farm and Rural Development Act, 7 U.S.C. 1932.

620.1972. 1. (1) There is hereby created in the state treasury the "Food Desert Fund", which shall consist of moneys appropriated to it by the general assembly and moneys resulting from the repayment of loans granted under the food deserts act. The

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

4 state treasurer shall be custodian of the fund. In accordance with sections 30.170 and
5 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund
6 and, upon appropriation, moneys in the fund shall be used solely in accordance with the
7 provisions of subsection 2 of this section.

8 (2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys
9 remaining in the fund at the end of the biennium shall not revert to the credit of the
10 general revenue fund.

11 (3) The state treasurer shall invest moneys in the fund in the same manner as other
12 funds are invested. Any interest and moneys earned on such investments shall be credited
13 to the fund.

14 2. Moneys in the food desert fund shall only be used to:

15 (1) Open a grocery store in an underserved community, except that such loan shall
16 not be used for the purpose of new construction;

17 (2) Support the operations of an existing grocery store in an underserved
18 community;

19 (3) Facilitate the fair market value purchase of an existing grocery store in an
20 underserved community; or

21 (4) Support the operations of a program participant that is located in a community
22 that would be an underserved community if the program participant was not located in
23 such community.

620.1973. 1. The department shall establish a program to provide loans for the
2 purpose of supporting the establishment and operation of grocery stores in underserved
3 communities.

4 2. The department may only issue a loan from the food desert fund to an entity that
5 the department determines:

6 (1) Is a grocery store or will be a grocery store after opening;

7 (2) Emphasizes or will emphasize unprocessed, healthful foods;

8 (3) Provides or will provide a variety of raw fruits and vegetables;

9 (4) Provides or will provide staple foods;

10 (5) Has a plan to keep such foods in stock to the extent possible;

11 (6) Charges or will charge prices at or below municipal averages; and

12 (7) Is sufficiently qualified to operate a grocery store.

13 3. (1) The department shall prioritize an application for a loan from a nonprofit
14 organization or municipally owned entity that the department determines:

15 (a) Hires or plans to hire workers who reside within the underserved community
16 that would be served by the entity;

17 (b) Provides or plans to provide classes or other educational information about a
18 healthful diet;

19 (c) Sources or plans to source food from local urban farms and gardens;

20 (d) Does not or will not sell alcohol or tobacco products;

21 (e) Demonstrates existing supply chain relationships in the grocery industry; or

22 (f) Demonstrates expertise in the grocery industry.

23 (2) The department shall prioritize an application for a loan from a for-profit entity
24 that the department determines meets any of the requirements under paragraphs (a)
25 through (d) of subdivision (1) of this subsection.

26 4. An entity that desires a loan from the food desert fund shall submit an
27 application to the department at such time, in such manner, and containing such
28 information as the department may require.

620.1974. 1. A loan distributed from the food desert fund by the department may
2 be used by a program participant only for the purposes specified under subsection 2 of
3 section 620.1972.

4 2. A loan distributed by the department from the food desert fund shall be made
5 at or below market interest rates, including an interest-free loan, at terms not to exceed the
6 lesser of 30 years or the projected useful life, as determined by the department, of the
7 project to be financed with the proceeds of the loan.

8 3. A loan may be distributed from the food desert fund by the department to a
9 program participant in a lump sum or in multiple distributions over a period of years.

10 4. The department shall not provide a loan to a program participant in a fiscal year
11 that exceeds ten percent of the amount available from the fund for making distributions
12 in that fiscal year.

13 5. Annual principal and interest payments on a loan received from the food desert
14 fund shall commence not later than one year after the loan is disbursed to the program
15 participant, and all loans will be fully amortized upon the expiration of the term of the
16 loan.

17 6. A program participant shall establish a dedicated source of revenue for
18 repayment of a loan received from the food desert fund.

19 7. The food desert fund shall be credited with all payments of principal and interest
20 on all loans made from the food desert fund.

620.1975. The department shall charge a program participant an administrative
2 fee of not more than four percent of the loan amount. The state shall use the fees to
3 administer the revolving fund and conduct administration activities under the food deserts
4 act.

2 **620.1976.** The department shall provide technical assistance to program
3 participants to assist with the sourcing of food, food storage, and other operational
4 requirements.

2 **620.1977.** If a program participant files bankruptcy, amounts owed on a loan from
3 the food desert fund shall be afforded precedence over other debt.

2 **620.1978.** Earnings of a nonprofit organization or municipally owned program
3 participant that are attributable to a loan received from the food desert fund shall be used
4 for reinvestment into the program participant or to support the continuity of operations
5 of the program participant.

2 **620.1979.** Any rule or portion of a rule, as that term is defined in section 536.010,
3 that is created under the authority delegated in this section shall become effective only if
4 it complies with and is subject to all of the provisions of chapter 536 and, if applicable,
5 section 536.028. Section 620.1970 to 620.1980 and chapter 536 are nonseverable, and if any
6 of the powers vested with the general assembly pursuant to chapter 536 to review, to delay
7 the effective date, or to disapprove and annul a rule are subsequently held
8 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
9 after August 28, 2017, shall be invalid and void.

2 **620.1980.** Under section 23.253 of the Missouri sunset act:

3 (1) The provisions of the new program authorized under sections 620.1970 to
4 620.1980 shall automatically sunset six years after the effective date of sections 620.1970
5 to 620.1980 unless reauthorized by an act of the general assembly;

6 (2) If such program is reauthorized, the program authorized under sections
7 620.1970 to 620.1980 shall automatically sunset twelve years after the effective date of the
8 reauthorization of sections 620.1970 to 620.1980; and

9 (3) Sections 620.1970 to 620.1980 shall terminate on September first of the calendar
10 year immediately following the calendar year in which the program authorized under
11 sections 620.1970 to 620.1980 is sunset.

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