

Research Plan: Public Chapter 795, Acts of 2018, Creation of Food Desert Relief Enterprises Fund

Research Manager: David Lewis

Lead Research Associate: Tyler Carpenter

Due: February 1, 2019 Support: Jennifer Barrie

Deputy Executive Director Approval: Initial: *NMB* Date: *4-27-18*

Executive Director Approval: Initial: *[Signature]* Date: *4/27/18*

Purpose

To study the potential overall effects of creating a grant and loan program administered by the department of economic and community development (ECD) to encourage the financing and development of food desert relief enterprises that sell fresh food in low-income, underserved areas of Tennessee.

Background

House Bill 2120 by Representative Love and its companion, Senate Bill 2634 by Senator Norris, directs the Commission to study the benefits and costs of creating a special reserve fund in the state treasury to be known as the "Fresh Food Financing Fund" into which the revenue generated from six-hundred twenty-five ten thousandths percent (.0625%) of the rate of tax imposed by Tennessee Code Annotated, Section 67-6-228(a), on retail sales of sugar-sweetened beverages is deposited for the sole use of funding grants and loans to encourage the financing and development of food desert relief enterprises—also known as affordable healthy food retail stores. Food desert relief enterprises are defined as supermarkets or grocery retailers that operate on a self-service basis, having at least fifty percent (50%) of revenue derived from the sale of groceries, produce, meat, baked goods, or dairy products, or a farmers market, in low-income, underserved areas of this state. The bill requires the Commission to submit a report to the State and Local Government Committee of the Senate, the State Government Committee of the House of Representatives, and the Local Government Committee of the House of Representatives no later than February 1, 2019.

The legislation was inspired in part by the 2011 Historically Black Colleges and Universities Wellness Project, in which students and staff members from Tennessee State University and Meharry Medical College worked together to draw attention to the issue of diet-related diseases, specifically in Nashville food deserts. A food desert—defined by the federal Food, Conservation, and Energy Act of 2008—is “an area in the United States with limited access to affordable and nutritious food, particularly such an area composed of predominantly lower income neighborhoods and communities.” According to the United States Department of Agriculture (USDA), 1.1 million people live in food deserts in Tennessee as of 2015—27% of urban residents and 4% of rural residents.

Step 1. Define the Problem

What is the most efficient and effective means to encourage healthy food options in urban and rural food deserts in Tennessee.

Step 2. Assemble Some Evidence

- Review referred legislation.
 - Review committee hearings on the bill and summarize comments and concerns of committee members, the bill sponsors, and others speaking for or against the bill.
 - Interview the bill’s sponsors, proponents, and other stakeholders to determine what is driving this issue, including, but not limited to:
 - Tennessee Department of Economic and Community Development, Rural Task Force,
 - United States Department of Agriculture (USDA) Rural Development,
 - Historically Black Colleges and Universities (HBCU) Wellness Project,
 - Metro Planning Organization,
 - The Nashville Food Project,
 - Tennessee Grocers and Convenience Store Association,
 - Associated Wholesale Grocers, Inc.,
 - Second Harvest Food Bank of Middle Tennessee,
 - Salvation Army—Doing the Most Good (DMG) Foods,

- Tennessee Farm Bureau,
 - The Food Trust,
 - Cul2vate, and
 - Lipscomb University's Institute for Sustainable Practice.
- Review the fiscal note. Consult with Fiscal Review Committee staff and follow up with agencies submitting support forms to determine the estimated cost and the method and rationale for the estimates.
- Review similar bills from previous general assemblies.
- Review various policy approaches that have been considered or implemented.
- Review current case law, the Tennessee Constitution, attorney generals opinions, and relevant statutes.
- Review similar laws or regulations in other states.
- Review other states efforts implementing similar legislation.
- Review relevant literature:
 - Centers for Disease Control and Prevention (CDC)
 - United States Department of Agriculture (USDA)
 - Tennessee Department of Agriculture
 - Tennessee Department of Human Services
 - Tennessee Department of Health
 - Associations with an interest in food access and affordability
- Review Supplemental Nutrition Assistance Program (SNAP) data.
- Review USDA Food Access Research Atlas data.
- Review other data related to food access and affordability.

Step 3. Construct Alternatives

Alternatives will be based on

- current law,
- proposed changes in the current law, and
- any additional alternatives drawn from the research and analysis in Step 2.

Each alternative will be described specifically enough to project outcomes in Step 5.

Step 4. Select Criteria

- Cost, direct and indirect, to
 - state government,
 - county and municipal governments,
 - businesses, and
 - the general public to include low-income populations.
- Economic effect
- Equity
- Estimate receptiveness of
 - state government,
 - county and municipal governments,
 - general public to include low-income populations,
 - businesses, and
 - other stakeholders.

Step 5. Project Outcomes

- Estimate cost.
- Estimate effect on economy.
- Estimate the acceptability to the state and local governments, the general public, businesses, and other affected stakeholders.

Step 6. Confront Trade-offs

- How will the differences between the current law and the other alternatives affect the public?
- What are the pros and cons of the potential solutions?

Step 7. Decide which alternatives to present to the Commission

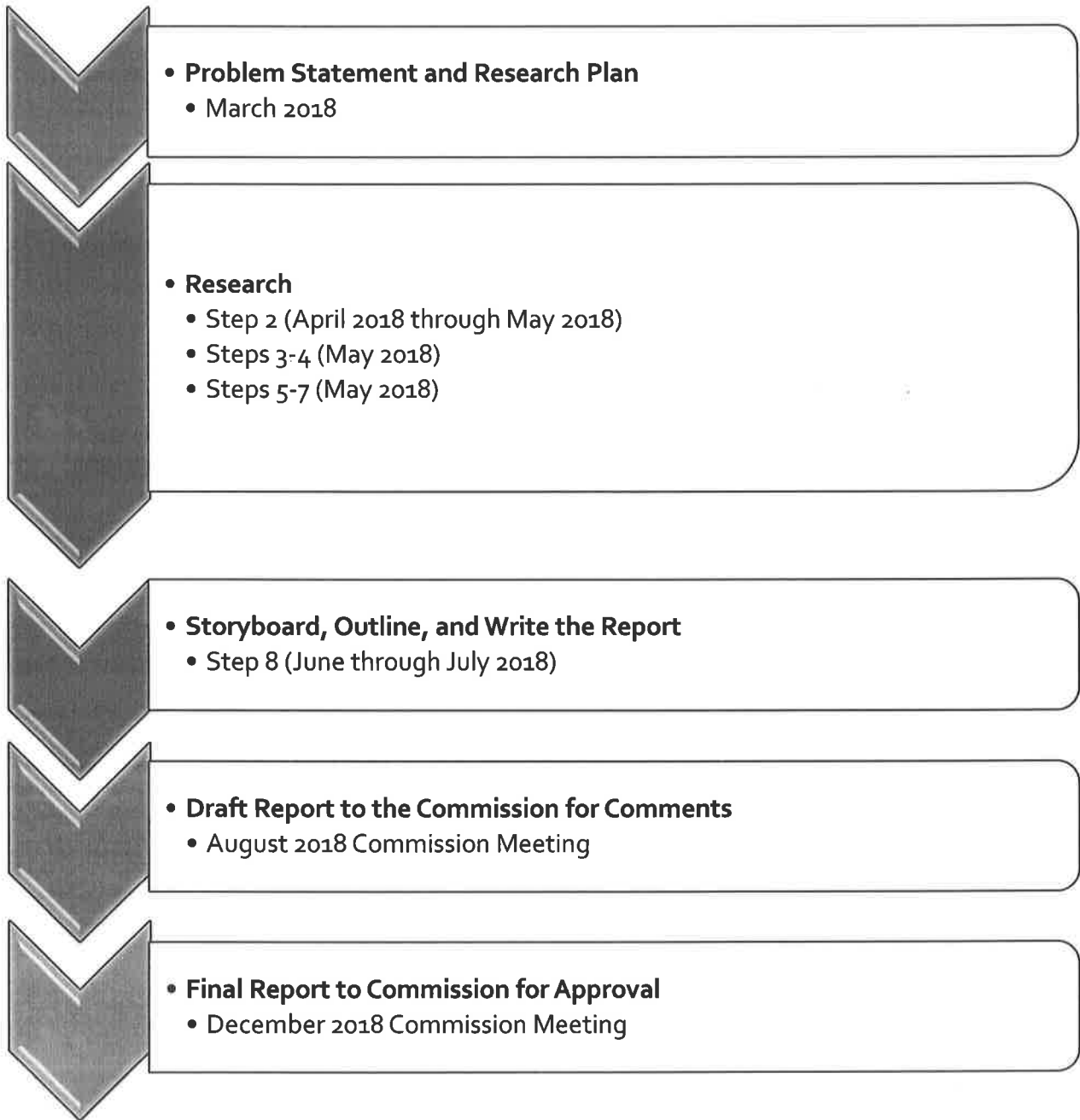
Based on the results of Step 6, choose the alternatives that most practically and realistically resolve the problem.

Step 8. Produce the Draft Report

Develop and present a draft for review and comment to the Commission.

Revisit Steps 5 through 8.

- Respond to feedback from Commission regarding outcome projections, trade-offs, and selection of alternatives.
- Revise and edit the draft to reflect comments of the Commission.
- Submit final report to the Commission for approval.





State of Tennessee

PUBLIC CHAPTER NO. 795

SENATE BILL NO. 2634

By Norris, Gardenhire, Harper, Yarbrow

Substituted for: House Bill No. 2120

By Love, Staples, Gilmore, Cooper, Favors, Camper, Powell, Clemmons

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3; Title 67, Chapter 4 and Title 67, Chapter 6, relative to creating the "Fresh Food Financing Fund".

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. (a) As used in this section, "food desert relief enterprise" means a supermarket or grocery retailer that operates on a self-service basis, having at least fifty percent (50%) of revenue derived from the sale of groceries, produce, meat, baked goods, or dairy products, or a farmers market, in low-income, underserved areas of this state.

(b) The Tennessee Advisory Committee on Intergovernmental Relations (TACIR) is directed to perform a study of the potential, overall effects of creating a grant and loan program administered by the department of economic and community development to encourage the financing and development of food desert relief enterprises that sell fresh food in low-income, underserved areas of this state. It is the legislative intent that this study be conducted from TACIR's existing resources.

(c) The study shall include the benefits and costs of creating a special reserve fund in the state treasury to be known as the "Fresh Food Financing Fund" into which the revenue generated from six-hundred twenty-five ten thousandths percent (.0625%) of the rate of tax imposed by § 67-6-228(a) on retail sales of sugar-sweetened beverages is deposited for the sole use by the department to fund grants and loans awarded under the program.

(d) All appropriate state agencies and departments shall provide assistance to TACIR upon the request of its executive director. TACIR shall seek input from representatives of the supermarket and grocery retailer industry and the department.

(e) TACIR shall submit a report disclosing the findings of the study and recommendations, including any proposed legislation or interim reports, to the state and local government committee of the senate, the state government committee of the house of representatives, and the local government committee of the house of representatives no later than February 1, 2019.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 2634

PASSED: April 5, 2018


RANDY McNALLY
SPEAKER OF THE SENATE


BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 20th day of April 2018


BILL HASLAM, GOVERNOR