

1 SENATE BILL 358

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

4 Carrie Hamblen and Gay G. Kernan and Crystal R. Diamond

5
6
7
8
9
10 AN ACT

11 RELATING TO ECONOMIC DEVELOPMENT; ENACTING THE HEALTHY FOOD
12 FINANCING ACT; CREATING THE HEALTHY FOOD FINANCING PROGRAM IN
13 THE ECONOMIC DEVELOPMENT DEPARTMENT; CREATING A FUND; MAKING AN
14 APPROPRIATION.

15
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
18 cited as the "Healthy Food Financing Act".

19 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
20 Healthy Food Financing Act:

21 A. "community development financial institution"
22 means a specialized organization, certified by the United
23 States department of the treasury, that provides financial
24 services in low-income communities and to people who lack
25 access to financing, including through community development

.224000.2

underscored material = new
[bracketed material] = delete

1 banks, credit unions and loan and venture capital funds;

2 B. "department" means the economic development
3 department;

4 C. "equitable food-oriented development working
5 group" means a working group made up of low- or moderate-income
6 farmers, food entrepreneurs, value-added food producers and
7 food retailers from low- or moderate-income communities and
8 members of a socially disadvantaged group and that reviews
9 applications for grants and loans from eligible applicants
10 pursuant to the Healthy Food Financing Act and makes
11 recommendations to the community development financial
12 institution or other banking institution on loans or grants to
13 be made from the healthy food financing fund;

14 D. "for-profit" includes the designation of sole
15 proprietorship;

16 E. "grocery store" means a for-profit or nonprofit
17 self-service retail establishment that sells fresh fruits,
18 vegetables, meat, seafood, dairy products, dry groceries and
19 household products;

20 F. "healthy food" means nutrient-dense, culturally
21 appropriate, fresh food that is locally or regionally grown,
22 when possible;

23 G. "low-income community" means a census tract
24 that, according to the most recent federal decennial census,
25 has a poverty rate of at least twenty percent or in which the

.224000.2

underscoring material = new
[bracketed material] = delete

1 median family income does not exceed eighty percent of the
2 greater of the statewide or metropolitan median family income;

3 H. "moderate-income community" means a census tract
4 that, according to the most recent federal decennial census,
5 has a median family income that is between eighty-one percent
6 and ninety-five percent of the statewide median family income;

7 I. "socially disadvantaged group" means a group
8 whose members have been subjected to racial, ethnic or gender
9 prejudice because of their identity as members of a group
10 without regard to their individual qualities; and

11 J. "underserved community" means a census tract
12 that is determined to be an area with low supermarket access by
13 the United States department of agriculture pursuant to its
14 food access research atlas or other food desert designation
15 criteria.

16 SECTION 3. [NEW MATERIAL] HEALTHY FOOD FINANCING PROGRAM
17 GRANTS AND LOANS.--

18 A. The "healthy food financing program" is created.
19 The department shall contract with a community development
20 financial institution or banking institution to manage funds
21 from the healthy food financing fund for the purposes of the
22 Healthy Food Financing Act. The department, in coordination
23 with the community development financial institution or banking
24 institution, shall make competitive grants or loans in
25 accordance with available funding and recommendations of the

.224000.2

1 equitable food-oriented development working group. These
2 grants or loans shall be made to applicants in the following
3 eligible project areas:

4 (1) new grocery store and food retail site
5 construction;

6 (2) grocery store renovation, expansion and
7 infrastructure upgrades proposed to improve the availability
8 and quality of healthy food;

9 (3) establishment of farmers' markets, farm
10 stands, food cooperatives, community gardening projects and
11 mobile food markets;

12 (4) land-based food production and
13 agricultural operations, controlled environment food production
14 operations and value-added operations; and

15 (5) food aggregation, processing and
16 distribution projects, including hub distribution projects
17 proposed to benefit local food producers and to improve food
18 retailer access to fresh produce and healthy food.

19 B. A grant or loan made pursuant to this section
20 for an eligible project may be used for the following project-
21 related costs:

22 (1) site acquisition and preparation;

23 (2) construction and property improvements;

24 (3) equipment, supplies and furnishings;

25 (4) associated and relevant infrastructure;

.224000.2

1 (5) workforce training, certifications and
2 licensing expenses;

3 (6) pre-development costs, including market
4 studies and appraisals;

5 (7) working capital for first-time inventory
6 and start-up costs;

7 (8) business process upgrades; and

8 (9) brand development and marketing.

9 C. Political subdivisions of the state, Indian
10 nations, tribes and pueblos and for-profit and nonprofit
11 entities and grocery stores may apply for loans and grants
12 pursuant to this section.

13 D. To be eligible for a grant or loan pursuant to
14 this section, an applicant shall provide documentation of the
15 following, if relevant to the project's proposed scope:

16 (1) the applicant's plan to promote, for at
17 least five years, job creation through the hiring of local
18 residents in a manner representative of the community that the
19 applicant proposes to serve;

20 (2) the applicant's plan to provide adequate
21 considerations to the state through food or support services to
22 low-income communities for at least five years;

23 (3) the applicant's project scope of work and
24 the applicant's ability to implement the project for which the
25 grant is sought;

.224000.2

underscored material = new
~~[bracketed material] = delete~~

1 (4) demonstration of the applicant's readiness
2 to proceed, the project's financial soundness and the project's
3 ability to become economically self-sustaining;

4 (5) the applicant's ability to repay to the
5 healthy food financing fund any loan the applicant receives
6 pursuant to this section;

7 (6) the ability for the project to become
8 economically self-sustaining;

9 (7) the applicant's plan, approved by the
10 department, to increase access and affordability of healthy
11 food for low-income households, including plans to accept
12 benefits from consumers pursuant to the federal supplemental
13 nutrition assistance program, the special supplemental
14 nutrition program for women, infants and children, double up
15 food bucks and other state and federally funded nutrition
16 incentive programs;

17 (8) the applicant's plan to allocate food
18 retail space for the sale of perishable foods if the loan or
19 grant sought is for a grocery store; and

20 (9) the applicant's plan to use the grant or
21 loan to expand capacity for the sale of perishable foods if the
22 loan or grant is not for a grocery store.

23 E. In addition to the requirements provided in
24 Subsection D of this section, to be eligible for a loan or
25 grant pursuant to this section, an applicant shall provide

.224000.2

underscoring material = new
[bracketed material] = delete

1 services specified by contract to constitute adequate
2 consideration.

3 SECTION 4. [NEW MATERIAL] HEALTHY FOOD FINANCING FUND.--

4 The "healthy food financing fund" is created as a nonreverting
5 fund in the state treasury. Any unexpended or unencumbered
6 balance remaining at the end of a fiscal year shall not revert
7 to the general fund. The department shall administer the fund.
8 The fund consists of appropriations, gifts, grants, donations
9 and income from investment of the fund. Money in the fund is
10 appropriated to the department for the purpose of contracting
11 with community development financial institutions and banking
12 institutions to make grants and loans pursuant to the Healthy
13 Food Financing Act and for administration of that act. Money
14 in the fund shall be disbursed on warrants of the secretary of
15 finance and administration pursuant to vouchers signed by the
16 secretary of economic development.

17 SECTION 5. APPROPRIATION.--One million dollars

18 (\$1,000,000) is appropriated from the general fund to the
19 healthy food financing fund for expenditure in fiscal year 2024
20 and subsequent fiscal years to carry out the requirements of
21 the Healthy Food Financing Act. Any unexpended or unencumbered
22 balance remaining at the end of a fiscal year shall not revert
23 to the general fund.

24 SECTION 6. EFFECTIVE DATE.--The effective date of the

25 provisions of this act is July 1, 2023.

.224000.2