

# ASSEMBLY, No. 4496

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JANUARY 19, 2017

**Sponsored by:**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Assemblywoman SHAVONDA E. SUMTER**

**District 35 (Bergen and Passaic)**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Senator RAYMOND J. LESNIAK**

**District 20 (Union)**

**Co-Sponsored by:**

**Assemblyman Conaway, Assemblywoman Mosquera and Senator Ruiz**

**SYNOPSIS**

“Healthy Small Food Retailer Act”; provides funding to small food retailers to sell fresh and nutritious food; appropriates \$1 million.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/30/2017)**

1 AN ACT concerning food retailers, supplementing Title 24 of the  
2 Revised Statutes, and making an appropriation.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. This act shall be known and may be cited as the “Healthy  
8 Small Food Retailer Act.”

9

10 2. The Legislature finds and declares:

11 a. Overweight children and adults are at greater risk for  
12 numerous adverse health consequences, including type 2 diabetes,  
13 heart disease, stroke, high blood pressure, high cholesterol, certain  
14 cancers, asthma, low self-esteem, depression, and other debilitating  
15 diseases;

16 b. In the United States, the medical costs of obesity are rising  
17 rapidly with Medicare and Medicaid paying roughly half of these  
18 obesity-related costs, estimated to be over \$100 billion per year;

19 c. Many Americans, particularly those in low-income  
20 neighborhoods, rural areas, and communities of color, live in  
21 communities that lack adequate access to full-service grocery  
22 stores, and low-income areas have more than twice as many  
23 convenience stores and four times as many small grocery stores as  
24 high-income areas;

25 d. Small food stores, which tend to charge higher prices for  
26 food compared to grocery stores and supermarkets, have limited  
27 supplies of fresh produce, whole grains, and low-fat dairy products  
28 and frequently sell highly processed foods that are high in fat and  
29 low in nutrients;

30 e. Providing assistance to existing small food retailers to stock  
31 fresh produce and other healthy foods that promote good nutrition  
32 will better provide people with access to healthier foods, and  
33 community programs that work with these small food retailers have  
34 shown promise in increasing healthy food sales, improving the  
35 quality of store offerings, and promoting good nutrition; and

36 f. It is the intent of the Legislature to provide support to small  
37 food retailers operating in New Jersey, in both urban and rural  
38 areas, to sell more fresh fruits and vegetables and other healthy  
39 foods at affordable prices to neighborhood residents in an effort to  
40 improve the health and wellness of all New Jerseyans.

41

42 3. As used in P.L. , c. (C. ) (pending before the  
43 Legislature as this bill):

44 “Department” means the Department of Health.

45 “Fund” means the “Healthy Small Food Retailer Fund”  
46 established pursuant to section 5 of P.L. , c. (C. ) (pending  
47 before the Legislature as this bill).

1       “Healthy Corner Store Program” means the program established  
2 pursuant to section 4 of P.L.       , c.       (C.       ) (pending before the  
3 Legislature as this bill).

4       “Low-income area” means a census tract, as reported in the most  
5 recently completed decennial census published by the United States  
6 Census Bureau, that has a poverty rate of at least 20 percent or in  
7 which the median family income does not exceed 80 percent of the  
8 Statewide or metropolitan median family income, whichever is  
9 greater.

10       “Moderate-income area” means a census tract, as reported in the  
11 most recently completed decennial census published by the United  
12 States Census Bureau, in which the median family income is  
13 between 81 and 95 percent of the median family income for the  
14 area.

15       “Small food retailer” means a small retail outlet, with less than  
16 2,500 square feet, which sells a limited selection of foods and other  
17 products, such as a bodega, convenience store, corner store,  
18 neighborhood store, small grocery, or small-scale store.

19

20       4. a. The department shall develop a “Healthy Corner Store  
21 Program” to increase the availability and sales of fresh produce and  
22 nutritious, healthy food by small food retailers in rural and urban  
23 low- and moderate-income areas. The department may select one or  
24 more grantees to administer the program in a community and  
25 distribute program funding to small food retailers.

26       b. To support the program, the department shall promote the  
27 availability of program funding Statewide, establish eligibility  
28 guidelines for funding, evaluate applicants, raise matching funds,  
29 and disburse funding.

30       c. The department shall develop an application and applicant  
31 selection process and create eligibility guidelines for any  
32 organization applying to be selected as a grantee. To qualify for  
33 funding, an applicant shall:

34       (1) provide proof satisfactory to the department that it is a  
35 nonprofit entity;

36       (2) have a well-defined public health-driven goal with standards  
37 based on the best available science;

38       (3) provide assistance to small food retailers located in low- or  
39 moderate-income areas that:

40       (a) accept, or agree to accept as a condition of receiving  
41 assistance, Supplemental Nutrition Assistance Program benefits;

42       (b) agree to apply to accept Special Supplemental Nutrition  
43 Program for Women, Infants, and Children benefits, and accept  
44 those benefits if eligible; and

45       (c) agree to abide by the department’s conditions for receiving  
46 assistance;

- 1 (4) collect and provide data and other information required by  
2 the department for program monitoring, accountability, and  
3 evaluation purposes; and
- 4 (5) establish defined goals, standards, and accountability  
5 mechanisms to ensure that expenditures from the fund are  
6 appropriate and consistent with the purpose of P.L. , c. (C. )  
7 (pending before the Legislature as this bill), including:
- 8 (a) identifying the basis for selecting each particular small food  
9 retailer or geographic area for assistance;
- 10 (b) submitting and implementing a plan which includes specific  
11 targets and goals for increasing the sales of produce and other  
12 healthy foods by a small food retailer in the designated area,  
13 engaging the community to support the participating small food  
14 retailers, and establishing standards to assess performance and  
15 whether goals within the plan are met; and
- 16 (c) engaging an advisory group of members of county or  
17 municipal agencies, such as planning or economic development  
18 entities, private or public universities, cooperative extensions,  
19 community-based organizations, and community members, to  
20 provide expertise and support and to coordinate other efforts to  
21 support the program and participating small food retailers.
- 22 (d) The department shall develop specific standards for selecting  
23 a small food retailer to participate as a designated healthy corner  
24 store. In determining whether a small food retailer is qualified,  
25 consideration shall be given to the level of need in the area served.  
26 As a condition of participating, a small food retailer shall sign a  
27 written agreement prior to receiving assistance. A grantee shall be  
28 authorized to monitor the participating small food retailers, and  
29 enforce the agreements if necessary. A grantee shall establish  
30 monitoring and accountability mechanisms for participating small  
31 food retailers.
- 32
- 33 5. a. There is established in the Department of Health the  
34 “Healthy Small Food Retailer Fund,” to support the “Healthy  
35 Corner Store Program” created pursuant to section 4 of  
36 P.L. , c. (C. ) (pending before the Legislature as this bill).  
37 All monies received in the fund shall be expended by the  
38 Commissioner of Health and distributed through a grantee to  
39 provide assistance to participating small food retailers in rural and  
40 urban low- and moderate-income areas.
- 41 b. The fund shall be credited annually, in an appropriation by  
42 law. The fund shall also be credited with any monies made  
43 available to it from the General Fund or any non-State public or  
44 private source. The commissioner shall include with the annual  
45 budget request for the department a request for funds sufficient to  
46 carry out the purposes and intent of P.L. , c. (C. ) (pending  
47 before the Legislature as this bill).

1 c. Monies from the fund may be used for the following  
2 purposes:

3 (1) salary and associated administrative costs towards providing  
4 education, advice, or other assistance to small food retailers on food  
5 safety and handling, nutrition education, business operations, and  
6 promotion;

7 (2) refrigeration, display shelving, or other equipment necessary  
8 for a small food retailer to keep stock of healthy foods and fresh  
9 produce, up to \$5,000 per retailer;

10 (3) materials and supplies for nutrition education and healthy  
11 food promotion; and

12 (4) mini-grants to small food retailers, of up to \$100 per retailer,  
13 to meet initial expenses incurred with participation in the program.

14 d. No less than 10 percent of the fund shall be reserved for the  
15 grantee's administrative and operational costs to allocate funds to  
16 small food retailers and evaluate and report on the program, unless  
17 those costs are provided for from other funding sources or in-kind  
18 resources.

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20 6. a. A grantee shall submit a report to the department, on or  
21 before March 1 of each year, which includes information  
22 concerning the overall geographic distribution of the funding, the  
23 amount of funding allocated to each small food retailer, and the  
24 health impact associated with the program and its funding. The  
25 report shall also evaluate any data collected from participating  
26 small food retailers and assess other effects and outcomes of the  
27 program.

28 b. Pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the  
29 department shall prepare and submit to the Legislature and to the  
30 Governor an annual report summarizing the expenditures of the  
31 fund, assessing the program and the performance of any grantee,  
32 and including all reports submitted by a grantee pursuant to  
33 subsection a. of this section. The department shall provide  
34 recommendations about the program as necessary.

35

36 7. The department may adopt rules and regulations pursuant to  
37 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
38 1 et seq.), as are necessary to implement  
39 P.L. , c. (C. ) (pending before the Legislature as this bill).

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41 8. There is appropriated from the General Fund to the  
42 Department of Health the sum of \$1,000,000 for deposit into the  
43 Healthy Small Food Retailer Fund to effectuate the purposes of  
44 P.L. , c. (C. ) (pending before the Legislature as this bill).

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46 9. This act shall take effect immediately.

## STATEMENT

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3 This bill, the “Healthy Small Food Retailer Act,” assists small food  
4 retailers operating in New Jersey, in low- and moderate-income urban  
5 and rural communities, by providing funds for retailers to increase the  
6 availability and sales of fresh and nutritious food, including fresh  
7 produce and other healthy foods, at affordable prices to neighborhood  
8 residents in an effort to improve the health and wellness of community  
9 residents. The bill provides funding to a grantee (non-profit  
10 organization) to distribute money to small food retailers. This type of  
11 program is often called a “Healthy Corner Store Initiative.”

12 The bill requires the Department of Health to develop a “Healthy  
13 Corner Store Program” to increase the availability and sales of fresh  
14 produce and nutritious, healthy food by small food retailers in rural  
15 and urban low- and moderate-income areas, and to establish a  
16 “Healthy Small Food Retailer Fund” to support the program. Moneys  
17 from the fund may be used for: (1) salary and associated  
18 administrative costs towards providing education, advice, or other  
19 assistance to small food retailers; (2) refrigeration, display shelving, or  
20 other equipment necessary for a retailer to keep stock of healthy foods  
21 and fresh produce, up to \$5,000 per retailer; (3) materials and supplies  
22 for nutrition education and healthy food promotion; and (4) mini-  
23 grants of up to \$100 per retailer to meet initial expenses incurred with  
24 participation in the program. No less than 10 percent of the fund is  
25 reserved for the grantee’s administrative and operational costs.

26 The bill allows the department to select one or more grantees to  
27 administer the program and distribute funding to small food retailers.  
28 The department is to develop an application and applicant selection  
29 process and create eligibility guidelines for any organization applying  
30 to be a grantee. To qualify for funding, the bill requires applicants to  
31 be nonprofit entities with a well-defined public health-driven goal.  
32 These entities are to provide assistance to small food retailers located  
33 in low- or moderate-income areas that accept Supplemental Nutrition  
34 Assistance Program benefits and Special Supplemental Nutrition  
35 Program for Women, Infants, and Children benefits. Program grantees  
36 must also collect and provide data and information for program  
37 monitoring, accountability, and evaluation purposes.

38 The bill directs the department to develop specific participation  
39 standards for a small food retailer and allocate assistance based on the  
40 level of need in an area. As a condition of participating, the bill  
41 obliges a small food retailer to sign a written agreement prior to  
42 receiving assistance. The bill requires a grantee to establish  
43 monitoring and accountability mechanisms for participating retailers,  
44 authorizes the grantee to monitor those retailers, and, if necessary,  
45 enforce the agreements.

46 The bill requires a grantee to submit a report to the department, by  
47 March 1 of each year, which includes information concerning the  
48 overall geographic distribution of the funding, the amount of funding

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1 allocated to each small food retailer, the health impacts associated with  
2 the program and its funding, and an evaluation of any data collected  
3 from participants. In turn, the bill directs the department to submit an  
4 annual report to the Legislature and to the Governor, and provide  
5 recommendations about the program as necessary.

6 Finally, the bill appropriates \$1 million to the department for  
7 deposit into the Healthy Small Food Retailer Fund.