

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 802 (Senator Pugh)
Budget and Taxation

Task Force to Examine Incentives and Funding Sources for Food Deserts

This bill establishes the Task Force to Examine Incentives and Funding Sources for Food Deserts staffed by the Department of Housing and Community Development (DHCD). The task force must (1) review existing incentive and financing programs that encourage grocery stores and supermarkets in food deserts; (2) identify ways to attract grocery stores or supermarkets in urban and rural food deserts; and (3) make recommendations on specific funding sources available for fresh food financing initiatives and programs in the State, including an estimate of annual expenditures necessary to attract grocery stores and supermarkets to food deserts. The task force must report its findings and recommendations to the Governor and the General Assembly by October 1, 2017. Task force members may not receive compensation but are entitled to reimbursement for expenses.

The bill takes effect July 1, 2016, and terminates December 31, 2017.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for DHCD are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapter 228 of 2014 established the Interagency Food Desert Advisory Committee to (1) advise and make recommendations on the development and adoption of regulations related to food desert projects; (2) make recommendations to the Secretary of

Housing and Community Development on applications for designating an area as a food desert; and (3) make recommendations for interagency coordination to reduce the number of food deserts and promote healthy food access for Maryland neighborhoods. On the recommendation of the advisory committee, the Secretary may designate an area as a food desert. Factors the Secretary must consider when making a designation include (1) the availability of healthy foods in the area; (2) income levels of local residents; (3) transportation needs of local residents and the availability of public transportation; (4) comments from local governments; and (5) any other factors that DHCD considers relevant. “Food desert” means the part of a priority funding area designated by the Secretary pursuant to those factors.

A small business, nonprofit organization, or microenterprise may apply for financial assistance for a project in a food desert. An applicant may qualify for financial assistance in a food desert if the application includes a plan to seek out sources of Maryland-grown produce and Maryland-produced foods, in addition to specified application requirements.

By December 1 each year, DHCD must submit a report to specified committees of the Maryland General Assembly relating to financial assistance for food desert projects.

Background: Maryland’s Fresh Food Financing Initiative (FFFI) is aimed at increasing access to healthy foods in underserved areas termed “food deserts.” It is designed to provide flexible financing, through DHCD’s Neighborhood Business Works program, for the start-up, rehabilitation, or expansion of businesses and nonprofit organizations that will source fresh food from Maryland farmers to designated food deserts. The initiative provides loans of up to \$500,000 for eligible projects. Information on FFFI can be found on the initiative’s [website](#).

Additional Information

Prior Introductions: None.

Cross File: HB 1432 (Delegate Hayes, *et al.*) - Environment and Transportation.

Information Source(s): Department of Housing and Community Development, Department of Health and Mental Hygiene, Department of Legislative Services

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