

CHAPTER 15

AN ACT concerning food retailers, and supplementing Title 24 of the Revised Statutes.

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

C.24:4A-6 “Healthy Small Food Retailer Act.”

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

C.24:4A-7 Findings and declarations relative to small food retailers.

2. The Legislature finds and declares:

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

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

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

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

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

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

C.24:4A-8 Definitions relative to small food retailers.

3. As used in this act:

“Department” means the Department of Health.

“Fund” means the “Healthy Small Food Retailer Fund” established pursuant to section 5 of this act.

“Healthy Corner Store Program” means the program established pursuant to section 4 of this act.

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

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

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

C.24:4A-9 Implementation of “Healthy Corner Store Program”.

4. a. The department shall develop and implement a “Healthy Corner Store Program” to increase the availability and sales of fresh produce and nutritious, healthy food by small food retailers in rural and urban low income and moderate income areas. The department shall select at least one grantee in each community participating in the program to administer the program and distribute program funding to small food retailers in the community.

b. To support the program, the department shall promote the availability of program funding Statewide, establish eligibility guidelines for funding, evaluate applicants, raise matching funds, and disburse funding through the “Healthy Small Food Retailer Fund,” established pursuant to section 5 of this act.

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

- (1) provide proof satisfactory to the department that it is a nonprofit entity;
- (2) have a well-defined public health goal with standards based on the best available science;
- (3) agree to provide assistance to small food retailers located in low income or moderate income areas that:
 - (a) accept, or agree to accept as a condition of receiving assistance, Supplemental Nutrition Assistance Program benefits;
 - (b) agree to apply to accept Special Supplemental Nutrition Program for Women, Infants, and Children benefits, and accept those benefits if eligible; and
 - (c) agree to abide by the department’s conditions for receiving assistance;
 - (4) collect and provide data and other information required by the department for program monitoring, accountability, and evaluation purposes; and
 - (5) establish defined goals, standards, and accountability mechanisms to ensure that expenditures from the fund are appropriate and consistent with the purpose of this act, including:
 - (a) identifying the basis for selecting each particular small food retailer or geographic area for assistance;
 - (b) submitting and implementing a plan which includes specific targets and goals for increasing the sales of produce and other healthy foods by a small food retailer in the designated area, engaging the community to support the participating small food retailers, and establishing standards to assess performance and whether goals within the plan are met; and
 - (c) engaging an advisory group of members of county or municipal agencies, such as planning or economic development entities, private or public universities, cooperative extensions, community-based organizations, and community members, to provide expertise and support and to coordinate other efforts to support the program and participating small food retailers.

d. The department shall develop specific standards for selecting a small food retailer to participate as a designated healthy corner store. In determining whether a small food retailer is qualified, consideration shall be given to the level of need in the area served. As a

condition of participation, a small food retailer shall sign a written agreement prior to receiving assistance. A grantee shall be authorized to monitor the participating small food retailers, and enforce the agreements if necessary. A grantee shall establish monitoring and accountability mechanisms for participating small food retailers.

C.24:4A-10 “Healthy Small Food Retailer Fund” established.

5. a. There is established in the Department of Health the “Healthy Small Food Retailer Fund,” to support the “Healthy Corner Store Program” created pursuant to section 4 of this act. All monies received in the fund shall be expended by the Commissioner of Health and distributed through grantees to provide assistance to participating small food retailers in rural and urban low income and moderate income areas.

b. The fund shall be credited annually with any monies made available to it from the General Fund or any public or private source other than the State. The commissioner shall include with the annual budget request for the department a request for funds sufficient to carry out the purposes and intent of this act.

c. Monies from the fund shall be used only for the following purposes:

(1) salary and associated administrative costs incurred to provide education, advice, or other assistance to small food retailers on food safety and handling, nutrition education, business operations, and promotion;

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

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

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

d. At least 10 percent, but not more than 25 percent of the fund shall be reserved for each grantee’s administrative and operational costs to allocate funds to small food retailers and evaluate and report on the program, unless those costs are provided for from other funding sources or in-kind resources.

C.24:4A-11 Grantee report.

6. a. Each grantee shall submit a report to the department, on or before March 1 of each year, which includes information concerning the overall geographic distribution of the funding, the amount of funding allocated to each small food retailer, the health impact associated with the program and its funding, and any other data or information required by the department for program monitoring, accountability, and evaluation pursuant to subsection c. of section 4 of this act. The report shall also evaluate any data collected from participating small food retailers and assess other effects and outcomes of the program.

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

C.24:4A-12 “Jersey Fresh” website expansion.

7. The Department of Agriculture shall expand the "Jersey Fresh" website to provide opportunities for the establishment of purchasing networks between farmers, distributors, grantees, and small food retailers participating in the “Healthy Corner Store Program.” The

department shall post, in a prominent location on the homepage of its Internet website, a hyperlink that provides visitors with direct access to the “Healthy Corner Store Program” on the expanded website.

C.24:4A-13 Rules, regulations.

8. The department may adopt rules and regulations pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), as are necessary to implement this act.

9. This act shall take effect immediately.

Approved January 31, 2019.