

SENATE BILL 1028

By Yarbro

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 29, Part 2; Title 4, Chapter 56; Title 12; Title 43 and Title 49, Chapter 6, Part 23, relative to local food procurement.

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

SECTION 1. Tennessee Code Annotated, Section 4-29-240(a), is amended by adding the following as a new subdivision:

() Local food, farms, and jobs council board of directors, created by § 43-1-204;

SECTION 2. Tennessee Code Annotated, Section 12-3-201, is amended by adding the following as a new subdivision:

() "Local farm or food products" means products grown, processed, packaged, and distributed by residents of this state or businesses located wholly within the geographic borders of this state;

SECTION 3. Tennessee Code Annotated, Title 12, Chapter 3, Part 3, is amended by adding the following as a new section:

(a) In order to create, strengthen, and expand local farm and food economies throughout this state, it is the goal of this state that at least twenty percent (20%) of all food and food products purchased by state agencies and state-owned facilities, including, but not limited to, after-school programs, child care facilities, correctional facilities, facilities for persons with mental health and developmental disabilities, jails, juvenile facilities, public hospitals, public schools, public universities, and senior programs, as well as government run vending machines, cafeterias, and concession stands on government property, shall, by 2024, be local farm or food products.

(b) Notwithstanding any law to the contrary, when a contract for the purchase of food or food products must be awarded to the lowest responsible bidder, an otherwise qualified bidder who will fulfill the contract through the use of local farm or food products of quality substantially equivalent to out-of-state farm or food products may be given preference over other bidders, if the cost included in the bid that would be fulfilled through the use of local farm or food products is not more than ten percent (10%) greater than the cost included in the bid that would not be fulfilled through the use of local farm or food products.

(c) The purchasing preference authorized by subsection (b) is in addition to the purchasing preferences required under § 12-3-1108, § 12-3-1109, and § 12-3-1113.

SECTION 4. Tennessee Code Annotated, Title 43, Chapter 1, is amended by adding the following as a new part:

43-1-201. This part shall be known and may be cited as the "Local Food Procurement Act."

43-1-202. As used in this part:

(1) "Council" means the local food, farms, and jobs council, created by § 43-1-203; and

(2) "Local farm or food products" means products grown, processed, packaged, and distributed by residents of this state or businesses located wholly within the geographic borders of this state.

43-1-203.

(a) The local food, farms, and jobs council is created to facilitate the growth of a local farm and food product economy based in this state that revitalizes rural and urban communities, promotes healthy eating with access to fresh foods, creates jobs, ensures a readily available supply of safe food in an emergency event, and supports state and local economic growth through making local farm or food products available to all residents of this state.

(b) The purpose of the council is to:

(1) Assist state agencies, state-owned facilities, and other entities with the purchase of local farm or food products and with tracking and reporting such purchases;

(2) Assist local farm and food entrepreneurs to identify and secure necessary resources and equipment to begin, maintain, and expand projects and networks necessary for the development of local farm or food products. When the council facilitates new projects and networks, the council must relinquish any rights, benefits, or control that the council has in those projects and networks;

(3) Facilitate the building of infrastructure, including aggregation, processing, storage, packaging, and distribution facilities necessary to move local farm or food products to local markets;

(4) Support and expand programs that recruit, train, and provide technical assistance to farmers and residents of this state in order to encourage the production of local farm or food products;

(5) Coordinate interagency policies, initiatives, and procedures promoting local farm and food products in this state's communities, by working with and involving state, federal, and local agencies, as well as community-based organizations, educational institutions, and trade organizations in fulfilling the purposes described in subsection (a);

(6) Facilitate the elimination of legal barriers hindering the development of a local farm and food economy by working with federal, state, and local public health agencies, and other governmental agencies

to create consistent and compatible regulations for the production, storage, distribution, and marketing of local farm or food products;

(7) Facilitate the use of public lands for growing local farm or food products by working with governmental entities at the local, state, and federal levels;

(8) Establish annual goals for all purchases of local farm or food products by residents of this state and to monitor the development and expansion of a local farm and food economy through data collection, tracking, measurement, analysis, and reporting on progress made in an annual report as required by § 43-1-206(e); and

(9) Initiate and facilitate public awareness campaigns about the economic benefits of a local farm and food economy.

(c) In addition to the duties described in subsection (b), the council must, in collaboration with the department of agriculture, develop a label and certification program, whereby a label with a specific name and unique design or logo may be placed on local farm and food products that are grown, processed, packaged, and distributed by residents of this state or businesses located wholly within this state. In order to satisfy the requirements of this subsection (c), the council may adopt a label that is approved by the department of agriculture for identifying local farm or food products.

(d) For administrative purposes only, the council shall be attached to the department of agriculture.

43-1-204.

(a) The council shall be implemented and governed by a board of directors consisting of thirty-three (33) members, as follows:

- (1) The commissioner of agriculture, or the commissioner's designee;
- (2) The commissioner of commerce and insurance, or the commissioner's designee;
- (3) The commissioner of health, or the commissioner's designee;
- (4) The commissioner of safety, or the commissioner's designee;
- (5) The dean of the University of Tennessee Institute of Agriculture, or the dean's designee;
- (6) Four (4) local farm or food product farmers representing different agribusiness sectors, including, but not limited to, the dairy, meat, vegetable, and grain sectors;
- (7) Four (4) local farm or food product producers representing different flower, fruit, viticulture, aquaculture, forestry, seed, fiber, vegetable, ornamental, or other specialty crop sectors;
- (8) Two (2) local farm or food product processors;
- (9) Two (2) local farm or food product distributors;
- (10) Three (3) representatives of not-for-profit educational organizations that specialize in supporting and expanding local farm or food product networks;
- (11) One (1) certifier of specialty local farm or food products, such as an organic, naturally grown, biodynamic, Halal, or Kosher certifier;
- (12) One (1) local farm or food product consumer representative;
- (13) Two (2) representatives of farm organizations;
- (14) One (1) representative of a philanthropic organization supporting the development of local farm or food products;

(15) One (1) local farm or food product retailer;

(16) Two (2) municipal representatives from different communities in this state who are actively engaged in the development of local farm or food products;

(17) Four (4) representatives of community-based organizations focusing on access to local farm or food products, at least three (3) of whom must be members of a racial minority; and

(18) One (1) chef specializing in the preparation of locally grown foods.

(b)

(1) The governor must appoint the board members required by subdivisions (a)(6)-(18).

(2) In order to stagger the terms of the appointed board members, the governor shall make initial appointments as follows:

(A) Nine (9) persons shall be appointed for terms of one (1) year, which shall expire on June 30, 2018;

(B) Nine (9) persons shall be appointed for terms of two (2) years, which shall expire on June 30, 2019; and

(C) Ten (10) persons shall be appointed for terms of three (3) years, which shall expire on June 30, 2020.

(3) Of the members initially appointed:

(A) Two (2) local farm or food product farmers, one (1) local farm or food product producer, one (1) local farm or food product processor, one (1) representative of not-for-profit educational organizations that specialize in supporting and

expanding local farm or food product networks, one (1) representative of farm organizations, one (1) local farm or food product retailer, one (1) municipal representative who is actively engaged in the development of local farm or food products, and one (1) representative of community-based organizations focusing on access to local farm or food products shall serve terms of one (1) year;

(B) One (1) local farm or food product farmer, two (2) local farm or food product producers, one (1) local farm or food product distributor, one (1) representative of not-for-profit educational organizations that specialize in supporting and expanding local farm or food product networks, one (1) representative of farm organizations, one (1) representative of a philanthropic organization supporting the development of local farm or food products, one (1) municipal representative who is actively engaged in the development of local farm or food products, and one (1) representative of community-based organizations focusing on access to local farm or food products shall serve terms of two (2) years; and

(C) One (1) local farm or food product farmer, one (1) local farm or food product producer, one (1) local farm or food product processor, one (1) local farm or food product distributor, one (1) representative of not-for-profit educational organizations that specialize in supporting and expanding local farm or food product networks, one (1) certifier of specialty local farm or food products,

one (1) local farm or food product consumer representative, two (2) representatives of community-based organizations focusing on access to local farm or food products, and one (1) chef specializing in the preparation of locally grown foods shall serve terms of three (3) years.

(c)

(1) Following the expiration of members' initial terms under subdivision (b)(2), all appointees to the board shall serve three-year terms that begin on July 1 and terminate on June 30, three (3) years thereafter.

(2) All members shall serve until the expiration of the term to which they were appointed and until their successors are appointed and qualified.

(3) Members shall be eligible for reappointment to the board following the expiration of their terms.

(4) A vacancy occurring other than by expiration of a term shall be filled in the same manner as the original appointment but for the unexpired term only.

(d) Organizations comprised of persons who represent the sectors identified in subdivisions (a)(6)-(18) may submit lists of candidates for the governor to consider when making appointments to the board.

(e) The commissioner of agriculture shall call the board's first meeting at which time the board shall elect a chair, a vice chair, and a treasurer from its appointed membership. The board's elected officers shall serve in that capacity for one (1) year and shall be eligible for reelection. The chair shall preside at all meetings and shall have all the powers and privileges of the other members.

(f) The chair shall fix a time and place for regular meetings of the council, which must meet at least twice each year.

(g) Board members shall serve without compensation but shall be entitled to reimbursement for travel expenses, to be paid in accordance with the comprehensive travel regulations promulgated by the commissioner of finance and administration and approved by the attorney general and reporter.

(h) Subject to the availability of public or private funds, the board may employ an executive director or other staff, or contract with independent contractors, necessary to execute the purposes of this part, and the board may fix the compensation, benefits, terms, and conditions of persons that the board employs.

43-1-205.

(a) The board of directors for the council may create a not-for-profit corporation pursuant to the Tennessee Nonprofit Corporation Act, compiled in title 48, chapters 51-68, to raise funds to develop, manage, and implement the council's plans and programs.

(b) The board of directors may select a name for the not-for-profit corporation.

(c) If a not-for-profit corporation is created under this section, the board of directors for the council must serve as the board of directors for the not-for-profit corporation.

(d) After proper incorporation, the not-for-profit corporation may apply for tax-exempt status under § 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3)).

43-1-206.

(a) To fund the council, there is created a special account in the state treasury to be known as the local food, farms, and jobs council fund. Amounts remaining in the special account at the end of each fiscal year shall not revert to the general fund.

(b) The council may solicit grants, loans, and contributions from public or private sources and may enter into any contracts, grants, loans, or agreements to use the proceeds of such solicitations for the public purposes described in § 43-1-203. All funds received by the council must be deposited in the special account created by subsection (a).

(c) No debt or obligation of the council may become the debt or obligation of the state.

(d) The council's treasurer shall be custodian of all council funds. The council and its officers shall be responsible for the approval of recording of receipts, approval of payments, and the proper filing of required reports.

(e) The council must annually issue a report that includes the information required by § 43-1-203(b)(8). The annual report must be published on the website of the department of agriculture.

(f) An independent audit of the council shall be performed annually by a certified, independent public accountant who shall be paid from the council's funds. The independent audit shall be submitted to the comptroller of the treasury and published on the website of the department of agriculture.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring

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