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SB-907 Electronic benefits transfer systems: farmers' markets. (2021-2022)

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Senate Bill No. 907

CHAPTER 605

An act to add Chapter 14 (commencing with Section 49020) to Division 17 of the Food and Agricultural Code, relating to electronic benefits transfer systems.

[Approved by Governor September 27, 2022. Filed with Secretary of State September 27, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

SB 907, Pan. Electronic benefits transfer systems: farmers' markets.

Existing federal law establishes the federal Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county. Existing law establishes a statewide electronic benefits transfer (EBT) system, administered by the State Department of Social Services, for the purpose of providing financial and food assistance benefits, including CalFresh benefits. Existing law authorizes, to the extent and manner allowed by federal law and regulation, an interested collective group or association of produce sellers that is United States Department of Agriculture's Food and Nutrition Service authorized and actively participating in produce sales in a farmers' market, flea market, or certified farmers' market to initiate and operate an electronic benefit transfer acceptance system on behalf of its members.

This bill would establish the Local, Equitable Access to Food (LEAF) Program and would require, upon an appropriation by the Legislature for these purposes, the Department of Food and Agriculture, with support from the State Department of Social Services, to establish a noncompetitive grant program designed to expand the use of EBT acceptance systems at California certified farmers' markets and tribe-operated farmers' markets on Indian reservations. The bill would, as part of that grant program, require grants to be provided to certified farmers' market operators or farmers' markets operated by tribal governments. The bill would limit the use of grant funds for specified activities relating to expanding the use of EBT acceptance systems at farmers' markets, including, among others, scaling and improving EBT processes at existing certified farmers' markets. The bill would create certain additional requirements for certified farmers' markets that use grant funds to hire an individual, or to contract with a third party, to operate an EBT acceptance system, including a requirement that the person operating the EBT acceptance system be available at all times the certified farmers' market is open to the public.

The bill would also, as part of that grant program, require grants to be provided to nonprofit organizations to provide technical assistance to certified farmers' markets on the implementation of high-quality EBT acceptance systems. The bill would require nonprofit organizations that receive this grant to use grant funds to create materials that explain the EBT transaction process and translate those materials, as specified. The bill would also authorize the nonprofit organization to use grant funds for certain other purposes, including assisting certified farmers' markets in becoming authorized retailers under the CalFresh program.

The bill would require the department to submit a report to all appropriate legislative committees 9 months after the department has issued sufficient grants to evaluate the program. The bill would prohibit the departments from using more than 5 percent of any funds appropriated for the purpose of these provisions on administrative costs.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 14 (commencing with Section 49020) is added to Division 17 of the Food and Agricultural Code, to read:

CHAPTER 14. Local, Equitable Access to Food Program

49020. (a) This chapter shall be known, and may be cited as, the Local, Equitable Access to Food (LEAF) Program.

(b) Upon an appropriation by the Legislature for these purposes, the Department of Food and Agriculture, with support from the State Department of Social Services, shall establish a grant program designed to expand the use of EBT acceptance systems at California certified farmers' markets or tribe-operated farmer's markets on Indian reservations.

(c) The grant program described in subdivision (b) shall include both of the following:

(1) Grants to certified farmers' market operators or farmers' markets operated by tribal governments on Indian reservations to expand the use of EBT acceptance systems at farmers' markets.

(A) A certified farmers' market shall only be eligible for a grant pursuant to this paragraph if the certified farmers' market operator is a local government, a certified producer, or a nonprofit organization.

(B) A certified farmers' market may use grant funds received pursuant to this paragraph for any activities relating to expanding the use of EBT acceptance systems at farmers' markets, which may include, but is not limited to, any of the following:

(i) Scaling and improving EBT processes at existing certified farmers' markets.

(ii) Establishing new certified farmers' markets that accept payment via EBT cards, primarily in underserved communities, including, but not limited to, those in food deserts or with high CalFresh participation.

(iii) Operational services, which may include, but is not limited to, the hiring of individuals to operate the EBT acceptance systems and programs that expand the purchasing power of customers using CalFresh benefits at farmers' markets. A certified farmers' market may use grant funds to contract with a third party to operate an EBT acceptance system only if the third party is a nonprofit organization that is incorporated in California.

(iv) Technical assistance, which may include, but is not limited to, employing a third party nonprofit organization to provide any back-end assistance required to help make a certified farmers' market a successful and effective EBT retailer.

(v) Educational and outreach activities promoting the ability to use EBT cards at certified farmers' markets.

(C) If a certified farmers' market uses grant funds to hire an individual, or to contract with a third party, to operate an EBT acceptance system, all of the following shall apply:

(i) The person operating the EBT acceptance system shall be available at all times the certified farmers' market is open to the public.

(ii) Vendors at the farmers' market shall not be charged a fee for the operation of an EBT acceptance system.

(iii) Vendors shall be reimbursed in full for purchases made using an EBT acceptance system at least once per month.

(iv) The person operating the EBT acceptance system shall be located in a central and highly visible area of the farmers' market.

(v) The person operating the EBT acceptance system shall provide a monthly report to the department with the number of EBT transactions, the amount of CalFresh benefits distributed, and the amount of CalFresh benefits redeemed for each day that the farmers' market operates.

(D) A certified farmers' market that receives a grant pursuant to this paragraph shall annually submit a report to the department documenting the use of grant funds and demonstrating that grant funds were used to expand the use of EBT acceptance systems at the farmers' market.

(2) Grants to nonprofit organizations to provide technical assistance to certified farmers' markets on the implementation of high-quality EBT acceptance systems.

(A) A nonprofit organization shall only be eligible for a grant pursuant to this paragraph if it is incorporated in California.

(B) The Department of Food and Agriculture shall issue a request for proposals and shall award a grant to one nonprofit organization for each region. The department may award grants for multiple regions to the same nonprofit organization. In selecting grant recipients, the department shall consider demonstrated expertise, capacity, and geographic proximity to certified farmers' markets.

(C) Nonprofit organizations that receive a grant pursuant to this paragraph may use grant funds to assist certified farmers' markets in becoming authorized retailers under the CalFresh program, to request free point-of-sale terminals for certified farmers' markets, and to advise certified farmers' markets on best practices, including, but not limited to, practices that may help expand the purchasing power of CalFresh benefits at certified farmers' markets, help to procure market scrip, and acquiring appropriate signage.

(D) Nonprofit organizations that receive a grant pursuant to this paragraph shall use grant funds to create materials that explain the EBT transaction process and shall translate those materials into every language spoken by at least 2 percent of the state's residents.

(d) Of any appropriation made for the purposes of this chapter, the Department of Food and Agriculture and the State Department of Social Services shall not use more than 5 percent for administrative costs associated with the LEAF program.

49021. Nine months after the Department of Food and Agriculture has issued sufficient grants to evaluate the program established pursuant to this chapter, the department shall submit a report to all appropriate legislative committees. The report shall include, at a minimum, all of the following:

(a) The number of grants issued pursuant to paragraphs (1) and (2) of subdivision (c) of Section 49020.

(b) The average amount of grant funds awarded.

(c) Geographical information for grantees.

(d) The number of grantees located in a food desert, as defined in Section 49015.

(e) Data for the 12 months prior to the grant's implementation, if available, and annually thereafter for all of the following metrics:

(1) The total benefit dollars spent by CalFresh participants per market.

(2) The average total benefit dollars spent at markets in food deserts and in areas with high CalFresh participation.

(3) An estimate of the change in EBT use relative to the marketing and outreach efforts of grantees.