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## HOUSE BILL NO. 1034

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Agriculture, Chesapeake and Natural Resources  
on January 29, 2020)

(Patron Prior to Substitute—Delegate Rasoul)

A *BILL to amend the Code of Virginia by adding in Title 3.2 a chapter numbered 35.1, consisting of a section numbered 3.2-3510, relating to Local Food and Farming Infrastructure Fund; grant program.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 3.2 a chapter numbered 35.1, consisting of a section numbered 3.2-3510, as follows:

## CHAPTER 35.1.

## LOCAL FOOD AND FARMING INFRASTRUCTURE DEVELOPMENT.

**§ 3.2-3510. Local Food and Farming Infrastructure Fund; Grant Program.**

A. For the purposes of this chapter:

"Food hub" means a business or organization that actively manages the aggregation, distribution, and marketing of food products primarily from local and regional producers to strengthen such producers' ability to satisfy wholesale, retail, and institutional demand.

"Fund" means the Local Food and Farming Infrastructure Fund.

"Program" means the Local Food and Farming Infrastructure Grant Program.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Local Food and Farming Infrastructure Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of grants to be awarded by the Department to political subdivisions pursuant to the Program. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner.

C. The Local Food and Farming Infrastructure Grant Program is hereby established for the purpose of awarding grants on a competitive basis to political subdivisions from funds available from the Fund for infrastructure development projects that support local food production and sustainable farming. The maximum amount of each grant shall be \$25,000. The Program shall be administered by the Department. In administering the Program, the Department shall establish and publish guidelines and criteria for grant awards, including guidelines and criteria governing agreements between the Department and political subdivisions relating to the development and verification of projects that establish or maintain (i) farmers markets pursuant to Chapter 35 (§ 3.2-3500 et seq.); (ii) food hubs; or (iii) processing facilities that are primarily locally owned, including commercial kitchens, packaging and labeling facilities, animal slaughtering facilities, or other facilities, and that are primarily utilized for the processing of meats, dairy products, produce, or other products. Such guidelines and criteria shall favor projects that create infrastructure in proximity to small-scale agricultural producers.

D. Any political subdivision that is awarded a grant through the Program shall oversee the spending of such grant and provide to the Department an annual report and a final report, on forms developed by the Department, for each such grant. Such reports shall document the extent to which the infrastructure development project for which the political subdivision received a grant meets the Program guidelines and criteria established and published by the Department. The Department shall provide 50 percent of any award amount to the political subdivision within 30 days of the Department's approval of an invoice received from the political subdivision for such amount. The Department shall provide the remainder of the award amount to the political subdivision within 30 days of the approval by the Department of a final report received from the political subdivision verifying that the infrastructure development project met the Program guidelines and criteria established and published by the Department. Before the Department provides the remainder of the award amount to the political subdivision, the Department shall confirm that the final report verifies that the infrastructure development project met the Program guidelines and criteria established and published by the Department.