

## **Policy Position**

### **Sugary Beverage Tax**

November 4 2014 General Election

The San Francisco Parks Alliance supports a proposed sugary beverage tax to promote health and improve access to recreation programs and physical activity. On July 22, the Board of Supervisors will vote on putting the measure on the November 2014 ballot.

#### **Funds to Counteract Impacts of Sugary Beverages**

If passed, the ballot measure would provide an estimated \$31 million annually to support sports and recreation programs, public health awareness, and nutrition education in San Francisco. About \$7.75 million would go annually to the Recreation and Parks Department to fund activities that counteract the unhealthy effects of sugary beverages. This revenue would fund sports programs and recreation programs, especially for children and communities hardest hit by obesity and diabetes.

#### **How It Works**

The measure would levy a tax of 2 pennies per ounce on the cost of sugary beverages, including soda, energy drinks, and other beverages with added sugar and more than 25 calories. The legislation exempts diet sodas, milks, baby formulas and other nutritional substances, as well as 100-percent fruit juices. A typical can of sugar-sweetened soda is 12 ounces, so the proposed tax would amount to 24 cents per can.

The Recreation and Parks Department would receive about 25 percent of the proceeds; the San Francisco Unified School District would receive 40 percent and the Department of Public Health would receive 25 percent. The remaining 10 percent would be distributed to community-based organizations for programs providing nutrition education, physical activity, and public health awareness.

The City Treasurer's office would be responsible for collecting the new tax, which would be assessed at the point of distribution, not the point of sale. This means drinks would be labeled with higher prices on the shelf, rather than at the register, which helps to influence consumer decision-making. Several studies have found that increased prices reduce sugary beverage consumption, especially among youth.

#### **Becoming Law**

The proposal is sponsored by six Supervisors (Mar, Wiener, Avalos, Campos, Chiu and Cohen). Initially, Supervisors Wiener and Mar introduced different measures, then the two were merged into one piece of legislation and referred to the Rules Committee of the Board of Supervisors on Feb. 4, 2014. The Board must act to place the measure on the November 2014 ballot by the regularly scheduled Board meeting of July 22, 2014.

If the measure then goes before voters on November 4, it must be approved by a two-thirds majority to become law. This is because it is a "special tax," as it dictates that the proceeds be spent a certain way—in this case, to counteract the negative health impacts of sugary beverages.

#### **Why It Matters**

Sugary beverages have been closely linked to dramatic increases in obesity and diabetes, especially among children, and especially in low-income communities. These communities,

like those in the southeast of San Francisco, also have less access to parks, recreation and sports programs, meaning that low-income kids and adults have fewer opportunities for healthy physical activity. Adding to this, the City's Recreation and Parks Department has seen cuts in recent years and reductions in recreation programs.

The proposed measure would provide a much-needed stable source of funds to help promote healthy activity and counteract the negative effects of sugary beverages. It would help keep recreation centers open for longer hours, and would fund more classes and activities—from skateboarding to swimming, from soccer to tai chi—for San Francisco residents. It may also provide an opportunity to partner with schools to reach more children.

The San Francisco Parks Alliance supports the measure largely because it funds recreation and physical activity programs, and is particularly focused on the potential to improve these opportunities for children and youth in the neighborhoods that need it most.

If the measure passes, the Parks Alliance will closely monitor the revenue and its expenditure to ensure it is used effectively to help San Franciscans—especially children in low-income neighborhoods—to enjoy healthy, active lives.