

Policy Profile: Albany, CA

Sugary Drink Tax



In November, 2016, Albany voters approved a tax by the largest margin of any city to date. Neighboring cities San Francisco and Oakland also had similar sugary drink taxes on their local ballots.

How the Tax is Applied

Albany requires distributors to pay an excise tax of one cent per ounce on all beverages containing added caloric sweeteners (sugar) with at least 2 calories per fluid ounce.

Exception for small businesses: Beverages distributed to retailers with less than \$100,000 annual gross receipts are not subject to the tax.

Exempted beverages: milk products, infant formula, beverages for medical use, 100% fruit or vegetable juices and alcoholic beverages (which are already taxed).

Revenue Use

The \$220,000 in projected annual revenue will be deposited to the city's general fund, which means the City Council has the responsibility to allocate it. The tax measure establishes a Council Study Session to provide public input and recommendations on allocating revenues, with input from:

- existing commissions (Parks and Recreation Commission, Social and Economic Justice Commission, and Traffic and Safety Commission);
- a designated representative of the Albany Unified School District; and,
- experts in public health and programs relating to diabetes, obesity, and sugary drink consumption.

Expected Health Benefits

- Over the next decade, 92 cases of obesity will be prevented and \$800,000 will be saved in health care costs.
- Rate of diabetes will decrease by 3% (during first year after tax takes full effect).

Tax Rate

- 1 cent/ounce

What is Taxed

- Sugary drinks: soda, energy and sports drinks, sweetened ice teas and coffees, fruit juice.

Expected Revenue

- \$220,000 per year

How Allocated

- City Council will allocate funds with input from existing commissions, school district and experts in public health.

ALBANY AT A GLANCE

- Population: 19,735²
- African American: 3.5%
- Asian: 31%
- Latino or Hispanic: 10%
- White: 55%

Below poverty level: 11.4%
Youth overweight or obese: 25%³

Produced by Healthy Food America, which works to reduce the prevalence of added sugars in the American diet, by promoting policy and changing industry practice.

Visit www.healthyfoodamerica.org or email info@hfamerica.org for more information.

Campaign Spending

- **Proponents:** The Yes on O1 campaign spent about \$ 9,000 – major funders include American Heart Association (\$5,000), Berkeley Dental Society (\$500), and individual local donors.
- **Opponents:** The No on O1 campaign spent \$185,000. All funds came from the American Beverage Association.

No on O1: Main Messages

- Stop the Albany Grocery Tax – No on O1.
- The grocery tax will raise prices on all groceries, not just beverages.
- The grocery tax is regressive and will hurt low income families.
- Albany has higher priorities.
- No guarantee that tax revenues will be spent appropriately.
- The grocery tax will disproportionately hurt small retailers.

Yes on O1: Main Messages

- **Health crisis:** 1 in 3 kids and 1 in 2 African-American and Latino children will get diabetes
- **Big Soda responsibility:** Sugary drinks are #1 source of added sugars and Big Soda targets children with marketing
- **We all pay:** predicted increase of medical costs of \$15 billion / year for diabetes in California
- **We can do something:** Tax is only on sugary drinks, and is paid by distributors. This is NOT a grocery tax.
- **Revenue** can be used to promote healthy kids in Albany, including parks and rec programs and education.
- **Soda taxes WORK:** Berkeley experienced a 21% decrease in soda consumption in low income communities, and a 63% increase in tap or bottled water consumption after Berkeley's tax (Measure D) passed.
- Yes on O1, Albany vs. ~~Big Soda~~ Diabetes.

Results

Albany voters passed Measure O1 with 72% of the vote. The tax was effective starting April 1, 2017.



What Worked in Albany

Each community has unique characteristics that influence campaign strategy and messages. Here are some lessons and recommendations learned from Albany:

- **Focus on local priorities and youth.**
- Maintain drumbeat of **local messages:** facts about health consequences of sugary drinks, youth health, cost to all tax payers of diabetes, equity, success of 2014 Berkeley campaign.
- Inform voters through **community events and canvass entire city** (possible in small cities).
- **Use social and earned media** to raise voter awareness.
- **Collaborate** with medical professionals, parents, schools, and other stakeholders.
- **Create logo** and remind people of issue through **lawn signs and business signs.**
- **Start raising funding early** – at least 5 months in advance.
- Reach out and **educate local business early** on. Prepare them for what to expect.
- **Build a diverse coalition** of local leaders that are invested in this issue.

1. [http://www.cdph.ca.gov/programs/cdcb/Documents/FINAL%20Rpt%20\(1877\)%20DM%20burden%202014_9-04-14MNR3.pdf](http://www.cdph.ca.gov/programs/cdcb/Documents/FINAL%20Rpt%20(1877)%20DM%20burden%202014_9-04-14MNR3.pdf)
2. <https://www.census.gov/quickfacts/table/PST045215/0600674>
3. Alameda County Health Data Profile, 2014: Alameda County Public Health Department, Community Assessment Planning and Education Unit; p. 64 Overweight and Obesity by School District, 5th, 7th, and 9th Graders: http://www.acphd.org/media/353060/acphd_cha.pdf

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