

# Policy Profile: Seattle, WA

## Sugary Drink Tax



Seattle City Council approved a sugary drink tax on June 5, 2017. Revenue is earmarked for healthy food access and early childhood programs.

### Tax Amount and Type

A 1.75 cents/ounce excise tax on distributors of all beverages containing caloric sweetener (sugar) with at least 40 calories per 12 ounce serving.

- **Exempt:** Drinks where milk is the primary ingredient, drinks for medical use, infant formula, unsweetened 100% fruit or vegetable juice, and alcoholic beverages (which are already heavily taxed).
- **Exception for small producers:** Drinks from producers with an annual income of \$2 million or less are exempt. Beverages from producers making more than \$2 million but less than \$5 million are taxed at 1 cent/ounce.

### Revenue Use

Revenue is earmarked for healthy food access, early childhood support, and programs supporting equity in K-12 education. The Community Advisory Board makes recommendations for allocations to City Council and the Mayor of Seattle.

In FY18, The City has allocated:

- \$3.8 million for healthy food access programs, such as Fresh Bucks and local food banks
- \$3.25 million for early learning services
- \$2.57 million for educational support and mentoring programs for high school students
- \$2.77 million for community programs to be determined by the Community Advisory Board

### Expected Health Benefits

- Over the next decade, 4,160 cases of obesity will be prevented and \$38.7 million will be saved in health care costs, according to Harvard's CHOICES report.
- Seattle's diabetes rate will drop by 5% (during first year after tax takes full effect).

### Results

- Seattle's tax was approved by a City Council vote of 7 – 1 after thorough deliberation and much community input. The tax was implemented on January 1, 2018.

### Tax Rate

- 1.75 cents/ounce

### What is Taxed

- Sugary drinks: soda, energy and sports drinks, presweetened iced teas and coffees, fruit drinks.

### Estimated Revenue

- \$15 million per year

### Revenue Use

- Healthy food access, early childhood support, K-12 education equity programs

### More information

<http://www.seattlehealthykidscoalition.org/>

### SEATTLE AT A GLANCE

- Population: 704,352
  - Black: 7.5%
  - Latino or Hispanic: 6.6%
  - Native American/Pacific Islander: 1.2%
  - Asian: 13.8%
  - White: 66.3%
- 13.5% live below the poverty line.
- 74% of King County 8th graders drank at least one sugary drink in the last week.
- In Seattle, 17% of Native American adults and 12% of black adults have diagnosed diabetes, compared to 7% of white adults.

## Highlights

- Local public health advocates worked to curb sugary drink consumption for 8 years before the tax passed. They formed the Seattle Healthy Kids Coalition, supported by a campaign manager, strategists, outreach, and communications staff.
- Strong grassroots advocacy from nonprofits working on healthy food access and kindergarten readiness convinced City Council to earmark funding for these efforts in addition to education equity, which was originally proposed by the mayor.
- A Community Advisory Board will make revenue allocation recommendations. The ordinance states that the Board will include food access, education, and public health leaders, plus parents or youth from communities most affected by the health impacts of sugary drinks.

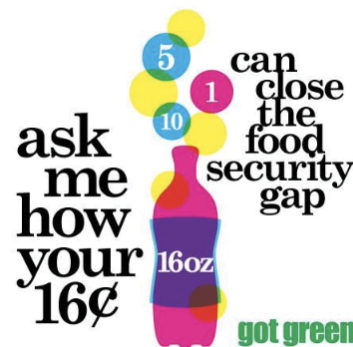


## Proponents

The Seattle Healthy Kids Coalition was led by co-chairs from the Odessa Brown Clinic and El Centro de la Raza, and included the Childhood Obesity Prevention Coalition, the American Heart Association, and the Save the Children Action Network-Washington. The coalition was supported and staffed with funding provided by Michael Bloomberg and the Action Now Initiative. Got Green, a local healthy food access nonprofit, and its coalition partners supported the final ordinance.

## Opponents

The American Beverage Association launched the *Keep Seattle Liveable for All Coalition* which included the Washington Association of Neighborhood Stores; a number of convenience stores and restaurants; sugary drink producers; and the Teamsters Union.



## Proponents' Main Message

A tax on sugary drinks is not only one of the most effective ways to address the diabetes and obesity epidemics, but also to increase funding for important programs in the communities most affected by the health impacts and targeted marketing of sugary drinks.

## Opposition's Main Message

The tax will hurt Seattle's small businesses and working class, take away jobs, and increase income inequality.

## What Worked in Seattle

Each community has unique circumstances that dictate how it will frame and design its campaign. Here are some lessons learned from Seattle:

- **Funding food access** was critical in showing the connection between taxing an unhealthy product and promoting healthy eating.
- Numerous amendments were proposed in City Council that would have weakened the anticipated health impacts of the policy. The influence of advocates who were familiar with best policy practice was key in **producing a well-designed tax bill**.

"We strongly support a tax on sugary drinks not only to address the negative health consequences from these products affecting communities of color, but also because the majority of the revenue will go toward expanding healthy food programs for the communities that need them most."

– Tammy Nguyen, Food Access Organizer for Got Green, Seattle

## What Worked in Seattle, continued

- **The legislative route went quickly and smoothly.** Support among elected officials was strong from the outset. A strong council champion committed to evidence-based, equitable policy steered the ordinance through the council quickly after the mayor introduced it. Effective local coalitions, and leading medical, public health, and early education experts supported the ordinance. Industry opposition was low intensity, perhaps because it assessed its efforts were not likely to shape the council vote.
- One way to **assure rigorous evaluation of the policy** is to dedicate revenue for this purpose. Seattle's ordinance allocated revenue to evaluate impact on behavior, health, and economic outcomes. This is the first sugary drink tax to dedicate revenue to its own rigorous evaluation of the policy's impacts.
- **Policy equity was a priority** to community advocates and council members. Concerns were addressed through funding dedication and establishing a Community Advisory Board.
- Council took Teamsters' and small scale drink producers' concerns seriously in the context of growing concern about the affordability of living in Seattle, dedicating some revenue to job training and creating small producer exemptions.

*Please contact HFA for citations. Last updated May 2018.*

Produced by Healthy Food America, which works to improve health by reducing added sugars in the American diet through policy and changing industry practice.

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