

Policy Profile: Boulder, CO

Sugary Drink Tax



On November 8, 2016, Boulder voters approved a sugary drink tax earmarked for health equity. Boulder's was one of five wins nationally that week.

Tax Amount and Type

A 2-cent-per-ounce excise tax on distributors of beverages with added caloric sweeteners.

- **Exempted beverages:** infant formula, milk products, beverages for medical use and meal replacement, 100% fruit or vegetable juices, and alcohol (already taxed).

Revenue Use

Since 2017, \$2.25 million has been allocated to fund health and nutrition programs for low-income Boulder residents who bear the greatest burden of disease linked to sugary drinks (e.g., Boulder's Latino community). Programs funded include ones that improve access to healthy and affordable food and clean water and increase opportunities for physical activity and recreation. A Health Equity Committee makes recommendations to City Council for allocation of funding.

Expected Health Benefits

- Over the next decade, 938 cases of obesity will be prevented, and \$6.4 million will be saved in health care costs, according to Harvard's CHOICES report.
- Incidence of diabetes will decrease by 10% (during the first year after the tax takes effect).

Proponents and Campaign Spending

- The Healthy Boulder Kids campaign was a joint effort of a local grassroots coalition (parents, doctors, public health advocates, Latino leaders, and business owners) with Healthier Colorado, a statewide health policy and advocacy organization. A campaign manager with knowledge of local politics ran daily operations.
- The campaign reported spending \$1.04 million dollars.

Tax Rate

- 2 cents/oz.

What is Taxed

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

Revenue Raised

- \$3.3 million from July 1, 2017 - February 28, 2018

Revenue Use

- Access to healthy food, sports programs, clean water

More information

<https://bouldercolorado.gov/human-services/health-equity-advisory-committee>

BOULDER AT A GLANCE

- Population: 108,090
 - » Black: 0.9%
 - » Latino or Hispanic: 8.7%
 - » Asian: 4.7%
 - » White: 83.0%
- 14.1% below poverty line in Boulder County
- 13.2% of children age 1-14 drink at least one sugary drink per day.
- In Boulder County, 10.9% of Latino adults have diagnosed diabetes, compared to 3.7% of non-Latino white adults.

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

Opponents and Campaign Spending

- The American Beverage Association led the opposition. Opposition reported spending \$1.07 million dollars against the tax.
- Opposition and proponent spending combined made this the most expensive ballot campaign in Boulder's history.

Results

The tax passed by majority popular vote of 53.9%. The tax was implemented on July 1, 2017.

Highlights

- At the time of passage, Boulder's tax became the highest of its kind in the nation (\$0.02/oz), and the first to specifically name health equity in its revenue earmark.
- Healthy Boulder Kids brought the tax ordinance forward as a citizen's initiative. Though petition signature gathering is a substantial expense, it showed community support and countered "nanny state" or "government interference" arguments in a city where voters favor small government.
- The opposition ran ads featuring a list of local businesses against the tax. On later investigation, multiple businesses named on that list said they were not actually in opposition, and that they never gave permission to use their name in ads. The local newspaper ran a story, "Boulder businesses say they were duped by soda industry into joining anti-tax campaign."



Proponents' Main Messages

- We have a responsibility to our kids/Our kids are worth it!
- It's working in Berkeley: Sugary drink consumption is down 21%, water consumption is up 63%.

Opposition's Main Messages

- The tax will raise beverage and grocery prices across the board.
- Local Boulder grocers and restaurants deserve better.
- Taxes don't make people healthy, only diet and exercise can do that.

What Worked in Boulder

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

- Assure the **leaders of communities most affected** by the health impacts of sugary drinks are at the decisionmaking table from the initial phases of policy design through implementation.
- **Outreach** to influential local restaurants, stores, and food/drink producers to preempt the industry's misinformation and local coalition-building attempts. If done well, you can gain supporters or neutralize opposition.

"We understand the health threats posed by unhealthy sugary drinks, especially on low-income families. Today Boulder took an important, proactive step toward ensuring that all of us—our children in particular—have every opportunity to make better choices and to lead healthy lives."

—Angelique Espinoza,
Campaign Manager

What Worked in Boulder, continued

- **Expect the beverage industry to file legal challenges** or to recruit a local person to file a suit on its behalf. Don't let this delay the campaign. Seek support from national public health legal experts and local tax campaign attorneys, and use the lawsuits as an opportunity to highlight community support for the tax.
- **Allow enough time** between passage and the start of tax collection (at least 6 months). This lets the city learn from other implementing sites, and conduct outreach to distributors, restaurants, and stores so they understand the process before the tax goes into effect.

Please contact HFA for citations. Last updated May 2018.

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