

# 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.

### Tax Amount and Type

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.

In February 2018, City Council allocated \$200,000 for installation of hydration stations at city parks and the community center, in coordination with an education campaign; free exercise and nutrition/cooking classes for both youth and adults; and a community walking challenge.

### Tax Rate

- 1 cent/ounce

### What is Taxed

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

### Expected Revenue

- \$220,000 per year
- Over \$205,000 raised from April 1, 2017 - December, 2017

### Revenue Use

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

### ALBANY AT A GLANCE

- Population: 19,735
- African American: 3.5%
- Asian: 31%
- Latino or Hispanic: 10%
- White: 55%

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

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](http://www.healthyfoodamerica.org) or email [info@hfamerica.org](mailto:info@hfamerica.org) for more information.

## Expected Health Benefits

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

## 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.
- There is 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 per 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.

## 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 a campaign logo** and remind people of the issue through **lawn signs and business signs.**
- **Start fundraising 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.

Please contact HFA for citations. Last updated May 2018.

[www.healthyfoodamerica.org](http://www.healthyfoodamerica.org) | [info@hfamerica.org](mailto:info@hfamerica.org)

## Results

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

