

Advocating For Children Together (ACT) Conference

October 5, 2019

Advocacy Strategy Workshop

SUGAR SWEETENED BEVERAGES IN THE LEGISLATURE

Last legislative session was a particularly busy year for sugar sweetened beverage (SSB) legislation as a package of 5 bills was introduced to combat the effects these beverages have on consumer health. None of the 5 bills were passed.

Bill Package:

SB 347 (Monning) Sugar-sweetened beverages: safety warnings. Would establish the Sugar-Sweetened Beverages Safety Warning Act, which would prohibit a person from distributing, selling, or offering for sale a SSB in a sealed beverage container, a multipack SSB, or a concentrate in this state unless the sealed beverage container, multipack, or packaging of the concentrate bears a safety warning. **Status:** Passed Senate Floor 21-11, held in Assembly Health committee as a two year bill.

AB 138 (Bloom) California Community Health Fund. Would impose a fee on every distributor for the privilege of distributing bottled sugary drinks and concentrate in the state, at a rate of \$0.02 per fluid ounce. Places revenue raised into a fund that allows specified entities to administer grants aimed at diminishing the negative health impacts associated with SSB consumption. **Status:** Passed Assembly Health committee 8-6, held in Assembly committee on Revenue and Taxation.

AB 764 (Bonta) Sugar-sweetened beverages: nonsale distribution incentives. Would regulate promotion and marketing activities related to SSB's by prohibiting a beverage company, manufacturer, or distributor from giving or offering incentives or other financial support to compensate distributors or retailers for the cost of promotional offers, coupons, or other incentives offered to consumers for branded products of the beverage company. **Status:** Passed Assembly Appropriations committee 10-4, held on the Assembly floor as a two year bill.

AB 765 (Wicks) Health Checkout Aisle for Healthy Families Act. Would require a store to make available only specified beverages, including milk and natural fruit and vegetable juice, in the checkout areas of the store. The bill would require the department and the local health agency having jurisdiction over the store to administer and enforce the act. **Status:** Held in the Assembly Health committee as a two year bill with no vote held.

AB 766 (Chiu) Unsealed beverage container portion cap. Would prohibit a retailer from selling, offering for sale, or otherwise providing to a consumer an unsealed beverage container, as defined, that is able to contain more than 16 fluid ounces, except for an unsealed beverage container designated for the consumption of water. **Status:** Held in Assembly Health committee with no vote held.

Prominent Support: AAP - American Heart Association - Public Health Institute - California Medical Association - California Dental Association - AFL-CIO

Prominent Opposition: America Beverage Association - California Chamber of Commerce - California Restaurant Association - California Retailers Association - California Grocers Association

Recent Local Efforts: In November 2014, Berkeley, California became the first city in the nation to adopt a soda tax after 30 other cities and states around the country failed. Its Measure D levied a penny-per-

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ounce tax on SSBs. Its revenues were not dedicated to any particular purpose, therefore needing only a simple majority vote to pass. It won the support of 75% of voters. After being in place for two years, Berkeley's soda tax has generated \$2.5 million, the sale of SSBs has dropped more than 9%, the sale of water has increased by more than 15%, and the sale of juices, teas, and other substitute beverages has also increased. As a comparison, the sale of SSBs in nearby communities rose almost 7% in the same period. In November 2016, three California cities, San Francisco, Oakland, and Albany, all passed similar SSB taxes.

Prohibition on Imposition of Taxes: AB 1838 (Committee on Budget), Chapter 61, Statutes of 2018, prohibits until January 1, 2031, the imposition, increase, levy and collection or enforcement by a local agency of any tax, fee or other assessment on groceries (defined to include SSB). Local governments can continue to levy and collect taxes on groceries if the tax was imposed on or before January 1, 2018. AB 1838 also makes inoperative on the effective date of this bill any tax, fee, or other assessment on groceries imposed by a local agency after January 1, 2018. For purposes of SSB, except for the four cities that passed a soda tax prior to the passage of AB 1838, any local entity cannot impose any tax on SSB until January 1, 2031.

Aftermath: Following the shelving of these bills the Los Angeles Times released a story about the influence of the Soda industry and the power they wielded to stop all five of these bills from becoming law. The American Beverage Association spent \$914,000 on lobbying in the past year while Pepsi and Coca Cola spent \$283,000 on lobbying themselves. This is the fifth year in a row the warning label bill alone has failed to make it through the legislative process.

Story: <https://www.latimes.com/politics/la-pol-ca-soda-industry-quashes-bills-20190703-story.html>