

# ALBANY CALIFORNIA



**CITY OF ALBANY**  
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ALBANY, CA 94706  
[www.AlbanyCA.org](http://www.AlbanyCA.org)

24 February 2021

## **MEMORANDUM**

To: Albany City Council Members

From: Vice Mayor Jordan

Re: 2018 AB 1838 repeal resolution

## **RECOMMENDATION**

That the Council adopt Resolution No. 2021-26 supporting repeal of 2018 AB 1838, which bans other cities and all counties from adopting taxes on the distribution of sugar-sweetened beverages.

## **BACKGROUND**

In the 2014 general election, Berkeley voters approved a sugar-sweetened beverage distribution tax and recommended the resulting revenue be spent to improve public health. In the 2016 general election, Albany, Oakland, and San Francisco followed suit. In 2018 the sugar-sweetened beverage industry paid for the qualification of a State initiative to raise the approval threshold for all local taxes to supermajority. The industry offered to pull this initiative if the legislature passed a bill prohibiting additional sugar-sweetened beverage distribution taxes. Faced with this choice, the legislature passed the bill, AB 1838.

([https://sd09.senate.ca.gov/sites/sd09.senate.ca.gov/files/e\\_alert/20180719\\_SD09\\_newsletter\\_13\\_5.htm](https://sd09.senate.ca.gov/sites/sd09.senate.ca.gov/files/e_alert/20180719_SD09_newsletter_13_5.htm))

## **DISCUSSION**

A recent peer-reviewed paper reviewing studies regarding changes in sugar-sweetened beverage taxes found a decline of 21% to 39% in purchases of these products due to the taxes. (<https://doi.org/10.1146/annurev-publhealth-090419-103005>) While it was not known at the time Albany passed such a tax whether it would be effective, Albany leaders advanced the measure on the surmise the tax plus spending of its revenue would boost public health.

Fortunately Albany leaders took this action because 1) in its next session the legislature prohibited counties and cities from pursuing sugar-sweetened beverage taxes, and 2) the policy turned out to be effective. In addition the effect of the tax, the resulting revenue has paid for crossing guards,

water bottle filling stations, and health education classes among other items. The availability of revenue to pay for continuing the crossing guard program was particularly important because it was able to fill in when the University of California ceased contributing to the program on short notice in advance of a school year.

Given the effectiveness of taxing sugar-sweetened beverages, counties and other cities should have the option of using this tool to advance their public health. As one of only four cities in the State that was able to pass such a tax prior to the industry successfully pressuring the legislature to eliminate this tool for other jurisdictions, Albany has a particular obligation to support repeal of that action.

### **SUSTAINABILITY CONSIDERATIONS**

N/A

### **SOCIAL EQUITY AND INCLUSIVITY CONSIDERATIONS**

As stated in the review paper, “In 2012, approximately 50,000 heart disease and type 2 diabetes deaths among US adults were associated with the consumption of sugary drinks (96); these diseases are more likely to cluster among racial/ethnic minorities and low-income populations.” Supporting repeal of AB 1383, if successful, will provide counties and other cities the option of using sugar-sweetened beverage distribution taxes as one tool to work against this inequity.

### **CITY COUNCIL STRATEGIC PLAN INITIATIVES**

N/A

### **FINANCIAL CONSIDERATIONS**

N/A

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**WHEREAS**, there is scientific consensus that consumption of sugar-sweetened beverages is a significant and substantial cause of various chronic metabolic diseases, such as diabetes, along with other diseases; and

**WHEREAS**, 71.66% of Albany's voters approved Measure O1; and

**WHEREAS**, “Sugar-Sweetened Beverage Reduction Policies: Progress and Promise” reviewing studies of this question recently published online in the scientific journal Annual Review of Public Health (<https://doi.org/10.1146/annurev-publhealth-090419-103005>) found, “The decrease in sales volume varies from 21% to 39% after accounting, when feasible, for tax avoidance from shopping in neighboring areas; and

**WHEREAS**, According to the Sacramento Bee, the California Governor and Legislature were the victims of a type of “extortion” and “shakedown” by the American Beverage Association in the summer of 2018 (<https://www.sacbee.com/opinion/editorials/article213801879.html>); and

1       **WHEREAS**, the Governor and Legislature were essentially forced to enact a law  
2 temporarily prohibiting and preempting the ability of California counties and cities of their right  
3 to enact sugar-sweetened beverage taxes despite the fact they are proven tools for cities to improve  
4 public health and raise revenue; and  
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6       **WHEREAS**, the City of Albany has used its revenue from the tax primarily to fund school  
7 crossing guards, water bottle filling stations, and classes on healthy eating to further enhance the  
8 health of its residents; and  
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10       **WHEREAS**, California voters who passed such taxes in other cities before the successful  
11 2018 “extortion” by the American Beverage Association have improved the health of their  
12 residents and given their cities millions of dollars in revenue available to stave off budget cuts due  
13 to the COVID-19-induced economic downturn; and  
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15       **WHEREAS**, the City of Seattle enacted a tax on sugar-sweetened beverage distribution in  
16 2018 and has been able to use that revenue this year to give \$800 in grocery vouchers to thousands  
17 of Seattle families hard hit by COVID-19; and  
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19       **WHEREAS**, a majority vote of the California Legislature and a signature by the Governor  
20 now would give California cities and counties one more tool to fight the devastating health and  
21 economic impacts of the COVID-19 pandemic; and  
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23       **WHEREAS**, California cities and counties need every single tool available in the war  
24 against COVID-19 and to give their residents the possibility of a healthier future; and  
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26       **WHEREAS**, the world has changed since COVID-19 and California can no longer afford  
27 to handcuff cities and counties and prevent voters from using proven tools to improve health equity  
28 and public health.  
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**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Albany urges the California legislature and the Governor of California to overturn AB 1838 and allow residents to choose whether they want a sugary drink tax in their city and county.

GE'NELL GARY, MAYOR