

DRAFT SDDTAC Talking Points

Prepared for the December 7, 2018 SDDTAC meeting

What is the SDDT?

The San Francisco Sugary Drink Distributors Tax (SDDT) is paid by companies that bring sugary drinks into the city of San Francisco to sell. The intent of the tax is to collect funds from sugary drink suppliers and use that money to create more access to healthy foods and safe drinking water, opportunities for physical activity, and education in communities that are targeted by the beverage industry and who suffer more from chronic diseases like type 2 diabetes, heart disease and tooth decay.

Is the tax meant to punish people for buying soda or other sugary drinks?

Some stores have raised the price of sugary drinks to cover the cost of the tax, but the tax was not designed to punish community members with higher costs for drinking sugary drinks.

Why is the SDDT necessary?

Sugary drinks contribute to health conditions like type 2 diabetes, heart disease, and tooth decay. And sugary drink companies continue to target youth and communities of color with advertising for low-cost, high-calorie beverages. Although soda, sports drinks, and sugar-sweetened juices are easy to find in these communities, healthy drink options and healthy messages have not always been. The SDDT will make sure that taxes from sugary drinks can pay for programs and services that bring healthy food and safe drinking water to under-resourced communities, free or low cost ways to get physical activity, and healthy messages and other resources needed to protect and improve San Franciscans' health.

How much does the SDDT cost?

The tax is one (1) cent per ounce. For example, a 20 oz. soda will cost 20 cents more for distributors, a charge that distributors or stores may choose to pass on to customers.

How will we know the SDDT is working?

San Francisco residents will know that the tax is working when communities receive grants to increase healthy eating and physical activity; when students in public schools enjoy healthier school meals, have water hydration stations and get preventive dental care services; when underserved communities receive more health education, nutritious food, and opportunity for physical activity through vouchers, grants, and other services.

How will this work be evaluated?

SFDPH is in the process of hiring an evaluation consultant to consistently measure the results of all SDDT-funded programs for community-based grants and city agencies.

What are the roles of the SDDTAC, Mayor, Supervisor, and SFDPH in the allocation of SDDT funds?

- The SDDTAC makes recommendations to the Mayor and the Board of Supervisors on how to spend the funding collected from the Sugary Drinks Distributor Tax.
- The Mayor receives the SDDTAC's annual report and recommendations and may use those recommendations in their budget proposal.
- The Board of Supervisors votes on the Mayor's proposed budget, which may include recommendations from the SDDTAC.
- SFDPH staffs the SDDTAC and provides technical assistance to the tax collector to identify which drink products should be taxed. SFDPH will oversee the community-based grants process and support the creation of the SDDTAC annual report that shares the impact of the tax on public health, sugary drink prices and sugary drink consumption.

How and when will SDDT funds be distributed? Please see timeline distributed at the Town Halls.