[Urging the California State Legislature and Governor to Overturn Assembly Bill No. 1838 Passed in 2018]

Resolution urging the California State Legislature and the Governor to recognize that, due to the COVID-19 crisis impact on municipal budgets, they should immediately overturn Assembly Bill No. 1838 that was passed in 2018, and give California counties back their right to improve public health and raise revenue by disincentivizing consumption of soda and other sugary beverages.

WHEREAS, In June 28 2018, the California State Legislature and former Governor Jerry Brown enacted Assembly Bill No. 1838 (AB 1838) - Local government: taxation: prohibition: groceries, also known as the “Keep Groceries Affordable Act of 2018” with a retroactive effective date of January 1, 2018; and

WHEREAS, AB 1838 limits the ability of local governments to impose an excise tax or fees on all groceries including sugary beverages essentially banning localities from implementing any Sugary Sweetened Beverage (SSB) taxes; and

WHEREAS, Groceries, as defined by AB 1838, excludes alcoholic beverages, cannabis products, cigarettes, tobacco products, and electronic cigarettes; and

WHEREAS, While The City of San Francisco and other cities with existing SSB taxes were not affected, Sacramento, Santa Cruz, Richmond and others that were considering local tax measures on sugary beverages will not be able to do so until January 1, 2031; 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 to implement AB 1838; and

WHEREAS, The Governor and Legislature were essentially forced to enact a law temporarily prohibiting and preempting the ability of California cities and counties of their right
to enact popular sugary drink taxes despite the fact they are proven tools for cities to improve public health and raise revenue; and

WHEREAS, The City and County of San Francisco voters passed a one-cent-per-ounce soda tax (Proposition V) passed with over 61% of the vote in November 2016; and

WHEREAS, The City of Seattle enacted a soda tax in 2018 and has been able to use that revenue this year to give $800 in grocery vouchers to thousands of Seattle families hard hit by COVID-19; and

WHEREAS, California voters who passed soda taxes in their cities before the successful 2018 “extortion” by the American Beverage Association have improved the health of their residents and given their cities millions of dollars in revenue available to stave off budget cuts due to the COVID-19 induced economic downturn; and

WHEREAS, A majority vote of the California Legislature and a signature by the Governor now would give California counties one more tool to fight the devastating health and economic impacts of the COVID-19 pandemic; and

WHEREAS, California counties need every single tool available in the war against COVID-19 and to give their residents the possibility of a healthier future; and

WHEREAS, The world has changed since COVID-19 and California can no longer afford to handcuff counties and prevent voters from using proven tools to improve health equity and public health and provide for safe, accessible and affordable drinking water; now, therefore, be it

RESOLVED, That the City and County of San Francisco Board of Supervisors urges the California State Legislature and Governor Gavin Newsom to overturn AB 1838 to allow residents the right to vote on whether or not they want a sugary drink tax in their county; and, be it
FURTHER RESOLVED, That the San Francisco Board of Supervisors hereby directs the Clerk of the Board to transmit copies of this Resolution to all State Legislators and Governor with a request to take all action necessary to achieve the objectives of this Resolution.
Resolution urging the California State Legislature and the Governor to recognize that, due to the COVID-19 crisis impact on municipal budgets, they should immediately overturn Assembly Bill No. 1838 that was passed in 2018, and give California counties back their right to improve public health and raise revenue by disincentivizing consumption of soda and other sugary beverages.

July 21, 2020 Board of Supervisors - ADOPTED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 7/21/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo
Clerk of the Board