

Ballot Title

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17 APR 13 AM 11:13
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CAPTION

Taxes distribution of sugar sweetened beverages, funds children's health, education.

QUESTION

Should County impose \$0.015/ ounce excise tax on distribution of sugar sweetened beverage products, revenues used for children's health, education?

SUMMARY

Enacts County Ordinance imposing an excise tax of one and a half cent (\$0.015) per fluid ounce on businesses that distribute in Multnomah County Sugar-sweetened beverage products (SSBP), and SSBP concentrates . Distribution is defined as supply, delivery to, or acquisition by retailer, or transport into County by retailer for retail sale. Excludes retail sales to consumers; applies only to first non-exempt Distribution within County. Defines SSBP as nonalcoholic beverages containing added caloric sweeteners and more than 6 grams sugar per 8 ounce serving. Exempts milk, milk alternatives, natural fruit / vegetable juices, "diet" drinks, products intended as supplemental meals or meal replacements, medications. County Tax Administrator to collect, enforce, and administer tax. Revenues dedicated to " Children's Health and Education Fund" used to fund programs primarily serving children in low income communities and communities of color that promote physical fitness, health, nutrition, early childhood education initiatives.- Creates Children's Health Fund Advisory Committee to advise Board of County Commissioners on effectiveness of tax on consumption of SSBP's and make recommendations on use of funds.

EXPLANATORY STATEMENT

This Measure would create a Multnomah County Ordinance that imposes an excise tax of \$0.015 per fluid ounce on Distribution of Sugar sweetened beverage products (SSBP), which include but are not limited to beverages commonly referred to as soda, pop, cola, soft drinks, sports drinks, energy drinks, sweetened iced teas or sweetened coffee drinks.

Retail sales of SSBP to a consumer are not subject to the tax.

SSBP does not include Milk, Milk alternatives, fruit juice, vegetable juice, infant formula, beverages for Medical Use, beverages sweetened with non-caloric sweeteners such as diet drinks or any product designed as a meal supplement or meal replacement that contains proteins, carbohydrates, vitamins and minerals.

Distributor is defined as any business entity that distributes SSBP products in the County regardless of where they are purchased, and includes a business entity that transports SSBP purchased outside the County for the purposes of retail sale within the County. The County's jurisdiction over Distributors extends to all persons doing business in Multnomah County as defined in the Multnomah County Business Income Tax Code.

The tax is levied upon the first non-exempt distribution of SSBP. Distribution of SSBP may not be taxed more than once in the chain of commerce of Distributors subject to the jurisdiction of the County.

The following are exempt from the tax: Distributors not legally subject to taxation by the laws of the State of Oregon or the United States; distribution to a Retailer of natural or common sweeteners of concentrates for sale or later use by consumers, such as bags of sugar or lemonade powder for sale in a grocery store.

Proceeds from the tax are dedicated to "Children's Health and Education Fund" for programs primarily serving children in low income communities and communities of color and that increase physical fitness, improve nutrition and dental health, reduce health disparities, and support early childhood education. Limits the amount spent on administration of the fund and evaluating its effectiveness to 5% of the Fund.

The County Auditor is required to conduct a performance audit of the Fund every other year.

The County Tax Administrator is required to collect and receive the tax. The County may by ordinance, rule or regulation determine how to administer and collect the tax, including by contract with a State agency.

The Measure establishes the Children's Health and Education Fund Advisory Committee to be comprised of nine members who are residents of Multnomah County. Committee members are appointed by the County Chair, and approved by the Board of County Commissioners. Committee membership criteria include geographical, economic and racial diversity; and specified background and expertise. Members may not serve more than two consecutive three-year terms. The Committee is required to evaluate the impact of the excise tax on prices, behavior, and health outcomes; and to align Fund investments with Community Health Improvement Plan and Early Learning Multnomah Strategic Plan.

Ordinance becomes operative January 1, 2018. The tax shall not be imposed or collected until July 1, 2018.