



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

August 15, 2016

Mr. John Arntz
Department of Elections
City Hall, Room 48
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

RE: Proposition V – One cent per ounce tax on the distribution of sugary beverages

Dear Mr. Arntz,

Should this ordinance be approved, in my opinion, it would result in an annual tax revenue increase to the City of approximately \$7.5 million in fiscal year (FY) 2017-2018 and \$15 million in FY 2018-19. The tax is a general tax and proceeds would be deposited into the General Fund.

The measure would amend the City's Business Tax and Regulations Code to impose a one cent per fluid ounce tax on the initial distribution within San Francisco of sugar sweetened beverages, beginning on January 1, 2018. Administrative costs to implement this ordinance would have a minimal impact on the cost of government.

The proposed amendment would establish a Sugary Drinks Distributor Tax Advisory Committee that would make recommendations to the Mayor and the Board of Supervisors on the effectiveness of the tax. Starting in 2018 the committee would submit an annual report that evaluates the impact of the tax on beverage prices, consumer purchasing behavior, and public health, and makes recommendations on the potential establishment and/or funding of programs to reduce the consumption of sugar-sweetened beverages in San Francisco. The committee would be in place until December 31, 2028 unless extended by the Board of Supervisors.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Rosenfield".

BR Ben Rosenfield
Controller