

Introduced by: PRAHSC Committee  
Introduction Date: August 25, 2020  
December 8, 2020  
Public Hearing Date: April 13, 2021  
Public Hearing Date: April 27, 2021  
Action:  
Vote:

## CITY OF BETHEL, ALASKA

### Ordinance #20-25

#### **AN ORDINANCE BY THE BETHEL CITY COUNCIL CREATING AN EXCISE TAX ON THE DISTRIBUTION OF SUGAR-SWEETENED BEVERAGE PRODUCTS**

**WHEREAS,** sugar-sweetened beverages are leading sources of added sugars in the American diet according to the Centers for Disease Control (CDC) and Prevention;

**WHEREAS,** the average American drinks nearly 42 gallons of sweetened beverages a year, the equivalent of 39 pounds of extra sugar, every year;

**WHEREAS,** the CDC states in 2011-2014, 6 in 10 youth and 5 in 10 adults drank a sugar-sweetened beverage on average each day;

**WHEREAS,** a study conducted in 2015 reviewing the association between added sugar intake and dental caries in Yup'ik children using a novel hair biomarker, showed:

- 49% of children consumed sugar-sweetened fruit drinks (e.g., Tank, Kool-Aide) 2-3 times per day and 15.7% of the respondents reported consuming sugar-sweetened beverages more than 4 times a day at home;
- Nearly 14% consumed soda 2-3 times per day, 43.1% consumed sodas 1-4 times per week;
- Over 45% consumed 100% juice drinks (e.g., orange, apple, grape) and 65%;

**WHEREAS,** another study conducted characterizing beverage patterns among Alaska Natives living in rural, remote communities found that, sugar-sweetened beverages contribute to more than 75% of beverage intake among Yup'ik youth who on average derive 328 kcals and 83 grams of added sugar from sugar-sweetened beverages;

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**WHEREAS,** according to a study evaluating beverage consumption in an Alaska native village, consisting of 25 adults, 21 adolescents 12-17, 21 children 3-11:

- nearly half (46%) of all added sugars consumed by the U.S. population ages 2 and older come from sugary drinks;
- 72% of adults reported consuming sugar sweetened beverages at least once per week and 20% reported daily consumption;
- Sweetened just beverages such as Tank or Kool-aid were consumed most frequently with 100% of adolescents and 76% children reporting some consumption, 38% reported daily consumption;
- Children in the village were more than twice as likely as U.S. children to report ever consuming sweetened juice beverages (76% vs. 34%). as were adults (33% vs. 17%);
- children (29%) and adolescents (52%) in the village were more likely to report ever consuming sports and energy drinks than U.S. children (7%) or adolescents (12%);
- about 23% of Alaska adults and almost 50% of Alaska high school students drink one of more sugary beverages every day;
- 31% of Alaska 3-year-olds drink some amount of sugary beverages every day;

**WHEREAS,** a review of consumption of sugar-sweetened beverages among adults in rural Alaska finds:

- participants in communities with in-home piped water reported a mean sugar-sweetened beverage consumption frequency of 7.8 times per week while participants in communities without in-home piped water reported a mean frequency of 12.5 times per week;
- participants who lived in a community without in-home piped water reported consuming sugar-sweetened beverage 46% more often than those who lived in a community with in-home piped water;

**WHEREAS,** the Alaska Department of Health and Social Services found:

- overall, 23% of Alaska adults consumed 1 or more sugary drinks daily in 2017, including sugar-sweetened sodas as well as non-carbonated beverages;

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- Alaska Native adults (40%) and adults from other races (32%) were more likely to drink 1 or more sugary drinks daily than White adults (18%);
- overall, 49% of Alaska high school students consumed a daily average of 1 or more sugary drink servings (glass, bottle or can) in 2019 (such as Gatorade or PowerAde), energy drink (such as Red Bull, Rockstar, or Monster), or another sugar-sweetened beverage (such as lemonade, sweetened tea or coffee drinks, flavored milk, Snapple, or Sunny Delight) with 15% drinking three or more services per day;
- Alaska Native students (58%) were significantly more likely than White students (43%) and those of other races (46%) to consume at least 1 sugary drink a day; in 2016-2018, 13% of Alaska 3-year-olds drank soda daily, and 28% drank sweetened non-soda drinks daily, one in ten (10%) of Alaska 3-year-olds drank 2 or more cups of sweetened non-soda beverages on a given day;
- over one third of 3-year-olds (39%) drank more than 1 cup of 100% fruit juice, and 17% drank less than 1 cup;
- 3-year-old Children of Alaska Native mothers (53%) were significantly more likely than other children to drink any sugary drinks daily, and children of other non-Native race mothers (37%) were also significantly more likely than children of White mothers (19%) to drink any sugary drinks daily
- children in Northern (74%) and Southwest (70%) Alaska were more likely than those in other regions (range: 14% to 28%) to drink any sugary drinks daily;

**WHEREAS,** the American Heart Association suggests a daily added-sugar limit of no more than 100 calories per day which equates to about **6 teaspoons** or 24 grams of sugar for most women and children under 18, and no more than 150 calories per day which equates to about **9 teaspoons** or 36 grams of sugar for most men;

**WHEREAS,** drinking one 20-ounce bottle of soda which contains the equivalent of approximately **17 teaspoons of sugar**, results in almost three times the

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recommended limit of sugar for women and children, and almost twice the recommended limit of sugar for men;

**WHEREAS,** overconsumption of sugary drinks by people of all ages is associated with weight gain/obesity, type 2 diabetes, heart disease, kidney diseases, non-alcoholic liver disease, tooth decay and cavities, gout and rheumatoid arthritis;

**WHEREAS,** in Alaska 32 % among children 6 to 11 years of age, and 65 % among children 12 to 17 years of age;

**WHEREAS,** over the past 30 years, adult diabetes rates have nearly tripled in the United States with 9 percent of adults have diabetes and more than one-third have prediabetes, 14% of the people in the Yukon Kuskokwim Delta are diagnosed with diabetes or pre-diabetes;

**WHEREAS,** over the past 10 years, the number of people diagnosed with prediabetes has almost doubled;

**WHEREAS,** over the past 10 years, the percentage of teens nationwide that have diabetes or prediabetes has increased from 9 percent to 23 percent;

**WHEREAS,** by consuming one sugar-sweetened beverage a day increases the risk of developing Type Two Diabetes by 25%;

**WHEREAS,** one in five people with diabetes are under the age of 45;

**WHEREAS,** one in three children born today is expected to develop diabetes in their lifetime, if measures are not taken to reduce consumption of sugar sweetened beverages, we are increasing risks for youth in our community to face complications from diabetes such as heart disease, nerve damage, gum infections, kidney disease, hearing impairment, blindness, amputation of toes, feet, or legs, and increased risk of Alzheimer's disease;

**WHEREAS,** 85% of the people diagnosed with Diabetes in the Yukon Kuskokwim Delta experience obesity or excess weight;

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**WHEREAS,** the Alaska Diabetes Coalition Strategic Plan 2020-2025 states:

- as of 2016, 7.5% of adults in Alaska have known diabetes and 11.1% of adults have known prediabetes and more than 100,000 Alaska adults have been diagnosed with diabetes or prediabetes, but more—over 80% are likely at risk and do not know it;
- diabetes is the 8th leading cause of death in Alaska, identified as a cause of death for 3,662 Alaskans between 2007 and 2016 – 889 as the underlying cause of death (i.e., direct cause), and 2,773 as a contributing cause of death;
- in total during 2016, diabetes contributed to the need for services in 70,487 hospital visits – 9,067 of these were inpatient visits, where the person was admitted to a hospital, and 7% indicated diabetes as the primary diagnosis, or reason care was needed;
- more Alaska Native people and Black or African American people have diabetes or prediabetes than Whites in Alaska;

**WHEREAS,** a review in the International Journal of Circumpolar Health finds evidence indicating that while Alaska Natives have a low prevalence of diabetes compared with other Native Americans, they are experiencing a more rapid rate of increase than other groups;

**WHEREAS,** the evidence shows three changes have occurred concurrently over the past few decades; an increased proportion of carbohydrate in the diet, increasing prevalence of obesity, and increasing prevalence of diabetes additionally, there is evidence that elements of the traditional diet, specifically frequent seal oil and salmon intake, correlate with a lesser risk of glucose intolerance

**WHEREAS,** there is overweighing evidence linking obesity and the consumption of sweetened beverages, such as soft drinks, energy drinks, sweet teas, and sports drinks and currently the Unites States as a 42%, this marks an increase of 26% since 2008;

**WHEREAS,** obesity rates have tripled for adolescents and quadrupled for children 6 to 11 years of age;

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**WHEREAS,** an evaluation of risk factors for obesity at age 3 in Alaskan children, including the role of beverage consumption shows:

- obesity prevalence among all 3-year olds was 24.9% and among Alaska Native children 42.2%;
- among Alaska Native children, obesity risk was greater among residents of the Northern/Southwest region of the state in comparison with other areas, such as Anchorage (51.6% versus 32.4%; p = 0.04);
- adult obesity prevalence has more than doubled from 13% in 1991 to 31% in 2018, while overweight prevalence has remained relatively consistent;
- between 1991 and 2018, adult obesity prevalence increased among Alaska Native adults (16% to 34%) and White (non-Hispanic) adults (13% to 30%);
- overweight/obesity prevalence was not significantly different between any additional race groups, including Black adults (70%), Hispanic adults (70%), Alaska Native adults (67%), and White adults (66%);
- in 2019, about 2% of Alaska high school students were underweight, 68% were at a healthy weight, 15% were overweight, and 15% were obese;
- overweight/obesity prevalence was significantly lower among 3-year-old children of White mothers (27%) than among children of Alaska Native / American Indian mothers (57%);

**WHEREAS,** there is evidence that shows a positive relationship between sugar intake and cavities;

**WHEREAS,** drinking one or two sodas a day increases the risk of developing type 2 diabetes by 26 percent, drinking just one soda a day increases an adult's likelihood of being overweight by 27 percent, and for children, the likelihood doubles to 55 percent;

**WHEREAS,** evidence suggests that sugar sweetened beverage tax can reduce consumption of these harmful products, sugary drink taxes have led to a significant decline in sugary drink consumption in Mexico and Berkeley, CA;

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**WHEREAS,** in 2012, 50,000 deaths were associated with drinking too many sugary drinks. Of that, 40,000 deaths in the U.S. were attributed to heart problems and 10,000 deaths were attributed to type 2 diabetes caused specifically by consuming too many sugary drinks;

**WHEREAS,** an excise tax on sugar-sweetened beverages is intended to protect the health, safety and well-being of the people in our community;

**WHEREAS,** the City of Bethel is focused on providing the best services to our community in the most responsible way;

**WHEREAS,** the goal of enhancing close-to-home outdoor recreation for Bethel citizens, improving park maintenance for current parks, and maintaining and extending the community's trail system is a priority for the City Council;

**WHEREAS,** the current City of Bethel Comprehensive plan has identified the following as priorities for the community of Bethel:

**Land Use Goal 4:** Create safe, livable neighborhoods centered around community facilities such as schools, parks, the teen center, and the senior center.

**Transportation Goal 3:** Provide a safe and efficient trail network to meet current and future needs, for year-round transportation and recreation use by Bethel residents and visitors.

**Economic Development Goal 7:** Maintain fair, competitive and sufficient local government taxes, fees and utility rates.

**Economic Development Goal 8:** Enhance the quality of life in Bethel to attract and retain individuals and businesses.

**Public Facilities and Services Goal 1 G.:** Provide and improve essential city services. Respond to current needs and plan for future demand. Link the extension of public facilities to land use development to ensure that growth occurs in a logical, planned and cost-effective manner. Youth and Adult Recreation. Sustain and enhance facilities and programs for youth and

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adult recreation.

**WHEREAS,** addressing **Land Use Goal 4**, in an effort to create safe livable neighborhoods, we currently have four subdivisions (Uivik, Blueberry, Larson, Kasayuli) that do not meet this criteria and lack recreational opportunities;

**WHEREAS,** addressing **Transportation Goal 3**, the City has a local and regional trail system; however, expansion of that trail system is needed to improve community accessibility for residents and visitors;

**WHEREAS,** the Comprehensive Plan identifies the need to have a safe and efficient trail network to meet current and future needs, to allow for year-round transportation and recreation;

**WHEREAS,** the boardwalk transportation link is safer for pedestrians and bicyclists than using the streets and is less costly than the at-grade pathway attached to roadways;

**WHEREAS,** the development of our current one mile of boardwalk can focus on trails that connect parks to offer pedestrians access to the City away from roads, dust impacts, and connect key locations such as the post office, Pinky's Park, schools;

**WHEREAS,** **Economic Development Goal 7 and 8**, explains the majority of the cash economy of Bethel is derived from regional services such as government administration, transportation, fuel and freight distribution, education, health care and social services; and has the goal of enhancing the quality of life in Bethel to attract and retain individuals and businesses;

**WHEREAS,** many of the top employers within the community (Lower Kuskokwim School District, Yukon Kuskokwim Health Corporation, City of Bethel) face significant difficulty recruiting staff to support their operations;

**WHEREAS,** according to the Comprehensive Plan, it is important to improve recreational attractions that benefit both residents and visitors, improve the appearance and characteristic of areas of town as well as improving the opportunities to

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share and learn about historic and contemporary cultures;

**WHEREAS,** it is challenging to retain and attract personnel; and it is important to invest in infrastructure that improves the quality of life of in our community and region;

**WHEREAS, Public Facilities and Services Goal 1 G.:** explains the need to create, sustain and enhance facilities and programs for youth and adult recreation;

**WHEREAS,** indoor recreation is a limited commodity for the community of Bethel and consists primarily of Lower Kuskokwim School District properties which support school sponsored activities which limit the availability for community use;

**WHEREAS,** there is an unmet need to develop an alternative space for widespread community use with year round availability for all ages;

**WHEREAS,** the City of Bethel is faced with significant budget constraints limiting the ability to meet the needs of the growing community;

**WHEREAS,** the organization has had to focus on essential services, due to this budget shortfall, placing a low priority on opportunities to increase the quality of life for our community members;

**WHEREAS,** it is clear that Bethel's operations are constrained by revenue projections of \$11,382,067 with estimated costs of operations \$11,300,950; when the City of Bethel, with a population of 6,135, covering an area of 50 square miles, with a staff of 99 Full Time Employees, is compared to other budgets among municipalities around the State of Alaska,

- City of Wasilla, population 8,801, with 13.13 square miles, 131 Full Time Employees, lists \$18,705,260 in projected revenues and \$19,138,047 in operation expenditures;
- City of Palmer, population 6,223, with 5.7 square miles, 79.5 Full Time Employees lists \$11,608,593 in projected revenues and \$12,051,022 in operation expenditures, as the closest revenue operating budget to the City of Bethel it is important to point out a

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significant difference in their spending by comparing the streets and Roads budget for Palmer which totals \$653,358 to the City of Bethel's 2.7 million dollar budget;

- City of Kodiak, population 5,942, with 5.4 square miles, 134 Full Time Employees lists \$42,071,678 in projected revenues and 42,071,678 in operation expenditures;
- City of Homer, population 5,443, with 25 square miles, 101 Full Time Employees, lists \$25,306,581 in projected revenues and \$26,247,742 operation expenditures;
- City of Soldotna, population 4,327, with 7.4 square miles, 74 Full Time Employees has a projected revenue of \$13,198,836 with an operating budget of \$13,248,888;

**WHEREAS,** Bethel is limited in their opportunity to raise revenue compared to many other communities in the State that have a local property tax to help support the services provided by the local government;

**WHEREAS,** pursuing measures to increase revenues to support the community, will enable ourselves to reach the very reasonable and essential goals outlined in the Comprehensive Plan;

**WHEREAS,** continuing to maintain and grow our trail systems to provide transportation links between neighborhoods and business centers will support recreational activities and reduce pedestrian hazards from traffic and dust from the road system;

**WHEREAS,** improving our parks and expanding our park access to more neighborhoods will improve our community profile by supporting social, economic and physical well-being for our current and prospective residents and businesses;

**WHEREAS,** parks provide a gathering places for families, social groups, as well as for individuals of all ages and economic status, regardless of their ability to pay for access; additionally, recreational opportunities are also associated with a reduction in crime in communities;

**WHEREAS,** playgrounds are identified as one of the best investments citizens and cities

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can make in their children as playgrounds provide children critical unstructured, outdoor, creative and active play;

**WHEREAS,** recreational opportunities have been shown to increase physical activity, improve physical and mental health, lower body mass index, reduce stress and anxiety, decreased morbidity and even increased longevity; they have also been associated with quality of life and have been identified as one of the most important factors on how livable communities are.

**NOW THEREFORE BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA:**

**SECTION 1.** This is a codified Ordinance and shall become part of the Bethel Municipal Code.

**SECTION 2.** New Chapter 4.17a, Excise Tax on Sugar-Sweetened Beverage Product is added to the Bethel Municipal Code.

**4.17a.010 Definitions.**

For the purposes of this Chapter, unless the context otherwise requires:

~~"Beverage for Medical Use" means a beverage suitable for human consumption and manufactured for use as a:~~

- ~~1. Source of necessary nutrition due to a medical condition, or~~
- ~~2. For use as an oral rehydration electrolyte solution for infants and children formulated to prevent or treat dehydration due to illness.~~

~~It shall not include drinks commonly referred to as "Sports Drinks" or any other common names that are derivations thereof.~~

"Beverage for Medical Use" means a beverage suitable for human consumption and manufactured for use as an oral nutritional therapy for Persons who cannot absorb or metabolize dietary nutrients from food or beverages, or for use as an oral rehydration electrolyte solution for infants and children formulated to prevent or treat dehydration due to illness.

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"Beverage for Medical Use" shall also mean a "medical food" as defined in section 5(b)(3) of the Orphan Drug Act (21 U.S.C. 360ee(b)(3); this Act defines medical food as "a food which is formulated to be consumed or administered externally under the supervision of a physician and which is intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation."

"Beverage for Medical Use" shall not include drinks commonly referred to as "sports drinks" or any other common names that are derivations thereof.

"Bottle" means any closed or sealed container regardless of size or shape, including, without limitation, those made of glass, metal, paper, plastic, or any other material or combination of materials.

"Bottled Sugar-Sweetened Beverage" means any sugar-sweetened beverage in a ~~container-bottle~~ that is ready for consumption without further processing, such as, and without limitation, dilution or carbonation.

"Caloric Sweetener" means a substance or combination of substances suitable for human consumption that adds calories to and is perceived as sweet to humans when consumed, including, but not limited to sucrose, dextrose, fructose, glucose, other mono and disaccharides; corn syrup or high-fructose corn syrup; or any other caloric sweetener designated by the city manager.

~~"Consumer" means a natural person who purchases a sugar-sweetened beverage product in the city for a purpose other than resale in the ordinary course of business.~~  
means a Person who purchases a Sugary Drink for consumption and not for sale to another.

"Distribution" or "distribute" means the transfer of title or possession:

1. From one business entity to another for consideration;
2. Within a single business entity, such as by a wholesale or warehousing unit to a retail outlet or between two or more employees or contractors; or
3. For products for which the tax imposed by this chapter has not been paid by a prior distributor, "distribution" or "distribute" also means the placement of a product with a retailer of sugar-sweetened beverage products.

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"Distribution" or "Distribute" shall not mean the retail sale to a consumer.

~~"Distributor" means any person who distributes sugar sweetened beverage products in the city.~~ means any Person, including manufacturers and wholesale dealers, who receives, stores, manufactures, bottles, and/or distributes Bottled Sugary Drinks, Syrups, or Powders, for sale to Retailers doing business in the State, whether or not that Person also sells such products to Consumers.

"Milk Products" means natural fluid milk, regardless of animal source or butterfat content, natural milk concentrate, whether or not reconstituted, regardless of animal source or butterfat content, or dehydrated natural milk, whether or not reconstituted and regardless of animal source or butterfat content, and plant-based milk substitutes, that are marketed as milk, such as soy milk, coconut milk, rice milk and almond milk.

"Natural Fruit Juice" means the original liquid resulting from the pressing of fruits, or the liquid resulting from the dilution with water of dehydrated natural fruit juice.

"Natural Vegetable Juice" means the original liquid resulting from the pressing of vegetables, or the liquid resulting from the dilution with water of dehydrated natural vegetable juice.

"Non-nutritive Sweetener" means any non-nutritive substance suitable for human consumption that humans perceive as sweet and includes, without limitation, aspartame, acesulfame-K, neotame, saccharin, sucralose, stevia, and other artificial sweeteners. "Non-nutritive Sweetener" excludes Sugars. For purposes of this definition, "non-nutritive" means a substance that contains fewer than 5 calories per serving.

"Person" means any natural person, partnership, cooperative association, limited liability company, corporation, personal representative, receiver, trustee, assignee, or any other legal entity.

"Place of Business" means any place where Sugary Drinks, Syrups, or Powders are manufactured or received for Sale in the State.

~~"Powder" means any solid mixture, containing one or more caloric sweetener as an ingredient, intended to be used in making, mixing, or compounding a sugar sweetened beverage by combining the powder with one or more ingredients.~~

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means any solid mixture of ingredients used in making, mixing, or compounding Sugary Drinks by mixing the powder with any one or more other ingredients, including without limitation water, ice, Syrup, simple Syrup, fruits, vegetables, fruit juice, vegetable juice, carbonation, or other gas.

~~"Retailer of Sugar Sweetened Beverage Products" means a person, other than a distributor, manufacturer, or wholesaler who receives, stores, mixes, compounds, or manufactures a sugar sweetened beverage and sells or otherwise dispenses the sugar sweetened beverage to the ultimate consumer.~~

"Retailer" means any Person who sells or otherwise dispenses in the State a Sugary Drink to a Consumer whether or not that Person is also a Distributor as defined in this section.

"Sale" means the transfer of title or possession for valuable consideration regardless of the manner by which the transfer is completed.

~~"Simple Syrup" means a mixture of water and one or more natural or common sweeteners without any additional ingredients.~~ means a liquid mixture of ingredients used in making, mixing, or compounding Sugary Drinks using one or more other ingredients including, without limitation, water, ice, a Powder, simple Syrup, fruits, vegetables, fruit juice, vegetable juice, carbonation, or other gas.

"Sugars" means any monosaccharide or disaccharide nutritive sweetener such as glucose, fructose, lactose, and sucrose. Examples include, without limitation, cane sugar, beet sugar, high-fructose corn syrup, honey, fruit juice concentrate, and other caloric sweeteners. For purposes of this definition, "nutritive" means a substance that contains 5 or more calories per serving.

~~"Sugar Sweetened Beverage" means any non-alcoholic beverage which contains at least 5 grams of caloric sweetener per 12 fluid ounces.~~

"Sugar-Sweetened Beverage " means any nonalcoholic beverage, carbonated or noncarbonated, which is intended for human consumption and contains any added Sugars. As used in this definition, "nonalcoholic beverage" means any beverage that contains less than one-half of one percent alcohol per volume. The term "Sugary-

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sweetened beverage” does not include beverages sweetened solely with Non-nutritive Sweeteners; Natural Fruit or Vegetable Juice; Milk; infant formula, Beverages for Medical Use; or Water.

1. "Sugar-Sweetened Beverage" includes all drinks and beverages commonly referred to as "soda," " pop," "cola," "soft drinks," "sports drinks," "energy drinks," "sweetened ice teas," "sweetened coffees," or any other common names that are derivations thereof.
2. "Sugar-Sweetened Beverage" does not include any of the following:
  - a. Any beverage in which milk is the primary ingredient, i.e., the ingredient constituting a greater volume of the product than any other;
  - b. Any beverage for medical use;
  - c. Any liquid sold for use for weight reduction as a meal replacement;
  - d. Any product commonly referred to as "infant formula" or "baby formula";
  - e. Any alcoholic beverage;
  - f. Any beverage consisting of 100 percent natural fruit or vegetable juice with no added caloric sweetener. Natural fruit juice and natural vegetable juice is the original liquid with or without water added resulting from the pressing of fruits or vegetables;
  - g. Sweetened medication such as cough syrup, liquid pain relievers, fever reducers and similar products; or
  - h. Any product commonly used exclusively to mix with alcohol that may exceed 5 grams or more per serving of caloric sweetener per 12 ounces of fluid that is not a sugar sweetened beverage, including without limitation margarita mix, bloody mary mix, daiquiri mix or similar products.

"Sugar-Sweetened Beverage Product" means a bottled sugar-sweetened beverage or a sugar sweetened beverage made from the dilution of syrup or powder.

"Syrup" means any liquid mixture, containing one or more caloric sweeteners as an ingredient, intended to be used in making, mixing, or compounding a sugar-sweetened beverage by combining the syrup with one or more other ingredients.

#### **4.17a. 020 Excise tax on sugar-sweetened beverages.**

- A. In addition to any other taxes imposed by the city, the city hereby levies an excise tax of one cent (\$0.01) per fluid ounce on the privilege of distributing sugar-sweetened beverage products in the city. The tax is imposed only when

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the supply, acquisition, delivery or transport is for the ultimate retail sale of the sugar-sweetened beverage products within the city.

- B. For the purposes of this Chapter, the volume, in ounces, of a sugar-sweetened beverage product shall be calculated as follows:
1. For a bottled sugar-sweetened beverage the tax shall be calculated on the volume, in fluid ounces, of sugar-sweetened beverages distributed to any person in the course of business in the city.
  2. For sugar-sweetened beverage made from syrups ~~and powders~~ the tax shall be calculated on:
    - a. The manufacturer's suggested serving size for the volume of fluid ounces of sugar-sweetened beverages produced from syrup ~~or powder~~ upon the initial distribution of syrup ~~or powder~~; or
    - b. If the labeling or packaging does not specify the recommended number of servings per container, the tax shall be calculated using the largest volume of fluid ounces of sugar-sweetened beverages that could be produced from syrup ~~or powder~~ upon the initial distribution of syrup or powder.
  3. For sugar-sweetened beverage made from powders the excise tax shall be \$.0025 per ounce.

#### **4.17a.030 Exemptions.**

The tax imposed by this Chapter shall not apply to:

- A. Any distribution of syrups and powders sold directly to a consumer and intended for personal use by a consumer that are not already pre-mixed into a sugar-sweetened beverage product such as granulated sugar, honey, agave and similar products;
- B. Any milk product.
- C. Infant formula.
- D. Any alcoholic beverage.
- E. Any beverage for medical use.
- F. Any product that does not meet the definition of a sugar sweetened beverage.

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#### **4.17a.040 Registration of distributor**

- A. No person may sell, purchase, possess or bring sugar-sweetened beverage products into the city as a distributor without first registering with the City. The registration shall be on a form provided by the department and must include the information requested by the department.
- B. The registration required by this chapter is in addition to any other registration or license required by law.

#### **4.17a.050 Tax Collection and Returns**

- A. Prior to distributing any sugar-sweetened beverage products in the city, the distributor shall be registered with the city in accordance with BMC 4.17a.040.
- B. Each distributor of sugar-sweetened beverage products shall collect and every receiver of sugar-sweetened beverage products from a distributor shall pay the tax imposed in this chapter on each non-exempt distribution of a sugar-sweetened beverage product.
- C. The tax shall be levied on the first distributor subject to the jurisdiction of the city, if the tax is not paid by the first distributor for any reason, it shall be levied on subsequent distributors, provided that the distribution of sugar-sweetened beverage products may not be taxed more than once in the chain of commerce within the city.
- D. The receiver of any sugar-sweetened beverage product from a distributor shall include with its tax filing (BMC 4.16.240) of such product, the name of the distributor and amount of tax paid to the distributor.
- E. If the receiver is exempt from filing sales tax with the city in accordance with BMC 4.16.160, Tax exemptions, the receiver shall:
  - 1. Provide to the city evidence that the distributor from whom the sugar-sweetened beverage products were received has registered as a distributor with the city; or
  - 2. Report to the city all such transactions, the volume in ounces of sugar-sweetened beverage products received in each transaction, and the identity and contact information of any unregistered distributor from who

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the sugar-sweetened beverage product was received and remit it to the city.

- F. The burden of proving that any transaction is not subject to the tax imposed by this chapter is upon the person whom the duty to collect the tax is imposed.
- G. The tax imposed by this chapter shall be due and payable in accordance with BMC 4.16.240, Tax Filing Schedule.

**4.17a.070 Enforcement.**

Except as otherwise provided by this Chapter, the tax imposed by this Chapter shall be administered in the same manner as taxes imposed pursuant to Chapter 4.16 and, without limitation, shall be subject to the same delinquency penalties, appeals processes and other enforcement provisions set forth in Chapter 4.16.

**4.17.080 Not a sales and use tax.**

The tax imposed by this Chapter is a tax upon the privilege of conducting business, specifically, distributing Sugar sweetened beverage products within the city. It is not a sales, or use tax on the sale, consumption or use of Sugar-sweetened beverage products. The tax imposed herein shall be in addition to any license fee or tax imposed or levied under any other law, statute or ordinance.

**4.17a.090 Dedicated Revenues.**

A. All revenues collected from the excise tax imposed by this chapter shall be deposited monthly in an interest bearing account dedicated to the park development fund and shall be designated for the funding of park and recreational design and development, park maintenance and other recreational opportunities in the City of Bethel.

**SECTION 3.** This Ordinance shall become effective sixty days following adoption by the Bethel City Council.

**ENACTED THIS \_\_\_ DAY OF \_\_\_\_\_ 2021 BY A VOTE OF \_ IN FAVOR AND \_ OPPOSED.**

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Michelle DeWitt, Mayor

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ATTEST:

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Lori Strickler, City Clerk