

City of Santa Cruz – Sugar Sweetened Beverage Tax Measure Z

The City Council of the City of Santa Cruz has placed a measure on the ballot asking voters to approve a tax of two cents (\$0.02) per ounce on the distribution in the City of Santa Cruz of sugar sweetened beverages. The tax would be payable by the distributor, not the consumer, and would include a small business exemption for those with less than \$500,000 in gross annual revenues. Should this measure be approved, it would result in the City receiving an additional estimated \$1.3 million in revenue in the first full year. This measure is not expected to add any significant amount of new administrative costs to the City.

The tax is a general tax and proceeds would be deposited into the General Fund, and would be used to support essential City services including public safety, bike/pedestrian safety, recreation programs for people of all ages, maintenance of City facilities and essential infrastructure including streets, open spaces, parks and beaches.

The measure would add the Sugar-Sweetened Beverage Distribution Tax to Title 3 – Revenue and Finance of the City of Santa Cruz Municipal Code.