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|  | **The Council of the City of New York**  **Finance Division**  **Latonia Mckinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No:** 1326-B  **Committee:** **Health** |
| **Title:** A local law to amend the administrative code of the city of New York, in relation to requiring added sugar notifications in chain restaurants | **Sponsors:** Council Members Levine, Cornegy, Kallos, Rosenthal, Ampry-Samuel, Ayala, Cumbo, Powers, Lander, Brannan, Chin, D. Diaz, Van Bramer, Reynoso, Salamanca, Miller, Levin, Gibson, Brooks-Powers, Koo, Vallone, Cabrera and Ulrich |

**Summary of Legislation:** Proposed Intro. No. 1326-B would require the Department of Health and Mental Hygiene (DOHMH) to issue a rule designating an icon to be displayed in a clear and conspicuous manner on (i) menus or menu boards adjacent to the listed prepackaged food items and (ii) prepackaged food items on display, that exceed a specified level of added sugars, including, but not limited to, 100 percent or more of the daily value for added sugars. Such rule would also provide a factual warning statement about high added sugars intake.

No later than one year after the issuance of such rule, chain restaurants (those with 15 or more restaurants) in New York City would be required to post such icon on or next to a prepackaged food item on display, or next to a prepackaged food item listed on the menu or menu board, and post such warning statement at the point of purchase. Failure to do so would result in financial penalties of $200-500 per instance.

Finally, this bill would require DOHMH to conduct public outreach to educate restaurants about the requirements of this local law.

**Effective Date:** This local law would take effect no later than one year after the expiration of the declaration of the local state of emergency for COVID-19 declared in emergency Executive Order 98 of Mayor Bill de Blasio, dated March 12, 2020, including subsequent extensions after it became law.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2023

**Fiscal Impact Statement:**

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|  | **Effective FY22** | **FY Succeeding Effective FY23** | **Full Fiscal Impact FY23** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $1,500,000 | $100,000 | $100,000 |
| **Net** | $0 | $0 | $0 |

**Impact on Revenues:** It is anticipated that the proposed legislation would have no impact on revenues.

**Impact on Expenditures:** While because Executive Order 98 continues to be extended and thus the law would not require implementation by DOHMH any sooner than one year from passage, DOHMH anticipates $1.5 million of expenditures in Fiscal 2022 resulting from the hiring of a full-time outreach worker and the printing and distribution of outreach material to comply with the requirements to provide public education to restaurants prior to the enactment of the legislation. The outreach worker and associated fringe benefits would continue into Fiscal 2023 and the outyears.

**Source of Funds To Cover Estimated Costs:** General Fund

**Source of Information:** New York City Council Finance Division

Department of Health and Mental Hygiene

**Estimate Prepared By:** Lauren Hunt, Financial Analyst

**Estimate Reviewed By:** Nathan Toth, Deputy Director

Crilhien R. Francisco, Unit Head

Noah Brick, Assistant Counsel

**Legislative History:** This legislation was introduced to the full Council on January 9, 2019 and was referred to the Committee on Health (Committee). A hearing was held by the Committee on February 25, 2020, and the bill was laid over. The legislation was subsequently amended, and amended again, and the most recently amended version, Proposed Intro. No. 1326-B, will be considered by the Committee on December 14, 2021. Upon a successful vote by the Committee, Proposed Intro. No. 1326-B will be submitted to the full Council for a vote on December 15, 2021.

**Date Prepared:** December 13, 2021