





April 26, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Roger Banegas 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-046-2023 Healthy Restaurant Program

CB-046-2023 (*Proposed and presented by:* Council Members Blegay and Oriadha)

Assigned to the Government Operations Fiscal Policy (GOFP) Committee

AN ACT CONCERNING THE HEALTHY RESTAURANT PROGRAM for the purpose of establishing a voluntary healthy restaurant certification program.

Fiscal Summary

Direct Impact

Expenditures: Increased expenditures likely.

Revenue: No impact on revenues likely.

Indirect Impact

Likely favorable.

Legislative Summary:

CB-046-2023, proposed and sponsored by Council Members Blegay, Oriadha, and Olson, was presented on March 28, 2023, and was referred to the Government Operations Fiscal Policy (GOFP) Committee. Communities in Prince George's County are trying to address health effects of restaurant food in a variety of ways. The proposed bill would establish a voluntary healthy restaurant certification program in the County.

Current Law/Background:

The purpose of the Healthy Restaurants Program Act is to address healthy food options available at restaurants in the County. The County currently has multiple pieces of legislation enacted relating to healthy food incentives. One of which is CB-071-2020¹, the bill imposed requirements relating to the default beverage, default side, and the offering of a healthy children's meal. The proposed legislation looks to continue creating healthy food options, which will be defined by the Department of Health's registered dietician, by incentivizing restaurants who join the program through promotional means such as publicity, advertising, marketing, and signage. Along with those incentives, restaurants who voluntarily join the program and agree to meet certain standards can help to implement healthy changes around the County.

The current Prince George's County Code, under Subtitle 12. Health, of the County Code, does not include any guidelines or mandates for creating a Healthy Restaurant Program. The proposed bill would be the first in expanding these requirements within Subtitle 12 of the Code by creating Division 13 – Healthy Restaurant Program.

Relevant legislation from Other Jurisdictions

The government of Washington, DC has the Healthy Food Retail Program², a grant program, that aims to expand access to healthy foods in eligible areas by aiding grocery stores, farmers markets, and other small food retailers with clear intentions of attracting their business. The program provides assistance through grants, loans, federal tax credits, equipment, other financial assistance, and technical assistance.

The City of New Orleans, Louisiana has an initiative that was created in response to the lack of fresh, healthy foods in many New Orleans neighborhoods, a problem that was exacerbated by Hurricane Katrina. The Fresh Food Retailer Initiative (FFRI)³ was envisioned to directly benefit low- and moderate-income residents in New Orleans by providing healthy food access, creating jobs, and revitalizing neighborhoods. One component of the program requires the applicant to provide dedicated shelf space to the sale of fresh fruit and vegetables. The program is supported by the City of New Orleans and administered by Hope Enterprise Corporation (HOPE) in partnership with The Food Trust (TFT). The FFRI program is partially funded by Disaster Community Block Grants (D-CDBG). The FFRI Program also provides forgivable and interest-

¹ [CB-071-2020](#)

² [DC Code 2-1212.31](#)

³ [Fresh Food Retailers Initiative](#)

bearing loans to support grocery development. Eligible activities include pre-development, site assembly and improvement, construction and rehabilitation, equipment installation and upgrades, staff training, security, and start-up inventory and working capital. The total amount of D-CDBG FFRI funding awarded, per store, may not exceed \$1,000,000, of which the total portion of forgivable loans may not exceed \$500,000⁴.

Resource Personnel:

- Reenal Doshi, Policy Coordinator, District 7
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Discussion/Policy Analysis:

Provisions of CB-046-2023:

It is important to emphasize that CB-046-2023 proposes a *voluntary* program. If enacted, CB-046-2023 would add §12-219 through §12-223 and create Division 13 – Healthy Restaurant Program to the Prince George’s County Code. The proposed bill, as drafted, allows all restaurants to be able to join the program if they can demonstrate that at least one (1) healthy food option is available on their menu.

The bill sets forth definitions for ***Healthy Food Options*** as food items deemed “healthy” by the Health Department’s registered dietitian. A ***Healthy Restaurant Program (the “Program”)*** shall mean a voluntary healthy restaurant incentive certification program whereby the County provides grants, loans, and other incentives including free promotions.

Under §12-221(a), Restaurants that voluntarily choose to participate in the program will be required to:

- (1) Offer at least one or more health food options.
- (2) Identify and distinguish healthy food options on the menu from non-healthy food options and display them prominently near the point of ordering.
- (3) Participate in periodic program promotions and celebrations such as County-sponsored “Restaurant Weeks” and other such events.

Effectively, under §12-222, CB-046-2023 would require the County’s Health Department to collaborate with restaurants to analyze menu options and develop a healthy alternative menu at no cost to the restaurant. The Health Department will also oversee promoting the businesses and the Program through a range of means that include but not limited to creating a Program website with information about the healthy restaurants, holding press events announcing new healthy restaurants, and placing ads in local newspapers, radio, and television stations. Additionally, The Economic Development Corporation (EDC) will provide free promotions for restaurants certified under the Program and provide them with zero-interest loans. Lastly, the County will pay for

⁴ [New Orleans Fresh Food Retailer Initiative](#)

symbolic menu labeling for healthy food options at the point of purchase. The County will also promote restaurants under the Program on the County website, local government channels and programming, and promote restaurants and the Program on community way-finding signs and walking maps.

Under §12-223, the proposed bill declares the Department of Health as the administrator and enforcer of the Program. The restaurants who voluntarily join the Program will be required to comply with the Health Departments rules and regulations. A breach of contract will result in the Restaurant being revoked from the program and losing all incentives such as zero-interest loans and promotions.

Fiscal Impact:

- *Direct Impact*

Enactment of CB-046-2023 will likely have a direct adverse fiscal impact as County will pay for symbolic menu labeling for healthy food options at the point of purchase potentially through grants and the County will have to make new way-finding signs and walking maps. The magnitude of this impact will be driven by the number of participants in the Program, but is not likely to be substantial. The Economic Development Corporation is also required to provide zero-interest loans to participating restaurants, but the parameters of this component of the Program appear to be subject to the EDC's discretion, as they are not spelled out in the bill.

- *Indirect Impact*

Enactment of CB-046-2023 may have a favorable indirect fiscal impact on the County, to the extent that it results in more restaurants providing healthier food options to Prince George's County residents.

- *Appropriated in the Current Fiscal Year Budget*

No

Effective Date of Proposed Legislation:

The Act shall take effect forty-five (45) days after it becomes law.

If you require additional information, or have questions about this fiscal impact statement, please reach out to me via phone or email.