

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2017 Legislative Session

Reference No.: CB-26-2017

Draft No.: 2

Committee: HEALTH, EDUCATION AND HUMAN SERVICES

Date: 6/8/2017

Action: FAV (A)

REPORT:

Committee Vote: Favorable with Amendments, 5-0 (In favor: Council Members Toles, Taveras, Franklin, Harrison and Turner).

Staff oriented the Committee on CB-26-2017 including the referral comments. CB-26-2017 seeks to regulate food and beverage vending machines located on property owned, operated, or managed by Prince George's County, not including the Prince George's County Board of Education. The proposed legislation regulates the sale of high caloric beverages and packaged snack foods in the county vending machines. The legislation outlines the requirements for new and renewal contracts entered into on or after July 1, 2017 to provide healthy vending options with food and beverage vending machines.

The sponsor of CB-26-2017 indicated that this legislation will provide increased options for healthy choices. The sponsor provided information on the number of vending machines in the county, to include the library, and the breakdown of the vending machines relative to beverages and snacks. The County's Parks and Recreation do not apply since it has already implemented a plan and Montgomery County approved legislation within the last two (2) months.

County staff from the Health Department and the Office of Central Services provided comments and answered questions by the members of the Committee regarding the proposed legislation. The Office of Central Services staff indicated that the legislation mirrors what the Procurement Division just recently implemented and awarded contracts to two (2) suppliers. The previous vending contract ended December 2016. There was a new solicitation that was awarded to two suppliers, with a term from December 1, 2017 through November 2017, with four one year options.

All new vending machines service contracts and all vending machine service contract renewals entered into on or after July 1, 2017 must require that at least 50% of the food and beverage items offered in vending machines meet the requirements. After July 1, 2019, those contract entered into must require that at least 65% of the food and beverage items offered in vending machines meets the requirements.

The Health Department representative expressed supports of CB-26-2017; however, indicated that there may be a negative fiscal impact on the Division of Environmental Health if inspections are required. In addition, inspections at licensed facilities may be impacted because staff would be taken away from those inspections to cover vending inspections that are currently not part of the inspection protocol. The Division of Health and Wellness may also experience a negative fiscal impact if monitoring of the nutritional content of healthy food choices is required.

The Bill sponsor indicated that the Health Department was not expected to do inspections of the vending machines and that in a prior draft bill the intent may have included the Health Department for inspections. The intent of CB-26-2017 regarding inspections is that the Office of Central Services and the contractor will be accountable.

The County Executive staff indicated that the County Executive takes no position while acknowledging support for the Administration's procurement policy.

The Office of Law finds s CB-26-2017 to be in proper legislative form.

The Office of Audits and Investigations determined that there may be a negative fiscal impact on any food and beverage vending machine commissions received by the County. Staff within the Office of Central Services has indicated that potential food and beverage vending machine contractors anticipate a decrease in sales revenue, should healthy vending options become a requirement.

Various representatives and impacted parties spoke on behalf of the legislation indicating their support for healthy food choices, siting diabetes, and other chronic diseases and childhood obesity as an outcome of poor dietary choices: Prince George's County Memorial Library, Sugar Free Kids, Maryland, Prince George's County NAACP Youth Council, Food Equity Council, American Heart Association, American Cancer Network, Horizon Foundation, Kaiser Permanente, Health & Safety, and Wellness Educator, and Saffa Naeem (resident).

A representative from the Local Beverage Association recognized the intent of the legislation; however, suggested utilizing the procurement policy rather than legislating vending machines. It was further stated that the Association represents numerous beverage companies and that there will be a loss of revenue if the legislation is enacted. The beverage companies are currently taking measures to provide more beverage choices, smaller portions, fewer calories and clear calorie labels.

The Prince George's Chamber of Commerce provided written comments indicating that public legislation may place local manufacturers and suppliers in an unfavorable light. The Chamber proposes to meet with manufacturers, legislators and County procurement officials to work on vending procurement policy.

In an effort to alleviate some of the concerns raised regarding the graduated increase in the percentage of the food and beverage items offered in vending machines on or after July 1, 2019, the following language was inserted on page 4, line 22, (b) "Upon recommendation of the County Executive and approval by County Council resolution."