

JOB KILLER

March 22, 2017

To: Members, Senate Committee on Health

FROM: Valerie Nera, Policy Advocate

**SUBJECT: SB 300 (MONNING) SUGAR-SWEETENED BEVERAGES: HEALTH WARNINGS ACT
SCHEDULED FOR HERAING – APRIL 19, 2017
OPPOSE/JOB KILLER – AS INTRODUCED FEBRUARY 13, 2017**

The California Chamber of Commerce must respectfully **OPPOSE SB 300 (Monning)**, which has been labeled as a **JOB KILLER**, because it requires specific warnings on certain sugar sweetened beverages sold in California that may lead to unfair competition violations and ultimately class action suits.

SB 300 requires this warning be placed on certain beverages - "STATE OF CALIFORNIA SAFETY WARNING: Drinking beverages with added sugar(s) contributes to obesity, type 2 diabetes, and tooth decay." The bill is very specific about the size of type, placement of warning and characters per linear inch on each product according to the amount of beverage contained. Vending machines, self serve dispensers and sit down restaurants all must provide the warning.

This bill exposes manufacturers and retailers of sweetened beverages to significant liability. Consumers would be able to sue for a violation of this new labeling requirement under California's Unfair Competition Law. So not only could a business incur a civil penalty of up to \$500, they would also have to defend against lawsuits.

It is conceivable that a class action suit would be brought based on the assertion that consuming these beverages contributes to a person's obesity, diabetes and tooth decay that companies would be held liable for millions of dollars of awards for a person's choice to consume the beverage.

Manufacturers make and sell products nationwide and globally. This unfairly burdens these companies with the requirement to specially label products for the California market. Small ethnic businesses are especially vulnerable as more of their profits are from products made in other countries that may not choose to label for just the California market.

For these reasons and others, the CalChamber must respectfully **OPPOSE SB 300** as a **JOB KILLER**.

cc: Donna Campbell, Office of the Governor
The Honorable William Monning
Melanie Moreno, Senate Health Committee
Joe Parra, Senate Republican Caucus
Senate Office of Floor Analyses
District Offices, Members, Senate Health Committee