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FISCAL IMPACT REPORT

SPONSOR Schmedes LAST UPDATED _____
ORIGINAL DATE 02/03/2023
BILL
SHORT TITLE No Soda Sales on School Grounds NUMBER Senate Bill 234
ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact		
Total						

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent version of this legislation.

Sources of Information

LFC Files

No Response Received

Public Education Department (PED)

Regional Education Cooperatives (REC)

Albuquerque Public Schools (APS)

Early Childhood Education and Care Department (ECECD)

Department of Health (DOH)

New Mexico State University (NMSU)

SUMMARY

Synopsis of Senate Bill 234

Senate Bill 234 prohibits the sale of soda, defined as a sweetened, carbonated drink, in any part of a public school's grounds or buildings at all grade levels between pre-kindergarten and 12th grade.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

There is no appropriation in Senate Bill 234.

It is unlikely that there would be any fiscal impact to state agencies, though the bill's passage would reduce revenue for schools or parent-teacher organizations or whoever else might be deriving revenue from sales of these drinks.

SIGNIFICANT ISSUES

In 2019, the American Heart Association and the American Academy of Pediatrics published a joint statement on the importance of limiting sugary drink consumption by children, indicating that high intake of sugary drinks is correlated with obesity and elevated cholesterol, and with an increase in diabetes, heart disease, dental caries, and heart disease.

Describing the statement, a March 25, 2019 press release from the American Heart Association, says, in part:

The American Academy of Pediatrics (AAP) and the American Heart Association (AHA) endorsed a suite of public health measures—including excise taxes, limits on marketing to children, and financial incentives for purchasing healthier beverages—designed to reduce kids’ consumption of sugary drinks. The policy statement, “Public Policies to Reduce Sugary Drink Consumption in Children and Adolescents,” will be published in the April 2019 issue of *Pediatrics* and published online March 25.

Children and teens consume gallons of sugary drinks every year, including sports drinks, fruit-flavored drinks and sodas. The 2015-2020 Dietary Guidelines for Americans recommend that children and teens consume fewer than 10 percent of calories from added sugars. But data show that children and teens now consume 17 percent of their calories from added sugars—nearly half of which comes from drinks alone.

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