

San Francisco Alcohol Cost Recovery Fee Passes

Advocates Ask Conflicted Mayor Newsom to Recuse Himself

San Francisco, California (September 14, 2010) --- On a vote of 7 to 3 today, public health and safety triumphed as San Francisco's Board of Supervisors passed a groundbreaking "Charge for Harm" Alcohol Cost Recovery Fee ordinance. The new fee seeks to recover \$16 million for programs directly related to alcohol consumption in the city and county.

San Francisco Supervisor John Avalos, author of the measure, said, "*We overwhelmingly voted to recover costs for alcohol-related treatment, hospitalization and transportation. We want companies who profit from distributing alcohol in San Francisco to pay their fair share of the costs for these services.*"

The ordinance is California's first to assess alcohol wholesalers and distributors a minimal fee to mitigate alcohol-related medical costs at the local level. The wholesale fee will range from 3 to 5 cents per drink. Mayor Newsom, who has battled personal alcohol issues, reports receiving more than \$200,000 a year from a blind trust, which manages his ownership investment in various alcohol-related businesses. He has expressed his intention to veto the measure.

"Even though Mayor Newsom has a conflict of interest from his wine sales, he can still legally veto the ordinance," stated Bruce Lee Livingston, executive director of Marin Institute, the alcohol industry watchdog. *"So fee advocates are now calling on Mayor Newsom to recuse himself and do nothing, that will save lives."* If the mayor takes no action on the measure, it becomes law.

The fee is supported by a recent "nexus" study commissioned by the San Francisco Controller's office, which found \$17.7 million in annual costs for city-funded services such as treatment, prevention, medical transport, and hospitalization for alcohol related illness.

Fire fighters, service employees, nurses, human services agencies, youth groups, faith organizations, seniors, LGBT groups, and the HIV/AIDS organizations support the fee ordinance.

At a previous hearing, fee-ordinance supporter Mitch Katz, M.D., director of the Department of Public Health, explained that one-third of all San Francisco General Hospital patients are suffering from alcohol-related problems. The ordinance also enjoys support from San Francisco Fire Chief Joanne Hayes-White. The City Controller's economic impact analysis revealed that the net job effect was zero because any potential losses in private sector jobs would be offset by a gain in city jobs to help those impacted by alcohol.

Supervisors John Avalos, Davis Campos, David Chiu, Chris Daly, Ross Mirkarimi, Eric Mar, and Sophie Maxwell voted yes on the ordinance. Supervisors Sean Elsbernd, Carmen Chu, and Bevan Dufty voted against it. Supervisor Michela Alioto-Pier recused herself because she, like the mayor, has alcohol-related business investments. The Board must vote again in a week to finalize their approval of the fee. Once passed the mayor has approximately 10 days to sign it or veto it. If he does nothing, the ordinance will become law and take effect January 1, 2011.

For more information, please visit ChargeforHarm.org.

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