

MEMORANDUM

February 24, 2017

TO: County Council

FROM: Amanda Mihill, Legislative Attorney *A. Mihill*

SUBJECT: **Public Hearing:** Bill 1-17, Contracts and Procurement – Vending Machine Service Contracts – Healthy Vending Standards

Bill 1-17, Contracts and Procurement – Vending Machine Service Contracts – Healthy Vending Standards, sponsored by Lead Sponsor Councilmember Leventhal and Co-Sponsor Councilmember Rice, was introduced on February 7, 2017. A Government Operations and Fiscal Policy Committee worksession is tentatively scheduled for March 30 at 9:30 a.m.

Bill 1-17 would require certain vending machine service contracts the County enters into to adhere to certain nutrition standards, and labeling and product placement requirements. Under Bill 1-17, all new vending machine contracts entered into must require:

- all food or beverage items offered for sale be less than 0.5 grams of trans-fat per serving and no more than 200 milligrams of sodium per package; and
- any beverage offered for sale be less than 250 calories or 20 fluid ounces.

These nutrition requirements would go into effect for any vending machine service contract entered into on or after the date of enactment of the legislation. In addition, the bill sets forth certain “healthy vending standards” (©2-3, lines 17-40). Any vending machine service contract entered into on or after July 1, 2017 must require at least 50% of the food and beverage items offered for sale meet the healthy vending standards. This increases to 65% for any vending machine service contract entered into after July 1, 2018.

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Bill No. 1-17
Concerning: Contracts and Procurement
- Vending Machine Service Contracts
- Healthy Vending Standards
Revised: 1/19/2017 Draft No. 2
Introduced: February 7, 2017
Expires: August 7, 2018
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Leventhal
Co-Sponsor: Councilmember Rice

AN ACT to:

- (a) require certain vending machine service contracts the County enters into to adhere to certain nutrition standards, and labeling and product placement requirements; and
- (b) generally amend County procurement law.

By adding

Montgomery County Code
Chapter 11B, Contracts and Procurement
Article XVIII
Sections 11B-78, 11B-79, 11B-80, 11B-81, and 11B-82

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Article XVIII (Sections 11B-78, 11B-79, 11B-80, 11B-81, and**
2 **11B-82) is added as follows:**

3 **Article XVIII. Vending Machine Service Contracts.**

4 **11B-78. Definitions.**

5 As used in this Article, the following terms have the meanings indicated:

6 *Packaged* means bottled, canned, securely bagged, or securely wrapped,
7 whether packaged in a food establishment or a food processing plant.

8 *Vending machine* means a self-service machine offered for public use that, upon
9 insertion of a coin, paper, currency, token, card, or key, or by optional manual
10 operation, dispenses servings of food or beverages in bulk or in packages, or
11 prepared by the machine, without the necessity of replenishing the device
12 between each vended operation

13 **11B-79. Applicability.**

14 This Article applies only to vending machines located on property owned by the
15 County.

16 **11B-80. Healthy vending standards.**

17 (a) An item designated as a healthy food choice must contain:

- 18 (1) no more than 200 calories per package;
19 (2) less than 35% of total calories from fat, except for foods containing
20 100% nuts or seeds with no added fats;
21 (3) less than 10% of calories from saturated fat; and
22 (4) no more than 35% of calories from total sugars, except for 1%, 2%,
23 or non-fat dairy products, non-dairy milk products, fruits, and
24 vegetables.

25 (b) At least one healthy food choice offered in a vending machine must meet
26 the Food and Drug Administration's definition of "low sodium".

27 (c) Except as provided in paragraph (d), an item designated as a healthy
 28 beverage choice must contain fewer than 40 calories per serving.

29 (d) The following beverages may also be designated as a healthy beverage
 30 choice:

31 (1) fat-free or 1% low fat dairy milk;

32 (2) calcium or vitamin D fortified soy milk with less than 200 calories
 33 per container;

34 (3) a container with 12 ounces or less of:

35 (A) 100% fruit juice;

36 (B) vegetable juice that contains less than 230 milligrams of
 37 sodium per serving; or

38 (C) fruit juice combined with water with no added caloric
 39 sweeteners and no more than 200 milligrams of sodium per
 40 container.

41 **11B-81. Vending machine service contract requirements.**

42 (a) Any new vending machine service contract or vending machine service
 43 contract renewal the County enters into on or after {date of enactment}
 44 must require the following:

45 (1) Any packaged food or beverage item offered for sale in a vending
 46 machine contain:

47 (A) less than 0.5 grams of trans-fat per serving; and

48 (B) no more than 200 milligrams of sodium per package.

49 (2) Any beverage offered for sale in a vending machine must not
 50 contain more than:

51 (A) 250 calories; or

52 (B) 20 fluid ounces.

- 53 (3) Water without added caloric sweeteners must be stocked in a
 54 beverage vending machine.
- 55 (4) Food and beverage items that meet the nutrition requirements in
 56 Section 11B-80 must be:
- 57 (A) displayed in a way that is distinguishable from food and
 58 beverage items that do not meet those requirements; and
- 59 (B) stocked in positions with highest selling potential, as
 60 determined by the Director of the Department of General
 61 Services.
- 62 (5) Food and beverage items that meet the nutrition requirements in
 63 Section 11B-80 must be comparatively priced or less expensive
 64 than products that do not meet those standards.
- 65 (6) Vending machines must display nutritional labeling that complies
 66 with the standards for nutritional labeling set forth in 21 Code of
 67 Federal Regulations, Sections 101 and 109, or any successor
 68 provision.
- 69 (b) In addition to the requirements of paragraph (a), any new vending
 70 machine service contract or vending machine service contract renewal the
 71 County enters into on or after July 1, 2017 must require that at least 50%
 72 of the food and beverage items offered for sale in vending machines meet
 73 the requirements in Section 11B-80.
- 74 (c) In addition to the requirements of paragraph (a), any new vending
 75 machine service contract or vending machine service contract renewal
 76 that the County enters into on or after July 1, 2018 must require that at
 77 least 65% of the food and beverage items offered for sale in vending
 78 machines meet the requirements in Section 11B-80.

79 **11B-82. Annual report.**

80 The Director of the Department of General Services must submit a report to the
81 County Council and County Executive by September 30 each year. The report must
82 include:

- 83 (a) an assessment of compliance with this Article;
- 84 (b) successes, challenges, and barriers experienced in implementation; and
- 85 (c) any recommendations for improvement of the standards and compliance.

86 *Approved:*

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Roger Berliner, President, County Council	Date
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88 *Approved:*

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Isiah Leggett, County Executive	Date
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90 *This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council	Date
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LEGISLATIVE REQUEST REPORT

Bill 1-17

Contracts and Procurement – Vending Machine Service Contracts-Healthy Vending Standards

DESCRIPTION: Bill 1-17 would require certain vending machine service contracts the County enters into to adhere to certain nutrition standards, and labeling and product placement requirements

PROBLEM: Often, unhealthy snacks are provided in vending machines.

GOALS AND OBJECTIVES: Promote better health by requiring nutritional standards for products offered in vending machines on county property.

COORDINATION: Department of General Services

FISCAL IMPACT: To be requested

ECONOMIC IMPACT: To be requested

EVALUATION: To be researched.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Amanda Mihill, Legislative Attorney, 240-777-7815

APPLICATION WITHIN MUNICIPALITIES: N/A

PENALTIES: N/A



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

GEORGE LEVENTHAL
COUNCILMEMBER
AT-LARGE

MEMORANDUM

TO: Montgomery County Councilmembers

FROM: George L. Leventhal, *George* Chair – Health and Human Services Committee

DATE: February 1, 2017

SUBJECT: Legislation - - Healthy Vending Machine Standards

On Tuesday, February 7, I will be introducing the attached legislation requiring that certain vending machine contracts that the County enters into require specific nutritional standards for food and drink products. This legislation would require that at least 65 percent of food and beverage items offered for sale in County vending machines contain no more than 200 calories per package as well as a few other important nutritional aspects.

In 2014 I introduced, and the Council passed, a resolution establishing an ad hoc working group to examine the quality of foods, snacks and beverages offered in vending machines, cafeterias and eateries in County buildings. Raising the awareness of County employees about their nutritional choices and providing healthier options is in line with the recommendations of the ad hoc working group. I am also hopeful that requiring nutritional standards for products offered in County buildings will promote better health.

If you have any questions or if you would like to co-sponsor this bill, please contact Walton Harris in my office.

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