

# WEST VIRGINIA LEGISLATURE

## 2022 REGULAR SESSION

Introduced

### Senate Bill 677

FISCAL  
NOTE

BY SENATOR STOLLINGS

[Introduced February 18, 2022; referred  
to the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,  
 2 designated §5-16-30; and to amend and reenact §11-19-2 of said code, all relating to  
 3 funding for supplementing Public Employees Insurance Agency reimbursements up to the  
 4 Medicare rate; creating Public Employee Insurance Agency Supplemental  
 5 Reimbursement Fund; providing for the administration of the fund, sources of funding for  
 6 the fund, requiring the director to promulgate any necessary rules, and requiring an annual  
 7 report by the Director to the Joint Committee on Government and Finance; modifying the  
 8 direction of proceeds of the soda tax into special PEIA supplemental fund; and providing  
 9 for effective dates.

*Be it enacted by the Legislature of West Virginia:*

**CHAPTER 5. GENERAL POWERS AND AUTHORITY OF THE  
 GOVERNOR, SECRETARY OF STATE AND ATTORNEY GENERAL;  
 BOARD OF PUBLIC WORKS; MISCELLANEOUS AGENCIES,  
 COMMISSIONS, OFFICES, PROGRAMS, ETC.**

**ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.**

**§5-16-30. PEIA Supplemental Reimbursement Fund.**

1 (a) The Public Employee Insurance Agency Supplemental Reimbursement Fund is hereby  
 2 created in the State Treasury. The fund shall be administered by the Director of the Public  
 3 Employees Insurance Agency and shall consist of all moneys made available for the purposes of  
 4 this article from any source, including, but not limited to, all gifts, grants, bequests or transfers  
 5 from any source, any moneys that may be appropriated to the fund by the Legislature, and all  
 6 interest or other return earned from investment of the fund. Any balance, including accrued  
 7 interest and other returns, remaining in the fund at the end of each fiscal year shall not revert to  
 8 the General Revenue Fund but shall remain in the fund and be expended as provided by this

9 section.

10 (b) The director shall promulgate any rules necessary for the effective administration of  
11 the provisions of this article including, but not limited to, authorized expenditures of this fund.

12 (c) The director shall issue an annual progress report to the Joint Committee on  
13 Government and Finance consisting of, at the minimum, an overview regarding the  
14 implementation of this fund and its impact on reimbursement rates to the hospitals.

**CHAPTER 11. TAXATION.**

**ARTICLE 19. SOFT DRINKS TAX.**

**§11-19-2. Excise tax on bottled soft drinks, syrups and dry mixtures; disposition thereof.**

1 (a) For the purpose of providing revenue for the construction, maintenance and operation  
2 of a four-year school of medicine, dentistry and nursing of West Virginia University to supplement  
3 any reimbursements below the Medicare rate by the Public Employees Insurance Agency paid to  
4 hospitals, an excise tax is hereby levied and imposed on and after midnight of June 30, 1951,  
5 upon the sale, use, handling or distribution of all bottled soft drinks and all soft drink syrups,  
6 whether manufactured within or without this state, as follows:

7 (1) On each bottled soft drink, a tax of ~~one~~ five cents on each 16 and 9/10 fluid ounces, or  
8 fraction thereof, or on each one-half liter, or fraction thereof contained therein.

9 (2) On each gallon of soft drink syrup, a tax of ~~80~~ 400 cents, and in like ratio on each part  
10 gallon thereof, or on each four liters of soft drink syrup a tax of ~~84~~ 420 cents, and in like ratio on  
11 each part four liters thereof.

12 (3) On each ounce by weight of dry mixture or fraction thereof used for making soft drinks,  
13 a tax of ~~one~~ five cents or on each 28.35 grams, or fraction thereof, a tax of 4 five cents.

14 (b) Any person manufacturing or producing within this state any bottled soft drink or soft  
15 drink syrup for sale within this state and any distributor, wholesale dealer or retail dealer or any  
16 other person who is the original consignee of any bottled soft drink or soft drink syrup

17 manufactured or produced outside this state, or who brings such drinks or syrups into this state,  
18 shall be liable for the excise tax hereby imposed. The excise tax hereby imposed shall not be  
19 collected more than once in respect to any bottled soft drink or soft drink syrup manufactured,  
20 sold, used or distributed in this state.

21 All revenue collected by the commissioner under the provisions of this article, less such  
22 costs of administration as are hereinafter provided for, shall be paid by him or her into a special  
23 ~~medical school fund~~ PEIA supplemental reimbursement fund, which is hereby created in the State  
24 Treasury in accordance with §5-16-30 of this code, to be used solely for ~~the construction,~~  
25 ~~maintenance and operation of a four-year school of medicine, dentistry and nursing~~  
26 supplementing any PEIA reimbursement rates below the Medicare rate paid to hospitals, as  
27 otherwise provided by law.

28 (c) The changes made to this section during the regular session of the Legislature, 2022,  
29 shall be effective July 1, 2022.

NOTE: The purpose of this bill is to increase the soda tax to five cents, transfer this tax into a fund to supplement current PEIA reimbursement rates up to the Medicare rate, and require annual reports on the effectiveness of the fund.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.