

WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

Committee Substitute

for

Senate Bill 533

BY SENATORS TARR, BALDWIN, ROBERTS, HAMILTON,

JEFFRIES, MARTIN, PLYMALE, AND NELSON

[Originating in the Committee on Finance; reported on

February 7, 2022]

1 A BILL to amend and reenact §11-19-2 of the Code of West Virginia, 1931, as amended; to amend
2 said code by adding thereto a new section, designated §11-19-13; and to amend said
3 code by adding thereto a new section, designated §33-3-14e, all relating to funding for
4 health sciences and medical schools in this state; eliminating the direction of proceeds of
5 the soda tax into special medical school fund; providing for the eventual elimination of the
6 tax; providing for a sunset date; directing a portion of insurance premium tax to health
7 sciences and medical schools in this state; setting out findings; providing for specific
8 amounts to be directed to Health Sciences Center at West Virginia University, Marshall
9 University School of Medicine, and West Virginia school of Osteopathic Medicine;
10 providing for effective dates, providing for quarterly distribution for dedicated fund; and
11 providing that the amounts directed from premium tax shall not limit total appropriation to
12 the health sciences and medical schools.

Be it enacted by the Legislature of West Virginia:

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, an An excise~~
3 ~~tax is hereby levied and imposed on and after midnight of June 30, 1951, upon the sale, use,~~
4 ~~handling or distribution of all bottled soft drinks and all soft drink syrups, whether manufactured~~
5 ~~within or without this state, as follows:~~

6 (1) On each bottled soft drink, a tax of one cent on each sixteen and nine-tenths fluid
7 ounces, or fraction thereof, or on each one-half liter, or fraction thereof contained therein.

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

11 (3) On each ounce by weight of dry mixture or fraction thereof used for making soft drinks,
12 a tax of one cent or on each 28.35 grams, or fraction thereof, a tax of 1 cent.

13 (b) Any person manufacturing or producing within this state any bottled soft drink or soft
14 drink syrup for sale within this state and any distributor, wholesale dealer or retail dealer or any
15 other person who is the original consignee of any bottled soft drink or soft drink syrup
16 manufactured or produced outside this state, or who brings such drinks or syrups into this state,
17 shall be liable for the excise tax hereby imposed. The excise tax hereby imposed shall not be
18 collected more than once in respect to any bottled soft drink or soft drink syrup manufactured,
19 sold, used or distributed in this state.

20 ~~All revenue collected by the commissioner under the provisions of this article, less such~~
21 ~~costs of administration as are hereinafter provided for, shall be paid by him into a special medical~~
22 ~~school fund, which is hereby created in the State Treasury, to be used solely for the construction,~~
23 ~~maintenance and operation of a four-year school of medicine, dentistry and nursing, as otherwise~~
24 ~~provided by law~~

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

§11-19-13. Effective date of repeal of article.

1 Effective July 1, 2024, the provisions of this article shall become ineffective, and the entire
2 article shall be repealed. The soft drink tax authorized for collection shall no longer be imposed
3 or collected after that date.

CHAPTER 33. INSURANCE

ARTICLE 3. LICENSING, FEES AND TAXATION OF INSURERS.

§33-3-14e. Use of insurance premium tax proceeds to support health sciences and medical
schools.

1 (a) The Legislature recognizes that the schools of medicine, dentistry, nursing, and related
2 programs of the Health Sciences Center of West Virginia University School of Medicine; the

3 Medical School at Marshall University; and the West Virginia School of Osteopathic Medicine,
4 each provide critical, medical, and related health educational and service opportunities for the
5 significant benefit of the residents of the State of West Virginia. The Legislature finds and declares
6 that it should dedicate a portion of the insurance tax proceeds credited to the general fund as
7 contemplated by §33-14-1 et seq. and §33-14A-1 et seq. of this code to provide a dedicated partial
8 base of appropriation support for these schools.

9 (b) Effective July 1, 2022, to support these schools, the Legislature shall annually
10 appropriate from the amounts sent to the credit of the General Revenue Fund pursuant to §33-3-
11 14(c) of this code and §33-3-14a of this code, as follows:

12 (1) To the schools of medicine, dentistry, nursing, and related programs of the Health
13 Sciences Center of West Virginia University, \$14 million;

14 (2) To the School of Medicine at Marshall University, \$5,500,000; and

15 (3) To the West Virginia school of Osteopathic Medicine, \$3,900,000.

16 (c) These funds shall be dedicated quarterly from the collection of the insurance premium
17 tax in the months of July, October, February, and April of each fiscal year. Each school as set
18 forth in subsection (b) of this section shall receive their dedicated funds at the rate of one quarter
19 of the full amount in each of those months.

20 (d) Nothing in this section shall be construed to limit the amount of total appropriations to
21 schools of medicine, dentistry, nursing, and related programs of the Health Sciences Center of
22 West Virginia University, the Medical School at Marshall University, and the West Virginia School
23 of Osteopathic Medicine to the amounts contemplated by this section.