

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

Senate Bill 585

By Senator Caputo

[Introduced January 29, 2024; referred
to the Committee on Banking and Insurance; and
then to the Committee on Finance]

1 A BILL to amend §5-16-13 of the Code of West Virginia, 1931, as amended, relating to the use of
 2 legal cannabis sales profits to offset employee contributions to the Public Employees
 3 Insurance program.

Be it enacted by the Legislature of West Virginia:

ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.

**§5-16-18. Payment of costs by employer; schedule of insurance; special funds created;
duties of Treasurer with respect thereto.**

1 (a) All employers operating from state general revenue or special revenue funds, or federal
 2 funds, or any combination of those funds, shall budget the cost of insurance coverage provided by
 3 the Public Employees Insurance Agency to current and retired employees of the employer as a
 4 separate line item titled PEIA in its respective annual budget and are responsible for the transfer of
 5 funds to the director for the cost of insurance for employees covered by the plan. Each spending
 6 unit shall pay to the director its proportionate share from each source of funds. Any agency wishing
 7 to charge General Revenue Funds for insurance benefits for retirees under §5-16-13 of this code
 8 shall provide documentation to the director that the benefits cannot be paid for by any special
 9 revenue account or that the retiring employee has been paid solely with General Revenue Funds
 10 for 12 months prior to retirement.

11 (b) If the general revenue appropriation for any employer, excluding county boards of
 12 education, is insufficient to cover the cost of insurance coverage for the employer's participating
 13 employees, retired employees, and surviving dependents, the employer shall pay the remainder of
 14 the cost from its "personal services" or "unclassified" line items. The amount of the payments for
 15 county boards of education shall be determined by the method set forth in §18-9A-24 of this code:
 16 *Provided*, That local excess levy funds shall be used only for the purposes for which they were
 17 raised: *Provided, however*, That after approval of its annual financial plan, but in no event later
 18 than December 31 of each year, the finance board shall notify the Legislature and county boards of
 19 education of the maximum amount of employer premiums that the county boards of education

20 shall pay for covered employees during the following fiscal year.

21 (c) All other employers not operating from the state General Revenue Fund shall pay to the
22 director their share of premium costs from their respective budgets. The finance board shall
23 establish the employers' share of premium costs to reflect and pay the actual costs of the
24 coverage including incurred but not reported claims.

25 (d) The contribution of the other employers that are counties, cities, or towns in the state;
26 any separate corporation or instrumentality established by one or more counties, cities, or towns,
27 as permitted by law; any corporation or instrumentality supported in most part by counties, cities or
28 towns; any public corporation charged by law with the performance of a governmental function and
29 whose jurisdiction is coextensive with one or more counties, cities, or towns; any comprehensive
30 community mental health center or comprehensive mental health facility established, operated, or
31 licensed by the Secretary of the Department of Health and Human Resources pursuant to §27-2A-
32 1 *et seq.* of this code, and which is supported in part by state, county, or municipal funds; and a
33 combined city-county health department created pursuant to §16-2-1 *et seq.* of this code for their
34 employees shall be the percentage of the cost of the employees' insurance package as the
35 employers determine reasonable and proper under their own particular circumstances.

36 (e) The employee's proportionate share of the premium or cost shall be withheld or
37 deducted by the employer from the employee's salary or wages as and when paid and the sums
38 shall be forwarded to the director with any supporting data as the director may require. If the sale of
39 recreational cannabis is legalized in West Virginia, 50% of the profits from the sale of recreational
40 cannabis shall be used to offset the employee's proportionate share of the premium or cost, as set
41 forth in this section.

42 (f) All moneys received by the Public Employees Insurance Agency shall be deposited in a
43 special fund or funds as are necessary in the State Treasury and the Treasurer is custodian of the
44 fund or funds and shall administer the fund or funds in accordance with the provisions of this article
45 or as the director may from time to time direct. The Treasurer shall pay all warrants issued by the

46 State Auditor against the fund or funds as the director may direct in accordance with the provisions
47 of this article. All funds received by the agency, shall be deposited, as determined by the director,
48 in any of the investment pools with the West Virginia Investment Management Board, with the
49 interest income or other earnings a proper credit to all such funds for the benefit of the Public
50 Employees Insurance Agency.

51 (g) The Public Employees Insurance Agency may recover an additional interest amount
52 from any employer that fails to pay in a timely manner any premium or minimum annual employer
53 payment, as defined in §5-16D-1 *et seq.* of this code, which is due and payable to the Public
54 Employees Insurance Agency or the Retiree Health Benefit Trust. The agency may recover the
55 amount due plus an additional amount equal to 2.5 percent per annum of the amount due. Accrual
56 of interest owed by the delinquent employer commences upon the 31st day following the due date
57 for the amount owed and shall continue until receipt by the Public Employees Insurance Agency of
58 the delinquent payment. Interest shall compound every 30 days.

NOTE: The purpose of this bill is to the use of legal cannabis sales profits to offset
employee contributions to the Public Employees Insurance program if the sale of
recreational cannabis is legalized in West Virginia

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