

1 Introduced by Committee on Health Care

2 Date:

3 Subject: Health; Medicaid; health insurance; Vermont Health Benefit

4 Exchange; claims tax; State Health Care Resources Fund

5 Statement of purpose of bill as introduced: This bill proposes to establish state  
6 premium tax credits and cost-sharing subsidies for individuals purchasing  
7 health insurance through the Vermont Health Benefit Exchange. It would  
8 impose an excise tax on sugar-sweetened beverages **and repeal the**  
9 **employers' health care fund contribution assessment.** The bill would also  
10 consolidate the existing health care claims assessment and the health care  
11 information technology reinvestment fee into a new health care claims tax,  
12 which would increase over two years from 0.999 percent of an insurer's claims  
13 paid in fiscal year 2013 to 1.999 percent of its claims paid in fiscal year 2015.

14 An act relating to establishing premium and cost-sharing assistance, a  
15 sugar-sweetened beverage tax, and a health care claims tax

16 It is hereby enacted by the General Assembly of the State of Vermont:

17 Sec. 1. 33 V.S.A. § 1802(9) is added to read:

18 (9) "Modified adjusted gross income" shall have the same meaning as in  
19 26 U.S.C. § 36B(d)(2)(B).

20 Sec. 2. 33 V.S.A. § 1812 is added to read:

1        § 1812. FINANCIAL ASSISTANCE TO INDIVIDUALS

2            (a)(1) An individual or family eligible for federal premium tax credits  
3        under 26 U.S.C. § 36B with income less than or equal to 300 percent of the  
4        federal poverty level (FPL) shall be eligible for premium assistance from the  
5        State of Vermont.

6            (2) The Department of Vermont Health Access shall establish a  
7        premium schedule on a sliding scale based on modified adjusted gross income  
8        for the individuals and families described in subdivision (1) of this subsection.  
9        The Department shall reduce the premium contribution for these individuals  
10       and families by 1.5 percent below the premium amount established in  
11       26 U.S.C. § 36B.

12           (3) Premium assistance shall be available for the same qualified health  
13        benefit plans for which federal premium tax credits are available.

14           (b)(1) An individual or family with income at or below 300 percent FPL  
15        shall be eligible for cost-sharing assistance, including a reduction in the  
16        out-of-pocket maximums established under Section 1402 of the Affordable  
17        Care Act.

18           (2) The Department of Vermont Health Access shall establish  
19        cost-sharing assistance on a sliding scale based on modified adjusted gross  
20        income for the individuals and families described in subdivision (1) of this  
21        subsection. Cost-sharing assistance shall be established as follows:

1           (A) for households with income at or below 150 percent FPL: 94  
2 percent actuarial value;

3           (B) for households with income above 150 percent FPL and at or  
4 below 200 percent FPL: 87 percent actuarial value;

5           (C) for households with income above 200 percent FPL and at or  
6 below 250 percent FPL: 77 percent actuarial value; and

7           (D) for households with income above 250 percent FPL and at or  
8 below 300 percent FPL: 73 percent actuarial value.

9           (3) Cost-sharing assistance shall be available for the same qualified  
10 health benefit plans for which federal cost-sharing assistance is available and  
11 shall be administered using the same methods set forth in Section 1402 of the  
12 Affordable Care Act.

13           (c) To the extent feasible, the Department shall use the same mechanisms  
14 provided in the Affordable Care Act to establish financial assistance under this  
15 section in order to minimize confusion and complication for individuals,  
16 families, and health insurers.

### 17           Sec. 3. COST-SHARING SUBSIDIES; MANAGED CARE ENTITY

#### 18                           INVESTMENTS

19           (a) It is the intent of the General Assembly to ensure that low- and middle-  
20 income individuals purchasing health insurance through the Vermont Health  
21 Benefit Exchange (Exchange) have financial protection from large out-of-

1 pocket costs. The State of Vermont should enhance cost-sharing subsidies  
2 available in the Exchange if federal financial participation is available by  
3 funding the subsidies as a managed care entity investment through the Global  
4 Commitment to Health Section 1115 Medicaid waiver. If the Centers for  
5 Medicaid and Medicare Services (CMS) approves the State’s request to  
6 consolidate the Global Commitment to Health Section 1115 Medicaid waiver  
7 and the Choices for Care Sections 1115 Medicaid waiver, it is the intent of the  
8 General Assembly to include the enhanced cost-sharing subsidies as such an  
9 investment.

10 (b)(1) In the event that the Global Commitment to Health Section 1115  
11 Medicaid waiver and the Choices for Care Sections 1115 Medicaid waiver are  
12 consolidated by CMS prior to November 1, 2013 and the State has sufficient  
13 financial capacity for new managed care entity investments, the Commissioner  
14 of Vermont Health Access shall propose to the Joint Fiscal Committee to  
15 modify the cost-sharing subsidy established in 33 V.S.A. § 1812(b) as follows:

16 (A) Cost-sharing assistance established in 18 V.S.A. § 1812(b)(2)(C)  
17 for households with income above 200 percent of the federal poverty level  
18 (FPL) and at or below 250 percent FPL shall be increased from 77 percent to  
19 83 percent actuarial value.

1           (B) Cost-sharing assistance established in 18 V.S.A. § 1812(b)(2)(D)  
2           for households with income above 250 percent FPL and at or below 300  
3           percent FPL shall be increased from 73 percent to 77 percent actuarial value.

4           (C) Cost-sharing assistance shall be established for households with  
5           income above 300 percent FPL and at or below 350 percent FPL at 73 percent  
6           actuarial value.

7           (2) The Joint Fiscal Committee shall review the proposal at its next  
8           scheduled meeting after notice from the Commissioner of Vermont Health  
9           Access of approval from CMS and the Commissioner’s assessment of the  
10           State’s financial capacity for new investments. The Committee shall review  
11           the relevant information to determine whether the CMS approval to  
12           consolidate the waivers did create sufficient financial capacity to include the  
13           subsidy as an investment. If the Committee so determines, it shall approve  
14           implementation of the proposal in subsection (b) of this Section.

15           (c) In the event that the Global Commitment to Health Section 1115  
16           Medicaid waiver and the Choices for Care Sections 1115 Medicaid waiver are  
17           consolidated by CMS after November 1, 2013 and the State has sufficient  
18           financial capacity for new managed care entity investments, the Commissioner  
19           of Vermont Health Access shall propose to modify the cost-sharing subsidy  
20           established in 33 V.S.A. § 1812(b) in its budget adjustment request as follows:

1           (A) Cost-sharing assistance established in 18 V.S.A. § 1812(b)(2)(C)  
2           for households with income above 200 percent of the federal poverty level  
3           (FPL) and at or below 250 percent FPL shall be increased from 77 percent to  
4           83 percent actuarial value.

5           (B) Cost-sharing assistance established in 18 V.S.A. § 1812(b)(2)(D)  
6           for households with income above 250 percent FPL and at or below 300  
7           percent FPL shall be increased from 73 percent to 77 percent actuarial value.

8           (C) Cost-sharing assistance shall be established for households with  
9           income above 300 percent FPL and at or below 350 percent FPL at 73 percent  
10           actuarial value.

11       Sec. 4. ~~21 V.S.A. § 2002(3) is amended to read:~~

12           ~~(3) “Full-time equivalent” or “FTE” means the number of~~  
13           ~~employees expressed as the number of employee hours worked during a~~  
14           ~~calendar quarter divided by 520. “Full-time equivalent” shall not include~~  
15           ~~any employee hours attributable to a seasonal employee or part-time~~  
16           ~~employee of an employer who offers health care coverage to all of its~~  
17           ~~regular full-time employees, provided that the seasonal employee or part-~~  
18           ~~time employee has health care coverage under either a private or any~~  
19           ~~public plan except VHAP or Medicaid.~~

20       Sec. 5. ~~21 V.S.A. § 2003 is amended to read:~~

21       ~~§ 2003. HEALTH CARE FUND CONTRIBUTION ASSESSMENT~~



1 **Sec. 6.** 33 V.S.A. § 1901d is amended to read:

2 § 1901d. STATE HEALTH CARE RESOURCES FUND

3 (a) ~~The state health care resources fund~~ State Health Care Resources Fund  
4 is established in the ~~treasury~~ Treasury as a special fund to be a source of  
5 financing health care coverage for beneficiaries of the state health care  
6 assistance programs under the Global Commitment to ~~health~~ Health waiver  
7 approved by the Centers for Medicare and Medicaid Services under Section  
8 1115 of the Social Security Act ~~and for the Catamount Health assistance~~  
9 ~~program under subchapter 3A of chapter 19 of this title~~ and a source of  
10 financing for the Vermont Health Benefit Exchange established in chapter 18,  
11 subchapter 1 of this title.

12 (b) Into the ~~fund~~ Fund shall be deposited:

13 (1) all revenue from the tobacco products tax and from the cigarette tax  
14 levied pursuant to 32 V.S.A. chapter 205;

15 (2) revenue from health care provider assessments pursuant to  
16 subchapter 2 of chapter 19 of this title;

17 (3) ~~revenue from the employer health care premium contribution~~  
18 ~~pursuant to 21 V.S.A. chapter 25;~~

19 (4) revenue from the health care claims ~~assessments~~ tax pursuant to  
20 ~~8 V.S.A. § 40891~~ 32 V.S.A. § 10402(b)(2);

1 (5) premium amounts paid by individuals unless paid directly to the  
2 insurer;

3 (6) the proceeds from grants, donations, contributions, taxes, and any  
4 other sources of revenue as may be provided by statute, rule, or act of the  
5 ~~general assembly~~ General Assembly; ~~and~~

6 (7) any remaining balance in the terminated Catamount ~~fund~~ Fund as of  
7 June 30, 2012; ~~and~~

8 **(8) revenue from the sugar-sweetened beverage tax levied pursuant**  
9 **to 32 V.S.A. chapter 227, as set forth in 32 V.S.A. § 9403(b) and 33 V.S.A.**  
10 **§ 1901g.**

11 \* \* \*

12 (d) All monies received by or generated to the ~~fund~~ Fund shall be used only  
13 as allowed by appropriation of the ~~general assembly~~ General Assembly for the  
14 administration and delivery of health care covered through state health care  
15 assistance programs administered by the ~~agency~~ Agency under the Global  
16 Commitment for Health Medicaid Section 1115 waiver, ~~the Catamount Health~~  
17 ~~assistance program under subchapter 3A of chapter 19 of this title,~~  
18 ~~employer sponsored insurance premium assistance under section 1974 of this~~  
19 ~~title, the Vermont Health Benefit Exchange established in chapter 18,~~  
20 ~~subchapter 1 of this title,~~ immunizations under 18 V.S.A. § 1130, and the

1 development and implementation of the Blueprint for Health under 18 V.S.A.  
2 § 702.

3 **Sec. 4a. 33 V.S.A. § 1901g is added to read:**

4 **§ 1901g. COMBATTING OBESITY FUND**

5 (a) The Combatting Obesity Fund is established in the Treasury as a special  
6 fund to finance the initiatives described in this section. Into the Fund shall be  
7 deposited revenue from the sugar-sweetened beverage tax levied pursuant to  
8 32 V.S.A. chapter 227, as set forth in 32 V.S.A. § 9403(b).

9 (b) The Fund shall be administered pursuant to 32 V.S.A. chapter 7,  
10 subchapter 5, except that interest earned on the Fund and any remaining  
11 balance shall be retained in the Fund. The Agency shall maintain records  
12 indicating the amount of money in the Fund at any time.

13 (c) All monies received by or generated to the Fund shall be used only as  
14 allowed by appropriation of the General Assembly for the authorized purposes  
15 described in this subsection. The authorized purposes are listed in order of  
16 priority; each higher priority category must be fully funded before any monies  
17 remaining in the Fund may be applied to the next listed category. Monies in  
18 the Fund shall be:

19 (1) applied for the purpose of doubling the purchasing power of  
20 3SquaresVT beneficiaries on purchases of fresh fruits and vegetables at

1 farmers’ markets and on purchases of fresh produce, milk **products**, and 100%  
2 fruit juice at **3SquaresVT** participating retailers;

3 (2) **used for** public health initiatives developed by the Department of  
4 Health, in consultation with interested stakeholders, to combat obesity in  
5 Vermont; **and**

6 (3) **after full satisfaction of the needs set forth in subdivisions (1)**  
7 **and (2) of this subsection, deposited in the State Health Care Resources**  
8 **Fund established in section 1901g of this title.**

9 Sec. 5. 32 V.S.A. chapter 243 is added to read:

10 CHAPTER 243. HEALTH CARE CLAIMS TAX

11 § 10401. DEFINITIONS

12 As used in this section:

13 (1) “Health insurance” means any group or individual health care  
14 benefit policy, contract, or other health benefit plan offered, issued, renewed,  
15 or administered by any health insurer, including any health care benefit plan  
16 offered, issued, renewed, or administered by any health insurance company,  
17 any nonprofit hospital and medical service corporation, any dental service  
18 corporation, or any managed care organization as defined in 18 V.S.A. § 9402.  
19 The term includes comprehensive major medical policies, contracts, or plans  
20 and Medicare supplemental policies, contracts, or plans, but does not include  
21 Medicaid or any other state health care assistance program in which claims are

1 financed in whole or in part through a federal program, unless authorized by  
2 federal law and approved by the General Assembly. The term does not include  
3 policies issued for specified disease, accident, injury, hospital indemnity,  
4 long-term care, disability income, or other limited benefit health insurance  
5 policies, except that any policy providing coverage for dental services shall be  
6 included.

7 (2) “Health insurer” means any person who offers, issues, renews, or  
8 administers a health insurance policy, contract, or other health benefit plan in  
9 this State, and includes third party administrators or pharmacy benefit  
10 managers who provide administrative services only for a health benefit plan  
11 offering coverage in this State. The term does not include a third party  
12 administrator or pharmacy benefit manager to the extent that a health insurer  
13 has paid the fee which would otherwise be imposed in connection with health  
14 care claims administered by the third party administrator or pharmacy benefit  
15 manager.

16 § 10402. HEALTH CARE CLAIMS TAX

17 (a) There is imposed on every health insurer an annual tax in an amount  
18 equal to 0.999 of one percent of all health insurance claims paid by the health  
19 insurer for its Vermont members in the previous fiscal year ending June 30 The  
20 annual fee shall be paid to the Commissioner of Taxes in one installment due  
21 by January 1.

1        (b) Revenues paid and collected under this chapter shall be deposited as  
2 follows:

3            (1) 0.199 of one percent of all health insurance claims into the Health  
4 IT-Fund established in 32 V.S.A. § 10301; and

5            (2) the balance into the State Health Care Resources Fund established in  
6 33 V.S.A. § 1901d.

7        (c) The annual cost to obtain Vermont Healthcare Claims Uniform  
8 Reporting and Evaluation System (VHCURES) data, pursuant to 18 V.S.A.  
9 § 9410, for use by the Department of Taxes shall be paid from the Vermont  
10 Health IT-Fund and the State Health Care Resources Fund in the same  
11 proportion as revenues are deposited into those Funds.

12        (d) It is the intent of the General Assembly that all health insurers shall  
13 contribute equitably through the tax imposed in subsection (a) of this section.  
14 In the event that the tax is found not to be enforceable as applied to third party  
15 administrators or other entities, the tax owed by all other health insurers shall  
16 remain at the existing level and the General Assembly shall consider  
17 alternative funding mechanisms that would be enforceable as to all health  
18 insurers.

19        § 10403. ADMINISTRATION OF TAX

1        (a) The Commissioner of Taxes shall administer and enforce this chapter  
2        and the tax. The Commissioner may adopt rules under 3 V.S.A. chapter 25 to  
3        carry out such administration and enforcement.

4        (b) All of the administrative provisions of chapter 151 of this title,  
5        including those relating to the collection and enforcement by the  
6        Commissioner of the withholding tax and the income tax, shall apply to the tax  
7        imposed by this chapter. In addition, the provisions of chapter 103 of this title,  
8        including those relating to the imposition of interest and penalty for failure to  
9        pay the tax as provided in section 10402 of this title, shall apply to the tax  
10       imposed by this chapter.

11       § 10404. DETERMINATION OF DEFICIENCY, REFUND, PENALTY, OR  
12       INTEREST

13       (a) Within 60 days after the mailing of a notice of deficiency, denial or  
14       reduction of a refund claim, or assessment of penalty or interest, a health  
15       insurer may petition the Commissioner in writing for a determination of that  
16       deficiency, refund, or assessment. The Commissioner shall thereafter grant a  
17       hearing upon the matter and notify the health insurer in writing of his or her  
18       determination concerning the deficiency, penalty, or interest. This is the  
19       exclusive remedy of a health insurer with respect to these matters.

20       (b) Any hearing granted by the Commissioner under this section shall be  
21       subject to and governed by 3 V.S.A. chapter 25.





1 (1) revenue from the ~~reinvestment fee~~ health care claims tax imposed on  
2 health insurers pursuant to ~~8 V.S.A. § 4089k~~ subdivision 10402(b)(1) of this  
3 title.

4 \* \* \*

5 Sec. 10. 2008 Acts and Resolves No. 192, Sec. 9.001(g) is amended to read:

6 (g) Sec. 7.005 of this act shall sunset July 1, ~~2015~~ 2013.

7 Sec. 11. 32 V.S.A. chapter 227 is added to read:

8 CHAPTER 227. SUGAR-SWEETENED BEVERAGE TAX

9 § 9401. DEFINITIONS

10 As used in this chapter:

11 (1) “Commissioner” means the Commissioner of Taxes and his or her  
12 authorized agents and employees.

13 (2) “Consumer” means a person who purchases or otherwise obtains a  
14 sugar-sweetened beverage for consumption and not for sale to another.

15 (3) “Department” means the Vermont Department of Taxes.

16 (4) “Distributor” means any person, including a manufacturer and a  
17 wholesale dealer, who receives, stores, manufactures, bottles, or distributes  
18 syrup, powder, or sugar-sweetened beverages for sale to retailers, whether or  
19 not that person also sells such products to consumers. “Distributor” also  
20 means any person importing or causing to be imported syrup, powder, or

1 sugar-sweetened beverages into the state from outside the state for sale to a  
2 retailer or consumer.

3 (5) “Place of business” means any place where syrup, powder, or  
4 sugar-sweetened beverages are manufactured or received for sale in the state.

5 (6) “Powder” means any solid mixture of ingredients used in making,  
6 mixing, or compounding sugar-sweetened beverages by mixing the powder  
7 with any one or more other ingredients, including water, ice, syrup, simple  
8 syrup, fruits, vegetables, fruit juice, vegetable juice, or carbonation or  
9 other gas.

10 (7) “Retailer” means any person who sells syrup, powder, or  
11 sugar-sweetened beverages to consumers in the state.

12 (8) “Sale” means the transfer of title or possession for valuable  
13 consideration regardless of the manner by which the transfer is completed.

14 (9) “Sugar-sweetened beverage” means any nonalcoholic beverage,  
15 carbonated or noncarbonated, which is intended for human consumption and  
16 contains any added sweetener. As used in this definition, “nonalcoholic  
17 beverage” means any beverage that contains less than one-half of one percent  
18 alcohol per volume. However, the term “sugar-sweetened beverage” does  
19 not include:

20 (A) beverages consisting of 100 percent natural fruit or vegetable  
21 juice with no added sweetener. For purposes of this subdivision (9), “natural

1 fruit juice” and “natural vegetable juice” mean the original liquid resulting  
2 from the pressing of fruits or vegetables or the liquid resulting from the  
3 dilution of dehydrated natural fruit juice or natural vegetable juice;

4 (B) milk, with or without any added sweetener, which means natural  
5 liquid milk regardless of animal source or butterfat content; natural milk  
6 concentrate, whether or not reconstituted, regardless of animal source or  
7 butterfat content; dehydrated natural milk, whether or not reconstituted and  
8 regardless of animal source or butterfat content; or soy, rice, or similar milk  
9 substitutes;

10 (C) maple syrup or raw honey; or

11 (D) infant formula.

12 (10) “Sweetener” means any caloric substance suitable for human  
13 consumption that humans perceive as sweet and includes sucrose, fructose,  
14 glucose, or other sugars but does not include any substance that adds fewer  
15 than five calories per reference amount customarily consumed or per labeled  
16 serving.

17 (11) “Syrup” means a liquid mixture of ingredients used in making,  
18 mixing, or compounding sugar-sweetened beverages using one or more other  
19 ingredients, such as water, ice, powder, simple syrup, fruits, vegetables, fruit  
20 juice, vegetable juice, or carbonation or other gas. However, the term “syrup”  
21 does not include maple syrup or raw honey.

1     § 9402. TAX IMPOSED

2           (a) There is imposed an excise tax on every distributor of \$0.01 per ounce  
3     upon sugar-sweetened beverages sold in the State.

4           (b) There is imposed on every distributor an excise tax of \$0.01 per ounce  
5     of syrup and powder sold in the State. For purposes of calculating the tax  
6     under this subsection, the taxable volume of syrup or powder shall be equal to  
7     the largest volume of sugar-sweetened beverage resulting from use of the syrup  
8     or powder according to the manufacturer's instructions.

9     § 9403. RETURNS AND REMITTANCES

10          (a) Any distributor liable for the tax imposed by this chapter shall, on or  
11     before the 15th day of every month, return to the Commissioner, under oath of  
12     a person with legal authority to bind the distributor, a statement containing its  
13     name and place of business, the quantity of syrup, powder, and  
14     sugar-sweetened beverages subject to the excise tax imposed by this chapter  
15     sold in the preceding month, and any other information required by the  
16     Commissioner, along with the tax due.

17          (b) The revenue from the tax imposed by this chapter shall be deposited as  
18     **follows:**

19                 **(1) For fiscal year 2014, \$12,720,000 shall be deposited in the State**  
20     Health Care Resources Fund established under 33 V.S.A. § 1901d. **For each**  
21     **fiscal year after fiscal year 2014, the amount to be deposited in the State**

1 **Health Care Resources Fund shall be adjusted by a percentage equal to**  
2 **any percentage in the premium for the second-lowest cost silver-level plan**  
3 **in the Vermont Health Benefit Exchange.**

4 **(2) The remainder of the revenue shall be deposited in the**  
5 **Combatting Obesity Fund established in 33 V.S.A. § 1901g.**

6 **§ 9404. RECORDS**

7 Every distributor shall maintain, for not less than three years, accurate  
8 records showing all transactions subject to tax liability under this chapter.

9 Distributors must identify the amount of tax collected on a separate invoice  
10 line on sales to retailers. These records are subject to inspection by the  
11 Commissioner at all reasonable times during normal business hours.

12 **§ 9405. EXEMPTIONS**

13 The following shall be exempt from the tax imposed by section 9402 of this  
14 chapter:

15 (1) syrup, powder, or sugar-sweetened beverages sold to the  
16 U.S. government, its subdivisions, or under any other circumstances in which  
17 the State is without power to impose the tax;

18 (2) syrup, powder, or sugar-sweetened beverages sold by a distributor  
19 for resale or consumption outside the State; and

20 (3) syrup, powder, or sugar-sweetened beverages sold by a distributor to  
21 another distributor and not intended for resale to a consumer if the purchasing

1 distributor holds a license issued under section 9406 of this chapter and if the  
2 sales invoice clearly indicates that the sale is exempt.

3 § 9406. LICENSE REQUIRED

4 Each distributor shall secure a license from the Commissioner before  
5 engaging in the business of selling sugar-sweetened beverages in the State.

6 § 9407. APPLICATION FOR AND ISSUANCE OF LICENSE

7 (a) A separate application and license is required for each wholesale outlet  
8 when a distributor owns or controls more than one such outlet.

9 (b) Licenses shall be issued by the Commissioner on application, without  
10 charge, on forms prescribed by the Commissioner, stating the name and  
11 address of the applicant, the address of the place of business, the type of  
12 business, and any other information the Commissioner may require for the  
13 proper administration of this chapter.

14 § 9408. TERM OF LICENSES

15 Each license issued under the provisions of this chapter shall be valid as  
16 long as the licensee continues to do business at the place named, unless the  
17 license is revoked or suspended by the Commissioner as provided in section  
18 9409 of this chapter. If the business is sold or transferred or if the licensee  
19 ceases to do business at the place named, the license shall immediately be  
20 returned to the Commissioner for cancellation.

1        § 9409. REVOCATION AND SUSPENSION OF LICENSES

2            The Commissioner may revoke or suspend the license of any licensee for  
3        failure to comply with any provision of this chapter or for failure to comply  
4        with the provisions of 11 V.S.A. chapter 15.

5        § 9410. PENALTIES

6            (a) Any person subject to the provisions of this chapter who fails to pay the  
7        tax imposed by this chapter by the date that payment is due or fails to submit a  
8        return as required by this chapter is subject to the provisions of section 3202 of  
9        this title (interest and penalties).

10          (b) Any person subject to the provisions of this chapter who sells or offers  
11        for sale any syrup, powder, or sugar-sweetened beverages in the State without  
12        holding a license as required by this chapter is liable for a penalty of up to  
13        \$100.00 for each day such sales are made or offered.

14        § 9411. APPEALS

15          Any person aggrieved by an action taken by the Commissioner under this  
16        chapter may appeal in writing to the Commissioner for a review. The  
17        Commissioner shall then grant a hearing under 3 V.S.A. chapter 25 and notify  
18        the aggrieved person in writing of his or her determination. The  
19        Commissioner's determination may be appealed within 30 days to the Superior  
20        Court of the county of this State in which the taxpayer resides or has a place of  
21        business or to the Superior Court of Washington County.

1     § 9412. BONDING

2             When the Commissioner, in his or her discretion, considers it necessary to  
3     protect the revenues raised under this chapter, he or she may require any  
4     licensee to file with him or her a bond under the terms of section 3114 of  
5     this title.

6     Sec. 12. MONITORING

7             The Department of Health shall develop criteria and components for an  
8     independent evaluation to assess the impact that the sugar-sweetened beverage  
9     tax has on consumption of products affected by the implementation of the tax.  
10    Specifically, the evaluation shall seek to determine the impact of these  
11    exclusions on consumer purchasing and health outcomes. The amount of  
12    \$100,000.00 is appropriated to the Department of Health for this purpose.

13    Sec. 13. LEGISLATIVE INTENT

14             ~~It is the intent of the General Assembly that the excise tax created by~~  
15    ~~this act shall have the effect of raising the retail price of sugar sweetened~~  
16    ~~beverages by the amount of the tax. Executive agencies shall interpret~~  
17    ~~and implement this tax in such a way as to further this intent.~~ It is the  
18    intent of the General Assembly to encourage Vermonters to curb their  
19    consumption of sugar-sweetened beverages and make healthier drink choices.  
20    The General Assembly encourages the beverage industry to continue to offer  
21    healthy choices to consumers and to maintain the price differential, established

1 by the sugar-sweetened beverage tax, between sugar-sweetened beverages and  
2 other, healthier drinks, as a means of encouraging consumers to move toward  
3 healthier beverage choices.

4 Sec. 14. REPEAL

5 (a) 8 V.S.A. § 4089I (health care claims assessment) is repealed on July 1,  
6 2013.

7 (b) 21 V.S.A. chapter 25 (employers' health care fund contribution) is  
8 repealed on January 1, ~~2015~~ 2014.

9 Sec. 15. EFFECTIVE DATES

10 (a) Secs. 1 (modified adjusted gross income definition) and 2 (Exchange  
11 financial assistance) of this act shall take effect on October 1, 2013 to allow for  
12 their application to insurance plans with coverage beginning January 1, 2014.

13 (b) ~~Secs. 4 (VHAP), 5 (modifications to employers' health care fund~~  
14 ~~contribution), and Sec. 4 (State Health Care Resources Fund) of this act shall~~  
15 take effect on January 1, 2014.

16 (c) Secs. 5 and 6 (0.999 percent health care claims tax) of this act shall take  
17 effect on July 1, 2013.

18 (d) Sec. 7 (1.499 percent health care claims tax) of this act shall take effect  
19 with respect to taxes due in fiscal year 2015 on claims paid in fiscal year 2014.

1        (e) Sec. 8 (1.999 percent health care claims tax) of this act shall take effect  
2        with respect to taxes due in fiscal year 2016 and thereafter on claims paid in  
3        fiscal year 2015 and thereafter.

4        (f) Secs. **4a (Combatting Obesity Fund) and 11–13** (sugar-sweetened  
5        beverage tax) of this act shall take effect on July 1, 2013.

6        (g) The remaining sections of this act, including this section, shall take  
7        effect on passage.