

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 employers'
9 health care fund contribution assessment. The bill would also consolidate the
10 existing health care claims assessment and the health care information
11 technology reinvestment fee into a new health care claims tax, which would
12 increase over two years from 0.999 percent of an insurer's claims paid in fiscal
13 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. 33 V.S.A. § 1901d is amended to read:

12 § 1901d. STATE HEALTH CARE RESOURCES FUND

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

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

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

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

6 (3) ~~revenue from the employer health care premium contribution~~
7 ~~pursuant to 21 V.S.A. chapter 25 [Deleted.]~~;

8 (4) revenue from the health care claims ~~assessments~~ tax pursuant to
9 ~~8 V.S.A. § 40891~~ 32 V.S.A. § 10402(b)(2);

10 (5) premium amounts paid by individuals unless paid directly to the
11 insurer;

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

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

17 (8) revenue from the sugar-sweetened beverage tax levied pursuant to
18 32 V.S.A. chapter 227, as set forth in 32 V.S.A. § 9403(b) and 33 V.S.A.
19 § 1901g.

20 * * *

1 (d) All monies received by or generated to the ~~fund~~ Fund shall be used only
2 as allowed by appropriation of the ~~general assembly~~ General Assembly for the
3 administration and delivery of health care covered through state health care
4 assistance programs administered by the ~~agency~~ Agency under the Global
5 Commitment for Health Medicaid Section 1115 waiver, ~~the Catamount Health~~
6 ~~assistance program under subchapter 3A of chapter 19 of this title,~~
7 ~~employer-sponsored insurance premium assistance under section 1974 of this~~
8 ~~title, the Vermont Health Benefit Exchange established in chapter 18,~~
9 subchapter 1 of this title, immunizations under 18 V.S.A. § 1130, and the
10 development and implementation of the Blueprint for Health under 18 V.S.A.
11 § 702.

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

13 § 1901g. COMBATTING OBESITY FUND

14 (a) The Combatting Obesity Fund is established in the Treasury as a special
15 fund to finance the initiatives described in this section. Into the Fund shall be
16 deposited revenue from the sugar-sweetened beverage tax levied pursuant to
17 32 V.S.A. chapter 227, as set forth in 32 V.S.A. § 9403(b).

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

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

7 (1) applied for the purpose of doubling the purchasing power of
8 3SquaresVT beneficiaries on purchases of fresh fruits and vegetables at
9 farmers' markets and on purchases of fresh produce, milk, and 100% fruit juice
10 at 3SquaresVT participating retailers;

11 (2) used for public health initiatives developed by the Department of
12 Health, in consultation with interested stakeholders, to combat obesity in
13 Vermont; and

14 (3) after full satisfaction of the needs set forth in subdivisions (1) and (2)
15 of this subsection, deposited in the State Health Care Resources Fund
16 established in section 1901d of this title.

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

18 CHAPTER 243. HEALTH CARE CLAIMS TAX

19 § 10401. DEFINITIONS

20 As used in this section:

1 (1) “Health insurance” means any group or individual health care
2 benefit policy, contract, or other health benefit plan offered, issued, renewed,
3 or administered by any health insurer, including any health care benefit plan
4 offered, issued, renewed, or administered by any health insurance company,
5 any nonprofit hospital and medical service corporation, any dental service
6 corporation, or any managed care organization as defined in 18 V.S.A. § 9402.
7 The term includes comprehensive major medical policies, contracts, or plans
8 and Medicare supplemental policies, contracts, or plans, but does not include
9 Medicaid or any other state health care assistance program in which claims are
10 financed in whole or in part through a federal program, unless authorized by
11 federal law and approved by the General Assembly. The term does not include
12 policies issued for specified disease, accident, injury, hospital indemnity,
13 long-term care, disability income, or other limited benefit health insurance
14 policies, except that any policy providing coverage for dental services shall be
15 included.

16 (2) “Health insurer” means any person who offers, issues, renews, or
17 administers a health insurance policy, contract, or other health benefit plan in
18 this State, and includes third party administrators or pharmacy benefit
19 managers who provide administrative services only for a health benefit plan
20 offering coverage in this State. The term does not include a third party
21 administrator or pharmacy benefit manager to the extent that a health insurer

1 has paid the fee which would otherwise be imposed in connection with health
2 care claims administered by the third party administrator or pharmacy benefit
3 manager.

4 § 10402. HEALTH CARE CLAIMS TAX

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

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

12 (1) 0.199 of one percent of all health insurance claims into the Health
13 IT-Fund established in 32 V.S.A. § 10301; and

14 (2) the balance into the State Health Care Resources Fund established in
15 33 V.S.A. § 1901d.

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

1 (d) It is the intent of the General Assembly that all health insurers shall
2 contribute equitably through the tax imposed in subsection (a) of this section.
3 In the event that the tax is found not to be enforceable as applied to third party
4 administrators or other entities, the tax owed by all other health insurers shall
5 remain at the existing level and the General Assembly shall consider
6 alternative funding mechanisms that would be enforceable as to all health
7 insurers.

8 § 10403. ADMINISTRATION OF TAX

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

12 (b) All of the administrative provisions of chapter 151 of this title,
13 including those relating to the collection and enforcement by the
14 Commissioner of the withholding tax and the income tax, shall apply to the tax
15 imposed by this chapter. In addition, the provisions of chapter 103 of this title,
16 including those relating to the imposition of interest and penalty for failure to
17 pay the tax as provided in section 10402 of this title, shall apply to the tax
18 imposed by this chapter.

19 § 10404. DETERMINATION OF DEFICIENCY, REFUND, PENALTY, OR

20 INTEREST

1 (a) Within 60 days after the mailing of a notice of deficiency, denial or
2 reduction of a refund claim, or assessment of penalty or interest, a health
3 insurer may petition the Commissioner in writing for a determination of that
4 deficiency, refund, or assessment. The Commissioner shall thereafter grant a
5 hearing upon the matter and notify the health insurer in writing of his or her
6 determination concerning the deficiency, penalty, or interest. This is the
7 exclusive remedy of a health insurer with respect to these matters.

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

10 (c) Any aggrieved health insurer may, within 30 days after a determination
11 by the Commissioner concerning a notice of deficiency, an assessment of
12 penalty or interest, or a claim to refund, appeal that determination to the
13 Washington Superior Court or to the Superior Court for the county in which
14 the health insurer has a place of business.

15 Sec. 6. 32 V.S.A. § 3102(e) is amended to read:

16 (e) ~~The commissioner~~ Commissioner may, in his or her discretion and
17 subject to such conditions and requirements as he or she may provide,
18 including any confidentiality requirements of the Internal Revenue Service,
19 disclose a return or return information:

20 ***

1 (14) to the office of the ~~state treasurer~~ State Treasurer, only in the form
2 of mailing labels, with only the last address known to the ~~department of taxes~~
3 Department of Taxes of any person identified to the ~~department~~ Department by
4 the ~~treasurer~~ Treasurer by name and Social Security number, for the ~~treasurer's~~
5 Treasurer's use in notifying owners of unclaimed property; ~~and~~

6 (15) to the ~~department of liquor control~~ Department of Liquor Control,
7 provided that the information is limited to information concerning the sales and
8 use tax and meals and rooms tax filing history with respect to the most recent
9 five years of a person seeking a liquor license or a renewal of a liquor
10 license; ~~and~~

11 (16) to the Commissioner of Financial Regulation and the
12 Commissioner of Vermont Health Access, if such return or return information
13 relates to obligations of health insurers under chapter 243 of this title.

14 Sec. 7. 32 V.S.A. § 10402(a) is amended to read:

15 (a) There is imposed on every health insurer an annual tax in an amount
16 equal to ~~0.999~~ 1.499 of one percent of all health insurance claims paid by the
17 health insurer for its Vermont members in the previous fiscal year ending June
18 30. The annual fee shall be paid to the Commissioner of Taxes in one
19 installment due by January 1.

20 Sec. 8. 32 V.S.A. § 10402(a) is amended to read:

1 (a) There is imposed on every health insurer an annual tax in an amount
2 equal to ~~1.499~~ 1.999 of one percent of all health insurance claims paid by the
3 health insurer for its Vermont members in the previous fiscal year ending
4 June 30. The annual fee shall be paid to the Commissioner of Taxes in one
5 installment due by January 1.

6 Sec. 9. 32 V.S.A. § 10301 is amended to read:

7 § 10301. HEALTH IT-FUND

8 * * *

9 (c) Into the fund shall be deposited:

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

13 * * *

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

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

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

17 CHAPTER 227. SUGAR-SWEETENED BEVERAGE TAX

18 § 9401. DEFINITIONS

19 As used in this chapter:

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

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

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

4 (4) “Distributor” means any person, including a manufacturer and a
5 wholesale dealer, who receives, stores, manufactures, bottles, or distributes
6 syrup, powder, or sugar-sweetened beverages for sale to retailers, whether or
7 not that person also sells such products to consumers. “Distributor” also
8 means any person importing or causing to be imported syrup, powder, or
9 sugar-sweetened beverages into the state from outside the state for sale to a
10 retailer or consumer.

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

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

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

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

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

7 (A) beverages consisting of 100 percent natural fruit or vegetable
8 juice with no added sweetener. For purposes of this subdivision (9), “natural
9 fruit juice” and “natural vegetable juice” mean the original liquid resulting
10 from the pressing of fruits or vegetables or the liquid resulting from the
11 dilution of dehydrated natural fruit juice or natural vegetable juice;

12 (B) milk, with or without any added sweetener, which means natural
13 liquid milk regardless of animal source or butterfat content; natural milk
14 concentrate, whether or not reconstituted, regardless of animal source or
15 butterfat content; dehydrated natural milk, whether or not reconstituted and
16 regardless of animal source or butterfat content; or soy, rice, or similar milk
17 substitutes;

18 (C) maple syrup or raw honey; or

19 (D) infant formula.

20 (10) “Sweetener” means any caloric substance suitable for human
21 consumption that humans perceive as sweet and includes sucrose, fructose,

1 glucose, or other sugars but does not include any substance that adds fewer
2 than five calories per reference amount customarily consumed or per labeled
3 serving.

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

9 § 9402. TAX IMPOSED

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

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

17 § 9403. RETURNS AND REMITTANCES

18 (a) Any distributor liable for the tax imposed by this chapter shall, on or
19 before the 15th day of every month, return to the Commissioner, under oath of
20 a person with legal authority to bind the distributor, a statement containing its
21 name and place of business, the quantity of syrup, powder, and

1 sugar-sweetened beverages subject to the excise tax imposed by this chapter
2 sold in the preceding month, and any other information required by the
3 Commissioner, along with the tax due.

4 (b) The revenue from the tax imposed by this chapter shall be deposited as
5 follows:

6 (1) For fiscal year 2014, \$12,720,000.00 shall be deposited in the State
7 Health Care Resources Fund established under 33 V.S.A. § 1901d. For each
8 fiscal year after fiscal year 2014, the amount to be deposited in the State Health
9 Care Resources Fund shall be adjusted by a percentage equal to any percentage
10 change in the premium for the second-lowest cost silver-level plan in the
11 Vermont Health Benefit Exchange.

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

14 § 9404. RECORDS

15 Every distributor shall maintain, for not less than three years, accurate
16 records showing all transactions subject to tax liability under this chapter.
17 Distributors must identify the amount of tax collected on a separate invoice
18 line on sales to retailers. These records are subject to inspection by the
19 Commissioner at all reasonable times during normal business hours.

20 § 9405. EXEMPTIONS

21 The following shall be exempt from the tax imposed by section 9402 of this

1 chapter:

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

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

7 (3) syrup, powder, or sugar-sweetened beverages sold by a distributor to
8 another distributor and not intended for resale to a consumer if the purchasing
9 distributor holds a license issued under section 9406 of this chapter and if the
10 sales invoice clearly indicates that the sale is exempt.

11 § 9406. LICENSE REQUIRED

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

14 § 9407. APPLICATION FOR AND ISSUANCE OF LICENSE

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

17 (b) Licenses shall be issued by the Commissioner on application, without
18 charge, on forms prescribed by the Commissioner, stating the name and
19 address of the applicant, the address of the place of business, the type of
20 business, and any other information the Commissioner may require for the
21 proper administration of this chapter.

1 § 9408. TERM OF LICENSES

2 Each license issued under the provisions of this chapter shall be valid as
3 long as the licensee continues to do business at the place named, unless the
4 license is revoked or suspended by the Commissioner as provided in section
5 9409 of this chapter. If the business is sold or transferred or if the licensee
6 ceases to do business at the place named, the license shall immediately be
7 returned to the Commissioner for cancellation.

8 § 9409. REVOCATION AND SUSPENSION OF LICENSES

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

12 § 9410. PENALTIES

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

17 (b) Any person subject to the provisions of this chapter who sells or offers
18 for sale any syrup, powder, or sugar-sweetened beverages in the State without
19 holding a license as required by this chapter is liable for a penalty of up to
20 \$100.00 for each day such sales are made or offered.

1 § 9411. APPEALS

2 Any person aggrieved by an action taken by the Commissioner under this
3 chapter may appeal in writing to the Commissioner for a review. The
4 Commissioner shall then grant a hearing under 3 V.S.A. chapter 25 and notify
5 the aggrieved person in writing of his or her determination. The
6 Commissioner’s determination may be appealed within 30 days to the Superior
7 Court of the county of this State in which the taxpayer resides or has a place of
8 business or to the Superior Court of Washington County.

9 § 9412. BONDING

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

14 Sec. 12. MONITORING

15 The Department of Health shall develop criteria and components for an
16 independent evaluation to assess the impact that the sugar-sweetened beverage
17 tax has on consumption of products affected by the implementation of the tax.
18 Specifically, the evaluation shall seek to determine the impact of these
19 exclusions on consumer purchasing and health outcomes. The amount of
20 \$100,000.00 is appropriated to the Department of Health for this purpose.

1 Sec. 13. LEGISLATIVE INTENT

2 It is the intent of the General Assembly to encourage Vermonters to curb
3 their consumption of sugar-sweetened beverages and make healthier drink
4 choices. The General Assembly encourages the beverage industry to continue
5 to offer healthy choices to consumers and to maintain the price differential,
6 established by the sugar-sweetened beverage tax, between sugar-sweetened
7 beverages and other, healthier drinks, as a means of encouraging consumers to
8 move toward healthier beverage choices.

9 Sec. 14. REPEAL

10 (a) 8 V.S.A. § 4089I (health care claims assessment) is repealed on July 1,
11 2013.

12 (b) 21 V.S.A. chapter 25 (employers' health care fund contribution) is
13 repealed on January 1, 2014.

14 Sec. 15. EFFECTIVE DATES

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

18 (b) Sec. 4 (State Health Care Resources Fund) of this act shall take effect
19 on July 1, 2013, except that the amendments to 33 V.S.A. § 1901d(b)(3) shall
20 take effect on January 1, 2014.

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

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

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

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

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

12