

Department of Planning and Budget
2003 Fiscal Impact Statement

1. Bill Number SB1039

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Watkins

3. Committee Commerce and Labor

4. Title Notice of unemployment benefit charges and taxes

5. Summary/Purpose: The bill requires the Virginia Employment Commission (VEC) by December 31 of each year to send to every covered employer a notice of unemployment benefit charges and taxes for the preceding fiscal year. Currently, the VEC sends such notice by July 1 of each year for the preceding calendar year.

6. Fiscal Impact: SEE ITEM 8.

7. Budget amendment necessary: No.

8. Fiscal implications: The bill would combine two separate notices to employers into one mailing. Currently, the notice of benefit charges is sent to employers prior to July 1 of each year and the notice of tax rate changes is sent prior to December 31 of each year. By combining the two notices the bill would reduce postage costs by about \$72,000 per year. The savings amount is based on 194,000 less employer mailings at \$0.37 each. The savings would accrue to the federal administrative grant for unemployment insurance.

9. Specific agency or political subdivisions affected: Virginia Employment Commission.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/17/03/mst

Document: G:\GaSessions\2003Session\Fis\Sb1039.Doc

cc: Secretary of Commerce and Trade