

## Department of Planning and Budget 2004 Fiscal Impact Statement

**1. Bill Number** HB1288

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Tata

**3. Committee** Commerce and Labor

**4. Title** Unemployment compensation; quit to follow military spouse

**5. Summary/Purpose:** Would provide that when the spouse of a member of the military quits his or her job to move with the military spouse to a new assignment from which it is impractical to commute, the spouse's leaving will be considered as leaving for "good cause" and the military spouse will not be disqualified for benefits. The bill also provides that the benefits paid to qualifying claimants shall be charged against the pool rather than against the claimant's employer for the purpose of calculating employer tax rates.

**6. Fiscal Impact Estimates are not available:** SEE ITEM 8.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** The bill will have a fiscal impact on the unemployment trust fund. However, the Virginia Employment Commission cannot determine the impact of this bill because the agency does not track claims for military spouses who quit to move to a new assignment. Regardless, the fiscal impact of this proposed legislation would be minimal, because the complete repeal of the trailing spouse provision would cost \$3.0 million or 0.4 percent of \$755.0 million in total benefits paid in fiscal year 2003. Since military employment is only 2.4 percent of non-farm employment (and not all military personnel have spouses), repealing the trailing spouse provision only for the military spouse would have minimal impact on unemployment benefits. Therefore, the bill would possibly increase the pool tax rate and lower the solvency of the unemployment trust fund (thus increasing employer-tax rates), but by very small, indeterminate amounts.

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

**10. Technical amendment necessary:** No.

**11. Other comments:** The phrase "reasonably accessible" in regard to an individual's place of employment is not defined in the bill. The Virginia Employment Commission would have to interpret on a case-by-case basis as to when a job is reasonably accessible.

**Date:** 01/28/04 / mst

**Document:** G:\Ga Sessions\2004 Session\Fis\Hb1288.Doc

cc: Secretary of Commerce and Trade