

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB177

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Baskerville

3. Committee Commerce and Labor

4. Title Unemployment compensation; good cause.

5. Summary/Purpose: The bill eliminates the provision permitting disqualification for unemployment compensation benefits that moving to accompany a spouse does not constitute “good cause” for leaving a job. The bill would provide unemployment compensation benefits to spouses who quit their jobs in order to move with a spouse to a new location.

6. Fiscal Impact Estimates are final:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	-	-	-
2004-05	-	-	-
2005-06	\$1,400,000	-	NGF
2006-07	\$1,500,000	-	NGF
2007-08	\$1,600,000	-	NGF
2008-09	\$1,600,000	-	NGF
2009-10	\$1,700,000	-	NGF

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	-	-	-
2004-05	-	-	-
2005-06	-	-	-
2006-07	\$1,400,000	-	NGF
2007-08	\$1,500,000	-	NGF
2008-09	\$1,600,000	-	NGF
2009-10	\$1,600,000	-	NGF

7. Budget amendment necessary: Yes, additional nongeneral fund appropriation is necessary to pay benefits.

8. Fiscal implications: The bill would impact unemployment compensation by increasing benefits paid out from the unemployment trust fund since more people are likely to qualify since a disqualification for benefits has now been eliminated. Unemployment benefits are paid out from the Unemployment Trust Fund, which is funded through unemployment taxes paid by employers.

The increase in benefits would impact unemployment taxes by causing them to rise to match the additional expenditures paid out in benefits. The impact of this bill on unemployment taxes, paid by employers, is projected to increase in calendar year 2006 by \$0.61 per employee on average, by \$0.26 in calendar year 2007, and \$0.56 in calendar year 2009.

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

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/20/04 / mst

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cc: Secretary of Commerce and Trade