

**Department of Planning and Budget**  
**2007 Fiscal Impact Statement**

**1. Bill Number** HB2217

<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** Amundson

**3. Committee** Commerce and Labor

**4. Title** Commissioner of the Department of Labor and Industry; reporting suspected employment misclassification and fraud.

**5. Summary/Purpose:** This bill requires the Commissioner of the Department of Labor and Industry to establish and maintain a toll-free telephone number and make available paper and on-line forms for reporting suspected instances of (i) misclassification of employers as independent contractors, (ii) workers' compensation insurance fraud, and (iii) unemployment tax fraud. The Commissioner is required to forward these reported instances to the Insurance Fraud Investigation Unit of the Virginia State Police, the Virginia Employment Commission, or both, for their investigation.

**6. Fiscal Impact Estimates are:** Preliminary, see item 8 (below).

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

**8. Fiscal implications:** This bill requires the Department of Labor and Industry (DOLI) to establish and maintain a toll-free telephone number and make available paper and on-line forms. DOLI anticipates an initial cost to prepare this information and post it on their website, an estimated cost of \$580 (calculated at 10 work hours for a VIPNET charge of \$58 per hour). The cost for establishing and maintaining the toll-free number is not currently available. After the initial stages of implementing this bill, DOLI does not anticipate any additional significant fiscal impact on their agency as their only role would be forwarding calls to the appropriate agency and, barring a high volume of calls, they expect to be able to absorb the cost of these responsibilities within their current resources.

This bill also requires that the Virginia State Police and the Virginia Employment Commission investigate these claims. However, as these are already responsibilities assigned to these agencies, it is expected that they will not incur any significant additional costs.

**9. Specific agency or political subdivisions affected:** The Department of Labor and Industry, Virginia State Police, Virginia Employment Commission.

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

**11. Other comments:** None.

**Date:** 1/23/07 / aek

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cc: Secretary of Commerce and Trade  
Secretary of Public Safety