

Department of Planning and Budget

2009 Fiscal Impact Statement

1. Bill Number: SB1495

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

2. Patron: Locke

3. Committee: Passed both Houses

4. Title: Unemployment compensation; voluntarily leaving employment to accompany military spouse

5. Summary: The bill provides that good cause for leaving employment exists if an employee voluntarily leaves a job to accompany the employee's spouse, who is on active duty in the military or naval services of the United States, to a new military-related assignment established pursuant to a permanent change of duty order from which the employee's place of employment is not reasonably accessible. The measure applies only if the state to which the spouse is transferred has a similar provision, except for members of the Virginia National Guard relocating to a new assignment within the Commonwealth. Benefits paid to qualifying claimants shall be charged against the pool rather than against the claimant's employer. The second enactment clause of the engrossed bill provides that the provisions of the bill shall become effective if the federal government appropriates adequate funds for the purpose of paying benefits to employees who are made eligible by this act.

6. Fiscal Impact Estimates: Preliminary.

6a. Expenditure Impact: Unemployment trust fund (benefits paid)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	nongeneral
2010	\$900,000	nongeneral
2011	\$700,000	nongeneral
2012	\$600,000	nongeneral
2013	\$500,000	nongeneral
2014	\$500,000	nongeneral
2015	\$500,000	nongeneral

6b. Revenue Impact: Unemployment taxes (see item 8)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	nongeneral
2010	\$0	nongeneral
2011	\$0	nongeneral
2012	\$1.9 million	nongeneral
2013	\$3.0 million	nongeneral
2014	\$1.1 million	nongeneral
2015	\$0	nongeneral

Revenue Impact: General fund

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	general
2010	\$0	general
2011	\$0	general
2012	(\$5,700)	general
2013	(\$9,000)	general
2014	(\$3,300)	general
2015	\$0	general

- 7. Budget Amendment Necessary:** No. The increase to Item 125 of Senate Bill 850 for payment of unemployment benefits may be made administratively for fiscal year 2010.
- 8. Fiscal Implications:** The Virginia Employment Commission estimates that providing unemployment benefits to trailing spouses of military personnel will increase the unemployment tax cost per employee by an average of \$0.80 in 2012 and 2013.

Payment of unemployment taxes lowers corporations' taxable income. The impact on general fund revenues is estimated at an average reduction of \$2,250 over the next eight years as a result of the bill.

The second enactment clause of the engrossed bill provides that the provisions of the bill shall become effective if the federal government appropriates adequate funds for the purpose of paying benefits to employees who are made eligible by this act. If the federal government provides funding for benefit payments than the impact on employer taxes would be significantly reduced.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Employment Commission.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** The second enactment clause of the engrossed bill provides that the provisions of the bill shall become effective if the federal government appropriates adequate funds for the purpose of paying benefits to employees who are made eligible by this act..

Date: 3/9/2009 dpbkbs

Document: G:\09 FIS\VEC\SB1495er.doc

cc: Secretary of Commerce and Trade