

## Department of Planning and Budget

### 2016 Fiscal Impact Statement

**1. Bill Number:** HB1026

<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:** Sickles

**3. Committee:** Health, Welfare and Institutions

**4. Title:** Department of Social Services; electronic notices.

**5. Summary:** Department of Social Services; electronic notices. Allows the Department of Social Services to deliver certain notices by electronic means, which in some cases is access to a secure portal for receipt of such notices. Under current law, such notices generally require service of notice or delivery by certified mail, return receipt requested. The bill allows the delivery by electronic means of notices of (i) intent to suspend a debtor's driver's license due to delinquency in the payment of child support; (ii) the availability of federal and state earned income tax credits to all recipients of public benefits; (iii) an action to enforce certain orders directing the payment of child or spousal support; (iv) an action to review the amount of support ordered; (v) withholding from a noncustodial parent's income for support obligations; (vi) intent to enforce a support lien by distraint, seizure, and sale of the property subject to such lien; (vii) a petition for a court order to suspend any license, certificate, registration, or other authorization to engage in a business, trade, or recreational activity issued to the obligor of a support order by the Commonwealth due to delinquency in payment; (viii) certain administrative decisions of hearing officers; and (ix) payments of public assistance benefits or child support services.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** See Item 8.

**8. Fiscal Implications:**

Child Support: Virginia law requires the Department of Social Services' Division of Child Support Enforcement (DCSE) to give notice by mail to parties before certain actions are taken on a child support case. Currently, the law requires that many notices be sent by certified mail, which costs \$6.74 a mailing. This bill adds service by electronic means (email and/or text message) to the list of acceptable ways to notify parties.

Earned Income Tax Credit (EITC): Section 63.2-527 of the Code requires that DSS provide notice regarding the availability of the federal and state EITC. The Code requires that notice be mailed to recipients. Currently, approximately 80,000 postcards are mailed resulting in postage costs of \$22-28,000. By changing the Code from "mailed" to "distributed," additional

means of communication could be used, including email, text messages, robo-calls, and outreach fliers. These options may allow earlier receipt of communication in the tax year, which may increase participation in EITC.

Currently, there is no way to predict how many participants will provide their email address and/or cell phone number to receive these alternate forms of communication. Depending on the success of the programs, there will be a potential cost savings to the Department of Social Services. This savings will offset the cost of program and/or infrastructure changes needed to successfully facilitate electronic means of communication. The Department has no plans to spend additional money on new forms of advertisement than it already has appropriated to these programs. This bill has minimal to no fiscal impact.

**9. Specific Agency or Political Subdivisions Affected:** Department of Social Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:**