

## Department of Planning and Budget 2019 Fiscal Impact Statement

**1. Bill Number:** SB1539

<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:** Surovell

**3. Committee:** Courts of Justice

**4. Title:** Withholding of income for child support; independent contractors.

**5. Summary:** Requires any employer that contracts with an independent contractor, as defined in the bill, to submit information regarding such new independent contractor to the Virginia New Hire Reporting Center (NHRC) for the purposes of income withholding by the Division of Child Support Enforcement. The bill also makes clear that income earned by an independent contractor may be withheld by court order for payment of child support obligations.

**6. Budget Amendment Necessary:** No.

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

**8. Fiscal Implications:** This bill clarifies the process for withholding and collecting child support payments from people classified as independent contractors. The Department of Social Services cannot currently estimate the number of independent contractors who have child support orders. If a percentage of child support payments that are not currently being paid by someone who is defined as an independent contractor can be intercepted by the agency, child support collections will increase. More information is needed in order to estimate the increase in child support collections and the potential increase in agency revenue from retained collections, including the following details:

- The total number of independent contractors.
- The number of independent contractors with child support withholding orders.
- The average income of those independent contractors with child support withholding orders.
- The number of independent contractors with a Temporary Assistance for Needy Families case.

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.