

## Department of Planning and Budget 2007 Fiscal Impact Statement

1. **Bill Number:** HB2272

**House of Origin**     Introduced     Substitute     Engrossed

**Second House**     In Committee     Substitute     Enrolled

2. **Patron:** Purkey

3. **Committee:** Commerce and Labor

4. **Title:** Electronic filing of employer's reports with the Virginia Employment Commission

5. **Summary/Purpose:** The bill requires employers with 100 or more employees to file quarterly reports electronically commencing January 1, 2009. Currently, employers with 250 or more employees are required to file quarterly reports on a magnetic medium. Any employer required to file electronically who fails to do so without good cause shown shall, unless he has obtained a waiver, be assessed a penalty of \$75.

6. **Fiscal Impact Estimates are:**

6a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$0	0.00	Nongeneral
2007-08	\$0	0.00	Nongeneral
2008-09	(\$43,680)	0.00	Nongeneral
2009-10	(\$87,360)	0.00	Nongeneral
2010-11	(\$87,360)	0.00	Nongeneral
2011-12	(\$98,260)	0.00	Nongeneral
2012-13	(\$109,200)	0.00	Nongeneral

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

8. **Fiscal implications:** Currently the Virginia Employment Commission receives about 6 million records annually in paper form (a "record" consists of a worker's name, social security number, and the wages earned in the quarter being reported). In addition, there are 1,349 Virginia employers who have between 100 and 249 employees. These employers employ approximately 225,000 employees.

According to the commission, the bill would reduce the number of records that are processed manually by 900,000 to one million. A reduction of a million records will reduce processing time by approximately 7,280 hours annually. The part-time temporary and contract staff involved in processing records are paid \$12 an hour, generating a savings in the first full year of implementation of \$87,360. It is expected there will be greater reductions in paper records over time, so the savings estimates are higher in the out years.

There may also be some revenue to the commission from penalties assessed for failure to file electronically. The revenue may not be estimated at this time and depends on the number of employer who fail to file electronically.

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

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

**11. Other comments:** None.

**Date:** 2/2/07 kbs

**Document:** G:\07 FIS\VEC\HB2272.Doc

cc: Secretary of Natural Resources