

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB1062

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Byron

3. Committee: Commerce and Trade

4. Title: Virginia Employment Commission; representation of Commonwealth.

5. Summary: This bill makes optional the representation by the Office of the Attorney General (OAG) in hearings conducted before the Virginia Employment Commission (VEC) regarding an employer's tax liability. Currently, OAG representation in such hearings is mandatory.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: It is anticipated that this bill will not result in a fiscal impact to the state. The bill makes it optional for a representative from the OAG to attend administrative hearings on tax liability held by VEC. Current state law mandates that the interests of the Commonwealth are to be represented by the OAG at each of the 20-25 hearings per year regarding an employer's tax liability. According to VEC, these cases rarely present novel legal issues (the amount of tax in dispute is usually very modest, \$100-\$500). As such, while this bill may lessen the mandatory workload for the OAG staff, it is likely that these resources would be reallocated to other matters and no actual savings would result.

9. Specific Agency or Political Subdivisions Affected: Virginia Employment Commission, Office of the Attorney General.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is identical to SB295, as introduced. According to VEC, it is the agency's intention to execute an administrative agreement (such as a memorandum of understanding) with the OAG to negotiate terms and conditions under which it will be determined that OAG representation is not necessary. Without such an agreement, there is the potential that the interests of the Commonwealth may not be fully represented.

Date: 1/19/2012