

## **Department of Planning and Budget 2018 Fiscal Impact Statement**

**1. Bill Number:** HB1562

<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:** Lopez

**3. Committee:** Commerce and Labor

**4. Title:** False statements, etc., by employing units; failure to furnish reports, etc.

**5. Summary:** Provides that an employing unit that willfully fails or refuses to furnish a report required by the Unemployment Compensation Act or to produce or permit the inspection or copying of records is liable to a penalty of \$1,000 for each offense. The measure also authorizes the Commissioner of the Virginia Employment Commission to order an employer that continues to violate such provisions after three days' notice to cease and desist all business transactions and operations until it is found to be in compliance.

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

**7. Fiscal Impact Estimates:** Indeterminate. See Item 8, below.

**8. Fiscal Implications:** It is anticipated that this bill will result in an indeterminate nongeneral fund revenue impact to the Virginia Employment Commission (VEC). This bill allows VEC to assess the civil penalty for each willfull violation. Penalties are deposited to VEC's Special Unemployment Administration Compensation Fund (§ 60.2-314 et seq.).

During calendar year 2017, VEC discovered through its regular tax audits and special investigations that 7,947 workers were misclassified. It is unknown how many of these misclassifications were willfull.

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

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

**11. Other Comments:** This is the companion bill to SB968.