

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB407

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: Delaney

3. Committee: Committee Referral Pending

4. Title: Virginia Public Procurement Act; failure to pay unemployment taxes.

5. Summary: Prohibits state agencies from contracting for goods and services from a nongovernmental source if that source, or any affiliate of the source, is required to remit unemployment taxes but fails or refuses to do so. The measure requires the Virginia Employment Commission to make a determination of whether a source is a prohibited source for failure or refusal to remit unemployment taxes and permits any aggrieved source to apply to the Commissioner of the Virginia Employment Commission for correction of the determination. The measure also provides that any source that fails to remit unemployment taxes for more than 10 covered employees shall be a prohibited source for a period of two years.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate, see Item 8.

8. Fiscal Implications: The fiscal impact of this bill is indeterminate, as it is not known how many nongovernmental sources would be prohibited. The bill may result in the collection of unpaid employment taxes, however, such amount is indeterminate and dependent on the entities seeking to contract with state agencies.

The Department of General Services (DGS) and the Virginia Employment Commission (VEC) do not anticipate any fiscal impacts related to the administration of this legislation.

9. Specific Agency or Political Subdivisions Affected: Any authority, board, department, instrumentality, institution, agency, or other unit of state government, but excludes public institutions of higher education, counties, cities, towns, and local or regional governmental authorities.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: January 16, 2020
File: HB407