

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB382

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Ebbin

3. Committee: Finance and Appropriations

4. Title: Unemployment compensation; collection of overpayments; limitations.

5. Summary: Provides that collection activities for an overpayment, provided that such overpayment was not caused by fraud on the part of the claimant, shall be suspended and that the Virginia Employment Commission shall determine as uncollectible and discharge the overpayment if it remains unpaid after the earliest of the following: (i) after the expiration of three years from the last day of the benefit year in which the overpayment was made, (ii) immediately upon the death of the claimant, or (iii) upon the claimant's discharge in bankruptcy occurring subsequently to the determination of overpayment.

Senate amendments to the bill change the expiration date from three to five years. The amendments also authorize that the Commission may determine as uncollectible and discharge from its records any benefit overpayment, at any time where, pursuant to rules and regulations promulgated by the Commission, the Commission finds such overpayment to be uncollectible or the recovery of such overpayment to be administratively impracticable.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This legislation will alter the Virginia Employment Commission's (VEC) practice as it relates to discharging overpayments after a set period. VEC expects this change to have minimal operational impact.

According to VEC, approximately \$220.0 million in non-fraud collectible overpayments exists. The extent to which that potential revenue would have been collected under current law cannot be determined. As such, the revenue impact of this bill on the Unemployment Insurance Trust Fund is indeterminate.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.