



Small Business Commission

May 22, 2009

2009 Session: Bills Affecting Small Businesses

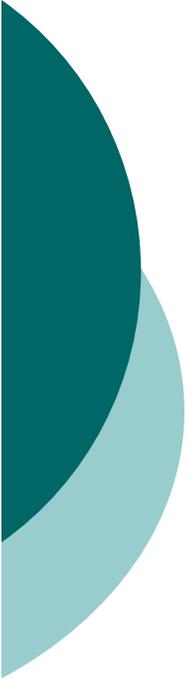
Presented by Commission Staff
<http://dls.virginia.gov/business.htm>



Passed Legislation

HB 2024 (Marshall, D.W.) & SB 1411 (Watkins):
Availability of basic health insurance.

- Allows insurers to offer group health insurance policies or contracts that do not include state mandated health insurance benefits to employers with at least two but fewer than 50 employees.
- The policy or contract may include any, or none, of the state mandated health benefits.
- Applications and enrollment forms shall disclose any and all state mandated health benefits that are not provided.



Passed Legislation

HB 2024/SB 1411 Cont.

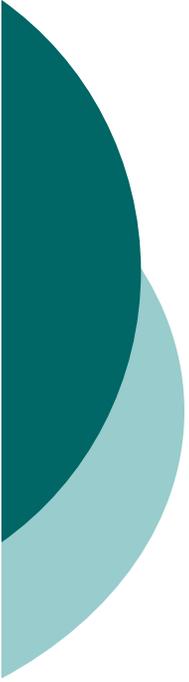
- Exceptions—all policies must provide for:
 - Mammograms.
 - Pap smears.
 - PSA (prostate specific antigen) testing.
 - Colorectal cancer screenings.
- Insurers offering these plans are required to report annually to the Bureau of Insurance on the number of small employers and individuals using plans that do not offer mandated benefits, the coverage provided, and the cost of premiums and out-of-pocket expenses.



Passed Legislation

HB 2024/SB 1411 Cont.

- Bills incorporated the bills endorsed by the Commission-HB 2209 (Frederick) & SB 920 (Reynolds).
- Final bills did not include the provision contained in the Commission's bills that the employee must not have coverage for the six months preceding the date of application for a policy without state mandates.
 - Removal of the six-month period was a recommendation of the Governor.



Passed Legislation

SB 1495 (Locke): Unemployment compensation; trailing spouse; military.

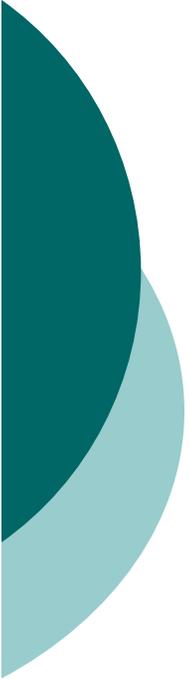
- Provides that a person who leaves a job to go with his or her active duty military spouse to a new duty station may receive unemployment benefits.
- Benefits for a trailing military spouse are paid from the pool and not charged against the employer.



Passed Legislation

SB 1495 Cont.

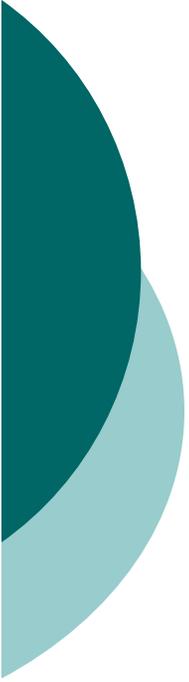
- The relocation must be pursuant to a permanent change of station order.
- The new duty station must not be readily accessible from place of the trailing spouse's employment.
- The new duty station, except for the Virginia National Guard, must be located in a state that has a similar trailing spouse provision.
- The bill becomes effective if the federal government appropriates funds to fulfill its purpose.



Passed Legislation

SB 1264 (Norment): Payment of wages and salaries by credit to prepaid debit card.

- Authorizes employers to pay salaries via a prepaid debit card or card account without the employee's consent if the employee fails to designate a bank account for electronic fund transfer.
- Currently, employers may pay an employee's salary via a prepaid debit card or card account only with the employee's consent.
- Employer must arrange for one free withdrawal or transfer per pay period that may be for the amount of the card or account.



Passed Legislation

HB 2672 (Herring): Dep't of Minority Business Enterprise; legal residency.

- Clarifies that small, women-owned, and minority-owned businesses must be comprised of individuals who are U.S. citizens or legal residents.
- Also clarifies that both the management and daily operations of these businesses shall be conducted by such individuals.



Failed Legislation

SB 1133 (Petersen): Estate tax.

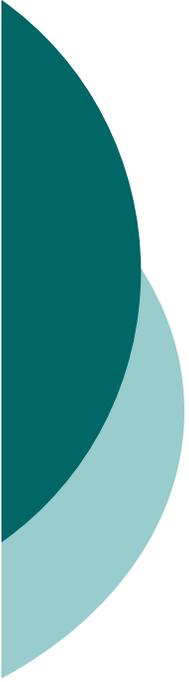
- Would effectively reinstate the estate tax in Virginia.
- Only applies where the value of the person's "gross estate" exceeds \$5 million.
- Would not apply to a gross estate if the majority of the estate's assets consist of an interest in:
 - A closely held business.
 - A working farm.



Failed Legislation

SB 1133 Cont.

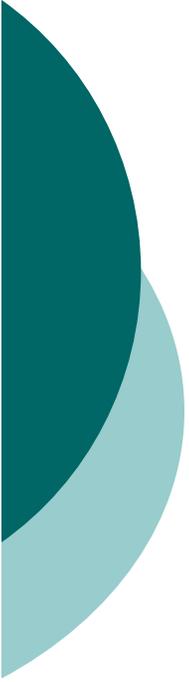
- Dep't of Taxation estimated that the reinstatement of the estate tax would generate revenue of:
 - \$25.5 million in fiscal year 2009-2010.
 - \$102 million in each of the five subsequent fiscal years.
- Revenue would have been used to support health care for seniors, including funding community-based programs on aging and increasing Medicaid reimbursement rates for hospitals and nursing homes serving indigent seniors.
- Bill never got out of Senate Finance.



Failed Legislation

SB 1443 (Martin): Tax credit for insurance premiums paid by small business employers.

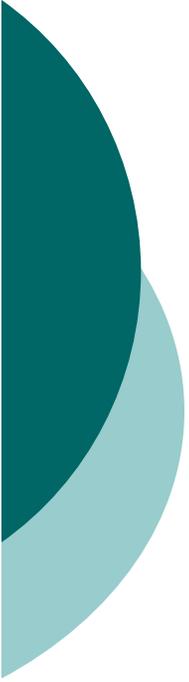
- Provides a tax credit to employers who pay at least one-half of health insurance premiums for employees.
 - Limited to employers who have 50 or fewer full-time employees.
- Credit: lesser of premiums paid or \$500/employee/year.
- Max. credit: \$25,000/employer/year; unused may be carried over for three years.



Failed Legislation

SB 1443 Cont.

- Dep't of Taxation estimated that the cost of the credit would be between \$108 and \$161 million per fiscal year.
- Bill was identical to tax credits introduced in other Sessions.
- Bill never got out of Senate Finance.



Failed Legislation

HB 1815 (Morrissey): Questioning employees about criminal convictions.

- Would prohibit an employer from asking employees or prospective employees about criminal arrests or convictions.
- Exceptions:
 - Any arrest or conviction from the past eight years.
 - The offense was a violent felony as defined in § 17.1-805 or 19.2-297.1.



Failed Legislation

HB 1815 Cont.

- An employee could not be discharged, demoted, or otherwise discriminated against, and no prospective employee could be denied employment based on his or her response or failure to respond to a prohibited question.
- An employer who violates the provisions of the bill would be guilty of a Class 1 misdemeanor, which could result in a sentence of 12 months in jail.
- Bill did not get out of House Courts.



Failed Legislation

SB 1220 (Obenshain): Securities Act; sale of business doctrine.

- Exempts from the Securities Act (including civil liability imposed on sellers) transfers of securities in connection with a “sale of business transaction,” which is the transfer of all or a controlling interest in a business to purchasers who will manage the business. Does not apply to businesses purchased as an investment.
- Provides that the definition of a “security” does not include an instrument representing an ownership interest in a business as part of such a sale.
- Bill did not get out of Senate Commerce & Labor.