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**SENATE BILL NO. 520**

Offered January 14, 2026

Prefiled January 13, 2026

A *BILL to amend and reenact § 65.2-1201 of the Code of Virginia, relating to Uninsured Employer's Fund; administrative expenses.*

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Patron—Deeds

Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:**

**1. That § 65.2-1201 of the Code of Virginia is amended and reenacted as follows:**

**§ 65.2-1201. Financing; tax; administrative expenses.**

A. For the purpose of providing funds for compensation benefits awarded against any uninsured or self-insured employer under any provision of this chapter, a tax not to exceed one-half of one percent shall be assessed, collected and paid into the state treasury by the same persons and in the same manner as set forth in Chapter 10 (§ 65.2-1000 et seq.) of this title.

B. This tax shall be in addition to the tax for the Workers' Compensation Commission Administrative Fund and the tax for the Second Injury Fund and shall be held by the Comptroller of the Commonwealth solely for the payment of awards against ~~such fund~~ the Uninsured Employer's Fund and related administrative costs as authorized by subsection C.

C. *The costs of administering the Uninsured Employer's Fund, including third-party administrator fees, legal fees, medical audit fees, applicable salaries and benefits, and any other direct expenses necessary to carry out the provisions of this chapter, shall be paid out of such fund. Funds used for such costs shall not be subject to recoupment under the provisions of § 65.2-1204.*

D. At the end of any calendar year in which the Uninsured Employer's Fund has to its credit a sum in excess of the next year's budgeted expenditures, the tax shall be suspended for the ensuing calendar year.

INTRODUCED

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