

Department of Planning and Budget

2004 Fiscal Impact Statement

1. Bill Number HB1057ER

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron Melvin

3. Committee Passed Both Houses

4. Title Bail bondsmen

5. Summary/Purpose: The legislation proposes to amend and reenact §§ 9.1-102, 9.1-143, 16.1-77, 19.2-149, 38.2-1800, 38.2-1824, 38.2-2411, 38.2-2412 and 58.1-3724 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 1 of Title 9.1 an article numbered 11, consisting of sections numbered 9.1-185 through 9.1-199.4, and by adding sections numbered 38.2-2412.1 and 38.2-2412.2, and to repeal Article 4 (§§ 19.2-152.1 through 19.2-152.1:7) of Chapter 9 of Title 19.2 and Article 6.2 (§§ 38.2-1865.6 through 38.2-1865.13) of Chapter 18 of Title 38.2 to provide for licensure and regulation of property and surety bail bondsmen by the Department of Criminal Justice Services. The bill also contains language requiring surety bail bondsmen to be licensed as property and casualty insurance agents by the State Corporation Commission. A bail bondsman is added to the membership of the Private Security Services Advisory Board. The bill is the result of a study by the Virginia State Crime Commission and is scheduled to become effective July 1, 2005, except for §16.1-77. The legislation further creates penalties for operating as an unlicensed bail bondsman for profit.

6. Fiscal Impact Estimates are: Final. See #8.

7. Budget amendment necessary: No.

8. Fiscal implications: The fiscal impact of this legislation is uncertain. First, because of the delayed enactment date of July 1, 2005, any needed budget adjustments could be made next year. However, the legislation does add additional regulatory responsibilities to the Department of Criminal Justice Services (DCJS). As such the agency will incur additional costs, but it is difficult to accurately estimate those costs without knowing how many bail bondsmen there are currently operating in the Commonwealth. Furthermore, the bill provides the department the authority to charge a fee for licensing and oversight. However, there is no way to estimate the amount of revenues that will be available to offset these costs.

The legislation also creates a new penalty for engaging in bail bonding without a license. Anyone convicted of engaging in bail bonding for a profit without a license will be guilty of a Class 1 misdemeanor. The penalty for conviction of a Class 1 misdemeanor is a sentence of up to 12 months in jail. Inasmuch as the DCJS cannot accurately estimate the number of potential violations, it is impossible to accurately estimate how many additional inmates in jail could result from this proposal. Any increase in the jail population will increase costs to

the state. The Commonwealth pays the localities \$8.00 a day for each misdemeanor or otherwise local responsible prisoner held in a jail. It also funds most of the jails' operating costs, e.g. correctional officers. The state's share of these costs is paid on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board, the estimated total state support for local jails averaged \$29.80 per inmate, per day in FY 2002.

The legislation also provides a Class 6 felony penalty for a third and subsequent conviction under these provisions.

Pursuant to §30-19.1:4 of the Code of Virginia, the Virginia Criminal Sentencing Commission advises that the estimated amount of the necessary appropriation cannot be determined for periods of imprisonment in state adult correctional facilities and is \$0 for periods of commitment to the custody of the Department of Juvenile Justice.

9. Specific agency or political subdivisions affected: Department of Criminal Justice Services.

10. Technical amendment necessary: None.

11. Other comments: None.

Date: 02/29/04 / MEM

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cc: Secretary of Public Safety