

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB 1123

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 McDonnell

3. Committee Passed both houses

4. Title Virginia Racketeer Influenced and Corrupt Organization (RICO) Act

5. Summary/Purpose: Creates a RICO act for Virginia under which various violations of the criminal law become racketeering. The Attorney General is authorized to conduct criminal prosecutions of RICO with the concurrence of the local attorney for the Commonwealth. Racketeering activity is defined as committing, attempting or conspiring to commit, or soliciting, coercing or intimidating another person to commit two or more offenses involving: gang crimes, terrorism, obstruction of justice, waste management, murder, voluntary manslaughter, kidnapping, certain woundings, robbery, arson, burglary, grand larceny, embezzlement, forgery, obtaining money by false pretenses, false statements to obtain property or credit, credit card offenses, money laundering, drug offenses, certain firearm offenses, illegal gambling, prostitution, abuse and neglect of incapacitated adults, producing child pornography, unlawful paramilitary activity, perjury, bribery, government fraud, Medicaid applications or possession of unstamped cigarettes. Using or investing an aggregate of \$10,000 or more of racketeering proceeds to acquire real property or to establish a criminal enterprise is a felony punishable by five to 40 years of confinement and a fine of not more than \$1 million for a first offense and a Class 2 felony and a fine of not more than \$2 million for a second or subsequent offense. Money transmission of proceeds from a racketeering activity is a Class 6 felony. The sale, purchase, transport, receipt, or possession of 3,000 or more packages of unstamped cigarettes for the purposes of evading taxes is a Class 6 felony. Subpoena duces tecum provisions are amended to include money transmitters and commercial businesses providing credit histories and reports. The bill also contains venue and forfeiture provisions.

6. Fiscal Impact: Final. See Item 8.

7. Budget amendment necessary: No.

8. Fiscal implications:

The proposed legislation may have an impact on state-responsible (prison) beds. The proposal creates a number of new offenses not currently specified in the Code. It also increases the penalty for the unlawful sale, purchase, or possession of cigarettes from a misdemeanor to a felony when at least 3,000 packages of cigarettes are involved. However, the extent of the impact, if any, cannot be determined with existing criminal justice

databases. Therefore, the magnitude of any impact cannot be quantified. Similarly, the impact on jails and community corrections cannot be quantified.

Pursuant to §30-19.1:4 of the Code of Virginia, the Virginia Criminal Sentencing Commission states 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 Corrections; Local jails

10. Technical amendment necessary: No

11. Other comments: None.

Date: 03/19/04 / mdm

Document: G:\FIS\Hb1123ER.Doc Michael Maul

cc: Secretary of Public Safety