

Department of Planning and Budget

2008 Fiscal Impact Statement

1. Bill Number SB 546

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

2. Patron Hurt

3. Committee Finance

4. Title State reimbursement of jail construction

5. Summary/Purpose:

The Commonwealth reimburses localities for part of the costs of constructing a new jail or for enlarging or renovating an existing jail. Under current law, for jails operated by one or two counties or cities, or a combination thereof, the reimbursement is set at one-fourth of the cost of the construction, enlargement, or renovation. For regional jails operated by a combination of three or more counties or cities, the reimbursement rate is one-half the cost. The state share of the cost is funded through the issuance of bonds by the Virginia Public Building Authority.

Current law also authorizes three or more counties, cities, or towns; an existing regional jail facility; or the two counties on the Eastern Shore to contract for services for the confinement of offenders in single or regional jails operated by the contracting jurisdictions.

The proposed legislation would create an exception to these provisions for two cities or counties, or any combination thereof, where the combined population is over 100,000 and the combined area covers at least 1,000 square miles. Under the legislation, if such two localities jointly constructed, renovated, or enlarged a jail, the state would reimburse them for one-half the cost, rather than one-fourth, as is now provided by law. (See note in Item 11 for comments on an apparent contradiction in the bill's provisions.) The legislation would also authorize any two such localities to participate in an agreement for cooperative jailing.

6. Fiscal Impact Estimates: Indeterminate. See Item 8.

7. Budget amendment necessary: None.

8. Fiscal implications:

The proposed legislation could result in additional costs to the state, but it is not clear how extensively the provisions would be utilized. Its provisions are limited to any combination of two counties or cities that have a combined population of over 100,000 and a combined area of at least 1,000 square miles. It appears that Pittsylvania County and the city of Danville are the only county/city combination that meets the criteria. However, there are numerous combinations of

two counties that could meet the criteria, e.g. Fauquier/Culpeper, Rockingham/Augusta, and Campbell and Pittsylvania.

Generally speaking, on a proportional basis, regional jails are cheaper to build and more efficient to operate. The statutory preference given to regional jails with a fifty percent reimbursement has served as an incentive to localities to enter into regional agreements for the construction and operation of jails. The proposed legislation, by lowering the number of localities that must join together in order to qualify for the higher reimbursement, could result in more and smaller “regional” jails. Such jails would be more expensive to build and operate than larger regional jails. Also, such a situation could mean that some localities continue to operate small, inefficient jails, rather than joining in a regional jail arrangement. To the extent that these developments occur, the cost to the state will be higher.

9. Specific agency or political subdivisions affected:

Counties and cities
Compensation Board
Department of Corrections

10. Technical amendment necessary: None.

11. Other comments:

The proposed legislation is identical to HB 458.

The second enactment clause contains language that would override current law relating to the schedule localities must follow in submitting jail plans to the Department of Corrections for review. There is language in the introduced budget bill that would accomplish this same purpose.

There are provisions in this legislation that are contradictory or, at least, inconsistent. Paragraph A. of § 53.1-80, Code of Virginia, lists those entities eligible for state reimbursement of one-fourth of the costs of constructing, renovating, or enlarging a jail. The proposed bill would add to that list two cities or counties with a combined population of more than 100,000 and a combined area of at least 1,000 square miles. Paragraph A. of § 53.1-81, Code of Virginia, lists those entities eligible for one-half state reimbursement for jail construction, renovation, or enlargement costs. The proposed bill would add two counties or cities meeting those same criteria to that list, as well. The result is that, if the legislation were enacted, two counties or cities meeting those criteria would be eligible for reimbursement of either one-fourth or one-half their jail construction costs, depending on which section of the Code one was reading.

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