

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: SB152

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

2. Patron: Puckett

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Virginia Gas and Oil Act violations

5. Summary: This bill provides that any person or corporate permittee who is convicted of running a gas, oil, or geophysical operation without a valid permit, failure to comply with provision of the Gas and Oil Act, or making false statements shall be punished by a fine, by confinement in jail, or both.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill establishes criminal penalties for persons or corporate permittees who: (i) conduct operations without first obtaining a permit, without renewing a lapsed permit, or after suspension or revocation of a permit; (ii) violate a condition of a permit issued; (iii) knowingly make any false statement, or fail to make a required statement in any document filed or required in accordance with the Gas and Oil Act (Chapter 22 of Title 45.1, Code of Virginia); or (iv) fails to comply in any way with the regulations of the Gas and Oil Act. Upon conviction of a violation of the aforementioned provisions, the bill imposes a fine of not more than \$10,000 and/or confinement in jail for not more than 12 months.

Because the bill provides for a possible jail sentence for persons who violate its provisions, it could result in additional people being housed in local or regional jails. However, there is not enough information available to reliably estimate how many additional inmates in jail could result from this proposal. Any increase in jail population will increase costs to the state. The Commonwealth presently pays the localities \$4.00 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 on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2011), the estimated total state support for local jails averaged \$29.98 per inmate, per day in FY 2010.

Due to the lack of data, the Virginia Criminal Sentencing Commission has concluded, pursuant to § 30-19.1:4 of the Code of Virginia, that the impact of the proposed legislation on state-responsible (prison) bed space cannot be determined. In such cases, Chapter 890 of the 2011 Acts of Assembly requires that a minimum impact of \$50,000 be assigned to the bill.

It is not known how many fines would be assessed as a result of this bill, but any revenue from these assessments would be paid into the Literary Fund.

The Department of Mines, Minerals and Energy does not anticipate that this bill will result in a fiscal impact on the agency.

9. Specific Agency or Political Subdivisions Affected: Department of Mines, Minerals and Energy, local jails, circuit courts.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/19/2012