

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB 1020

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

2. Patron: Howell

3. Committee: Passed both houses

4. Title: RICO and contraband cigarettes

5. Summary:

Under the Virginia Racketeer Influenced and Corrupt Organization (RICO) Act, “racketeering” is defined as committing or attempting to commit, or soliciting, coercing, or intimidating another to commit, two or more of several listed criminal offenses. Any person or enterprise convicted of racketeering is guilty of a felony that is punishable by imprisonment for not less than five years nor more than 40 years. A second or subsequent conviction is punishable as a Class 2 felony (20 years to life in prison). The transmission of money derived from, or traceable to, racketeering activity is punishable as a Class 6 felony (up to 12 months in jail or 1 to 5 years in prison).

The proposed legislation would add to the list of RICO-eligible offenses the unauthorized possession with intent to distribute large quantities of tax-paid contraband cigarettes.

6. Budget Amendment Necessary: No. The budget bill passed by the General Assembly includes funding for the fiscal impact of this legislation.

7. Fiscal Impact Estimates: Final. See Item 8 below.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2013		
2014	\$50,000	General
2015		
2016		
2017		
2018		

8. Fiscal Implications:

For someone convicted of a Class 6 felony, a judge has the option of sentencing him to up to one year in jail, or 1 to 5 years in prison. Therefore, this proposal could result in an increase in the number of persons sentenced to jail or prison.

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 and \$12.00 a day for each state responsible inmate. It also funds a considerable portion 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 2012), the estimated total state support for local jails averaged \$26.54 per inmate, per day in FY 2011.

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 3 of the 2012 Acts of Assembly, Special Session I, requires that a minimum impact of \$50,000 be assigned to the bill.

9. Specific Agency or Political Subdivisions Affected:

Department of Corrections
Compensation Board
Local and regional jails

10. Technical Amendment Necessary: None

11. Other Comments: None.

Date: 2/25/2013

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