

## Department of Planning and Budget 2015 Fiscal Impact Statement

**1. Bill Number:** SB1231-H1

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

**2. Patron:** Reeves

**3. Committee:** Committee on Appropriations

**4. Title:** Cigarettes; possession with intent to distribute contraband; fraudulent purchase; penalties.

**5. Summary:** Lowers the felony threshold for possession with intent to distribute tax-paid cigarettes from 500 cartons to 200 cartons and creates civil penalties for purchasing any quantity of cigarettes equal to or exceeding one carton of cigarettes using a business license obtained under false pretenses, a forged business license or a forged or invalid Virginia sales and use tax exemption certificate, or a Virginia sales and use tax exemption certificate obtained under false pretenses.

**6. Budget Amendment Necessary:** Yes. Item 385.

**7. Fiscal Impact Estimates:** Preliminary.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	\$0		
2016	\$50,000		General
2017	\$0		
2018	\$0		
2018	\$0		
2020	\$0		
2021	\$0		

**8. Fiscal Implications:** By lowering the Class 6 felony threshold for the first offense of possession with intent to distribute tax-paid cigarettes from 500 cartons to 200 cartons the proposal may increase future state-responsible bed space needs (e.g., increase the need for prison beds). Although the amount of increase cannot be determined, under §30-19.1:4 and Chapter 2 of the 2014 Acts of Assembly, Special Session I, a minimum fiscal impact of \$50,000 is assigned to the proposal.

Also, by adjusting the Class 1 misdemeanor thresholds of possession with intent to distribute tax-paid cigarettes from ‘more than 25 cartons but fewer than 500 cartons’ to ‘more than 25 cartons but fewer than 200 cartons’ the proposal may impact local and regional jails bed space needs. Lowering the Class 1 misdemeanor ceiling (from 500 cartons to 200 cartons)

would probably result in fewer Class 1 misdemeanor arrests and subsequent convictions, thus reducing the number of local and regional jail beds required.

**9. Specific Agency or Political Subdivisions Affected:** Compensation Board, Department of Corrections, local and regional jails.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

Date: February 12, 2015  
DPB Analyst: jgc