

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: HB1741

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: Bulova

3. Committee: House Committee for Courts of Justice

4. Title: Failure to disclose material facts in order to obtain aid or benefits under housing assistance program; penalty.

5. Summary: The bill provides that any person who (i) knowingly makes or causes to be made any false statement in writing or fails to disclose any material fact concerning the financial means or ability to pay for the purpose of procuring aid and benefits under any local, state, or federally funded housing assistance program or (ii) knowingly fails to disclose a change in circumstances in order to obtain or continue to receive aid or benefits under such program or who knowingly aids and abets another person in the commission of any such act is guilty of larceny. If the amount of the aid or benefits obtained is \$500 or more, such person is guilty of grand larceny, which is punishable by imprisonment in a state correctional facility for not less than one nor more than 20 years or, in the discretion of the jury or a court trying the case without a jury, confinement in jail not exceeding 12 months or a fine of not more than \$2,500, either or both. If the amount of the aid or benefits obtained is less than \$500, such person is guilty of petit larceny, which is a Class 1 misdemeanor. Under current law, such actions are punishable as a Class 1 misdemeanor regardless of the amount of the aid or benefits obtained.

6. Budget Amendment Necessary: Yes. Item 391.

7. Fiscal Impact Estimates: Preliminary (see Item 8 below).

8. Fiscal Implications: This bill establishes the unlawful gain of benefits under a local, state, or federally funded housing assistance program as larceny. Depending on the amount of benefit or aid illegally obtained, the offense may constitute grand larceny (for amounts greater than \$500) or a Class 1 misdemeanor (for amounts less than \$500). Grand larceny is punishable by imprisonment in a state correctional facility for not less than one nor more than 20 years or, in the discretion of the jury or a court trying the case without a jury, confinement in jail not exceeding 12 months or a fine of not more than \$2,500, either or both. Alternatively, anyone convicted of petit larceny is guilty, a Class 1 misdemeanor, is subject to a sentence of up to 12 months in jail.

There is not enough information available to reliably estimate how many additional inmates in jail could result from this proposed legislation. The Commonwealth presently pays the localities \$4.00 a day for each misdemeanant or otherwise local responsible prisoner held in a

jail. It also funds a large portion of the jails' operating costs, e.g. correctional officers. The state's share of these costs varies from locality to locality. According to the Compensation Board's most recent Jail Cost Report (November 2018), the estimated total state support for local jails averaged \$33.83 per inmate, per day in FY 2017. Additionally, since a Class 1 misdemeanor is punishable by confinement in jail for up to one year, plus a fine of up to \$2,500, a defendant charged with this offense and who is unable to afford an attorney will be eligible for court-appointed counsel, per existing law.

Additionally, the Sentencing Commission reports that there is not sufficient data to estimate the impact of the proposed legislation on state-responsible (prison) bed space. In such cases, Chapter 2 of the 2018 Acts of Assembly, Special Session I requires that a minimum impact of \$50,000 be assigned to the bill.

All revenues from fines is deposited into the Literary Fund, however, there is not sufficient information to estimate the revenue to be collected as a result of the legislation.

9. Specific Agency or Political Subdivisions Affected: Department of Corrections; Local jails; Local law enforcement; Courts.

10. Technical Amendment Necessary: No

11. Other Comments: None