

Department of Planning and Budget

2023 Fiscal Impact Statement

1. Bill Number: SB896ER

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: McDougle

3. Committee: Passed both houses.

4. Title: Racketeering offenses; penalty.

5. Summary: The amended bill amends § 18.2-513 relating to the Virginia Racketeer Influenced and Corrupt Organization (RICO) Act. Under the proposal, petit larceny (§ 18.2-96) would be added to the list of offenses included in the definition of “racketeering activity.” The proposal also amends § 18.2-514 (racketeering offenses) to expand the individuals who may be subject to racketeering charges from organizers, supervisors or managers of an enterprise to include any individuals who commit RICO violations at the direction of an organizer, supervisor or manager of an enterprise. Furthermore, it also expands the provisions to include not only receiving proceeds but also distributing proceeds derived from racketeering activity. A first offense is punishable by imprisonment of 5 to 40 years and a fine of up to \$1 million, while a second or subsequent offense is punishable as a Class 2 felony and a fine of not more than \$2 million.

6. Budget Amendment Necessary: Yes, Item 404.

7. Fiscal Impact Estimates: Final (see Item 8).

8. Fiscal Implications: Penalties for racketeering specified in § 18.2-515 would remain the same but also apply to petit larceny (as defined by § 18.2-96) under the proposal. A first offense is punishable by imprisonment of 5 to 40 years and a fine of up to \$1 million, while a second or subsequent offense is punishable as a Class 2 felony and a fine of up to \$2 million.

According to the Virginia Criminal Sentencing Commission (VCSC), there is insufficient data to estimate the number of new convictions as a result of the proposal. However, offenders of the proposal may be sentenced similarly to those who have been convicted under existing provisions. Between FY 2017 and FY 2022, 115 offenders were convicted of racketeering violations. A violation of racketeering was the primary, or most serious, offense at sentencing for 89 of these offenders. 91 percent of these offenders received a state-responsible (prison) term for which the median sentence was 3.5 years.

Due to the lack of data, pursuant to § 30-19.1:4 of the Code of Virginia, the impact of the proposed legislation on state-responsible (prison) bed space cannot be determined. In such

cases, Chapter 2, 2022 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, Courts, Public Defender's Office, Commonwealth Attorney's Office, law enforcement agencies.

10. Technical Amendment Necessary: No.

11. Other Comments: None.