

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: HB1807-S1

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

2. Patron: Herring

3. Committee: Courts of Justice

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 a criminal offense and civil penalties for purchasing 25 cartons of cigarettes using 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. An enactment clause states the provisions of the bill shall not become effective unless appropriation effectuating the purposes of the bill is included in a general appropriation passed in 2015 by the General Assembly that becomes law.

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: The fiscal impact resulting from the substitute cannot be determined. However, by lowering the thresholds the bill may increase future state-responsible bed space needs (e.g., increase the need for prison beds). As such, 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.

Although insufficient data exists to determine the fiscal impact, the proposed legislation could result in an increase in the jail population since it creates a criminal offense for purchasing 25 cartons of cigarettes or fewer using a forged business license or a forged or

invalid Virginia sales and use tax exemption certificate. Ultimately, the presiding judge will decide if there is to be any time served in jail; however, 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 prisoner. It also funds a significant 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 FY2013 Jail Cost Report (November 1, 2014), the estimated total state support for local and regional jails averaged \$30.54 per state inmate, per day in FY 2013.

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

10. Technical Amendment Necessary: No.

11. Other Comments: Identical to SB1231-ES1 .

Date: February 18, 2015
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