



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 596

PRINTER'S NO. 1284

PRIME SPONSOR: Argall

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY:

Amends the offense of organized retail theft and establishes the Office of Deputy Attorney General for Organized Retail Crime Theft.

ANALYSIS:

Senate Bill 596 changes the grading thresholds for the offense of "organized retail theft." If the value of the stolen merchandise is at least \$2,500, but not more than \$9,999, the offense is a felony of the third degree. If the value of the stolen merchandise is at least \$10,000, but not more than \$49,999, the offense is a felony of the second degree. If the value of the merchandise is at least \$50,000, the offense is a felony of the first degree.

The bill establishes the Office of Deputy Attorney General for Organized Retail Crime Theft, dependent on the appropriation of funding by the General Assembly specifically for the office. The office will have five prosecuting attorneys with geographically concurrent jurisdiction, and each prosecuting attorney may have no more than two special agents employed to assist with the duties authorized by the legislation. The office will have the authority to investigate and to institute criminal proceedings for a violation of organized retail theft.

The legislation also changes the definition of "Organized retail theft enterprise" to require that the theft occurs with the intent to resell or re-enter the merchandise into commerce.

This legislation would take effect on July 1, 2024, or immediately, whichever is later.

FISCAL IMPACT:

According to the Office of the Attorney General, establishing the new office will have an initial start-up cost of \$371,560. Personnel and operating costs will total \$2.4 million annually.

In 2019, only five individuals were convicted of this offense. All five individuals were sentenced to a county facility. If the grading shifts, or if the creation of the new office leads to an increase in the average length of sentences or an increase in the number of convictions, it is possible that the legislation would have an increased cost to the Commonwealth. However, due to data limitations, the impact of the legislation on the prison population is indeterminate. For reference, the marginal annual cost to incarcerate an additional inmate in a state correctional institution was \$15,213 in FY 2021/22. This cost assumes that fewer than 300 additional individuals were incarcerated. Offenders with a maximum sentence of less than two years are typically sent to a county jail. Marginal costs are not available for county facilities, but the average annual cost to incarcerate someone in a county jail in 2022 was \$43,701.

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House Appropriations Committee (D)

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Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.