Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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Bill Number: HB2723 **Patron:** Herring **Bill Title:** Criminal records; expungement and sealing of records.

Bill Summary: Amends numerous statutes related to the expungement and sealing of criminal records that are scheduled to become effective on July 1, 2025. The bill sets out requirements for the following state agencies:

- The Department of State Police must develop a secure portal for the purpose of allowing government agencies to determine whether a record has been sealed prior to responding to a request pursuant to current law by October 1, 2026, and identify offenses eligible for sealing that occurred after January 1, 1986;
- The Virginia Indigent Defense Commission must (a) create a curriculum to educate both attorneys and
 others on expungement and sealing, (b) conduct trainings across the Commonwealth throughout the
 year, (c) provide expungement and sealing support by serving on a help desk and providing
 consultations, and (d) develop a library of resources on expungement and sealing for use by certified
 court-appointed counsel; and
- The Department of State Police, Department of Motor Vehicles, Office of the Executive Secretary of the Supreme Court of Virginia, and clerk of any circuit court must provide data and information on sealing upon request of the Virginia State Crime Commission for purposes of monitoring and evaluating the implementation and impact of the sealing processes.

The bill repeals the Sealing Fee Fund and directs any money in such Fund to be reverted to the general fund.

The bill contains a delayed effective date of July 1, 2026, for the provisions related to the sealing of former possession of marijuana offenses without entry of a court order and the sealing of charges and convictions related to automatic sealing and such petitions. The bill delays the repeal of the relevant law related to marijuana possession, limits on dissemination of criminal history record information, and prohibited practices by employers, educational institutions, and state and local governments until July 1, 2026.

This bill is a recommendation of the Virginia State Crime Commission.

Budget Amendment Necessary: Yes **Items Impacted:** Item 31, Item 33, Item 40, and

Item 415

Explanation: See below

Fiscal Summary: This bill would require additional one-time funding for the Supreme Court to implement information technology system changes, funding and one Senior Trial Attorney position for the Indigent Defense Commission, one-time funding for the Virginia State Police to implement changes to the Criminal and Rapback Information System (CRIS), and a front page adjustment to account for the reversion of funding that

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is dedicated to the Sealing Fee Fund. This bill is not expected to have a fiscal impact on the Department of Motor Vehicles.

General Fund Expenditure Impact:

<u>Agency</u>	FY2025	<u>FY2026</u>	FY2027	<u>FY2028</u>	FY2029	<u>FY2030</u>
Supreme Court	\$300,561					
Indigent Defense Commission		\$138,193	\$138,193	\$138,193	\$138,193	\$138,193
Virginia State Police		At least \$704,275				
Circuit Courts (Criminal Fund)		\$(100,000)				
TOTAL	\$300,561	\$742,468	\$138,193	\$138,193	\$138,193	\$138,193

Position Impact:

<u>Agency</u>	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Indigent Defense Commission		1	1	1	1	1
TOTAL		1	1	1	1	1

Fiscal Analysis:

Office of the Executive Secretary of the Supreme Court (OES)

According to the OES, this bill would require additional information technology system changes beyond the those currently underway to successfully implement the sealing legislation that is set to become effective on July 1, 2025. The system enhancements would include creating a new batch process to identify and seal former possession of marijuana cases without entry of a court order, configuring fiscal systems to allow filing of civil petitions of expungement and sealing without the assessment of filing fees, implementing additional electronic interface rules with Virginia State Police, and adding new filing types and sealing authority to seal

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ancillary cases, defined by the bill, via petition. The estimated one-time cost to for the system updates is \$300,561. OES believes that this amount would need to be provided as soon as possible so that work can begin immediately, despite the delayed effective date for certain provisions of the bill.

Item 33 J. of Chapter 2, 2024 Acts of Assembly Special Session I, directs that \$100,000 from the Circuit Courts' general fund budget in fiscal year (FY) 2026 is to be deposited into the Sealing Fee Fund (established in § 17.1-205.1, Code of Virginia). Because the bill repeals this section and reverts any funding, the \$100,000 would be reverted to the general fund.

Indigent Defense Commission (IDC)

The IDC reports that it would need an additional Senior Trial Attorney position at a cost of \$138,193, general fund, annually (includes salary and benefits) to create the curriculum, conduct trainings, provide expungement and sealing support, and develop the library of resources the bill requires.

Virginia State Police (VSP)

According to VSP, programming changes to the Criminal and Rapback Information System (CRIS) would be needed to account for the various changes the bill makes including accepting sealing orders from the OES, identifying and disseminating information to additional agencies that are eligible to receive sealed criminal history records, and identifying offenses that are eligible for sealing that occurred after January 1, 1986. Working with the CRIS vendor, VSP estimates that the one-time cost to make the required changes is at least \$704,275. VSP notes that the changes required by this bill may impact other programming changes for CRIS currently underway. The cost estimate provided does not include any impacts to the schedule that is already in place.

VSP's estimates also do not include costs to create the secure portal required by the bill for government agencies to determine whether records have been sealed prior to responding to a Freedom of Information Act (FOIA) request, which is required to be in place by October 1, 2026. Estimates for developing such a system are not available at this time.

Other Entities

According to the Department of Motor Vehicles, this bill is not expected to have a fiscal impact on agency operations. Any fiscal impact this bill may have on Circuit Court Clerks is not known at this time.

Other: This bill is companion to SB1466.