

**Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement**

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ORIGINAL

Bill Number: HB685

Patron: Zehr

Bill Title: Genetic sequencing; use of foreign genetic sequencing, etc.

Bill Summary: Prohibits medical care facilities from (i) using genetic sequencers or any operational and research software, as such terms are defined in the bill, produced in a country designated as a foreign adversary by the federal government and (ii) storing genetic sequencing data with a country designated as a foreign adversary by the federal government. The bill requires medical care facilities to certify their compliance with such provisions, under penalty of perjury, annually with the Commissioner of Health and subjects medical care facilities that violate such provisions to civil penalties. The bill also prohibits health insurance carriers from covering human organ transplants that occur in China or other designated foreign countries and subjects carriers that violate this provision to civil penalties. This bill expands the applicability of an existing Class 5 felony for perjury.

Budget Amendment Necessary: Yes

Items Impacted: 390

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DOC		\$50,000				
TOTAL		\$50,000				

Fiscal Summary: Proposal requires “Woodrum” impact funding per § 30-19.1:4, Code of Virginia, to account for a possible increase in the need for state prison beds due to this legislation.

Fiscal Analysis: The provisions of this legislation would not have a minimal impact on the Virginia Department of Health (VDH). VDH maintains that any increase in workload to certify compliance can be handled within existing resources.

The Virginia Criminal Sentencing Commission has stated that currently, under § 18.2-434, a person to whom an oath is lawfully administered who willfully and falsely swears to any material matter may be prosecuted for perjury, a Class 5 felony.

For someone convicted of a Class 5 felony, a judge has the option of sentencing the offender to a term of imprisonment of not less than one year nor more than 10 years, or in the discretion of the jury or the court trying the case without a jury, confinement in jail for not more than 12 months and a fine of not more than \$2,500, either or both. Therefore, this proposal could result in an increase in the number of persons sentenced to jail or prison.

There is not enough information available to reliably estimate the increase in jail population as a result of this proposal. However, any increase in jail population will increase costs to the state. The Commonwealth

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currently pays the localities \$5.00 a day for each misdemeanor or otherwise local-responsible prisoner held in a jail and \$15.00 a day for each state-responsible prisoner. It also funds a considerable 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 most recent Jail Cost Report (November 2025), the estimated total state support for local jails averaged \$58.25 per inmate, per day in FY 2024.

Due to the lack of data, the Virginia Criminal Sentencing Commission has concluded, pursuant to §30-19.1:4 of the Code of Virginia, that the impact of the proposed legislation on state-responsible (prison) bed space cannot be determined. In such cases, Chapter 725, 2025 Acts of Assembly, requires that a minimum impact of \$50,000 be assigned to the bill.

The bill may result in additional state revenues from civil penalties of up to \$100,000 per occurrence. The magnitude of any such revenues is indeterminate, as it depends on the frequency of violations and enforcement actions.

Other: None