

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

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ORIGINAL

Bill Number: HB948 **Patron:** Maldonado
Bill Title: Virginia Minimum Wage Act; enforcement; penalties.

Bill Summary: Provides that an employer that violates provisions relating to minimum wage is liable to the employee for the applicable remedies, damages, penalties, and other relief available in a proceeding brought pursuant to the civil action provisions currently available for the nonpayment of wages. Such provisions currently available provide that an employee may bring an action in a court of competent jurisdiction to recover payment of the wages, and the court is required to award the wages owed, an additional equal amount as liquidated damages, plus prejudgment interest thereon, and reasonable attorney fees and costs. Under current law, if the court finds that the employer knowingly failed to pay wages to an employee, the court is required to award the employee an amount equal to triple the amount of wages due and reasonable attorney fees and costs. The bill provides that criminal and civil penalties currently applicable to the nonpayment of wages shall apply to an employer that violates the Virginia Minimum Wage Act.

Budget Amendment Necessary: Yes **Items Impacted:** 390
Explanation: This bill involves the Department of Labor and Industry (DOLI) and the Department of Corrections and will have a state fiscal impact. See Fiscal Analysis section below.

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

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>
Dept. of Corrections	-	\$50,000	-	-	-	-
TOTAL	-	\$50,000	-	-	-	-

Fiscal Analysis: This fiscal impact statement is preliminary and will be updated as additional information is received. DOLI does not anticipate any fiscal impact from this legislation.

Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail and a fine of not more than \$2,500, either or both. 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 currently pays localities \$5.00 a day for each misdemeanant or otherwise local-responsible prisoner held in a jail. It also funds a large 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.

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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.

For someone convicted of a Class 6 felony, a judge has the option of sentencing the offender to a term of imprisonment of not less than one year nor more than five 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 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.

Other: None.