



# NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

## Legislative Incarceration Fiscal Note

**Short Title:** Child Sex Abuse/Strengthen Laws.  
**Bill Number:** House Bill 596 (First Edition)  
**Sponsor(s):** Representatives Riddell, Faircloth, Torbett, and B. Turner

### SUMMARY TABLE

#### FISCAL IMPACT OF H.B. 596, V.1

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
<b>State Impact</b>					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
<b>General Fund Impact</b>	<b>No Estimate Available - Refer to Fiscal Analysis section</b>				

<b>NET STATE IMPACT</b>	<b>No Estimate Available - Refer to Fiscal Analysis section</b>
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### FISCAL IMPACT SUMMARY

This fiscal note addresses the fiscal impact of the bill penalties created or modified in the bill on the Administrative Office of the Courts (AOC), the Office of Indigent Defense Services (IDS), and the Department of Public Safety (DPS). The fiscal impact of the changes in the bill on the operations of AOC are addressed in a separate Legislative Fiscal Note.

The bill would create a new Class 1 misdemeanor, increase the statute of limitation on certain misdemeanors, create a new Class G felony, and create a new Class F felony. The proposed bill may have a fiscal impact because of the application of a more stringent penalty for each offense. However, since there is no historical data on these offenses, or similar offenses to use as a proxy for predicting the total number of offenses, the Fiscal Research Division cannot reasonably estimate the total additional costs that may be incurred. The following costs may be incurred for every one person charged and convicted of these crimes:

Penalty	Administrative Office of the Courts (AOC)	Office of Indigent Defense Services (IDS)	Department of Public Safety (DPS) - Prisons	DPS - Community Corrections
Class 1 misdemeanor	\$233 per disposition	\$202 per disposition	No cost	\$2,400 per supervised probation sentence

Class G felony	\$1,065 per disposition	\$498 per disposition	\$8,070 per active sentence	\$1,440 minimum for post-release supervision
Class F felony	\$1,291 per disposition	\$569 per disposition	\$10,222 per active sentence	\$1,440 minimum for post-release supervision

## **FISCAL ANALYSIS**

Section 2 of the bill would create a new Class 1 misdemeanor for any person who has cause to suspect that a juvenile has been a victim of any crime, and fails to report this suspicion to law enforcement. Because this is a new offense, Fiscal Research does not have any data with which to estimate the specific costs of the changes in this section.

Section 3.(a) would increase the statute of limitations for charging a misdemeanor offense from within two years to within ten years of the commission of the crime for certain offenses defined by statute as “crimes of abuse.”

Fiscal Research cannot estimate the additional number of charges or convictions that would result from the changes in this section. The Sentencing and Policy Advisory Commission (SPAC) has provided the total number of convictions in FY 2017-18 for each misdemeanor class, but it is unknown if the victim was under the age of 18 for any of these convictions or how many additional charges or conviction may result from the increase in statute of limitations for these offenses.

<b>Class</b>	<b>General Statute</b>	<b>Convictions</b>
A1 misdemeanors	G.S. 14-23.6	19
	G.S. 14-33(d)	37
	G.S. 14-27.33	125
	G.S. 14-34	199
	G.S. 14-32.1(f)	66
	G.S. 14-202(c)	5
	G.S. 14-33(c)(1)	1,262
	G.S. 14-277.3A	110
	G.S. 14-33(c)(2)	4,521
	G.S. 14-318.2	467
	G.S. 14-33(c)(3)	118
<b>Total Class A1</b>		<b>6,929</b>
Class 1 misdemeanor	G.S. 7B-301	1
	G.S. 14-202(a1)	5
	G.S. 14-46	No AOC Code
	G.S. 14-202.2	No AOC Code
	G.S. 14-190.5A	1
	G.S. 14-277.1	1,589



<b>Total Class 1</b>		<b>1,596</b>
Class 2 misdemeanor	G.S. 14-33(a)	403
	G.S. 14-40	No AOC Code
	G.S. 14-190.9(a)	200
<b>Total Class 2</b>		<b>603</b>

*Source: NC Sentencing and Policy Advisory Commission, FY 2017-18 Structured Sentencing Simulation Data*

Section 4.(a) would amend G.S. 14-202.5 by creating a new Class G felony for a high-risk sex offender who intentionally or knowingly accesses a Web site with terms of use prohibiting sex offenders from the site, or who intentionally or knowingly uses a commercial social networking Web for any of the listed purposes. Previously, G.S. 14-202.5 was a Class I felony and broader in scope. In 2017, the U.S. Supreme Court found that version of G.S. 14-202.5 to be unconstitutional. Because this is a new offense and as a result of the U.S. Supreme Court’s 2017 decision, Fiscal Research does not have any data with which to estimate the specific costs of the changes in this section.

Section 4.(d) would amend G.S. 14-208.11 to create a new Class F felony for a person required to register as a sex offender who fails to provide the registering sheriff with the information, or any changes to the information, required under new G.S. 14-208.7(b)(8). In FY 2017-18, there were 71 Class F felony convictions for violations of the current G.S. 14-208.11. Since the proposed new offense addresses new conduct that would qualify as failure to register as a sex offender, Fiscal Research does not have any data with which to estimate the specific costs of the changes in this section.

### **General**

The Sentencing and Policy Advisory Commission prepares prison population projections for each bill containing a criminal penalty. The Commission assumes for such bills that expanding existing or creating new criminal offenses produces no deterrent or incapacitative effect on crime. Therefore, the Fiscal Research Division does not assume deterrent effects for any criminal penalty bill.

S.L. 2011-192, the Justice Reinvestment Act (JRA), made changes to North Carolina’s court system, corrections system (both to prisons and probation), and to post-release supervision. All active sentences for felony offenses now result in a minimum of twelve months of post-release supervision (PRS) for B1-E level offenses and a minimum of nine months of PRS for F-I level offenses.

JRA also created the Statewide Misdemeanant Confinement Program (SMCP) for housing misdemeanants with sentences between 90 and 180 days in county jails (misdemeanants with shorter sentences were already the responsibility of the counties). County participation in the program is voluntary. The SMCP pays participating counties for misdemeanants’ housing, transportation, and medical costs. In 2014, the program was expanded to include all misdemeanants with sentences longer than 90 days. The Sentencing and Policy Advisory Commission does not track county jail capacity, so it is not possible to estimate the impact of new or increased misdemeanor penalties on county jails.

## **Judicial Branch**

The Administrative Office of the Courts (AOC) provides Fiscal Research with a fiscal impact analysis for most criminal penalty bills. For such bills, fiscal impact is typically based on the assumption that court time will increase due to anticipated increases in trials and corresponding increases in workload for judges, clerks, and prosecutors. This increased court time is also expected to result in greater expenditures for jury fees and indigent defense. Because these are new offenses, AOC does not have historical data upon which to estimate the number of charges that might occur. AOC provides estimates of the average cost to the court for a charge by offense class.

Section 2 of the bill creates a new Class 1 misdemeanor offense. For every additional person charged with a Class 1 misdemeanor, the average cost to the court would be \$233. Section 4.(a) of the bill creates a new Class G felony offense. For every additional person charged with a Class G felony, the average cost to the court would be \$1,065. Section 4.(d) of the bill creates a new Class F felony offense. For every additional person charged with a Class F felony, the average cost to the court would be \$1,291.

The Office of Indigent Defense Services (IDS) provides Fiscal Research with the frequency and cost of indigent defense services for each level of crime, including the cost differentials for district and superior court with and without a trial and the percentage of cases handled in each category. Fiscal Research used this data to calculate a weighted average of IDS costs.

In FY 2017-18, the most recent year data is available, 39% of Class 1 misdemeanor cases were handled through IDS. The weighted average cost of a new Class 1 misdemeanor is \$202 per case for a private appointed counsel (PAC) attorney. In FY 2017-18, the most recent year data is available, 78% of Class G felony cases were handled through IDS. The weighted average cost of a new Class G felony is \$498 per case for a PAC attorney. In FY 2017-18, 74% of Class F felony cases were handled through IDS. The weighted average cost of a new Class F felony is \$569 per case for a PAC attorney. These estimates assume the appointment of a PAC attorney. In districts that have Public Defender offices, cases may be handled by those offices. In those instances, these costs may not be incurred.

## **Department of Public Safety – Prisons**

### **Class 1 Misdemeanor**

This bill creates a new Class 1 misdemeanor offense. The North Carolina Sentencing and Policy Advisory Commission expects no impact on the prison population because all misdemeanor offenders who receive active sentences will serve them in the local jail.



Class F and Class G Felonies

The chart below depicts the projected inmate population relative to available prison bed capacity system-wide. Capacity projections assume operation at Expanded Operating Capacity,<sup>1</sup> and represent the total number of beds in operation, or authorized for construction or operation as of December 2018.

Based on the most recent population projections and estimated bed capacity, there are surplus prison beds available for the five-year fiscal note horizon and beyond. Therefore, no additional beds will be required unless the projected number of additional inmates resulting from a bill (row four) exceeds the projected number of beds under the inmate population (row three). Rows four and five in the chart demonstrate the impact of the bill.

<b>Population Projections and Bed Capacity Five Year Impact</b>					
	<b>June 30 2020</b>	<b>June 30 2021</b>	<b>June 30 2022</b>	<b>June 30 2023</b>	<b>June 30 2024</b>
1. Inmates <sup>2</sup>	36,452	36,867	37,231	37,433	37,702
2. Prison Beds (Expanded Capacity)	38,225	38,225	38,225	38,225	38,225
3. Beds Over/(Under) Inmate Population	1,773	1,358	994	792	523
<b>4. Additional Inmates Due to this Bill<sup>3</sup></b>	<b>No estimate available</b>				
<b>5. Additional Beds Required</b>					

Since the bill creates new offenses, the Sentencing Commission does not have any historical data from which to estimate the impact of this bill on the prison population. A threshold analysis is provided when it is not known how many offenders might be convicted and sentenced as a result of the proposed change. For each offense class, the threshold estimate is the number of convictions that result in the need for one prison bed in the first year.

In FY 2017-18, 40% of Class G felony convictions resulted in active sentences, with an average estimated time served of 15 months. Nine months of post-release supervision is required upon release from prison following an active sentence or revocation of probation. The following table

<sup>1</sup> Expanded Operating Capacity (EOC) is: 1) the number of single cells housing one inmate, 2) the number of single cells housing two inmates, and 3) the number of beds in dormitories, allowing between 35 (130% of Standard Operating Capacity) and 50 (SOC) square feet per inmate.

<sup>2</sup> The Sentencing and Policy Advisory Commission prepares inmate population projections annually. These projections are derived from: historical information on incarceration and release rates under Structured Sentencing; crime rate forecasts by a technical advisory group; probation and offender revocation rates; and the decline (parole and max-outs) of the stock prison population sentenced under prior sentencing acts. Projections were updated in February 2019.

<sup>3</sup> Criminal penalty bills effective December 1, 2019 should not affect prison population and bed needs until FY 2020-21 due to the lag time between offense charge and sentencing - six months on average. No delayed effect is presumed for the Court System.

shows the estimated annual impact if there were three convictions (the threshold) or 20 convictions for this proposed offense per year. The five year estimate takes into account the combination of active sentences and probation and post-release supervision violations resulting in confinement, as well as growth rates adopted by the Sentencing Commission’s Forecasting Technical Advisory Group.

<b>Estimated Prison Bed Impact Using Threshold Convictions and 20 Convictions Class G Felony</b>					
<b>Convictions</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
3 (Threshold)	1	2	2	2	2
20	9	15	15	15	15

In FY 2017-18, 51% of Class F felony convictions resulted in active sentences, with an average estimated time served of 19 months. Nine months of post-release supervision is required upon release from prison following an active sentence or revocation of probation. The following table shows the estimated annual impact if there were two convictions (the threshold) or 20 convictions for this proposed offense per year. The five year estimate takes into account the combination of active sentences and probation and post-release supervision violations resulting in confinement, as well as growth rates adopted by the Sentencing Commission’s Forecasting Technical Advisory Group.

<b>Estimated Prison Bed Impact Using Threshold Convictions and 20 Convictions Class F Felony</b>					
<b>Convictions</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
2 (Threshold)	1	2	3	3	3
20	11	19	22	22	22

In addition to the capital costs that may be associated with additional bed needs, there are also per diem costs for housing inmates. The cost to add one additional inmate to the prison system is \$17.69 per day, or \$538 per month, which includes the cost of food, clothing, and health care. In FY 2017-18, 40% of Class G felony offenders received active sentences averaging 15 months. For every one Class G felony offender receiving an active sentence, the cost to the prison section will be \$8,070 (\$538 monthly cost times 15 months). In FY 2017-18, 51% of Class F felony offenders received active sentences averaging 19 months. For every one Class F felony offender receiving an active sentence, the cost to the prison section will be \$10,222 (\$538 monthly cost times 19 months).

**Department of Public Safety – Community Corrections**

All misdemeanor offenders may be given non-active (intermediate or community) sentences exclusively, or in conjunction with imprisonment (split-sentence). Sanctions include electronic house arrest, community service, substance abuse treatment, participation in educational or vocational skills development, payment of court costs, fines, and restitution, and short-term jail sentences not exceeding six days per month.

All active sentences for felony offenses now result in a minimum of twelve months of post-release supervision (PRS) for B1-E level offenses and a minimum of nine months of PRS for F-I level offenses. Additionally, for felony offense classes E through I, offenders may be given non-active (intermediate or community) sentences exclusively, or in conjunction with imprisonment (split-sentence). Sanctions include electronic house arrest, community service, substance abuse treatment, participation in educational or vocational skills development, payment of court costs, fines, and restitution, and short-term jail sentences not exceeding six days per month. All misdemeanor offenders may face the same non-active sentences as felons.

JRA essentially eliminated the distinction between “community” and “intermediate” supervision. Under structured sentencing, the two types of supervision were each defined by a set of specific sanctions. Under JRA, both community and intermediate probation may now include electronic monitoring, short-term periods of confinement, substance abuse assessment, monitoring, and treatment, participation in educational programs or vocational skills development. Whether a probationer is subject to more stringent conditions is determined by the results of a risk-needs assessment administered by the Department of Public Safety.

All types of post-release supervision are supervised by the Community Corrections Section (CCS); CCS also oversees community service. Supervision by a probation officer costs \$160 per offender per month; no cost is assumed for those receiving unsupervised probation or who are only ordered to pay fines, fees, or restitution. Total costs are based on average supervision length and the percentage of offenders (per offense class) sentenced to active sentences requiring post-release supervision and supervised probation.

In FY 2017-18, 34% of Class 1 misdemeanor offenders received active sentences; 66% received probation. Active misdemeanor sentences are served in local jails and do not require any post-release supervision. The average length of probation imposed for this class of offense was 15 months. Therefore, at a minimum, one Class 1 misdemeanor conviction resulting in probation will require at least 15 months of supervision. The cost of 15 months of supervision is \$2,400 per offender (\$160 per month times 15 months).<sup>4</sup>

In FY 2017-18, 40% of Class G felony offenders received active sentences and 60% received suspended sentences. The average length of probation imposed for Class G felony offenders receiving suspended sentences was 29 months. All active sentences for Class F through I felonies result in nine months of post-release supervision (PRS). Therefore, at a minimum, one conviction resulting from this bill will require at least nine months of supervision. The cost of nine months of supervision is \$1,440 per offender (\$160 per month times 9 months).<sup>5</sup> For every offender sentenced to probation, the average cost would be \$4,640 (\$160 per month times 29 months).

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<sup>4</sup> Due to the effective date of December 1, 2019 and the typical lag time between charge and conviction (6 months), little impact is assumed for CCS in FY 2019-20. Though some offenders may come under CCS supervision during this time, this note assumes an even entry over the course of FY 2020-21.

<sup>5</sup> Due to the effective date of December 1, 2018 and the typical lag time between charge and conviction (6 months), little impact is assumed for CCS in FY 2018-19. Though some offenders may come under CCS supervision during this time, this note assumes an even entry over the course of FY 2019-20.



In FY 2017-18, 49% of Class F felony offenders received suspended sentences. The average length of probation imposed for this offense class was 31 months. All active sentences for Class F through I felonies result in nine months of post-release supervision (PRS). Therefore, at a minimum, one conviction resulting from this bill will require at least 9 months of supervision. The cost of 9 months of supervision is \$1,440 per offender (\$160 per month times 9 months).<sup>6</sup> For every offender sentenced to probation, the average cost would be \$4,960 (\$160 per month times 31 months).

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## **TECHNICAL CONSIDERATIONS**

N/A.

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## **DATA SOURCES**

Department of Public Safety; Administrative Office of the Courts; North Carolina Sentencing and Policy Advisory Commission; Office of Indigent Defense Services.

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## **LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS**

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

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## **CONTACT INFORMATION**

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April 23, 2019



**Signed copy located in the NCGA Principal Clerk's Offices**

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<sup>6</sup> Due to the effective date of December 1, 2019 and the typical lag time between charge and conviction (6 months), little impact is assumed for CCS in FY 2019-20. Though some offenders may come under CCS supervision during this time, this note assumes an even entry over the course of FY 2020-21.