



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Incarceration Fiscal Note

Short Title: 2026 Criminal Law Changes.
Bill Number: House Bill 308 (Fourth Edition)
Sponsor(s):

SUMMARY TABLE

FISCAL IMPACT OF H.B.308, V.4					
	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>	<u>FY 2030-31</u>
State Impact					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	7,008,625	7,008,625	7,008,625	7,008,625
General Fund Impact	Partial Estimate Available - Refer to Fiscal Analysis Section				

**This table assumes that the full known costs to the judicial and correctional systems are realized beginning in year two of this analysis. For each convicted cohort of offenders, actual costs to the correctional system are likely to be realized incrementally across years based on the length of sentences.*

FISCAL IMPACT SUMMARY

Criminal offenses are classified as misdemeanors (Class 3 as the lowest and Class A1 as the highest) and felonies (Class I to Class A). There are three types of legislative changes to offenses that may result in a fiscal impact to the State’s criminal justice system: creating a new offense, changing the class of an existing offense, or changing the scope of an existing offense.

This proposed legislation:

- Creates 13 new offenses
- Increases the offense class for 6 existing offenses
- Expands the scope of 3 existing offenses

Fiscal Research is only able to provide a partial projection of the fiscal impact that this legislation may have on the criminal justice system. Specifically, the changes in Sections 6 (Amend Strangulation Penalties) and 11.2 (Critical Infrastructure Theft) are expected to cost the State at least \$7 million annually resulting from the increased offense levels for existing charges.

Each additional person charged under the proposed offenses will have a cost to the judicial system and each additional person convicted will have a cost to the correction system. The **cost of one charge and conviction** is listed in the table below, along with the percent of cases that incur those costs at that offense level.

Cost of One Charge and Conviction										
	Prosecution and Defense		Active Sentence					Suspended Sentence		
Offense Class	Admin. Office of the Courts	Indigent Defense Services	DAC - Confinement			DAC - Post-Release Supervision (PRS)		DAC - Probation		
Felony	Cost	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)
C	\$10,994	\$2,250	100%	\$223,577	83	\$3,370	12	0%	\$0	0
E	\$4,197	\$890	57%	\$70,036	26	\$3,370	12	43%	\$8,986	32
F	\$2,364	\$765	54%	\$48,487	18	\$2,527	9	46%	\$8,424	30
▲ F to B1	\$28,136	\$2,903	46%	\$573,758	213	\$842	3	-46%	(\$8,424)	-30
▲ F to C	\$8,630	\$1,485	46%	\$175,091	65	\$842	3	-46%	(\$8,424)	-30
▲ F to D	\$6,620	\$738	46%	\$113,135	42	\$842	3	-46%	(\$8,424)	-30
▲ F to E	\$1,833	\$125	3%	\$21,550	8	\$842	3	-3%	\$562	2
▲ H to G	\$651	\$142	5%	\$13,469	5	\$0	0	-5%	\$562	2
H	\$1,300	\$517	36%	\$26,937	10	\$2,527	9	64%	\$6,739	24
I	\$946	\$430	16%	\$16,162	6	\$2,527	9	84%	\$5,897	21
▲ 1 to G	\$1,605	\$406	41%	\$40,406	15	\$2,527	9	-2%	\$3,370	12
Misdemeanor	Cost	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)
1	\$346	\$254	Active sentences for misdemeanor convictions are served in County jail.			Misdemeanants do not receive PRS.		61%	\$3,931	14
2	\$183	\$254						75%	\$3,650	13
3	\$63	\$210						82%	\$3,650	13

Note: Court costs reflect the average cost per disposition. Costs for active sentences, probation, and post-release supervision reflect the total cost of the sentence or supervision period. Costs to the Statewide Misdemeanant Confinement Program (SMCP) only occur for active sentences > 90 days and impaired driving. The triangle symbols (▲) represent change, plus and minus (+/-) symbols reflect the increase or decrease in cost or time from the current to proposed changes in charge levels.

FISCAL ANALYSIS

Section 6. Amend Strangulation Penalties

Section 6.(a) of the bill amends G.S. 14-32.4. – *assault inflicting serious bodily injury; strangulation; penalties* – to increase the offense classification of assault inflicting serious bodily injury and assault inflicting physical injury by strangulation, add a new definition of “strangulation,” and “serious bodily injury”, and establish a new offense of “assault by strangulation.”

First, Section 6.(a) increases the offense class for assault that inflicts serious bodily injury **from a Class F felony to a Class E felony**. In CY 2025, 832 defendants were charged under this existing offense. If the same number of defendants are charged under the higher offense class, the additional costs to the judicial system per charge cohort would be as follows:

- \$1,525,056 for the Administrative Office of the Courts (AOC) resulting from 832 charges x an average additional cost of \$1,833 per charge for a Class E felony compared to a Class F felony.

- \$104,000 for Indigent Defense Services (IDS) for public defense services from 832 charges x the average \$125 additional cost per charge for Class E felony cases.

In FY 2024, there were 130 convictions for this offense under C.S. 14-32.4. If the same number of convictions occurred under the proposed legislation, the additional costs to the correction system per conviction cohort would be as follows:

- \$1,778,574 for the Department of Adult Correction (DAC) for active prison sentences. This is the difference between the average cost of confinement for 54% of convictions under the old Class F felony versus confinement costs for 57% of Class E felony convictions.
- \$72,490 for DAC community supervision for post-release supervision (PRS). This is the difference between the cost of 9-months of PRS for a Class F felony versus the 12-months of PRS for the new Class E felony.
- Savings of \$2,224 for DAC community supervision for parole. This is the difference between the cost of parole for 46% of convictions under the old Class F felony versus the parole costs for 43% of Class E felony convictions.

This would result in a **total additional cost to the State of \$3,477,896** for the increased offense classification.

Subsection (a2) creates a new Class H felony offense for assault by strangulation. The new definition of “strangulation” may increase the number of assaults that now qualify for this Class H felony but may have previously been classified under lower-level offenses. However, because this is a new offense, there is no data available to estimate how many charges or convictions may occur as a result.

Subsection (b) increases the offense class from a Class H felony to a Class G felony for assault by strangulation which inflicts physical injury. In CY 2024, 2,486 defendants were charged under this existing offense. If the same number of defendants are charged under this new proposed statute, the costs to the judicial system would be as follows:

- \$1,618,386 for AOC resulting from 2,486 charges x an average additional cost of \$651 per charge for a Class G felony compared to a Class H felony.
- \$353,012 for Indigent Defense Services (IDS) for public defense services from 2,486 charges x the average \$142 additional cost per charge for Class G felony cases.

In FY 2024, there were 222 convictions for this offense under C.S. 14-32.4. If the same number of convictions occurred under the proposed legislation, the costs to the correction system would be as follows:

- \$1,521,986 for the Department of Adult Correction (DAC) for active prison sentences. This is the difference between the average cost of confinement for 36% of convictions under the old Class H felony versus confinement costs for 41% Class G felony convictions.
- \$27,797 for DAC community supervision for post-release supervision (PRS). This is the difference between the cost of 9-months of PRS for a Class F felony versus the 12-months of PRS for the new Class E felony.

- Savings of \$507 for DAC community supervision for parole. This is the difference between the cost of parole for 64% of convictions under the old Class H felony versus the parole costs for 59% of Class G felony convictions.

This would result in a **total additional cost to the State of \$3,520,674** for the increased offense classification.

Section 6.1.(a) The HALO Act

Section 6.1.(a) establishes G.S. 14-223.1 (Approaching a first responder with specified intent after a warning). It **creates a Class 2 misdemeanor** for any person, after receiving a verbal warning from a first responder not to approach, to knowingly and willfully violate the warning and approach or remain within 25 feet with the intent to do any of the following: 1) impede or interfere with the first responder's ability to perform his or her duty; 2) threaten the first responder with physical harm; or 3) harass the first responder.

It is not known how many offenders might be charged or convicted of this new offense. Some of the conduct included in the new offense could currently be covered under G.S. 14-223, Resisting officers, which is a Class 2 misdemeanor or G.S. 14-277.1, Communicating threats, which is a Class 1 misdemeanor. There were 3,670 convictions under G.S. 14-223 and 1,147 convictions under G.S. 14-277.1 for these offenses in FY 2023-24; however, no data is available to indicate how many of those convictions involved conduct covered under the new offense. Thus, **Fiscal Research is unable to provide a cost projection for this section.**

Section 8.(a). Theft Tools Offense:

Section 8(a) amends G.S. 14-72.13 (Possession of theft tools with intent to commit larceny from a merchant), which **creates a new Class I felony** for any person who is located within the area of a retail establishment while knowingly possessing any theft tools with the intent to use the theft tools to commit larceny from a merchant. Subsection (b) defines theft detection shielding devices and theft tools.

Because these are new offenses, there is no historic data available for cost projections, and as such **Fiscal Research is unable to provide any cost projections for this bill.** Please refer to the Operating Expenses section below for the average costs of Class I felonies.

Section 9.(a). Indecent Exposure Offense:

Indecent exposure is currently a Class 2 misdemeanor. Section 9(a) amends G.S. 14-190.9 (Indecent exposure) by adding subsections (a6) (Habitual Indecent Exposure) and (a7) (Aggravated Habitual Indecent Exposure), which **creates new Class F and Class E felonies respectively.** In FY 2024, there were 209 convictions for this Class 2 misdemeanor.

Because these are new offenses, there is no historic data available for cost projections, and as such **Fiscal Research is unable to provide any cost projections for this section.** Please refer to the table in the Fiscal Impact Summary for the average costs of Class E and Class F felonies.

Section 10.2 (b). False Pretenses Changes:

Section 10.2 (b) amends G.S. 124-100 (Obtaining property by false pretenses) by expanding the scope of the offense to include obtaining rental housing or lodging by use of any type of false pretense. The penalty is determined by the value of the rental housing or lodging, with anything at or more than \$100,000 to be a **Class C felony** and anything less than \$100,000 to be a **Class H felony**. In 2024, there were 2 Class C convictions for violations over \$100,000 and 966 Class H convictions for violations less than \$100,000.

Because these are new offenses, there is no historic data available for cost projections, and as such **Fiscal Research is unable to provide any cost projections for this section**. Please refer to the table in the Fiscal Impact Summary for the average costs of Class C and Class H felonies.

Section 11.(a). Prohibit Sex Offenders from Seasonal Child Care Camps:

Section 11.(a) amends G.S. 14-208.18. Sex offender unlawfully on premises, by expanding the definition of “premises” to include seasonal child care camps when operating as a seasonal child care camp. Violation is a **Class H felony**.

While there is some conviction data available for violations of G.S. 14-208.18, it is unknown how many new convictions may result from the expanded definitions in this section, effectively making this a new offense. As a result, there is no applicable historic data available for cost projections, and as such **Fiscal Research is unable to provide any cost projections for this section**. Please refer to the table in the Fiscal Impact Summary for the average costs of Class H felonies.

Section 11.2 (a). Critical Infrastructure Theft:

Section 11.2(a) amends G.S. 14-159.4 (injuring property to obtain nonferrous metals) by defining critical infrastructure and increasing the penalty for a violation that disrupts communication or electrical service to critical infrastructure from a Class 1 misdemeanor to a Class G felony.

Section 11.2 (a) increases the offense class for injuring property to obtain nonferrous metals. This bill **raises that existing offense from a Class 1 misdemeanor to a Class G felony**. In CY 2025, 5 defendants were charged under this existing offense. If the same number of defendants are charged under this new proposed statute, the costs to the judicial system would be as follows:

- \$8,025 for AOC resulting from 5 charges x an average additional cost of \$1,605 per charge for a Class G felony compared to a Class 1 misdemeanor.
- \$2,030 for Indigent Defense Services (IDS) for public defense services from 5 charges x the average \$406 additional cost per charge of Class G felony cases.

In FY 2024, there were 0 convictions for this offense under C.S. 14-32.4. If the same number of convictions occurred under the new proposed legislation, there would not be a fiscal impact to the corrections system from this change.

In sum, this would result in a **total additional cost to the State of \$10,055** for the increased offense classification.

Subsection 11.2(b) amends Article 22 of Chapter 14 of the General Statutes by adding new G.S. 14-159.5 (unauthorized possession of nonferrous metals used in critical infrastructure), which creates a new Class 1 misdemeanor for any person to intentionally or knowingly possess nonferrous metals used in critical infrastructure. A subsequent violation is a Class H felony.

Because these are new offenses, there is no historic data available for cost projections, and as such **Fiscal Research is unable to provide any cost projections for this section.** Please refer to the table in the Fiscal Impact Summary for the average costs of Class H felonies and Class 1 misdemeanors.

Section 13. Modify Taking Indecent Liberties with Children Offense:

Taking indecent liberties with children is currently a Class F felony. Section 13(a) amends G.S. 14-202.1 (Taking indecent liberties with a children) by increasing the current Class F felony with an additional four tiers of offenses depending on the specific circumstances of the offense, including the age of the perpetrator, the age of the victim, and other details. The increase would be **from a Class F to an E under subsection (c), an increase to a Class D under subsection (b), an increase to a Class C under subsection (a), and an increase to a Class B1 under subsection (e).** The current Class F felony remains under subsection (d). In FY 2024, there were 379 Class F felony convictions.

Because these are new offenses, there is no historic data available for cost projections, and as such **Fiscal Research is unable to provide any cost projections for this section.** Please refer to the table in the Fiscal Impact Summary for the average costs of changing a Class F felony to other relevant class of offense.

Section 14. Create a Criminal Offense for Escaping from a Juvenile Justice Facility or Officer:

Section 14(a) amends Article 33 of Chapter 14 of the General Statutes by adding new G.S. 14-256.2, which **creates a new Class 1 misdemeanor** offense if a detainee shall break any detention facility, holdover facility, or youth development center, or escape from the custody of any employee, guard, or officer of the Division of Juvenile Justice. It also **creates a new Class H felony** for a violation of this section if the person has:

- 1) Been charged with a felony and has been committed to the facility pending trials or transfer to the State prison system;
- 2) Alleged to be within the jurisdiction of the juvenile court for an offense that would be a felony if committed by an adult and has been placed in secure custody; or
- 3) Been adjudicated delinquent for an offense that would be a felony if committed by an adult, has been placed in secure custody, or committed to Division of Juvenile Justice's custody for placement in a youth development center.

According to the Division of Juvenile Justice Delinquency Prevention, there were 6 juveniles that attempted to escape in 2024 and could be eligible for these new offenses. However, Fiscal

Research does not have the data to distinguish whether the juveniles would be eligible for the new Class 1 misdemeanor or the Class H felony.

Because these are new offenses, there is no historic data available for cost projections, and as such **Fiscal Research is unable to provide any cost projections for this section.** Please refer to the table in the Fiscal Impact Summary for the average costs of Class H felonies and Class 1 misdemeanors.

Section 15. Prohibit Creation and Distribution of Fictitious License Plates:

Section 15(a) amends G.S. 20-111 (Violation of registration provisions) by adding subsection (7), which **creates a new Class 3 misdemeanor** for person who manufactures, creates, sells, or gives to another without consideration a fictitious license plate.

Because these are new offenses, there is no historic data available for cost projections, and as such **Fiscal Research is unable to provide any cost projections for this section.** Please refer to the table in the Fiscal Impact Summary for the average costs of Class 3 misdemeanors.

Capital Expenses

Capital costs emerge when prison bed demand exceeds capacity. Based on the most recent prison population and bed capacity projections from the Sentencing and Policy Advisory Commission (SPAC), the State will have sufficient prison beds available within the five-year fiscal note horizon. Therefore, Fiscal Research anticipates there will be **no additional prison capital requirements** as a result of this proposed legislation.

TECHNICAL CONSIDERATIONS

- Offense changes are typically effective on December 1. FRD assumes that costs incurred in the first year to the judicial and correction systems would be less than annualized costs due to lag time in charges and convictions.
- This estimate assumes that expanding existing or creating new criminal offenses produces no deterrent or incapacitative effect on crime rates. Likewise, FRD assumes no deterrent effects for any modifications to criminal penalties. The estimates in this Incarceration Note make no assumptions about the larger impact on crime rates or costs to society or the State.
- This estimate makes no prediction regarding the likelihood that a prosecutor will charge an offense based on any proposed increases or decreases to the offense class level. This estimate also does not attempt to predict the impact of offense class changes on plea negotiations. FRD assumes the proposed offense class is charged and convicted at the same rate as the prior level.
- For reference, Appendix A to this document shows the costs per charge/conviction for each class of offense in North Carolina.

DATA SOURCES

Department of Adult Correction; Administrative Office of the Courts; North Carolina Sentencing and Policy Advisory Commission; Office of Indigent Defense Services, Division of Juvenile Justice Delinquency Prevention

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 and Technical Consideration sections 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.

CONTACT INFORMATION

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June 2, 2026



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