

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 955

SHORT TITLE: Wireless Telephone Fraud

SPONSOR(S): Senator Ballance

FISCAL IMPACT: Expenditures: Increase () Decrease ()
Revenues: Increase () Decrease ()
No Impact ()
No Estimate Available (x)

FUNDS AFFECTED: General Fund (x) Highway Fund () Local Fund ()
Other Fund ()

BILL SUMMARY:

WIRELESS TELEPHONE FRAUD. PROHIBITING THE UNAUTHORIZED USE OF WIRELESS TELECOMMUNICATIONS SERVICES AND ESTABLISHING CIVIL AND CRIMINAL PENALTIES FOR ACTS RELATING TO SUCH USE. Amends GS 14-113.5 to make it unlawful (1) to make, distribute, possess, use, or assemble an unlawful telecommunications device, or to modify, alter, program, or reprogram a telecommunication device, which is designed, adopted or used to acquire or facilitate the acquisition of telecommunications service without the consent of the telecommunication service provider, (2) to sell, possess, distribute, or otherwise transfer an unlawful telecommunication device for purposes mentioned in preceding section, or (3) to sell, possess, distribute, or otherwise transfer material knowing that the purchaser or a third person intends to use the material in the manufacture of an unlawful telecommunication device. Defines "unlawful telecommunication device" as any electronic serial number, mobile identification number, personal identification number, or any telecommunication device that is capable, or has been altered, modified, programmed, or reprogrammed to be capable, of acquiring or facilitating the acquisition of a telecommunication service without the consent of the telecommunication service provider, including tumbler phones, counterfeit or clone microchips, scanning receivers, and other instruments capable of disguising their identity or location or of gaining access to a communications system operated by a telecommunication service provider. Also adds new definitions for "manufacture of unlawful telecommunication device," "telecommunication device," "telecommunication service," and "telecommunication service provider." Amends GS 14-113.6 to provide that violation of GS 14-113.5 is a Class G felony if offense involves five or more unlawful telecommunication devices. Allows court to order restitution upon conviction for violation of GS 14-113.5. Provides that telecommunication service provider aggrieved by violation of GS

14-113.5 may file civil action for injunctive and declaratory relief, compensatory and punitive damages, expenses for investigation, attorneys fees, and court costs as provided by law. Applies to offenses committed on or after effective date. Effective Dec. 1, 1995.

EFFECTIVE DATE: December 1, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Judicial Department;
Department of Correction

FISCAL IMPACT

	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
EXPENDITURES					
RECURRING					
NON-RECURRING					
					NO ESTIMATE AVAILABLE
REVENUES/RECEIPTS					
RECURRING					
NON-RECURRING					

POSITIONS:

ASSUMPTIONS AND METHODOLOGY:

The Administrative Office of the Courts indicates, and the Fiscal Research Division concurs, that no fiscal estimate can be made of the proposed bill at the present time. According to the AOC, there are currently only a small number of cases filed under the current statute regarding telecommunication service misdemeanors and the number of offenses is small enough that no offense code is currently assigned for coding these misdemeanors into the Courts Information System.

"Wireless fraud" cases have the potential to become significant additions to the court system. However, since this type of crime is a new and emerging area of law enforcement, there is currently no history of activity that would allow for accurately predicting the impact on the court or prison system.

SOURCES OF DATA: Judicial Department

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION

733-4910

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DATE: May 10, 1995

[FRD#003]



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