

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Incarceration Fiscal Note

BILL NUMBER: House Bill 345 (Second Edition)

SHORT TITLE: Winston-Salem Police.

SPONSOR(S): Representative Womble

	FISCAL IMPACT				
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
GENERAL FUND					
Correction					
Judicial					
LOCAL GOVERNMENTS					
ADDITIONAL PRISON BEDS*					
POSITIONS: (cumulative)					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Correction; Judicial Branch; Local Governments					
EFFECTIVE DATE: July 1, 2005					
<i>*This fiscal analysis is independent of the impact of other criminal penalty bills being considered by the General Assembly, which could also increase the projected prison population and thus the availability of prison beds in future years. The Fiscal Research Division is tracking the cumulative effect of all criminal penalty bills on the prison system as well as the Judicial Department.</i>					

BILL SUMMARY: HB 345 would require company police agencies providing on-site personnel services in Winston-Salem and within the 1-mile area surrounding the city's corporate limits to notify the Winston-Salem Police Department prior to providing those services. The notification must include the name of the company or individual receiving services, the location where services will be provided, and the length of each service contract. The company police agency must also

provide the following information to the Police Department within 48 hours of any arrest made by the agency: the name and address of the person arrested, the offense, and the date and location of the offense.¹

ASSUMPTIONS AND METHODOLOGY:

General

Assuming that at least one charge would result from this legislation, there would be a fiscal impact associated with the bill. However, a violation under this bill would arise only if a company police agency certified under existing Chapter 74E failed to adhere to the new notification requirements outlined in this legislation. To the extent that the police agencies regulated by this bill are already complying with Chapter 74E and would be expected to also abide by the requirements of this bill, few charges and convictions under this legislation would be expected. As such, any fiscal impact associated with the bill is not expected to be substantial.

The Sentencing and Policy Advisory Commission prepares prison population projections for each criminal penalty bill. The Commission assumes for each bill that increasing criminal penalties does not have a deterrent or incapacitative effect on crime. Therefore, the Fiscal Research Division does not assume savings due to deterrent effects for this bill or any criminal penalty bill.

Department of Correction

The Sentencing and Policy Advisory Commission prepares inmate population projections annually. The projections used for incarceration fiscal notes are based on January 2005 projections. These projections are based on historical information on incarceration and release rates under Structured Sentencing, crime rate forecasts by a technical advisory group, probation and revocation rates, and the decline (parole and maxouts) of the stock prison population sentenced under previous sentencing acts. Based on the most recent population projections and estimated available prison bed capacity, *there are no surplus prison beds available for the five-year fiscal note horizon and beyond.*

- In FY 2003-04, 19 percent of Class 1 misdemeanors resulted in active sentences and the average estimated time served was 31 days.
- DOC reimburses counties for housing offenders between thirty and ninety days at a rate of \$18 per day per offender. If, for example, one offender were sentenced to 31 days active time as a result of this bill, costs to DOC to reimburse the county would be \$558.

The remaining 81 percent of Class 1 misdemeanants received non-active sentences. For those offenders sentenced to supervised probation, the Division of Community Correction (DCC) would incur costs of \$1.87 per offender per day. Offenders sentenced to community service would cost \$0.67 per offender per day, and offenders given unsupervised probation would not impact DCC.

Because most Class 1 misdemeanants serving active time as a result of this bill would be housed in county jails, this legislation is not expected to significantly impact prison population.

¹ Source: Kory Goldsmith, North Carolina General Assembly Research Division.
House Bill 345 (Second Edition)

Judicial Branch

For most criminal penalty bills, the Administrative Office of the Courts (AOC) provides Fiscal Research with an analysis of the fiscal impact of the specific bill. For these bills, fiscal impact is typically based on the assumption that court time will increase due to an expected increase in trials and a corresponding increase in the hours of work for judges, clerks and prosecutors. This increased court time is also expected to result in greater expenditures for jury fees and indigent defense.

AOC anticipates that certified company police agencies in Winston-Salem would comply with the new requirements, and that few, if any, new criminal or civil cases would arise as a result of this bill. Based upon the costs of time in court, attorney preparation time, and indigent defense, the average estimated total cost to process one Class 1 misdemeanor is \$3,224 per trial and \$284 per guilty plea. The total cost per trial consists of an estimated \$1,333 in indigent defense costs and \$1,891 in jury fees, costs of time in court, and costs of attorney preparation. Assuming that the majority of any new charges resulting from this bill are likely to be settled via guilty plea, costs to AOC are not anticipated to be substantial.

SOURCES OF DATA: Department of Correction; Judicial Branch; North Carolina Sentencing and Policy Advisory Commission

TECHNICAL CONSIDERATIONS: This bill would become effective July 1, 2005. Traditionally, most bills with criminal penalties become effective on December 1. This date has been used to give the criminal justice system time to change their operating systems to accommodate criminal penalty changes and to inform and train attorneys and judges of those changes. There is typically a delay of six months between charging and sentencing an offender. The NC Sentencing and Policy Advisory Commission population projections assume a December 1 effective date, and thus are based on changes in population starting the second year. The expenditures and savings calculated by Fiscal Research use these projections and, thus, assume that the legislation will not impact the prison system until the beginning of 2006-07. If the bill becomes effective prior to December 1, there could be an impact on local jails or the prison system in the 2004-05 fiscal year.

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Aaron Paul and Jim Mills



APPROVED BY: James D. Johnson, Director
Fiscal Research Division

DATE: March 3, 2005

Signed Copy Located in the NCGA Principal Clerk's Offices