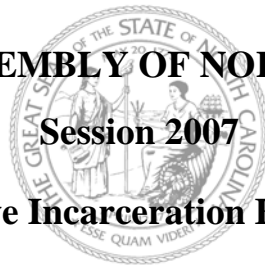


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Incarceration Fiscal Note

(G.S. 120-36.7)

BILL NUMBER: Senate Bill 1364 (Second Edition)

SHORT TITLE: Scrap Vehicle Purchase/Parts-Records.

SPONSOR(S): Senator Hagan

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
GENERAL FUND:					
Correction	No significant fiscal impact is anticipated for either Corrections or the Courts; however, the exact amount cannot be determined. See pp. 2-4.				
Judicial					
TOTAL EXPENDITURES:	Amount cannot be determined.				
ADDITIONAL PRISON BEDS: (cumulative)*	Amount cannot be determined.				
POSITIONS: (cumulative)	Amount cannot be determined.				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Department of Correction; Judicial Branch; Local Government.				
EFFECTIVE DATE:	December 1, 2007.				
<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: S.B. 1364 enacts new G.S. 20-62.1, requiring that secondary metals recyclers and salvage yards, which purchase motor vehicles only for the recovery of scrap metal or for the sale of parts, maintain records of all purchase transactions of motor vehicles if the vehicles are at least 10 model years old or older. G.S. 20-62.1(a) sets forth record information requirements, and provides that such records must be maintained for at least two years after the purchase date. Violation of the statute, including falsification of the required written statement (G.S. 20-62.1(a) (1) g.), is a Class 1 misdemeanor for a first offense, and a Class I felony for a second or subsequent offense. G.S. 20-62.1(d) also provides that any vehicle used to transport

another vehicle that was sold illegally may be seized by law enforcement and is subject to forfeiture – only vehicles used with the consent or knowledge of the owner or the person in charge may be forfeited. Any proceeds from the sale of forfeited vehicles must be remitted to the Civil Penalty and Forfeiture Fund (G.S. 115C-457.1). S.B. 1364 also makes a conforming change to G.S. 20-61. The act becomes effective December 1, 2007 and applies to motor vehicles purchased on or after that date.

Source: Adapted from Bill Digest S.B. 1364 (03/21/0200).

ASSUMPTIONS AND METHODOLOGY:

General

Because the proposed offense is new, there is no historical data from which to project the number of future charges, convictions, or forfeitures (and proceeds). However, based on current resources, any additional charge and/or conviction will generate some additional fiscal impact for the Courts and Corrections. *Nevertheless, the limited offender pool and applicable penalty levels do not suggest a significant impact.*

Department of Correction – Division of Prisons

Since Class 1 misdemeanants serve their designated terms of incarceration within local jails, resultant misdemeanor active sentences will not impact the State prison population.¹ The potential impact on local jail populations is indeterminate.

In FY 2005-06, 20% of Class 1 misdemeanor convictions resulted in active sentences, with an average estimated time served of 31 days. Accordingly, if future convictions result in active sentences longer than 30 days, the Department of Correction could incur some additional costs for county reimbursement. But, given the average sentence lengths for Class 1 misdemeanors, DOC reimbursements should not increase significantly.

Conversely, because there are no surplus prison beds, any resultant Class I felony active sentence will necessitate the construction of an additional bed. In FY 2005-06, 15% of Class I felony convictions resulted in active sentences, with an average estimated time served of 7 months. For illustration, if *twelve* Class I convictions occur annually, *the combination of active sentences and probation revocations will require one additional prison bed in the first applicable year; four additional beds in the second year; and 2 new employees in the second year.*

Assuming these thresholds and inmate assignment to medium custody, the construction of four additional prison beds within a new, stand alone facility could cost the State approximately \$272,160 in FY 2007-08; whereas, bed construction within an add-on facility could cost approximately \$168,480.² These costs are attributed to FY 2007-08 since the construction of

¹ Active sentences between 1-90 days are served in local jails. The Department of Correction reimburses counties \$18 per day for offenders housed longer than 30 days (between 30 and 90). Sentences longer than 90 days are to be served in state prison; however, when bed shortages demand it, the State may lease needed beds from counties.

² New, “stand alone” institution built for Expanded Operating Capacity (EOC); single cells are assumed for close custody, and dormitories are assumed for medium and minimum custody (occupancy no greater than 130% of SOC). “Add-on” facilities (close and medium custody) are built within the perimeter of an existing 1,000-cell Close Security Institution; a minimum custody “add-on” is built adjacent to an existing perimeter. “Add-on” facilities employ the

additional prison beds, whether within an add-on or stand-alone facility, requires budgeting at least three years in advance. Potential operating costs could total \$116,390 by FY 2009-10.³

Department of Correction: Division of Community Corrections

In FY 2005-06, 80% of Class 1 misdemeanor and 85% of Class I felony convictions resulted in either intermediate or community punishments – predominantly special, intensive, or general supervision probation. Consequently, *if additional non-active sentences occur, the Division of Community Corrections (DCC) could incur additional costs for offenders placed under its supervision.* However, it is not known how many offenders would be sentenced to intermediate or community punishments, to which type, or for how long. Included below is a brief discussion of DCC supervision costs, per offender:

- General supervision of intermediate and community offenders by a probation officer costs DCC \$1.96 per offender, per day; no cost is assumed for those receiving unsupervised probation, or who are ordered only to pay fines, fees, or restitution. DCC also incurs a daily cost of \$0.69 per offender sentenced to the Community Service Work Program.
- The daily cost per offender on intermediate sanction is much higher, ranging from \$7.71 to \$14.97 depending on the type of sanction.
- Intensive supervision probation is the most frequently used intermediate sanction, and costs an estimated \$14.97 per offender, per day; on average, intensive supervision lasts six-months, with general supervision assumed for a designated period thereafter.

Judicial Branch

Although it is not known how many additional charges might occur for the new offense, the Administrative Office of the Courts expects that any additional caseload will increase court-time requirements and workloads for district attorneys, superior and district court judges, clerks, court reporters, juries, and indigent defense counsel. The estimated single trial/plea costs for Class 1 misdemeanor and Class I felony cases are shown below. Actual costs may vary from these general estimates, which include indigent defense.

Table 1. AOC Cost Estimates Per Trial and Plea: FY 2007-08		
<i>Offense Class</i>	<i>Trial</i>	<i>Plea</i>
Class 1 Misdemeanor	\$ 3,702	\$ 243
Class I Felony	\$ 6,980	\$ 298

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

TECHNICAL CONSIDERATIONS: None

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same EOC custody configurations as “stand alone” (i.e. single cells for close custody, and dorms for medium and minimum custody levels).

³ Impact on incarcerated population is assumed for FY 2008-09, given the effective date of December 1, 2007 and typical lag time between charge and conviction (6 months).

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