NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Fiscal Analysis Memorandum

CONFIDENTIAL

Requestor: Rep. Arp, Rep. K. Hall, Rep. Lambeth, Rep. Strickland, Sen. Hise, Sen. Jackson, and Sen. Lee
Analyst(s): Morgan Weiss
RE: Budget Special Provisions Memo

SUMMARY TABLE

FISCAL IMPACT OF PCS S257, V.1

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
State Impact					
General Fund Revenue	-	-	-	-	-
Less Expenditures	63,220	64,570	65,708	66,784	67,882
General Fund Impact	**Partial Estimate Available - Refer to Fiscal Analysis Section**				

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 would create 7 new offenses, expand the scope of 1 offense, and increase the offense class of 8 offenses. For all but one of these changes, there is no data available to predict the fiscal impact on the criminal justice system. Thus, Fiscal Research is only able to provide a partial projection of the fiscal impact of this legislation. Specifically, within Section 19.5.(a), Critical Infrastructure Theft), one of the offenses is being increased from a Class 1 misdemeanor to a Class C felony. The expected cost to the judicial system is $63,220. No one has been convicted of the Class 1 misdemeanor offense within the last 5 years and so Fiscal Research does not project a fiscal impact to the corrections system because of the change.

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.)
▲ 2 to C	$10,811	$1,996	100%	$223,577	83	$3,370	12	-75%	($3,650)	-13
▲ 1 to C	$10,648	$1,996	100%	$223,577	83	$3,370	12	-61%	($3,931)	-14
▲ E to D	$4,787	$614	43%	$91,586	34	$0	0	-43%	($8,986)	-32
F	$2,364	$765	54%	$48,487	18	$2,527	9	46%	$8,424	30
▲ G to F	$413	$105	13%	$8,081	3	$0	0	-13%	$1,123	4
H	$1,300	$517	36%	$26,937	10	$2,527	9	64%	$6,739	24
▲ I to H	$354	$87	20%	$10,775	4	$0	0	-20%	$842	3
Misdemeanor	Cost	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)
A1	$599	$284	Active sentences for misdemeanor convictions are served in County jail.			Misdemeanants do not receive PRS.		61%	$4,493	16
▲ 1 to A1	$253	$30						0%	$562	2
1	$346	$254						61%	$3,931	14
▲ 2 to 1	$163	$0						-14%	$281	1
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 7.31 Northeast Regional School of Biotechnology and Agriscience

This section amends Chapter 115C of the General Statutes to add Article 15A establishing the Northeast Regional School of Biotechnology and Agriscience as a public school unit with a board of directors as the governing body. Within G.S. 115C-229.35 (Board of directors; powers and duties), the section adds a **new Class 1 misdemeanor** for any person to aid or abet a student's unlawful absence from the regional school.

This section also adds G.S. 115C-229.50 (Criminal History Record Checks). It includes a **new Class A1 misdemeanor** for any applicant for employment at the regional school to willfully furnish, supply, or otherwise give false information on an employment application that is the basis for a criminal history record check.

Because these are new offenses, there is no data available to predict how many individuals may be charged or convicted with these offenses. As such, **Fiscal Research is unable to provide cost**

projections for this section. Please refer to the table in the Fiscal Impact Summary for the average costs of Class A1 and 1 misdemeanors.

Section 7.54 Released Time Religious Instruction

This section amends G.S. 115C-379 (Method of enforcement) and retitles the section "Method of enforcement and excused and unexcused absences." The section outlines the types of absences that the State Board of Education must recognize as excused. The list of excused absences is expanded to include released time religious instruction. Failure to follow rules regarding excused absences by a school official is a **Class 3 misdemeanor**, and so the scope of possible violations under this offense is expanded as a result of these changes. However, it is not known how many additional violations of this offense may occur as a result of the changes, and so **Fiscal Research is unable to provide cost projections for this section.** Please refer to the table in the Fiscal Impact Summary for the average costs of Class 3 misdemeanors.

Section 16.14 Prohibit Sex Offenders from Seasonal Child Care Camps

Section 16.14 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 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 cost projections for this section**. Please refer to the table in the Fiscal Impact Summary for the average costs of Class H felonies.

Section 19.5 Critical Infrastructure Theft

Section 19.5 amends G.S. 14-159.4 (Cutting, mutilating, defacing, or otherwise injuring property to obtain nonferrous metals) by defining critical infrastructure in (a1). In subsection (b), it expands the existing prohibited acts to include attempts to willfully and wantonly cut, mutilate, deface, or otherwise injure any person or real property of another for the purpose of obtaining nonferrous metals.

The specific punishment class is based on the type and degree of injury as outlined in subsections (c)(1)-(5) and shown in the table below.

Current Punishment for G.S. 14-159.4 Violations			
Subsection	**Injury**	**Current Offense Class**	**# of Convictions in FY 2023-24**
(c)(1)	<$1,000	Class 1 misdemeanor	6
	≥$1,000 <$10,000	Class H felony	27
	≥$10,000	Class F felony	4

(c)(2)	Results in serious injury	Class A1 misdemeanor	1
(c)(3)	Results in serious bodily injury	Class F felony	0
(c)(4)	Results in death	Class D felony	0
(c)(5)	Critical infrastructure affected	Class 1 misdemeanor	0

This legislation proposes two changes to the punishment.

First, it modifies (c)(5) to increase the penalty for a violation that disrupts communication or electrical service to critical infrastructure from a **Class 1 misdemeanor to a Class C felony**.

In CY 2025, 5 defendants were charged under this existing offense. Over the last 5 years, the average number of defendants charged was 3. If the same number of defendants are charged under this new proposed statute as were charged in 2025, the total costs to the judicial system would be $63,220, broken down as follows:

- $53,240 for the Administrative Office of the Courts (AOC) resulting from 5 charges x an average additional cost of $10,648 per charge for a Class C felony compared to a Class 1 misdemeanor.
- $9,980 for Indigent Defense Services (IDS) resulting from 5 charges x an average additional cost of $1,996 per charge for a Class C felony compared to a Class 1 misdemeanor.

Over the last 5 years, there have been 0 convictions for the existing Class 1 misdemeanor offense. 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.**

Second, it punishes attempts to injure property at the same offense class as actual injury. Under G.S. 14-2.5 (Punishment for attempt to commit a felony or misdemeanor), unless a different classification is expressly stated, attempts to commit a misdemeanor or felony are punishable under the next lower classification as the offense which the offender attempted to commit. Thus, this change effectively increases the offense class of attempts to injure property to obtain nonferrous metals by one class.

Although there is conviction data for each of the underlying offenses, there is no data to indicate how many, if any, of the convictions were for attempts to injure property. As such, Fiscal Research is unable to estimate the fiscal impact of punishing attempted actions one class higher. Please refer to the table in the Fiscal Impact Summary for the average costs of Class A1 and 1 misdemeanors and Class C, D, F, and H felonies.

Lastly, section 19.5.(b) creates G.S. 14-159.5 (Unauthorized possession of nonferrous metals used in critical infrastructure), which adds **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 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 44.6 Vapor Product and Consumable Product Licensing and Registry Changes

This section amends G.S. 105-113.4 to define what constitutes a "Specialty retailer of vapor products" and establishes various rules and regulations for these establishments, including licensing requirements. Operating without the appropriate license **is a Class 1 misdemeanor** under G.S. 105-113.4K.

The provision also makes it a **Class 1 misdemeanor** for a specialty retailer of vapor products to allow a person under the age of 21 to be within the retail establishment.

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

Capital Costs

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.

FISCAL ANALYSIS MEMORANDUM – PURPOSE AND LIMITATIONS

This document is a fiscal analysis of a bill, draft bill, amendment, committee substitute, or conference committee report that is confidential under Chapter 120 of the General Statutes. 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. This document is not an official fiscal note. If a formal fiscal note is requested, please email your request to the Fiscal Research Division at FiscalNoteRequests@ncleg.net or call (919) 733-4910.