

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 17

SHORT TITLE Food Stamp Fraud Felony

SPONSOR(S) Representative Howard

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

FUND AFFECTED: General Fund () Highway Fund () Local Fund ()
 Other Fund ()

BILL SUMMARY: "TO RETURN THE FOOD STAMP FRAUD FELONY THRESHOLD TO ITS PRE-1991 LIMIT." Amends GS 108A-53(a) to decrease from \$2000 to \$400 the point at which food stamp fraud becomes a Class I felony instead of a class 1 misdemeanor.

EFFECTIVE DATE: December 1, 1995; applies to convictions for offenses committed on or after that date.

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

FISCAL IMPACT

	<u>FY</u> 94-95	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98	<u>FY</u>
98-99					

EXPENDITURES

RECURRING No Fiscal Impact

NON-RECURRING

POSITIONS: No new positions.

ASSUMPTIONS AND METHODOLOGY: Judicial Branch

The Administrative Office of the Courts (AOC) does not anticipate that this legislation would have a substantial fiscal impact on the Judicial Branch as there would not be any significant changes in how cases are processed or disposed.

A review of misdemeanor food stamp fraud cases in the second quarter of fiscal year 1994-95 yields an estimate of 250 misdemeanor food stamp fraud defendants in a year, under current law. Under the proposed legislation, 175 of these defendants would be charged with felony food stamp fraud.

A sample of district attorneys estimated that of these 175 defendants, 100 would be allowed to plead guilty in district court. Of the remaining 75, 77% would plead guilty, 19% would be dismissed, and the remaining 4% would request trial by jury. The AOC anticipates that the court and indigent defense costs associated with these very few jury trials could be absorbed within existing resources.

Subsequently, based on this information, no substantial fiscal impact is predicted for the Judicial Branch at this time.

ASSUMPTIONS AND METHODOLOGY: Department of Correction

Additionally, the proposed legislation would not have a significant fiscal impact on the Department of Correction (DOC) as no offenders in the 1992-93 fiscal year convicted of food stamp fraud were initially sentenced to active prison terms.

Based on data provided by the North Carolina Sentencing and Policy Advisory Commission, approximately 4-6 individuals, over and above those currently sentenced under the Structured Sentencing Act, would be incarcerated annually over the next decade. The vast majority of these individuals would be incarcerated as a result of parole revocations. The Fiscal Research Division believes that this small increase in incarcerated individuals could be handled within existing DOC resources.

SOURCES OF DATA: Administrative Office of the Courts; North Carolina Sentencing and Policy Advisory Commission

FISCAL RESEARCH DIVISION

733-4910

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