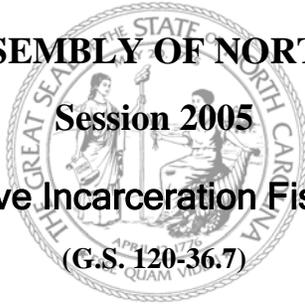


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Incarceration Fiscal Note

(G.S. 120-36.7)

BILL NUMBER: House Bill 1849 (First Edition)
SHORT TITLE: Lobbying Reforms 2006.
SPONSOR(S): Representatives Hackney, Howard, Sherrill, and Gibson

FISCAL IMPACT table with columns for Yes (X), No (), and No Estimate Available () across fiscal years FY 2006-07 to FY 2010-11. Rows include GENERAL FUND (Correction, Judicial), ADDITIONAL PRISON BEDS*, POSITIONS: (cumulative), and PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Correction; Judicial Branch. Includes an EFFECTIVE DATE of January 1, 2007 and a disclaimer note.

BILL SUMMARY: Amends Article 9A of Chapter 120 and S.L. 2005-456 (SB 612), which takes effect January 1, 2007, to establish waiting periods before certain state officers may lobby; to bar lobbyists from certain appointments and other activities; to ban certain gifts by lobbyists or their principals to legislators, legislative employees, or executive branch officers; to expand coverage of the lobbying laws to include executive branch officers and employees; to provide for single registration, fee, regulation, and reporting periods for both legislative and executive branch lobbying; to ban campaign contributions by registered lobbyists; to permit the issuance of advisory opinions; and to require lobbying education programs. The act repeals Article 4C of Chapter 147 and makes other conforming changes, as recommended by the House Select Committee on Ethics and Governmental Reform.

Source: "Bill Analysis." H1849e1-SMST. Legislative Services Office, NCGA.

ASSUMPTIONS AND METHODOLOGY:

General

H.B. 1849 would expand the coverage of lobbying laws and add several new requirements for compliance. Through these requirements and expansion, the bill creates the following criminal offenses:

- Section 1 creates a new statute, G.S. 120-47.7C, which delineates certain prohibited actions by lobbyists, members and former members of the General Assembly, and certain Executive branch officers. Under current G.S. 120-47.9(a), a violation of Article 9A of Chapter 120 is a Class 1 misdemeanor offense.
- Section 3, in part, revises existing definitions (G.S. 120-47.1) to broaden the definition of a covered person; provides for the prohibition of certain gifts by a lobbyist or lobbyist's principal; and requires more extensive reporting of expenditures by lobbyists. A willful violation of any such provision is a Class 1 misdemeanor offense under G.S. G.S. 120-47.9(a).
- Section 5.2 creates a new statute, G.S. 163-278.13C, which prohibits certain contributions and actions by registered lobbyists, in addition to the solicitation of contributions from a lobbyist, either directly or indirectly by a legislator, executive branch official, candidate campaign committee, or their real or purported agent. Under the bill, a violation of any such provision is a Class 2 misdemeanor.

Department of Correction

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. Based on the most recent population projections and estimated available prison bed capacity, *there are no surplus prison beds available over the immediate five-year horizon, or beyond.*

Because this bill creates new criminal penalties, there are no historical data from which to estimate the impact on the State's prison population, or to project the number of offenders who could be sentenced under the act. *However, high compliance is assumed. Thus, no significant impact is anticipated.*

In 2004-05, 19% of Class 1 misdemeanor convictions resulted in active sentences; only 16% of Class 2 misdemeanor convictions resulted in active sentences. The average estimated time served for Class 1 and Class 2 convictions was 30.7 days and 11.8 days, respectively. Because offenders serving active sentences of 90 days or less are housed in county jails, *there is no anticipated impact on the State's prison population*. The impact on local jails cannot be determined.

Department of Correction – Division of Community Corrections

Assuming compliance, there is no significant impact projected for Community Corrections. In 2004-05, approximately 79% of those convicted of Class 1 misdemeanors received community punishment, predominately special probation; 83% of Class 2 offenders received community punishment. Offenders given community supervised probation are supervised by probation officers who provide general supervision at a cost to DCC of \$1.93 per offender, per day. For intensive supervision probation or electronic house arrest, the daily costs are higher – \$12.95 and \$6.71, respectively.

In addition, offenders supervised by DCC are required to pay a \$30 per month supervision fee; those serving community service are required pay a one-time fee of \$200; and those on electronic house arrest or electronic monitoring must pay a one-time \$90 fee. This money is collected by the Court System and goes to the General Fund. The percentage of fees actually collected cannot be determined from the Court's records, but survey information indicates that the compliance rate for supervised probationers is around 48%.

Judicial Branch

For most criminal penalty bills, the Administrative Office of the Courts 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.

There is no data with which to project the number of violations that might result under this bill. However, the AOC does not have a specific offense code for Chapter 120, suggesting that few charges would arise under H.B. 1849. Assuming a high degree of compliance, *few additional cases are anticipated*. The AOC estimates court-time costs of \$3,153 and \$2,380 per trial, and \$224 and \$211 per plea for Class 1 and 2 misdemeanors, respectively.

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

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Bryce Ball and Jim Mills

APPROVED BY: Lynn Muchmore, Director
Fiscal Research Division

DATE: June 2, 2006



Signed Copy Located in the NCGA Principal Clerk's Offices