



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Incarceration Fiscal Note

Short Title: Controlled Substances Act - Updates.
Bill Number: House Bill 330 (Second Edition)
Sponsor(s):

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 adds multiple drugs to the list of Schedule I substances defined in existing statutes. There are a number of charges associated with illegal possession, sale, delivery, and creation of the substances on the Schedule I list, so **adding any new drug effectively creates at least 11 new criminal penalties:** one Class C felony, one Class D felony, one Class E felony, 2 Class G felonies, 3 Class H felonies, 2 Class I felonies, and one Class 2 misdemeanor.

Because these are effectively new offenses, there is no data to predict how many more individuals may be charged or convicted as a result. **Therefore, Fiscal Research is unable to project the fiscal impact** of the proposed legislation on the criminal justice system.

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	Rate	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)
C	\$10,994	82%	\$2,250	100%	\$223,577	83	\$3,370	12	0%	\$0	0
D	\$8,984	89%	\$1,503	100%	\$161,622	60	\$3,370	12	0%	\$0	0
E	\$4,197	79%	\$890	57%	\$70,036	26	\$3,370	12	43%	\$8,986	32
G	\$1,951	78%	\$660	41%	\$40,406	15	\$2,527	9	59%	\$7,301	26
H	\$1,300	78%	\$517	36%	\$26,937	10	\$2,527	9	64%	\$6,739	24
I	\$946	68%	\$430	16%	\$16,162	6	\$2,527	9	84%	\$5,897	21



Misdemeanor	Cost	Rate	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)	
2	\$183	30%	\$254			Active sentences for misdemeanor convictions are served in County jail.			Misdemeanants do not receive PRS.	75%	\$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 IMPACT OF H.B.330, V.2					
	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>
State Impact					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
General Fund Impact	No Estimate Available - Refer to Fiscal Analysis section				
NET STATE IMPACT	No Estimate Available - Refer to Fiscal Analysis section				
TECHNICAL CONSIDERATIONS: See Technical Considerations Section					

FISCAL ANALYSIS

This bill amends G.S. 90-89 – *Schedule I controlled substances* – by adding multiple substances to subsections (1) Opiates, (4) Systemic depressants, (5) Stimulants, and (7) Synthetic cannabinoids. The bill further amends G.S. 90-89 by adding a new subsection, (1b) Nitazine derivatives, to the list of substances in Schedule I. Since there are numerous existing criminal penalties that govern substances on the Schedule I list, adding any new substance will effectively create the following new criminal offenses:

- Simple possession – **Class I felony**
- Attempting or conspiring to possess – **Class I felony**
- Manufacturing or delivering, or possessing with intent to manufacture, sell, or deliver – **Class H felony**
- Attempting or conspiring to manufacture or deliver, or possess with intent to manufacture, sell, or deliver – **Class H felony**
- Selling a Schedule I controlled substance – **Class G felony**
- Attempting or conspiring to sell a Schedule I controlled substance – **Class G felony**
- Selling or delivering a controlled substance to a person between 13 and 16 years old or who is pregnant – **Class D felony**



- Selling or delivering a controlled substance to a person who is 13 years old or younger – **Class C felony**
- Committing any controlled substance offense that requires a suspended prison sentence when the offender has been previously convicted of another crime – **Class 2 misdemeanor**
- Committing any Schedule I controlled substance offense on or within 1,000 feet of property used for a child-care center, elementary school, secondary school, or public park (when the offender is 21 or older) – **Class E felony**
- Committing a Schedule I controlled substance offense on the premises of a penal institution or local confinement facility – **Class H felony**

Additional penalties may also apply based on the quantity of a particular substance involved in each offense.

Since adding a drug to the Schedule I controlled substance list effectively creates the above new offenses, it is not possible to know how many new charges or convictions may occur under the expansion. Therefore, **Fiscal Research is unable to provide any cost projections for this bill.**

Capital Expenses

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 beyond 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.

Operating Expenses

The table in the Fiscal Impact Summary lists the costs specific to the charges relevant to this proposed legislation.

TECHNICAL CONSIDERATIONS

- Due to delays in updated data availability, FRD must utilize 2023 data for Incarceration Notes for the beginning of the 2025 long session. Any changes are not expected to be significant, but FRD does plan to revisit Incarceration Notes prepared prior to the availability of updated data when and where appropriate later in the session.
- 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.

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. 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.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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APPENDIX A: COSTS PER CHARGE/CONVICTION BY OFFENSE CLASS

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	Rate	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)
A	\$55,469	95%	\$11,967	100%	NA	Life	N/A	N/A	0%	N/A	0
B1	\$23,852	78%	\$4,187	100%	\$178,610	242	\$2,994	12	0%	N/A	0
B2	\$17,704	85%	\$4,187	100%	\$115,137	156	\$2,994	12	0%	N/A	0
C	\$8,598	82%	\$2,317	100%	\$63,473	86	\$2,994	12	0%	N/A	0
D	\$7,027	89%	\$1,744	100%	\$47,236	64	\$2,994	12	0%	N/A	0
E	\$3,281	79%	\$909	57%	\$19,928	27	\$2,994	12	43%	\$7,356	31
F	\$1,849	74%	\$849	51%	\$13,285	18	\$2,282	9	49%	\$7,119	30
G	\$1,525	78%	\$706	39%	\$11,071	15	\$2,282	9	61%	\$6,170	26
H	\$1,016	78%	\$510	33%	\$8,119	11	\$2,282	9	67%	\$5,933	25
I	\$740	68%	\$407	15%	\$4,428	6	\$2,282	9	85%	\$5,221	22
Misdemeanor	Cost	Rate	Cost	Rate	Cost	Length (Days)			Rate	Cost	Length (Mo.)
A1	\$580	52%	\$281	Active sentences for misdemeanor convictions are served in County jail.			Misdemeanants do not receive PRS		64%	\$3,797	16
1	\$335	62%	\$237						64%	\$3,322	14
2	\$178	30%	\$237						78%	\$3,085	13
3	\$63	14%	\$202						84%	\$3,085	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 for impaired driving.