



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Incarceration Fiscal Note

Short Title: Revise Laws Governing Minors.
Bill Number: House Bill 83 (First Edition)
Sponsor(s): Rep. Torbett

SUMMARY TABLE

PARTIAL FISCAL IMPACT OF H.B.83, V.1

	<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	66,354	66,354	66,354	66,354	66,354
General Fund Impact	(66,354)	(66,354)	(66,354)	(66,354)	(66,354)

NET STATE IMPACT	Partial Estimate Available - Refer to Fiscal Analysis Section
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TECHNICAL CONSIDERATIONS: See Technical Considerations 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 increases the charge classifications for three existing forms of *dissemination to minors* offenses as follows:

1. *Dissemination to minors under the age of 16 years* – Proposed increase from a Class H felony to a Class G felony
2. *Dissemination to minors under the age of 13 years* – Proposed increase from a Class G felony to a Class F felony
3. *Disseminating harmful material to minors; exhibiting harmful performances to minors* – Proposed increase from a Class 1 misdemeanor to a Class H felony

The legislation also establishes a new offense for *habitual indecent exposure* punishable as a Class H felony.

There is no data available to project the fiscal impact for increasing the charge level for the first two dissemination offenses; however, increasing the offense level for *Disseminating harmful material to minors; exhibiting harmful performances to minors* will have a **projected fiscal impact of at least \$66,354 annually in the first five years**. There is also no data available to predict how many individuals may be charged under the new offense, *habitual indecent exposure*. **Therefore, Fiscal Research is only able to provide a partial projected 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. Appendix A includes a table with the **cost of one charge and conviction**, along with the percent of cases that incur those costs at that offense level. The table below includes the average additional cost, time served and share of cases incurring each category of cost for the offense classification changes addressed in this bill.

Cost of One Charge and Conviction											
Offense Class	Prosecution and Defense			Active Sentence				Suspended Sentence			
	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.)
▲ H to G	\$509	0%	\$196	6%	\$2,952	4	\$0	0	-6%	\$237	1
▲ G to F	\$324	-4%	\$143	12%	\$2,214	3	\$0	0	-12%	\$949	4
▲ 1 to H	\$681	16%	\$273	33%	\$8,119	11	\$2,282	9	3%	\$2,610	11

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 1.1 of the bill amends G.S. 14-190.7 – *dissemination to minors under the age of 16* – in subsection (a) by increasing the offense from a Class H felony to a Class G felony. The Administrative Office of the Courts (AOC) currently does not have a specific offense code for violations of G.S. 14-190.7, and therefore no data is available on the number of charges brought under this offense. As such, **Fiscal Research is unable to estimate the full cost of increasing the offense class**. The table in the Fiscal Impact Summary includes costs associated with one additional Class G charge and conviction compared to a Class H.

Section 1.2 of the bill amends G.S. 14-190.8 – *dissemination to minors under the age of 13* – in subsection (a) by increasing the offense from a Class G felony to a Class F felony. AOC currently does not have a specific offense code for violations of G.S. 14-190.8, and therefore no data is available on the number of charges brought under this offense. As such, **Fiscal Research is unable to estimate the full cost of increasing the offense class**. The table in the Fiscal Impact

Summary includes costs associated with one additional Class F charge and conviction compared to a Class G.

Section 1.3 of the bill amends G.S. 14-190.15 – *disseminating harmful material to minors; exhibiting harmful performances to minors*– in subsection (a) by increasing the offense from a Class 1 misdemeanor to a Class H felony. In CY 2024, 15 defendants were charged under this existing offense. If the same number of defendants are charged under this new proposed statute, the costs to the judicial system would be as follows:

- \$10,215 for AOC resulting from 15 charges multiplied by an average additional cost of \$681 per charge for a Class H felony compared to a Class 1 misdemeanor.
- \$4,095 for Indigent Defense Services (IDS) for public defense services from 15 charges multiplied by an average additional cost of \$273 per charge for a Class H felony compared to a Class 1 misdemeanor.

In FY 2024, there were 4 convictions under this existing offense. If the same number of convictions occurred under the new proposed legislation, the costs to the correction system would be as follows:

- \$32,476 for the Department of Adult Correction (DAC) for active prison sentences. This is the difference between no confinement costs under the old Class 1 misdemeanors versus confinement costs for 33% of Class H felony convictions, times four convictions.
- \$9,128 for DAC community supervision for post-release supervision (PRS). This is the difference in cost between no PRS for Class 1 misdemeanors versus an average of 9-months PRS for Class H felony convictions, times four convictions.
- \$10,440 for DAC community supervision for parole. This is the difference between the cost of parole for 64% of convictions under the old Class 1 misdemeanor versus 67% of Class H felony convictions, times four convictions.

This would result in a **total annual cost to the State of \$66,354** for the increased offense classification.

Sections 1.1, 1.2, and 1.3 also create a new subsection (b) within each section. These new subsections require the sentencing court **to consider** whether a person who violates the respective subsection (a) must register as a sex offender under current statute (Article 27A, Sex Offender and Public Protection Registration Program, of Chapter 14). Requiring more people to register as sex offenders could result in additional violations of G.S. 14-208.11 – *Failure to register; falsification of verification notice; failure to return verification form; order for arrest* – which is a Class F felony. However, it is not possible to know how many of these additional of these offenses may occur; therefore, Fiscal Research is unable to estimate any potential fiscal impacts resulting from this component of the bill.

Section 2 of the bill establishes a new offense prohibiting transportation network companies from providing services to unemancipated minors without first receiving consent from the minor’s parent or legal guardian. Section 2.1 establishes the offense and Section 2.2 sets the penalty for the offense as a \$250 fine. A fine penalty means that there will be no added cost to the corrections system resulting from this new offense, though the judicial system may incur some additional

costs related to charge processing and administration. It is not possible to estimate these potential costs due to insufficient data, and revenue impacts resulting from fine collections are outside the scope of incarceration note analysis.

In summary, there is minimal data available to support cost projections for the changes in this proposed legislation. As such, **Fiscal Research is unable to provide a complete cost projection**, though a **minimum cost of \$66,354 is likely** to result from a portion of the increased offense classifications in the 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 charge or charges included in this proposal.

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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March 10, 2025



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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.