



# NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

## Legislative Incarceration Fiscal Note

**Short Title:** Prohibit Foreign Ownership of NC Land.  
**Bill Number:** Senate Bill 394 (Fourth 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 would **create two new Class 2 misdemeanors**. Because these are new charges, there is no data to predict how many individuals may be charged or convicted. **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										
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			
Misdemeanor	Cost	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)
2	\$183	\$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.*

## FISCAL IMPACT OF S.B.394, V.4

	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>	<u>FY 2030-31</u>
<b>State Impact</b>					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
<b>General Fund Impact</b>	<b>No Estimate Available - Refer to Fiscal Analysis section</b>				

<b>NET STATE IMPACT</b>	<b>No Estimate Available - Refer to Fiscal Analysis section</b>
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### FISCAL ANALYSIS

#### **Bill Summary:**

This bill would make it unlawful for a “prohibited foreign party” (defined in G.S. 64-62(8)(a-e) as an adversarial foreign government), to purchase, acquire, lease, or hold any interest in agricultural land or land situated within a 50-mile radius of a military installation. The new G.S. 64-63(l) creates a **new Class 2 misdemeanor** for any party who knowingly sells an interest in such land in violation of this section. It also makes it a Class 2 misdemeanor for someone who has actual knowledge that such a transaction will result in a violation to aid and abet a party in knowingly selling an interest in such land.

Because these are new offenses, there is no historic data available for cost projections, and as such **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 charge or charges included in this proposal.

### 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**

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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**

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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 and Technical Consideration sections 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**

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

## **ESTIMATE PREPARED BY**

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Mark White

## **ESTIMATE APPROVED BY**

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Fiscal Research Division  
May 12, 2026



**Signed copy located in the NCGA Principal Clerk's Offices**

**APPENDIX A: COSTS PER CHARGE/CONVICTION BY OFFENSE CLASS**

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	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)
A	\$70,930	\$9,190	100%	NA	Life	N/A	N/A	0%	\$0	0
B1	\$30,500	\$3,668	100%	\$622,245	231	\$3,370	12	0%	\$0	0
B2	\$22,638	\$3,668	100%	\$371,731	138	\$3,370	12	0%	\$0	0
C	\$10,994	\$2,250	100%	\$223,577	83	\$3,370	12	0%	\$0	0
D	\$8,984	\$1,503	100%	\$161,622	60	\$3,370	12	0%	\$0	0
E	\$4,197	\$890	57%	\$70,036	26	\$3,370	12	43%	\$8,986	32
F	\$2,364	\$765	54%	\$48,487	18	\$2,527	9	46%	\$8,424	30
G	\$1,951	\$660	41%	\$40,406	15	\$2,527	9	59%	\$7,301	26
H	\$1,300	\$517	36%	\$26,937	10	\$2,527	9	64%	\$6,739	24
I	\$946	\$430	16%	\$16,162	6	\$2,527	9	84%	\$5,897	21
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	\$346	\$254						61%	\$3,931	14
2	\$183	\$254						75%	\$3,650	13
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. Active sentence cost represents the average monthly cost per offender, not the cost of adding one new offender to the prisoner population. Costs to the Statewide Misdemeanant Confinement Program (SMCP) only occur for active sentences > 90 days and for impaired driving.*