



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Fiscal Analysis Memorandum

CONFIDENTIAL

Requestor: Sen. Britt
Analyst(s): Mark White
RE: S50a-ACE-16

SUMMARY TABLE

FISCAL IMPACT OF PROPOSED AMENDMENT S50-ACE-16 TO S.B.50

	<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	Likely Significant Budget Cost - Refer to Fiscal Analysis section				

NET STATE IMPACT	Likely Significant Budget Cost - 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 would **create new Class C and a new Class F felonies**. 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. However, it is likely that the bill’s changes to the criminal justice system **would have a significant impact** on both capital and operating expenses for the State’s 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	\$8,598	82%	\$2,317	100%	\$63,473	86	\$2,994	12	0%	\$0	0
F	\$1,849	74%	\$849	51%	\$13,285	18	\$2,282	9	49%	\$7,119	30

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 ANALYSIS

Bill Summary:

Section 1 of the proposal amends G.S. 14-415.1, *Possession of firearms, etc. by felon prohibited*. Subsection (a) of the underlying statute already makes it illegal for a convicted felon to purchase, own, possess, or have in the person’s custody, care, or control any firearm or weapon of mass death and destruction. Violation of subsection (a) is a Class G felony.

The new subsection (a1) makes it a **Class F felony** to violate subsection (a) during the commission or attempted commission of a felony. The new subsection (a3) makes it a **Class C felony** to violate subsection (a) and to discharge the illegally possessed weapon during the commission or attempted commission of a felony.

There is some historical data available for the existing Class G felony. In CY 2024, there were 7,552 defendants charged with possession of a firearm by a convicted felon, and an unknown number of these defendants may have also been committing a separate felony while illegally possessing the weapon. Because these are new offenses, there is no historic data available for cost projections, and as such **Fiscal Research is unable to provide operating cost projections for this bill**. However, it should be noted that the bill’s changes to the criminal justice system may have a significant impact on both capital and operating expenses for the State’s criminal justice system. The below section outlines the relevant considerations.

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 approximately 2,443 beds available at the end of the five-year window and approximately 1,461 beds available at the end of the ten-year window.

However, SPAC notes that while it is impossible to predict how many individuals who are prohibited from possessing firearms would possess or discharge those weapons during the commission of a felony, it is possible to estimate the pool of potential offenders under the statute created by this bill. SPAC estimates the pool of potential new Class C offenders to be approximately 1,460 per year and the pool of potential new Class F offenders to be approximately 957 per year. In addition, 100% of Class C convictions serve active sentences of approximately 86 months.

It is unlikely that all of these potential offenders will commit the new offenses included in this bill. However, if, for example, 25% of the new Class C offenders in the potential pool were convicted, prison bed demand would increase **by nearly 1,502 beds over the next five years, utilizing approximately 61% of the State's current projected availability**. This scenario illustrates the rapidity with which the charges included in this bill could put additional capacity pressures on the adult correction system.

Operating Expenses

The table in the Fiscal Impact Summary lists the costs specific to the 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.

FISCAL ANALYSIS MEMORANDUM – PURPOSE AND LIMITATIONS

This document is a fiscal analysis of a bill, draft bill, amendment, committee substitute, or conference committee report that is confidential under Chapter 120 of the General Statutes. 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. This document is not an official fiscal note. If a formal fiscal note is requested, please email your request to the Fiscal Research Division at FiscalNoteRequests@ncleg.net or call (919) 733-4910.

