



HOUSE BILL 237: Criminal Law Revisions.

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2023-2024 General Assembly

Committee:	House Judiciary 2	Date:	May 3, 2023
Introduced by:	Reps. Torbett, Greene, Faircloth, Carson Smith	Prepared by:	Susan Sitze Staff Attorney
Analysis of:	PCS to Second Edition H237-CSSA-23		

OVERVIEW: The Proposed Committee Substitute (PCS) for House Bill 237 would do the following:

- Create a State criminal offense of "money laundering".
- Create a sentencing enhancement for committing a crime while wearing a mask, hood, or other device to conceal identity.

The PCS makes the following changes to the previous version heard by House Judiciary 2:

- Adds a \$10,000 threshold.
- Requires knowledge of the criminal activity to establish a culpable mental state.
- Removes previous language regarding presumption of the intended use of funds.
- Clarifies that conspiring with an under cover law enforcement officer is not a defense to conspiracy.

BILL ANALYSIS:

Part I of House Bill 237 would enact G.S. 14-118.8 to create a new offense of "money laundering."

The offense of money laundering would prohibit the knowing and willing use of the proceeds of criminal activity or criminal funds that alone or aggregated exceed \$10,000 in a variety of ways that are commonly used to conceal the illegal origins of the money and make it appear to be the result of legitimate, legal enterprise. Knowledge of the nature of the criminal activity giving rise to the proceeds would be required to establish a culpable mental state.

Money laundering would be punished at one of two levels as follows:

- A Class H felony if the value of the proceeds of criminal activity is less than \$100,000. Punishment for a Class H felony ranges from unsupervised probation to 39 months active, depending on prior record level.
- A Class C felony if the value of the proceeds of criminal activity is \$100,000 or more. Punishment for a Class C felony requires an active sentence that can range from an absolute minimum of 44 months to an absolute maximum of 231 months, depending on prior record level.

This part also contains the following provisions regarding the offense of money laundering:

Jeffrey Hudson
Director



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- Aggregation - Allows aggregation of proceeds of criminal activity related to one scheme or continuing course of conduct into one offense and the value of the aggregated offenses to be combined to determine offense classification.
- Forfeiture – Authorizes forfeiture of all property used in, derived from, maintained by, or realized through a money laundering violation. The forfeiture process may be conducted through either the criminal forfeiture process of G.S. 14-2.3, or the civil forfeiture process of Chapter 75D (Racketeer Influenced and Corrupt Organizations [RICO]).
- Conspiracy – Provides the same punishment for conspiracy as for the commission of the offense. It would not be a defense to conspiracy that the person with whom they conspired was a law enforcement officer or a person acting at the direction of a law enforcement officer that falsely represented that the funds were proceeds of criminal activity.
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Part II would enact G.S. 15A-1340.16F to provide that any person who commits a misdemeanor or felony while wearing a mask, hood, or other clothing or device that concealed or attempted to conceal the person's identity at the time of the offense, would be punished and sentenced as follows:

- The defendant would be guilty of an offense one class higher than the underlying misdemeanor or felony.
- If, after enhancement, offense level and the defendant's prior record level allow an active sentence, the court would be required to impose an active sentence.

EFFECTIVE DATE: This bill would become effective December 1, 2023, and apply to offenses committed on or after that date.