## NORTH CAROLINA GENERAL ASSEMBLY

## LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 558

SHORT TITLE: EXPEDITE EVICTION/DRUG OFFENDERS

**SPONSOR(S):** SENATOR ODOM

FISCAL IMPACT: Expenditures: Increase ( ) Decrease ( )

Revenues: Increase ( ) Decrease ( )

No Impact ( )

No Estimate Available (X)

FUNDS AFFECTED: General Fund ( ) Highway Fund ( )
Local Fund ( ) Other Fund ( )

"TO PROVIDE FOR EXPEDITED EVICTION OF PERSONS BILL SUMMARY: ENGAGED IN DRUG-RELATED CRIMINAL ACTIVITY AND OTHER CRIMINAL ACTIVITY THAT THREATENS THE HEALTH, SAFETY, OR PEACEFUL ENJOYMENT OF RENTAL PROPERTY." Creates a new Article 7 in G.S. Chapter 42 to establish a cause of action in district court to remove tenants or other persons from leased or residential premises where: (1) criminal activity has occurred on or within the individual rental unit; (2) the unit was used in any way in furtherance of or to promote criminal activity; (3) the tenant, any members of the household or any guest engages in criminal activity on or in the immediate vicinity of the premises; (4) the tenant allows a person back into to the unit knowing that the person has been removed under this Article; or (5) the tenant fails to notify law enforcement or the landlord immediately upon hearing that such a person has returned or re-entered the unit. Does not required that a criminal prosecution be commenced or, if commenced, that there be a conviction. Lack of conviction does not preclude civil action, but conviction is conclusive proof of criminal activity. Provides for complete eviction (removal of tenant and all members of the household) and partial eviction (removal of specified persons). Also authorizes a conditional eviction order directed at a tenant and making it an express condition of the tenancy that the tenant cannot allow a person who is the subject of a partial eviction to return or re-enter the premises.

Affirmative defense to complete eviction is allowed if the tenant did not know or have reason to know of the criminal activity or that the tenant had done everything that could be reasonably expected to prevent the commission of the criminal activity, such as requesting the landlord to remove the offending person's name from the lease, report prior criminal activity to the police, seeking assistance from social service or counseling agencies, or church or religious organizations, and denying permission, if

feasible, for the person to reside in the unit. Provides exemption in cases where eviction would be a serious injustice, the prevention of which overrides the need to protect the rights, safety, and health of the other residents. Expedited summary ejectment proceedings apply where complaint is filed as a small claim. Landlord's collection of rent with knowledge of illegal acts does not bar action. Provides civil immunity for those instituting, participating in or providing information for an action under the Article.

**EFFECTIVE DATE:** October 1, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Judicial Branch;
Department of Correction

## FISCAL IMPACT

**FY** 95-96 **FY** 96-97 **FY** 97-98 **FY** 98-99 **FY** 97-98

EXPENDITURES

NO ESTIMATE AVAILABLE

## ASSUMPTIONS AND METHODOLOGY:

The proposed legislation adds new Article 7 to G.S. Chapter 42, providing for expedited eviction ("complete" or "partial") for grounds relating to "criminal activity." "Criminal activity" includes all drug offenses under G.S. 90-95 other than possession under G.S. 90-95(a)(3), or any "other criminal activity that threatens the health, safety, or right of peaceful enjoyment of the entire premises...."

The Administrative Office of the Courts is unable to estimate the number of actions that may be filed pursuant to this proposed bill. Therefore, no fiscal impact estimate is available at this time.

SOURCES OF DATA: Administrative Office of the Courts

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION (733-4910)

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