

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** House Bill 611 (3<sup>rd</sup> Edition)

**SHORT TITLE:** Increase Compensation for Erroneous Conviction

**SPONSOR(S):** Rep. Hackney and Rep. Reynolds

**FISCAL IMPACT**

**Yes (X)      No ( )      No Estimate Available ( )**

**FY 1997-98   FY 1998-99   FY 1999-00   FY 2000-01   FY 2001-02**

**REVENUES**                      None

**EXPENDITURES**            \$ 95,000 (NR)

**POSITIONS:**                      None

**PRINCIPAL DEPARTMENT(S) &  
PROGRAM(S) AFFECTED:** Industrial Commission

**EFFECTIVE DATE:** Effective when it becomes law

**BILL SUMMARY:** *TO INCREASE THE COMPENSATION PROVIDED TO PERSONS ERRONEOUSLY CONVICTED OF FELONIES WHO HAVE RECEIVED PARDONS OF INNOCENCE, TO PROVIDE FOR THE INDUSTRIAL COMMISSION TO HANDLE THE CLAIMS OF THOSE PERSONS, AND TO PROVIDE THAT THOSE CLAIMS MUST BE BROUGHT WITHIN FIVE YEARS AND TO EXEMPT THE COMPENSATION FROM STATE INCOME TAX* Amends GS 148-82, 148-83 and 148-84 for purpose indicated in title. Compensation is set at \$10,000 (now, \$500) for each year or pro rate payment for portion of year of imprisonment actually served, and total compensation may not exceed \$150,000 (now, \$5,000). Also specifies that either the State or the claimant can appeal the decision of the Industrial Commission to the Court of Appeals.

**ASSUMPTIONS AND METHODOLOGY:** GS 148-82, GS 148-83 and GS148-84 specify a claims for pecuniary loss procedure for felons who were imprisoned and then pardoned by the Governor, on the ground that the crime for which they were convicted was not committed at all or not committed by them (a “pardon of innocence”). Current law specifies that the individual can petition the Department of Correction for a hearing before the Parole Commission. This bill moves the petition/hearing to the Industrial Commission and raises the compensation (paid from the Contingency and Emergency Fund) from a maximum of \$500 per year of imprisonment to \$10,000 per year and from a total of \$5,000 to a total of \$150,000. It also specifies claims must be made within 5 years of the pardon and that compensation is exempt from state income tax.

According to the Governor’s Office of Pardon and the Post Release Supervision and Parole Commission, only one individual has received a pardon of innocence in memory. That individual was incarcerated roughly 10 years and pardoned in 1995 (within the time period specified in this bill) . Their claim may be as high as \$100,000 (10\*10000) depending on the findings of the Industrial Commission. Under existing law, their claim would be limited to \$5,000 (10\*500) so the net cost of HB 611 is \$95,000 (=\$100,000-\$5,000).

Because pardons of innocence are rare events, no impact is projected on the Industrial Commission.

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION 733-4910 DATE:** July 25, 1997

**PREPARED BY:** Elisa Wolper

**APPROVED BY:** Tom Covington



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