

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 29 and House Bill 27 (Companion Bills)

SHORT TITLE: Increase Penalty / Pyramid Schemes

SPONSOR(S): Senator Jordan and Representative Thompson

FISCAL IMPACT					
Yes ()	No (X)	No Estimate Available ()			
(in millions)					
	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>
GENERAL FUND					
Correction					
Recurring					
Nonrecurring					
		<u>No Fiscal Impact</u>			
Judicial					
Recurring					
Nonrecurring					
TOTAL EXPENDITURES	_____	_____	_____	_____	_____
<p>POSITIONS: It is anticipated that approximately 0 positions would be needed to supervise the additional inmates housed under this bill. This is based on inmate to employee ratios, provided by the Division of Prisons, for close, medium, and minimum custody facilities (These position totals include security, program, and administrative personnel.).</p> <p style="text-align: center;">Close – 2 to 1 Medium – 3 to 1 Minimum – 4 to 1</p> <p>PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Dept. of Correction; Judicial Branch</p> <p>EFFECTIVE DATE: Applies to offenses committee on or after date act becomes law.</p>					

BILL SUMMARY: TO INCREASE THE PENALTY FOR THE ESTABLISHMENT OF PYRAMID DISTRIBUTION PLANS. Amends GS 14-291.2 by raising the penalty from a class 2 misdemeanor to a class H felony. Applies to offenses committed on or after date act becomes law.

ASSUMPTIONS AND METHODOLOGY: Department of Correction and Judicial Branch

Currently, the Judicial Branch does not have a specific code for offenses relating to pyramid schemes. This indicates a small number of offenses since “offense codes” are established only when the number of offenses is significant. Based on this finding, the Sentencing Commission does not expect that the proposed changes would have any significant impact on prison populations. The Sentencing Commission estimates, for example, that if 10 individuals were convicted of these offenses per year approximately 1 or 2 additional inmates would be added to the prison population. If there were as many as 30 convictions no more than 3 to 6 additional inmates would be added to the prison system. These few potential additional inmates could be absorbed within existing Department of Correction resources.

Likewise, there would not be a significant fiscal impact on the Judicial Branch as there would not be any major changes in how cases are processed or disposed. The Judicial Department could absorb these few potential new cases within existing resources.

SOURCES OF DATA: Department of Correction, Judicial Branch; North Carolina Sentencing and Policy Advisory Commission

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: Charles Perusse

APPROVED BY: Tom L. Covington **TomC**

DATE: March 10, 1997



Signed Copy Located in the NCGA Principal Clerk's Offices