

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 822

SHORT TITLE: Amend Computer Crime Act

SPONSOR(S): Representative Hensley

FISCAL IMPACT:                    Expenditures:    Increase ( )            Decrease ( )  
   Revenues:            Increase ( )            Decrease ( )  
   No Impact (X)  
   No Estimate Available ( )

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

**BILL SUMMARY:** Amends G.S. Ch. 14, Art. 60 by adding definitions of "authorization", "data", and "resource" to G.S. 14-453 (definitions). Amends G.S. 14-455 (damaging computers) by making it a Class H felony to alter, damage, or destroy without authority any computer software, computer program, or data (now, a misdemeanor) and making clear that the statute applies to damage caused by introduction of a computer virus program into a computer, computer system, or computer network. Makes denial of computer services to an authorized user (G.S. 14-456) a Class H felony (now, a misdemeanor) and makes clear that offense may be committed by introduction of a computer virus program into an individual computer, system, or network. Adds new G.S. 14-458 allowing owners or lessees of computers damaged by a person convicted of a Ch. 60 offense to bring a civil action for compensatory damages against the defendant.

EFFECTIVE DATE: December 1, 1993

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

FISCAL IMPACT

	<u>FY</u> 93-94	<u>FY</u> 94-95	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98
EXPENDITURES		0	0	0	0
RECURRING					
NON-RECURRING					
REVENUES/RECEIPTS		0	0	0	0
RECURRING					
NON-RECURRING					

POSITIONS: No new positions.

ASSUMPTIONS AND METHODOLOGY: It is not anticipated that this bill would have substantial fiscal impact on the Judicial Department or the Department

of Correction. As this bill relates to criminal cases and their severity, two primary issues are involved. First, this bill makes it explicit that the criminal provisions apply to the introduction of a computer virus. While this section provides clarification, the Administrative Office Of the Courts (AOC) states that "it is doubtful that it would result in prosecutions that would not otherwise occur." Secondly, this bill elevates two offenses from a misdemeanor to a Class H felony: (a) damaging computer software, under G.S. 14-455; and (b) denial of computer services to an authorized user, under G.S. 14-456. Since the AOC reports fewer than 10 charges filed under any provision of Article 60 (Computer-Related Crime) in 1992, it is assumed that instances where these new felony provisions would apply would be rare. Based on the small number of criminal filings, it is also assumed that very few civil filings would result from this bill. Hence, no substantial fiscal impact is estimated as the result of this bill.

Although a substantial fiscal impact is not estimated for the Judicial Department due to this bill, the AOC notes that "at some point, the cumulative additional workload from bills that impact on the courts cannot simply be absorbed, and additional resources will be required."

**SOURCES OF DATA:** Administrative Office of the Courts

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION**

**733-4910**

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**DATE:** 26-Apr-93

**[FRD#003]**



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