



# NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

## Legislative Incarceration Fiscal Note

**Short Title:** Crimes Against Minors/Revise Law.  
**Bill Number:** House Bill 449 (First Edition)  
**Sponsor(s):** Rep. Balkcom, Rep. Pyrtle, Rep. Stevens, and Rep. Miller

### SUMMARY TABLE

#### PARTIAL\* FISCAL IMPACT OF H.B. 449 v.1 (\$ in millions)

	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>
<b>State Impact</b>					
General Fund Revenue	-	-	-	-	-
<u>Less Expenditures</u>	<u>-</u>	<u>5.15</u>	<u>5.15</u>	<u>5.15</u>	<u>5.15</u>
<b>General Fund Impact</b>	-	(5.15)	(5.15)	(5.15)	(5.15)
<b>NET STATE IMPACT</b>	-	(5.15)	(5.15)	(5.15)	(5.15)

#### TECHNICAL CONSIDERATIONS: See Technical Considerations Section

*\*Estimate reflects costs of each cohort of charges and convictions in a given year; actual costs to DAC will be spread over the full length of an offender's sentence but are listed here in the year in which the sentence begins.*

### FISCAL IMPACT SUMMARY

Criminal offenses are classified as misdemeanors (Class 3 as the lowest and Class A1 as the highest) and felonies (Class I to Class A). There are three types of legislative changes to offenses that may result in a fiscal impact to the State's criminal justice system: creating a new offense, changing the class of an existing offense, or changing the scope of an existing offense.

This proposed legislation would **increase an existing Class G felony to Class C, increase an existing Class H to Class E, increase an existing Class 2 misdemeanor to a Class F felony, and create a new Class D felonies**. Due to variances in data availability, Fiscal Research is only able to provide a partial cost estimate for this bill. The elevated Class C and Class E charges in Section 1 are estimated to carry a total cost of \$5.15 million per annual cohort of charges, while no estimate can be provided for the new Class D felony in Section 1, the elevated Class E felony in Section 3, or the elevated Class F felony in Section 3.

Each additional person charged under the proposed offenses will have a cost to the judicial system and each additional person convicted will have a cost to the correction system. The **cost of one**



**charge and conviction** is listed in the table below, along with the percent of cases that incur those costs at that offense level.

Cost of One Charge and Conviction										
	Prosecution and Defense		Active Sentence					Suspended Sentence		
Offense Class	Admin. Office of the Courts	Indigent Defense Services	DAC - Confinement			DAC - Post-Release Supervision (PRS)		DAC - Probation		
Felony	Cost	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)
▲ G to C	+\$9,043	+\$1,590	+59%	+\$183,172	+68	+\$842	+3	-59%	(\$7,301)	-26
D	\$8,984	\$1,503	100%	\$161,622	60	\$3,370	12	0%	\$0	0
▲ H to E	+\$2,897	+\$372	+21%	+\$43,099	+16	+\$842	+3	-21%	+\$2,246	+8
▲ 2 to F	+\$2,181	+\$511	+54%	+\$48,487	+18	+\$2,527	+9	-29%	+\$4,774	+17

*Note: Court costs reflect the average cost per disposition. Costs for active sentences, probation, and post-release supervision reflect the total cost of the sentence or supervision period. Costs to the Statewide Misdemeanant Confinement Program (SMCP) only occur for active sentences > 90 days and impaired driving. The triangle symbols ( ▲ ) represent change, plus and minus ( +/- ) symbols reflect the increase or decrease in cost or time from the current to proposed changes in charge levels.*

## FISCAL ANALYSIS

### Bill Summary:

**Section 1** amends G.S. 14-202.3, Solicitation of child by computer or certain other electronic devices to commit an unlawful sex act, reclassifying two existing offenses and establishing one new punishment for second and subsequent offenses.

First, subsection (c)(1) increases the **existing Class H felony to a Class E felony** for a first violation of the section. It also makes it a **Class D felony for a second or subsequent violation** of the section, or a first violation of this section committed when the defendant had a prior conviction in any federal or state court in the United States that is substantially similar to the offense in this section.

- There were 89 charges under the existing Class H felony and 20 convictions in the most recent data year available. If the same number of charges and convictions were to occur under the new proposal, the costs to the criminal justice system would be as follows:
  - \$257,833 to Administrative Office of the Courts
  - \$33,131 to Indigent Defense Services
  - \$310,314 to Department of Adult Correction for Active Sentences
  - \$45,602 to Department of Adult Correction for Suspended Sentences
- There is no data available to determine how many of these charges were for second violations and therefore would be Class D felonies under the proposal, and as such Fiscal Research cannot provide an estimate for that aspect of the new charges in Section 1.



Second, the existing G.S. 14-202.3(c)(2) makes it a Class G felony if either the defendant, or any other person for whom the defendant was arranging a meeting in violation of G.S. 14-202.3, actually appears at the meeting location. The bill would **increase this offense to a Class C felony**.

- There were 88 charges under the existing Class G felony and 18 convictions in the most recent data year available. If the same number of charges and convictions were to occur under the new proposal, the costs to the criminal justice system would be as follows:
  - \$795,784 to Administrative Office of the Courts
  - \$139,931 to Indigent Defense Services
  - \$3,726,195 to Department of Adult Correction for Active Sentences
  - Savings of \$131,414 for Department of Adult Correction for Suspended Sentences (100% of Class C felons receive active sentences)

Section 3 creates the offenses of habitual indecent exposure and aggravated habitual exposure. G.S. 14-109.9 delineates various criminal penalties surrounding indecent exposure. The bill creates the new subsection (a6), which makes establishes a new habitual indecent exposure penalty for violating subsections (a), (a2), (a4), and (a5) and already having two or more prior convictions under and combination of G.S. 14-109.9's subclauses. Violation of this section would effectively increase the existing Class 2 misdemeanor of indecent exposure to a **Class F felony**.

In the most recent data year available, there were 892 charges and 209 convictions under the existing G.S. 14-190.9. However, there is no data to determine how many of these violations would meet the bill's newly-created "habitual" standard, and as such **Fiscal Research is unable to provide any cost projections for this portion of the bill**.

The new subsection (a7) creates the offense of aggravated habitual exposure, which occurs if a person violates subsection (a1), which is already a Class H felony, and has two or more prior convictions under any combination of G.S. 14-109.9's subclauses. Violation of this section is a **Class E felony**.

In the most recent data year available, there were 57 charges and 10 convictions under the existing G.S. 14-190.9.(a1). However, there is no data to determine how many of these violations would meet the bill's newly-created "aggravated" standard, and as such **Fiscal Research is unable to provide any cost projections for this portion of the bill**.

### **Capital Expenses**

Capital costs emerge when prison bed demand exceeds capacity. Based on the most recent prison population and bed capacity projections from the Sentencing and Policy Advisory Commission (SPAC), the State will have sufficient prison beds available beyond the five-year fiscal note horizon. Therefore, Fiscal Research anticipates there will be **no additional prison capital requirements** as a result of this proposed legislation.

### **Operating Expenses**

The table in the Fiscal Impact Summary lists the costs specific to the charge or charges included in this proposal.



## **TECHNICAL CONSIDERATIONS**

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- Offense changes are typically effective on December 1. FRD assumes that costs incurred in the first year to the judicial and correction systems would be less than annualized costs due to lag time in charges and convictions.
- This estimate assumes that expanding existing or creating new criminal offenses produces no deterrent or incapacitative effect on crime rates. Likewise, FRD assumes no deterrent effects for any modifications to criminal penalties. The estimates in this Incarceration Note make no assumptions about the larger impact on crime rates or costs to society or the State.
- This estimate makes no prediction regarding the likelihood that a prosecutor will charge an offense based on any proposed increases or decreases to the offense class level. This estimate also does not attempt to predict the impact of offense class changes on plea negotiations. FRD assumes the proposed offense class is charged and convicted at the same rate as the prior level.
- For reference, Appendix A to this document shows the costs per charge/conviction for each class of offense in North Carolina.

## **DATA SOURCES**

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Department of Adult Correction; Administrative Office of the Courts; North Carolina Sentencing and Policy Advisory Commission; Office of Indigent Defense Services.

## **LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS**

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This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

## **CONTACT INFORMATION**

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Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

## **ESTIMATE PREPARED BY**

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## **ESTIMATE APPROVED BY**

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Brian Matteson, Director of Fiscal Research  
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April 28, 2025



**Signed copy located in the NCGA Principal Clerk's Offices**

## APPENDIX A: COSTS PER CHARGE/CONVICTION BY OFFENSE CLASS

Cost of One Charge and Conviction										
	Prosecution and Defense		Active Sentence					Suspended Sentence		
Offense Class	Admin. Office of the Courts	Indigent Defense Services	DAC - Confinement			DAC - Post-Release Supervision (PRS)		DAC - Probation		
Felony	Cost	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)
A	\$70,930	\$9,190	100%	NA	Life	N/A	N/A	0%	\$0	0
B1	\$30,500	\$3,668	100%	\$622,245	231	\$3,370	12	0%	\$0	0
B2	\$22,638	\$3,668	100%	\$371,731	138	\$3,370	12	0%	\$0	0
C	\$10,994	\$2,250	100%	\$223,577	83	\$3,370	12	0%	\$0	0
D	\$8,984	\$1,503	100%	\$161,622	60	\$3,370	12	0%	\$0	0
E	\$4,197	\$890	57%	\$70,036	26	\$3,370	12	43%	\$8,986	32
F	\$2,364	\$765	54%	\$48,487	18	\$2,527	9	46%	\$8,424	30
G	\$1,951	\$660	41%	\$40,406	15	\$2,527	9	59%	\$7,301	26
H	\$1,300	\$517	36%	\$26,937	10	\$2,527	9	64%	\$6,739	24
I	\$946	\$430	16%	\$16,162	6	\$2,527	9	84%	\$5,897	21
Misdemeanor	Cost	Cost	Rate	Cost	Length (Mo.)	Cost	Length (Mo.)	Rate	Cost	Length (Mo.)
A1	\$599	\$284	Active sentences for misdemeanor convictions are served in County jail.			Misdemeanants do not receive PRS		61%	\$4,493	16
1	\$346	\$254						61%	\$3,931	14
2	\$183	\$254						75%	\$3,650	13
3	\$63	\$210						82%	\$3,650	13

*Note: Court costs reflect the average cost per disposition. Costs for active sentences, probation, and post-release supervision reflect the total cost of the sentence or supervision period. Active sentence cost represents the average monthly cost per offender, not the cost of adding one new offender to the prisoner population. Costs to the Statewide Misdemeanant Confinement Program (SMCP) only occur for active sentences > 90 days and for impaired driving.*

