



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Incarceration Fiscal Note

Short Title: The Hunter Robinson Act.
Bill Number: House Bill 575 (Second Edition)
Sponsor(s): Rep. Carson Smith, Rep. Biggs, Rep. N. Jackson, and Rep. Greene

SUMMARY TABLE

*PARTIAL FISCAL IMPACT OF H.B.575, v2 (\$ 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>
State Impact					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	7	8
General Fund Impact	-	-	-	(7)	(8)
NET STATE IMPACT	-	-	-	(7)	(8)

**Because Class B1 through Class D felonies serve a minimum of 5 years in prison, the cost impacts from new convictions in those provisions will not be felt until beyond the 5-year period that is the scope of this analysis.*

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). All felony offenders with an active sentence are required to serve a probationary period of post-release supervision (PRS) upon their release from prison. This bill makes changes to the length of PRS and to the length of active sentences imposed for PRS violations for Class B1 through Class E felonies. Because Class B1 through Class D felonies serve a minimum of 5 years in prison, the cost impacts from new convictions in those provisions will not be felt until beyond the 5-year period that is the scope of this analysis. However, Class E felons serve an average active sentence of 26 months, and as such the costs associated with Class E felons have been calculated here. Fiscal Research estimates that this proposed legislation will **increase costs to the Department of Adult Correction by approximately \$7-\$8 million annually** beginning in FY 2028-29, with additional expenses likely beginning in FY 2030-31 and beyond.

FISCAL ANALYSIS

Active sentences (that is, those served in prison rather than under community supervision/probation) carry a mandatory time period of post-release supervision (PRS). Under current law, Class B1 through Class E felonies serve 12 months of PRS, while Class F through Class I felonies serve 9 months of PRS. Individuals who violate their probation while on PRS may be returned to prison in certain circumstances. This proposed legislation makes a number of changes to PRS that have the practical effect of increasing the length of PRS for various felonies as follows:



- Class B1 through Class C felonies by 12 months (24 months total)
- Class D through Class E felonies by 6 months (12 months total)

Class F through Class I felonies would remain unchanged from a PRS perspective.

This will increase direct costs for the Community Supervision section at the Department of Adult Correction as follows:

- \$3,370 for each Class B1 through Class C conviction (\$281/month of PRS times 12 months)
- \$1,685 for each Class D through Class E conviction with an active sentence (\$281/month of PRS times 6 months)

The costs incurred by DAC's Community Supervision section will not be felt until after the first cohort of Class E felons leaves prison and begins PRS. Because the bill only impacts crimes committed after December 1, 2025, and because of the length of time an average investigation and court trial requires, FRD assumes that there will be no new convictions until July 1, 2026. 57% of Class E felons serve an average of 26 months in prison, followed by 12 months of PRS under current law, meaning that new costs of extended PRS will not be realized until September 1, 2028. In FY 2023-24, there were 1,987 Class E felony convictions. If the same number of convictions with the same average rate of active sentences were to be convicted in FY 2026-27, those 1,132 felons would begin serving their extended PRS **in FY 2028-29 at a cost of \$1.9 million** (1,132 convictions times \$1,685 average cost of 6 additional months' PRS).

DAC's Institutions section would also see increased costs. Section 1 increases the amount of time that an individual may serve an active sentence imposed as a result of violating PRS. Both because of these longer sentences and as a result of longer PRS periods creating additional opportunities for violations resulting in revocations, the Sentencing and Policy Advisory Commission (SPAC) estimates that there will be **an annual average of 169 additional beds** in the prison system being occupied beginning in FY 2028-29. Since the average cost of an occupied prison bed in North Carolina is \$32,773 per year, **the average increased cost to the Institutions section will be \$5.5 million.**

As a result, Fiscal Research estimates that the total increased costs to DAC as a result of the changes impacting Class E felonies will be \$7 million in FY 2028-29 and \$8 million in FY 2029-30, with additional costs anticipated in FY 2030-31 and beyond for Class B1 through Class D convictions.

Fiscal Research does not anticipate any measurable increased costs to the Administrative Office of the Courts or to Indigent Defense Services.

TECHNICAL CONSIDERATIONS

- SPAC makes the following technical note: Drug trafficking offenses under G.S. 90-95(h) are also subject to post-release supervision. Class C through E offenses (there are no drug trafficking offenses in Classes B1 and B2) receive 12 months of post-release supervision and can be revoked for up to 12 months; Class F through I offenses receive 9 months of post-release supervision and can be revoked for up to 9 months. Section 2 of this bill would extend the period of post-release supervision for drug trafficking offenses in Class C to 24 months



and in Class D and E to 18 months and it would allow them to be released earlier. However, their revocation period would still be limited to the 12 months that are included in their maximum sentences.

- 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

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

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

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

ESTIMATE PREPARED BY

Mark White

ESTIMATE APPROVED BY

Brian Matteson, Director of Fiscal Research
Fiscal Research Division
April 29, 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.

