

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE
(INCARCERATION NOTE G.S. 120-36.7)**

BILL NUMBER: SB 1345 First Edition

SHORT TITLE: Computer Fraud Piracy

SPONSOR(S): Sen. Rand

	FISCAL IMPACT				
	Yes (x)	No ()	No Estimate Available ()		
	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>
GENERAL FUND					
Correction					
Recurring		Impact cannot be determined.			
Nonrecurring					
Judicial					
Recurring		Impact cannot be determined.			
Nonrecurring					
TOTAL	0	0	0	0	0
EXPENDITURES:					
ADDITIONAL PRISON BEDS*					
POSITIONS:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Department of Correction; Judicial Branch				
EFFECTIVE DATE:	December 1, 2002				
<i>*This fiscal analysis is independent of the impact of other criminal penalty bills being considered by the General Assembly, which could also increase the projected prison population and thus the availability of prison beds in future years. The Fiscal Research Division is tracking the cumulative effect of all criminal penalty bills on the prison system as well as the Judicial Department.</i>					

BILL SUMMARY:

This bill seeks to prevent identity theft using scanning devices. The bill defines “scanning device” as any electronic device that can access and store the personal information included in the magnetic stripe on a credit card in GS 140113.8(10). The bill also rewrites GS 14-119(a)(5) to make a person using a scanning device with the intent to defraud the cardholder, issuer, or merchant guilty of financial transaction card theft, a Class I felony.

ASSUMPTIONS AND METHODOLOGY:

Department of Correction

There were 115 convictions of financial card fraud during FY 2000-01. It is not known how many additional convictions might result from this statute, as there is no historical information that is relevant, and there is no national level data available at this time. If the new offense results in five more convictions each year, then one additional prison bed would be required in the first year, and two in the second year.

ASSUMPTIONS AND METHODOLOGY:

Judicial Branch

In calendar year 2000, 1,022 defendants were charged under GS 14-113.9, the general financial card fraud statute. The AOC expects an increase in charges due to this statute, but cannot project how many. There is no national level data on this type of offense. The court system maintains that any increase in charges will result in an increase in court workload requiring additional resources.

SOURCES OF DATA: Judicial Branch; North Carolina Sentencing and Policy Advisory Commission.

TECHNICAL CONSIDERATIONS:

This bill as drafted rewrites GS 14-119.9, a non-existent statute. It should refer to GS 14-113.9(a)(5).

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Douglas Holbrook Jr.

APPROVED BY: James D. Johnson

DATE: July 3, 2002



Signed Copy Located in the NCGA Principal Clerk's Offices