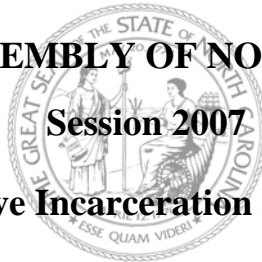


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Incarceration Fiscal Note

(G.S. 120-36.7)

BILL NUMBER: Senate Bill 806 (Fifth Edition)

SHORT TITLE: Increase Hold for Items Bought by Pawnbroker.

SPONSOR(S): Senator Pittenger

	FISCAL IMPACT				
	Yes (X)	No ( )	No Estimate Available ( )		
	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
<b>GENERAL FUND</b>					
Correction	No significant impact anticipated for either Judicial or Corrections.				
Judicial	See pp. 2-3, "Assumptions and Methodology."				
<b>TOTAL EXPENDITURES:</b>	Amount cannot be determined.				
<b>ADDITIONAL PRISON BEDS*</b>	None anticipated. Minimal impact on local jails.				
<b>POSITIONS:</b> (cumulative)	None anticipated.				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	Department of Correction; Judicial Branch; Local Government.				
<b>EFFECTIVE DATE:</b>	October 1, 2007.				
<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:** First edition of S.B. 806 amends G.S. 91A-10(7) to lengthen the time before which (hold period) pawned goods may be sold or otherwise removed from the pawnshop from 48 hours to 90 days. Applies to items taken by a pawnbroker in a pawn or purchase transaction on or after July 1, 2007.

Second edition (Senate committee substitute) makes the following changes to the first edition: Modifies G.S. 91A-10(7) to increase the minimum amount of time a pawnbroker must hold goods pledged, pawned, or purchased from 48 hours to: (1) five days after the pawn ticket information is reported electronically to the county sheriff or the municipal chief of police where the pawnshop is

located; or, (2) if the ticket is not so reported, 30 days after the transaction. Amends G.S. 91A-7(d) to provide guidelines regarding electronic reporting of the pawnshop transaction record to local law enforcement. Clarifies that the act also applies to goods taken by a pawnbroker in pledge on or after July 1, 2007.

Third edition (House committee substitute) modifies the proposed amendment to G.S. 91A-10(7) to lengthen the minimum amount of time that a pawnbroker would have to hold goods purchased, from five days to seven days if the pawn ticket information is electronically reported to law enforcement.

Fourth edition (House committee substitute) modifies the proposed amendments to G.S. 91A-7(d) to provide that pawnshop transaction records are available for inspection and pickup by sheriffs or chiefs of police, or their designees. Changes the effective date from July 1, 2007 to October 1, 2007.

***Fifth edition (House amendment) clarifies that records reported electronically go to the chief of police or the sheriff, not both.***

*Source: Bill Digest S.B. 806 (03/14/0200).*

## **ASSUMPTIONS AND METHODOLOGY:**

Current G.S. 91A-10(7) provides that a pawnbroker cannot sell, exchange, barter, or remove any good pledged, pawned, or purchased earlier than 48 hours after the transaction, except in the case of redemption by the pledgor or items purchased for resale from wholesalers. Per G.S. 91A-11, it is a Class 2 misdemeanor to violate any provision of Chapter 91A. Accordingly, *by increasing the requisite hold period for pawnbrokers to seven (after electronic report to sheriff or police) or 30 days (no report), the proposed change may increase the opportunity for violation.*

The Administrative Office of the Courts (AOC) does not maintain an offense code for violation of current G.S. 91A-10(7), which provides some indication that violations are infrequently charged and/or infrequently result in conviction. Accordingly, Fiscal Research does not anticipate that a significant number of new charges and/or convictions will occur; therefore, ***no significant fiscal impact is assumed.*** Nevertheless, based on current resource levels, any resultant charge or conviction will generate some degree of additional fiscal impact.

### **Department of Correction: Division of Prisons**

Class 2 misdemeanants serve their designated terms of incarceration within local jails; therefore, the proposed offense is not expected to impact the state's prison population.<sup>1</sup> The potential impact on local jail populations is unknown.

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<sup>1</sup> Active sentences between 1-90 days are served in local jails. The Department of Correction reimburses counties \$18 per day for offenders housed longer than 30 days (between 30 and 90). Sentences longer than 90 days are to be served in state prison; however, when bed shortages demand it, the State may lease needed beds from counties.

In FY 2005-06, 17% of Class 2 misdemeanor convictions resulted in active sentences, with an average estimated time served of 13 days. However, under Structured Sentencing, Class 2 misdemeanor active sentences may range from 1 to 60 days (highest prior record level).

Therefore, if future convictions were to result in active sentences longer than 30 days, the Department of Correction could incur some additional costs for county reimbursement. But given the typical length for Class 2 active sentences, no significant increase in reimbursements is assumed.

### **Department of Correction: Division of Community Corrections**

In FY 2005-06, 83% of Class 2 misdemeanor convictions resulted in either intermediate or community punishments, predominantly special, intensive, or general supervision probation. Thus, if *future convictions and non-active sentences occur, the Division of Community Corrections (DCC) could assume some additional costs for offenders placed under its supervision.* However, it is not known how many offenders would be sentenced to intermediate or community punishments, to which type, or for how long.

Presently, general supervision of intermediate and community offenders by a probation officer costs DCC \$1.96 per offender, per day; no cost is assumed for those receiving unsupervised probation, or who are ordered only to pay fines, fees, or restitution. DCC also incurs a daily cost of \$0.69 per offender sentenced to the Community Service Work Program. However, the daily cost per offender on intermediate sanction is much higher, ranging from \$7.71 to \$14.97 depending on the type of sanction. Intensive supervision probation is the most frequently used intermediate sanction, and costs an estimated \$14.97 per offender, per day. On average, intensive supervision lasts six-months, with general supervision assumed for a designated period thereafter.

### **Judicial Branch**

Although it is not known how many additional charges might result, the Administrative Office of the Courts expects that any additional caseload will increase court-time requirements and the associated costs of case disposal. Specifically, the addition of cases may increase the workloads of district attorneys, district court judges, clerks, court reporters, and indigent defense counsel. Presently, the estimated court-time costs per Class 2 misdemeanor trial and plea are \$2,770 and \$230, respectively. These cost estimates account for indigent defense.<sup>2</sup> Actual costs may vary with time requirements and disposition.

**SOURCES OF DATA:** Department of Correction; Judicial Branch; North Carolina Sentencing and Policy Advisory Commission; and Office of State Construction.

**TECHNICAL CONSIDERATIONS:** None

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