

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 374 (First Edition)

SHORT TITLE: Modify Victims Compensation Act/AB

SPONSOR(S): Baddour

FISCAL IMPACT					
	Yes (x)	No (X)	No Estimate Available ()		
	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>
REVENUES					
EXPENDITURES	<u>No Additional Fiscal Impact (costs can be absorbed within current resources)</u>				
POSITIONS:	-	-	-	-	-
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Division of Victims and Justice Services Department of Crime Control & Public Safety				
EFFECTIVE DATE:	When Bill becomes law, for incidents on or after April 1, 1997				

BILL SUMMARY: H 374. MODIFY VICTIMS COMPENSATION ACT. TO AMEND THE CRIME VICTIMS COMPENSATION ACT TO INCREASE THE ALLOWABLE EXPENSE FOR FUNERALS AND TO MAKE VICTIMS OF HIT AND RUN ACCIDENTS AND VICTIMS OF TERRORISM ELIGIBLE FOR COMPENSATION. The North Carolina Crime Victims Compensation Act provides for compensation for economic losses to innocent victims of criminally injurious conduct. Under current law, economic losses include expenses related to funeral/cremation/burial up to a maximum of \$2,000. The definition of criminally injurious conduct specifies that motor vehicle related incidents other than those involving driving while impaired are not covered. The law also specifies that residents of North Carolina can apply for compensation related to incidents that occurred in other states, if those states do not have comparable compensation programs.

This bill makes three changes to GS 15B; (I) The \$2,000 ceiling on expenses related to funeral/burial/cremation would be raised to \$3,500; (II) Hit and Run Accidents, as defined in GS 20-166 would be considered criminally injurious conduct; and (III) Acts of terrorism against North Carolina citizens committed outside of the United States are also considered criminally injurious conduct so that innocent victims can file for compensation.

ASSUMPTIONS AND METHODOLOGY:

Section 3 of HB 374 specifies that no additional funds shall be appropriated to implement this act as provided in G.S. 15B-22. An increase in claims to the Crime Victims Compensation Fund does not automatically result in an increase in General Fund Appropriation. The Act does not create a right to receive compensation and if insufficient funds are available to process a claim, the claim is deferred.

In addition, it is unlikely this bill will increase claims beyond the current level of funding. The Fund carried over \$1.97 Million in surplus funds from 1995-6 to 1996-7 in addition to its current state appropriation of \$2.5 Million and receipts from the federal government and the Department of Correction Inmate Welfare and Prison Enterprises Funds.

Based on past experience with the Crime Victims Compensation Fund, the effect of raising the ceiling on funeral expenses is estimated to result in an additional 67 claims per year at an average cost of \$1,013. Each dollar paid in claims draws down 40 cents in federal funds the following year, lowering the net cost to \$40,723 per year. The effect of covering hit and run accidents that involve injury or death is estimated to generate an additional 9 claims per year, based on the frequency of hit and run accidents and the likelihood of a victim filing a claim. Using the average of all claims in 1995-96 of \$2,548, the net cost of these claims after accounting for federal funds is projected to be \$13,759. Finally, it is assumed that acts of terrorism outside the United States against citizens of North Carolina are rare events and no impact is expected.

Looking at all three sections of the bill, total net claims may increase \$54,482. This increase should be easily absorbed within existing resources. It is also assumed that the administrative burden of these additional claims can be absorbed within existing resources.

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION

733-4910

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