

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 618
SHORT TITLE: Workers' Compensation / Increase Fraud Felony
SPONSOR(S): Representative Mitchell

FISCAL IMPACT					
Yes ()	No (X)	No Estimate Available ()			
(in millions)					
	<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>
GENERAL FUND					
Correction					
Recurring					
Nonrecurring					
	No Fiscal Impact				
Judicial					
Recurring					
Nonrecurring					
TOTAL EXPENDITURES	_____	_____	_____	_____	_____
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Dept. of Correction; Judicial Branch					
EFFECTIVE DATE: December 1, 1997 and applies to offenses committed on after that date.					

BILL SUMMARY: *TO INCREASE THE CRIMINAL PENALTIES FOR MISREPRESENTATION UNDER THE WORKERS' COMPENSATION ACT.* Amends GS 97-88.2 to make misrepresentation and threatening an employee with criminal prosecution a class I felony rather than a class 1 misdemeanor. Effective Dec. 1, 1997.

ASSUMPTIONS AND METHODOLOGY: Judicial Department and Department of Correction

Currently, the Judicial Branch does not have a specific code for offenses relating to workers' compensation fraud. This indicates a small number of offenses since "offense codes" are established only when the number of offenses is significant. Based on this finding, the Sentencing Commission does not expect that the proposed changes would have any significant impact on prison populations. The Sentencing Commission estimates, for example, that if 10 individuals were convicted of these offenses per year approximately 1 or 2 additional inmates would be added to the prison population. If there were as many as 30 convictions no more than 3 to 6 additional

inmates would be added to the prison system. These few potential additional inmates could be absorbed within existing Department of Correction resources.

Likewise, there would not be a significant fiscal impact on the Judicial Branch as there would not be any major changes in the time required to process or dispose of these cases.

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

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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DATE: April 2, 1997



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