

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1114 (House Finance Committee Substitute)

SHORT TITLE: Bad Check Collections Pilot

SPONSOR(S): Representatives Eddins and Sexton

FISCAL IMPACT

Yes () No () No Estimate Available (X)

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02

REVENUES

See Assumptions and Methodology

EXPENDITURES

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Judicial Department

EFFECTIVE DATE: October 1, 1997

BILL SUMMARY: *TO ESTABLISH PILOT PROGRAMS IN WAKE AND ROCKINGHAM COUNTIES IN THE OFFICE OF THE DISTRICT ATTORNEY FOR THE COLLECTION OF WORTHLESS CHECKS.* Authorizes pilot programs as title indicates. Requires persons participating in the program to pay a \$50 fee which will be deposited in a special revenue fund. These funds are to be used to pay the expenses of administering worthless check programs. Effective October 1, 1997.

ASSUMPTIONS AND METHODOLOGY: Judicial Department

EXPENDITURES

This bad check pilot program is funded in the House budget bill (SB 352 - Fifth Edition). The House Subcommittee on Justice and Public Safety included \$120,000 in non-recurring funds to fund four positions in Wake and Rockingham Counties for FY 1997-98 only. The funds will pay for a DA Investigator and a DA Legal Assistant in each county effective October 1, 1997. Section 15.23 of the bill also requires AOC to report on the implementation and effectiveness of the programs by May 1, 1998.

REVENUES

The amount of revenue that would be collected from the \$50 fee can not be determined at this time. According to the Administrative Office of the Courts (AOC), there is no data on the number of worthless check charges and convictions by county. Statewide, there were 93,887 defendants charged with worthless check offenses in 1996 and 54,088 defendants convicted on that charge. The revenue collected would be remitted to a special revenue fund titled *Collection of Worthless Check Fund*. All fees are subject to appropriation by the General Assembly and may only be used to pay the expenses of administering worthless check programs.

This pilot program would have some impact on court revenues collected by Wake and Rockingham Counties. Under current law, a convicted worthless check offender would pay the following court costs:

\$5 for service of process and \$6 in facilities fees - remitted to local governments,
\$7.25 for retirement and insurance benefits of state and local law enforcement officers,
\$.75 to supplement pension benefits for Sheriffs, and
\$46 General Court of Justice fee - remitted to the state General Fund

Under the proposed legislation, a worthless check offender participating in this program would pay the \$50 fee in lieu of court costs. Thus, Wake and Rockingham Counties would lose some court revenues if individuals participated in this program instead of going to court.

FISCAL RESEARCH DIVISION

733-4910

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