GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Incarceration Fiscal Note

(G.S. 120-36.7)

BILL NUMBER: Senate Bill 7 (Third Edition)

SHORT TITLE: Add Controlled Substances.

SPONSOR(S): Senator Brown

FISCAL IMPACT

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

FY 2011-12 FY 2012-13 FY 2013-14 FY 2014-15 FY 2015-16

GENERAL FUND

Correction Exact amount cannot be determined*
Probation Exact amount cannot be determined*

Judicial \$2.7 million \$2.9 million \$3.2 million \$3.4 million \$3.6 million

POSITIONS:

Judicial 30 30 30 30

See Assumptions and Methodology*

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Correction; Judicial Branch.

EFFECTIVE DATE: This act becomes effective June 1, 2011, and applies to offenses committed on or after that date.

*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.

BILL SUMMARY:

The proposed legislation expands the scope of Schedule I drug offenses by adding 4-methylmethcathinone (mephedrone), 3, 4-methylenedioxypryovalerone ("MDPV"), and certain non-buproprion compounds structurally derived from 2-amino-1-phenyl-1-propanone to the list of banned stimulants in subsection (5) of G.S. 90-89, Schedule I controlled substances. The act also expands the scope of Schedule VI offenses by adding "synthetic cannabinoids" to the list of Schedule VI controlled substances in G.S. 90-94. Finally, the bill creates the new offenses of trafficking in synthetic cannabinoids, trafficking in mephedrone, and trafficking in MDPV by enacting new subparts (h)(1a), (3d), (3e) in G.S. 90-95, Violations; penalties.

This act becomes effective June 1, 2011, and applies to offenses committed on or after that date.

ASSUMPTIONS AND METHODOLOGY:

General

The Sentencing and Policy Advisory Commission prepares prison population projections for each bill containing a criminal penalty. The Commission assumes for such bills that expanding existing, or creating new criminal offenses produces no deterrent or incapacitative effect on crime. Therefore, the Fiscal Research Division does not assume deterrent effects for any criminal penalty bill.

Department of Correction- Division of Prisons

Section 1:

The bill amends G.S. 90-89, Schedule I controlled substances, by adding subparts (5)(h) 4-methylmethcathinone (mephedrone), (5)(i) 3, 4-methylenedioxypryovalerone ("MDPV"), and (5)(j) compounds other than buproprion that are structurally derived from 2-amino-1-phenyl-1-propanone in any of three prescribed ways. The addition of three new drugs to Schedule I expands the reach of the existing offenses involving Schedule I controlled substances in G.S. 90-95, Violations; penalties, and elsewhere.

Impact: The offenses set forth in the proposed legislation could result in additional convictions of Class 1 Misdemeanors, as well as Class I, H, G, F, E, D, and C felonies. To provide an example of the range of felony offenses included in the bill, a Class I felony under G.S. 90-108 would be for a person other than a licensed practitioner to misrepresent himself as a licensed practitioner to a lawful manufacturer, distributor, or dispenser of controlled substances in order to secure a controlled substance. Under subpart (b)(2) of G.S. 90-95.4, Employing or intentionally using minor to commit a drug law violation, it is a Class C felony for a person 21 years of age or older to hire or intentionally employ a minor 13 years of age or younger to sell a Schedule I controlled substance.

In FY 2009-10, 24 percent of Class 1 misdemeanor convictions resulted in active sentences. The average estimated time served for Class 1 misdemeanor convictions was 27 days. Offenders serving active sentences of 90 days or less are housed in county jails. Therefore, additional Class 1 misdemeanor convictions that occur as a result of the proposed offenses would not be expected to have a significant impact on the prison population. Convictions for the proposed offenses may have an impact on local jail populations, but the impact cannot be determined.

In FY 2009-10, the average estimated time served for the felonies included in the bill ranged from 7 to 82 months. It is not known how many additional convictions would occur as a result of the proposed broadening of the current statute. Since a period of Post-Release Supervision follows release from prison for offenders convicted of Class B1-E felonies, there would also be some impact on Post-Release Supervision caseloads and prison beds due to revocations.

Section 2:

Section 2 amends G.S. 90-95(d)(1) to create the new Class 1 misdemeanor offense of possession of one gram or less of MDPV, as proscribed by G.S. 90-95(a)(3).

Under G.S. 90-98, it would be a Class 1 misdemeanor to conspire or attempt to possess one gram or less of MDPV.

Under G.S. 90-95(e)(1), it would be a Class I felony to possess one gram or less of MDPV after having a prior conviction under the Controlled Substances Act (G.S. 90-86 through 90-113.8) or a similar federal or state law.

Under G.S. 90-98, it would be a Class I felony to conspire or attempt to possess one gram or less of MDPV after having a prior conviction under the Controlled Substances Act (G.S. 90-86 through 90-113.8) or a similar federal or state law.

Impact: Since the proposed section creates new offenses, the Sentencing Commission does not have any historical data from which to estimate the impact of this section on the prison population. It is not known how many offenders might be convicted and sentenced under the proposed section.

In FY 2009-10, 24 percent of Class 1 misdemeanor convictions resulted in active sentences. The average estimated time served for Class 1 convictions was 27 days. Offenders serving active sentences of 90 days or less are housed in county jails. Therefore, additional Class 1 misdemeanor convictions that occur as a result of the proposed offenses would not be expected to have a significant impact on the prison population. Convictions for the proposed offenses may have an impact on local jail populations, but the impact cannot be determined.

In FY 2009-10, 17 percent of Class I convictions resulted in active sentences, with an average estimated time served of seven months. If, for example, there were ten additional Class I convictions per year as a result of the proposed broadening of the current statute, the combination of active sentences and probation revocations would result in the need for one additional prison bed the first year and three additional prison beds the second year.

Section 3:

This section adds subpart (h)(3d) to G.S. 90-95, Violations; penalties, to create the offense of "trafficking in MDPV," which is defined as the sale, manufacture, delivery, transport, or possession of 28 grams of more of the drug. The offense classification and punishment for trafficking in MDPV is based upon the quantity involved, as follows:

- a. At least 28 grams but less than 200 grams Class F felony punishable by an active prison term of 70 to 84 months and a fine of not less than \$50,000;
- b. At least 200 grams but less than 400 grams Class E felony punishable by an active prison term of 90 to 117 months and fine of not less than \$100,000; and
- c. 400 grams or more Class C felony punishable by an active¹ prison term of 225 to 279 months and fine of not less than \$250,000.

Under G.S. 90-95(i), conspiracy to traffic in MDPV would also be a Class F, E, or C felony (based on the quantities set forth above) and punished in the same manner as the substantive offense.

¹ Subpart G.S. 90-95(h)(5) allows the judge in a drug trafficking case to suspend the sentence and impose probation or impose a prison term less than the prescribed minimum upon a finding that the defendant rendered substantial assistance in the identification, arrest, or conviction of any accomplices, accessories, co-conspirators, or principals.

Impact: Since the proposed section creates new offenses, the Sentencing Commission does not have any historical data from which to estimate the impact of this section on the prison population. It is not known how many offenders might be convicted and sentenced under the proposed section. With the exception of offenders who render substantial assistance, all drug trafficking offenders are required to receive an active sentence. The following estimates for the proposed Class F, E, or C trafficking offenses would apply to *each* offense *separately*, but, for brevity, is noted once.

- Class F: If, for example, there was one Class F conviction per year for the proposed offense, this would result in the need for one additional prison bed the first year and two additional prison beds the second year.
- Class E: If, for example, there was one Class E conviction per year for the proposed offense, this would result in the need for one additional prison bed the first year and two additional prison beds the second year. In addition, since a period of Post-Release Supervision follows release from prison for offenders convicted of Class B1-E felonies, there will be some impact on Post-Release Supervision caseloads and prison beds due to revocations.
- Class C: If, for example, there was one additional Class C conviction for the proposed offense, this would result in the need for one additional prison bed the first year and two additional prison beds the second year. In addition, since a period of Post-Release Supervision follows release from prison for offenders convicted of Class B1-E felonies, there will be some impact on Post-Release Supervision caseloads and prison beds due to revocations.

Section 4:

This section adds subpart (h)(3e) to G.S. 90-95, Violations; penalties, to create the offense of "trafficking in mephedrone," which is defined as the sale, manufacture, delivery, transport, or possession of 28 grams of more of the drug. The offense classification and punishment for trafficking in mephedrone is based upon the quantity involved, as follows:

- a. At least 28 grams but less than 200 grams Class F felony punishable by an active² prison term of 70 to 84 months and a fine of not less than \$50,000;
- b. At least 200 grams but less than 400 grams Class E felony punishable by an active² prison term of 90 to 117 months and fine of not less than \$100,000; and
- c. 400 grams or more Class C felony punishable by an active² prison term of 225 to 279 months and fine of not less than \$250,000.

Under G.S. 90-95(i), conspiracy to traffic in mephedrone would also be a Class F, E, or C felony (depending on quantity) and punished in the same manner as the substantive offense.

² Subpart G.S. 90-95(h)(5) allows the judge in a drug trafficking case to suspend the sentence and impose probation or impose a prison term less than the prescribed minimum upon a finding that the defendant rendered substantial assistance in the identification, arrest, or conviction of any accomplices, accessories, co-conspirators, or principals.

Impact: Since the proposed section creates new offenses, the Sentencing Commission does not have any historical data from which to estimate the impact of this section on the prison population. It is not known how many offenders might be convicted and sentenced under the proposed section. With the exception of offenders who render substantial assistance, all drug trafficking offenders are required to receive an active sentence. The following estimates for the proposed Class F, E, or C trafficking offenses would apply to each offense separately, but, for brevity, is noted once.

- Class F: If, for example, there was one Class F conviction per year for the proposed offense, this would result in the need for one additional prison bed the first year and two additional prison beds the second year.
- Class E: If, for example, there was one Class E conviction per year for the proposed offense, this would result in the need for one additional prison bed the first year and two additional prison beds the second year. In addition, since a period of Post-Release Supervision follows release from prison for offenders convicted of Class B1-E felonies, there will be some impact on Post-Release Supervision caseloads and prison beds due to revocations.
- Class C: If, for example, there was one additional Class C conviction per for the proposed offense, this would result in the need for one additional prison bed the first year and two additional prison beds the second year. In addition, since a period of Post-Release Supervision follows release from prison for offenders convicted of Class B1-E felonies, there will be some impact on Post-Release Supervision caseloads and prison beds due to revocations.

Section 5:

The bill amends G.S. 90-94, Schedule VI controlled substances, by adding subsection (3), Synthetic cannabinoids. Subsection (3) includes nine subparts, (a)-(i), providing detailed chemical descriptions of the substances that would qualify as synthetic cannabinoids. The addition of synthetic cannabinoids to Schedule VI expands the reach of all existing offenses involving Schedule VI controlled substances in G.S. 90-95, Violations; penalties, and elsewhere.

Impact: The offenses set forth in the proposed legislation could result in additional convictions of Class 3 and 1 Misdemeanors, as well as Class I, H, G, F, E, D, and C felonies. To provide an example of the range of felony offenses included in the bill, a Class I felony under G.S. 90-108 would be for a person other than a licensed practitioner to misrepresent himself as a licensed practitioner to a lawful manufacturer, distributor, or dispenser of controlled substances in order to secure a controlled substance. Under subpart (b)(2) of G.S. 90-95.4, Employing or intentionally using minor to commit a drug law violation, it is a Class C felony for a person 21 years of age or older to hire or intentionally employ a minor 13 years of age or younger to sell a Schedule I controlled substance.

In FY 2009-10, 28 percent of Class 3 misdemeanor convictions resulted in active sentences. The average estimated time served for Class 3 convictions was 3 days. Offenders serving active sentences of 90 days or less are housed in county jails. Therefore, additional Class 3 misdemeanor

convictions that occur as a result of the proposed broadening of the current statute would not be expected to have a significant impact on the prison population. The impact on local jail populations is not known.

In FY 2009-10, 24 percent of Class 1 misdemeanor convictions resulted in active sentences. The average estimated time served for Class 1 misdemeanor convictions was 27 days. Offenders serving active sentences of 90 days or less are housed in county jails. Therefore, additional Class 1 misdemeanor convictions that occur as a result of the proposed offenses would not be expected to have a significant impact on the prison population. Convictions for the proposed offenses may have an impact on local jail populations, but the impact cannot be determined.

In FY 2009-10, the average estimated time served for the felonies included in the bill ranged from 7 to 82 months. It is not known how many additional convictions would occur as a result of the proposed broadening of the current statute. Since a period of Post-Release Supervision follows release from prison for offenders convicted of Class B1-E felonies, there would also be some impact on Post-Release Supervision caseloads and prison beds due to revocations.

Section 6:

This section amends G.S. 90-95(b)(2) to provide that a transfer for no remuneration of less than 2.5 grams of synthetic cannabinoid shall not constitute a delivery for purposes of G.S. 90-95(a)(1), thereby excluding the act from the Class I felony offense of delivery of a Schedule VI controlled substance in G.S. 90-95(b)(2).

Section 7:

This section amends G.S. 90-95(d)(4) to make it a Class 1 misdemeanor to possess more than 7 grams of a synthetic cannabinoid or any mixture containing such substance, and to make it a Class I felony to possess in excess of 21 grams of a synthetic cannabinoid or any mixture containing such substance.

Impact: Since the proposed section creates new offenses, the Sentencing Commission does not have any historical data from which to estimate the impact on the prison population. It is not known how many offenders might be convicted and sentenced under the proposed section.

In FY 2009-10, 24 percent of Class 1 misdemeanor convictions resulted in active sentences. The average estimated time served for Class 1 convictions was 27 days. Offenders serving active sentences of 90 days or less are housed in county jails. Therefore, convictions for the proposed Class 1 misdemeanor offense would not be expected to have a significant impact on the prison population. The impact on local jail populations is not known.

In FY 2009-10, 17 percent of Class I convictions resulted in active sentences, with an average estimated time served of 7 months. If, for example, there were ten Class I convictions for this proposed offense per year, the combination of active sentences and probation revocations would result in the need for one additional prison bed the first year and three additional prison beds the second year.

Section 8:

This section adds subpart (h)(2a) to G.S. 90-95, Violations; penalties, to create the offense of "trafficking in synthetic cannabinoids," which is defined as the sale, manufacture, delivery, transport, or possession of more than 50 dosage units of synthetic canniboinoids. The offense classification and punishment for trafficking in synthetic cannabinoids is based upon the quantity involved, as follows:

- a. More than 50 dosage units but less than 250 dosage units Class H felony punishable by an active³ prison term of 25 to 30 months and a fine of not less than \$5,000;
- b. At least 250 dosage units but less than 1,250 dosage units Class G felony punishable by an active³ prison term of 35 to 42 months and fine of not less than \$25,000; and
- c. At least 1,250 dosage units but less than 3,750 dosage units Class F felony punishable by an active³ prison term of 70 to 84 months and fine of not less than \$50,000.
- d. At least 3,750 dosage units Class D felony punishable by an active³ prison term of 175 to 219 months and fine of not less than \$200,000.

Under G.S. 90-95(i), conspiracy to traffic in synthetic cannabinoids would also be a Class H, G, F, or D felony (depending on quantity) and punished in the same manner as the substantive offense.

Impact: Since the proposed section creates new offenses, the Sentencing Commission does not have any historical data from which to estimate the impact of this section on the prison population. It is not known how many offenders might be convicted and sentenced under the proposed section. With the exception of offenders who render substantial assistance, ¹³ all drug trafficking offenders are required to receive an active sentence. The following estimates for the proposed Class H, G, F, or D trafficking offenses would apply to each offense separately, but, for brevity, is noted once.

- Class H: If, for example, there was one Class H conviction per year for the proposed offense, this would result in the need for one additional prison bed the first year and two additional prison beds the second year.
- Class G: If, for example, there was one Class G conviction per year for the proposed offense, this would result in the need for one additional prison bed the first year and two additional prison beds the second year.
- Class F: If, for example, there was one Class F conviction per year for the proposed offense, this would result in the need for one additional prison bed the first year and two additional prison beds the second year.

³ Subpart G.S. 90-95(h)(5) allows the judge in a drug trafficking case to suspend the sentence and impose probation or impose a prison term less than the prescribed minimum upon a finding that the defendant rendered substantial assistance in the identification, arrest, or conviction of any accomplices, accessories, co-conspirators, or principals.

• Class D: If, for example, there was one Class D conviction per for the proposed offense, this would result in the need for one additional prison bed the first year and two additional prison beds the second year. In addition, since a period of Post-Release Supervision follows release from prison for offenders convicted of Class B1-E felonies, there will be some impact on Post-Release Supervision caseloads and prison beds due to revocations.

Judicial Branch

The Administrative Office of the Courts (AOC) provides Fiscal Research with a fiscal impact analysis for most criminal penalty bills. For such bills, fiscal impact is typically based on the assumption that court time will increase due to anticipated increases in trials and corresponding increases in workload for judges, clerks, and prosecutors. This increased court time is also expected to result in greater expenditures for jury fees and indigent defense.

Schedule I Provisions:

AOC anticipates a somewhat larger number of charges initially, due to charges for possession of controlled substances purchased prior to the effective date of this legislation. AOC would expect the number of charges to decline over time.

Using a time study conducted by the National Center for State Courts for North Carolina District Attorneys' offices and adjusting for the type of drug and other factors, AOC anticipates that, on average, each charge will require 2.5 hours of an assistant district attorney's time, of which half will be spent in court. This average includes all types of dispositions, such as trials, pleas, and dismissals. In 2010, there were 17,172 non-trafficking cocaine, methamphetamine, and MDMA related charges. (This count does not include other general drug charges such as selling a controlled substance near a public school.) If, for example, in the first full year of implementation defendants charged with mephedrone and with MDPV-related offenses were together equivalent to 10 percent of cocaine, methamphetamine, and MDMA charges, there would be approximately 1,700 charges for new offenses, and costs would be as follows:

Scenario: 1,700 Defendants Charged (10% of Cocaine/Methamphetamine/MDMA Charges)							
		Cost per P					
Position Type	Number*	R	NR	Total			
Assistant District Attorney	3	\$108,829	\$3,739	\$337,704			
Victim Witness Legal Assistant	2	\$57,481	\$5,155	\$125,272			
Superior Court Judge	2	\$183,654	\$6,572	\$380,452			
Deputy Clerk	3	\$45,652	\$2,620	\$144,816			
Court Reporter	2	\$68,625	\$4,857	\$146,964			
Total Positions	12	\$1,082,963	\$52,245	\$1,135,208			

^{*}Rounded to nearest whole FTE

Note: The workload used in the above scenario is based on 2.5 hours per case for Assistant District Attorneys, of which half is in court and is therefore used to estimate the workload for Superior Court Judges and court reporters. The workload for deputy clerks is based on Superior Court in-court criminal dispositions from the NCSC study of clerks' workload. The workload for VWLAs is based on the NCSC VWLA study, using felony workload adjusted for the difference between trafficking and non-trafficking Schedule I drug cases from the ADA study. (Only the ADA study distinguished drug cases from other cases.)

Synthetic Cannabinoid (Schedule VI) Charges:

AOC anticipates a somewhat larger number of charges initially, due to charges for possession of controlled substances purchased prior to the effective date of this legislation. AOC would expect the number of charges to decline over time.

Using a time study conducted by the National Center for State Courts for North Carolina District Attorneys' offices and adjusting for the type of drug and other factors, we anticipate that, on average, each charge will require one hour of an assistant district attorney's time, of which half will be spent in court. This average includes all types of dispositions, such as trials, pleas, and dismissals. In 2010, there were 50,641 non-trafficking marijuana-related charges, of which 15,108 were felony charges. (This count does not include non-marijuana-specific charges such as selling a controlled substance near a public school.) If, for example, in the first full year of implementation defendants charged with synthetic cannabinoid-related offenses were equivalent to 10 percent of marijuana charges, there would be approximately 3,500 charges for new misdemeanors and 1,500 charges for new felonies, and costs would be as follows:

Scenario: 3,500 Defendants Charged with Misdemeanors & 1,500 Defendants Charged with Felonies (10% of Marijuana Charges)							
		Cost per Position					
Position Type	Number*	R	NR	Total			
Assistant District Attorney	3	\$108,829	\$3,739	\$337,704			
Victim Witness Legal Assistant	3	\$57,481	\$5,155	\$187,908			
Superior Court Judge	1	\$183,654	\$6,572	\$190,226			
District Court Judge	1	\$161,416	\$9,672	\$171,088			
Deputy Clerk	4	\$45,652	\$2,620	\$193,088			
Court Reporter	1	\$68,625	\$4,857	\$73,482			
Total Positions	13	\$1,026,608	\$53,406	\$1,080,014			

^{*}Rounded to nearest whole FTE

Note: The workload used in the above scenario is based on 61 minutes per case for Assistant District Attorneys, of which half is in court and is therefore used to estimate the workload for Superior Court Judges and court reporters. The workload for deputy clerks is based on District Court in-court criminal dispositions from the NCSC study of clerks' workload. The workload for VWLAs is based on the NCSC VWLA study, using workload adjusted for the difference between trafficking and non-trafficking Schedule I drug cases from the ADA study. (Only the ADA study distinguished drug cases from other cases.)

Drug Trafficking Provisions:

Drug trafficking charges are subject to a separate grid with substantially longer active prison terms. These cases tend to be more complex, and require substantially greater workload on the part of assistant district attorneys (ADAs). Based on a time study conducted by the National Center for State Courts for North Carolina District Attorneys' offices, each drug trafficking charge requires, on average, 8.7 hours of an Assistant District Attorney's time, of which 3.2 hours would be in-court. This average includes all types of dispositions, such as trials, pleas, and dismissals. In 2010, there were 1,903 charges for trafficking or conspiring to traffic in cocaine, amphetamines, methamphetamines, and MDMA, and 559 charges for trafficking or conspiring to traffic in marijuana. AOC cannot project the number of charges that would result from this legislation. If, for example, this legislation were to increase drug trafficking charges by 10%, there would be 246 defendants charged with drug trafficking annually.

Scenario: 246 Defendants Charged (10% of Cocaine/Methamphetamine/MDMA/Marijuana Trafficking Charges)								
Position Type	Number*	R	NR	Total				
Assistant District Attorney	1	\$108,829	\$3,739	\$112,568				
Victim Witness Legal Assistant	1	\$57,481	\$5,155	\$62,636				
Superior Court Judge	1	\$183,654	\$6,572	\$190,226				
Deputy Clerk	1	\$45,652	\$2,620	\$48,272				
Court Reporter	1	\$68,625	\$4,857	\$73,482				
Total Positions	5	\$1,082,963	\$52,245	\$487,184				

^{*}Rounded to nearest whole FTE

In FY 2009-10, a typical felony case took approximately 206 days to dispose in Superior Court. A typical misdemeanor case took approximately 91 days to dispose in District Court. Any increase in judicial caseload without accompanying resources could be expected to further delay the disposition of cases.

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

TECHNICAL CONSIDERATIONS: None

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