

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** House Bill 290 1<sup>st</sup> Edition  
**SHORT TITLE:** Amend Crime Victims Compensation Act/AB  
**SPONSOR(S):** Representatives Baddour and Haire

<b>FISCAL IMPACT</b>					
	<b>Yes ( )</b>	<b>No (x)</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 1999-00</u></b>	<b><u>FY 2000-01</u></b>	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>
<b>REVENUES</b>	<b>NONE</b>				
<b>EXPENDITURES</b>	<i>Bill will increase expenditures from the Fund by about \$64,000 and increase operating expenses about \$1,500 per year. However sufficient funds are available within existing resources to cover this increase</i>				
<b>POSITIONS:</b>	<b>NONE</b>				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	Victims and Justice Services Division, Department of Crime Control and Public Safety.				
<b>EFFECTIVE DATE:</b>	July 1, 1999; applies to all claims for which the criminally injurious conduct occurred on or after that date.				

**BILL SUMMARY:** HB 290 proposes 3 distinct changes; (1) it increases the size of the Crime Victims Compensation Commission from 5 to 7 members. The two new members will be appointed by the Secretary of Crime Control and Public Safety; (2) It increases the maximum award that can be approved by the Director, rather than the Commission, from \$5,000 to \$7,500; and (3) it amends GS 15B-11 which sets out the conditions under which a claim can be denied or reduced. The amendment would grant the Commission discretion in denying or reducing claims where the victim was engaged in a nontraffic misdemeanor.

Existing law says a claim *shall* be denied or reduced if the victim was participating in a felony or nontraffic misdemeanor at the time of the incident and that a claim *may* be denied and reduced upon a finding of contributory misconduct by the claimant . HB290 would revise this language to say that a claim shall be denied/reduced if victim was participating in a felony only and that a claim may be denied/reduced if they were participating in a nontraffic misdemeanor or engaged in contributory misconduct. HB 290 specifies that the Commission shall use its discretion in these cases including consideration of whether proximate cause exists between injury and misdemeanor or contributory misconduct

## ASSUMPTIONS AND METHODOLOGY:

The Crime Victims Compensation Fund provides compensation to innocent victims of crime for economic loss—burial expenses, medical expenses and economic loss. The Fund receives a \$2 Million appropriation each year from the General Fund but also receives funding from the Department of Correction (a portion of canteen and Enterprise profits) and from the Federal Government (40% reimbursement on all state dollars spent the prior year). Unspent funds are carried over to subsequent years.

Each provision of HB 290 is described separately below.

(1) *Increase size of Commission.* The only fiscal impact of the increased size would be on the travel/per diem expenses paid to the Commission. In 1997-8, a total of \$3,686 was paid to 5 members, or an average of \$737.20/person. While the actual amount will depend where the new members live, **the increased expense should be approximately \$1,474.** This increase can be absorbed in the program's \$518,000 operating budget.

(2) *Increase limit on award to be made by Director.* This provision applies to emergency awards that can be granted in between Commission meetings. Ceilings on total awards by the Commission were increased by 50% in 1998 but awards by the Director were not affected. Increasing the ceiling on emergency awards should not affect the total awards requested or granted so there is no fiscal impact.

(3) *Allow Commission discretion where victim was engaged in nontraffic misdemeanor.* This provision grew out of concerns for claims that were denied because the victim was cohabitating at the time of the event, even if the act of cohabitation was independent of the criminal incident. The Commission has interpreted current law to mean they must deny all claims from a victim who was cohabitating. Under changes proposed in HB290, the Commission may deny these claims but has some discretion.

In the past 20 months, the Commission has denied 39 claims solely on the basis that the victim was cohabitating. These claims totaled \$108,057. If these months are representative, HB 290 would give new discretion to the Commission in about 23 cases a year, at an average cost of \$2,771 per claim. **If the Commission used their discretion to award all these claims, expenditures from the Crime Victims Compensation Fund would increase by \$63,733 per year.**

In 1997-8, \$2.9 Million in claims were paid from the Fund so this increase would be only 2%. In addition, the Fund carried over a balance of unspent funds of over \$3 Million from 1997-98 to 1998-99. This indicates the increased expenditure due to this new policy could be absorbed within existing resources.

**TECHNICAL CONSIDERATIONS:** None  
**FISCAL RESEARCH DIVISION 733-4910**  
**PREPARED BY:** Elisa Wolper  
**APPROVED BY:** Tom Covington  
**DATE:** Monday, April 05, 1999



**Signed Copy Located in the NCGA Principal Clerk's Offices**